



BORALEX



LEVERAGE OUR STRENGTHS

INTERIM REPORT 3
As at September 30, 2020

Management's Discussion and Analysis 3

As at September 30, 2020

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Profile

Boralex Inc. ("Boralex" or the "Corporation") 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 since 30 years.

Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at September 30, 2020, the Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, held 17.3% of Boralex's outstanding shares.

Highlights

For the three-month periods ended September 30

	IFRS		Combined ⁽¹⁾	
	2020	2019	2020	2019
(in millions of Canadian dollars, unless otherwise specified) (unaudited)				
Power production (GWh) ⁽²⁾	789	712	1,017	920
Revenues from energy sales and feed-in premium	105	92	130	113
EBITDA(A) ⁽¹⁾	62	45	83	70
Net loss	(8)	(36)	(13)	(44)
Net loss attributable to shareholders of Boralex	(6)	(29)	(11)	(37)
Per share - basic and diluted	(\$0.06)	(\$0.32)	(\$0.10)	(\$0.41)
Net cash flows related to operating activities	73	58	66	53
Cash flows from operations ⁽¹⁾	63	35	58	31

For the nine-month periods ended September 30

	IFRS		Combined ⁽¹⁾	
	2020	2019	2020	2019
(in millions of Canadian dollars, unless otherwise specified) (unaudited)				
Power production (GWh) ⁽²⁾	3,259	3,005	4,071	3,866
Revenues from energy sales and feed-in premium	426	385	513	475
EBITDA(A) ⁽¹⁾	297	259	359	327
Net earnings (loss)	30	(20)	19	(28)
Net earnings (loss) attributable to shareholders of Boralex	29	(13)	18	(21)
Per share - basic and diluted	\$0.30	(\$0.15)	\$0.20	(\$0.24)
Net cash flows related to operating activities	303	236	318	250
Cash flows from operations ⁽¹⁾	238	191	261	212
	As at Sep. 30	As at Dec. 31	As at Sep. 30	As at Dec. 31
Total assets	4,575	4,557	5,250	5,246
Debt ⁽³⁾	2,914	3,067	3,490	3,660
Projects ⁽⁴⁾	2,544	2,462	3,120	3,055
Corporate	370	605	370	605

	Three-month periods ended		Nine-month periods ended		Twelve-month periods ended	
	September 30,	September 30,	September 30,	September 30,	September 30,	December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)						
	2020	2019	2020	2019	2020	2019
Discretionary cash flows ⁽¹⁾ - IFRS	16	(8)	80	52	148	120

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ Production level for which NRWF wind farm was compensated following power generation limitations imposed by the IESO was included in power production as management uses this measure to evaluate the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

⁽³⁾ Includes current portion of debt and transaction costs, net of accumulated amortization.

⁽⁴⁾ Project borrowings are normally amortized over the life of the energy contracts of the related facilities and are without recourse to Boralex.

Abbreviations and definitions

In alphabetical order

Caisse	Caisse de dépôt et placement du Québec
Cube	Cube Hydro-Power SARL (formerly Cube Energy SCA)
DC&P	Disclosure controls and procedures
DM I and DM II	Des Moulins Wind Power L.P.
EBITDA	Earnings before taxes, interest, depreciation and amortization
EBITDA(A)	Earnings before taxes, interest, depreciation and amortization adjusted to include other items
EDF	Électricité de France
FiP	Feed-in premium
GWh	Gigawatt-hour
HQ	Hydro-Québec
IASB	International Accounting Standards Board
ICFR	Internal control over financial reporting
IFRS	International Financial Reporting Standards
Interests	Interests in the Joint Ventures and associates
Invenergy	Invenergy Renewables LLC
LP I	Le Plateau Wind Power L.P.
LP II	Le Plateau Community Wind Power L.P.
LTM	Last twelve months
MW	Megawatt
MWac	Megawatt alternating current
MWdc	Megawatt direct current
MWh	Megawatt-hour
NRWF	Niagara Region Wind Farm
NYPA	New York Power Authority
NYSERDA	New York State Energy Research and Development Authority
Ontario ISO	The Independent Electricity System Operator of Ontario
RECs	Renewable Energy Certificates
RFP	Request for proposals
Roncevaux	Roncevaux Wind Power L.P.
SDB I	Seigneurie de Beaupré Wind Farms 2 and 3
SDB II	Seigneurie de Beaupré Wind Farms 4
Six Nations	Six Nations of the Grand River
SOP	Standing Offer Program
CAC 40	The CAC 40 (Cotation Assistée en Continu) is a free float market capitalization weighted index that reflects the performance of the 40 largest and most actively traded shares listed on Euronext Paris, and is the most widely used indicator of the Paris stock market.
Anticipated production	Historical averages for the oldest facilities adjusted for facility commissioning and planned shutdowns, productivity forecasts for the other facilities.

Introductory comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three- and nine-month periods ended September 30, 2020 compared with the corresponding periods of 2019, as well as the Corporation's financial position as at September 30, 2020 compared with as at December 31, 2019. This report should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes found in this Interim Report, as well as with the consolidated financial statements and related notes found in the most recent Annual Report for the fiscal year ended December 31, 2019.

Additional information about the Corporation, including the annual information form, previous annual reports, MD&As and audited consolidated financial statements, as well as press releases, is published separately and is available on the Boralex (www.boralex.com) and SEDAR (www.sedar.com) websites.

In this MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions. The information contained in this MD&A reflects all material events up to November 10, 2020, the date on which the Board of Directors approved this interim MD&A and the unaudited interim consolidated financial statements. Unless otherwise indicated, the financial information presented in this MD&A, including tabular amounts, is prepared in accordance with IFRS under Part I of the *CPA Canada Handbook*. The interim consolidated financial statements included in this MD&A have been prepared according to IFRS applicable to the preparation of financial statements, IAS 1, *Presentation of Financial Statements*, and contain comparative figures for 2019.

As discussed under the *Non-IFRS measures* section, this MD&A also contains information consisting of non-IFRS measures. The Corporation uses "EBITDA," "EBITDA(A)," "cash flows from operations," "ratio of net debt," "discretionary cash flows," and "payout ratio" to assess the operating performance of its facilities. As described under the *Non-IFRS measures* section, the Corporation also presents Combined information that incorporates its share of the financial statements of the Interests.

All financial information presented in this MD&A, as well as tabular information, is in Canadian dollars. It should also be noted that the data expressed as a percentage is calculated using amounts in thousands of dollars.

Financial information related to our operations in France, the United States and the United Kingdom is translated into Canadian dollars using the average rate for the relevant period. The foreign currency translation adjustments noted in this MD&A are the result of translating this data into Canadian dollars.

The tables below provide details of Canadian dollar exchange rates by comparative currency unit for the periods covered by our financial statements and this MD&A.

Closing rate ⁽¹⁾		
	As at September 30,	As at December 31,
Currency	2020	2019
USD	1.3319	1.2990
EUR	1.5611	1.4567
GBP	1.7206	1.7226

Average rate ⁽²⁾				
	Three-month periods ended September 30		Nine-month periods ended September 30	
Currency	2020	2019	2020	2019
USD	1.3321	1.3204	1.3541	1.3292
EUR	1.5577	1.4679	1.5220	1.4936
GBP	1.7208	1.6279	1.7197	1.6929

⁽¹⁾ Source: Bloomberg

⁽²⁾ Source: Bank of Canada - Average daily exchange rates

Notice concerning forward-looking statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. Positive or negative verbs such as "will," "would," "forecast," "anticipate," "expect," "plan," "project," "continue," "intend," "assess," "estimate" or "believe," or expressions such as "toward," "about," "approximately," "to be of the opinion," "potential" or similar words or the negative thereof or other comparable terminology, are used to identify such statements. They are based on Boralex management's expectations, estimates and assumptions as at November 10, 2020.

This forward-looking information includes statements about the Corporation's strategic plan, business model, growth strategy and financial objectives, renewable energy production projects in the pipeline or on the Corporation's Growth path and their expected performance, EBITDA(A), EBITDA(A) margins and discretionary cash flow targets of Boralex or those expected to be generated in the future, the Corporation's forecasted financial results, future financial position, net installed capacity or megawatt growth objectives, including those set in connection with the Corporation's pipeline of projects and Growth path, growth outlook, the strategies, the strategic plan and objectives of or relating to the Corporation, the expected timing of project commissioning, planned production, capital expenditure and investment programs, access to credit facilities and financing, capital tax, income tax, risk profile, cash flows and earnings and their components, the amount of distributions and dividends to be paid to shareholders, the anticipated distribution ratio, the dividend policy and the timing of such distributions and dividends. Actual events or results may differ materially from those expressed in such forward-looking statements.

Forward-looking information is based on significant assumptions, including assumptions about the performance of the Corporation's projects based on management estimates and expectations with respect to wind and other factors, the opportunities that could arise in the various segments targeted for growth or diversification, assumptions about EBITDA(A) margins, assumptions about the industry and general economic conditions, competition and availability of financing and partners. While the Corporation considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect.

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 and raw material price increases and availability, litigation and other regulatory issues related to projects in operation or under development, as 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, management of Boralex does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

Description of business

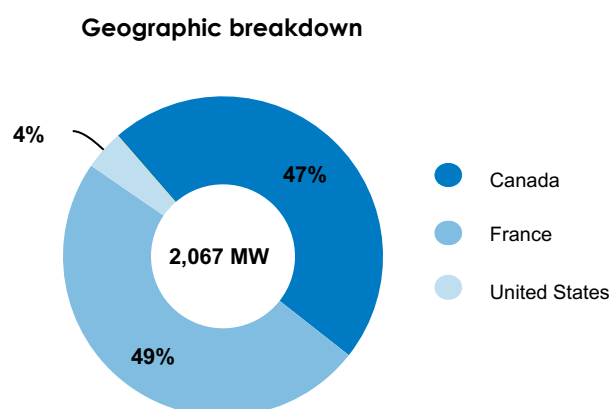
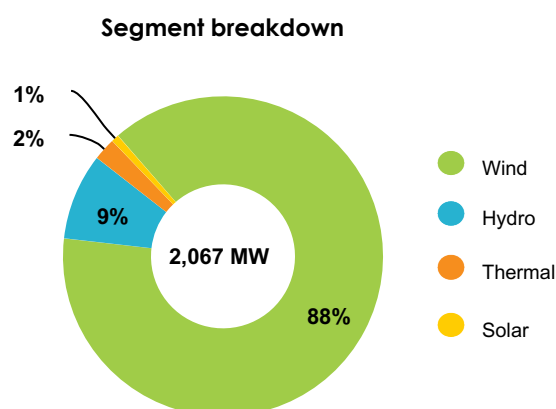
Boralex is a Canadian corporation operating in the renewable energy segment. It draws on a workforce of 509 people to develop, build and operate power generating facilities in Canada, France, the United States and the United Kingdom. As at November 10, 2020, its asset base of net installed capacity comprised 2,067 MW. Projects under construction or ready-to-build represented an additional 97 MW, to be commissioned by the end of 2023, while the pipeline of secured projects amounted to 181 MW.

Segment and geographic breakdown

Boralex is present in key markets such as Canada, France and the Northeastern United States. Boralex is active in four complementary power generation segments: wind, hydroelectric, thermal and solar. A major portion of Boralex's net installed capacity originates from the wind power segment, making it France's largest independent producer of onshore wind power. The following table provides information about the makeup of the Corporation's energy portfolio in operation as at November 10, 2020.

	Canada		France		United States		Total	
	Net installed capacity (MW)	Number of sites	Net installed capacity (MW)	Number of sites	Net installed capacity (MW)	Number of sites	Net installed capacity (MW)	Number of sites
Wind power stations*	844	24	979	63	—	—	1,823	87
Hydroelectric power stations	100	9	—	—	81	7	181	16
Thermal power stations	35	1	12	1	—	—	47	2
Solar power stations	1	1	15	2	—	—	16	3
	980	35	1,006	66	81	7	2,067	108

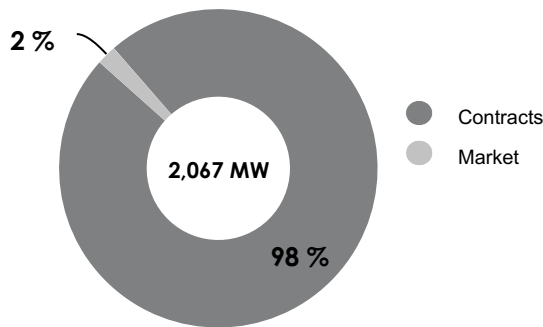
* First energy storage asset commissioned on March 1, 2020 with an installed capacity of 2 MW and covered by a two-year contract, located on an existing wind farm in France. Storage asset capacity is not included in Boralex's aggregate net installed capacity.



Breakdown of sources of revenues from energy sales and feed-in premium

Substantially all (98%) of Boralex's net installed capacity is covered by long-term indexed, fixed-price energy sales contracts. These contracts have a weighted average remaining contractual term of 13 years. The Corporation estimates that the equivalent of 109 MW (5% of net installed capacity or 3% of expected current production) covered by contracts expiring through December 2023, excluding *Growth path* projects for which contracts have been secured. If new contracts have not been negotiated beforehand, this production will then be sold at market prices. Under its strategic plan, Boralex anticipates entering into new agreements, either through the completion of capacity upgrade projects with long-term contracts in the case of wind farms whose contracts are due to expire or by negotiating power purchase agreements with electricity-consuming companies. The Corporation also expects to continue entering into long-term contracts for its projects under development.

Breakdown of sources of revenues from energy sales



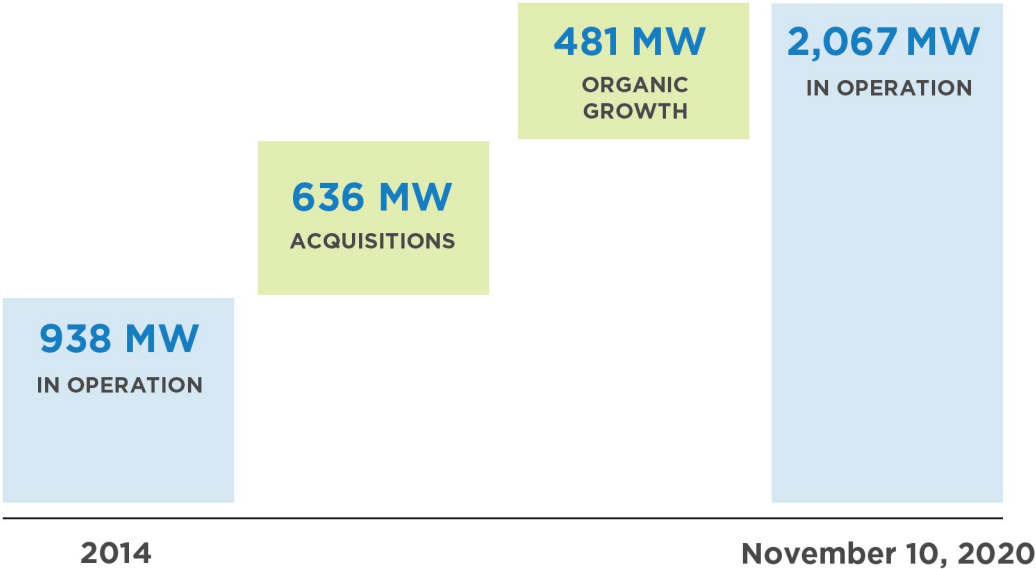
Net installed capacity

Boralex's net installed capacity increased from 938 MW as at December 31, 2014 to 2,067 MW⁽¹⁾ as at November 10, 2020, which represents annual compound growth of 15% for this period of slightly more than five years. This growth has been achieved both organically and through acquisitions.

Net installed capacity

(in MW)

Compound annual growth rate: 15%



⁽¹⁾ The installed capacity in this MD&A, reflects 100% of Boralex's subsidiaries in which Boralex is the controlling shareholder. It also reflects Boralex's share in entities over which it does not have control and which are accounted for using the equity method in this MD&A, consisting of 170 MW in the Joint Ventures operating the Seigneurie de Beaupré Wind Farms in Québec, representing 50% of a total installed capacity of 340 MW, plus 201 MW from the acquisition of interests in five wind farms in Québec, out of the total installed capacity of 391 MW.

Selected financial information: A growth company

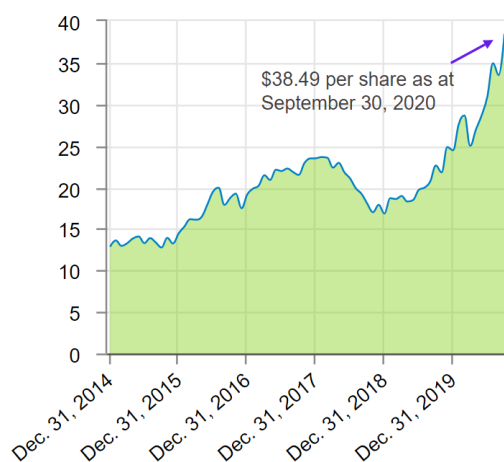
Since December 31, 2014, Boralex's EBITDA(A) and market capitalization have grown at annual compound rates of 27% (25% on a Combined basis) and 44%, respectively. In 2014, Boralex also undertook to pay a dividend to its shareholders, which amounted to \$20 million for that first fiscal year. The dividend for the twelve-month period ended September 30, 2020 amounted to \$65 million.

Share price

(Monthly closing price in Canadian dollars)

Compound annual growth rate: 21%

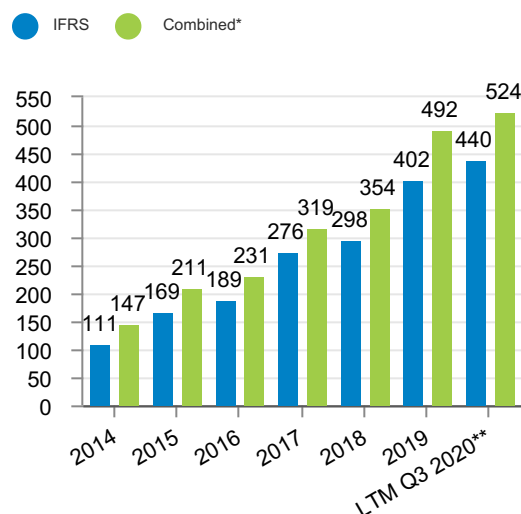
(Toronto Stock Exchange under the ticker BLX)



EBITDA(A)*

(in millions of Canadian dollars)

Compound annual growth rate: 27% (IFRS) and 25% (Combined)



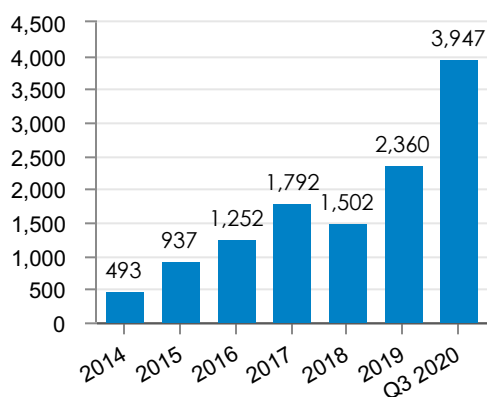
* See the *Non-IFRS measures* section.

** EBITDA(A) under Combined information for the 12-month period ended September 30, 2020 is broken down as follows, Q3 2020: \$83 million, Q2 2020: \$107 million, Q1 2020: \$169 million and Q4 2019: \$165 million, for a total of \$524 million.

Market capitalization

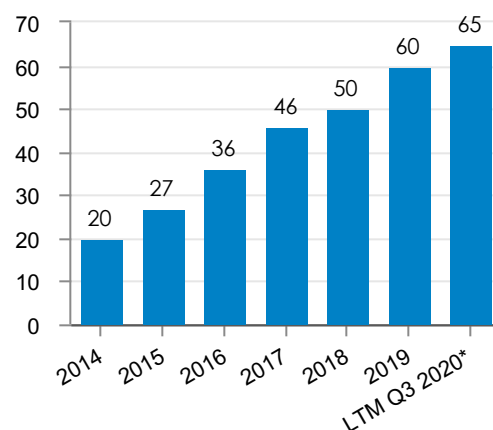
(in millions of Canadian dollars)

Compound annual growth rate: 44%



Dividends paid

(in millions of Canadian dollars)



* Dividend amount paid for the 12-month period ended September 30, 2020 is broken down as follows, Q3 2020: \$17 million, Q2 2020: \$16 million, Q1 2020: \$16 million and Q4 2019: \$16 million, for a total of \$65 million.

Growth strategy and development outlook

Strategic plan and financial objectives for 2023

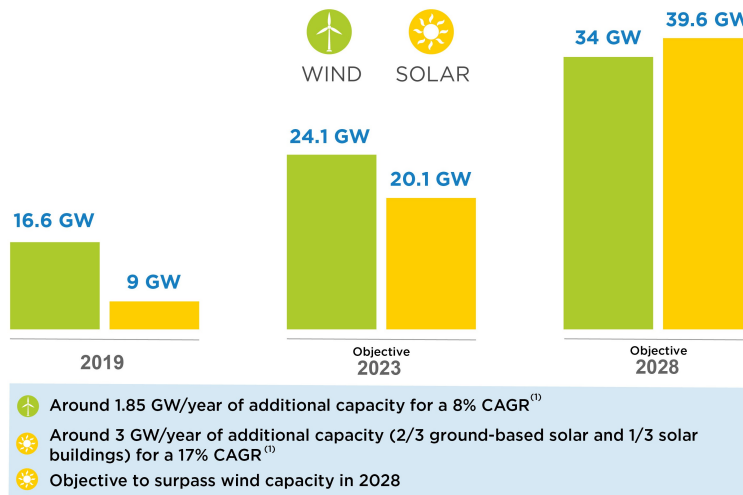
In 2019, Boralex's management announced the strategic plan which will steer its actions to achieve the financial objectives set for 2023. This plan is a continuation of the actions undertaken to date in sectors with high growth potential and for which the Corporation has developed solid expertise. It also includes complementary initiatives to diversify and optimize operations and revenue sources.

Boralex's strategic plan 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 numerous technological innovations. For instance, in France, as shown in the chart on the next page, government programs anticipate a substantial and sustained increase in the share of wind and solar power as energy sources over the next decade. This large increase in anticipated volume will be accompanied by a more competitive environment. Changes are also expected with the development of tendering procedures and energy sales contracts directly with electricity-consuming companies.

In the United States, the State of New York intends, in the medium term, to focus on developing solar power stations and at the same time, on deploying energy storage facilities. As of the date of publication of this report, responsible authorities in France and the State of New York are maintaining their long-term objectives despite the short-term impacts of COVID-19 on business continuity. As in the case of Boralex, these authorities implemented a business continuity plan starting in early March. In France and North America, the economy opened gradually during the summer and various levels of government stated their intention to make renewable energy an important aspect of a recovery plan. However, in recent months, new project development activities were slowed down by the new health measures implemented to rein in the number of COVID-19 cases. Nonetheless, the Governor of the State of New York has repeatedly mentioned his desire to accelerate renewable energy sector development and to relax certain measures in order to achieve the targets. A recent white paper on the topic published recently by the Department of Public Service and the New York State Energy Research and Development Authority (NYSERDA) states that, to meet State of New York's 2030 targets, the volume of renewable energy should be 40% higher than that currently forecast under the Requests for Proposals (RFPs) of the 2021-2026 period. In Canada, the various levels of government are preparing their recovery, but a formal plan is yet to be presented while the Québec government has stated that wind energy would be given priority in an energy stimulus plan.

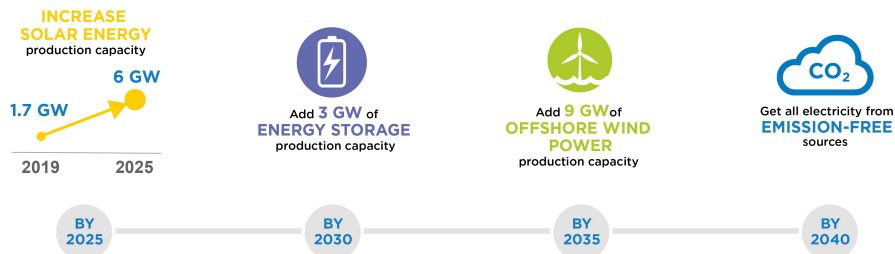
In France, the results of recent RFPs were announced as scheduled. Boralex was awarded contracts for 43 MW in wind power projects and 21 MW in solar power projects during the first half of fiscal 2020. The July 2020 RFP was completed on time; however, a portion of the volume was postponed to November 2020. In the State of New York, the results of the September 2019 solar power RFP were announced in March 2020. Boralex was selected for all the projects for which it had submitted bids, for a total of 180 MW. The subsequent RFP, issued by NYSEDA, initially scheduled for the summer, was postponed to October 2020. Boralex has submitted three projects under this RFP. The Corporation also submitted these three projects under the September 2020 RFP of the New York Power Authority (NYPA).

TARGETS OF FRENCH RENEWABLE ENERGY PROGRAM



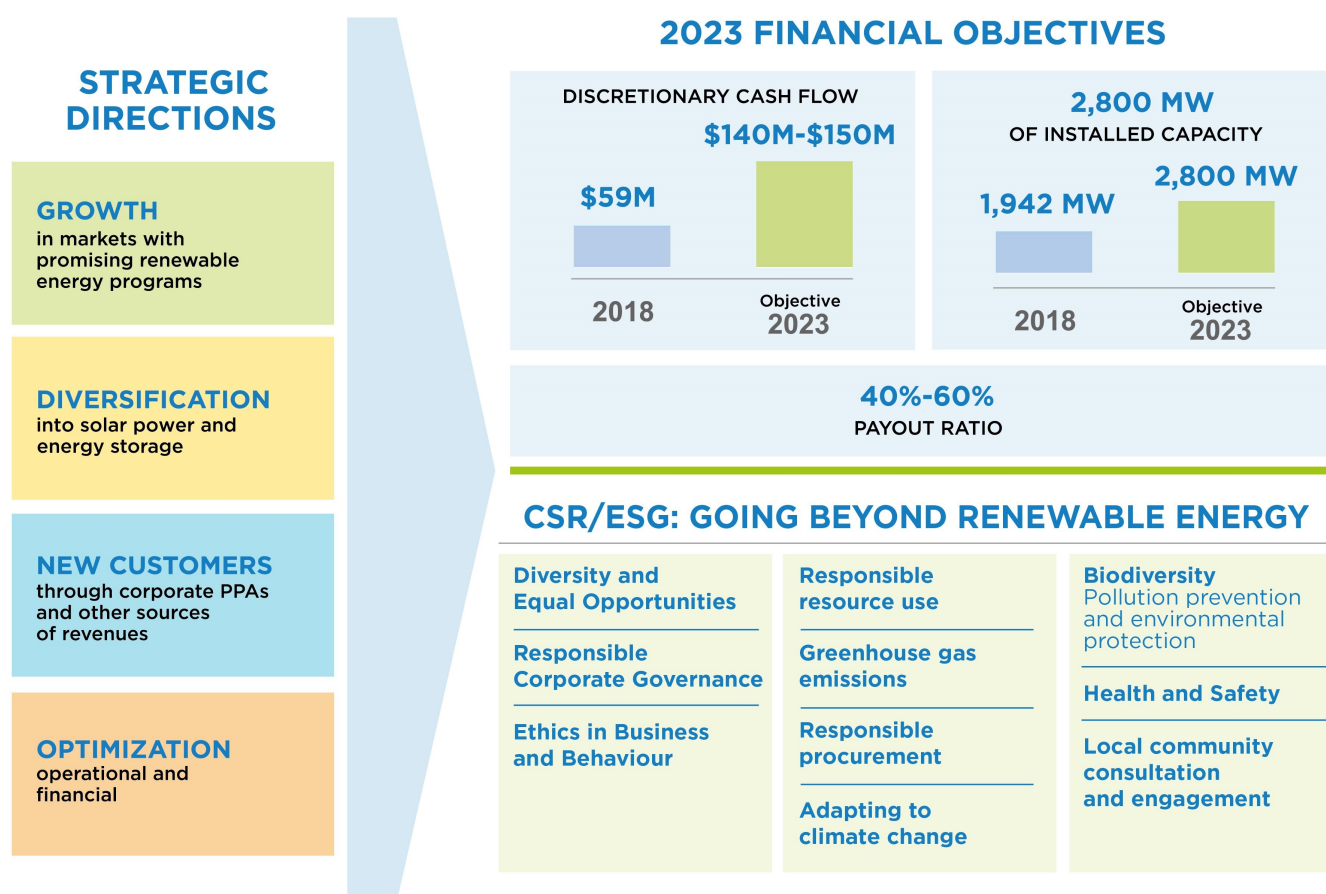
Source: "Programmation pluriannuelle de l'énergie"
⁽¹⁾CAGR: Compound annual growth rate

TARGETS OF NEW YORK STATE, U.S. GREEN NEW DEAL



Source: New York state's Green New Deal
 * Excludes the proposals of a white paper published recently

Based on the market analysis carried out, Boralex's management built its strategic plan around four main directions and three financial objectives. To successfully implement its plan, the Corporation relies on its solid expertise and long track record 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 primarily on predictable cash flows through long-term, indexed, fixed-price energy sales contracts with financially solid corporations (EDF, Hydro-Québec, Ontario IESO, NYISO and BC Hydro). These contracts do not contain a price adjustment or production clause for situations such as the COVID-19 epidemic. As at September 30, 2020, 98% of the Corporation's net installed capacity was covered under long-term contracts with a weighted average remaining term of 13 years.

Amid the COVID-19 pandemic, Boralex remains focused on achieving its 2023 strategic directions and financial objectives and is closely monitoring acquisition opportunities that may arise in the current economic environment.

Lastly, significant efforts were made over the past two quarters to update Boralex's corporate social responsibility plan and its position regarding ESG (Environmental, Social and Governance) criteria. The Corporation surveyed all of its stakeholders to assess how they perceived its positioning and the relative importance of the various corporate social responsibility issues. Boralex management has also decided to include the implementation of the plan currently being prepared as part of its strategic objectives, along with the financial objectives. Specific indicators will be established by the end of fiscal 2020 based on the ten priority issues presented in the chart above. The key objective is to move beyond renewable energy and present the Corporation's policies and achievements not only from an environmental perspective but also from a social and governance viewpoint, as Boralex has always aimed for a balanced approach in the management of its activities.

Development outlook by strategic direction

Boralex continues to develop according to its four strategic directions, building on the potential offered by the European and North American markets where it already operates.

Growth

As shown in the chart below, the Corporation has a portfolio of projects at various stages of development, according to clearly identified criteria. The Corporation's portfolio of projects totalled 2,705 MW, up 9 MW from the previous quarter following the addition of wind and solar power projects during the third quarter of 2020. The *Growth path* amounts to 278 MW.

BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE		NORTH AMERICA	EUROPE	TOTAL BORALEX
TOTAL 2,705 MW	EARLY STAGE			
	• Real estate secured	 315 MW	282 MW	597 MW
	• Interconnection available	 90 MW	120 MW	210 MW
	• Confirmation of the project by local communities and regulatory risks			
	TOTAL	405 MW	402 MW	807 MW
	MID STAGE			
	• North America: Preliminary valuation and design to submit a bid under a request for proposals	 760 MW	542 MW	1,302 MW
	• Europe: Preliminary design and request to obtain administrative authorizations	 -	30 MW	30 MW
	TOTAL	760 MW	572 MW	1,332 MW
	ADVANCED STAGE			
	• North America: Project submitted under a request for proposals	 -	208 MW	208 MW
	• Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)	 345 MW	13 MW	358 MW
	TOTAL	345 MW	221 MW	566 MW
	TOTAL	1,510 MW	1,195 MW	2,705 MW

GROWTH PATH

TOTAL 278 MW	SECURED STAGE			
	• North America: Contract win (REC or PPA) and interconnection secured	 -	181 MW	181 MW
	• Europe: Contract win (PPA) and interconnection secured (France); project authorized by regulatory authorities and interconnection secured (Scotland)	 -	-	-
	TOTAL	-	181 MW	181 MW
	UNDER CONSTRUCTION OR READY-TO-BUILD			
	• Permits obtained	 -	76 MW	76 MW
	• Financing in progress	 -	21 MW	21 MW
	• Commissioning date determined			
	• Cleared of any claims (France)			
	• Approved by Boralex Board of Directors			
	TOTAL	-	97 MW	97 MW
	TOTAL	-	257 MW	257 MW
	TOTAL	-	21 MW	21 MW
	TOTAL	-	278 MW	278 MW

CURRENTLY IN OPERATION 2,067 MW

Updated as of Novembre 10, 2020

The **wind** power segment remains the Corporation's main driver of growth, with a project pipeline totalling 2,107 MW, up 9 MW from the previous quarter. The **solar** power segment pipeline comprises projects totalling 598 MW, the same as in the previous quarter. This segment offers high growth potential in Europe and North America, and Boralex has strengthened its workforce to accelerate its development, particularly in the State of New York in the United States where a new team was set up in 2019.

Europe

Europe continues to offer the best short-term potential for developing the Corporation's portfolio of **wind** power assets.

According to the data shown in the *Strategic plan and financial objectives for 2023* section of this report, wind power segment potential in France stands to total about 7.5 GW by 2023.

In France, the Corporation has the necessary strengths to capitalize on development opportunities when they arise due to its long-standing presence and in-depth market knowledge. It has a portfolio of **wind** power projects at varying stages of completion, equal to a capacity of about 879 MW, up 18 MW from the previous quarter. Building on these achievements, Boralex actively participates in the tendering process for the construction of wind farms in France. This process aims to award all feed-in premium contracts in tranches of 250 MW in July 2020 and 500 MW in November 2020. For the period from 2021 to 2024, two tranches of 925 MW each per year will be awarded under the process. Each contract will have a 20-year term as of commissioning. Following the wins under these RFPs, the Corporation is one of the top three companies with the largest number of MW awarded to date, strengthening its position as a leading independent producer in the onshore wind power industry in France.

Boralex is also well placed to penetrate the market in Scotland as result of a partnership entered into in October 2017 with Infinergy. A total of 141 MW of projects are included in the Corporation's project portfolio. Furthermore, the 90 MW Limekiln project in Scotland was approved in 2019 and is included under secured projects in the Corporation's *Growth path*.

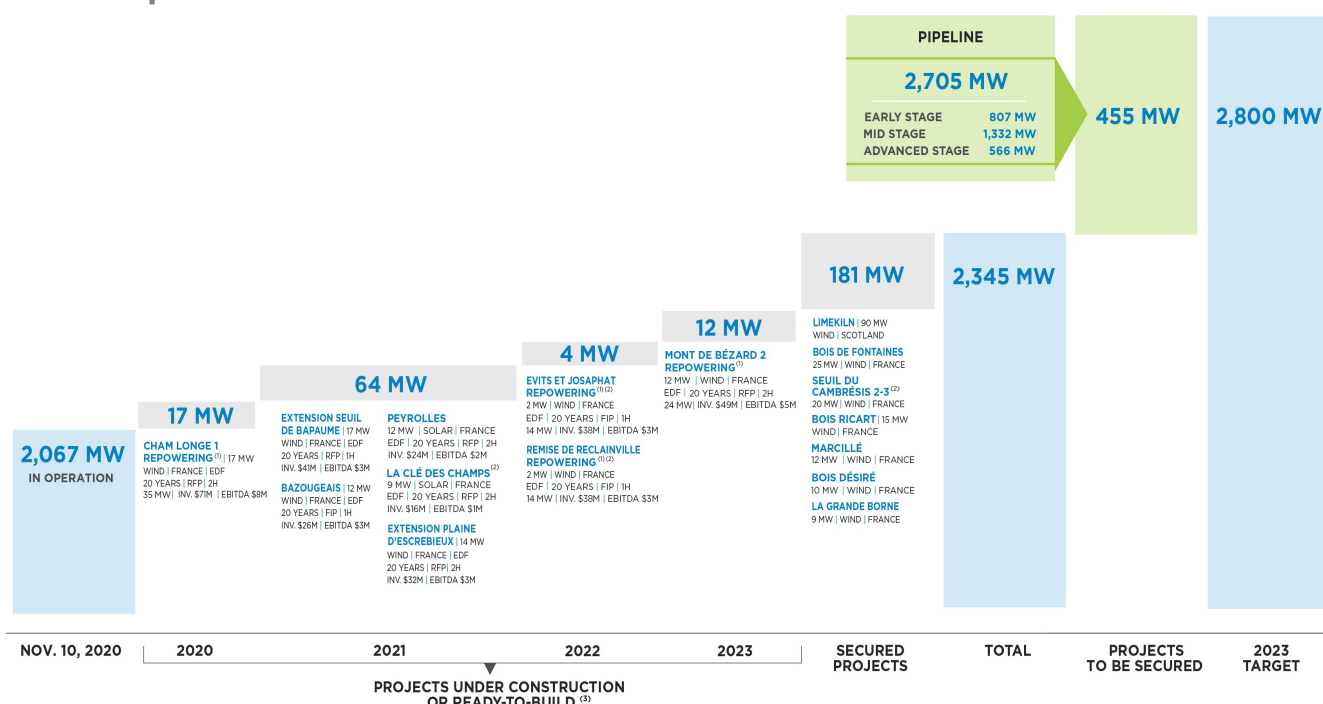
Boralex has a portfolio of **solar** power projects at varying stages of completion, with a capacity of about 163 MW (133 MW in France and 30 MW in Scotland), the same as in the last quarter. Details on the segment's development program are provided in the *Diversification* section of this report.

North America

Boralex's portfolio of **wind** power projects in North America represents 1,075 MW, the same as in the previous quarter. Most of these projects could quickly move through to the Corporation's development stages once renewable energy development programs in the target markets are reactivated. Note that many programs are on hold due to political changes in these markets in recent years. The COVID-19 crisis could, however, change this situation as governments announce their economic recovery plans.

The Corporation also has a portfolio of projects totalling 435 MW in the **solar** power segment, the same as in the previous quarter. Details on the development program for this segment are provided in the *Diversification* section of this report.

Growth path



- ⁽¹⁾ The Cham Longe 1 repowering project consists in replacing the existing wind turbines with new wind turbines for a total capacity of 35 MW covered by a new long-term contract, which represents an increase of 17 MW. The Evits et Josaphat repowering project represents a total capacity of 14 MW with an increase of 2 MW, and the Mont de Bézard 2 repowering project represents a total capacity of 24 MW with an increase of 12 MW.
- ⁽²⁾ The following projects were renamed during the second quarter of 2020: Louville repowering 1 with Evits et Josaphat repowering; Louville repowering 2 with Remise de Reclainville repowering; RIB2-3 with Seuil du Cambresis 2-3 and St-Christophe with La clé des champs.
- ⁽³⁾ The total project investment and the estimated annual EBITDA for projects in France have been translated into Canadian dollars at the closing rate on September 30, 2020.

As shown in the chart above, Boralex had assets in operation with 2,067 MW of net installed capacity as at November 10, 2020, up 11 MW compared to the previous quarter following the commissioning of the **Blanches Fosses** wind farm in France at the beginning of November.

The total capacity in MW of *Projects under construction or ready-to-build* for the 2020-2023 period was up 36 MW during the quarter. The advancing of secured projects, namely Peyrolles, La clé des champs, Extension plaine d'escrebieux and Mont de Bézard 2 repowering to *Projects under construction or ready-to-build* phase added 47 MW, which more than offset the reduction of 11 MW resulting from the Blanches Fosses project commissioning.

Seven wind farms and two solar power stations in France are either under construction or have completed all preliminary stages and obtained pre-construction approvals. They are all subject to long-term feed-in premium contracts. These wind farms will contribute to the Corporation's results when commissioned in 2020, 2021, 2022 and 2023. Overall, their additional contribution to EBITDA is estimated at \$31 million, based on total expected production and adjusted using the Canadian dollar exchange rate at the end of the quarter. This amounts to an additional contribution to EBITDA of \$24 million taking into account the EBITDA generated by the wind farms before the repowering work. The implementation of these projects is expected to require investments totalling about \$335 million, financed by debts up to \$290 million. As of September 30, 2020, the amounts already invested in these projects totalled over \$88 million.

Total MW of *Secured projects* was down 47 MW from the previous quarter, reflecting projects advancing to the *Projects under construction or ready to build* stage. These projects resulted from Boralex's wins under recent RFPs in France.

Note that four projects in the *Growth path* aim to replace existing wind turbines with new equipment (repowering) for wind farms with energy sales contracts expiring over the next few years. These wind farms with 54 MW of installed capacity before repowering work will benefit from a 33 MW increase for a total of 87 MW after the work, covered by new 20-year energy sales contracts with EDF in France.

Commissioning of secured projects and projects under construction is expected to bring Boralex's net installed capacity to 2,345 MW. To achieve the Corporation's target of 2,800 MW, projects totalling 455 MW will be included in the *Growth path* by 2023. Boralex already has projects at an advanced stage for a total of 566 MW.

The boxed information below provides the Growth highlights, namely the key achievements of development teams in North America and Europe.

Growth

- Commissioning of the Blanches Fosses wind farm (11 MW) in France on November 1, 2020, bringing Boralex's net installed capacity to 2,067 MW.
- Advancing of projects totalling 47 MW to the *Projects under construction or ready-to-build* phase (two solar power projects and two wind power projects).
- Addition of 9 MW to the project portfolio despite the slowdown in new project development caused by health measures imposed due to the COVID-19 pandemic.
- Submitting bids for three solar power projects in the State of New York in the United States (see *Diversification* section).

Diversification

Initially, the Corporation is focusing its business diversification efforts on its **solar** power segment. Projects considered to be part of Diversification represent a potential additional capacity of 598 MW.

Europe

France is a potential market totalling 11,100 MW for solar power by 2023 according to the information provided in the strategic plan and financial objectives for 2023 section of this report. Since the beginning of fiscal 2020, Boralex accelerated the development of this segment's initiatives in France by competing in RFPs. This process involves the award of feed-in premium contracts, consisting of two 925 MW tranches per year between 2021 and 2024, two thirds of which represent ground mounted projects, which is the market targeted by Boralex.

On April 2, 2020, Boralex announced that two solar power projects totalling 21 MW had been selected under the most recent RFP for the construction and operation of solar power generation facilities through "ground mounted power stations." These projects are now in the construction or ready-to-build stage, with commissioning scheduled for 2021. The Corporation is also active in developing new solar power projects, both ground-based and floating, to be added to its pipeline as well as in prospecting for acquisitions in the sector. Lastly, the Corporation is considering testing the development of a solar power project based on agrivoltaics, that is, co-developing the same land for both solar power generation and agriculture.

North America

In North America, as a first step, Boralex is targeting the State of New York market which represents a potential of some 4,300 MW by 2025. It has deployed resources to develop the niche of small- and medium-sized facilities, an area that requires special expertise and where competition is less targeted. The Corporation has also opened an office in New York City and hired some ten highly qualified local employees. They will be supported by the team members in place in Canada since a number of years who were tasked with responsibilities and priorities related to the development of the State of New York market.

Since the announcement of the strategic plan, the Corporation's portfolio of projects has increased from 200 MW in June 2019 to 1,510 MW as at September 30, 2020.

On March 13, 2020, Boralex announced that the four solar power projects it had submitted were selected by NYSERDA under its 2019 RFP launched under the “Renewable Energy Standard” for the purchase of Tier-1 renewable energy credits (“Environmental Credits”). The selection of these projects totalling 180 MW initiated a process whereby Boralex and NYSERDA are working to finalize agreements to purchase the Environmental Credits associated with the energy generated by each project. This process slowed down during the last few months as a result of COVID-19. Moreover, a new contract formula (indexed RECs) has been used in recent RFPs. Boralex is currently in talks to apply this new contract to the projects selected under the 2019 RFP. Boralex has also submitted bids for three projects under NYSERDA's October RFP and under the NYPA's RFP in September 2020.

Energy storage

Boralex is continuing its efforts to gradually deploy a battery-based energy storage service, leveraging the significant cost reduction associated with this technology. It considers this service complementary to promote the widespread use of renewable energies and accelerate the energy transition.

In particular, such a service will ensure power grid stability, as well as support the integration of solar and wind power by shifting peak production to periods of high energy demand. It also serves to meet excess requirements during peak periods or when the supply system fails.

Since the beginning of fiscal 2020, Boralex commissioned its first electricity storage asset with an installed capacity of 2 MW at one of its existing wind farms in France.

During the third quarter, Boralex continued its research into energy storage projects and started the forward sale of power for a portion of production not covered by long-term contracts in France. Note that 98% of Boralex's net installed capacity is covered by long-term contracts.

The boxed information below provides the *Diversification* highlights.

Diversification

- Submitting bids for three solar power projects under NYSERDA's October RFP and under the NYPA's RFP in September in the State of New York in the United States.
- Ongoing discussions for the signing of definitive long-term agreements for four power projects totalling 180 MW selected in the State of New York in the United States.
- Launching forward sales activities for power production not covered by long-term contracts.

Customers

The Corporation has deployed sales teams in France and the United States to serve a wider customer base. The main objective is to sign energy sales contracts directly with electricity-consuming commercial or industrial companies (corporate PPA), as well as the gradual addition of complementary services offered to energy transmission networks and large-scale electricity consumers.

Boralex entered into its second energy sales contract with a major French company in the third quarter. A three-year contract effective January 1, 2021 was entered into with the Auchan group for two existing wind farms (4 MW and 12 MW) whose contracts with EDF were coming to an end.

Boralex announced its first energy sales contract with a major French company in the first quarter. This five-year contract effective January 1, 2021 was entered into with the Orange group for an existing wind farm (39 MW) whose contract with EDF was coming to an end.

The signing of these contracts is a testament to Boralex's production quality and industrial expertise in asset maintenance, which have extended the useful life of assets beyond the initial long-term purchase obligation terms.

Moreover, obtaining the licence for the Limekiln wind farm project is also an opportunity to implement the business model based on the sale of energy directly to electricity-consuming companies, as there is no pre-defined energy purchase program in Scotland. Boralex and its partner are gauging opportunities to enter into power sales agreements with such companies.

The boxed information below provides the *Customers* highlights.

Customers

- Ongoing discussions for the signing of power sales agreements directly with electricity consumers in France and in Scotland (Corporate PPA).

Optimization

This strategic direction has two main components:

- Increase synergies across the Corporation and ensure optimal use of existing resources and assets;
- Consider the sale of minority interests in future energy assets in order to reach optimal capital allocation.

Boralex's first initiatives focus on the optimization of existing assets. These are concrete actions to increase performance and reduce both operating and financing costs.

In particular, this resulted in the repowering project at the **Cham Longe I** wind farm in France. The use of more high-performance equipment enables a substantial increase in installed capacity and is expected to result in an additional contribution to annual EBITDA and a new 20-year contract. Construction on three other repowering projects will begin soon. The Evits et Josaphat and Remise de Reclainville wind farms advanced to the ready-to-build projects stage on August 6, 2020 followed by the Mont de Bézard 2 wind farm on November 10, 2020. The first two wind farms will have an installed capacity of 14 MW following repowering work, representing a 2 MW increase in capacity, while the Mont de Bézard 2 wind farm will increase its capacity by 12 MW to 24 MW. The wind farms will benefit from more high-performance equipment and new 20-year contracts.

On August 7, 2020, Boralex concluded an \$806 million refinancing over 16 years for its 230 MW *Niagara Region Wind Farm* (NRWF) located in the Niagara Peninsula, Ontario, Canada. NRWF was commissioned on November 2, 2016 and is held in partnership with the Six Nations of the Grand River Indigenous community. Boralex is the wind farm operator and owns a 50% interest in the project. This refinancing will improve the overall performance of this asset, benefiting both Boralex and our partner, the Six Nations of the Grand River. Capitalizing on very favourable market conditions, with this refinancing, Boralex was able to reduce the borrowing rate for NRWF and generate cash flows of \$72 million, which were used to reduce Boralex's corporate credit facility. The combined effect of the lower borrowing rate and related expenses, plus the lower interest expense on the corporate credit facility will generate annual recurring savings of more than \$5 million in interest expense. This is Boralex's third major refinancing in less than a year. With these refinancings totalling \$2.7 billion under favourable conditions, Boralex has greatly improved its financial flexibility by reducing its corporate credit facility by over \$260 million and generated total annual recurring savings of \$22 million.

The boxed information below provides Optimization highlights.

Optimization

- \$806 million refinancing for the 230 MW Niagara Region Wind Farm in Ontario, Canada. Expected annual savings of over \$5 million.
- Progress made in the repowering of the Cham Longe I wind farm in France with commissioning slated for the second half of 2020. Installed capacity of 35 MW and a new 20-year contract.
- Repowering of the Evits et Josaphat and Remise de Reclainville wind farms, which are in the ready-to-build phase with commissioning slated for 2022. Installed capacity of 14 MW planned for each wind farm and new 20-year contracts.
- Repowering of the Mont de Bézard 2 wind farm now in the ready-to-build phase with commissioning slated for 2023. Installed capacity of 24 MW and a new 20-year contract.

Financial objectives - current status

To ensure that the implementation of the strategic plan results in disciplined growth while creating shareholder value, Boralex's management monitors the three criteria chosen as financial objectives.

1. Discretionary cash flows

For the three-month period ended September 30, 2020, a amount of \$16 million was recognized for discretionary cash flows compared with a negative amount of \$8 million for the three-month period ended September 30, 2019.

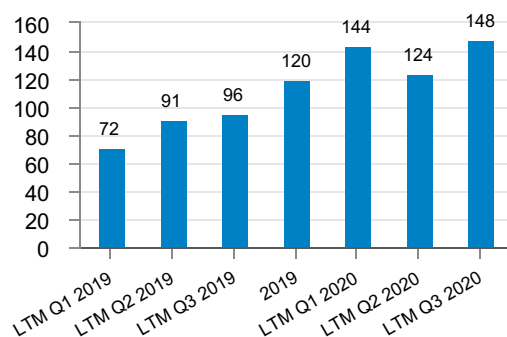
Most of this \$24 million increase was attributable to the growth in EBITDA(A), excluding non-cash items in net earnings such as the share in earnings of the joint ventures, stemming from higher production of Canadian wind and hydroelectric facilities in the third quarter of 2020 compared with the same period of last year. In addition, interest paid decreased by \$12 million while distributions rose by \$5 million.

For the 12-month period ended September 30, 2020, discretionary cash flows amounted to \$148 million compared with \$120 million for the 12-month period ended December 31, 2019.

It is important to remember that during the fourth quarter of 2019 and the first quarter of 2020, the discretionary cash flows were bolstered by wind production well above the expected production in France.

Discretionary cash flows*

(in millions of Canadian dollars)



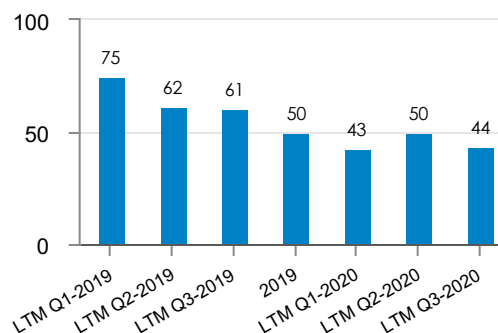
* See the *Non-IFRS measures* section.

2. Dividends

The dividends paid to shareholders during the 12-month period ended September 30, 2020 represented a payout ratio of 44%, which falls within the target payout ratio range of 40% to 60% set in the Corporation's financial objectives for 2023.

Dividend payout ratio*

(as a %)



* See the *Non-IFRS measures* section.

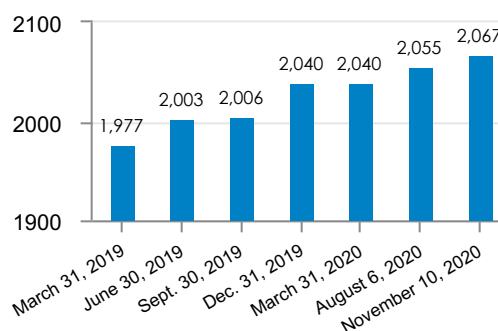
3. Net installed capacity

As at November 10, 2020, Boralex's net installed capacity amounted to 2,067 MW, a 12 MW increase compared to the end of the previous quarter.

In addition, the Corporation reported an additional net installed capacity of 61 MW year-over-year, as a result of assets commissioned in 2019 and since the beginning of fiscal 2020.

Net installed capacity

(in MW)



Financial highlights

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended September 30				Nine-month periods ended September 30			
	2020	2019	Change		2020	2019	Change	
			\$	%			\$	%
POWER PRODUCTION (GWh)								
Wind power stations	577	546	31	6	2,461	2,220	241	11
NRWF compensation	19	28	(9)	(34)	105	111	(6)	(6)
	596	574	22	4	2,566	2,331	235	10
Hydroelectric power stations	144	131	13	9	560	545	15	3
Thermal power stations	42	—	42	—	115	110	5	4
Solar power stations	7	7	—	1	18	19	(1)	(7)
	789	712	77	11	3,259	3,005	254	8
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	85	78	7	9	356	323	33	11
Hydroelectric power stations	14	11	3	25	48	39	9	24
Thermal power stations	4	1	3	>100	17	19	(2)	(13)
Solar power stations	2	2	—	4	5	4	1	(4)
	105	92	13	14	426	385	41	11
EBITDA(A)⁽¹⁾								
Wind power stations	69	52	17	32	309	266	43	16
Hydroelectric power stations	9	6	3	48	35	26	9	32
Thermal power stations	—	(1)	1	>100	2	6	(4)	(64)
Solar power stations	1	2	(1)	(64)	2	4	(2)	(47)
	79	59	20	33	348	302	46	15
Corporate and eliminations	(17)	(14)	(3)	(18)	(51)	(43)	(8)	(17)
	62	45	17	37	297	259	38	15
NET EARNINGS (LOSS)	(8)	(36)	28	78	30	(20)	50	>100
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	(6)	(29)	23	81	29	(13)	42	>100
NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	(\$0.06)	(\$0.32)	\$0.26	81	\$0.30	(\$0.15)	\$0.45	>100
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	73	58	15	27	303	236	67	29
CASH FLOWS FROM OPERATIONS⁽¹⁾	63	35	28	79	238	191	47	25
DIVIDENDS PAID ON COMMON SHARES	17	15	2	15	49	44	5	11
DIVIDENDS PAID PER COMMON SHARE	\$0.1650	\$0.1650			\$0.4950	\$0.4950		
Weighted average number of shares outstanding – basic	98,645,991	89,302,809			97,197,046	89,229,842		

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at September 30, 2020	As at December 31, 2019
Total cash, including restricted cash	227	168
Property, plant and equipment	2,769	2,715
Total assets	4,575	4,557
Debt ⁽²⁾	2,914	3,067
Total liabilities	3,606	3,682
Total equity	969	875
Net debt to market capitalization ratio ⁽¹⁾ (%)	41 %	56 %

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ Including current portion of debt and transaction costs, net of accumulated amortization.

Commissioning

Project name	Total capacity (MW)	Commissioning	Segment / Country	Energy contract term / Client	Ownership (%)
Basse Thiérache Nord	20	February 1 and March 1	Wind/France	15 years/EDF/FiP	100
Yellow Falls	16	March 6 ⁽¹⁾	Hydro/Canada	40 years/IESO	90
Moose Lake	15	April 4 ⁽²⁾	Wind/Canada	40 years/BC Hydro	70
Catésis	10	June 1	Wind/France	20 years/EDF/FiP	100
Buckingham ⁽³⁾	10	October 17	Hydro/Canada	25 years/HQ	100
Seuil du Cambrésis	24	December 1	Wind/France	15 years/EDF/FiP	100
2019	+ 95 MW			Net installed capacity: 2,040 MW	
Santerre	15	August 1	Wind/France	20 years/EDF/RFP	100
Blanches Fosses	11	November 1	Wind/France	20 years/EDF/FiP	100
2020	+ 26 MW			Net installed capacity: 2,067 MW⁽⁴⁾	

⁽¹⁾ Commercial commissioning was confirmed with the IESO on November 14, 2019. Boralex received retroactive compensation to make up for the difference between the contract price and the market price for electricity sold by the power station since it was commissioned on March 6, 2019.

⁽²⁾ Owing to administrative restrictions, the energy sales contract became effective on April 4, 2019. However, since the facility was already operational, it is therefore considered as having been commissioned in the first quarter of 2019.

⁽³⁾ This 10 MW capacity increase will result in an additional \$5 million in annual EBITDA for total pro forma EBITDA of \$8 million for the project and installed capacity of 20 MW.

⁽⁴⁾ Since the beginning of fiscal 2020, capacity increases totalling 2 MW have been made to existing French facilities while net capacity in the United States was reduced by 1 MW.

Analysis of consolidated operating results for the three-month period ended September 30, 2020

EBITDA(A) for the third quarter up 37%, driven mainly by increased production at Canadian wind and hydroelectric facilities.

Due to their significant share in the consolidated results, the performance of the wind and hydroelectric power segments is described below.

Total power production

(GWh)	Q3 2020				Q3 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	In GWh	%
Wind										
Comparable assets ⁽¹⁾	243	337	—	580	221	344	—	565	15	3
Temporary shutdown - Cham Longe I	—	—	—	—	—	9	—	9	(9)	(100)
Commissioning ⁽²⁾	—	16	—	16	—	—	—	—	16	—
Wind - total	243	353	—	596	221	353	—	574	22	4
Hydroelectric										
Comparable assets	74	—	39	113	69	—	56	125	(12)	(10)
Temporary shutdown - Buckingham	31	—	—	31	6	—	—	6	25	>100
Hydroelectric - total	105	—	39	144	75	—	56	131	13	9
Thermal	42	—	—	42	—	—	—	—	42	—
Solar	—	7	—	7	—	7	—	7	—	1
Total⁽¹⁾	390	360	39	789	296	360	56	712	77	11

⁽¹⁾ Includes the compensation for the equivalent of 19 GWh in light of the capacity limitation imposed on the NRWF facility for the third quarter of 2020 (28 GWh for the third quarter of 2019).

⁽²⁾ See the *Commissioning* table this section.

Boralex produced 770 GWh of electricity in the third quarter of 2020 and received compensation for the equivalent of 19 GWh, bringing total production to 789 GWh, up 11% from 712 GWh for the same quarter of 2019, comprising production of 684 GWh and the equivalent of 28 GWh for which compensation was received. Excluding the contribution of facilities commissioned over the past year, production of comparable assets increased 8%, following more favourable conditions for the wind and hydroelectric power segments in Canada, as explained below, and the resumption of operations at the Senneterre thermal power station after the summer shutdown period was brought forward.

Wind

Total production of wind farms for the third quarter of 2020 amounted to 596 GWh, up from 574 GWh for the corresponding quarter of 2019. This result is attributable to more favourable wind conditions in Canada, which offset the 2% decrease at French comparable sites, while the impact of the temporary shutdown was offset by wind farms commissioned in France. Overall, Canadian and French comparable assets generated a 3% increase in production volume compared with the same period in 2019.

- In **France**, weather conditions were slightly less favourable compared with last year, resulting in slightly lower production volumes from comparable wind farms in the third quarter of 2020 compared with the corresponding quarter of 2019. Taking into account the contribution for the entire most recent quarter of the facilities commissioned since the beginning of the third quarter of 2019 (for more details, see the Commissioning table at the beginning of this section) and the impact of the temporary shutdown of **Cham Longe I** under the repowering process, the French wind power segment posted a stable production volume compared to the third quarter of 2019, at 353 GWh.

- In **Canada**, the wind power segment benefited from more favourable wind conditions than in the past year and reported a production volume of 243 GWh in the third quarter of 2020, up 10% from 221 GWh for the same period of 2019.

Hydroelectric

The Corporation's hydroelectric power stations produced 144 GWh for the third quarter of 2020, up 9% from 131 GWh for the corresponding quarter of 2019, mainly attributable to the recommissioning of the Buckingham power station and more favourable water flow conditions at comparable assets in Canada.

- In **Canada**, comparable power stations generated 74 GWh in the third quarter of 2020, up from 69 GWh for the corresponding quarter of 2019. Considering the contribution of the **Buckingham** power station following its recommissioning in October 2019 after the work to expand capacity, the Canadian hydroelectric segment's production volume rose to 105 GWh, from 75 GWh for the same period last year.
- In the **United States**, water flow conditions were less favourable than a year ago. The U.S. power stations generated a production volume of 39 GWh in the third quarter of 2020, down 30% from 56 GWh a year earlier.

Revenues from energy sales and feed-in premium

Main differences in revenues from energy sales and feed-in premium

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Consoli- dated
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	78	11	3	92
Segment breakdown	84 %	12 %	4 %	100 %
Acquisitions/commissioning ⁽¹⁾	2	—	—	2
Volume ⁽²⁾	3	—	3	6
Temporary shutdown - Buckingham	—	2	—	2
Pricing	—	1	—	1
Foreign exchange	2	—	—	2
Change	7	3	3	13
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	85	14	6	105
Segment breakdown	81 %	13 %	6 %	100 %

⁽¹⁾ See the *Commissioning* table this section.

⁽²⁾ Excluding the temporary shutdowns.

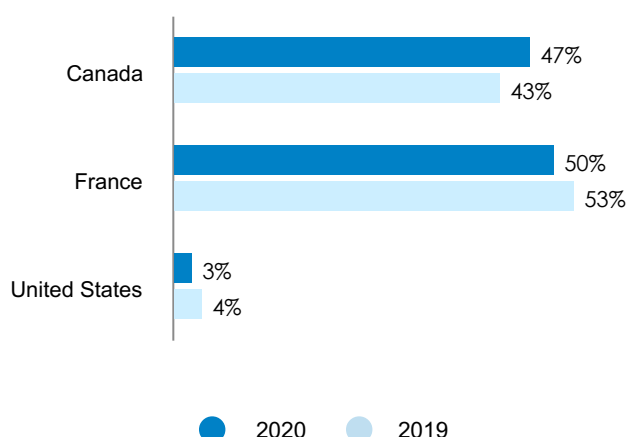
For the three-month period ended September 30, 2020, revenues from energy sales totalled \$105 million, up 14% from \$92 million for the corresponding quarter of 2019. This increase was mainly attributable to a favourable volume effect and the combination of several other factors such as the Corporation's expanded operating base (see the *Commissioning* table at the beginning of this section), as well as foreign exchange rate fluctuations.

More favourable conditions for the Canadian wind power segment and the resumptions of operations at the Senneterre thermal power station resulted in a \$6 million increase in revenues from energy sales and feed-in premium, while the commissioning of new facilities in France resulted in a \$2 million favourable difference.

Broken down geographically, for the third quarter of 2020, 47% of segment revenues were generated in Canada and 50% in France, compared with 43% and 53%, respectively, for the same quarter of 2019. This year-over-year differences stemmed mainly from the contributions of the Buckingham and Yellow Falls power stations as well as the resumption of operations at the Senneterre thermal power station after the summer shutdown period was brought forward.

Geographic breakdown of revenues from energy sales and feed-in premium

(Three-month periods ended September 30)



- For the third quarter of 2020, the **wind** power segment posted revenues of \$85 million, compared with \$78 million a year earlier. This increase was driven primarily by favourable differences of \$2 million resulting from the contributions of assets commissioned in France and \$3 million related to higher production at comparable assets in Canada. Also, a \$2 million favourable foreign exchange effect resulted from fluctuations in the value of the euro against the Canadian dollar.

Overall, revenues recorded by the French wind power segment were up 10% compared with the third quarter of 2019, while revenues at Canadian wind farms were up 9%.

- For the third quarter of 2020, the **hydroelectric** power segment generated revenues of \$14 million, up from \$11 million for the same quarter of 2019. The recommissioning of the **Buckingham** power station resulted in an additional contribution of \$2 million, to which was added a \$1 million favourable price difference, related primarily to the **Yellow Falls** power station.

EBITDA(A)⁽¹⁾

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	Consolidated
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	52	6	1	(14)	45
Segment breakdown⁽²⁾	88 %	11 %	1 %		100 %
Acquisitions/commissioning ⁽³⁾	2	—	—	—	2
Volume ⁽⁴⁾	3	—	1	—	4
Temporary shutdown - Buckingham	—	2	—	—	2
Share of the Interests - Other	7	—	—	—	7
Other ⁽⁵⁾	5	1	(1)	(3)	2
Change	17	3	—	(3)	17
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	69	9	1	(17)	62
Segment breakdown⁽²⁾	87 %	12 %	1 %		100 %

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ Excluding corporate segment and eliminations.

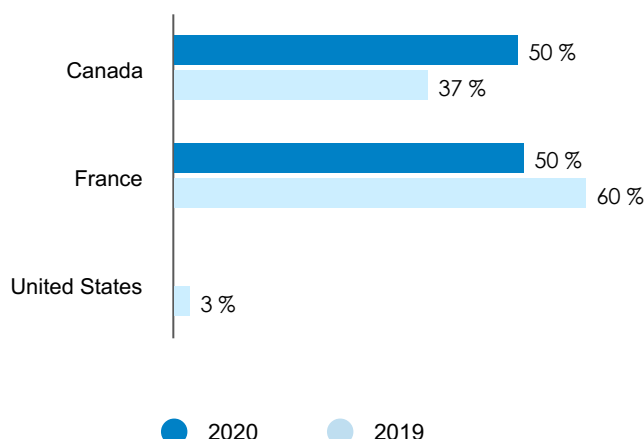
⁽³⁾ See the *Commissioning* table this section.

⁽⁴⁾ Excluding the temporary shutdowns.

⁽⁵⁾ Includes the differences related to foreign exchange effect, payroll, prices, development and revenues following the repatriation of LP I maintenance work in-house.

Geographic breakdown of EBITDA(A)⁽¹⁾

(Three-month periods ended September 30)

⁽¹⁾ Excluding corporate segment and eliminations.

For the third quarter of 2020, the Corporation recorded consolidated EBITDA(A) of \$62 million, up \$17 million or 37% from the corresponding quarter of 2019. Besides the variations previously explained concerning revenues from energy sales and feed-in premium, this increase resulted from a \$7 million favourable difference related to the impact of the solid performance and the change in the useful life of wind turbine components of the wind farms on the share of Joint Ventures and associates.

Broken down geographically, for the third quarter of 2020, 50% of EBITDA(A) was generated in Canada and 50% in France, compared with 37% and 60%, respectively, for the third quarter of 2019. This change is attributable to more stable wind conditions in Canada between both comparable periods compared with France for wind farms as well as the \$7 million favourable difference explained previously.

- The **wind** power segment recorded EBITDA(A) of \$69 million for the third quarter of 2020, up \$17 million or 32% from the corresponding quarter of 2019 explained by the better performance at Canadian wind farms, contributions from assets commissioned in France and an increase in the share of the Interests.

At the French wind farms, EBITDA(A) rose 12% to \$38 million, while the Canadian wind farms reported a 70% improvement to \$31 million. Excluding the share of the Interests, EBITDA(A) from wind farms in Canada improved by 20%.

- **Hydroelectric** power segment EBITDA(A) amounted to \$9 million for the third quarter of 2020, up \$3 million or 47% compared with the corresponding quarter of 2019. This increase was driven by contributions from the **Buckingham** and **Yellow Falls** power stations, whereas the latter facility was finalizing the commercial operation date process with the IESO in 2019.

Excluding power stations commissioned and temporary shutdowns, revenues from energy sales and feed-in premium were up 10% in the third quarter of 2020 as compared with the prior year, while operating expenses were stable. Favourable wind conditions during the period led to the difference in the relationship between costs and revenues.

Main differences in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	(29)
EBITDA(A) ⁽¹⁾	17
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(2)
Amortization	4
Financing costs	13
Income taxes	(4)
Non-controlling shareholders	(5)
Change	23
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	(6)

⁽¹⁾ See the *Non-IFRS measures* section.**Excess of distributions received over the share in net earnings of Joint Venture SDB I**

The Corporation recognized an excess of distributions received over the share in net earnings of Joint Venture SDB I of \$6 million during the third quarter of 2020. Since the amount of the excess was lower than in the corresponding quarter of 2019, an unfavourable difference of \$2 million was recorded. Under IFRS, if Boralex's interest in a Joint Venture becomes negative following the payment of distributions, the carrying amount of such interest is reduced to zero and the adjustment is recorded under *Excess of distributions received over the share in net earnings of Joint Venture SDB I*. When the carrying amount of the interest becomes positive again, the adjustment is reversed up to the cumulative amount previously recognized as an excess.

Amortization

Amortization expense for the third quarter of 2020 was down \$4 million to \$59 million, owing mainly to a \$6 million reduction in amortization expense following changes made to the useful lives of certain components of wind farms as of October 1, 2019.

Financing costs

During the third quarter of 2020, financing costs decreased \$13 million to \$20 million. Following the redemption of convertible debentures, the refinancing of French debt and NRWF's debt, the lower interest expense on existing debt in North America and the revolving credit facility following the share issuance, the interest expense was down \$8 million. Besides the previously discussed decrease in interest expense relating to the NRWF debt refinancing, a gain of \$12 million was recorded following the amendment to the financial conditions of this project's debt. On the downside, amortization expense related to financing costs and unrealized losses on interest rate swaps of the refinanced French debt rose \$4 million.

Income taxes

As a result of the earnings before income taxes, the Corporation's income tax recovery decreased by \$4 million compared with the corresponding quarter of the previous year. This decrease is mainly due to the \$32 million increase in earnings before income taxes for the three-month period ended September 30, 2020.

Net earnings (loss)

Overall, for the three-month period ended September 30, 2020, Boralex recognized a net loss of \$8 million compared with a net loss of \$36 million for the same period of 2019. Net loss attributable to non-controlling shareholders of Boralex for the third quarter of 2020 amounted to \$2 million, compared with a \$7 million net loss for the same period in 2019.

As shown in the accompanying table, Boralex recognized a net loss attributable to shareholders of Boralex of \$6 million or \$0.06 per share (basic and diluted), compared with a net loss attributable to shareholders of Boralex of \$29 million or \$0.32 per share (basic and diluted) for the corresponding period of 2019. The favourable difference of \$23 million or \$0.26 per share (basic and diluted) compared to the corresponding period of 2019 is explained by the combination of the elements listed above.

Analysis of consolidated operating results for the nine-month period ended September 30, 2020

15% increase in EBITDA(A) mainly attributable to favourable weather conditions and the contributions from commissioned facilities.

Due to their significant share in the consolidated results, the performance of the wind and hydroelectric power segments is described below.

Total power production

(GWh)	Year-to-date 2020				Year-to-date 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	In GWh	%
Wind										
Comparable assets ⁽¹⁾	894	1,489	—	2,383	920	1,318	—	2,238	145	6
Temporary shutdown - Cham Longe I	—	19	—	19	—	39	—	39	(20)	(51)
Commissioning ⁽²⁾	49	115	—	164	23	31	—	54	110	>100
Wind - total	943	1,623	—	2,566	943	1,388	—	2,331	235	10
Hydroelectric										
Comparable assets	142	—	266	408	161	—	342	503	(95)	(19)
Commissioning - Yellow Falls	54	—	—	54	36	—	—	36	18	52
Temporary shutdown - Buckingham	98	—	—	98	6	—	—	6	92	>100
Hydroelectric - total	294	—	266	560	203	—	342	545	15	3
Thermal	96	19	—	115	91	19	—	110	5	4
Solar	—	18	—	18	1	18	—	19	(1)	(7)
Total⁽¹⁾	1,333	1,660	266	3,259	1,238	1,425	342	3,005	254	8

⁽¹⁾ Includes the compensation for the equivalent of 105 GWh in light of the power limitation imposed on the NRWF facility for the first nine months of 2020 (111 GWh for the first nine months of 2019).

⁽²⁾ See the *Commissioning* table in this section.

Boralex produced 3,154 GWh of electricity for the nine-month period ended September 30, 2020, and received compensation for the equivalent of 105 GWh, bringing total production to 3,259 GWh, up 8% from 3,005 GWh for the corresponding period of 2019, comprising production of 2,894 GWh and compensation for the equivalent of 111 GWh. Excluding contributions from commissioned assets, output from comparable assets was slightly up, as the wind power segment's improved results for the first nine months of the year were partially offset by lower production volumes at our hydroelectric power stations.

Wind

Total production at the wind farms amounted to 2,566 GWh for the nine-month period ended September 30, 2020, up 10% from 2,331 GWh for the corresponding period a year earlier. This increase was driven by contributions from assets commissioned since the beginning of fiscal 2019 (for more details, see the *Commissioning* table at the beginning of this section) and significantly more favourable wind conditions in the first quarter of 2020 in France.

- In **France**, weather conditions were on average more favourable during the first nine months of the fiscal year compared with the same period of 2019. Production volumes at comparable wind farms were up 13%. Taking into account contributions from wind farms commissioned and the impact of the temporary shutdown of the **Cham Longe I** wind farm, the French wind power segment recorded a 17% increase in production volumes for the nine-month period ended September 30, 2020, compared with the same period a year earlier, for a total of 1,623 GWh.
- In **Canada**, weather conditions were slightly less favourable for the nine-month period of the fiscal year compared with last year, resulting in lower production volumes at comparable assets, which totalled 894 GWh for the nine-month period ended September 30, 2020, compared with 920 GWh a year earlier. The commissioning of the **Moose Lake** wind farm in April 2019 partially offset this decline, with production volumes in the Canadian wind power segment remaining stable at 943 GWh for the nine-month period ended September 30, 2020, compared with the same period of 2019.

Hydroelectric

For the nine-month period ended September 30, 2020, hydroelectric power segment production totalled 560 GWh, up slightly from the 545 GWh recorded for the corresponding period of 2019.

- In **Canada**, hydroelectric power segment production volume rose to 294 GWh for the nine-month period ended September 30, 2020, from 203 GWh for the corresponding period of 2019. However, production volumes were down 19 GWh at comparable assets, which was more than offset by the commissioning of the **Yellow Falls** power station and the recommissioning of the **Buckingham** power station following repowering work.

- In the **United States**, water flow conditions were less favourable compared with last year which resulted in a 22% decrease in production volume to 266 GWh for the first nine months of 2020 from 342 GWh for the corresponding period of 2019.

Revenues from energy sales and feed-in premium

Main differences in revenues from energy sales and feed-in premium

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Consoli- dated
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	323	39	23	385
Segment breakdown	84 %	10 %	6 %	100 %
Acquisitions/commissioning ⁽¹⁾	11	2	—	13
Volume ⁽²⁾	19	(5)	—	14
Temporary shutdowns	(1)	7	—	6
Pricing	—	3	(2)	1
Other ⁽³⁾	4	2	1	7
Change	33	9	(1)	41
NINE-MONTH PERIOD ENDED SEPTEMBERS 30, 2020	356	48	22	426
Segment breakdown	84 %	11 %	5 %	100 %

⁽¹⁾ See the *Commissioning* table in this section.

⁽²⁾ Excluding the temporary shutdowns.

⁽³⁾ Includes foreign exchange and compensation for a prior production limitation.

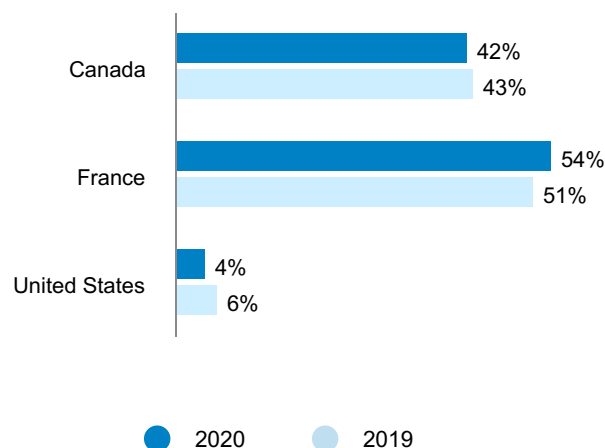
For the nine-month period ended September 30, 2020, revenues from energy sales totalled \$426 million, up \$41 million or 11% from the corresponding period of 2019. This increase was driven by expansion of the Corporation's operating base since the beginning of 2019 (see the *Commissioning* table in this section) and more favourable weather conditions at comparable wind farms.

Assets commissioned since the beginning of fiscal 2019 added \$13 million to consolidated results. Production volumes were up at comparable assets, giving rise to a \$14 million favourable difference, stemming mainly from the French wind power segment. In addition to these favourable differences, the **Buckingham** power station contributed \$7 million after operations resumed upon completion of work to expand capacity, partly offset by the temporary shutdown of the **Cham Longue** wind farm in for the repowering work.

Broken down geographically, for the entire nine-month period ended September 30, 2020, 42% of revenues were generated in Canada and 54% in France, compared with 43% and 51%, respectively, for the corresponding period of 2019. This change was driven primarily by the wind power segment, which saw greater expansion in France compared with Canada, as well as more favourable weather conditions at French wind farms in the first quarter compared with last year and less favourable water flow conditions in the U.S.

Geographic breakdown of revenues from energy sales and feed-in premium

(Nine-month periods ended September 30)



- For the nine-month period ended September 30, 2020, **wind** power segment revenues amounted to \$356 million, up 11% from the same period of the previous year. The expansion in the operating base resulted in an \$11 million favourable difference, while higher production at French wind farms was largely responsible for a \$19 million volume effect in the first quarter of 2020.

Overall, French wind power segment revenues were up 19%, owing primarily to contributions from assets commissioned and better wind conditions in the first quarter of 2020. In Canada, wind power segment revenues remained stable from one period to the other.

- For the nine-month period ended September 30, 2020, the **hydroelectric** power segment generated revenues of \$48 million, up 24% from \$39 million for the same period of the previous year. This improvement resulted mainly from the contribution of the **Yellow Falls** power station commissioned in March 2019 and the recommissioning of the **Buckingham** power station in October 2019, which offset the impact of lower volumes owing to less favourable water flow conditions at comparable U.S. power stations since the beginning of 2020.

Revenues at U.S. power stations were down 21%, whereas they nearly doubled at Canadian power stations, with the contributions of the **Yellow Falls** and **Buckingham** power stations.

EBITDA(A)⁽¹⁾

Main differences in EBITDA(A)

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	Consolidated
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	266	26	10	(43)	259
Segment breakdown⁽²⁾	88 %	9 %	3 %		100 %
Acquisitions/commissioning ⁽³⁾	9	2	—	—	11
Volume ⁽⁴⁾	19	(5)	(1)	—	13
Temporary shutdowns	(1)	7	—	—	6
Pricing	—	3	(2)	—	1
Share of the Interests - Other	3	—	—	—	3
Development	3	—	(2)	1	2
Foreign exchange effect	3	—	—	(1)	2
Other ⁽⁵⁾	7	2	(1)	(8)	—
Change	43	9	(6)	(8)	38
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	309	35	4	(51)	297
Segment breakdown⁽²⁾	89 %	10 %	1 %		100 %

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ Excluding the corporate segment and eliminations.

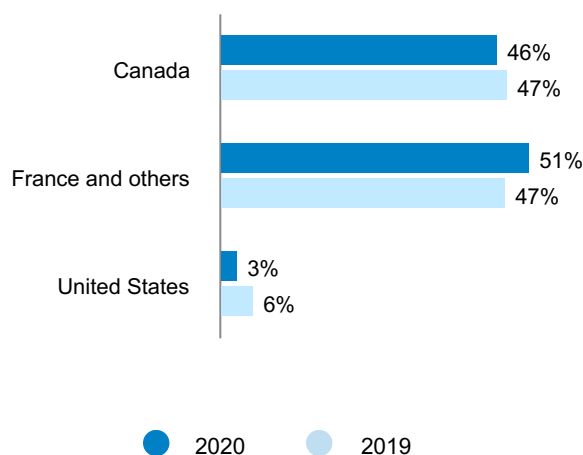
⁽³⁾ See the *Commissioning* table in this section.

⁽⁴⁾ Excluding the temporary shutdowns.

⁽⁵⁾ Includes the differences related to salaries and revenues following the repatriation of LP I maintenance work in-house.

Geographic breakdown of EBITDA(A)⁽¹⁾

(Nine-month periods ended September 30)

⁽¹⁾ Excluding corporate segment and eliminations.

For the nine-month period ended September 30, 2020, consolidated EBITDA(A) amounted to \$297 million, up \$38 million or 15% compared with the corresponding period of 2019. This increase was largely attributable to \$11 million in additional EBITDA(A) stemming from expansion in the operating base since the beginning of 2019. In addition, there was a \$13 million volume effect due to the improved performance of comparable assets, a \$6 million net favourable difference resulting from temporary shutdowns and a \$2 million decrease in development costs due to the health crisis. This increase also stems from a combination of other factors, including a favourable difference of \$3 million attributable to the solid performance of the wind farms of joint ventures and associates, and a \$2 million foreign exchange effect.

Broken down geographically, for the first nine months of 2020, 46% of EBITDA(A) was generated in Canada and 51% in France, compared with 47% and 47%, respectively, for the corresponding period of 2019. This change resulted primarily from greater expansion of the operating base in France compared with Canada and better wind conditions in France in the first quarter of 2020 as well as from lower EBITDA(A) at hydroelectric power stations in the U.S.

- For the first nine months of 2020, **wind** power segment EBITDA(A) amounted to \$309 million, up \$43 million or 16% compared with the same period of 2019. This growth was largely driven by Boralex's expansion strategy, with \$9 million in additional EBITDA(A) generated by the assets commissioned over the past year. Also, sound performance at comparable assets, primarily in France, resulted in a \$19 million favourable difference.

French wind power segment EBITDA(A) was up 26%, owing primarily to the assets commissioned, and better weather conditions during the first quarter of 2020. In Canada, the wind power segment posted a 6% increase in EBITDA(A) due to more favourable weather conditions during the third quarter and the contribution of the **Moose Lake** wind farm.

- For the nine-month period months ended September 30, 2020, **hydroelectric** power segment EBITDA(A) amounted to \$35 million, up 32% from \$26 million for the corresponding period of 2019, driven by the contributions of the **Yellow Falls** and **Buckingham** power stations. These two factors offset the decline in production from comparable facilities in the United States due to less favourable water flow conditions since the beginning of 2020 compared to last year.

EBITDA(A) was down 30% at U.S. power stations, while it more than doubled at the Canadian power stations.

Excluding commissioning and temporary shutdowns, revenues from energy sales and feed-in premium were up 4% for the nine-month period ended September 30, 2020, compared with the same period last year, while operating expenses remained stable. The difference in the relationship between costs and revenues resulted from favourable wind conditions during the period.

Main changes in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019		(13)
EBITDA(A) ⁽¹⁾		38
Excess of distributions received over the share in net earnings of Joint Venture SDB I		6
Amortization		14
Impairment		2
Financing costs		18
Income taxes		(15)
Non-controlling shareholder		(8)
Other gains		(1)
Other		(12)
Change		42
NINE-MONTH PERIOD ENDED SEPTEMBERS 30, 2020		29

⁽¹⁾ See the *Non-IFRS measures* section.

Excess of distributions received over the share in net earnings of Joint Venture SDB I

During the first nine months of 2020, the Corporation recognized a \$14 million excess of distributions received over the share in net earnings of Joint Venture SDB I compared with \$8 million for the first nine months of 2019, thereby resulting in a \$6 million favourable difference. The significant decrease in the value of the interests in SDB I resulted primarily from the reduction in the fair value of the Joint Ventures' interest rate swaps given the significant drop in rates since the beginning of the COVID-19 pandemic. (See the *Analysis of consolidated operating results for the three-month period ended September 30, 2020* section for an explication of the applicable IFRS treatment).

Amortization

Amortization expense for the nine-month period ended September 30, 2020, declined \$14 million to \$175 million, compared with the corresponding period of 2019, owing mainly to an \$18 million reduction in amortization expense following changes made to the useful lives of certain components of wind farms as of October 1, 2019. This item was partially offset by the \$4 million commissioning effect and by accelerated amortization of \$3 million at facilities where repowering is to be carried out and which were added to the *Growth path* during the past few months.

Financing costs

During the nine-month period ended September 30, 2020, financing costs decreased \$18 million to \$84 million, compared with the same period of 2019. Owing mainly the redemption of convertible debentures, the debt refinancing in France and for the NRWF wind farm, and the lower interest on the revolving credit facility following the share issuance, the interest expense declined by \$18 million while a \$12 million gain was realized on the NRWF wind farm refinancing. Also, the amortization of financing costs and unrealized losses on interest rate swaps of the refinanced French debt increased by \$13 million.

Other

The \$12 million unfavourable difference compared with the first nine months of 2019 resulted mainly from a \$13 million change in the loss on financial instruments and a \$1 million favourable foreign exchange effect. The increase in net loss on financial instruments resulted primarily from the recognition of \$6 million following the settlement of litigation regarding the calculation of a contingent consideration related to a past acquisition, as well as from the ineffective portion under hedge accounting related to lower interest rates in North America and Europe.

Income taxes

For the first nine months of 2020, the Corporation's income tax expense was up \$15 million compared with the corresponding period of 2019. The increase was driven primarily by \$65 million of growth in earnings before income taxes. To a lesser extent, the effect of a non-deductible, non-recurring expense and the result of tax policy changes in Europe and the United States that are unfavourable for the Corporation also impacted the income tax expense.

Net earnings (loss)

For the nine-month period ended September 30, 2020, Boralex recognized net earnings of \$30 million, compared with a net loss of \$20 million for the same period of 2019. Net earnings attributable to non-controlling shareholders of Boralex for the first nine months of 2020 amounted to \$1 million compared with a net loss of \$7 million for the same period of 2019. This change stems primarily from a decrease in the amortization expense following changes made to the useful lives of certain components of the NRWF wind farm.

Net earnings attributable to shareholders of Boralex amounted to \$29 million or \$0.30 per share (basic and diluted), compared with a net loss of \$13 million or \$0.15 per share (basic and diluted) for the first nine months of 2019. The favourable difference of \$42 million or 0.45 \$ per share (basic and diluted), compared with the corresponding period of 2019, resulted from the items discussed above.

Cash flows

The expansion of the operating asset base over the past fiscal year, better weather conditions and the recent refinancings were the driving factors for the changes in cash flows, which contributed in particular to the increase in cash flows from operations for the first nine months of 2020 compared with the same period last year.

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2020	2019	2020	2019
Cash flows from operations ⁽¹⁾	63	35	238	191
Change in non-cash items related to operating activities	10	23	65	45
Net cash flows related to operating activities	73	58	303	236
Net cash flows related to investing activities	(54)	(28)	(96)	(130)
Net cash flows related to financing activities	(88)	(28)	(149)	(50)
Translation adjustment on cash and cash equivalents	3	(4)	9	(10)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(66)	(2)	67	46
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	286	205	153	157
CASH AND CASH EQUIVALENTS – END OF PERIOD	220	203	220	203

⁽¹⁾ See the *Non-IFRS measures* section.

For the three-month period ended September 30, 2020

Operating activities

Excluding non-cash items in net earnings for both periods, the \$28 million increase in cash flows from operations resulted largely from the \$17 million growth in EBITDA(A) as discussed previously, plus a \$5 million increase in *Distributions received from the Interests of the Joint Ventures and associates* attributable to more favourable weather conditions in Québec and a change in the distribution schedule following the LP1 wind farm refinancing in December 2019, as well as a \$12 million decline in interest paid following the global refinancing in France, the NRWF refinancing, the August 2020 share issuance, and the redemption of convertible debentures.

Distributions received from the Joint Ventures and associates

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30		Change \$
	2020	2019	
SDB I and II	12	9	3
DM I, II, LP I, LP II and Roncevaux	7	5	2
	19	14	5

Cash generated by the change in non-cash items related to operating activities in the third quarter totalling \$10 million resulted mainly from a \$9 million decrease in *Trade and other receivables* following the collection of accounts receivable of the second quarter when wind conditions were favourable, partly offset by a \$3 million increase in *Other current assets* related to deposits on equipment procurement. *Trade and other payables* remained relatively stable compared with the third quarter of the previous fiscal year.

Operating activities generated net cash inflows totalling \$73 million in the third quarter of 2020, compared with \$58 million for the same period a year earlier.

Investing activities

Investing activities during the three-month period ended September 30, 2020 used cash in the amount of \$54 million compared with \$28 million for the same period a year earlier. Boralex invested \$47 million in additions to property, plant and equipment:

Segment and geographic breakdown of additions to property, plant and equipment

(in millions of Canadian dollars) (unaudited)	Canada	Europe	Total
Wind			
Construction ⁽¹⁾	—	44	44
In operation	—	1	1
Wind - total	—	45	45
Hydroelectric			
In operation	1	—	1
Hydroelectric - total	1	—	1
Corporate	1	—	1
Total	2	45	47

⁽¹⁾ See the *Commissioning* table in this section.

In the third quarter of 2019, Boralex had invested \$31 million in additions to property, plant and equipment, including \$20 million in the wind power segment in France and \$10 million in the hydroelectric segment for the capacity upgrade at the Buckingham power station. The Corporation also released an amount of \$4 million related to the U.S. note from reserve funds.

Financing activities

Financing activities for the three-month period ended September 30, 2020 used total net cash flows of \$88 million.

New financing arrangements and repayments on existing debt

During the three-month period ended September 30, 2020, new non-current debt contracted by Boralex totalled \$100 million comprising:

- \$72 million related to the NRWF wind farm debt refinancing;
- \$28 million amount drawn down for the Sainte-Christine portfolio in France.

On August 28, 2020, Boralex announced the closing of a public offering of Class A common shares for proceeds of \$192 million, net of issuance costs. Furthermore, the Corporation made repayments totalling \$36 million on its debt relating to various assets in operation as well as \$323 million for the full repayment of its revolving credit facility, using, among other resources, the proceeds from the share issuance and the cash generated by the debt refinancing of the NRWF wind farm. The Corporation also paid \$2 million in respect of lease liabilities.

Dividends and other items

During the three-month period ended September 30, 2020, the Corporation paid dividends to shareholders totalling \$17 million (\$0.1650 per common share) compared with \$15 million (\$0.1650 per common share) for the same period of 2019.

The Corporation also paid \$2 million to non-controlling shareholders, compared with \$1 million a year earlier.

Net change in cash and cash equivalents

Total cash movements in the three-month period ended September 30, 2020 resulted in a \$66 million decrease, bringing *Cash and cash equivalents* to \$220 million as at September 30, 2020 compared with \$286 million as at June 30, 2020.

Discretionary cash flows and payout ratio⁽¹⁾

Discretionary cash flows amounted to \$16 million for the third quarter of 2020 compared with a negative amount of \$8 million for the same period last year.

Most of this \$24 million increase was attributable to the growth in EBITDA(A), excluding non-cash items in net earnings such as the share in earnings of the joint ventures, stemming from higher production of Canadian wind and hydroelectric facilities in the third quarter of 2020 compared with the same period of last year. In addition, interest paid decreased by \$12 million while distributions rose by \$5 million.

Note that in the second quarter of 2020, a temporary adjustment of \$10 million was made to eliminate the change in the debt repayment schedule following the refinancing in France. The Corporation is now repaying its debts in France based on the seasonal nature of revenues from wind farms in France with the repayment taking place in the month following the quarter in question. Results for the first quarter are generally higher than those for the second quarter, leading to this temporary adjustment that was reversed in the third quarter as planned.

Discretionary cash flows amounted to \$0.15 per share for the third quarter of 2020 compared with a negative amount of \$0.09 per share for the same period of last year.

⁽¹⁾ See the *Non-IFRS measures* section.

For the nine-month period ended September 30, 2020

Operating activities

The increase of \$47 million in cash flows from operations resulted largely from the \$38 million growth in EBITDA(A) as discussed previously, combined with a \$20 million decrease in *Interest paid*, resulting from the global refinancing of French debt and the NRWF wind farm, the August 2020 share issuance and the redemption of convertible debentures in October 2019. The increase was partly offset by a \$4 million decrease in distributions received from the *Interests in the Joint Ventures and associates*, and a \$2 million increase in *Income taxes paid*.

Distributions received from the Joint Ventures and associates

(in millions of Canadian dollars) (unaudited)	Nine-month periods ended September 30		
	2020	2019	Change \$
SDB I and II	15	17	(2)
DM I, II, LP I, II and Roncevaux	13	15	(2)
	28	32	(4)

Cash generated by the change in non-cash items related to operating activities in the amount of \$65 million during the first nine months of 2020 resulted primarily from a decrease in *Trade and other receivables*, related to the collection of accounts receivable. *Trade and other payables* remained relatively stable compared with the corresponding period of the previous fiscal year.

Investing activities

Investing activities used \$96 million in cash, compared with \$130 million for the first nine months of 2019. The Corporation made investments in property, plant and equipment in the amount of \$91 million broken down as follows:

Segment and geographic breakdown of additions to property, plant and equipment

(in millions of Canadian dollars) (unaudited)	Canada	Europe	Total
Wind			
Construction ⁽¹⁾	—	76	76
In operation	—	1	1
Wind - total	—	77	77
Hydroelectric			
Construction ⁽¹⁾	8	—	8
In operation	2	—	2
Hydroelectric - total	10	—	10
Corporate	4	—	4
Total	14	77	91

⁽¹⁾ See the Commissioning table in this section.

Restricted cash decreased by \$7 million during the first nine months of 2020, largely due to the release of restricted cash amounts subsequent to the refinancing in France.

The Corporation also paid \$10 million mainly as additional consideration for the acquisition of energy sales contracts. The amounts paid were primarily related to the **Extension Seuil de Bapaume** project.

Financing activities

For the first nine months of 2020, financing activities used total net cash flows of \$149 million.

New financing arrangements and repayments on existing debt

For the first nine months of 2020, new non-current debt contracted by Boralex totalled \$190 million:

- \$81 million from the revolving credit facility;
- \$72 million related to the NRWF debt refinancing;
- \$36 million for the Sainte-Christine portfolio in France;

At the end of the first quarter of 2020, given the potential liquidity issues that could affect the banking system during the COVID-19 crisis, the Corporation decided to draw down \$40 million from its revolving credit facility in order to secure an emergency cushion. Since then, part of the amount drawn (\$2 million) has been used for current operations not related to the COVID-19 crisis. The emergency funds available amounted to \$38 million as of September 30, 2020.

Conversely, during the first nine months of 2020, the Corporation made debt repayments totalling \$135 million relating to various assets in operation and settled \$7 million in lease liabilities. Boralex also repaid \$323 million on its revolving credit facility. On August 28, 2020, Boralex announced the closing of the public offering of Class A common shares for proceeds of \$192 million, net of issue costs, as explained previously.

Dividends and other items

For the first nine months of 2020, the Corporation paid dividends to shareholders totalling \$49 million (or the equivalent of \$0.1650 per share in each of the three quarters), compared with \$44 million for the corresponding period of 2019 (or the equivalent of \$0.1650 per share in each of the three quarters).

The Corporation paid \$5 million to non-controlling shareholders for the nine-month period ended September 30, 2020 compared with \$6 million for the same period of last year.

The Corporation also disbursed \$9 million during the second quarter of 2020 for the settlement of cross-currency swaps maturing on June 30, 2020. This amount was offset by an equivalent gain on Boralex's net investments in euros.

Net change in cash and cash equivalents

Total cash movements for the first nine months of 2020 resulted in a \$67 million increase, bringing *Cash and cash equivalents* to \$220 million as at September 30, 2020 compared with \$153 million as at December 31, 2019.

Discretionary cash flows and payout ratio⁽¹⁾

Discretionary cash flows amounted to \$80 million for the nine-month period ended September 30, 2020 compared with \$52 million for the corresponding period of fiscal 2019. This \$28 million increase resulted from the \$20 million decrease in interest paid combined with the growth in EBITDA(A) excluding non-cash items in net earnings such as the share in earnings of the joint ventures, between the two periods, stemming from wind power production in the first quarter of 2020 that largely exceeded output in the first quarter of 2019 and the recommissioning of the **Buckingham** hydroelectric power station. This increase was mainly offset by higher debt repayments including net non-recurring and temporary debt adjustments of \$22 million mainly related to the adjustment of debt repayments in France based on seasonal factors following the refinancing which took place at the end of 2019.

Discretionary cash flows amounted to \$0.82 per share for the nine-month period ended September 30, 2020 compared with \$0.56 per share for the corresponding period of fiscal 2019.

Last twelve months

Discretionary cash flows amounted to \$148 million for the twelve-month period ended September 30, 2020 compared with \$120 million for the twelve-month period ended December 31, 2019. Note that during the fourth quarter of 2019 and the first quarter of 2020, discretionary cash flows were bolstered by wind power output in France that largely exceeded anticipated production. This increase was partly offset by a change in the repayment schedule following the refinancing in France as indicated previously.

Discretionary cash flows amounted to \$1.53 per share for the twelve-month period ended September 30, 2020 compared with \$1.33 as at December 31, 2019. The payout ratio stood at 44%, in line with the financial objective of the strategic plan.

⁽¹⁾ See the *Non-IFRS measures* section.

Financial position

Overview of the consolidated condensed statements of financial position

	As at September 30, 2020	As at December 31, 2019	Change (\$)
(in millions of Canadian dollars) (unaudited)			
ASSETS			
Cash and cash equivalents	220	153	67
Restricted cash	7	15	(8)
Other current assets	130	195	(65)
CURRENT ASSETS	357	363	(6)
Property, plant and equipment	2,769	2,715	54
Right-of-use assets	266	260	6
Intangible assets	703	700	3
Goodwill	195	188	7
Interests in the Joint Ventures and associates	212	236	(24)
Other non-current assets	73	95	(22)
NON-CURRENT ASSETS	4,218	4,194	24
TOTAL ASSETS	4,575	4,557	18
LIABILITIES			
CURRENT LIABILITIES	359	304	55
Debt	2,715	2,895	(180)
Lease liabilities	203	197	6
Other non-current liabilities	329	286	43
NON-CURRENT LIABILITIES	3,247	3,378	(131)
TOTAL LIABILITIES	3,606	3,682	(76)
EQUITY			
TOTAL EQUITY	969	875	94
TOTAL LIABILITIES AND EQUITY	4,575	4,557	18

Summary of significant changes

Assets

As at September 30, 2020, Boralex's total assets amounted to \$4,575 million, up \$18 million from total assets of \$4,557 million as at December 31, 2019. This increase was due to the \$6 million decline in *Current assets* and a \$24 million increase in *Non-current assets*.

The change in *Current assets* was primarily attributable to the \$67 million increase in *Cash and cash equivalents* following the sound results for the first nine months of 2020, the **NRWF** debt refinancing and the share issuance. This increase was partly offset by the \$8 million decrease in *Restricted cash* resulting from the release of restricted cash amounts subsequent to the refinancing in France and the \$51 million decrease in *Trade and other receivables* owing to the collection of accounts receivable related to seasonal factors.

Non-current assets were up \$24 million, owing primarily to:

- The \$54 million increase in the value of *Property, plant and equipment* (net of amortization for the period) which breaks down as follows:
 - A \$85 million increase related to exchange rate fluctuations and an \$122 million decrease related to amortization of assets in operation;
 - A \$91 million increase mainly related to projects under construction (see the *Cash flows* section);
- A \$6 million increase in *Right-of-use assets* resulting from \$10 million in exchange rate fluctuations, additions and indexation in the amount of \$10 million, offset by amortization of \$14 million;

- A \$3 million increase in *Intangible assets* primarily related to a \$27 million foreign exchange effect, \$10 million as additional consideration for the acquisition related mostly to the **Extension Seuil de Bapaume** and **Santerre** projects and the capitalization of development costs, offset by the amortization of assets in operation in the amount of \$39 million.
- A \$7 million increase in *Goodwill* related to exchange rate fluctuations;
- A \$24 million decrease in *Interests in the Joint Ventures and associates* mainly related to distributions received in the amount of \$28 million;
- A \$22 million decrease in *Non-current assets*, owing in large part to the change in *Other non-current financial assets* resulting from variations in the fair value of financial instruments.

Current liabilities

Current liabilities as at September 30, 2020 amounted to \$359 million, up \$55 million compared with \$304 million recognized as at December 31, 2019. The increase is mainly due to:

- A \$27 million increase in *Current portion of debt* due to exchange rate fluctuations and the refinancing of debt in France;
- A \$30 million increase in *Trade and other payables* due to an increase in income taxes payable, maintenance, interest and property tax payable.

Working capital

As at September 30, 2020, the Corporation had a negative working capital of \$2 million for a ratio of 0.99:1, compared with a working capital of \$59 million and a ratio of 1.19:1 as at December 31, 2019. The deterioration in working capital was mainly due to the decrease in *Trade and other receivables* during the first nine months of the year and increases in *Trade and other payables* and *Current portion of debt* as discussed previously. The working capital deterioration was partly offset by the increase in *Cash and cash equivalents* as discussed previously. Considering the negligible amount of the negative working capital, the Corporation does not foresee any issues in meeting its obligations, especially with the funds available under its credit facility, which was undrawn as at September 30, 2020.

Non-current liabilities

Total *Non-current liabilities* declined \$131 million, owing primarily to the \$180 million decrease in *Non-current debt* which resulted mainly from:

- An increase related to:
 - Debt increase of \$190 million, mainly related to the NRWF debt refinancing and drawdown on the debt of Sainte-Christine portfolio wind farms and projects;

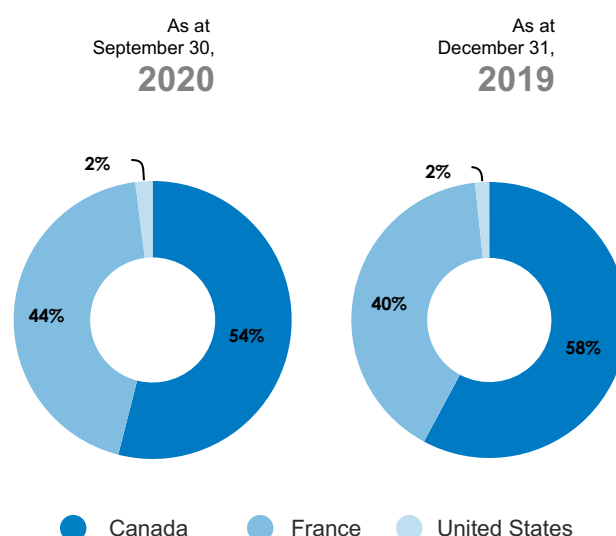
– Exchange rate fluctuations in the amount of \$92 million.

- A \$458 million decrease resulting primarily from the repayment of the \$323 million revolving credit facility following the August 2020 share issuance, the NRWF refinancing and scheduled repayments on project debts.

Also, *Other non-current financial liabilities* increased by \$52 million following the drop in interest rates since the beginning of the pandemic which led to a significant decline in the fair value of interest rate swaps.

As at September 30, 2020, Boralex had \$359 million in debt contracted for its construction projects that remained undrawn. Boralex also had access to the \$50 million accordion facility and its revolving credit facility as they were undrawn as at September 30, 2020.

Geographic breakdown of debt



Equity

Total *Equity* rose \$94 million over the first nine months of 2020 to \$969 million as at September 30, 2020, driven by net earnings of \$30 million and the August 2020 closing of an issuance of Class A shares for proceeds of \$194 million, net of issue costs. The increase was partly offset by a \$69 million decrease in *Other comprehensive income* related to lower interest rates as well as \$49 million in dividends paid to shareholders of Boralex and distributions of \$14 million to non-controlling shareholders.

Debt ratios

Net debt, as defined under *Non-IFRS measures*, amounted to \$2,784 million as at September 30, 2020 compared with \$2,981 million as at December 31, 2019.

As a result, the net debt ratio, based on market capitalization, as defined under *Non-IFRS measures*, declined to 41% as at September 30, 2020 from 56% as at December 31, 2019.

Boralex's share price was \$38.49 per share as at September 30, 2020 compared with \$24.46 per share as at December 31, 2019.

Information about the Corporation's equity

As at September 30, 2020, Boralex's capital stock consisted of 102,545,891 Class A shares issued and outstanding (96,464,460 as at December 31, 2019) due to the following share issuances:

- 6,081,200 new shares issued following the public offering in August 2020;
- 231 shares issued following the exercise of stock options held by management;

As of September 30, 2020, there were 364,591 outstanding stock options, of which 238,517 were exercisable.

From October 1 to November 10, 2020, 2,406 shares were issued on exercise of stock options.

Related party transactions

The Corporation has entered into a management agreement with R.S.P. Énergie Inc., an entity of which Patrick Lemaire, President, Chief Executive Officer and a director of the Corporation, is one of three shareholders.

The Corporation has an office lease contract with Ivanhoé Cambridge, an entity in which the Caisse holds an interest as well. As at September 30, 2020, the rent-related lease liability amounted to \$11 million.

In addition, the Corporation holds a \$250 million financing arrangement with the Caisse in the form of unsecured subordinated debt with a 10-year maturity as well as a \$61 million (€40 million) term loan for which the credit agreement stipulates a maturity date in five years with repayment of the full amount of the loan on maturity date. For the nine-month period ended September 30, 2020, the interest related to these transactions amounted to \$11 million (\$11 million in 2019).

The Six Nations' equity interest in FWRN LP was financed through a non-recourse loan which will be repaid, with interest, through Six Nations' share of the payouts that FWRN LP will make during the term of the energy sale contract. During the third quarter, following the refinancing, the Six Nations made principal repayments and interest payments totalling \$9 million. For the nine-month period ended September 30, 2020, the advance including interest totalled \$31 million (\$37 million as at December 31, 2019).

The 15 MW Val aux Moines wind farm is 35% owned by shareholder Nordex Employee Holding GmbH. The non-controlling shareholder advanced \$6 million (€4 million) to the project to finance construction of the facility. For the nine-month periods ended September 30, 2020 and 2019, the interest amount related to this due was not material.

Seasonal factors

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended							
	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020
POWER PRODUCTION (GWh)								
Wind power stations	852	1,038	636	546	1,038	1,235	649	577
NRWF compensation	41	10	73	28	64	31	55	19
	893	1,048	709	574	1,102	1,266	704	596
Hydroelectric power stations	170	159	255	131	211	198	218	144
Thermal power stations	40	72	38	—	48	65	8	42
Solar power stations	3	5	7	7	3	4	7	7
	1,106	1,284	1,009	712	1,364	1,533	937	789
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	123	146	99	78	149	172	99	85
Hydroelectric power stations	11	12	16	11	22	16	18	14
Thermal power stations	9	13	5	1	7	11	2	4
Solar power stations	2	1	1	2	1	1	2	2
	145	172	121	92	179	200	121	105
EBITDA(A)⁽¹⁾								
Wind power stations	105	130	84	52	145	150	90	69
Hydroelectric power stations	8	8	12	6	17	12	14	9
Thermal power stations	2	6	1	(1)	1	4	(2)	—
Solar power stations	1	1	1	2	1	—	1	1
	116	145	98	59	164	166	103	79
Corporate and eliminations	(18)	(14)	(15)	(14)	(21)	(17)	(17)	(17)
	98	131	83	45	143	149	86	62
NET EARNINGS (LOSS)	9	31	(15)	(36)	(23)	44	(6)	(8)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	9	29	(13)	(29)	(26)	41	(6)	(6)
Per share - basic	\$0.09	\$0.32	(\$0.14)	(\$0.32)	(\$0.28)	\$0.43	(\$0.07)	(0.06 \$)
Per share - diluted	\$0.09	\$0.31	(\$0.14)	(\$0.32)	(\$0.28)	\$0.43	(\$0.07)	(0.06 \$)
CASH FLOWS FROM OPERATIONS⁽¹⁾	71	101	55	35	119	124	51	63

⁽¹⁾ See the *Non-IFRS measures* section.

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed, fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. The impact of these cycles is mitigated by diversifying the Corporation's power generation sources and favourable geographical positioning.

Operating volumes at Boralex facilities are influenced as follows:

- Wind conditions both in France and Canada are usually more favourable in the winter, which falls during Boralex's first and fourth quarters. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing.
- Hydroelectricity produced depends on water flow, which in Canada and the Northeastern United States is typically at a maximum in spring and high in the fall. Historically, water flow tends to decrease in winter and summer. However, over a long-term horizon, there may be variations from year to year due to short-term weather conditions. Note that apart from four hydroelectric power stations whose water flow is regulated upstream and is not under the Corporation's control, Boralex's other hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.
- The generation of thermal energy is regulated under contracts in Canada and France with power generation limitation periods for Boralex. Thermal energy is generated in Canada from mid-October to mid-June and in Europe from November to March.
- For solar power, sunlight conditions are typically more favourable in the spring and summer.

Net installed capacity (MW)	Power production average of the past five years ⁽¹⁾			
	Q1	Q2	Q3	Q4
Wind	31%	21%	17%	31%
Hydroelectric	23%	32%	20%	25%
Thermal	41%	17%	19%	23%
Solar	18%	30%	31%	21%
Total power production	30%	23%	18%	29%

⁽¹⁾ The historical average of power production is based on the last five full fiscal years of the Corporation, from 2015 to 2019.

Financial instruments

Foreign exchange risk

The Corporation generates foreign currency liquidity through the operation of its power stations in France and the United States. The Corporation benefits from partial natural coverage from this risk exposure, as revenues, expenses and financing are in the local currency. Accordingly, foreign exchange risk arises particularly from the residual liquidity that can be distributed to the parent company.

In France, given the above, the Corporation had entered into foreign exchange forward contracts to hedge the exchange rate on a portion of the distributions it expects to repatriate from Europe. Similar purchases could be made based on the growth in cash to be generated in France. The Corporation also entered into cross-currency swaps. These derivatives cover the Corporation's net investment in France, as they allow financing issued in Canada for investment in France to be synthetically translated into euros. In addition to mitigating the risk related to foreign currency fluctuations, these instruments also allow Boralex to currently benefit in part from interest rates lower than those prevailing in Europe. The Corporation can also enter into similar transactions pertaining to US dollars. These short-term transactions provide access to lower interest rates on drawdowns under the revolving credit facility. To measure the fair value of these instruments, the Corporation uses a technique that is a combination of the techniques used to measure the fair value of interest rate swaps and foreign exchange forward contracts.

Management considers that the cash flows generated in the United States do not represent a significant risk at present. A hedging strategy could be developed in due course.

In connection with Canadian project development, certain future expenditures may be in foreign currencies. For example, certain equipment purchases in Canada are partly denominated in euros or U.S. dollars. Where applicable, the Corporation's objective is to protect its anticipated return on its investment by entering into hedging instruments to reduce volatility in expected expenditures and, in turn, stabilize significant costs such as those for turbines.

Price risk

In the Northeastern United States, a portion of the Corporation's power production is sold at market prices or under short-term contracts and is accordingly subject to fluctuations in energy prices. Energy prices vary according to supply, demand and certain external factors, including weather conditions, and the price of other sources of power. As a result, prices may fall too low for the power stations to yield an operating profit.

As at September 30, 2020, substantially all of the French and Canadian power stations and two power stations in the United States have long-term energy sales contracts, the vast majority of which are subject to partial or full indexation clauses tied to inflation. Consequently, only 2% of Boralex's net installed capacity is exposed to this price risk at present.

Interest rate risk

As at September 30, 2020, approximately 81% of non-current debt issued bore interest at variable rates, excluding the revolving credit facility and subordinated debt. To protect itself against rate increases, the Corporation uses interest rate swaps. With these instruments, the Corporation's actual exposure to interest rate fluctuations is limited to only 10% of total debt under IFRS.

The following table summarizes the Corporation's derivative financial instruments as at September 30, 2020:

As at September 30,

2020

(in millions of Canadian dollars) (unaudited)	Currency	Current notional		Fair value	
		(currency of origin)	(CAD)	(currency of origin)	(CAD)
Interest rate swaps	EUR	686	1,071	(28)	(44)
Interest rate swaps	CAD	860	860	(29)	(30)
Cross-currency swaps	Eur vs. CAD	308	472	(10)	(10)
					(84)

The Corporation does not plan to trade these instruments, since they were entered into to reduce the Corporation's risk related to interest rate and exchange rate fluctuations, and to protect the anticipated return on its projects. As a result, the fact that fair value is unfavourable only indicates that forward interest rates have fallen or exchange rates have risen and has no bearing on the effectiveness of the instrument as part of the Corporation's risk management strategy.

Combined

The combined information (“Combined”) presented above and elsewhere in this management’s discussion and analysis results 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 assess 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 the Joint Ventures and associates, Share in earnings (losses) of the Joint Ventures and associates and Distributions received from the Joint Ventures and associates are replaced with Boralex’s respective share (ranging from 50.00% to 59.96%) in the financial statements of the Interests (revenues, expenses, assets, liabilities, etc.). For more details, see the Interests in the Joint Ventures and associates note in the audited annual consolidated financial statements for the year ended December 31, 2019.

Interests in the Joint Ventures and associates

The analysis of results takes into account the significant Joint Ventures and associates of the Corporation. Data is shown below as a percentage of interests held by Boralex:

	Boralex % of interests
SDB I and II	50.00%
DM I and DM II	51.00%
LP I	51.00%
LP II	59.96%
Roncevaux	50.00%

Highlights of the Joint Ventures and associates

	2020			2019			
	SDB I and II	DM I, II, LP I, II and Roncevaux	Total	SDB I and II	DM I, II, LP I, II and Roncevaux	Total	Change (%)
Three-month periods ended September 30:							
Wind power production (GWh)	114	114	228	105	103	208	10
Revenues from energy sales	12	13	25	11	10	21	16
EBITDA(A)	11	10	21	9	8	17	19
Net earnings (loss)	2	(2)	—	—	(7)	(7)	>100
Net cash flows related to operating activities	7	4	11	8	2	10	27
Cash flows from operations	7	6	13	6	4	10	30
Nine-month periods ended September 30:							
Wind power production (GWh)	402	410	812	423	438	861	(6)
Revenues from energy sales	44	43	87	46	44	90	(3)
EBITDA(A)	39	34	73	41	36	77	(4)
Net earnings (loss)	14	(2)	12	12	(2)	10	30
Net cash flows related to operating activities	21	21	42	24	23	47	(10)
Cash flows from operations	27	23	50	29	23	52	(5)
Shares in the assets ⁽¹⁾	344	472	816	359	498	857	(5)
Shares of borrowings ⁽¹⁾	279	297	576	286	307	593	(3)

⁽¹⁾ As at December 31, 2019 for comparative amounts.

Analysis of consolidated operating results for the three-month period ended September 30, 2020 - Combined

Total power production

(GWh)	Q3 2020				Q3 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	in GWh	%
Wind										
Comparable assets ⁽¹⁾	471	337	—	808	429	344	—	773	35	5
Temporary shutdown - Cham Longe I	—	—	—	—	—	9	—	9	(9)	(100)
Commissioning ⁽²⁾	—	16	—	16	—	—	—	—	16	—
Wind - total	471	353	—	824	429	353	—	782	42	5
Hydroelectric										
Comparable assets	74	—	39	113	69	—	56	125	(12)	(10)
Temporary shutdown - Buckingham	31	—	—	31	6	—	—	6	25	>100
Hydroelectric - total	105	—	39	144	75	—	56	131	13	9
Thermal	42	—	—	42	—	—	—	—	42	—
Solar	—	7	—	7	—	7	—	7	—	1
Total⁽¹⁾	618	360	39	1,017	504	360	56	920	97	10

⁽¹⁾ Includes the compensation for the equivalent of 19 GWh in light of the power limitation imposed on the NRWF facility for the third quarter of 2020 (28 GWh for the third quarter of 2019).

⁽²⁾ See the *Commissioning* table in section II - Analysis of results, cash flows and financial position - IFRS.

On a Combined basis, power production amounted to 1,017 GWh for the third quarter of 2020, up 97 GWh or 10% compared with the corresponding period of 2019. The Joint Ventures and associates generated 20 GWh, up 10%, owing to more favourable weather conditions than in the previous year. The higher earnings under IFRS stemmed from the contribution of the Joint Ventures and associates plus other factors, namely better weather conditions for the wind and hydroelectric power segments in Canada, recommissioning of the Buckingham hydroelectric power station and resumption of operations at the Senneterre thermal power station for the summer period, all partly offset by lower production at the U.S. hydroelectric stations.

Revenues from energy sales and feed-in premium

Main differences in revenues from energy sales and feed-in premium

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Combined
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	99	11	3	113
Segment breakdown	88 %	9 %	3 %	100 %
Acquisitions/commissioning ⁽¹⁾	2	—	—	2
Volume ⁽²⁾	6	—	3	9
Temporary shutdown- Buckingham	—	2	—	2
Pricing	—	1	—	1
Other ⁽³⁾	3	—	—	3
Change	11	3	3	17
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	110	14	6	130
Segment breakdown	85 %	10 %	5 %	100 %

⁽¹⁾ See the *Commissioning* table in section II - Analysis of results, cash flows and financial position - IFRS.

⁽²⁾ Excluding temporary shutdowns.

⁽³⁾ Includes foreign exchange effect and compensation for prior production limitation.

During the third quarter of 2020, the contributions to revenues from energy sales from the wind farms of the Joint Ventures and associates were up \$4 million or 16% compared with the corresponding quarter of 2019, bringing the increase in revenues on a Combined basis to \$17 million compared with \$13 million under IFRS.

EBITDA(A)⁽¹⁾

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	Combined
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	77	6	1	(14)	70
Segment breakdown⁽²⁾	91 %	8 %	1 %		100 %
Acquisitions/commissioning ⁽³⁾	2	—	—	—	2
Volume ⁽⁴⁾	5	—	1	—	6
Temporary shutdown - Buckingham	—	2	—	—	2
Other ⁽⁵⁾	6	1	(1)	(3)	3
Change	13	3	—	(3)	13
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	90	9	1	(17)	83
Segment breakdown⁽²⁾	90 %	9 %	1 %		100 %

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ Excluding corporate segment and eliminations.

⁽³⁾ See the *Commissioning* table in section II - *Analysis of results, cash flows and financial position - IFRS*.

⁽⁴⁾ Excluding temporary shutdowns.

⁽⁵⁾ Includes the differences related to salaries, foreign exchange effect, development costs, pricing and revenues following the repatriation of LP I maintenance work in-house and compensation for a prior production limitation.

The contribution to EBITDA(A) of the Joint Ventures and associates increased by \$4 million or 19% in the third quarter of 2020 compared with the same quarter of last year. The 18% growth in EBITDA(A) on a Combined basis was driven by the combination of the contribution of the Joint Ventures and associates during the third quarter of 2020, higher production at comparable wind farms in Canada, the net favourable difference related to the temporary shutdown and the contributions from commissioned facilities over the past year.

Analysis of consolidated operating results for the nine-month period ended September 30, 2020 - Combined

Combined

Total power production

(GWh)	Cumulative 2020				Cumulative 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	in GWh	%
Wind										
Comparable assets ⁽¹⁾	1,706	1,489	—	3,195	1,781	1,318	—	3,099	96	3
Temporary shutdown - Cham Longe I	—	19	—	19	—	39	—	39	(20)	(51)
Commissioning ⁽²⁾	49	115	—	164	23	31	—	54	110	>100
Wind - total	1,755	1,623	—	3,378	1,804	1,388	—	3,192	186	6
Hydroelectric										
Comparable assets	142	—	266	408	161	—	342	503	(95)	(19)
Commissioning - Yellow Falls	54	—	—	54	36	—	—	36	18	52
Temporary shutdown - Buckingham	98	—	—	98	6	—	—	6	92	>100
Hydroelectric - total	294	—	266	560	203	—	342	545	15	3
Thermal	96	19	—	115	91	19	—	110	5	4
Solar	—	18	—	18	1	18	—	19	(1)	(7)
Total⁽¹⁾	2,145	1,660	266	4,071	2,099	1,425	342	3,866	205	5

⁽¹⁾ Includes the compensation for the equivalent of 105 GWh in light of the power limitation imposed on the NRWF facility for the first nine months of 2020 (111 GWh for the first nine months of 2019).

⁽²⁾ See the *Commissioning* table in section II - Analysis of results, cash flows and financial position - IFRS.

On a Combined basis, power production amounted to 4,071 GWh for the nine-month period ended September 30, 2020, up 205 GWh or 5% compared with the corresponding period of 2019. As the facilities of the Joint Ventures and associates experienced less favourable weather conditions than a year earlier, this increase was driven mainly by better performance at comparable wind power assets in France, primarily during the first quarter, and the commissioning of new wind and hydroelectric power facilities.

Revenues from energy sales and feed-in premium

Main differences in revenues from energy sales and feed-in premium

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Combined
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	413	39	23	475
Segment breakdown	87 %	8 %	5 %	100 %
Acquisitions/commissioning ⁽¹⁾	11	2	—	13
Volume ⁽²⁾	14	(5)	—	9
Temporary shutdowns	(1)	7	—	6
Pricing	1	3	(2)	2
Other ⁽³⁾	5	2	1	8
Change	30	9	(1)	38
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	443	48	22	513
Segment breakdown	87 %	9 %	4 %	100 %

⁽¹⁾ See the *Commissioning* table in section II - Analysis of results, cash flows and financial position - IFRS.

⁽²⁾ Excluding temporary shutdowns.

⁽³⁾ Includes differences related to the foreign exchange effect and compensation for a prior production limitation.

During the nine-month period ended September 30, 2020, the contributions to revenues from energy sales by the wind farms of the Joint Ventures and associates declined \$3 million or 3% compared with the corresponding period of 2019. Accordingly, the 8% growth in revenues on a Combined basis resulted from favourable differences owing to better wind conditions at French wind farms during the first quarter and to an expanded operating asset base in the wind and hydroelectric power segments.

EBITDA(A)⁽¹⁾

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	Combined
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019	333	26	10	(42)	327
Segment breakdown⁽⁵⁾	90 %	8 %	2 %		100 %
Acquisitions/commissioning ⁽²⁾	9	2	—	—	11
Volume ⁽³⁾	14	(5)	(1)	—	8
Temporary shutdown	(1)	7	—	—	6
Pricing	1	3	(2)	—	2
Foreign exchange	3	—	—	(1)	2
Development	3	—	(2)	1	2
Other ⁽⁴⁾	8	2	(1)	(8)	1
Change	37	9	(6)	(8)	32
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	370	35	4	(50)	359
Segment breakdown⁽⁵⁾	91 %	9 %	— %		100 %

⁽¹⁾ See the *Non-IFRS measures* section.

⁽²⁾ See the *Commissioning* table in section II - *Analysis of results, cash flows and financial position - IFRS*.

⁽³⁾ Excluding temporary shutdowns.

⁽⁴⁾ Including differences related to salaries, maintenance costs, revenues following the repatriation of LP I maintenance work in-house and compensation for prior production limitations.

⁽⁵⁾ Excluding corporate segment and eliminations.

The contribution to EBITDA(A) of the Joint Ventures and associates declined by \$4 million or 4% during the nine-month period ended September 30, 2020 compared with the corresponding period of 2019. The 10% growth in EBITDA(A) on a Combined basis was therefore mainly attributable to the additional \$11 million in EBITDA(A) resulting from the expansion of the operating base since the start of 2019. In addition, there were a volume effect of \$8 million given the performance of comparable assets mainly in France, a net favourable difference related to temporary shutdowns of \$6 million and a \$2 million reduction in development costs following the health crisis as well as \$2 million favourable pricing difference.

Non-IFRS measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA, EBITDA(A), cash flows from operations, ratio of net debt, discretionary cash flows and payout ratio as performance measures. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations. The non-IFRS measures also provide investors with insight into the Corporation's decision making as the Corporation uses these non-IFRS measures to make financial, strategic and operating decisions.

These non-IFRS measures are derived primarily from the audited consolidated financial statements, but do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. Non-IFRS measures are not audited. These non-IFRS measures have important limitations as analytical tools and investors are cautioned not to consider them in isolation or place undue reliance on ratios or percentages calculated using these non-IFRS measures.

Reconciliation between IFRS and Combined information

The following tables reconcile IFRS data with data presented on a Combined basis:

Consolidated

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Three-month period ended September 30:						
Power production (GWh)	789	228	1,017	712	208	920
Revenues from energy sales and feed-in premium	105	25	130	92	21	113
EBITDA(A)	62	21	83	45	25	70
Net loss	(8)	(5)	(13)	(36)	(8)	(44)
Net cash flows related to operating activities	73	(7)	66	58	(5)	53
Cash flows from operations	63	(5)	58	35	(4)	31
Nine-month period ended September 30:						
Power production (GWh)	3,259	812	4,071	3,005	861	3,866
Revenues from energy sales and feed-in premium	426	87	513	385	90	475
EBITDA(A)	297	62	359	259	68	327
Net earnings (loss)	30	(11)	19	(20)	(8)	(28)
Net cash flows related to operating activities	303	15	318	236	14	250
Cash flows from operations	238	23	261	191	21	212
As at September 30:						
Total assets ⁽³⁾	4,575	675	5,250	4,557	689	5,246
Debt ⁽²⁾⁽³⁾	2,914	576	3,490	3,067	593	3,660

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.

⁽²⁾ Includes *Debt* and *Current portion of debt*.

⁽³⁾ As at December 31, 2019 for comparative amounts.

Wind

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Three-month period ended September 30:						
Power production (GWh)	577	228	805	546	208	754
NRWF compensation	19	—	19	28	—	28
	596	228	824	574	208	782
Revenues from energy sales and feed-in premium	85	25	110	78	21	99
EBITDA(A)	69	21	90	52	25	77
Nine-month period ended September 30:						
Power production (GWh)	2,461	812	3,273	2,220	861	3,081
NRWF compensation	105	—	105	111	—	111
	2,566	812	3,378	2,331	861	3,192
Revenues from energy sales and feed-in premium	356	87	443	323	90	413
EBITDA(A)	309	61	370	266	67	333

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.

EBITDA(A)

EBITDA(A) represents earnings before taxes, interest, depreciation and amortization, adjusted to exclude other items such as other gains, net loss (gain) on financial instruments and foreign exchange loss (gain), the last two items being included under Other. EBITDA(A) does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA(A) as an alternative measure to, for example, net earnings (loss), or as a measure of operating results, which are IFRS measures.

EBITDA and EBITDA(A) are reconciled to the most comparable IFRS measure, namely net earnings, in the following table.

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Three-month period ended September 30:						
Net loss	(8)	(5)	(13)	(36)	(8)	(44)
Income tax recovery	(5)	(1)	(6)	(9)	—	(9)
Financing costs	20	8	28	33	8	41
Amortization	59	12	71	63	17	80
EBITDA	66	14	80	51	17	68
Adjustments:						
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(6)	6	—	(8)	8	—
Other	2	1	3	2	—	2
EBITDA(A)	62	21	83	45	25	70
Nine-month period ended September 30:						
Net earnings (loss)	30	(11)	19	(20)	(8)	(28)
Income tax expense	10	(3)	7	(5)	—	(5)
Financing costs	84	26	110	102	26	128
Amortization	175	37	212	189	42	231
Impairment	—	—	—	2	—	2
EBITDA	299	49	348	268	60	328
Adjustments:						
Other gains	—	(2)	(2)	(1)	(1)	(2)
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(14)	14	—	(8)	8	—
Other	12	1	13	—	1	1
EBITDA(A)	297	62	359	259	68	327

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.

Cash flows from operations

Cash flows from operations under IFRS and on a Combined basis are equal to net cash flows related to operating activities before change in non-cash items. Management uses this measure to assess cash flows generated by the Corporation's operations and its capacity to finance its expansion through those funds. In light of the seasonal nature of the Corporation's operations and the volume of construction activity, changes in non-cash items can vary considerably, which affects the degree to which cash flows relating to operating activities are representative.

Investors should not consider cash flows from operations as an alternative measure to cash flows related to operating activities, which is an IFRS measure.

Cash flows from operations are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table:

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Three-month period ended September 30:						
Net cash flows related to operating activities	73	(7)	66	58	(5)	53
Change in non-cash items related to operating activities	(10)	2	(8)	(23)	1	(22)
CASH FLOWS FROM OPERATIONS	63	(5)	58	35	(4)	31
Nine-month period ended September 30:						
Net cash flows related to operating activities	303	15	318	236	14	250
Change in non-cash items related to operating activities	(65)	8	(57)	(45)	7	(38)
CASH FLOWS FROM OPERATIONS	238	23	261	191	21	212

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.

Net debt ratio

"Net debt ratio" represents the ratio of "net debt" over "total market capitalization", each calculated as described below.

The Corporation defines net debt as follows:

	IFRS		Combined	
(in millions of Canadian dollars) (unaudited)	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Debt	2,715	2,895	3,262	3,460
Current portion of debt	199	172	228	200
Transaction costs, net of accumulated amortization	97	82	105	97
Less:				
Cash and cash equivalents	220	153	237	167
Restricted cash	7	15	7	22
Net debt	2,784	2,981	3,351	3,568

The Corporation defines total market capitalization as follows:

	IFRS		Combined	
	As at September 30,	As at December 31,	As at September 30,	As at December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Number of outstanding shares (in thousands)	102,546	96,464	102,546	96,464
Share market price (in \$ per share)	38.49	24.46	38.49	24.46
Market value of equity attributable to shareholders	3,947	2,360	3,947	2,360
Non-controlling shareholders	—	15	—	15
Net debt	2,784	2,981	3,351	3,568
Total market capitalization	6,731	5,356	7,298	5,943

The Corporation computes the net debt ratio as follows:

	IFRS		Combined	
	As at September 30,	As at December 31,	As at September 30,	As at December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Net debt	2,784	2,981	3,351	3,568
Total market capitalization	6,731	5,356	7,298	5,943
NET DEBT RATIO (market capitalization)	41%	56%	46%	60%

Discretionary cash flows and payout ratio

Discretionary cash flows

When evaluating its operating results, discretionary cash flows is a key performance indicator for the Corporation.

Discretionary cash flows represent the cash generated from operations that management believes is representative of the amount available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business.

It is important to note that discretionary cash flows are calculated using data derived from the financial statements in accordance with IFRS. The Corporation does not provide information on a Combined basis as there is no significant difference between the two methods.

Investors should not consider discretionary cash flows as an alternative measure to “net cash flows related to operating activities,” which is an IFRS measure. Discretionary cash flows are equal to Net cash flows related to operating activities before change in “non-cash items related to operating activities,” less (i) distributions paid to non-controlling shareholders, (ii) additions to property, plant and equipment (maintenance of operations), and (iii) repayments on non-current debt (projects); (iv) principal payments related to lease liabilities; (v) temporary adjustment and adjustment for non-recurring items; plus (vi) development costs (from the statement of earnings).

Payout ratio

The payout ratio is defined as dividends paid to shareholders of Boralex divided by discretionary cash flows. Boralex believes it is a measure of its ability to sustain current dividends as well as its ability to fund its future development. For an accurate representation of current operations, this calculation is adjusted to exclude non-recurring items listed in the notes to the table below.

In the medium-term, Boralex expects to pay common share dividends on an annual basis representing a ratio of approximately 40% to 60% of its discretionary cash flows. For the twelve-month period ended September 30, 2020, the dividends paid to shareholders by the Corporation corresponded to 44% of discretionary cash flows.

Dividends per share paid to shareholders are defined as dividends paid to shareholders of Boralex divided by the average weighted number of outstanding shares.

The Corporation computes the discretionary cash flows and payout ratio as follows:

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	IFRS					
	Three-month periods ended		Nine-month periods ended		Twelve-month periods ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	December 31, 2019
Cash flows from operations	63	35	238	191	357	310
Repayments on non-current debt (projects) ⁽¹⁾	(36)	(43)	(135)	(139)	(172)	(176)
Temporary adjustment ⁽²⁾	(10)	—	—	—	—	—
Adjustment for non-recurring items ⁽³⁾	(2)	—	(24)	2	(38)	(14)
	15	(8)	79	54	147	120
Principal payments related to lease liabilities	(2)	(3)	(7)	(8)	(10)	(10)
Distributions paid to non-controlling shareholders	(2)	(1)	(5)	(6)	(6)	(7)
Additions to property, plant and equipment (maintenance of operations)	(2)	(2)	(3)	(6)	(5)	(7)
Development costs (from statement of earnings)	7	6	16	18	22	24
Discretionary cash flows	16	(8)	80	52	148	120
Dividends paid to shareholders	17	15	49	44	65	60
Weighted average number of outstanding shares – basic (in thousands)	98,646	89,303	97,197	89,230	96,566	90,605
Discretionary cash flows - per share	\$0.15	(\$0.09)	\$0.82	\$0.56	\$1.53	\$1.33
Dividends paid to shareholders – per share	\$0.1650	\$0.1650	\$0.4950	\$0.4950	\$0.6600	\$0.6600
Payout ratio					44 %	50 %

⁽¹⁾ Excluding the bridge financing, the VAT bridge financing and the early debt repayments.

⁽²⁾ Reversal of a temporary adjustment in the second quarter related to the schedule of debt repayments of wind farms in France following the refinancing.

⁽³⁾ Adjustment mainly comprising \$22 million in debt repayments to reflect a normalized debt service following debt refinancing in France in the first quarter of 2020 and a \$15 million exceptional distribution received following the LP1 debt refinancing in the fourth quarter of 2019.

Commitments

	Commitments entered into during 2020	Commitments as at September 30, 2020
Purchase and construction contracts	32	62
Maintenance contracts	2	208
Contingent consideration	—	24
Other	1	28
	35	322

Subsequent to September 30, 2020, the Corporation has entered into contracts amounting to \$8 million mainly relating to purchases and construction and \$11 million relating to maintenance contracts as well as into leases amounting to \$4 million.

Risk factors and uncertainties

Risk factors

With the exception of the following, the Corporation has not observed any major change with respect to the risks to which it is subject, which are described under *Risk factors* in Management's Discussion and Analysis contained in the Annual Report for the fiscal year ended December 31, 2019.

The COVID-19 epidemic has resulted in governments worldwide enacting emergency measures to combat the spread of the coronavirus, including confinement, mandatory closure of various businesses considered non-essential under the circumstances and implementation of travel restrictions. These measures have caused material disruption to many businesses globally, resulting in a foreseeable economic slowdown.

The Corporation continues to monitor the evolution of COVID-19. The governmental restrictions and measures have not impacted the Corporation in a material way to date as its production has been maintained as an essential service and is generally under contract at fixed and indexed prices with major government corporations. Current or future governmental restrictions and measures, and their impact on the financial stability of the Corporation's suppliers and other counterparties, could have an adverse effect on the Corporation's operating results and financial position. The procurement of equipment and spare parts, issuance of permits and other authorizations, launch of requests for proposals, negotiation and finalization of agreements with stakeholders or partners and the construction of assets under development could be delayed or suspended, which could adversely affect the Corporation's development opportunities, operating results and financial position.

The second quarter saw the gradual opening up of economies across the world. Various levels of government stated their intention to use renewable energy in their recovery plans. In line with applicable deconfinement policies, Boralex employees have gradually begun their return to the Corporation's offices and places of business while complying with the measures indicated by the various public health authorities. With the opening up of the economy, Boralex was able to make up for the one-month delay for two projects under construction in France. As a result, the Blanches Fosses wind farm was commissioned as scheduled on November 1, 2020 while Cham Longe will start operations on December 1, 2020.

At the end of the third quarter, new health measures to deal with the second wave of COVID-19 were implemented in the regions where Boralex operates its assets and develops its projects. Boralex maintains its frequent communications with all of its employees by way of webcasts and internal surveys. The Corporation pays special attention to its employees' mental health through its communications and during regular employee meetings held within their respective work teams. As mentioned previously, if this situation persists, it could cause certain delays in project development. For now, current construction projects are going ahead as planned and Boralex is evaluating innovative ways to adapt its site prospecting model to the new reality.

Estimations and sources of uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments that can materially affect revenues, expenses, comprehensive income, assets and liabilities, and the information reported in the consolidated financial statements. Management determines these estimates based on a number of factors, namely its experience, current events and measures the Corporation could subsequently take, as well as other assumptions it deems reasonable given the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results may differ from them. Underlying estimates and assumptions are periodically reviewed and the impact of any changes is recognized immediately.

The items in question are presented under *Factors of uncertainty* in Boralex's annual MD&A for the year ended December 31, 2019.

Accounting policies

Changes in accounting policies

IFRS 3, Business Combinations

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3, *Business Combinations*. The amendments are intended to assist entities in determining whether a transaction should be accounted for as a business combination or as a group of assets. The amendments apply prospectively to acquisitions made during annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard.

IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, to align the definition of “material” across the standards and to clarify certain aspects of the definition. The amendments are intended to improve financial reporting by promoting a better understanding of the existing requirements and should not significantly impact an entity’s materiality judgments. The amendments apply prospectively to annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation’s consolidated financial statements.

Conceptual Framework for Financial Reporting

In March 2018, the IASB issued a comprehensive set of concepts for financial reporting: the revised *Conceptual Framework for Financial Reporting* (“*Conceptual Framework*”), which replaces its previous version. It assists companies in developing accounting policies when no IFRS standard applies to a particular transaction and more broadly helps stakeholders to better understand the standards. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this new framework, and this change had no material impact on the Corporation’s consolidated financial statements.

IFRS 16, Leases

In response to the COVID-19 pandemic, IASB released amendments to IFRS 16, *Leases*, allowing entities to not consider rent concessions received arising from the pandemic as contract amendments under certain conditions. During the fiscal year, the Corporation early adopted this amended standard and this change had no impact on the Corporation’s consolidated financial statements as no such concessions were received.

Future changes in accounting policies

Amendments to IAS 39, IFRS 9 and IFRS 7 (Interest Rate Benchmark Reform - Phase 2)

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, *Financial Instruments*, IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*. The amendments included in Phase 2 address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments complete those issued in 2019 and focus on issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after January 1, 2021. The Corporation is currently assessing the extent of the impact of this change on its consolidated financial statements.

Internal controls and procedures

In accordance with *Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings*, DC&P have been designed to provide reasonable assurance that the information that must be presented in Boralex’s interim and annual reports is accumulated and communicated to management on a timely basis, including the Chief Executive Officer and the Chief Financial Officer, so that appropriate decisions can be made regarding disclosure. ICFR has also been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

During the three-month period ended September 30, 2020, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.

Unaudited interim Consolidated financial statements

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Consolidated statements of financial position

(in millions of Canadian dollars) (unaudited)		As at September 30, 2020	As at December 31, 2019
	Note		
ASSETS			
Cash and cash equivalents		220	153
Restricted cash		7	15
Trade and other receivables		102	153
Other current financial assets	7	—	17
Other current assets		28	25
CURRENT ASSETS		357	363
Property, plant and equipment		2,769	2,715
Right-of-use assets		266	260
Intangible assets		703	700
Goodwill		195	188
Interests in the Joint Ventures and associates		212	236
Other non-current financial assets	7	54	76
Other non-current assets		19	19
NON-CURRENT ASSETS		4,218	4,194
TOTAL ASSETS		4,575	4,557
LIABILITIES			
Trade and other payables		148	118
Current portion of debt	4	199	172
Current portion of lease liabilities		12	11
Other current financial liabilities	7	—	3
CURRENT LIABILITIES		359	304
Debt	4	2,715	2,895
Lease liabilities		203	197
Deferred income tax liability		117	136
Decommissioning liability		99	90
Other non-current financial liabilities	7	90	38
Other non-current liabilities		23	22
NON-CURRENT LIABILITIES		3,247	3,378
TOTAL LIABILITIES		3,606	3,682
EQUITY			
Equity attributable to shareholders		969	860
Non-controlling shareholders		—	15
TOTAL EQUITY		969	875
TOTAL LIABILITIES AND EQUITY		4,575	4,557

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated statements of earnings (loss)

		Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	2020	2019	2020	2019
REVENUES					
Revenues from energy sales		101	90	409	378
Feed-in premium		4	2	17	7
Revenues from energy sales and feed-in premium		105	92	426	385
Other income		3	3	10	7
		108	95	436	392
COSTS AND OTHER					
Operating		30	28	105	97
Administrative		9	8	28	25
Development		7	6	16	18
Amortization		59	63	175	189
Impairment		—	—	—	2
Other gains		—	—	—	(1)
		105	105	324	330
OPERATING INCOME (LOSS)		3	(10)	112	62
Financing costs		20	33	84	102
Share in earnings of the Joint Ventures and associates		(6)	—	(24)	(15)
Other		2	2	12	—
EARNINGS (LOSS) BEFORE INCOME TAXES		(13)	(45)	40	(25)
Income tax expense (recovery)		(5)	(9)	10	(5)
NET EARNINGS (LOSS)		(8)	(36)	30	(20)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(6)	(29)	29	(13)
Non-controlling shareholders		(2)	(7)	1	(7)
NET EARNINGS (LOSS)		(8)	(36)	30	(20)
NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	6	(\$0.06)	(\$0.32)	\$0.30	(\$0.15)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated statements of comprehensive loss

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2020	2019	2020	2019
NET EARNINGS (LOSS)	(8)	(36)	30	(20)
Other comprehensive income (loss) to be subsequently reclassified to net earnings (loss) when certain conditions are met				
Translation adjustments:				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	8	(19)	33	(53)
Net investment hedge:				
Change in fair value	(10)	18	(34)	35
Income taxes	—	(3)	—	(3)
Cash flow hedges:				
Change in fair value	(15)	(14)	(90)	(70)
Hedging items realized and recognized in net earnings (loss)	10	3	20	8
Income taxes	2	3	18	16
Cash flow hedges – Interests:				
Change in fair value	(1)	(2)	(27)	(16)
Hedging items realized and recognized in net earnings (loss)	2	1	5	3
Income taxes	—	—	6	3
Total other comprehensive loss	(4)	(13)	(69)	(77)
COMPREHENSIVE LOSS	(12)	(49)	(39)	(97)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Shareholders of Boralex	(10)	(41)	(36)	(86)
Non-controlling shareholders	(2)	(8)	(3)	(11)
COMPREHENSIVE LOSS	(12)	(49)	(39)	(97)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated statements of changes in equity

Nine-month period ended
September 30

2020

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders					Non-controlling shareholders	Total equity
	Capital stock	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Total		
BALANCE AS AT JANUARY 1, 2020	1,125	9	(233)	(41)	860	15	875
Net earnings (loss)	—	—	29	—	29	1	30
Other comprehensive loss	—	—	—	(65)	(65)	(4)	(69)
COMPREHENSIVE INCOME (LOSS)	—	—	29	(65)	(36)	(3)	(39)
Dividends (note 5)	—	—	(49)	—	(49)	—	(49)
Shares issued (note 5)	194	—	—	—	194	—	194
Transaction with a non-controlling shareholder	—	—	—	—	—	3	3
Repurchase of a non-controlling shareholder	—	—	—	—	—	(1)	(1)
Distributions paid to non-controlling shareholders	—	—	—	—	—	(14)	(14)
BALANCE AS AT SEPTEMBER 30, 2020	1,319	9	(253)	(106)	969	—	969

Nine-month period ended
September 30

2019

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders					Non-controlling shareholders	Total equity
	Capital stock	Equity component of convertible debentures	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)		
BALANCE AS AT JANUARY 1, 2019	984	4	9	(123)	2	31	907
Impact of adopting IFRS 16 – net of taxes	—	—	—	(9)	—	(4)	(13)
BALANCE AS AT JANUARY 1, 2019 – RESTATED	984	4	9	(132)	2	27	894
Net loss	—	—	—	(13)	—	(7)	(20)
Other comprehensive loss	—	—	—	—	(73)	(4)	(77)
COMPREHENSIVE LOSS	—	—	—	(13)	(73)	(11)	(97)
Dividends (note 5)	—	—	—	(44)	—	—	(44)
Conversion of convertible debentures	4	—	—	—	—	—	4
Exercise of options	2	—	—	—	—	—	2
Distributions paid to non-controlling shareholders	—	—	—	—	—	(6)	(6)
Other	—	—	—	(1)	—	—	(1)
BALANCE AS AT SEPTEMBER 30, 2019	990	4	9	(190)	(71)	10	752

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated statements of cash flows

(in millions of Canadian dollars) (unaudited)	Note	Three-month periods ended September 30		Nine-month periods ended September 30	
		2020	2019	2020	2019
Net earnings (loss)		(8)	(36)	30	(20)
Distributions received from the Joint Ventures and associates		19	14	28	32
Financing costs		20	33	84	102
Interest paid		(18)	(30)	(71)	(91)
Income tax expense (recovery)		(5)	(9)	10	(5)
Income taxes paid		(1)	(1)	(4)	(2)
Non-cash items in earnings (loss):					
Amortization		59	63	175	189
Share in earnings of the Joint Ventures and associates		(6)	—	(24)	(15)
Impairment		—	—	—	2
Net loss on financial instruments		3	1	13	1
Other		—	—	(3)	(2)
Change in non-cash items related to operating activities		10	23	65	45
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		73	58	303	236
Additions to property, plant and equipment		(47)	(31)	(91)	(105)
Acquisition of energy sales contracts		—	(1)	(10)	(16)
Change in restricted cash		(5)	(2)	7	(3)
Change in reserve funds		1	4	3	(6)
Other		(3)	2	(5)	—
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(54)	(28)	(96)	(130)
Increase in debt		100	40	190	193
Repayments on debt		(359)	(51)	(458)	(226)
Principal payments relating to lease liabilities		(2)	(3)	(7)	(8)
Distributions paid to non-controlling shareholders		(2)	(1)	(5)	(6)
Change in restricted cash - Lanouée forest		—	—	—	43
Dividends paid to shareholders	5	(17)	(15)	(49)	(44)
Shares issued	5	201	—	201	—
Shares issuance costs		(9)	—	(9)	—
Settlement on financial instruments		—	—	(9)	—
Other		—	2	(3)	(2)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(88)	(28)	(149)	(50)
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		3	(4)	9	(10)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(66)	(2)	67	46
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD		286	205	153	157
CASH AND CASH EQUIVALENTS – END OF PERIOD		220	203	220	203

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Notes to consolidated financial statements

As at September 30, 2020

(in millions of Canadian dollars, unless otherwise specified) (unaudited)

Note 1. Incorporation and nature of business

Boralex Inc., its subsidiaries and its Joint Ventures and associates (“Boralex” or the “Corporation”) are dedicated to the development, construction and operation of renewable energy power facilities. As at November 10, 2020, the Corporation had interests in 87 wind farms, 16 hydroelectric power stations, two thermal power stations and three solar power stations, representing an asset base with a net installed capacity under its control and Boralex’s share in entities over which it does not have control totalling 2,067 megawatts (“MW”). In addition, Boralex currently has new projects under development, representing an additional 97 MW of power and a portfolio of secured projects amounting to 181 MW. The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Énergie Inc., an entity of which one of the three shareholders is Patrick Lemaire, President, Chief Executive Officer and a director of the Corporation. Revenues from energy sales are generated mainly in Canada, France and the United States.

The Corporation is incorporated under the *Canada Business Corporations Act*. Boralex’s head office is located at 36 Lajeunesse St., Kingsey Falls, Québec, Canada and its shares are listed on the Toronto Stock Exchange (“TSX”).

Note 2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), including IAS 34, *Interim Financial Reporting*. The accounting policies followed in these unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2019, except for income taxes for the interim periods, which are calculated using the tax rate that would be applicable to expected annual earnings for each jurisdiction, and except for changes to the accounting policies described in note 3. These interim consolidated financial statements do not constitute a complete set of financial statements, and should therefore be read in conjunction with the Corporation’s audited annual consolidated financial statements for the year ended December 31, 2019. The Corporation’s operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. The operating results in the interim financial statements are therefore not necessarily indicative of the expected annual results, as historically the first and fourth quarters generate higher results. The Management’s Discussion and Analysis provides further information on the seasonal fluctuations in the Corporation’s results under section II – *Analysis of results and financial position - IFRS*.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on November 10, 2020.

Note 3. Changes in accounting policies

IFRS 3, Business Combinations

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3, *Business Combinations*. The amendments are intended to assist entities in determining whether a transaction should be accounted for as a business combination or as a group of assets. The amendments apply prospectively to acquisitions made during annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard.

IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, to align the definition of “material” across the standards and to clarify certain aspects of the definition. The amendments are intended to improve financial reporting by promoting a better understanding of the existing requirements and should not significantly impact an entity’s materiality judgments. The amendments apply prospectively to annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation’s consolidated financial statements.

Conceptual Framework for Financial Reporting

In March 2018, the IASB issued a comprehensive set of concepts for financial reporting: the revised *Conceptual Framework for Financial Reporting* (“*Conceptual Framework*”), which replaces its previous version. It assists companies in developing accounting policies when no IFRS standard applies to a particular transaction and more broadly helps stakeholders to better understand the standards. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this new framework, and this change had no material impact on the Corporation’s consolidated financial statements.

IFRS 16, Leases

In response to the COVID-19 pandemic, IASB released amendments to IFRS 16, *Leases*, allowing entities to not consider rent concessions received arising from the pandemic as contract amendments under certain conditions. During the fiscal year, the Corporation early adopted this amended standard and this change had no impact on the Corporation's consolidated financial statements as no such concessions were received.

Future changes in accounting policies

Amendments to IAS 39, IFRS 9 and IFRS 7 (Interest Rate Benchmark Reform - Phase 2)

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, *Financial instruments*, IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*. The amendments included in Phase 2 address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments complete those issued in 2019 and focus on issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after January 1, 2021. The Corporation is currently assessing the extent of the impact of this change on its consolidated financial statements.

Note 4. Debt

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	Maturity	Rate ⁽¹⁾	Currency of origin ⁽²⁾	As at September 30, 2020	As at December 31, 2019
Revolving credit facility		2023	1.98		—	242
Subordinated debt ⁽³⁾		2028	5.64		300	300
Term loan payable:						
Ocean Falls hydroelectric power station		2024	6.55		4	5
Yellow Falls hydroelectric power station		2056	4.89		72	73
Thames River wind farms		2031	7.05		114	120
Témiscouata I wind farm		2032	5.22		40	41
Témiscouata II wind farm		2033	5.62		104	106
Niagara Region Wind Farm ("NRWF")	(a)	2034	2.77		766	685
Port Ryerse wind farm		2034	3.91		26	27
Frampton wind farm		2035	4.15		60	63
Côte-de-Beaupré wind farm		2035	4.21		52	52
Moose Lake wind farm		2043	4.68		47	49
Jamie Creek hydroelectric power station		2054	5.42		55	55
Other debt		—	—		6	4
CANADA					1,646	1,822
Term loan payable:						
CDPQ Fixed Income Inc. ("Caisse")		2024	4.05	40	62	58
Sainte-Christine portfolio of wind farms and projects		2039	1.59	427	667	623
Val aux Moines wind farm		2034	1.33	15	23	23
Boralex Production portfolio of wind farms		2030	0.91	144	225	237
Boralex Énergie France portfolio of wind farms		2036	1.51	216	337	330
Other debt		—	—	3	4	4
FRANCE	(b)			845	1,318	1,275
Senior secured U.S. note		2026	3.51	35	47	52
UNITED STATES				35	47	52
			3.03		3,011	3,149
Current portion of debt					(199)	(172)
Transaction costs, net of accumulated amortization					(97)	(82)
					2,715	2,895

⁽¹⁾ Weighted average rates, adjusted to reflect the impact of interest rate swaps and calculated using the effective interest method, where applicable.

⁽²⁾ Currencies of origin are CAD (Canada), EUR (France) and USD (United States).

⁽³⁾ Lenders are CDPQ Fixed Income Inc., a subsidiary of a shareholder of the Corporation, and the Fonds de solidarité FTQ.

(a) NRWF refinancing

On August 7, 2020, the Corporation announced the completion of a \$806 million refinancing for its 230 MW **Niagara Region Wind Farm** located on the Niagara Peninsula, Ontario, Canada. This new financing facility comprises a \$558 million uncovered term loan tranche maturing in November 2036, a \$211 million covered term loan tranche, under a guarantee from the Federal Republic of Germany through its export credit agency, Euler Hermes, maturing in November 2034, as well as a \$37 million letter of credit facility for debt service. The non-current debt has a variable interest rate based on CDOR, plus a margin, and is repayable in quarterly payments. In order to reduce exposure to rate changes, interest rate swaps were entered into to cover 90% of the total long-term debt, as required by the credit agreement. For the Corporation, this refinancing represents a two-year extension on its unsecured portion. The refinancing allowed the Corporation to receive a \$71 million return of capital, paid in the third quarter of 2020.

(b) Revolving credit facility

On January 29, 2020, Boralex closed a revolving credit facility amounting to \$182 million (€125 million) to finance the construction of future wind and solar power projects in France. This credit facility was undrawn as at September 30, 2020.

Current portion of debt

(in millions of Canadian dollars) (unaudited)	As at September 30, 2020	As at December 31, 2019
Term loan payable – projects	193	167
Value added tax bridge financing facility	6	5
	199	172

Financial ratios and guarantees

The debt agreements include certain covenants restricting the use of cash resources of the Corporation's subsidiaries. Certain financial ratios, such as debt service coverage ratios and debt/equity ratio, must be met on a quarterly, semi-annual or annual basis.

As at September 30, 2020 and September 30, 2019, the Corporation considers that Boralex and its subsidiaries were in compliance with all their ratios and financial commitments.

Note 5. Capital stock and dividends

On August 28, 2020, the Corporation announced the closing of a public offering of Class A shares for gross proceeds of \$201 million, and net proceeds of \$194 million were recognized (net of issuance costs and taxes of \$7 million).

	Capital stock	
	Number of shares	Amount
Balance as at January 1, 2019	89,184,175	984
Issuance of shares on debenture conversions	6,939,347	134
Equity component of convertible debentures	—	4
Exercise of options	340,938	3
Balance as at December 31, 2019	96,464,460	1,125
Issuance of shares, net of share issuance costs	6,081,200	194
Exercise of options	231	—
Balance as at September 30, 2020	102,545,891	1,319

Dividends paid

On September 16, 2020, the Corporation paid a dividend of \$0.1650 per common share. The Corporation paid dividends in the total amount of \$49 million for the nine-month period ended September 30, 2020 (\$44 million as at September 30, 2019).

On November 10, 2020, a dividend of \$0.1650 per common share was declared and will be paid on December 15, 2020 to holders of record at the market close on November 30, 2020.

Note 6. Net earnings (loss) per share

(a) Net loss per share – basic

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Net earnings (loss) attributable to shareholders of Boralex	(6)	(29)	29	(13)
Weighted average number of shares - basic	98,645,991	89,302,809	97,197,046	89,229,842
Net earnings (loss) per share attributable to shareholders of Boralex - basic	(\$0.06)	(\$0.32)	\$0.30	(\$0.15)

(b) Net earnings (loss) per share – diluted

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Net earnings (loss) attributable to shareholders of Boralex - diluted	(6)	(29)	29	(13)
Weighted average number of shares - basic	98,645,991	89,302,809	97,197,046	89,229,842
Dilutive effect of stock options	—	—	—	—
Weighted average number of shares - diluted	98,645,991	89,302,809	97,197,046	89,229,842
Net earnings (loss) per share attributable to shareholders of Boralex - diluted	(\$0.06)	(\$0.32)	\$0.30	(\$0.15)

The table below shows the items that could dilute basic net loss per common share in the future, but that were not reflected in the calculation of diluted net loss per common share due to their anti-dilutive effect:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2020	2019	2020	2019
Shares reserved for convertible debentures excluded due to their anti-dilutive effect	—	7,323,450	—	7,329,112
Stock options excluded due to their anti-dilutive effect	364,591	450,656	364,591	450,656

Note 7. Financial instruments

The table of financial instruments, complete with their respective carrying amounts and fair values, is as follows:

	As at September 30, 2020		As at December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER CURRENT FINANCIAL ASSETS				
Cross-currency swaps (EUR for CAD)	—	—	16	16
Foreign exchange forward contracts (EUR for CAD)	—	—	1	1
	—	—	17	17
OTHER NON-CURRENT FINANCIAL ASSETS				
Advance to a non-controlling shareholder	31	31	37	39
Reserve funds	14	14	15	15
Interest rate swaps	—	—	15	15
Options to purchase a partner's interests	9	9	9	9
	54	54	76	78
OTHER CURRENT FINANCIAL LIABILITIES				
Cross-currency swaps (USD for CAD)	—	—	3	3
DEBT⁽¹⁾	2,919	3,082	3,067	3,264
OTHER NON-CURRENT FINANCIAL LIABILITIES				
Interest rate swaps	74	74	31	31
Due to a non-controlling shareholder	6	7	6	6
Cross-currency swaps (EUR for CAD)	10	10	—	—
Foreign exchange forward contracts (EUR for CAD)	—	—	1	1
	90	91	38	38

⁽¹⁾ Includes *Debt* and *Current portion of debt*.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, restricted cash, trade and other receivables as well as trade and other payables approximate their carrying amounts due to their short-term maturities or high liquidity.

The fair value of reserve funds is equivalent to their carrying amounts as they bear interest at market rates.

The fair values of the advance to a non-controlling shareholder, options to purchase a partner's interests, debt and the amount due to a non-controlling shareholder are essentially based on discounted cash flows. Discount rates, ranging from 1.58% to 8.00% (1.10% to 8.00% as at December 31, 2019), were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions.

Interest rate swaps

Cash flows are discounted using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable. The following table summarizes the Corporation's commitments under interest rate swaps:

As at September 30,

2020	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Interest rate swaps	EUR	-0.16% to 1.79%	3-month EURIBOR	2030-2039	1,071	(44)
Interest rate swaps	CAD	1.12% to 2.68%	3-month CDOR	2034-2043	860	(30)

As at December 31,

2019	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Interest rate swaps	EUR	-0.16% to 1.79%	3 month EURIBOR	2030-2039	1,069	(27)
Interest rate swaps	CAD	1.81% to 2.68%	3-month CDOR	2034-2043	753	11

Foreign exchange forward contracts

The fair values of foreign exchange forward contracts are determined using a generally accepted technique, namely the discounted value of the difference between the value of the contract at expiry calculated using the contracted exchange rate and the value determined using the exchange rate the financial institution would use if it renegotiated the same contract under the same conditions as at the statement of financial position date. Discount rates are adjusted for the credit risk of the Corporation or of the counterparty, as applicable. When determining credit risk adjustments, the Corporation considers offsetting agreements, if any.

As at December 31,

2019	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.5475	2020-2025	93	—

Cross-currency swaps

The Corporation also entered into cross-currency swaps. These derivatives cover the Corporation's net investment in France, as they allow financing issued in Canada for investment in France to be synthetically translated into euros. In addition to mitigating the risk related to foreign currency fluctuations, these instruments also allow Boralex to currently benefit in part from interest rates lower than those prevailing in Europe. The Corporation can also enter into similar transactions pertaining to US dollars. These short-term transactions provide access to lower interest rates on drawdowns under the revolving credit facility. To measure the fair value of these instruments, the Corporation uses a technique that is a combination of the techniques used to measure the fair value of interest rate swaps and foreign exchange forward contracts.

As at September 30,

2020	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5324	2023	472	(10)

As at December 31,

2019	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5071	2020	479	16
Cross-currency swaps (USD for CAD)	1.3171	2020	245	(3)

Hierarchy of financial assets and liabilities measured at fair value

Financial instruments measured at fair value in the financial statements are classified according to the following hierarchy of levels:

- Level 1: Consists of measurements based on quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Consists of measurement techniques based mainly on inputs, other than quoted prices, that are observable either directly or indirectly in the market;
- Level 3: Consists of measurement techniques that are not based mainly on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is to be determined on the basis of the lowest level input that is significant to the financial instrument fair value measurement in its entirety.

For debt, interest rate swaps, foreign exchange forward contracts and cross-currency swaps, the Corporation classified the fair value measurements as Level 2, as they are based mainly on observable market data, namely government bond yields, interest rates and exchange rates.

For the advance to a non-controlling shareholder and the due to a non-controlling shareholder, the Corporation classified fair value measurements as Level 3 because they are based on unobservable market data, namely the probability of achieving certain project development or cash flow milestones determined using project entity data.

For the options to purchase a partner's interests, the Corporation classified fair value measurements as Level 3 because they are primarily based on power production and selling prices upon expiry of the energy sales contract and other unobservable market data. The fair value of these options was determined based on the future cash flows generated by the projects to which a Monte-Carlo simulation was applied to factor in the uncertainty pertaining to production.

The following table classifies the Corporation's financial instruments by level in the fair value hierarchy:

	As at September 30, 2020	Fair value hierarchy levels		
		Level 1	Level 2	Level 3
NON-DERIVATIVE FINANCIAL ASSETS				
Advance to a non-controlling shareholder	31	—	—	31
	31	—	—	31
DERIVATIVE FINANCIAL ASSETS				
Options to purchase a partner's interests	9	—	—	9
	9	—	—	9
NON-DERIVATIVE FINANCIAL LIABILITIES				
Debt ⁽¹⁾	3,082	—	3,082	—
Due to a non-controlling shareholder	7	—	—	7
	3,089	—	3,082	7
DERIVATIVE FINANCIAL LIABILITIES				
Interest rate swaps	74	—	74	—
Cross currency swaps (EUR for CAD)	10	—	10	—
	84	—	84	—

⁽¹⁾ Includes *Debt* and *Current portion of debt*.

Note 7. Financial instruments (cont'd)

	Fair value hierarchy levels			
	As at December 31, 2019	Level 1	Level 2	Level 3
NON-DERIVATIVE FINANCIAL ASSETS				
Advance to a non-controlling shareholder	39	—	—	39
	39	—	—	39
DERIVATIVE FINANCIAL ASSETS				
Cross-currency swaps (EUR for CAD)	16	—	16	—
Interest rate swaps	15	—	15	—
Options to purchase a partner's interests	9	—	—	9
Foreign exchange forward contracts	1	—	1	—
	41	—	32	9
NON-DERIVATIVE FINANCIAL LIABILITIES				
Debt ⁽¹⁾	3,264	—	3,264	—
Due to a non-controlling shareholder	6	—	—	6
	3,270	—	3,264	6
DERIVATIVE FINANCIAL LIABILITIES				
Interest rate swaps	31	—	31	—
Cross-currency swaps (USD for CAD)	3	—	3	—
Foreign exchange forward contracts (EUR for CAD)	1	—	1	—
	35	—	35	—

⁽¹⁾ Includes *Debt* and *Current portion of debt*.

The financial instrument classified as Level 3 which is measured at fair value through profit or loss has changed as follows:

	Options to purchase a partner's interests
Balance as at January 1, 2019	15
Changes in fair value	(6)
Balance as at December 31, 2019	9
Balance as at September 30, 2020	9

Note 8. Commitments and contingencies

	Commitments entered into during 2020	Commitments as at September 30, 2020
Purchase and construction contracts	32	62
Maintenance contracts	2	208
Contingent consideration	—	24
Other	1	28
	35	322

Subsequent to September 30, 2020, the Corporation has entered into contracts amounting to \$8 million mainly relating to purchases and construction and \$11 million relating to maintenance contracts as well as into leases amounting to \$4 million.

COVID-19 outbreak

The COVID-19 epidemic has resulted in governments worldwide enacting emergency measures to combat the spread of the coronavirus, including confinement, mandatory closure of various businesses considered non-essential under the circumstances and implementation of travel restrictions. These measures have caused material disruption to many businesses globally, resulting in a foreseeable economic slowdown.

The Corporation continues to monitor the evolution of COVID-19. The governmental restrictions and measures have not impacted the Corporation in a material way to date as its production has been maintained as an essential service and is generally under contract at fixed and indexed prices with major government corporations. Current or future governmental restrictions and measures, and their impact on the financial stability of the Corporation's suppliers and other counterparties, could have an adverse effect on the Corporation's operating results and financial position. The procurement of equipment and spare parts, issuance of permits and other authorizations, launch of requests for proposals, negotiation and finalization of agreements with stakeholders or partners and the construction of assets under development could be delayed or suspended, which could adversely affect the Corporation's development opportunities, operating results and financial position.

The second quarter saw the gradual opening up of economies across the world. Various levels of government stated their intention to use renewable energy in their recovery plans. In line with applicable deconfinement policies, Boralex employees have gradually begun their return to the Corporation's offices and places of business while complying with the measures indicated by the various public health authorities. With the opening up of the economy, Boralex was able to make up for the one-month delay for two projects under construction in France. As a result, the Blanches Fosses wind farm was commissioned as scheduled on November 1, 2020 while Cham Longe will start operations on December 1, 2020.

At the end of the third quarter, new health measures to deal with the second wave of COVID-19 were implemented in the regions where Boralex operates its assets and develops its projects. As mentioned previously, if this situation persists, it could cause certain delays in project development. For now, current construction projects are going ahead as planned and Boralex is evaluating innovative ways to adapt its site prospecting model to the new reality.

Note 9. Segmented information

The Corporation's operations are grouped into four distinct operating segments – wind, hydroelectric, thermal and solar power. The Corporation operates under one identifiable industry sector: power generation. The classification of these segments is based on the different cost structures relating to each of the four types of operating activities. The same accounting rules are used for segmented information as for the consolidated financial statements.

The operating segments are presented according to the same criteria used to prepare the internal report submitted to the segment leader, who allocates resources and assesses operating segment performance. The President and Chief Executive Officer is considered the segment leader, who assesses segment performance based on power production, revenues from energy sales and feed-in premium and EBITDA(A).

EBITDA(A) represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude other items such as other gain, net loss (net gain) on financial instruments and foreign exchange loss (gain), the last two items being included under *Other*. EBITDA(A) does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA(A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS measures.

A reconciliation of IFRS data with data compiled on a Combined basis is also presented where the results of the *Interests in the Joint Ventures and associates* ("Interests") are accounted for according to the ownership interest. Management considers this information to be useful information for investors, as it is used to assess the Corporation's performance. For more details, see the *Interests in the Joint Ventures and associates* note in the audited annual consolidated financial statements for the year ended December 31, 2019.

EBITDA and EBITDA(A) are reconciled to the most comparable IFRS measure, namely net earnings, in the following table.

	Three-month periods ended September 30					
	2020			2019		
	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Net loss	(8)	(5)	(13)	(36)	(8)	(44)
Income tax recovery	(5)	(1)	(6)	(9)	—	(9)
Financing costs	20	8	28	33	8	41
Amortization	59	12	71	63	17	80
EBITDA	66	14	80	51	17	68
Adjustments:						
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(6)	6	—	(8)	8	—
Other	2	1	3	2	—	2
EBITDA(A)	62	21	83	45	25	70

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest, less adjustments to reverse recognition of these interests under IFRS.

Note 9. Segmented information (cont'd)

Nine-month periods ended September 30

	2020			2019		
	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
Net earnings (loss)	30	(11)	19	(20)	(8)	(28)
Income tax expenses (recovery)	10	(3)	7	(5)	—	(5)
Financing costs	84	26	110	102	26	128
Amortization	175	37	212	189	42	231
Impairment	—	—	—	2	—	2
EBITDA	299	49	348	268	60	328
Adjustments:						
Other gains	—	(2)	(2)	(1)	(1)	(2)
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(14)	14	—	(8)	8	—
Other	12	1	13	—	1	1
EBITDA(A)	297	62	359	259	68	327

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest, less adjustments to reverse recognition of these interests under IFRS.

Three-month periods ended September 30

	2020				2019			
	Canada	France and other ⁽¹⁾	United States	Total	Canada	France and other ⁽¹⁾	United States	Total
Power production (GWh)								
Wind power stations	224	353	—	577	193	353	—	546
NRWF compensation	19	—	—	19	28	—	—	28
	243	353	—	596	221	353	—	574
Hydroelectric power stations	105	—	39	144	75	—	56	131
Thermal power stations	42	—	—	42	—	—	—	—
Solar power stations	—	7	—	7	—	7	—	7
	390	360	39	789	296	360	56	712
Revenues from energy sales and feed-in premium								
Wind power stations	36	49	—	85	33	45	—	78
Hydroelectric power stations	11	—	3	14	7	—	4	11
Thermal power stations	3	1	—	4	—	1	—	1
Solar power stations	—	2	—	2	—	2	—	2
	50	52	3	105	40	48	4	92
EBITDA(A)								
Wind power stations	31	38	—	69	17	35	—	52
Hydroelectric power stations	8	—	1	9	4	—	2	6
Thermal power stations	—	—	—	—	(1)	—	—	(1)
Solar power stations	—	2	(1)	1	—	2	—	2
Corporate and eliminations	(7)	(9)	(1)	(17)	(2)	(9)	(3)	(14)
	32	31	(1)	62	18	28	(1)	45
Additions to property, plant and equipment								
Wind power stations	—	45	—	45	—	20	—	20
Hydroelectric power stations	1	—	—	1	10	—	—	10
Corporate	1	—	—	1	—	1	—	1
	2	45	—	47	10	21	—	31

⁽¹⁾ United Kingdom and Denmark.

Note 9. Segmented information (cont'd)

Nine-month periods ended September 30

	2020				2019			
	Canada	France and other ⁽¹⁾	United States	Total	Canada	France and other ⁽¹⁾	United States	Total
Power production (GWh)								
Wind power stations	838	1,623	—	2,461	832	1,388	—	2,220
NRWF compensation	105	—	—	105	111	—	—	111
	943	1,623	—	2,566	943	1,388	—	2,331
Hydroelectric power stations	294	—	266	560	203	—	342	545
Thermal power stations	96	19	—	115	91	19	—	110
Solar power stations	—	18	—	18	1	18	—	19
	1,333	1,660	266	3,259	1,238	1,425	342	3,005
Revenues from energy sales and feed-in premium								
Wind power stations	139	217	—	356	139	184	—	323
Hydroelectric power stations	30	—	18	48	16	—	23	39
Thermal power stations	10	7	—	17	10	9	—	19
Solar power stations	—	5	—	5	—	4	—	4
	179	229	18	426	165	197	23	385
EBITDA(A)								
Wind power stations	137	172	—	309	128	138	—	266
Hydroelectric power stations	23	—	12	35	9	—	17	26
Thermal power stations	—	2	—	2	4	2	—	6
Solar power stations	—	4	(2)	2	—	4	—	4
Corporate and eliminations	(22)	(26)	(3)	(51)	(16)	(23)	(4)	(43)
	138	152	7	297	125	121	13	259
Additions to property, plant and equipment								
Wind power stations	—	77	—	77	3	70	—	73
Hydroelectric power stations	10	—	—	10	26	—	—	26
Thermal power stations	—	—	—	—	1	1	—	2
Corporate	4	—	—	4	2	2	—	4
	14	77	—	91	32	73	—	105

⁽¹⁾ United Kingdom and Denmark.

For the three-month period ended September 30, 2020, revenues from energy sales for facilities not covered by energy sales contracts are insignificant (\$1 million for the same period of 2019). For the nine-month period ended September 30, 2020, revenues from energy sales for facilities not covered by energy sales contracts amounted to \$2 million (\$5 million for the same period of 2019).

Note 9. Segmented information (cont'd)

	As at September 30 2020				As at December 31 2019			
	Canada	France and other ⁽¹⁾	United States	Total	Canada	France and other ⁽¹⁾	United States	Total
Total assets								
Wind power stations	1,772	1,966	—	3,738	1,878	1,854	—	3,732
Hydroelectric power stations	427	—	164	591	437	—	168	605
Thermal power stations	13	13	—	26	18	15	—	33
Solar power stations	2	31	14	47	2	30	11	43
Corporate	79	73	21	173	54	53	37	144
	2,293	2,083	199	4,575	2,389	1,952	216	4,557
Non-current assets⁽²⁾								
Wind power stations	1,492	1,826	—	3,318	1,568	1,685	—	3,253
Hydroelectric power stations	409	—	160	569	417	—	163	580
Thermal power stations	8	10	—	18	10	10	—	20
Solar power stations	1	28	8	37	1	28	4	33
Corporate	27	22	15	64	29	28	15	72
	1,937	1,886	183	4,006	2,025	1,751	182	3,958
Total liabilities								
Wind power stations	1,489	1,520	—	3,009	1,424	1,401	—	2,825
Hydroelectric power stations	141	—	101	242	151	—	105	256
Thermal power stations	4	3	—	7	4	3	—	7
Solar power stations	—	3	1	4	—	4	—	4
Corporate	263	75	6	344	511	73	6	590
	1,897	1,601	108	3,606	2,090	1,481	111	3,682

⁽¹⁾ United Kingdom and Denmark.

⁽²⁾ Excludes *Interests in the Joint Ventures and associates*.

Three-month periods ended September 30

Reconciliation	2020			2019		
	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
	Canada		Total	Canada		Total
Power production (GWh)⁽²⁾	789	228	1,017	712	208	920
Wind power stations ⁽²⁾	596	228	824	574	208	782
Revenues from energy sales and feed-in premium	105	25	130	92	21	113
Wind power stations	85	25	110	78	21	99
EBITDA(A)	62	21	83	45	25	70
Wind power stations	69	21	90	52	25	77
Additions to property, plant and equipment	47	—	47	31	—	31
Wind power stations	45	—	45	20	—	20

Nine-month periods ended September 30

Reconciliation	2020			2019		
	IFRS	Reconciliation ⁽¹⁾	Combined	IFRS	Reconciliation ⁽¹⁾	Combined
	Canada		Total	Canada		Total
Power production (GWh)⁽²⁾	3,259	812	4,071	3,005	861	3,866
Wind power stations ⁽²⁾	2,566	812	3,378	2,331	861	3,192
Revenues from energy sales and feed-in premium	426	87	513	385	90	475
Wind power stations	356	87	443	323	90	413
EBITDA(A)	297	62	359	259	68	327
Wind power stations	309	61	370	266	67	333
Additions to property, plant and equipment	91	—	91	105	—	105
Wind power stations	77	—	77	73	—	73

⁽¹⁾ Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest, less adjustments to reverse recognition of these interests under IFRS.

⁽²⁾ Includes the compensation for the equivalent of 19 GWh in light of the power limitation imposed on the NRWF facility for the third quarter of 2020 (28 GWh for the third quarter of 2019). For the nine-month period ended September 30, 2020, compensation included in the power production is 105 GWh (111 GWh for the same period of 2019).

General Information

HEAD OFFICE

Boralex Inc.
36 Lajeunesse Street
Kingsey Falls (Québec)
Canada J0A 1B0
Telephone: 819-363-6363
Fax: 819-363-6399
communications@boralex.com

WEBSITE AND SOCIAL MEDIA

www.boralex.com



@BoralexInc

@boralexfr

BUSINESS OFFICES

CANADA

900 de Maisonneuve Boulevard West
24th floor
Montréal, Québec
Canada H3A 0A8
Telephone: 514-284-9890
Fax: 514-284-9895

606-1155 Robson Street
Vancouver, British Columbia
Canada V6E 1B5
Telephone: 1-855-604-6403

201-174 Mill Street
Milton, Ontario
Canada L9T 1S2
Telephone:
819-363-6430 | 1-844-363-6430

UNITED STATES

39 Hudson Falls Street
South Glens Falls New York
12803
United States
Telephone: 518-747-0930
Fax: 518-747-2409

FRANCE

71, rue Jean-Jaurès
62 575 **Blendecques**
France
Telephone: 33 (0)3 21 88 07 27
Fax: 33 (0)3 21 88 93 92

8, rue Anatole France
59 000 **Lille**
France
Telephone: 33 (0)3 28 36 54 95
Fax: 33 (0)3 28 36 54 96

Sky 56
18, rue Mouton Duvernet
69003 **Lyon**
France
Telephone: 33 (0)4 78 92 68 70
Fax: 33 (0)4 78 42 03 44

99, La Canebière
CS 60526
13 205 **Marseille** Cedex 01
France
Telephone: 33 (0)4 91 01 64 40
Fax: 33 (0)4 91 01 64 46

UNITED KINGDOM

52 Grosvenor Gardens
Terminal House, Room 501
London SW1W 0AU
United Kingdom
Telephone: 44 (0) 20 7596 1206

ADDITIONAL INFORMATION MAY BE OBTAINED FROM:

Public and Corporate Affairs

Boralex Inc.
Telephone: 514-985-1353
Fax: 514-284-9895
communications@boralex.com

TRANSFERT AGENT AND REGISTRAR

Computershare Investor Services Inc.

1500 Robert-Bourassa Boulevard, 7th floor
Montréal (Québec)
Canada H3A 3S8
Telephone: 514-982-7555 | 1-800-564-6253
www.centredesinvestisseurs.com/service

SHAREHOLDER INFORMATION

The **Annual Meeting of Shareholders** was held on Wednesday, May 6, 2020, at 11 a.m. in the form of a virtual presentation:

For further information, please visit our website.

INVESTORS RELATIONS

Stéphane Milot
Director, Investors Relations
514-213-1045
stephane.milot@boralex.com

Additional copies of the following documents and other information can also be obtained at the above address or on Boralex's and SEDAR's websites:

- » Annual Report
- » Interim Reports
- » Annual Information Form
- » Management Proxy Circular

Our thanks to our employees who accepted
to be on the cover:
Raquel Amorim (Montréal, Québec)
Marc Dando (Lyon, France)