Management’s Discussion and Analysis 3

As at September 30, 2022

Table of contents

HIGHLIGHTS 2
ABBREVIATIONS AND DEFINITIONS 3
INTRODUCTORY COMMENTS 4
DESCRIPTION OF BUSINESS 6
I - GROWTH STRATEGY AND DEVELOPMENT OUTLOOK 10
STRATEGIC PLAN AND FINANCIAL OBJECTIVES FOR 2025 10
GROWTH PROSPECTS BY TERRITORY 11
DEVELOPMENT OUTLOOK BY STRATEGIC DIRECTIONS 12
GROWTH 12
DIVERSIFICATION, CUSTOMERS AND OPTIMIZATION 18
STRATEGIC PLAN FOLLOW UP 19
II - ANALYSIS OF RESULTS, CASH FLOWS AND FINANCIAL POSITION - CONSOLIDATED 24
FINANCIAL HIGHLIGHTS 24
CHANGES IN THE PORTFOLIO IN OPERATION 25
ANALYSIS OF CONSOLIDATED OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 27
ANALYSIS OF CONSOLIDATED OPERATING RESULTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 30
CASH FLOWS 33
FINANCIAL POSITION 36
SEASONAL FACTORS 39
FINANCIAL RISK MANAGEMENT 40
III - NON-IFRS AND OTHER FINANCIAL MEASURES 41
COMBINED 44
EBITDA(A) 45
NET DEBT RATIO 46
CASH FLOWS FROM OPERATIONS, DISCRETIONARY CASH FLOWS, REINVESTMENT RATIO AND PAYOUT RATIO 47
IV - ANALYSIS OF OPERATING RESULTS - COMBINED 48
INTERESTS IN THE JOINT VENTURES AND ASSOCIATES 48
ANALYSIS OF COMBINED OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 49
ANALYSIS OF COMBINED OPERATING RESULTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 50
V - OTHER ELEMENTS 51
COMMITMENTS AND CONTINGENCY 51
RISK FACTORS AND UNCERTAINTIES 51
INTERNAL CONTROLS AND PROCEDURES 52

Highlights

Three-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated 2022	Consolidated 2021	Combined[1] 2022	Combined[1] 2021
Power production (GWh)[2]	1,019	1,108	1,159	1,238
Revenues from energy sales and feed-in premiums	101	126	116	140
Operating income (loss)	(31)	7	(25)	13
EBITDA(A)[3]	50	81	63	93
Net loss	(56)	(22)	(56)	(22)
Net loss attributable to shareholders of Boralex	(44)	(20)	(44)	(20)
Per share (basic and diluted)	($0.44)	($0.20)	($0.44)	($0.20)
Net cash flows related to operating activities	90	47	—	—
Cash flows from operations[1]	40	66	—	—
Discretionary cash flows[1]	1	21	—	—

Nine-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated 2022	Consolidated 2021	Combined[1] 2022	Combined[1] 2021
Power production (GWh)[2]	3,998	4,061	4,486	4,554
Revenues from energy sales and feed-in premiums	496	479	549	532
Operating income	105	107	133	137
EBITDA(A)[3]	344	338	379	372
Net earnings	15	6	15	10
Net earnings (loss) attributable to shareholders of Boralex	16	—	16	4
Per share (basic and diluted)	$0.16	($0.01)	$0.16	$0.03
Net cash flows related to operating activities	324	264	—	—
Cash flows from operations[1]	262	247	—	—

	As at Sept. 30	As at Dec. 31	As at Sept. 30	As at Dec. 31
Total assets	6,329	5,751	6,712	6,162
Debt - Principal balance	3,230	3,682	3,567	4,030
Total project debt	2,930	3,141	3,267	3,489
Total corporate debt	300	541	300	541

[1] The terms combined, cash flows from operations and discretionary cash flows are non-GAAP financial measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

[2] Power production includes the production for which Boralex received financial compensation following power generation limitations imposed by its clients since management uses this measure to evaluate the Corporation's performance. This adjustment facilitates the correlation between power production and revenues from energy sales and feed-in premium.

[3] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

- Decrease in consolidated operating income and in consolidated EBITDA(A)[1] for the three-month period ended September 30, 2022, mainly attributable to a $28 million provision recorded in the third quarter of 2022 relating to revenues recognized during the first six months of 2022 in order to reflect the impact of the *2022 Supplementary Budget Act*, in France, with retroactive effect to January 1, 2022. In accordance with the terms of their feed-in premium ("FiP") contracts, some wind farms received revenues from electricity sales in excess of their FiP contractual prices. The French government enacted a new law under which the revenues from electricity sales in excess of a price threshold must be remitted to the French government. Since the ministerial order determining the threshold price for the year 2022 has not yet been published, management had to estimate the threshold price and the operational details of the new act.
- Decrease of 3 % in consolidated operating income and increase of 4 % in revenues from energy sales and FiP and 2% in consolidated EBITDA(A) for the nine-month period ended September 30, 2022.

Abbreviations

CDPQ	Caisse de dépôt et placement du Québec
Corporate PPA / CPPA	Power purchase agreement concluded by commercial and industrial corporations
DC&P	Disclosure controls and procedures
DM I and 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
EIP	Energy Infrastructure Partners
FiP	Feed-in premium
GAAP	Generally accepted accounting principles
GW	Gigawatt
GWh	Gigawatt-hour
HQ	Hydro-Québec
ICFR	Internal control over financial reporting
IFRS	International Financial Reporting Standards
Interests	Interests in the Joint Ventures and associates
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
NYSERDA	New York State Energy Research and Development Authority
PPA	Power purchase agreement
RECs	Renewable Energy Certificates
REPowerEU	Joint European action for more affordable, secure and sustainable energy
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
TWh	Terawatt-hour

Definitions

Comparable assets

All the wind farms and power stations in operation during the entirety of a given period and the comparative period.

Repowering

Increase in installed capacity through equipment replacement.

Corporate PPA with additionality

A corporate PPA with additionality is a power purchase agreement by commercial and industrial companies that contributes to the development of new renewable electricity generation capacity. The signing of such an agreement makes it possible to secure the investment necessary for the construction and commissioning of an asset.

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, 2022, compared with the corresponding periods of 2021, as well as the Corporation's financial position as at September 30, 2022, compared to December 31, 2021. This report should be read in conjunction with the unaudited interim 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, 2021.

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 8, 2022, 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 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 2021.

As discussed under the *Non-IFRS and other financial measures* section, this MD&A includes asset and segment performance assessment measures consisting of non-IFRS measures. These measures do not have standardized meaning under IFRS; consequently, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

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.

The information in this MD&A is presented as at September 30, 2022, with the exception of the number of sites, which is as of November 8, 2022. Installed capacity is presented as at September 30, 2022 and November 8, 2022.

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

	Closing rate[1]	
	As at September 30,	As at December 31,
Currency	2022	2021
USD	1.3829	1.2637
EUR	1.3558	1.4373
GBP	1.5456	1.7107

	Average rate[2]			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
Currency	2022	2021	2022	2021
USD	1.3056	1.2600	1.2828	1.2513
EUR	1.3138	1.4851	1.3642	1.4968
GBP	1.5354	1.7366	1.6117	1.7331

[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 8, 2022.

This forward-looking information includes statements about the Corporation's strategies, strategic plan, business model (including with respect to results and performance for future periods, installed capacity targets, EBITDA(A)[1] and discretionary cash flows[2], organic growth and growth through mergers and acquisitions, obtaining an "investment grade" credit rating, payment of the quarterly dividend, the objectives related to the corporate social responsibility (CSR)), the objectives of the Corporation, the partnership with Énergir and Hydro-Québec for the elaboration of three projects of 400 MW each of which the development will depend on Hydro-Québec's changing needs, the 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, installed capacity or megawatt growth objectives, including those set in connection with the Corporation's pipeline of projects and *Growth Path*, growth outlook, the expected timing of project commissioning, planned production,[3] 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, as well as the anticipated distribution ratio,[4] 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 the 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 amendments thereto, particularly the legislation, regulations and emergency measures that could be implemented for time to time to address high energy prices in Europe, 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.

---

(1) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

(2) Discretionary cash flows is a non-GAAP measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

(3) Planned production is a supplementary financial measure. For more details, refer to the *Non-IFRS and other financial measures* section of this report.

(4) Distribution ratio is a non-GAAP ratio and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named ratios used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

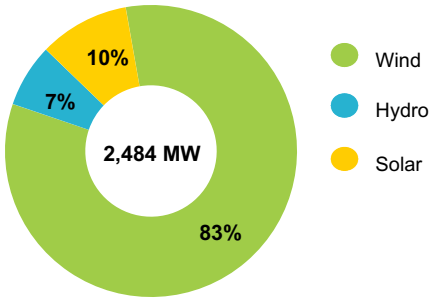
Description of business

Boralex is a Canadian corporation operating in the renewable energy segment for over 30 years. It draws on a workforce of 598 people to develop, build and operate power generating facilities in Canada, France, the United States and the United Kingdom. A leader in the Canadian market and France's largest independent producer of onshore wind power, Boralex's installed capacity has more than doubled over the past five years to 2,484 MW as at September 30, 2022. The Corporation is developing a portfolio equivalent to close to 4 GW of wind and solar projects and close to 800 MW of storage projects, guided by its values and its corporate social responsibility (CSR) approach. Projects under construction or ready to build represent an additional 285 MW, to be commissioned by the end of 2024, while the pipeline of secured projects amounts to 411 MW. Through profitable and sustainable growth, Boralex is actively participating in the fight against global warming. With its fearlessness, discipline, expertise and diversity, Boralex remains an industry leader.

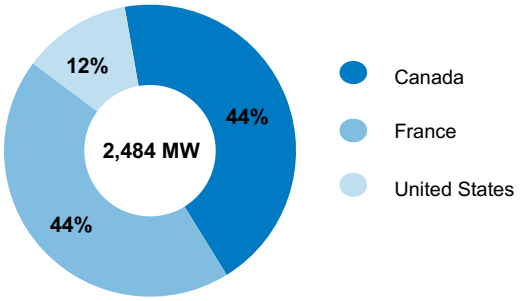
Segment and geographic breakdown

As at September 30, 2022, Boralex was active in three complementary power generation segments: wind, solar and hydroelectric. As at November 8, 2022, the installed capacity is 2,484 MW. A major portion of Boralex's installed capacity originates from the wind power segment. The following table provides information about the makeup of the Corporation's energy portfolio in operation as at November 8, 2022.

Segment breakdown



Geographic breakdown



Installed capacity[1][2]

	Canada		France		United States		Total	
	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites
Wind power stations[3]	985	23	1,074	67	—	—	2,059	90
Solar power stations	1	1	34	4	209	7	244	12
Hydroelectric power stations	100	9	—	—	81	7	181	16
	1,086	33	1,108	71	290	14	2,484	118

[1] 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 50 MW from interests in two wind farms in Québec, out of a total installed capacity of 96 MW.

[2] First energy storage asset commissioned on March 1, 2020, with an installed capacity of 2 MW on an existing wind farm in France. This asset was covered by an initial two-year contract that was extended by 12 months. Storage asset capacity is not included in Boralex's aggregate installed capacity.

[3] The installed capacity comprises 100% of the additional capacity of the Bougainville wind farm in France. As at September 30, 2022, following the degree of completion of repowering work, this wind farm was operating at 83% of its total installed capacity, representing 15 MW.

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

France is currently in the grips of an energy crisis owing mainly to the historically low production of nuclear power. The energy market in Europe has been hit by a number of disruptions. Certain feed-in premium contracts of the Corporation contained clauses which resulted in the Corporation benefiting from high energy selling prices. However, the French government enacted a new law under which a portion of these higher revenues will need to be paid back to the French government in order to finance its commitment to limit the increase of electricity prices in France.

In this context, Boralex exercised its right to terminate power purchase agreements in France which had original expiry dates between 2022 and 2026. Also, the Corporation intends to leverage the emergency measures which were announced by the French government to accelerate renewable energy production. See below for more details on these three items that have allowed or will allow Boralex to optimize its revenues in the current context in France.

Changes to feed-in premium contracts

On August 16, 2022, the French government enacted the *2022 Supplementary Budget Act*. A section of this act sets out changes to feed-in premium contracts retroactive to January 1, 2022, which provides for a sharing of revenues between the French government and renewable energy producers based on a price threshold to be determined annually by ministerial order. Accordingly, Boralex will have to pay to the French government a portion or all of the difference between the market prices received and the contractual prices since January 1, 2022. As the price threshold for 2022 is not known, management had to estimate it as well as the implementation guidance of the new law. During the third quarter of 2022, the Corporation recorded a provision to reflect the effect of this legislation, for a total amount of $57 million (€44 million), of which $28 million (€22 million) relates to revenues recorded during the first six months of the 2022 fiscal year.

Early termination of power purchase agreements

During the third quarter of 2022, the Corporation exercised its right to early terminate power purchase agreements in France expiring between 2022 and 2026. These contracts represent nearly 25% of Boralex's electricity production in France. New contracts will come into force from the start of the fourth quarter for most of the related production capacity.

Emergency measures to accelerate renewable energy production

The French government has announced new emergency measures to help accelerate renewable energy development. Under these measures, all renewable energy producers would be authorized to sell the power generated by their newly commissioned facilities on the energy market for a period of 18 months before their feed-in premium contracts are activated. Mechanisms to protect against inflation between contract awarding under an RFP and the start of construction work were also announced as well as the possibility to increase installed capacity by up to 40%. Boralex is awaiting more detailed information to properly assess how these measures will impact its development and construction projects. The Corporation currently has 134 MW of construction or ready-to-build projects in France, scheduled to be commissioned in 2023, and expects these projects to benefit from these measures.

The Corporation's profile

As at September 30, 2022, **99%**[1] of Boralex's installed capacity was covered by indexed, fixed-price energy sales contracts or feed-in premium contracts. Even after the early termination agreements with EDF becomes effective during the next quarter, a high proportion of the Corporation's installed capacity will continue to be covered by set prices through its fixed price options.

Corporate PPAs

Existing assets:

- **5-year term - Orange (2020);**
- **3-year term - Auchan (2020);**
- **5-year term - IBM (2021);**
- **3-year term - L'Oréal (2021).**

Project under construction:

- **20-year term - METRO France**

The weighted average remaining term[2] of these contracts is **12 years** - 14 years in Canada and in the United States and 9 years in France. The breakdown of remaining terms of the Corporation's contracts are provided in the table below.

Breakdown of installed capacity based on remaining term of contracts as at September 30, 2022 (in MW)

	≤ 5 years	6 to 10 years	11 to 15 years	> 15 years
Canada and United States	14	240	802	299
France and other	412	318	141	217
Total	426	558	943	516

[1] The percentage of installed capacity covered by energy sales contracts or feed-in premium contracts is a supplementary financial measure. For more details, refer to the *Non-IFRS and other financial measures* section of this report.This percentage also includes non-activated contracts for newly commissioned facilities.
[2] The average remaining term also includes non-activated contracts for newly commissioned facilities.

Selected financial information: A growth company

Since December 31, 2016, Boralex's share price and market capitalization have increased at compound annual growth rates[1] of 16% and of 25%, respectively. Boralex's operating income and EBITDA(A) have grown at compound annual growth rates of 19% (15% on a Combined[2] basis) and 18% (16% on a Combined basis), respectively.

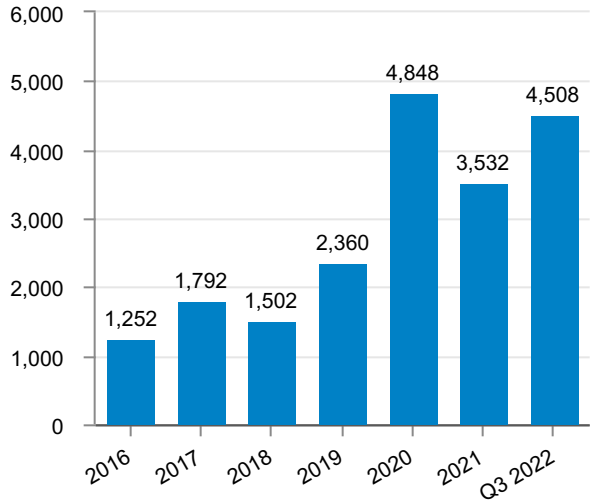
Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at September 30, 2022, the Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, held 12.5% of Boralex's outstanding shares.

Share price

(Monthly closing price in Canadian dollars)
Compound annual growth rate[1]: 16%
(Toronto Stock Exchange under the ticker BLX)

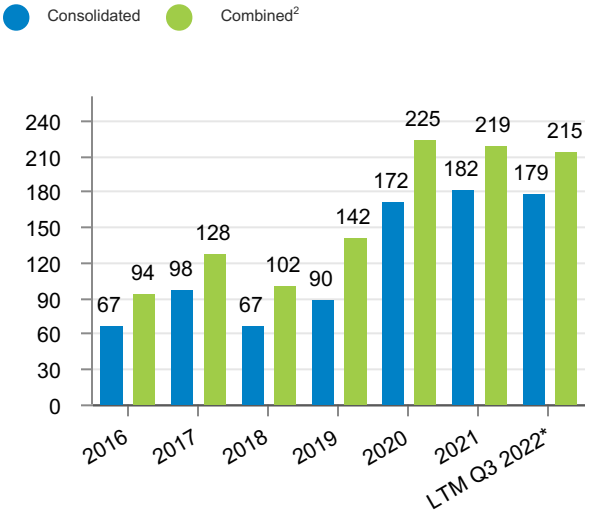
Market capitalization

(in millions of Canadian dollars)
Compound annual growth rate[1]: 25%



Operating income

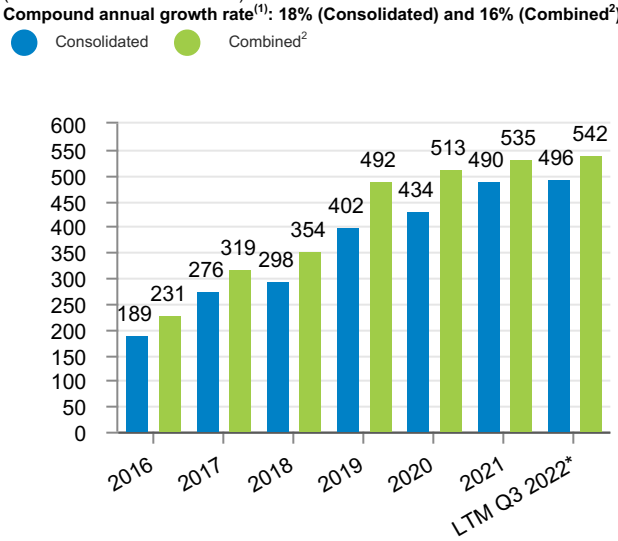
(in millions of Canadian dollars)
Compound annual growth rate[1]: 19% (Consolidated) and 15% (Combined[2])



*On a Combined basis, for the twelve-month period ended September 30, 2022, operating income is broken down as follows; Q3 2022: ($25) million, Q2 2022: $53 million, Q1 2022: $105 million, Q4 2021: $82 million, for a total of $215 million.

EBITDA(A)[3]

(in millions of Canadian dollars)
Compound annual growth rate[1]: 18% (Consolidated) and 16% (Combined[2])



*On a Combined basis, for the twelve-month period ended September 30, 2022, EBITDA(A) is broken down as follows; Q3 2022: $63 million, Q2 2022: $133 million, Q1 2022: $183 million, Q4 2021: $163 million, for a total of $542 million.

---

(1) Compound annual growth rate is a supplementary financial measure. For more details, refer to the *Non-IFRS and other financial measures* section of this report.

(2) Combined basis is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

(3) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

Growth strategy and development outlook

Strategic plan and financial objectives for 2025

In June 2021, Boralex's management announced its updated strategic plan. The Corporation builds on the four key strategic directions and its corporate social responsibility (CSR) strategy in order to achieve the six new corporate objectives by 2025. To successfully implement its plan, the Corporation relies on its solid expertise and long track record in project development. See below a summary of the strategic plan and an update of the quarterly achievements related to the plan in the following pages. To learn more, see the 2021 Annual Report.

UPDATED STRATEGIC DIRECTIONS AND INTEGRATION OF CSR STRATEGY

GROWTH

- **Accelerate our organic growth** to maximize future value creation across our markets
- **Make the US one of our priority markets and diversify our European presence** by targeting a few additional growth markets
- **Take charge of our growth through M&A** and structure our activities to achieve it

DIVERSIFICATION

- **Grow our presence** in the **solar energy sector** and take part in the development of the storage market
- **Anticipate market / technology developments and accelerate the development of our energy marketing skills** in order to optimize our contract portfolio

CUSTOMERS

- **Develop and expand our current customer base** in order to directly supply **electricity-consuming industries** interested in improving their climate footprint
- **Modify our business practices** to focus on customer needs, which vary by territory

OPTIMIZATION

- **Optimize our assets and develop the sustainable performance culture** of our organization
- **Increase the efficiency of corporate services** through simplification, digitization, and automation
- **Use corporate financing and asset management** as integral tools **of our growth**

CORPORATE SOCIAL RESPONSIBILITY

Our corporate social responsibility weaves through all of our strategic directions. It aligns our non-financial performance with ESG criteria and guides our everyday business decisions.

It is a true strategic differentiator to:

- Strengthen trust with our stakeholders
- Promote the well-being of our employees and partners
- Consolidate our social license to operate
- Access new markets and clients
- Strengthen the resilience of our business model in the face of non-financial risks
- Capitalize on opportunities arising from the energy transition
- Enhance our corporate reputation

Ultimately, it allows us to have a strategic plan that goes **beyond renewable energy**.

Growth prospects by territory

The Corporation will continue growing in high-potential markets in Canada, United States, France and other European countries. The implementation of sustainable recovery plans and more ambitious greenhouse gas reduction targets in these countries should accelerate the demand for renewable energy and the need for interconnections between networks, particularly in Canada and the United States. A quarterly update of key developments in these countries is provided below. Refer to the 2021 Annual Report for additional information.

United States

In August, the United States announced its most ambitious climate bill, putting the country on track to achieve a 40% reduction in emissions by the end of the decade. The bill includes $370 billion in grants and tax incentives and aims to increase investments in renewable energy, electrification of the economy and clean energy generation in the United States to help reduce inflationary pressures. The federal government has adjusted its trade policy to alleviate some of the supply issues for clean energy equipment in the short term.

Canada

In its 2022 budget, the Canadian government provided the amounts required to implement its plan, released in March, to reduce GHG emissions to 40% below the 2005 level by 2030. The plan mainly includes reduction targets by industry sector, $9 billion in new investments, and specific measures for electrification, power sector decarbonization, and the transition to renewable energy and storage, including an income tax credit specific for battery storage, the details of which will be known at the time of the fall budget update.

Québec's premier François Legault was re-elected on October 3, 2022. During the election campaign, his party committed itself to adding 3,000 MW of wind power on top of the RFPs for 300 MW underway and the 1,000 MW announced recently.

In Ontario, the Independent Electricity System Operator (IESO) will be called upon to develop procurement mechanisms to meet the new needs for power confirmed for the years from 2025 onwards. RFPs are expected to be launched soon.

France and other European Union countries

In Europe, the geopolitical context reinforces the need to ensure security of energy supply and sovereignty. This trend is favourable to renewable energy development and resulted in the REPowerEU package: this plan aims to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of the war in Ukraine. It has three pillars: diversification of oil and gas procurement sources, energy efficiency and accelerated development of renewable energy. This plan also outlines a series of measures to respond to rising energy prices in Europe and to replenish gas inventories for 2022-2023.

In France, the government's energy strategy is also based on three pillars: moderate consumption, nuclear power development and renewable energy development. Various measures to accelerate renewable energy development are under discussion, which should benefit Boralex’s development activities, according to management. The details are expected in the fourth quarter. The aim is to alleviate the problems related to the unavailability of reactors in operation and to continue diversification of the energy mix. Measures currently being contemplated by the government to counter the sharp rise in energy prices could also affect the revenues generated by the Corporation’s activities.

United Kingdom

In the United Kingdom, the policy of decarbonizing the electricity mix by 2035 and the desire to resolve the energy crisis, particularly by increasing energy production, are favourable to the development of renewable energy, mainly solar power in England and onshore wind power in Scotland.

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. Progress made during the third quarter of 2022 is presented below.

Growth

- Commissioning of a wind farm following the replacement of the existing wind turbines for a total capacity of 18 MW, which added 6 MW during the quarter.
- Addition of a 36 MW wind power project to the early stage project pipeline.
- Projects totalling 139 MW moved forward during the quarter and are now included under the ready-to-build phase with commissioning slated for 2024.

Diversification

- Addition of energy storage projects totalling 600 MW in Ontario, Canada, to the early stage.
- Addition of four solar projects totalling 75 MW to the project portfolio's early stage.

Customers

- Early termination of power purchase agreements amounting to nearly 25% of Boralex's electricity production in France and signing of new contracts.

Optimization

- Optimization of service and maintenance for a Canadian wind farm with an installed capacity of 24 MW.
- Portion of repowering costs covered by the sale of dismantled assets.
- Commissioning of a wind farm following repowering work during the third quarter of 2022 with a new 20-year contract.

Growth

The Corporation intends to accelerate organic growth to maximize future value creation across the identified markets. It wishes to make the United States the priority market and extend its European presence by targeting a few additional growth markets. It has a portfolio of projects at various stages of development, with clearly identified criteria. It is also seeking to complement organic growth with targeted acquisitions.

Several of the Corporation's projects have qualified for Ontario's E-LT1 RFP. Bids are to be submitted in December 2022 and the decision is expected in February 2023. In addition, NYSERDA's 2022 RFP has been issued and the Corporation intends to submit several projects for the qualification process expected in November 2022.

On July 4, 2022, Boralex announced the closing of the acquisition of 100% of Infinergy Ltd.'s interests in the U.K., comprising a 338 MW portfolio of wind and solar power and energy storage projects, of which 232 MW were held by the joint venture with Boralex, and 106 MW were held directly by Infinergy. Note that the development projects of this joint venture were already consolidated by Boralex since it controlled the operations. The acquisition will give Boralex access to 100% of the joint venture's cash flows. The transaction also includes the integration within Boralex of Infinergy's team, which was successfully completed over the last few months, and which will accelerate project development, particularly those under prospection in the high potential U.K. market.

Changes in the project portfolio

The pipeline comprises projects totalling 3,928 MW, up 39 MW from the end of the second quarter of 2022. The **wind** power segment remains the Corporation's main driver of growth, with a project pipeline totalling 2,297 MW, down 9 MW from the previous quarter. The **solar** power segment pipeline comprises projects totalling 1,631 MW, up 48 MW from the previous quarter. This segment offers high growth potential in Europe and North America. As for the storage segment, its project portfolio amounts to 792 MW, up 589 MW from the previous quarter.

BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

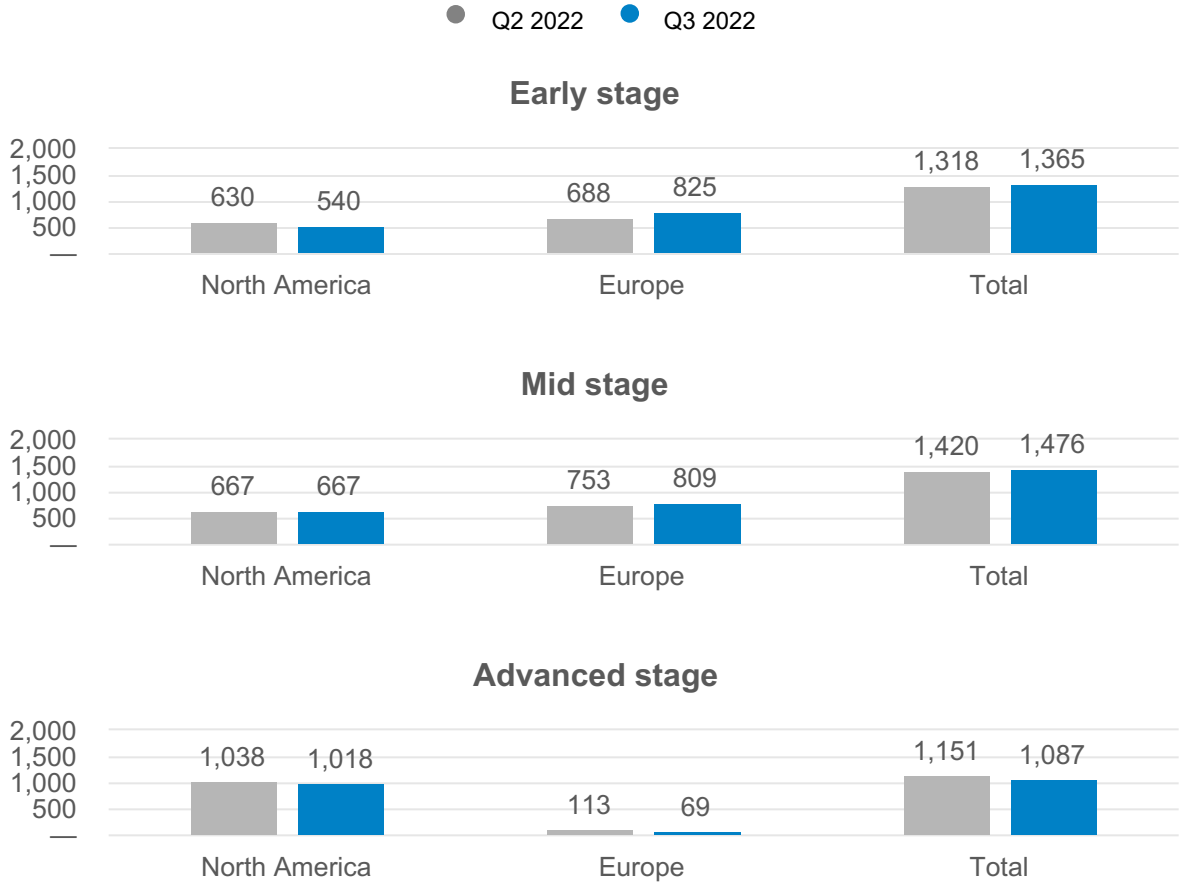
PIPELINE

TOTAL 3,928 MW

STORAGE 792 MW

		CANADA AND UNITED STATES	FRANCE AND OTHER	TOTAL BORALEX
EARLY STAGE				
• Real estate secured • Interconnection available • Confirmation of the project by local communities and regulatory risks		265 MW	467 MW	732 MW
		275 MW	358 MW	633 MW
	PRODUCTION CAPACITY	540 MW	825 MW	1,365 MW
	STORAGE	660 MW	55 MW	715 MW
MID STAGE				
• North America: Preliminary valuation and design to submit a bid under a request for proposals • Europe: Preliminary design and request to obtain administrative authorizations		667 MW	646 MW	1,313 MW
		-	163 MW	163 MW
	PRODUCTION CAPACITY	667 MW	809 MW	1,476 MW
	STORAGE	-	-	-
ADVANCED STAGE				
• North America: Project submitted under a request for proposals[1] • Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)[1] [1] or actively looking for a partner for the Corporate PPA projects		193 MW	59 MW	252 MW
		825 MW	10 MW	835 MW
	PRODUCTION CAPACITY	1,018 MW	69 MW	1,087 MW
	STORAGE	77 MW	-	77 MW
TOTAL		1,125 MW	1,172 MW	2,297 MW
		1,100 MW	531 MW	1,631 MW
	PRODUCTION CAPACITY	2,225 MW	1,703 MW	3,928 MW
	STORAGE	737 MW	55 MW	792 MW

Movements between the development stages in the project portfolio since the last quarter are provided below:



Early stage

The 47 MW change in the early stage was due to:

- Addition of a new wind power project and four new solar projects totalling 111 MW in Europe;
- Changes to the expected capacity of two wind power projects and five solar projects in Europe, for a total of 71 MW;
- Review of project priorities that resulted in a wind power project and a solar power project totalling 14 MW reverting to the early stage in Europe;
- Resource reallocation that resulted in the discontinuation of two wind power projects in Europe, as well as one wind power project and two solar power projects in North America, totalling 125 MW;
- Inclusion of two solar power projects in Europe totalling 24 MW under the mid-stage phase.

Mid stage

The 56 MW change in the mid stage was due to:

- Inclusion of two wind power projects in Europe totalling 33 MW under the advanced stage;
- Changes to the expected capacity of a wind power project in Europe, resulting in a decrease of 6 MW;
- Inclusion of two solar power projects in Europe totalling 24 MW under the mid-stage phase;
- Review of project priorities that resulted in a wind power project and a solar power project totalling 14 MW reverting to the early stage in Europe;
- Review of project priorities that resulted in a 85 MW wind power project reverting to the mid stage in Europe.

Advanced stage

The 64 MW change was due to:

- Inclusion of two wind power projects in Europe totalling 33 MW under the advanced stage;
- Changes to the expected capacity of two wind power projects and a solar power project in Europe, resulting in an increase of 8 MW;
- Review of project priorities that resulted in an 85 MW wind power project reverting to the mid stage in Europe;
- Resources reallocation that resulted in the discontinuation of a 20 MW solar project in North America.

Changes in the Growth path

The *Growth path* totalled 696 MW.

The **wind** power segment remains the Corporation's main segment with projects in the secured or in the construction or ready-to-build phases totalling 471 MW, down 10 MW from the previous quarter. The **solar** power segment includes projects secured, under construction or ready to build for a total of 225 MW, the same as in the previous quarter.

GROWTH PATH

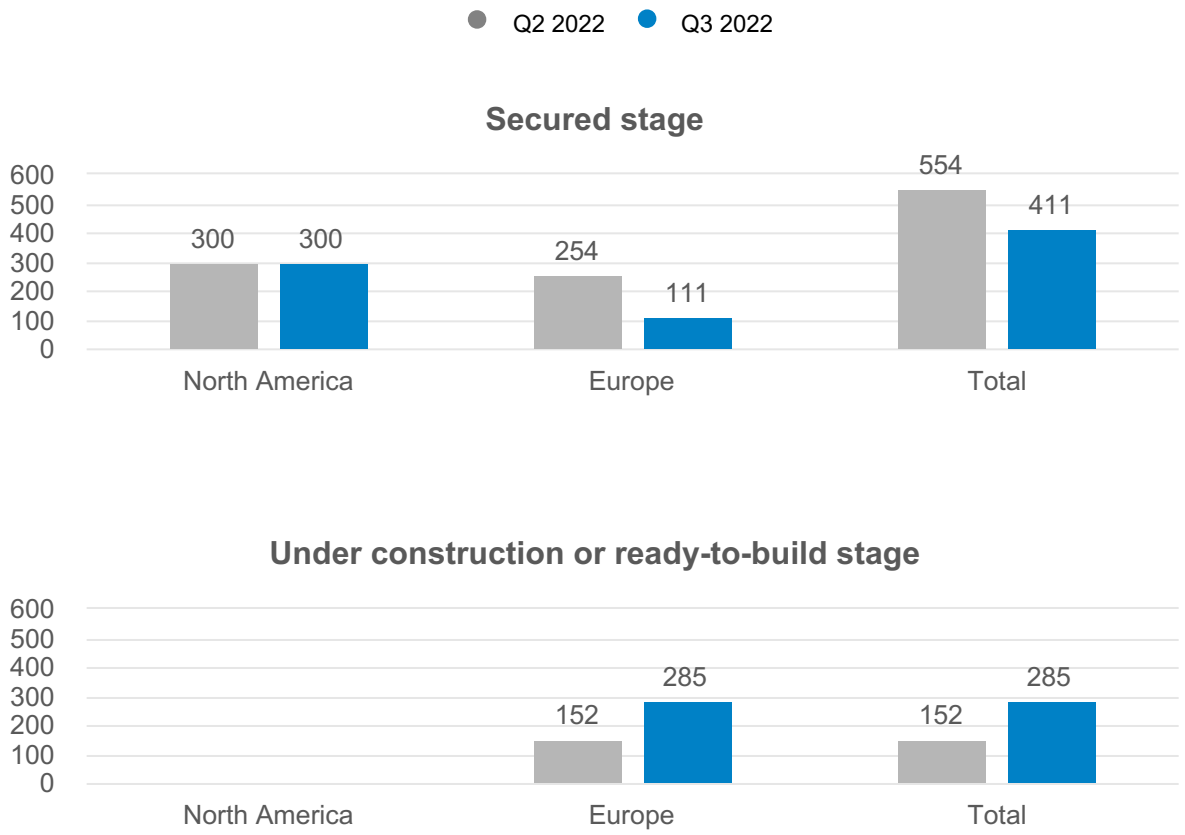
TOTAL
696 MW

STORAGE
3 MW

		CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
SECURED STAGE				
• North America: Contract win (REC or PPA) and interconnection secured • Europe: Contract win (PPA) and interconnection secured (France); project authorized by regulatory authorities and interconnection secured (Scotland)		100 MW	111 MW	211 MW
		200 MW	-	200 MW
	PRODUCTION CAPACITY	300 MW	111 MW	411 MW
	STORAGE	-	-	-
UNDER CONSTRUCTION OR READY-TO-BUILD				
• Permits obtained • Financing in progress • Commissioning date determined • Cleared of any claims (France) • Aproved by Boralex Board of Directors		-	260 MW	260 MW
		-	25 MW	25 MW
	PRODUCTION CAPACITY	-	285 MW	285 MW
	STORAGE	-	3 MW	3 MW
TOTAL		100 MW	371 MW	471 MW
		200 MW	25 MW	225 MW
	PRODUCTION CAPACITY	300 MW	396 MW	696 MW
	STORAGE	-	3 MW	3 MW

CURRENTLY IN OPERATION 2,484 MW

As at September 30 and November 8, 2022.



The **secured phase** represents the expected capacity which decreased from 554 MW as at June 30, 2022 to 411 MW as at September 30, 2022. This 143 MW decrease was driven by:

- Inclusion of a solar power project in France and two wind power projects in Europe totalling 139 MW under the construction or ready-to-build phase;
- Changes to the expected capacity of three wind power projects in Europe.

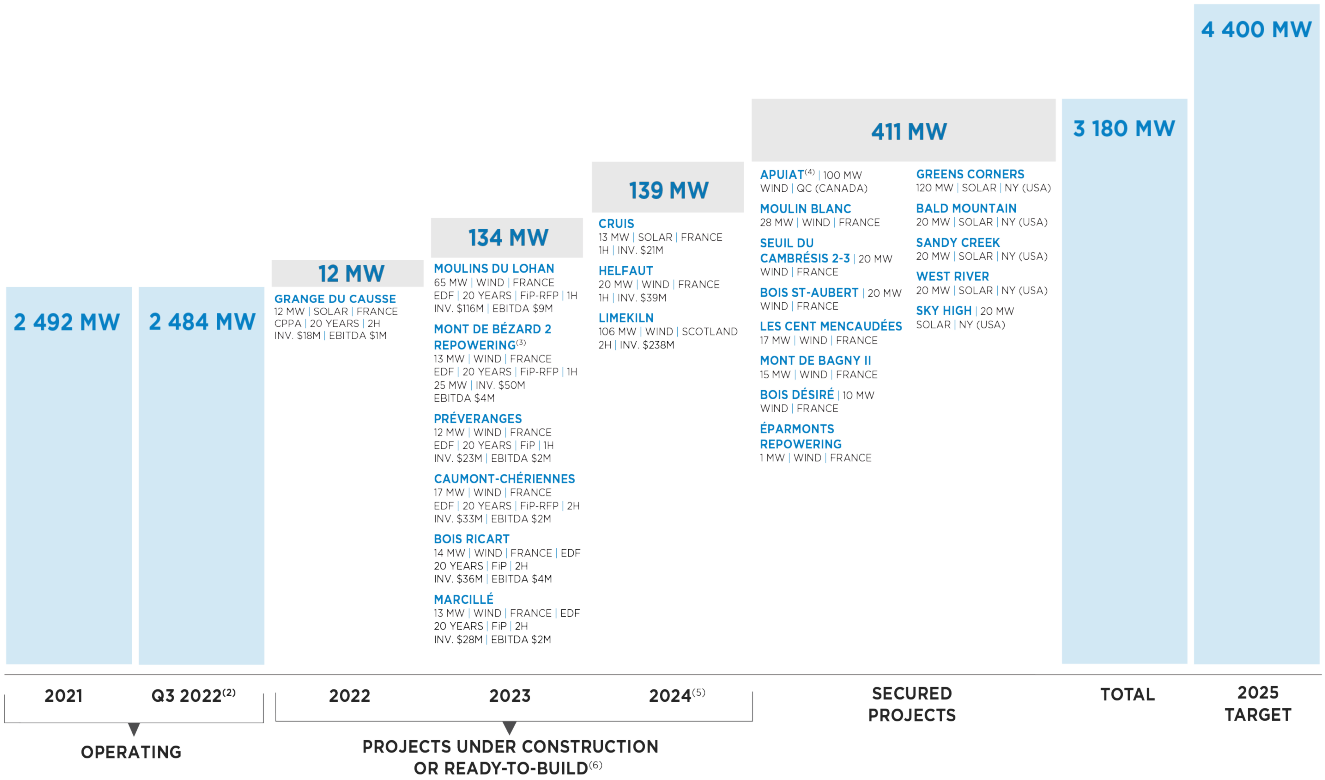
Projects under construction or ready to build represents the expected capacity which increased from 152 MW as at June 30, 2022 to 285 MW as at September 30, 2022. The 133 MW increase was due to:

- Inclusion of a solar power project in France and two wind power projects in Europe totalling 139 MW under the construction or ready-to-build phase;
- Commissioning of a wind farm in Europe that was part of the *Growth path* as at June 30, 2022.

As shown in the *Growth path*, the Corporation had assets in operation with 2,484 MW of installed capacity as at September 30, 2022, up 6 MW from June 30, 2022, following the commissioning of a facility in September 2022. Commissioning of secured facilities and projects under construction is expected to bring Boralex's installed capacity to 3,180 MW.

Growth path

Installed capacity[1]



[1] Installed capacity of production, excluding the installed capacity of energy storage projects.
[2] As at September 30 and November 8, 2022.
[3] The Mont de Bézard 2 repowering project represents a total capacity of 25 MW with an increase of 13 MW.
[4] The Corporation holds 50% of the shares of the 200 MW wind power project but does not have control over it.
[5] Some items, such as EBITDA of projects slated for commissioning in 2024, will be provided at a later date since measures are still underway to further optimize these projects.
[6] Total project investment and estimated annual EBITDA for projects in France have been translated into Canadian dollars at the closing rate on September 30, 2022.

In Europe, eight wind power projects, two solar power projects and one energy storage project are under construction or have completed all preliminary stages and obtained pre-construction approvals. The wind and solar power projects are either subject to long-term feed-in premium contracts, which benefit from fixed prices, or power purchase agreements with commercial and industrial corporations. These projects will contribute to the Corporation's results when commissioned in 2022, 2023 and 2024 as indicated in the *Growth path*.

Overall, the contribution to EBITDA of projects under construction or ready-to-build is estimated at $56 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 estimated contribution to EBITDA of $53 million, taking into account the estimated EBITDA generated by the wind farms before the repowering work. The implementation of these projects is expected to require total planned investments[1] of about $602 million and planned financing[1] of up to $431 million. As at September 30, 2022, the funds invested[1] in these projects totalled $139 million.

[1] Total planned investments, planned financing and funds invested are supplementary financial measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

Diversification, Customers and Optimization

Boralex is focusing its business **diversification** efforts on its **solar** power segment. Projects considered to be part of Diversification represent a potential additional capacity of 1,631 MW.

Boralex is continuing its efforts to gradually deploy a battery-based energy **storage** service, leveraging the significant cost reduction associated with this technology. Its energy storage project portfolio reached 792 MW over the third quarter, following sustained efforts towards their development.

The Corporation remains on the lookout for new opportunities and continues to perform analyses and market studies to develop its activities in target countries outside France, which in particular led to the recent acquisition of Infinergy.

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

During the third quarter of 2022, the Corporation decided to early terminate power purchase agreements in France expiring between 2022 and 2026. New contracts will come into force from the start of the fourth quarter for most of the related production capacity.

With agile management of its asset portfolio, the Corporation ensures long-term security as well as flexibility enabling it to benefit from current energy market conditions using the corporate PPA and market/hedging strategy.

During the quarter, Boralex continued its initiatives for the **optimization** of current assets by taking concrete actions to increase performance and reduce both operating and financing costs. These initiatives include repowering projects for certain wind farms in France.

A wind farm was commissioned following repowering work during the third quarter of 2022 for a total installed capacity of 18 MW, representing an increase in installed capacity of 6 MW.

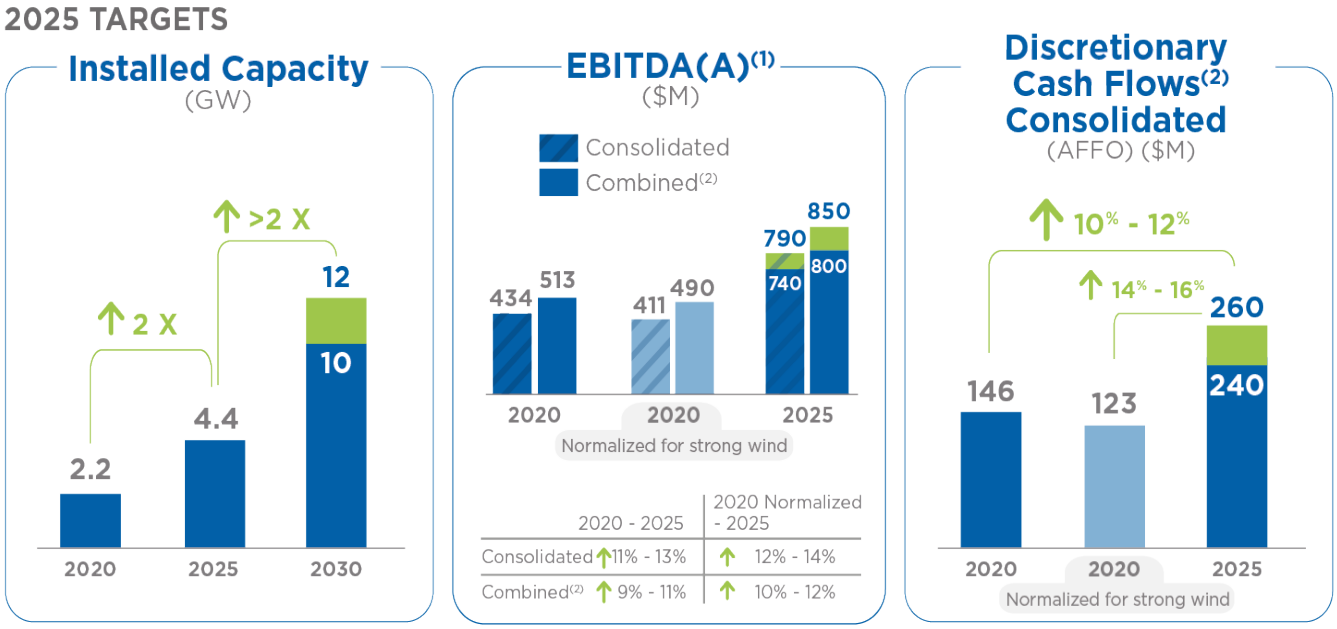
Two other repowering projects are included in the *Growth path*. Following repowering work, these two projects will increase their total installed capacity by 14 MW from 24 MW to 38 MW. These projects will benefit from more high-performance equipment and a new 20-year feed-in premium contract. During the third quarter, Boralex financed part of the repowering cost by selling dismantled assets.

Boralex intends to take over and perform service and maintenance work in-house for assets in several wind farms in Canada and in Europe, currently under external maintenance contracts. The Corporation also took the necessary measures to repatriate service and maintenance work in-house starting in the first quarter of 2023 for assets with an installed capacity of 24 MW in Canada.

In February 2022, the Corporation announced the signing of an agreement for an investment by Energy Infrastructure Partners (“EIP”), a Switzerland-based global investment manager with a focus on the energy sector, in a 30% stake of Boralex’s portfolio of assets in operation of 1.1 GW and development projects of 1.5 GW in France. The amounts received from EIP under this transaction was partly used to optimize the Corporation's financing structure, which will allow it to support its growth with drawings and availability under the revolving credit facility.

Strategic plan follow up

The Corporation's *Strategic plan* is also built around six corporate objectives for 2025. Refer to the 2021 Annual Report for additional information. These objectives are summarized below.



Reinvest 50 to 70%
of discretionary cash flows(2) towards our growth

To be a CSR reference
for our partners by going beyond renewable energy

Increase the proportion of corporate financing and **obtain an Investment Grade(3) credit rating**

(1) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report. See also the *Notice concerning forward-looking statements* section.
(2) Combined basis and discretionary cash flows are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report. See also the *Notice concerning forward-looking statements* section.
(3) Minimum corporate credit rating of BBB-.

Current status

To ensure that the implementation of the strategic plan results in disciplined growth while creating shareholder value, Boralex's management monitors the progress made toward achieving the corporate objectives for 2025.

1. Double installed capacity between 2020 and 2025

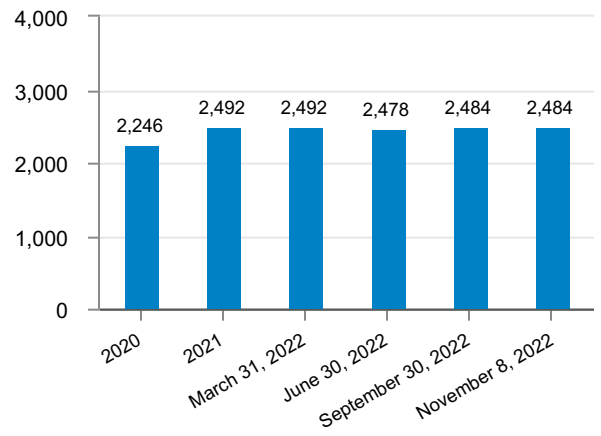
Boralex's installed capacity decreased from 2,492 MW as at December 31, 2021 to 2,484 MW as at September 30, 2022.

In April 2022, the Corporation disposed of the Senneterre thermal power station with an installed capacity of 35 MW as well as the 10 MW La Bouleste wind farm in France. Wind farms with a total of 37 MW were commissioned since the beginning of the year.

As at November 8, 2022, the Corporation's installed capacity is the same as the installed capacity as at September 30, 2022.

Installed capacity

(in MW)



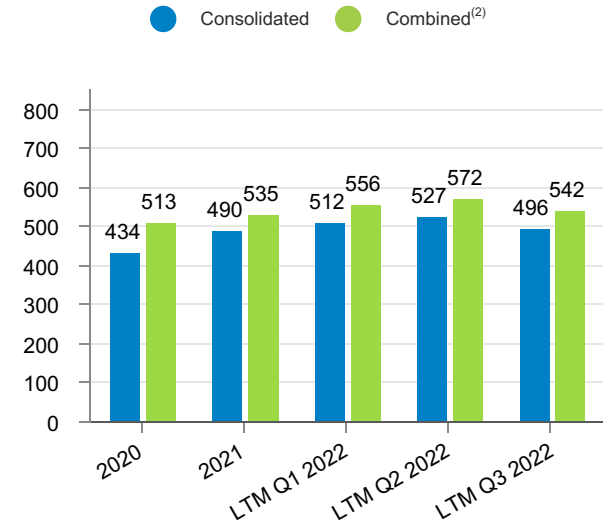
2. Achieve $740 million to $790 million of consolidated EBITDA(A), or $800 million to $850 million of EBITDA(A) on a Combined basis, by 2025

EBITDA(A) amounted to $50 million on a Consolidated basis and $63 million on a Combined basis for the three-month period ended September 30, 2022, compared with $81 million and $93 million, respectively, for the corresponding quarter of 2021.

For the 12-month period ended September 30, 2022, EBITDA(A) stood at $496 million on a Consolidated basis and $542 million on a Combined basis compared with $490 million and $535 million, respectively, for fiscal 2021. This increase was mainly due to the contribution of wind and solar power facilities commissioned in France and, to a lesser extent, higher market prices than last year at U.S. hydroelectric power stations.

EBITDA(A)[1]

(in millions of Canadian dollars)



[1] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

[2] Combined basis is a non-GAAP measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

3. Generate $240 million to $260 million in discretionary cash flows by 2025

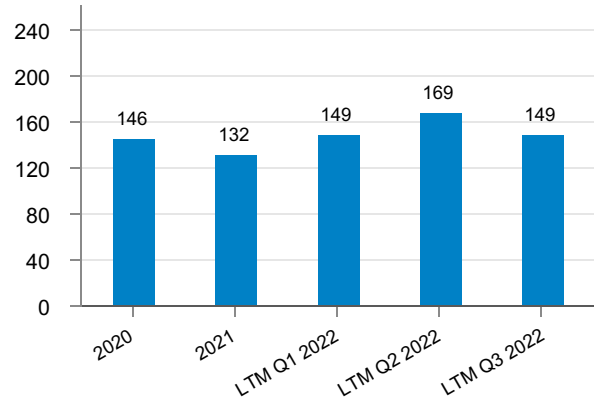
Discretionary cash flows amounted to $1 million for the three-month period ended September 30, 2022 compared with $21 million for the corresponding quarter of 2021.

This $20 million change is mainly due to the $28 million provision recorded in the third quarter concerning revenues recognized during the first six months of 2022, in order to reflect the impact of the *2022 Supplementary Budget Act,* which was passed in August 2022 and is retroactive to January 1, 2022, partially offset by the commissioning of wind and solar farms in recent months.

For the 12-month period ended September 30, 2022, discretionary cash flows amounted to $149 million compared with $132 million for the year ended December 31, 2021. This $17 million increase mainly resulted from the $15 million growth in cash flows from operations,[1] which was driven by the commissioning of wind and solar farms.

Discretionary cash flows[1]

(in millions of Canadian dollars)

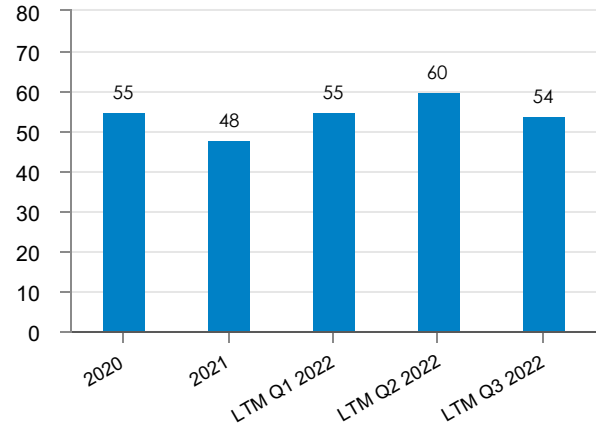


4. Reinvest 50% to 70% of discretionary cash flows in growth

For the 12-month period ended September 30, 2022, the reinvestment ratio[2] stood at 54%, in the target range of 50% to 70%.

Reinvestment ratio[2]

(as a %)



[1] Cash flow from operations and discretionary cash flows are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

[2] Reinvestment ratio is a non-GAAP ratio and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named ratios used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

5. Be the leading CSR reference for our partners

Boralex released its second separate Corporate Social Responsibility (CSR) report in February 2022, which included more extensive disclosure of its key indicators, its policies and its business processes. The achievements of the third quarter of 2022 are discussed below.

E
ENVIRONMENT

Grow in a sustainable and resilient manner

The Executive Committee and the Board of Directors completed the assessment of physical impacts of climate change and training on the potential impacts of climate change.

S
SOCIETY

Respect the living

Awareness-raising workshop for North American employees as part of the National Truth and Reconciliation Day on September 30.

A group of 13 female Boralex employees participated for the first time in L'effet A's 100-day challenge.

G
GOVERNANCE

Make exemplary management a shared value

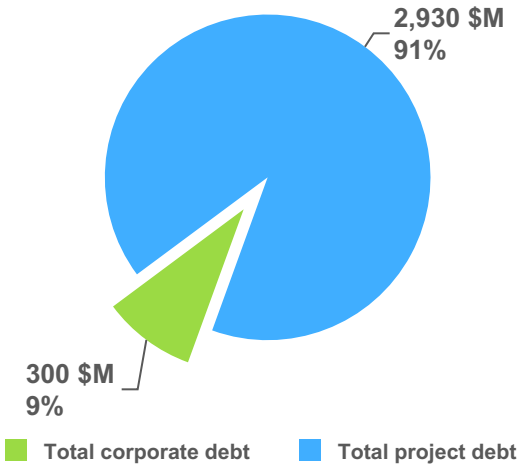
Boralex participated in CSA's and CDP's external evaluations for the second and third year, respectively.

Ongoing EcoVadis assessments of our key suppliers.

6. Increase the portion of corporate financing, including sustainable financing, and obtain an investment grade credit rating

Boralex intends to make greater use of corporate financing by slightly reducing its use of project financing and by obtaining an investment grade credit rating from at least one recognized credit rating agency.

Breakdown of borrowings - principal balance - $3.2 billion
As of September 30, 2022



On April 29, 2022, the Corporation announced the closing of an agreement for an investment by EIP in a 30% stake of Boralex's portfolio of assets in operation and development projects in France. The amounts received from EIP under this transaction were partly used to optimize the Corporation's financing structure, including the early repayment of a $98 million project loan on June 9, 2022, and the revolving credit facility for an amount of $272 million, on May 5, 2022. Accordingly, the revolving credit facility represents corporate financing available to fund the growth strategy in line with this corporate objective. Also, the Corporation repaid the U.S. note in the amount of $35 million (US$27 million) on July 15, 2022. The Corporation expects to benefit from savings of approximately $8 million in discretionary cash flows in the second half of fiscal 2022 through the early repayment of the previously mentioned project loans, with an annualized impact of $19 million.

Available cash resources and authorized financing

(in millions of Canadian dollars) (unaudited)	As at September 30, 2022	As at December 31, 2021
Credit facilities of the parent company		
Authorized credit facility[1]	450	450
Amounts drawn under the authorized credit facility[2]	(22)	(258)
Unused tranche of the parent company's credit facility	428	192
Unused tranche of the construction facility	62	147
Credit facilities available to fund growth[3]	**490**	**339**
Available cash and cash equivalents[4]	427	58
Available cash resources and authorized financing[4]	**917**	**397**

[1] Excluding accordion clause of $150 million.
[2] As at September 30, 2022, relates to letters of credit only.
[3] The credit facilities available to fund growth are a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.
[4] Available cash and cash equivalents and available cash resources and authorized financing facilities are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

As shown in the table above, the Corporation has the financial flexibility to support its growth. Available cash resources and authorized financing facilities will allow Boralex to invest in its current projects, finance the development of new projects and seize acquisition opportunities to achieve its growth objectives and continue to implement its strategic plan.

Analysis of results, cash position and financial position - Consolidated

Financial highlights

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended September 30				Nine-month periods ended September 30			
	2022	2021	Change		2022	2021	Change	
			GWh or $	%			GWh or $	%
Power production (GWh)[1]	1,019	1,108	(89)	(8)	3,998	4,061	(63)	(2)
Revenues from energy sales and feed-in premium	101	126	(25)	(20)	496	479	17	4
Operating income (loss)	(31)	7	(38)	>(100)	105	107	(2)	(3)
EBITDA(A)[2]	50	81	(31)	(38)	344	338	6	2
Net earnings (loss)	(56)	(22)	(34)	>(100)	15	6	9	>100
Net earnings (loss) attributable to shareholders of Boralex	(44)	(20)	(24)	>(100)	16	—	16	>100
Per share (basic and diluted)	($0.44)	($0.20)	($0.24)	>(100)	$0.16	($0.01)	$0.17	>100
Net cash flows related to operating activities	90	47	43	90	324	264	60	23
Cash flows from operations[3]	40	66	(26)	(39)	262	247	15	6
Dividends paid on common shares	17	17	—	—	51	51	—	—
Dividends paid per common share	$0.1650	$0.1650			$0.4950	$0.4950		
Weighted average number of shares outstanding (basic)	102,762,146	102,618,702			102,713,666	102,618,642		

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at Sept. 30, 2022	As at Dec. 31, 2021	Change $	Change %
Total cash, including restricted cash	654	259	395	>100
Property, plant and equipment	3,233	3,227	6	—
Total assets	6,329	5,751	578	10
Debt - principal balance	3,230	3,682	(452)	(12)
Total liabilities	4,299	4,540	(241)	(5)
Total equity	2,030	1,211	819	68
Net debt to market capitalization ratio[4] (%)	35%	48%		

[1] Includes compensation following electricity production limitations imposed by clients.
[2] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[3] Cash flows from operations is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.
[4] Net debt to market capitalization ratio is a capital management measure. For more details, see the *Non-IFRS and other financial measures* section in this report.

Changes in the portfolio in operation

Project name	Type of transaction	Total capacity (MW)	Effective date	Segment | Country	Energy contract term / Client	Ownership (%)
2020		**+ 205 MW**			Installed capacity: **2,246 MW**	
Solar portfolio - Boralex US Solar	Acquisition	209	January 29	Solar | United States	21.5 years[1]/CPPA	50-100[1]
Blendecques	Disposal	-12	May 1	Thermal | France	N/A	100
Bazougeais	Commissioning	12	May 1	Wind | France	20 years/EDF/FiP	100
Oldman	Disposal	-4	July 9	Wind | Canada	N/A	100
Extension Plaine d'Escrebieux	Commissioning	14	August 1	Wind | France	20 years/EDF/ FiPRFP	100
La Grande Borne	Commissioning	9	December 1	Wind | France	20 years/EDF/FiP	100
Peyrolles	Commissioning	12	December 14	Solar | France	20 years/EDF/ FiPRFP	100
La Clé des Champs	Commissioning	9	December 23	Solar | France	20 years/EDF/ FiPRFP	60
2021		**+ 249 MW**			Installed capacity: **2,492 MW**[2]	
Senneterre	Disposal	-35	April 1	Thermal | Canada	N/A	100
La Bouleste	Disposal	-10	April 27	Wind | France	N/A	100
Remise de Réclainville Repowering	Commissioning	3	May 9	Wind | France	20 years/EDF/FiP	100
Bois des Fontaines	Commissioning	25	May 12	Wind | France	20 years/EDF/ FiPRFP	100
Evits & Josaphat Repowering	Commissioning	3	June 24	Wind | France	20 years/EDF/FiP	100
Bougainville Repowering[3]	Commissioning	6	September 12	Wind | France	20 years/EDF/FiP	100
November 8, 2022		**- 8 MW**			Installed capacity: 2,484 **MW**	

(1) The long-term power purchase agreements will expire between 2029 and 2046 with a weighted average remaining term of nearly 21.5 years, as at the date of acquisition. Boralex has a controlling interest ranging from 50% to 100% in the solar power stations.
(2) During fiscal 2021, for consistency purposes, an adjustment of 3 MW was made to the French solar facilities.
(3) The Bougainville repowering project represents a total capacity of 18 MW, representing an addition of 6 MW. The installed capacity includes 100% of the additional capacity due to the repowering of the Bougainville wind farm in France. As of September 30, 2022, following the degree of completion of the repowering work, the wind farm was operational at 83% of its total capacity, representing 15 MW.

Segment and geographic financial information for the three- and nine-month periods ended September 30, 2022

	Three-month periods ended September 30				Nine-month periods ended September 30			
	2022	2021	Change		2022	2021	Change	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)			GWh or $	%			GWh ou $	%
POWER PRODUCTION (GWh)[1]	**1,019**	**1,108**	**(89)**	**(8)**	**3,998**	**4,061**	**(63)**	**(2)**
Wind power stations	703	716	(13)	(2)	2,935	2,968	(33)	(1)
Canada	372	362	10	3	1,507	1,433	74	5
France	331	354	(23)	(6)	1,428	1,535	(107)	(7)
Hydroelectric power stations	160	205	(45)	(22)	577	567	10	2
Canada	114	95	19	20	309	291	18	7
United States	46	110	(64)	(58)	268	276	(8)	(3)
Solar power stations	156	150	6	4	446	402	44	11
United States	137	143	(6)	(5)	397	385	12	3
France	19	7	12	>100	49	17	32	>100
Thermal power stations[2]	—	37	(37)	(100)	40	124	(84)	(68)
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM	**101**	**126**	**(25)**	**(19)**	**496**	**479**	**17**	**4**
Wind power stations	66	92	(26)	(28)	386	378	8	2
Canada	48	47	1	4	199	187	12	7
France	18	45	(27)	(61)	187	191	(4)	(2)
Hydroelectric power stations	14	17	(3)	(16)	53	46	7	16
Canada	10	9	1	14	29	28	1	5
United States	4	8	(4)	(51)	24	18	6	32
Solar power stations	21	14	7	44	51	37	14	37
United States	13	13	—	(1)	35	33	2	6
France	8	1	7	>100	16	4	12	>100
Thermal power stations[2]	—	3	(3)	(100)	6	18	(12)	(67)
EBITDA(A)[3]	**50**	**81**	**(31)**	**(38)**	**344**	**338**	**6**	**2**
Wind power stations	48	75	(27)	(35)	335	323	12	4
Canada	41	40	1	2	188	176	12	7
France	7	35	(28)	(80)	147	147	—	—
Hydroelectric power stations	10	13	(3)	(23)	39	34	5	15
Canada	8	7	1	11	21	21	—	2
United States	2	6	(4)	(64)	18	13	5	35
Solar power stations	19	12	7	47	44	32	12	37
United States	11	11	—	—	29	28	1	1
France	8	1	7	>100	15	4	11	>100
Thermal power stations[2]	—	—	—	—	1	3	(2)	(56)
Corporate and eliminations	(27)	(19)	(8)	(44)	(75)	(54)	(21)	(38)

[1] Includes compensation following electricity production limitations imposed by clients.

[2] On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset. On April 1, 2022, the Corporation disposed of the Senneterre power station, its last biomass-based energy production asset in its portfolio.

[3] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

Analysis of consolidated operating results for the three-month period ended September 30, 2022

Decrease in consolidated operating income and consolidated EBITDA(A)[1] for the three-month period ended September 30, 2022, mainly attributable to the recording of a provision during the third quarter relating to revenues for the first six months of the year 2022, following the adoption of the *2022 Supplementary Budget Act*, in France, with retroactive effect to January 1, 2022.

The following table shows the main differences in production, revenues from energy sales and FiP, and EBITDA(A):

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Consolidated			
Three-month period ended September 30, 2021	1,108	126	81
Commissioning and temporary shutdowns[2]	17	15	15
Senneterre disposal[2]	(37)	(3)	—
Pricing (power purchase agreements and FiP)	—	(27)	(27)
Volume	(69)	(5)	(5)
Foreign exchange effect	—	(5)	(3)
Other	—	—	(11)
Three-month period ended September 30, 2022	**1,019**	**101**	**50**
Wind power stations			
Three-month period ended September 30, 2021	716	92	75
Commissioning and temporary shutdowns[2]	5	9	9
Pricing (power purchase agreements and FiP)	—	(27)	(27)
Volume	(18)	(2)	(2)
Foreign exchange effect	—	(5)	(4)
Other	—	(1)	(3)
Three-month period ended September 30, 2022	**703**	**66**	**48**
Hydroelectric power stations			
Three-month period ended September 30, 2021	205	17	13
Volume	(45)	(3)	(3)
Three-month period ended September 30, 2022	**160**	**14**	**10**
Solar power stations			
Three-month period ended September 30, 2021	150	14	12
Commissioning[2]	12	6	6
Volume	(6)	—	—
Other	—	1	1
Three-month period ended September 30, 2022	**156**	**21**	**19**
Thermal power stations			
Three-month period ended September 30, 2021	37	3	—
Senneterre disposal[2]	(37)	(3)	—
Three-month period ended September 30, 2022	**—**	**—**	**—**
Corporate and eliminations			
Three-month period ended September 30, 2021			(19)
Foreign exchange effect			1
Other			(9)
Three-month period ended September 30, 2022			**(27)**

[1] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[2] See the *Changes in the portfolio in operation* table.

Acquisitions, commissioning and dispositions

In the **wind** power segment in **France**, the commissioning of new facilities (see *Changes in the portfolio in operation table*) and temporary shutdowns owing to repowering work added 5 GWh to production and $9 million to revenues from energy sales and FiP, and EBITDA(A).

In the **solar** power segment, facilities commissioned in **France** at the end of 2021 added 12 GWh to production and $6 million to both revenues from energy sales and FiP, and to EBITDA(A).

In the **thermal** power segment, the disposal of the Senneterre power station gave rise to decreases of 37 GWh in production and $3 million in revenues from energy sales and FiP.

Volume

Overall, the **wind** power segment experienced less favourable wind conditions compared with the third quarter of 2021. As a result, comparable assets recorded a decrease in production of 18 GWh, leading to an unfavourable difference of $2 million for both revenues from energy sales and FiP, and EBITD(A).

In the **hydroelectric** power segment, better water flow conditions allowed the Canadian power stations to increase their production by 20% to reach 114 GWh while production at U.S. facilities decreased 58% to 46 GWh, resulting in global unfavourable differences for the whole segment of 45 GWh for production, $3 million for revenues from energy sales and FiP, and $3 million for EBITDA(A).

Pricing (power purchase agreements and FiP)

On August 16, 2022, the French government enacted the *2022 Supplementary Budget Act*. This act, which is retroactive to January 1, 2022, provides for a sharing of revenues between the French government and producers based on a price threshold to be determined annually by ministerial order. Previously, the Corporation fully benefited from the difference between the energy selling price and the FiP contractual price for certain contracts when this difference exceeded the amounts received since the beginning of the contract. During the third quarter of 2022, the Corporation recorded a provision to reflect the impact of this legislation, which mainly explains why revenues from energy sales and EBITDA(A) decreased by $27 million. However, since the ministerial order setting the price threshold for 2022 has not yet been published, management had to estimate it and the operational details of the new law.

Foreign exchange effect

During the three-month period ended September 30, 2022, fluctuations in the euro resulted in decreases in revenues from energy sales and FiP of $5 million and EBITDA(A) of $3 million.

Reconciliation between EBITDA(A) and operating income

For the three-month period ended September 30, 2022, the Corporation recorded an operating loss of $31 million, compared with operating income of $7 million for the corresponding period of 2021, a decrease of $38 million. EBITDA(A) decreased by 38% or $31 million from $81 million to $50 million.

Relationship between revenues and costs

Excluding the acquisitions, the disposals, the facilities commissioned and temporary shutdowns due to repowering work, revenues from energy sales and FiP decreased by approximately 27% in the third quarter of 2022 compared with a year earlier while operating expenses increased by about 15%, primarily due to increases in payroll and professional fees. The difference in the cost/revenue ratio was mainly attributable to the provision recorded during the third quarter following the law enacted in France as mentioned above relating to revenues recorded in the first six months, and by the increase in the payroll resulting from the Corporation's growth and insurance expenses.

Net loss

Overall, for the three-month period ended September 30, 2022, Boralex recognized a net loss of $56 million, compared with a net loss of $22 million for the same period of 2021.

As shown in the table below, Boralex reported a net loss attributable to shareholders of Boralex of $44 million or $0.44 per share (basic and diluted) for the third quarter of 2022, compared with a net loss attributable to shareholders of Boralex of $20 million or $0.20 per share (basic and diluted) for the corresponding period of 2021.

Main differences in net loss attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

Net loss for the three-month period ended September 30, 2021	(20)
EBITDA(A)[1]	(31)
Change in fair value of a derivative included in the share of Joint Ventures	(5)
Amortization	(10)
Acquisition costs	(3)
Financing costs	8
Income taxes	10
Non-controlling shareholders	10
Other gains	2
Other	(5)
Change	(24)
Net loss for the three-month period ended September 30, 2022	(44)

[1] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

The $24 million unfavourable difference resulted mainly from:

- A $31 million decrease in EBITDA(A);
- A $5 million decline in fair value of a derivative related to the power purchase agreement included in the joint ventures;
- A $10 million increase in amortization expense following accelerated amortization at certain French wind farms for which the Corporation exercised its right to terminate certain power purchase agreements in France expiring between 2022 and 2026;
- A $5 million decrease in other items, related primarily to the change in fair value of financial instruments.

Partly offset by:

- A $10 million decrease in the income tax expense stemming from lower income for the three-month period;
- An $8 million decrease in financial expenses following the repayment of the revolving credit facility and interest income on available cash;
- A $10 million net loss attributable to non-controlling shareholders.

Analysis of consolidated operating results for the nine-month period ended September 30, 2022

Decrease of 3 % in consolidated operating income, increases of 4 % in revenues from energy sales and FiP and 2% in EBITDA(A)[1] driven partly by expansion in the Corporation's operating base.

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[(1)]
Consolidated			
Nine-month period ended September 30, 2021	4,061	479	338
Acquisitions[(2)]	12	2	2
Commissioning and temporary shutdowns[(2)]	47	27	27
Volume	(38)	2	2
Thermal disposal[(2)]	(84)	(12)	(2)
Pricing (power purchase agreements and FiP)	—	6	6
Foreign exchange effect	—	(14)	(9)
Payroll	—	—	(10)
Other	—	6	(10)
Nine-month period ended September 30, 2022	**3,998**	**496**	**344**
Wind power stations			
Nine-month period ended September 30, 2021	2,968	378	323
Commissioning and temporary shutdowns[(2)]	16	15	15
Volume	(49)	1	1
Pricing (power purchase agreements and FiP)	—	2	2
Foreign exchange effect	—	(15)	(12)
Other	—	5	6
Nine-month period ended September 30, 2022	**2,935**	**386**	**335**
Hydroelectric power stations			
Nine-month period ended September 30, 2021	567	46	34
Volume	10	2	2
Pricing	—	4	4
Other	—	1	(1)
Nine-month period ended September 30, 2022	**577**	**53**	**39**
Solar power stations			
Nine-month period ended September 30, 2021	402	37	32
Acquisitions[(2)]	12	2	2
Commissioning[(2)]	31	12	12
Volume	1	(1)	(1)
Foreign exchange effect	—	1	1
Other	—	—	(2)
Nine-month period ended September 30, 2022	**446**	**51**	**44**
Thermal power stations			
Nine-month period ended September 30, 2021	124	18	3
Thermal disposal[(2)]	(84)	(12)	(2)
Nine-month period ended September 30, 2022	**40**	**6**	**1**
Corporate and eliminations			
Nine-month period ended September 30, 2021			(54)
Foreign exchange effect			2
Payroll			(10)
Other			(13)
Nine-month period ended September 30, 2022			**(75)**

[(1)] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[(2)] See the *Changes in the portfolio in operation* table.

Acquisitions, commissioning and dispositions

In the **wind** power segment in **France**, the commissioning of new facilities (see *Changes in the portfolio in operation* table) and temporary shutdowns owing to repowering work added 16 GWh to production and $15 million to both revenues from energy sales and FiP, and EBITDA(A).

In the **solar** power segment, the acquisition of interests in facilities in the **United States** in the first quarter of 2021 and the commissioning of new facilities in **France** at the end of 2021 added 43 GWh to production and $14 million to both revenues from energy sales and FiP, and to EBITDA(A).

In the **thermal** power segment, the disposal of Blendecques and Senneterre power stations gave rise to decreases of 84 GWh in production, $12 million in revenues from energy sales and FiP, and $2 million in EBITDA(A).

Volume

In Canada, the **wind** power segment benefitted from favourable wind conditions compared with the first nine months of 2021, which led to a 74 GWh rise in production of comparable assets, and an $11 million increase in both revenues from energy sales and FiP, and in EBIDTA(A). In France, wind conditions were less favourable, resulting in a 123 GWh decrease in production of comparable assets and a $10 million decrease in both revenues from energy sales and FiP, and in EBIDTA(A). Overall, the impact on comparable assets translates into a 49 GWh decrease in production and a $1 million increase in both revenues from energy sales and FiP, and in EBIDTA(A).

In the **hydroelectric** power segment, a slight deterioration in water flow conditions compared with the same period of last year led to a 3% decrease in production of U.S. power stations to 268 GWh while the production at Canadian facilities grew by 7%, resulting in global favourable differences of 10 GWh for production and $2 million for both revenues from energy sales and FiP, and EBITDA(A).

Pricing (power purchase agreements and FiP)

During the nine-month period ended September 30, 2022, revenues from energy sales and EBITDA(A) were up by $6 million in connection with energy selling prices primarily due to higher market prices in the United States for hydroelectric power stations selling energy at market prices, for an impact of $4 million.

Foreign exchange effect

During the nine-month period ended September 30, 2022, fluctuations in the euro and US dollars resulted in decreases in revenues from energy sales and FiP of $14 million and EBITDA(A) of $9 million.

Payroll

During the nine-month period ended September 30, 2022, payroll increased by $10 million compared to the corresponding period of 2021 mainly due to the increase in the workforce related to the growth of the Corporation.

Reconciliation between EBITDA(A) and operating income

For the nine-month period ended September 30, 2022, the Corporation recorded operating income of $105 million, compared with operating income of $107 million for the corresponding period of 2021, a decrease of $2 million or 3%. EBITDA(A) grew by 2% or $6 million from $338 million to $344 million.

Relationship between revenues and costs

Excluding the acquisitions, the disposals, the facilities commissioned and temporary shutdowns due to repowering work, revenues from energy sales and FiP were relatively stable with a 1% increase over the first nine months of 2022 compared with the same period of 2021 while operating expenses increased by about 4%. The difference in the cost/revenue ratio is mainly explained by the increase in the payroll resulting from the Corporation's growth and insurance expenses.

Net earnings

Overall, for the nine-month period ended September 30, 2022, Boralex recognized net earnings of $15 million, compared with $6 million for the same period of 2021.

As shown in the table below, the Corporation reported net earnings attributable to shareholders of Boralex of $16 million or $0.16 per share (basic and diluted) for the nine-month period ended September 30, 2022, compared with nil net earnings attributable to shareholders of Boralex or a net loss of $0.01 per share (basic and diluted) for the corresponding period of 2021.

Main differences in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

Net earnings for the nine-month period ended September 30, 2021	—
EBITDA(A)[1]	6
Excess of the interest over the net assets of Joint Venture SDB I	6
Change in fair value of a derivative included in the share of Joint Ventures	13
Amortization	(5)
Impairment	(1)
Acquisition costs	(1)
Financing costs	8
Non-controlling shareholders	7
Other gains	(3)
Other	(14)
Change	16
Net earnings for the nine-month period ended September 30, 2022	16

[1] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

The $16 million favourable difference resulted mainly from:

- A $6 million increase in EBITDA(A);
- A $13 million increase in fair value of a derivative included in the power purchase agreement related to the joint ventures;
- A $6 million increase resulting from the excess of the interest over the net assets of Joint Venture SDB I;
- An $8 million decrease in financial expenses following the repayment of the revolving credit facility and interest income from available cash resources;

Partly offset by:

- A $14 million unfavourable difference in other items, related primarily to the change in fair value of financial instruments.
- A $5 million increase in amortization expense following accelerated amortization at certain French wind farms for which the Corporation exercised its right to terminate certain power purchase agreements in France expiring between 2022 and 2026 in part offset by a favourable foreign exchange difference related to the euro.

Cash flows

Cash flows for the first nine months of 2022 demonstrates that the Corporation has the financial flexibility to support its growth following the transaction with EIP.

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2022	2021	2022	2021
Net cash flows related to operating activities	90	47	324	264
Net cash flows related to investing activities	(60)	(31)	(197)	(373)
Net cash flows related to financing activities	(99)	(2)	245	89
Translation adjustment on cash and cash equivalents	(3)	—	1	(7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(72)	14	373	(27)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	701	234	256	275
CASH AND CASH EQUIVALENTS – END OF PERIOD	629	248	629	248

For the three-month period ended September 30, 2022

Operating activities

For the three-month period ended September 30, 2022, Boralex reported $40 million in cash flows from operations, compared with $66 million for the same period last year. This $26 million decline was mainly attributable to a $31 million decrease in EBITDA(A) as discussed previously, partly offset by an $8 million decrease in *Interest paid* attributable to the non-use of the revolving credit facility resulting from the net inflow of cash during the last quarter.

The change in non-cash operating items in the third quarter of 2022 generated funds in the amount of $50 million. This change resulted mainly from the recognition of a provision for amounts payable to the French government under *Trade and other accounts payable* to reflect the impact of the *2022 Supplementary Budget Act* on feed-in premiums.

Operating activities generated net cash flows totalling $90 million in the third quarter of 2022, compared with $47 million for the same period a year earlier.

Investing activities

Net cash flows related to investing activities represented a cash outflow of $60 million for the third quarter of 2022 compared with $31 million for the same period of 2021. The Corporation invested $40 million in new property, plant and equipment and made advance payments, including $31 million in the wind power segment and $6 million in the solar power segment in France while the acquisition of 100% of Infinergy Ltd.'s interest in the U.K. required an investment of $8 million, net of cash acquired. Boralex also paid $8 million, mainly as additional consideration for the Bois St-Aubert wind project. In addition, restricted cash increased by $12 million, which will be used mainly for payments for facilities under construction.

In the third quarter of 2021, Boralex had invested $32 million in additions to property, plant and equipment, including $15 million in the wind power segment and $14 million in the solar power segment, in France.

Financing activities

Financing activities for the three-month period ended September 30, 2022 resulted in net cash outflows of $99 million.

During the quarter, non-current debt increased by $28 million, including $11 million drawn from the Boralex Energy Investments portfolio construction facility, $8 million for the financing of the Les Moulins du Lohan wind power project and $9 million for the financing of the Grange du Causse solar project. At the same time, the Corporation repaid non-current borrowings and tax equity liabilities mainly related to operating facilities for a total of $38 million. Also, a U.S. note was settled in the amount of $35 million.

Also, the Corporation paid $18 million for the settlement of a non-current liability and the repurchase of 50% of Infinergy's interest in projects that were part of a joint venture established in 2017.

Net change in cash and cash equivalents

Total cash movements in the third quarter of 2022 resulted in a $72 million decrease, bringing *Cash and cash equivalents* to $629 million as at September 30, 2022.

For the nine-month period ended September 30, 2022

Operating activities

For the nine-month period ended September 30, 2022, Boralex reported $262 million in cash flows from operations, compared with $247 million for the same period last year. This $15 million increase was mainly attributable to $6 million growth in EBITDA(A) as discussed previously and a $10 million decrease in *Interest paid* mainly attributable to the non-use of the revolving credit facility resulting from the net inflow of cash during the last quarter.

The change in non-cash operating items as at September 30, 2022 generated funds in the amount of $62 million. This change resulted mainly from the recognition of a provision for amounts payable to the French government under *Trade and other accounts payable* to reflect the impact of the *2022 Supplementary Budget Act* on feed-in premiums, as described earlier.

Operating activities generated net cash flows totalling $324 million in the first nine months of 2022, compared with $264 million for the same period of 2021.

Investing activities

Net cash flows related to investing activities represented a cash outflow of $197 million for the first nine months of 2022 compared with $373 million for the corresponding period of 2021. In particular, the Corporation invested $96 million in additions to property, plant and equipment and paid $75 million in deposits for construction sites as broken down below.

Segment and geographic breakdown of disbursements related to additions to property, plant and equipment and deposits

(in millions of Canadian dollars) (unaudited)	Canada	Europe	United States	**Total**
Wind				
Construction[1]	—	144	—	**144**
In operation	1	2	—	**3**
Wind - total	**1**	**146**	**—**	**147**
Hydroelectric				
In operation	3	—	2	**5**
Hydroelectric - total	**3**	**—**	**2**	**5**
Solar				
Construction[1]	—	15	—	**15**
In operation	—	—	1	**1**
Solar - total	**—**	**15**	**1**	**16**
Storage	**—**	**1**	**—**	**1**
Corporate	**1**	**1**	**—**	**2**
Total	**5**	**163**	**3**	**171**

(1) See the *Changes in the portfolio in operation* table.

The acquisition of Infinergy Ltd.'s interest in a portfolio of projects under development required an investment of $8 million, net of cash acquired. The Corporation also paid $8 million mainly as additional consideration for the Bois St-Aubert project. Meanwhile, restricted cash, which will be used mainly for payments for facilities under construction, increased by $21 million.

In the first nine months of 2021, Boralex invested $74 million in additions to property, plant and equipment, including $44 million in the wind power segment and $21 million in the solar power segment in France. The Corporation also paid $274 million, net of cash acquired, to acquire interests in seven solar power stations in the United States and $6 million to increase its interest in the Joint Ventures and associates for the Apuiat project. Finally, the Corporation had also paid the sum of $12 million, mainly as additional consideration.

Financing activities

Financing activities for the nine-month period ended September 30, 2022 resulted in net cash inflows of $245 million.

New financing arrangements and repayments on existing debt

This resulted primarily from the EIP investment, which generated a net cash inflow of $750 million, as shown in the following table:

Net cash flow related to the transaction with EIP	
Transaction with a non-controlling shareholder	655
Contribution of a non-controlling shareholder	22
Transaction fees	(10)
Change in amounts received from a non-controlling shareholder	43
Settlement of financial instruments	40
Total	**750**

Using these financial instruments, the Corporation was able to maximize the cash received from this transaction through sound risk management that neutralized the impact of the weakening in the euro. In addition, during the first nine months of 2022, the Corporation repaid its revolving credit facility, which generated a net change of $241 million, in addition to a project loan in the amount of $98 million and a U.S. note amounting to $35 million. Boralex also made repayments totalling $165 million on non-current debt and tax equity liabilities, mainly related to facilities in operation.

Non-current debt increased by $140 million, owing mainly to drawdowns under the Boralex Energy Investments portfolio construction facility for an amount of $77 million and a amount of $54 million for the financing of the Les Moulins du Lohan wind power project and $9 million for the new financing for the Grange du Causse solar project.

Dividends and other items

During the nine-month period ended September 30, 2022, the Corporation paid dividends to shareholders totalling $51 million, the same as for the corresponding period of 2021. For both periods, dividends paid were equivalent to $0.1650 per share per quarter.

Net change in cash and cash equivalents

Total cash movements for the nine-month period ended September 30, 2022 resulted in a $373 million increase, bringing *Cash and cash equivalents* to $629 million as at September 30, 2022.

Financial position

Overview of the consolidated condensed statements of financial position

(in millions of Canadian dollars) (unaudited)	As at September 30, 2022	As at December 31, 2021	Change ($)
ASSETS			
Cash and cash equivalents	629	256	373
Restricted cash	25	3	22
Other current assets	182	201	(19)
CURRENT ASSETS	836	460	376
Property, plant and equipment	3,233	3,227	6
Right-of-use assets	404	407	(3)
Intangible assets	1,084	1,147	(63)
Goodwill	230	218	12
Interests in Joint Ventures and associates	148	107	41
Other non-current assets	394	185	209
NON-CURRENT ASSETS	5,493	5,291	202
TOTAL ASSETS	6,329	5,751	578
LIABILITIES			
CURRENT LIABILITIES	510	395	115
Debt	2,919	3,383	(464)
Lease liabilities	292	290	2
Other non-current liabilities	578	472	106
NON-CURRENT LIABILITIES	3,789	4,145	(356)
TOTAL LIABILITIES	4,299	4,540	(241)
EQUITY			
TOTAL EQUITY	2,030	1,211	819
TOTAL LIABILITIES AND EQUITY	6,329	5,751	578

Highlights

Assets

As at September 30, 2022, Boralex's total assets amounted to $6,329 million, up $578 million from total assets of $5,751 million as at December 31, 2021. This difference resulted from increases of $376 million in *Current assets* and $202 million in *Non-currents assets.*

The $376 million change in *Current assets* was driven by a $373 million increase in *Cash and cash equivalents* as previously explained in the *Cash flows* section.

Non-current assets were up $202 million due primarily to the following:

- A $6 million increase in the value of *Property, plant and equipment* (net of amortization for the period), which breaks down as follows:
  - Additions of the period for an amount of $179 million mainly related to projects under construction;
  - A $39 million decrease related to exchange rate fluctuations;
  - A $130 million decrease related to amortization of assets in operation.
- A $63 million decrease in *Intangible assets* primarily due to an $8 million increase related to the payment of additional consideration for a wind project under development in France as well as $5 million in capitalization of development costs in Scotland and the United States, offset by amortization of assets in operation in the amount of $80 million.
- A $41 million increase in *Interests in Joint Ventures and associates* owing to:
  - A $33 million share in net earnings, which includes the gain of $21 million on the embedded derivative in the power purchase agreement of the **Apuiat** project given the increase in long-term interest rates;
  - A $21 million share in other comprehensive income.
  - A decrease resulting from $16 million in distributions.
- A $209 million favourable difference in *Other non-current assets*, owing to an increase in *Other non-current financial assets* resulting from changes in the fair value of financial instruments given higher long-term interest rates.

Current liabilities

As at September 30, 2022, *Current liabilities* amounted to $510 million compared with $395 million as at December 31, 2021. The $115 million increase was driven primarily by the following:

- A $67 million increase in *Trade and other payables* resulting mainly from the recognition of a provision for amounts payable to the French government to reflect the impact of the *2022 Supplementary Budget Act* on feed-in premiums;
- A $23 million increase in *Other current financial liabilities* resulting mainly from an amount due to a joint venture in the amount of $18 million;
- A $24 million increase in the *Current portion of debt* relating mainly to an amount due in the next twelve months on the construction facility related to two wind farms commissioned in August and December 2021. This amount of $37 million for projects in the Boralex Energy Investments portfolio will be refinanced with a term loan. This increase was partially offset by a decrease of $12 million following the early repayment of two project loans.

Working capital[1]

As at September 30, 2022, the Corporation had working capital of $326 million for a ratio[1] of 1.64:1, compared with working capital of $65 million and a ratio of 1.16:1 as at December 31, 2021.

Non-current liabilities

Total *Non-current liabilities* decreased $356 million to $3,789 million as at September 30, 2022.

This decline was mainly due to the $464 million decrease in *Non-current debt* which resulted mainly from:

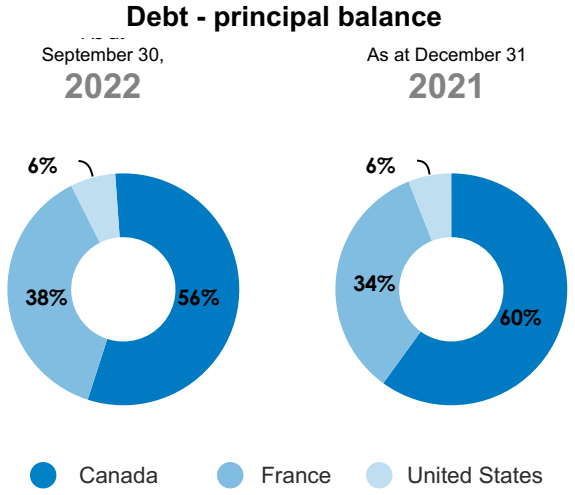
- A $241 million decrease resulting from the repayment of the revolving credit facility;
- A $48 million decrease resulting from exchange rate fluctuations;
- A $301 million decrease following the early repayment of project loans in the amount of $133 million and payments totalling $165 million on non-current debt and tax equity liabilities mainly related to facilities in operation;
- A $140 million increase mainly due to the financing of the Les Moulins du Lohan wind project, Grange du Causse project and projects of Boralex Energy Investments portfolio in France.

Also, *Other non-current liabilities* increased by $106 million, owing mainly to a $95 million increase in *Deferred income tax liabilities*.

As at September 30, 2022, Boralex had $490 million in credit facilities available to fund growth[1] and an amount of $917 million of available cash resources and authorized financing facilities.[2] For further information, see the *Corporate objectives for 2025 - current status* section.

The Corporation also has a $150 million accordion clause which will allow Boralex to have access in the future to an additional sum under certain conditions, as well as a letter of credit facility guaranteed by EDC for a total amount of $75 million. As at September 30, 2022, the Corporation issued $58 million in letters of credit. Project borrowings include credit facilities with a total authorized amount of $208 million as at September 30, 2022. As at the same date, $46 million was available under these facilities.

Geographic breakdown of Debt - principal balance



Equity

During the nine-month period ended September 30, 2022, total *Equity* rose $819 million to $2,030 million. This increase was largely attributable to the transaction between Boralex and EIP as a $111 million contribution from a non-controlling shareholder was recorded in addition to the increase in equity attributable to Boralex's shareholders, net of taxes, in the amount of $517 million, as well as to the contribution of a non-controlling shareholder of $22 million. This increase was also attributable to net earnings of $15 million as well as a $236 million increase in *Other comprehensive income*, mainly related to the change in the fair value of financial instruments following the increase in interest rates. The above items were partially offset by the $51 million paid in dividends to Boralex's shareholders, the repurchase of a non-controlling interest of $15 million related to the acquisition of 100% of Infinergy Ltd.'s interest in the U.K as well as distributions to non-controlling shareholders of $23 million.

[1] Working capital, working capital ratio, debt contracted for construction projects and credit facilities available for growth are supplementary financial measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

[2] Available cash resources and authorized financing facilities is a non-GAAP financial measure and do not have a standardized definition under IFRS. Therefore, this measure may not be comparable to similar measures used by other companies. For more details, refer to the *Non-IFRS and other financial measures* section of this report.

Debt ratios[1]

Net debt[1] amounted to $2,576 million as at September 30, 2022 compared with $3,423 million as at December 31, 2021.

As a result, the net debt to market capitalization ratio decreased from 48% as at December 31, 2021 to 35% as at September 30, 2022.

Boralex's closing share price was $43.87 per share as at September 30, 2022 compared with $34.42 per share as at December 31, 2021.

Information about the Corporation's equity

As at September 30, 2022, Boralex's capital stock consisted of 102,762,850 Class A shares issued and outstanding (102,618,702 as at December 31, 2021) due to the issuance of 144,148 shares following the exercise of stock options held by management and key employees.

As at September 30, 2022, there were 222,352 outstanding stock options, 109,053 of which were exercisable.

From October 1 to November 8, 2022, no new shares were issued on exercise of stock options.

Related party transactions

Boralex has entered into a management agreement with R.S.P. Énergie Inc., an entity of which Patrick Lemaire, a director of the Corporation, is one of three shareholders. For the nine-month periods ended September 30, 2022 and 2021, management fees were not material.

The Corporation holds a $250 million financing arrangement with a subsidiary of the CDPQ in the form of an unsecured term loan with a 10-year maturity as well as a $54 million (€40 million) term loan maturing in five years with repayment of the full amount of both loans on the maturity date. For the nine-month period ended September 30, 2022, the interest related to these loans amounted to $12 million ($12 million in 2021). As at September 30, 2022, the CDPQ, one of Canada's largest institutional investors, held 12.5% of Boralex's outstanding shares.

The CDPQ holds a majority stake in Énergir. The Corporation is developing, in partnership with Énergir, some wind power projects located on the Seigneurie de Beaupré site.

In April 2022, Boralex announced the conclusion of a partnership with Hydro-Québec and Énergir, to develop three wind power projects of 400 MW each on the territory of Seigneurie de Beaupré. Under the agreement, Boralex, Énergir and Hydro-Québec have equal interests in these projects and the power generated will be purchased by Hydro-Québec under three power purchase agreements. The decision to proceed with each of the projects will depend on the evolution of Hydro-Québec's needs.

The 15 MW **Val aux Moines** wind farm is 35% owned by shareholder Nordex Employee Holding GmbH. The non-controlling shareholder advanced $5 million (€4 million) to finance construction of the facility. This amount is repayable in 2024. For the nine-month periods ended September 30, 2022 and 2021, the interest amount related to this due was not material.

The Corporation charges management fees and maintenance costs to certain joint ventures for services rendered. The related revenues for the nine-month period ended September 30, 2022 amounted to $10 million ($11 million in 2021).

In February 2021, the Corporation entered into a partnership for the **Apuiat** wind power project in which Boralex has a 50-50 interest with Innu communities. Boralex recorded a $20 million amount due to a joint venture following recognition of its interest in the project. As at September 30, 2022, the amount due to the joint venture stood at $18 million.

On April 29, 2022, Boralex announced it had closed an agreement for an investment by Energy Infrastructure ("EIP"), a Switzerland-based global investment manager with a focus on the energy sector, in a 30% stake of Boralex's portfolio of assets in operation and development projects in France. Amounts received from EIP following this transaction total $720 million (€532 million), comprising $655 million (€483 million) related to EIP's 30% investment in Boralex's operations in France subject to adjustments provided for in the sale agreement, a loan of $43 million (€32 million) and a simultaneous capital injection prorated to its percentage ownership of $22 million (€17 million) related to the development of the French portfolio. A receivable of $5 million (€4 million) has been recognized to reflect the purchase price adjustment subject to the approval of the final accounts.

[1] Debt ratios and net debt are capital management measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

Seasonal factors

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Dec. 31, 2020	March. 31, 2021	June 30, 2021	Sept. 30, 2021	Dec 31, 2021	March 31, 2022	June 30, 2022	Sept. 30, 2022
POWER PRODUCTION (GWh)								
Wind power stations	1,228	1,312	940	716	1,168	1,337	894	703
Hydroelectric power stations	186	171	190	205	223	189	229	160
Solar power stations	3	77	176	150	81	115	175	156
Thermal power stations[1]	51	70	17	37	20	40	—	—
	1,468	1,630	1,323	1,108	1,492	1,681	1,298	1,019
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	170	171	115	92	164	192	128	66
Hydroelectric power stations	15	15	14	17	18	18	21	14
Solar power stations	—	7	16	14	7	11	19	21
Thermal power stations[1]	8	13	2	3	3	6	—	—
	193	206	147	126	192	227	168	101
OPERATING INCOME	60	77	24	7	74	91	45	(31)
EBITDA(A)[2]								
Wind power stations	155	148	101	75	152	170	117	48
Hydroelectric power stations	10	10	11	13	13	13	15	10
Solar power stations	1	6	13	12	5	9	16	19
Thermal power stations[1]	—	5	(1)	—	—	2	—	—
	166	169	124	100	170	194	148	77
Corporate and eliminations	(29)	(18)	(18)	(19)	(18)	(21)	(27)	(27)
	137	151	106	81	152	173	121	50
NET EARNINGS (LOSS)	30	40	(12)	(22)	20	57	14	(56)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	25	36	(16)	(20)	17	50	10	(44)
Per share (basic and diluted)	$0.24	$0.34	($0.16)	($0.20)	$0.17	$0.49	$0.10	($0.44)
CASH FLOWS FROM OPERATIONS[3]	101	115	66	66	116	136	86	40

[1] On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer. On April 1, 2022, the Corporation closed the sale of the Senneterre power station, the last biomass energy production asset in its portfolio.
[2] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[3] Cash flows from operations is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

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's facilities are covered by long-term energy sales contracts at fixed and indexed prices or feed-in premiums setting floor prices, 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 by favourable geographical positioning. Operating volumes at Boralex's 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.
- For solar power, sunlight conditions are typically more favourable in the spring and summer.
- 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.

	Installed capacity (MW)[2]	Power production average of the past five years[1]			
		Q1	Q2	Q3	Q4
Wind	2,059	32%	20%	17%	31%
Solar	244	19%	32%	32%	17%
Hydroelectric	181	24%	30%	20%	26%
Total power production	2,484	30%	22%	18%	30%

[1] The power production average over the past five years is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.
[2] As of November 8, 2022.

Financial risk management

To mitigate the various financial risks to which it is exposed, the Corporation employs various strategies, including the use of derivative instruments and natural hedge management techniques.

Foreign exchange risk

The Corporation is exposed to foreign exchange risk through:

Net investments in foreign operations - The Corporation operates internationally and is subject to fluctuations in exchange rates on its investments in foreign operations and primarily on the residual liquidity that can be distributed to the parent company. The Corporation benefits from partial natural coverage from this risk exposure, as revenues, expenses and financing are in the local currencies. The Corporation contracts debt denominated in foreign currencies and derivative financial instruments, including foreign exchange forward contracts and cross-currency swaps to mitigate this risk. Cross-currency swaps mainly provide a hedge of the net investment in Europe and allow the conversion of the amounts drawn from the revolving credit facility in Canada to benefit from lower interest rates in other countries. Local currency debt was incurred for the acquisition of solar power stations in the United States and was designated as a hedging item for this net foreign investment. With the expected increase in strategic investments in the United States, the Corporation will manage the U.S. dollar more actively during the coming years.

Equipment purchases - Significant future expenditures (wind turbines and solar panels) may be denominated in foreign currencies and the Corporation will use derivatives to protect the anticipated return on its projects, as necessary.

Price risk

Revenues from energy sales – The energy sales price risk represents the risk that future cash flows will fluctuate based on changes in prices that vary according to supply, demand and certain external factors including weather conditions, and the price of energy from other sources. As at September 30, 2022, substantially all of the power stations have long-term energy sales contracts with fixed prices of which the vast majority are subject to partial or full indexation clauses tied to inflation or feed-in premiums at partially indexed prices. The Corporation is thus exposed to fluctuations in energy prices when power production is sold at market prices without feed-in premiums or under variable price contracts. As at September 30, 2022, about 1% of the Corporation's power production was sold at market prices without feed-in premiums or under variable prices contracts.

Interest rate risk

As at September 30, 2022, about 92% of term loans - projects bore interest at variable rates[(1)], exposing the Corporation to fluctuations in the loan amounts. Due to the anticipated rate increases and to mitigate this risk, the Corporation has entered into interest rate swaps in addition to traditional swaps to lock in loan interest rates, thereby reducing its exposure to 9% of total debt.[1]

The following table summarizes the Corporation's hedging relationships as at September 30, 2022:

(in millions of Canadian dollars) (unaudited)				Current notional		Fair value[(1)]	
Hedging instrument	**Hedged type / Hedged item**	**Hedged risk**	**Currency**	(currency of origin)	(CAD)	(currency of origin)	(CAD)
Cross-currency swaps	Cash flows / Net investment in Europe	Foreign currency risk	EUR for CAD	264	368	6	6
Foreign exchange forward contracts (USD for CAD)	Cash flows / Net investment in United States	Foreign currency risk	USD for CAD	69	88	(3)	(3)
Interest rate swaps	Cash flows / Term borrowings in EUR	Interest rate risk	EUR	761	1,033	86	116
Interest rate swaps	Cash flows / Term borrowings in USD	Interest rate risk	USD	136	187	27	38
Interest rate swaps	Cash flows / Term borrowings in CAD	Interest rate risk	CAD	1,056	1,056	125	125

(1) Favourable and unfavourable values only indicate future fluctuations in interest rates or exchange rates and have no bearing on the effectiveness of the risk management strategy.

1 Percentage of non-current debt bearing interest at a variable rate is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.

Non-IFRS and other financial measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses 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 and other financial measures also provide investors with insight into the Corporation's decision making as the Corporation uses these non-IFRS financial measures to make financial, strategic and operating decisions. The non-IFRS and other financial measures should not be considered as substitutes for IFRS measures.

These non-IFRS financial 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 and other financial measures are not audited. They 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 financial measures.

Non-GAAP financial measures			
Specific financial measure	***Use***	***Composition***	***Most directly comparable IFRS measure***
Financial data - Combined (all disclosed financial data)	To assess the operating performance and the ability of a company to generate cash from its operations. The Interests represent significant investments by Boralex.	Results from the combination of the financial information of Boralex Inc. under IFRS and the share of the financial information of the Interests. 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 then replaced with Boralex's respective share (ranging from 50% to 59.96%) in the financial statements of the Interests (revenues, expenses, assets, liabilities, etc.)	Respective financial data - Consolidated
Discretionary cash flows	To assess the cash generated from operations and the amount available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business. *Corporate objectives for 2025* from the strategic plan	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), (iii) repayments on non-current debt (projects) and repayments to tax equity investors; (iv) principal payments related to lease liabilities; (v) adjustments for non-operational items; plus (vi) development costs (from the statement of earnings).	Net cash flows related to operating activities

Non-GAAP financial measures - cont'd			
Specific financial measure	***Use***	***Composition***	***Most directly comparable IFRS measure***
Cash flows from operations	To assess the cash generated by the Corporation's operations and its ability to finance its expansion from these funds.	Net cash flows related to operating activities before changes in non-cash items related to operating activities.	Net cash flows related to operating activities
Available cash and cash equivalents	To assess the cash and cash equivalents available, as at the balance sheet date, to fund the Corporation's growth.	Represents cash and cash equivalents, as stated on the balance sheet, from which known short-term cash requirements are excluded.	Cash and cash equivalents
Available cash resources and authorized financing facilities	To assess the total cash resources available, as at the balance sheet date, to fund the Corporation's growth.	Results from the combination of credit facilities available to fund growth and the available cash and cash equivalents.	Cash and cash equivalents

Non-GAAP financial measures - Non-GAAP ratios		
Specific financial measure	***Use***	***Composition***
Net debt ratio - Combined	For capital management purposes.	The net debt amount on the combined basis divided by the sum of: (i) market value of equity attributable to shareholders, (ii) non-controlling shareholders, (iii) net debt.
Discretionary cash flows per share	To assess the amount per share available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business as well as to assess operating results.	The discretionary cash flows amount divided by the weighted average number of basic outstanding shares
Reinvestment ratio	To assess the portion of cash flows available for reinvestment in growth to the Corporation. *Corporate objectives for 2025* from the strategic plan.	The discretionary cash flows amount less the amount of dividends paid to shareholders divided by the discretionary cash flows amount.
Payout ratio	To assess ability to sustain current dividends as well as its ability to fund its future development.	The amount of dividends paid to shareholders divided by the discretionary cash flows amount.

Other financial measures - Total of segment measures	
Specific financial measure	***Most directly comparable IFRS measure***
EBITDA(A)	Operating income

Other financial measures - Capital management measures	
Specific financial measure	***Use***
Net debt ratio - Consolidated	For capital management purposes
Net debt	To assess debt level for capital management purposes.

Other financial measures - Supplementary financial measures	
Specific financial measure	***Composition***
Total market capitalization	Total market capitalization consists of the sum of market value of equity attributable to shareholders, non-controlling shareholders and net debt.
Working capital ratio	Working capital ratio is calculated by dividing current assets by current liabilities.
Debt contracted for construction projects	Debt contracted for construction projects consists of the amount of debt for which the Corporation has obtained financing and for which the full amount available has not been drawn.
Planned financing	Planned financing represents financing the Corporation expects to obtain for the construction of its projects.
Working capital	Working capital is the difference between current assets and current liabilities.
Power production average of the past five years	5-year average of historical power production is calculated using the average electricity generated during the last five full fiscal years of the Corporation, from 2017 to 2021.
Total planned investments	Total planned investments represent the sums that will need to be invested to complete the projects up to commissioning.
Credit facilities available for growth	The credit facilities available for growth include the unused tranche of the parent company's credit facility, apart from the accordion clause, as well as the unused tranche of the construction facility.
Percentage of installed capacity subject to power purchase agreements or feed-in premium contracts.	Percentage of installed capacity subject to power purchase agreements or feed-in premium contracts represents the portion of total installed capacity of Boralex subject to power purchase agreements or feed-in premium contracts.
Percentage of non-current debt bearing interest at variable rates	Percentage of non-current debt bearing interest at variable rates is calculated by dividing total variable rate debt excluding the revolving credit facility and subordinated debt by total non-current debt.
Exposure percentage of total debt	The percentage of actual exposure of non-current debt to interest rate fluctuations is calculated by dividing the amount of debt less the notional amounts of interest rate swaps by the total value of non-current debt.
Planned production	For older sites, planned production by the Corporation is based on adjusted historical averages, planned commissioning and shutdowns and, for all other sites, on the production studies carried out.
Funds invested in projects under construction	Funds invested in projects under construction are amounts that have been invested and recognized in the financial statement as of the date of this document.
Compound annual growth rate (CAGR)	The CAGR is a growth rate indicating the annual variation as if the growth had been constant throughout the period for a period of more than one fiscal year.
Market value of equity attributable to shareholders	Market value of equity attributable to shareholders is the number of outstanding shares multiplied by the share market price.

Combined

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

	2022			2021		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
Three-month periods ended September 30:						
Power production (GWh)[2]	1,019	140	1,159	1,108	130	1,238
Revenues from energy sales and feed-in premiums	101	15	116	126	14	140
Operating income (loss)	(31)	6	(25)	7	6	13
EBITDA(A)	50	13	63	81	12	93
Net loss	(56)	—	(56)	(22)	—	(22)
Nine-month periods ended September 30:						
Power production (GWh)[2]	3,998	488	4,486	4,061	493	4,554
Revenues from energy sales and feed-in premiums	496	53	549	479	53	532
Operating income (loss)	105	28	133	107	30	137
EBITDA(A)	344	35	379	338	34	372
Net earnings	15	—	15	6	4	10
	As at September 30, 2022			**As at December 31, 2021**		
Total assets	6,329	383	6,712	5,751	411	6,162
Debt - Principal amount	3,230	337	3,567	3,682	348	4,030

[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 compensation following electricity production limitations imposed by clients.

Wind

	2022			2021		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
Three-month periods ended September 30:						
Power production (GWh)[2]	703	140	843	716	130	846
Revenues from energy sales and feed-in premiums	66	15	81	92	14	106
EBITDA(A)	48	12	60	75	11	86
Nine-month periods ended September 30:						
Power production (GWh)[2]	2,935	488	3,423	2,968	493	3,461
Revenues from energy sales and feed-in premiums	386	53	439	378	53	431
EBITDA(A)	335	32	367	323	33	356

[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 financial compensation following electricity production limitations imposed by clients.

EBITDA(A)

EBITDA(A) is a total of segment financial measures and represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude other items such as acquisition costs, other loss (gains), net loss (gain) on financial instruments and foreign exchange loss (gain), the last two items being included under *Other.*

Management uses EBITDA(A) to assess the performance of the Corporation's reporting segments.

EBITDA(A) is reconciled to the most comparable IFRS measure, namely, operating income, in the following table:

	2022			2021			Change 2022 vs 2021	
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined	Consolidated	Combined
Three-month periods ended September 30:								
Operating income	(31)	6	(25)	7	6	13	(38)	(38)
Amortization	84	6	90	74	6	80	10	10
Share in earnings (loss) of Joint Ventures and associates	(3)	3	—	3	(3)	—	(6)	—
Change in fair value of a derivative included in the share of the Joint Ventures	2	(2)	—	(3)	3	—	5	—
Other gains	(2)	—	(2)	—	—	—	(2)	(2)
EBITDA(A)	50	13	63	81	12	93	(31)	(30)
Nine-month periods ended September 30:								
Operating income	105	28	133	107	30	137	(2)	(4)
Amortization	228	18	246	223	16	239	5	7
Impairment	3	1	4	2	—	2	1	2
Share in earnings of Joint Ventures and associates	31	(31)	—	13	(13)	—	18	—
Excess of the interest over the net assets of Joint Venture SDB I	—	—	—	6	(6)	—	(6)	—
Change in fair value of a derivative included in the share of the Joint Ventures	(21)	21	—	(8)	8	—	(13)	—
Other gains	(2)	(2)	(4)	(5)	(1)	(6)	3	2
EBITDA(A)	344	35	379	338	34	372	6	7

[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

Consolidated "net debt ratio" is a capital management measure and represents the ratio of "net debt" over "total market capitalization", each calculated as described below.

Combined "net debt ratio" is a non-IFRS ratio.

	Consolidated		Combined	
	As at September 30,	As at December 31,	As at September 30,	As at December 31,
(in millions of Canadian dollars) (unaudited)	2022	2021	2022	2021
Debt	2,919	3,383	3,225	3,700
Current portion of debt	244	220	265	240
Transaction costs, net of accumulated amortization	67	79	77	90
Debt - Principal balance	3,230	3,682	3,567	4,030
Less:				
Cash and cash equivalents	629	256	648	271
Restricted cash	25	3	25	3
Net debt	2,576	3,423	2,894	3,756

The Corporation defines total market capitalization as follows:

	Consolidated		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)	2022	2021	2022	2021
Number of outstanding shares (in thousands)	102,763	102,619	102,763	102,619
Share market price (in $ per share)	43.87	34.42	43.87	34.42
Market value of equity attributable to shareholders	4,508	3,532	4,508	3,532
Non-controlling shareholders	358	210	358	210
Net debt	2,576	3,423	2,894	3,756
Total market capitalization	7,442	7,165	7,760	7,498

The Corporation computes the net debt ratio as follows:

	Consolidated		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)	2022	2021	2022	2021
Net debt	2,576	3,423	2,894	3,756
Total market capitalization	7,442	7,165	7,760	7,498
NET DEBT RATIO, market capitalization	35%	48%	37%	50%

Cash flow from operations, discretionary cash flows, reinvestment ratio and payout ratio

The Corporation computes the cash flow from operations, discretionary cash flows, payout ratio and reinvestment ratio as follows:

	Consolidated			
	Three-month periods ended		Twelve-month periods ended	
	September 30,		September 30,	December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2022	2021	2022	2021
Net cash flows related to operating activities	**90**	**47**	**405**	**345**
Change in non-cash items relating to operating activities	(50)	19	(27)	18
Cash flows from operations	**40**	**66**	**378**	**363**
Repayments on non-current debt (projects)[1]	(38)	(41)	(215)	(222)
Adjustment for non-operational items[2]	3	—	9	8
	5	25	172	149
Principal payments related to lease liabilities	(2)	(3)	(15)	(13)
Distributions paid to non-controlling shareholders[3]	(6)	(5)	(24)	(20)
Additions to property, plant and equipment (maintenance of operations)	(5)	(3)	(14)	(8)
Development costs (from statement of earnings)	9	7	30	24
Discretionary cash flows	**1**	**21**	**149**	**132**
Dividends paid to shareholders	17	17	68	68
Weighted average number of outstanding shares – basic (in thousands)	102,762	102,619	102,689	102,619
Discretionary cash flows – per share	$—	$0.20	$1.44	$1.28
Dividends paid to shareholders – per share	$0.1650	$0.1650	$0.6600	$0.6600
Payout ratio			46 %	52 %
Reinvestment ratio			54 %	48 %

(1) Excluding VAT bridge financing and early debt repayments.
(2) For the three-month period ended September 30, 2022, favourable adjustment of $3 million consisting mainly of transactions and acquisition costs. For the twelve-month period ended September 30, 2022, favourable adjustment of $9 million consisting mainly of transactions and acquisition costs. For the twelve-month period ended December 31, 2021, favourable adjustment of $8 million consisting of $5 million of expense payments and assumed liabilities related to acquisitions as well as $3 million for previous financing arrangements or amount not related to facilities in operation.
(3) Comprises distributions paid to non-controlling shareholders as well as the portion of discretionary cash flows attributable to the non-controlling shareholder of Boralex Europe Sàrl.

Available cash and cash equivalents and available cash resources and authorized financing facilities

The Corporation defines available cash and cash equivalents as well as available cash and authorized financing facilities as follows:

	Consolidated	
	As at September 30	As at December 31
(in millions of Canadian dollars) (unaudited)	2022	2021
Cash and cash equivalents	629	256
Cash and cash equivalents available under project financing	(184)	(198)
Cash and cash equivalents earmarked for known short-term requirements	(18)	—
Available cash and cash equivalents	**427**	**58**
Credit facilities available to fund growth	490	339
Available cash resources and authorized financing	**917**	**397**

Analysis of operating results - Combined

The combined information ("Combined") presented in the MD&A of the Corporation resulted from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS ("Consolidated") and the share of the financial information of the Interests. For further information, see section III - *Non-IFRS and other financial measures* in this MD&A.

Interests in Joint Ventures and associates

The analysis of results on a Combined basis takes into account the operating *Joint Ventures and associates* of the Corporation. The data is shown as a percentage of interests held by Boralex. The main *Joint Ventures and associates* are:

	Sector	Country	Status	Boralex % of interests	
				As at September 30, 2022	As at December 31, 2021
SDB I and II	Wind	Canada	Operating	50.00%	50.00%
LP II	Wind	Canada	Operating	59.96%	59.96%
Roncevaux	Wind	Canada	Operating	50.00%	50.00%
Apuiat	Wind	Canada	Secured project	50.00%	50.00%

Highlights - Combined[1]

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	SDB I and II[2]		Combined[1]		Change Combined[1] 2022 vs 2021	
	2022	2021	2022	2021	GWh or $	%
Three-month periods ended September 30:						
Wind power production (GWh)	110	101	1,159	1,238	(79)	(6)
Revenues from energy sales and feed-in premium	12	11	116	140	(24)	(17)
Operating income (loss)	6	6	(25)	13	(38)	>(100)
EBITDA(A)[3]	10	9	63	93	(30)	(33)
Net earnings (loss)	1	1	(56)	(22)	(34)	>(100)
Nine-month periods ended September 30:						
Wind power production (GWh)	377	385	4,486	4,554	(68)	(1)
Revenues from energy sales and feed-in premium	43	43	549	532	17	3
Operating income	27	26	133	137	(4)	(3)
EBITDA(A)[3]	38	36	379	372	7	2
Net earnings	15	14	15	10	5	61
Total assets[4]	339	342	6,712	6,162	550	10
Debt - Principal balance[4]	261	270	3,567	4,030	(463)	(11)

[1] Combined information is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.
[2] SDB I and II are considered joint ventures material to the Corporation.
[3] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[4] As at December 31, 2021 for the comparative figures.

Analysis of combined operating results for the three-month period ended September 30, 2022

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Consolidated			
Three-month period ended September 30, 2021	1,108	126	81
Commissioning and temporary shutdown[2]	17	15	15
Thermal disposal	(37)	(3)	—
Pricing (power purchase agreements and FiP)	—	(27)	(27)
Volume	(69)	(5)	(5)
Foreign exchange effect	—	(5)	(3)
Other	—	—	(11)
Three-month period ended September 30, 2022	**1,019**	**101**	**50**
Impact of Joint Ventures, associates and eliminations			
Three-month period ended September 30, 2021	130	14	12
Volume	10	1	1
Three-month period ended September 30, 2022	**140**	**15**	**13**
Combined[3]			
Three-month period ended September 30, 2021	1,238	140	93
Commissioning and temporary shutdowns[2]	17	15	15
Thermal disposal	(37)	(3)	—
Pricing (power purchase agreements and FiP)	—	(27)	(27)
Volume	(59)	(4)	(4)
Foreign exchange effect	—	(5)	(3)
Other	—	—	(11)
Three-month period ended September 30, 2022	**1,159**	**116**	**63**

(1) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) See the *Changes in the portfolio in operation* table.
(3) Combined information is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

In the third quarter of 2022, on a Combined basis, power production amounted to 1,159 GWh, down 6% or 79 GWh compared with the corresponding period of 2021. Revenues from energy sales and FiP, and EBITDA(A) were up 17% and down 33% to reach $116 million and $63 million, respectively.

Compared to the third quarter of 2021, the facilities of the Joint Ventures and associates show increases of 7% in contribution to production volume, 9% revenues from energy sales and FiP and 9% in EBITDA(A).

Analysis of combined operating results for the nine-month period ended September 30, 2022

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Consolidated			
Nine-month period ended September 30, 2021	4,061	479	338
Acquisitions[2]	12	2	2
Commissioning and temporary shutdowns[2]	47	27	27
Volume	(38)	2	2
Thermal disposal	(84)	(12)	(2)
Pricing (power purchase agreements and FiP)	—	6	6
Foreign exchange effect	—	(14)	(9)
Payroll	—	—	(10)
Other	—	6	(10)
Nine-month period ended September 30, 2022	**3,998**	**496**	**344**
Impact of Joint Ventures, associates and eliminations			
Nine-month period ended September 30, 2021	493	53	34
Volume	(5)	(1)	(1)
Other	—	—	1
Nine-month period ended September 30, 2022	**488**	**53**	**35**
Combined[3]			
Nine-month period ended September 30, 2021	4,554	532	372
Acquisitions[2]	12	2	2
Commissioning and temporary shutdowns[2]	47	27	27
Volume	(43)	1	1
Thermal disposal	(84)	(12)	(2)
Pricing (power purchase agreements and FiP)	—	7	7
Foreign exchange effect	—	(14)	(9)
Payroll	—	—	(10)
Other	—	6	(9)
Nine-month period ended September 30, 2022	**4,486**	**549**	**379**

[1] EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
[2] See the *Changes in the portfolio in operation* table.
[3] Combined information is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

For the nine-month period ended September 30, 2022, power production on a Combined basis amounted to 4,486 GWh, down 68 GWh from the corresponding period of 2021, while revenues from energy sales and FIP, and EBITDA(A) increased by 3% and 2% to reach $549 million and $379 million, respectively. These increases resulted mostly from the contribution of commissioned facilities and high market prices in France, which was partially offset by foreign exchange differences, increase in total payroll and the disposal of a thermal power station.

Compared to the first nine months of 2021, the facilities of the Joint Ventures and associates show decreases of 1% in the contribution to production volume and in revenues from energy sales and FiP, and a 4% increase in EBITDA(A).

Commitments and contingency

(in millions of Canadian dollars) (unaudited)	Commitments entered into during 2022	Cumulative commitments as at September 30, 2022
Purchase and construction contracts	125	123
Maintenance contracts	20	304
Contingent consideration	—	17
Other	22	45
	167	489

Early termination of power purchase agreements

During the third quarter of 2022, the Corporation exercised its right to terminate certain power purchase agreements in France expiring between 2022 and 2026. These contracts represent nearly 25% of Boralex's electricity production in France. New contracts have been entered into and will apply from the start of the fourth quarter for most of the electricity production concerned.

France - Innovent

On December 29, 2021, Innovent SAS (“Innovent”) had filed a $359 million (€250 million) claim against Boralex at the Tribunal de Commerce de Paris (the “December 2021 Lawsuit”). This lawsuit was brought further to the May 17, 2021 judgement of the Tribunal de Commerce de Lille which ordered Innovent to pay Boralex $72.7 million (€50.6 million) for breach of contractual obligations (the “May 2021 Judgement”). In the December 2021 Lawsuit, Innovent alleged that the May 2021 Judgement was based on false representations by Boralex and its experts at trial and that, as a consequence of the May 2021 Judgement, Innovent could not proceed with a going public transaction. On September 27, 2022, the Tribunal de Commerce de Paris dismissed Innovent's claim and the December 2021 Lawsuit.

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 included in the Annual Report for the fiscal year ended December 31, 2021.

Situation in Ukraine and sanctions against Russia

The situation in Ukraine and the sanctions against Russia in 2022 had no negative identified and measured impact on the Corporation at the closing date. The Corporation has no assets in operation or under development in Russia and has no business relationships in that country.

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, 2021.

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, 2022, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.