

# Management's Discussion and Analysis 2

As at June 30, 2022

## Table of contents

<b>HIGHLIGHTS</b>	2
<b>ABBREVIATIONS AND DEFINITIONS</b>	3
<b>INTRODUCTORY COMMENTS</b>	4
<b>DESCRIPTION OF BUSINESS</b>	6
<b>I - GROWTH STRATEGY</b>	9
GROWTH STRATEGY AND DEVELOPMENT OUTLOOK	9
<b>II - ANALYSIS OF RESULTS, CASH FLOWS AND FINANCIAL POSITION - CONSOLIDATED</b>	24
FINANCIAL HIGHLIGHTS	24
CHANGES IN THE PORTFOLIO IN OPERATION	25
ANALYSIS OF CONSOLIDATED OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022	27
ANALYSIS OF CONSOLIDATED OPERATING RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022	30
CASH FLOWS	33
FINANCIAL POSITION	35
SEASONAL FACTORS	38
FINANCIAL RISK MANAGEMENT	39
<b>III - NON-IFRS AND OTHER FINANCIAL MEASURES</b>	40
COMBINED	43
EBITDA(A)	44
NET DEBT RATIO	45
CASH FLOWS FROM OPERATIONS, DISCRETIONARY CASH FLOWS, REINVESTMENT RATIO AND PAYOUT RATIO	46
<b>IV - ANALYSIS OF OPERATING RESULTS - COMBINED</b>	47
INTERESTS IN THE JOINT VENTURES AND ASSOCIATES	47
ANALYSIS OF COMBINED OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022	48
ANALYSIS OF COMBINED OPERATING RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022	49
<b>V - OTHER ELEMENTS</b>	50
COMMITMENTS	50
SUBSEQUENT EVENT	50
RISK FACTORS AND UNCERTAINTIES	50
INTERNAL CONTROLS AND PROCEDURES	50

# Highlights

## Three-month periods ended June 30

	Consolidated		Combined <sup>(1)</sup>	
	2022	2021	2022	2021
(in millions of Canadian dollars, unless otherwise specified) (unaudited)				
Power production (GWh) <sup>(2)</sup>	1,298	1,323	1,452	1,485
Revenues from energy sales and feed-in premium	168	147	185	164
Operating income	45	24	53	33
EBITDA(A) <sup>(3)</sup>	121	106	133	117
Net earnings (loss)	14	(12)	14	(12)
Net earnings (loss) attributable to shareholders of Boralex	10	(16)	10	(16)
Per share (basic and diluted)	\$0.10	(\$0.16)	\$0.10	(\$0.16)
Net cash flows related to operating activities	97	84	—	—
Cash flows from operations <sup>(1)</sup>	86	66	—	—
Discretionary cash flows <sup>(1)</sup>	13	(7)	—	—

## Six-month periods ended June 30

	Consolidated		Combined <sup>(1)</sup>	
	2022	2021	2022	2021
(in millions of Canadian dollars, unless otherwise specified) (unaudited)				
Power production (GWh) <sup>(2)</sup>	2,979	2,952	3,327	3,315
Revenues from energy sales and feed-in premium	395	353	433	392
Operating income	136	102	158	124
EBITDA(A) <sup>(3)</sup>	294	257	316	279
Net earnings	71	28	71	32
Net earnings attributable to shareholders of Boralex	60	20	60	24
Per share (basic and diluted)	\$0.59	\$0.18	\$0.59	\$0.23
Net cash flows related to operating activities	234	217	—	—
Cash flows from operations <sup>(1)</sup>	222	181	—	—
	<b>As at June 30</b>	<b>As at Dec. 31</b>	<b>As at June 30</b>	<b>As at Dec. 31</b>
Total assets	6,305	5,751	6,685	6,162
Debt - Principal balance	3,256	3,682	3,593	4,030
Total project debt	2,956	3,141	3,293	3,489
Total corporate debt	300	541	300	541

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

- Growth of 89% in consolidated operating income and of 15% in consolidated EBITDA(A) for the second quarter of 2022.
- Growth of 35% in consolidated operating income and of 15% in consolidated EBITDA(A) for the six-month period ended June 30, 2022.
  - Increase mainly due to high market prices applicable to certain feed-in premium contracts in France in respect of which a draft bill is under discussion in parliament providing for the sharing of revenues generated in excess of contract prices with the French State.

## Abbreviations

<b>CDPQ</b>	Caisse de dépôt et placement du Québec
<b>Corporate PPA / CPPA</b>	Power purchase agreement concluded by commercial and industrial corporations
<b>DC&amp;P</b>	Disclosure controls and procedures
<b>DM I and II</b>	Des Moulins Wind Power L.P.
<b>EBITDA</b>	Earnings before taxes, interest, depreciation and amortization
<b>EBITDA(A)</b>	Earnings before taxes, interest, depreciation and amortization adjusted to include other items
<b>EDF</b>	Électricité de France
<b>EIP</b>	Energy Infrastructure Partners
<b>FIP</b>	Feed-in premium
<b>GAAP</b>	Generally accepted accounting principles
<b>GW</b>	Gigawatt
<b>GWh</b>	Gigawatt-hour
<b>HQ</b>	Hydro-Québec
<b>ICFR</b>	Internal control over financial reporting
<b>IFRS</b>	International Financial Reporting Standards
<b>Interests</b>	Interests in the Joint Ventures and associates
<b>LP I</b>	Le Plateau Wind Power L.P.
<b>LP II</b>	Le Plateau Community Wind Power L.P.
<b>LTM</b>	Last twelve months
<b>MW</b>	Megawatt
<b>MWac</b>	Megawatt alternating current
<b>MWdc</b>	Megawatt direct current
<b>MWh</b>	Megawatt-hour
<b>NYSERDA</b>	New York State Energy Research and Development Authority
<b>PPA</b>	Power purchase agreement
<b>RECs</b>	Renewable Energy Certificates
<b>REPowerEU</b>	Joint European action for more affordable, secure and sustainable energy
<b>RFP</b>	Request for proposals
<b>Roncevaux</b>	Roncevaux Wind Power L.P.
<b>SDB I</b>	Seigneurie de Beauré Wind Farms 2 and 3
<b>SDB II</b>	Seigneurie de Beauré Wind Farms 4
<b>TWh</b>	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 six-month periods ended June 30, 2022, compared with the corresponding periods of 2021, as well as the Corporation's financial position as at June 30, 2022, compared to December 31, 2021. This report should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes found in this Interim Report, as well as with the consolidated financial statements and related notes found in the most recent Annual Report for the fiscal year ended December 31, 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](http://www.boralex.com)) and SEDAR ([www.sedar.com](http://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 August 2, 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 June 30, 2022, with the exception of the number of sites, which is as of August 2, 2022. Installed capacity is presented as at June 30, 2022 and August 2, 2022, respectively.

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.

Currency	Closing rate <sup>(1)</sup>		Average rate <sup>(2)</sup>	
	As at June 30, 2022	As at December 31, 2021	Six-month periods ended June 30, 2022 2021	
USD	1.2873	1.2637	1.2715	1.2470
EUR	1.3496	1.4373	1.3892	1.5026
GBP	1.5675	1.7107	1.6495	1.7313

<sup>(1)</sup> Source: Bloomberg

<sup>(2)</sup> 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 August 2, 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)<sup>(1)</sup> and discretionary cash flows<sup>(2)</sup>, 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<sup>(3)</sup>, 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<sup>(4)</sup>, 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, 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.

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

<sup>(2)</sup> 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.

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

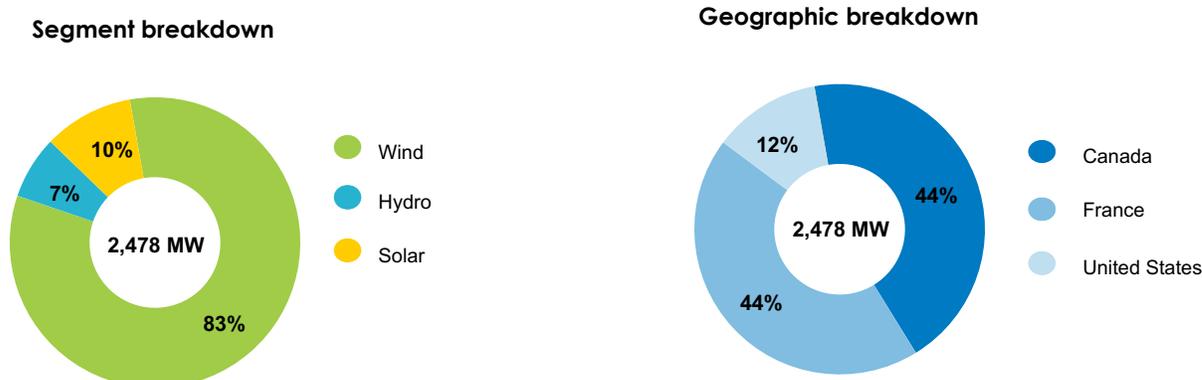
<sup>(4)</sup> Distribution ratio is a non-GAAP ratio and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named ratios used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

# Description of business

Boralex is a Canadian corporation operating in the renewable energy segment for over 30 years. It draws on a workforce of 562 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 2,478 MW as at June 30, 2022. The Corporation is developing a portfolio equivalent to more than 4 GW of wind and solar projects and over 200 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 152 MW, to be commissioned by the end of 2023, while the pipeline of secured projects amounts to 554 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 June 30, 2022, Boralex was active in three complementary power generation segments: wind, solar and hydroelectric. As at August 2, 2022, the installed capacity is 2,478 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 August 2, 2022.



## Installed capacity<sup>(1)(2)</sup>

	Canada		France		United States		Total	
	Installed capacity (MW)	Number of sites						
Wind power stations	985	23	1,068	67	—	—	2,053	90
Solar power stations <sup>(3)</sup>	1	1	34	4	209	7	244	12
Hydroelectric power stations	100	9	—	—	81	7	181	16
	1,086	33	1,102	71	290	14	2,478	118

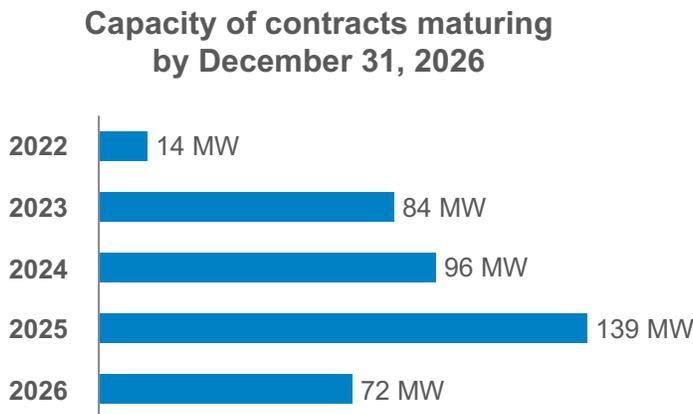
<sup>(1)</sup> Installed capacity in this MD&A reflects 100% of Boralex's subsidiaries in which Boralex is the controlling shareholder. It also reflects Boralex's share in entities over which it does not have control and which are accounted for using the equity method in this MD&A, consisting of 170 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> The installed capacity comprises 100% of the 9 MW capacity of the Clé des Champs solar power station in France. As at June 30, 2022, the site was in service at 75% of its total installed capacity, representing 7 MW. Work continues to bring the remaining capacity on stream.

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

As at June 30, 2022, **98%**<sup>(1)</sup> of Boralex's installed capacity was covered by indexed, fixed-price energy sales contracts or feed-in premium sales contracts with floor prices<sup>(2)</sup>. These contracts have a weighted average remaining contractual term of **12 years**. The Corporation estimates that the equivalent of 405 MW (16% of installed capacity or 13% of expected current production, excluding *Growth path* projects for which contracts have been secured) are covered by contracts expiring through December 2026. If new contracts have not been negotiated beforehand, this production will then be sold at market prices. The Corporation expects to continue entering into power purchase agreements with commercial and industrial corporations for its projects under development and capacity upgrade projects.



**Weighted average remaining contractual term as at June 30, 2022**

<b>Canada and United States</b>	<b>14 years</b>
<b>France and other</b>	<b>9 years</b>
<b>Weighted global average</b>	<b>12 years</b>

**Existing corporate PPAs for active assets:**

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

**Corporate PPA for project under construction:**

- **20-year term - METRO France (2021).**

<sup>(1)</sup> 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.

<sup>(2)</sup> Feed-in premiums (FiP), which are in substance a government grant in the form of a premium between the energy sales prices and a contractually agreed price for each contract, are recorded at the same time as the related energy sales revenue. When the energy sales prices are higher than the contractual price, a negative FiP is recorded only up to the FiP generated since the beginning of the FiP contract. Some of the Corporation's FiP contracts contain a carry-over provision under which excess negative FiP are reported to subsequent periods to offset any FiP that will be generated over the remaining term of the FiP agreement. However, at expiration of the FiP agreement, any excess negative FiP is eliminated.

## Selected financial information: A growth company

Since December 31, 2016, Boralex's share price and market capitalization have increased at compound annual growth rates<sup>(1)</sup> of 16% and of 26%, respectively. Boralex's operating income and EBITDA(A) have grown at compound annual growth rates of 24% (20% on a Combined<sup>(2)</sup> basis) and 21% (18% on a Combined basis), respectively.

Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at June 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<sup>(1)</sup>: 16%**

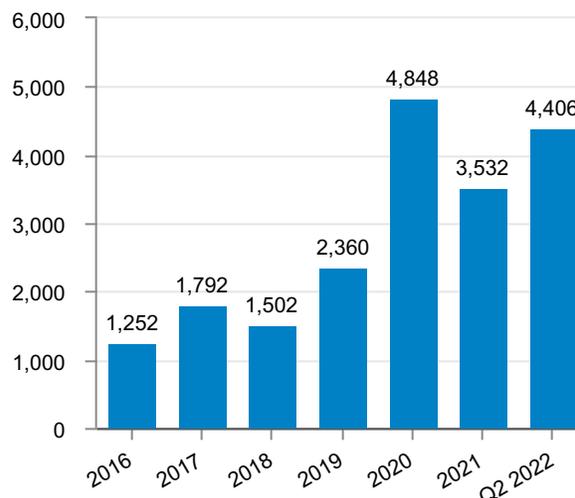
(Toronto Stock Exchange under the ticker BLX)



### Market capitalization

(in millions of Canadian dollars)

**Compound annual growth rate<sup>(1)</sup>: 26%**

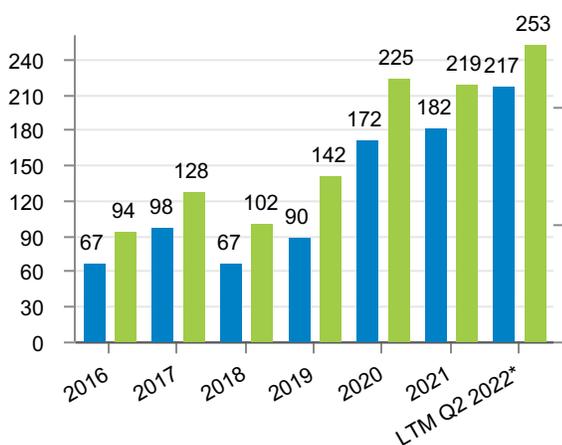


### Operating income

(in millions of Canadian dollars)

**Compound annual growth rate<sup>(1)</sup>: 24% (Consolidated) and 20% (Combined<sup>2</sup>)**

● Consolidated ● Combined<sup>2</sup>

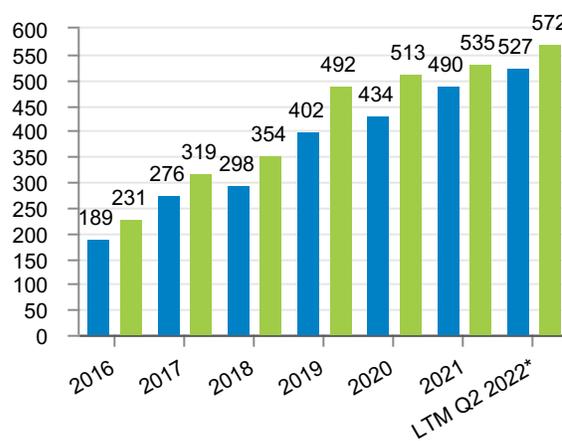


### EBITDA(A)<sup>(3)</sup>

(in millions of Canadian dollars)

**Compound annual growth rate<sup>(1)</sup>: 21% (Consolidated) and 18% (Combined<sup>2</sup>)**

● Consolidated ● Combined<sup>2</sup>



\*On a Combined basis, for the twelve-month period ended June 30, 2022, operating income is broken down as follows; Q2 2022: \$53 million, Q1 2022: \$105 million, Q4 2021: \$82 million, Q3 2021: \$13 million, for a total of \$253 million.

\*On a Combined basis, for the twelve-month period ended June 30, 2022, EBITDA(A) is broken down as follows; Q2 2022: \$133 million, Q1 2022: \$183 million, Q4 2021: \$163 million, Q3 2021: \$93 million, for a total of \$572 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

The United States continues to develop renewable energy in the face of higher and more volatile energy prices in the longer term. Investments in renewable energy have been integrated into a plan aimed at bringing back manufacturing to the United States and reduce inflationary pressures. Measures potentially detrimental to the materialization of projects, particularly solar power, have been suspended. The U.S. President as well as Congress have reiterated their commitment to move ahead with public policies that will increase investments in renewable energy.

The federal government is also quickly committing *Infrastructure Investment and Jobs Act* funds to deploy US\$7.5 billion in electrical vehicle recharging infrastructure. The increased adoption of electrical vehicles is expected to increase power consumption by 1,425 TWh in the United States by 2050, an increase of 36% compared to 3,930 TWh consumed in 2021, dedicated to the electrification of transportation.

### Canada

In its 2022 budget, the Canadian government provided the amounts required to implement its plan, released in March, to reduce emissions of GHGs to 40% below the 2005 level by 2030. The plan mainly includes reduction targets by industry sector, about \$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 Québec government confirmed the launch of two new requests for proposals (RFPs) to meet the province's needs: an RFP for an equivalent of 1,000 MW of wind power and another for 1,300 MW of power from a renewable source. These RFPs will be launched by the end of the year and the projects selected around the summer of 2023.

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 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. President Macron's re-election ensures continued support for renewable energies in France, along with the intention to relaunch nuclear power. On July 28, 2022, the government also announced measures to accelerate renewable energy development, which should benefit Boralex's development activities. The details will be known in the coming weeks. 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 operations.

The European Commission has released 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 stocks for next winter.

## 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 second quarter of 2022 is presented below.

### Growth

- Addition of wind power projects totalling 82 MW to the European project pipeline following the acquisition of Infinergy in July 2022.
- Commissioning of three wind farms, which added 31 MW<sup>(1)</sup> during the quarter.
- Addition of two wind power projects totalling 22 MW to the early stage project pipeline.

### Diversification

- Five solar projects submitted by Boralex totalling 540 MW of power production and 77 MW of storage capacity were selected under a RFP in the State of New York.
- Addition of solar power projects totalling 24 MW and storage projects totalling 26 MW to the European project pipeline following the acquisition of Infinergy in July 2022.
- Addition of three solar projects totalling 49 MW to the preliminary phase of the project portfolio.

### Customers

- Discussions underway to enter into Corporate PPAs in France and the U.K.

### Optimization

- Optimization of service and maintenance for Canadian wind farms with a total net installed capacity of 76 MW and a French wind farm with an installed capacity of 14 MW.
- Optimization of the Corporation's financing structure by the early repayment of a \$98 million project loan, the revolving facility and the repayment of the U.S. note in the amount of \$34 million (US\$27 million), in July 2022, with a portion of funds coming from EIP's investment.
- Portion of repowering costs covered by the sale of dismantled assets.
- Commissioning of two wind farms following repowering work during the second quarter of 2022 with new 20-year contracts.

## 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. The Corporation is also seeking to complement organic growth with targeted acquisitions. It has a portfolio of projects at various stages of development, according to clearly identified criteria.

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.

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 under Infinergy's direct control. 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 will accelerate project development, particularly those under prospection in the high potential U.K. market.

<sup>(1)</sup> Increased from 14 MW to 15 MW for two of the projects following their authorization of repowering.

## Changes in the project portfolio

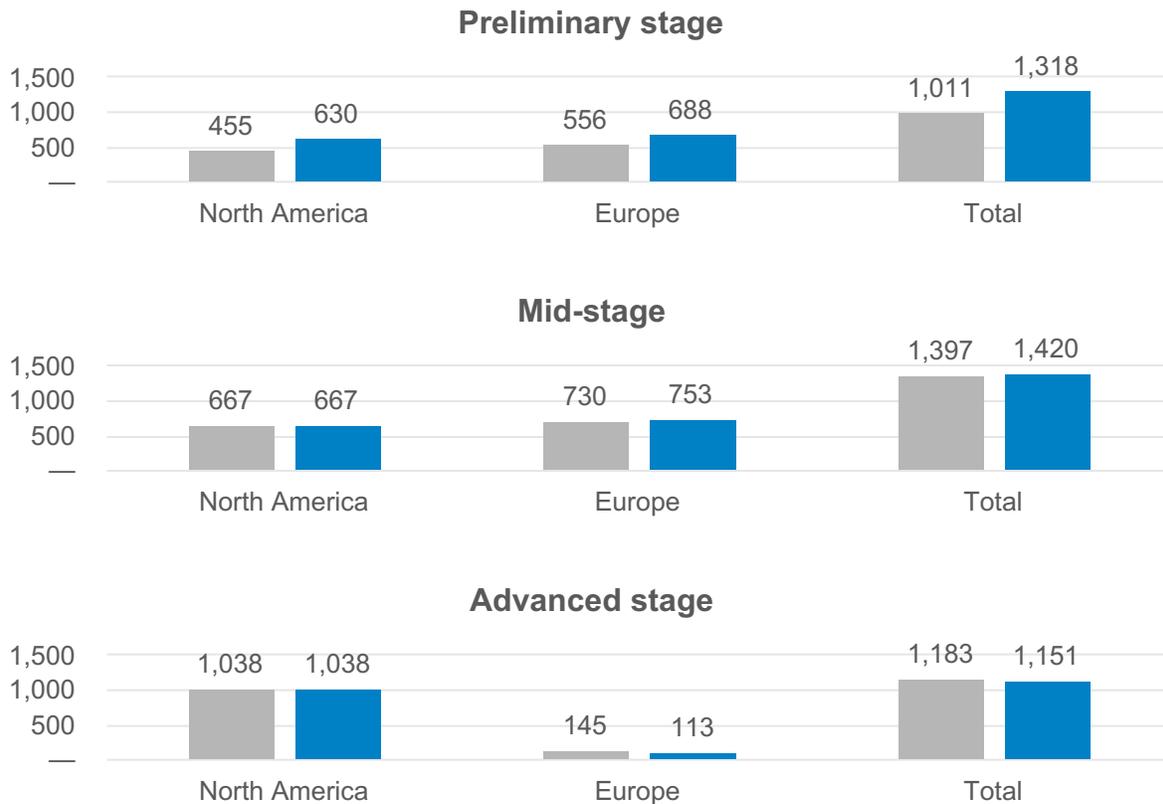
The pipeline comprises projects totalling 3,889 MW, up 298 MW from the end of the first quarter of 2022. The **wind** power segment remains the Corporation's main driver of growth, with a project pipeline totalling 2,306 MW, up 49 MW from the previous quarter. The **solar** power segment pipeline comprises projects totalling 1,583 MW, up 249 MW from the previous quarter. This segment offers high growth potential in Europe and North America.

## BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE		CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX	
<b>TOTAL</b> <b>3,889 MW</b>  <b>STORAGE</b> <b>203 MW</b>	<b>EARLY STAGE</b>				
	<ul style="list-style-type: none"> <li>Real estate secured</li> <li>Interconnection available</li> <li>Confirmation of the project by local communities and regulatory risks</li> </ul>		315 MW	418 MW	<b>733 MW</b>
			315 MW	270 MW	<b>585 MW</b>
		<b>PRODUCTION CAPACITY</b>	<b>630 MW</b>	<b>688 MW</b>	<b>1,318 MW</b>
	<b>STORAGE</b> 	<b>100 MW</b>	<b>26 MW</b>	<b>126 MW</b>	
	<b>MID STAGE</b>				
	<ul style="list-style-type: none"> <li>North America: Preliminary valuation and design to submit a bid under a request for proposals</li> <li>Europe: Preliminary design and request to obtain administrative authorizations</li> </ul>		667 MW	608 MW	<b>1,275 MW</b>
			-	145 MW	<b>145 MW</b>
		<b>PRODUCTION CAPACITY</b>	<b>667 MW</b>	<b>753 MW</b>	<b>1,420 MW</b>
	<b>STORAGE</b> 	-	-	-	
	<b>ADVANCED STAGE</b>				
	<ul style="list-style-type: none"> <li>North America: Project submitted under a request for proposals<sup>(1)</sup></li> <li>Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)<sup>(1)</sup></li> </ul> <p><sup>(1)</sup> or actively looking for a partner for the Corporate PPA projects</p>		193 MW	105 MW	<b>298 MW</b>
			845 MW	8 MW	<b>853 MW</b>
<b>PRODUCTION CAPACITY</b>		<b>1,038 MW</b>	<b>113 MW</b>	<b>1,151 MW</b>	
<b>STORAGE</b> 	<b>77 MW</b>	-	<b>77 MW</b>		
<b>TOTAL</b>					
	<b>1,175 MW</b>	<b>1,131 MW</b>	<b>2,306 MW</b>		
	<b>1,160 MW</b>	<b>423 MW</b>	<b>1,583 MW</b>		
<b>PRODUCTION CAPACITY</b>	<b>2,335 MW</b>	<b>1,554 MW</b>	<b>3,889 MW</b>		
<b>STORAGE</b> 	<b>177 MW</b>	<b>26 MW</b>	<b>203 MW</b>		

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

● Q1 2022 ● Q2 2022



#### Early stage

The 307 MW change in the early stage was due to:

- Addition of two wind power projects and a solar power project totalling 66 MW in Europe following the acquisition of Infinergy;
- Addition of two new wind power projects and three new solar projects totalling 71 MW in Europe;
- Change in the expected capacity of a solar power project in Europe and two solar power projects in North America for a total of 176 MW;
- Inclusion of a wind power project of 6 MW in Europe under the mid-stage phase.

#### Mid stage

The 23 MW change in the mid stage was due to:

- Addition of a wind power project and a solar power project totalling 32 MW in Europe following the acquisition of Infinergy;
- Inclusion of a 14 MW wind power project in Europe under the advanced stage;
- 4 MW decrease in the expected capacity of a wind power project in Europe;
- Inclusion under the mid-stage phase and change in the expected capacity of a wind power project in Europe for a total addition of 9 MW.

#### Advanced stage

The 32 MW change was due to:

- Addition of an 8 MW solar power project in Europe following the acquisition of Infinergy;
- Inclusion of a 14 MW wind power project in Europe under the advanced stage;
- 18 MW decrease in the expected capacity of a wind power project in Europe;
- Inclusion of two wind power projects in Europe totalling 36 MW under the secured phase.

## Changes in the Growth path

The *Growth path* totalled 706 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 481 MW, up 7 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.

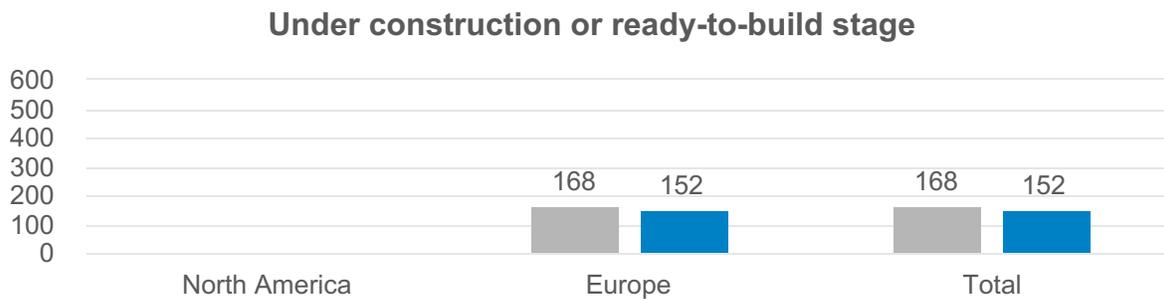
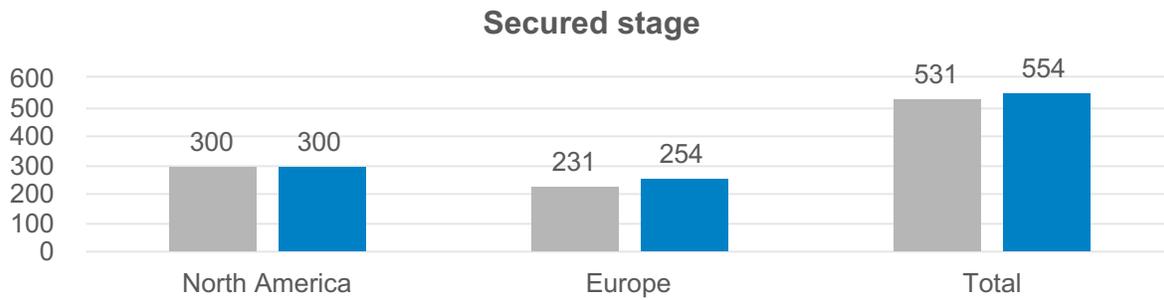
### GROWTH PATH

		CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX		
TOTAL <b>706 MW</b>	STORAGE <b>3 MW</b>	<b>SECURED STAGE</b>				
		<ul style="list-style-type: none"> <li>North America: Contract win (REC or PPA) and interconnection secured</li> </ul>		100 MW	241 MW	<b>341 MW</b>
		<ul style="list-style-type: none"> <li>Europe: Contract win (PPA) and interconnection secured (France); project authorized by regulatory authorities and interconnection secured (Scotland)</li> </ul>		200 MW	13 MW	<b>213 MW</b>
		<b>PRODUCTION CAPACITY</b>	<b>300 MW</b>	<b>254 MW</b>	<b>554 MW</b>	
		<b>STORAGE</b> 	-	-	-	
		<b>UNDER CONSTRUCTION OR READY-TO-BUILD</b>				
		<ul style="list-style-type: none"> <li>Permits obtained</li> <li>Financing in progress</li> <li>Commissioning date determined</li> <li>Cleared of any claims (France)</li> <li>Approved by Boralex Board of Directors</li> </ul>		-	140 MW	<b>140 MW</b>
				-	12 MW	<b>12 MW</b>
		<b>PRODUCTION CAPACITY</b>	-	<b>152 MW</b>	<b>152 MW</b>	
		<b>STORAGE</b> 	-	<b>3 MW</b>	<b>3 MW</b>	
<b>TOTAL</b>			100 MW	381 MW	<b>481 MW</b>	
			200 MW	25 MW	<b>225 MW</b>	
	<b>PRODUCTION CAPACITY</b>	<b>300 MW</b>	<b>406 MW</b>	<b>706 MW</b>		
	<b>STORAGE</b> 	-	<b>3 MW</b>	<b>3 MW</b>		

**CURRENTLY IN OPERATION 2,478 MW**

As at June 30 and as at August 2, 2022.

● Q1 2022 ● Q2 2022



The **secured phase** represents the expected capacity which increased from 531 MW as at March 31, 2022 to 554 MW as at June 30, 2022. This 23 MW increase was driven by:

- Inclusion of two wind power projects totalling 36 MW under the secured phase;
- Inclusion of a 13 MW wind power project in Europe under the construction or ready-to-build phase.

Note that one of the two projects included under the secured phase is an extension of the Limekiln project and these are now considered as a single project totalling 111 MW.

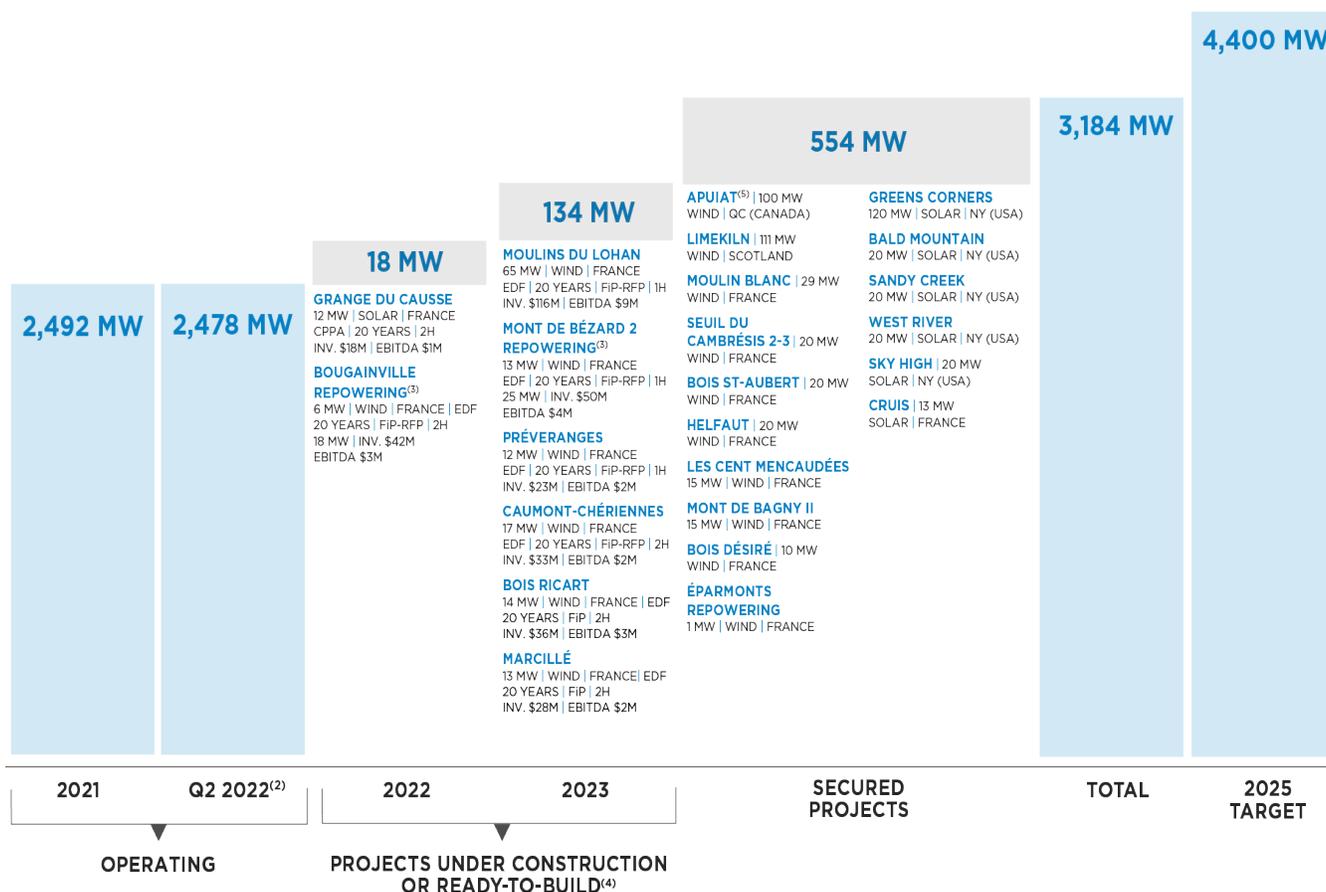
**Projects under construction or ready to build** represents the expected capacity which increased from 168 MW as at March 31, 2022 to 152 MW as at June 30, 2022. The 16 MW change was due to:

- Inclusion of a 13 MW wind power project in Europe under the construction or ready-to-build phase.
- Commissioning of three wind farms in Europe that were part of the *Growth path* as at March 31, 2022.

As shown in the *Growth path*, the Corporation had assets in operation with 2,478 MW of installed capacity as at June 30, 2022, down 14 MW from March 31, 2022, following the disposal of two power stations in April 2022 and the commissioning of three facilities in May and June 2022. Commissioning of secured facilities and projects under construction is expected to bring Boralex's installed capacity to 3,184 MW.

## Growth path

### Installed capacity<sup>(1)</sup>



<sup>(1)</sup> Installed capacity of production, excluding the installed capacity of energy storage projects.

<sup>(2)</sup> As at June 30 and August 2, 2022.

<sup>(3)</sup> The Bougainville repowering project represents a total capacity of 18 MW with an increase of 6 MW and the Mont de Bézard 2 repowering project represents a total capacity of 25 MW with an increase of 13 MW.

<sup>(4)</sup> Total project investment and estimated annual EBITDA for projects in France have been translated into Canadian dollars at the closing rate on June 30, 2022.

<sup>(5)</sup> The Corporation holds 50% of the shares of the 200 MW wind power project but does not have control over it.

In France, seven wind power projects, one solar power project 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 all subject to long-term feed-in premium contracts, which benefit from floor or fixed prices, depending on the contract, or power purchase agreements with commercial and industrial corporations. These projects will contribute to the Corporation's results when commissioned in 2022 and 2023 as indicated in the *Growth path*.

Overall, the contribution to EBITDA of Projects under construction or ready-to-build is estimated at \$26 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 \$23 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<sup>(1)</sup> of about \$346 million and planned financing<sup>(1)</sup> of up to \$263 million. As at June 30, 2022, the funds invested<sup>(1)</sup> in these projects totalled \$141 million.

<sup>(1)</sup> 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 1,583 MW.

On June 2, 2022, Boralex announced that the five solar power projects amounting to 540 MW of power production and 77 MW of energy storage it had submitted were selected by NYSERDA under its 2021 commercial renewable energy credit RFP. Once built, these facilities will generate more than 1 TWh of solar power annually, sufficient to power 141,200 homes every year. Boralex has created the *Beyond Renewable Energy* fund to provide significant support to communities hosting its projects and to underprivileged communities. As long as its facilities are in operations, Boralex will provide resources to local partners for educational programs in science, technology, engineering and mathematics and for manpower training.

Boralex is continuing its efforts to gradually deploy a battery-based energy **storage** service, leveraging the significant cost reduction associated with this technology. Its portfolio of storage projects represents 203 MW in this respect.

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. Discussions are underway for entering into Corporate PPAs, mainly in France and the U.K.

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. This resulted in a considerable increase in revenues during the second quarter of 2022 (for further details, see the *Analysis of results* section).

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.

Two wind farms were commissioned following repowering work during the second quarter of 2022 for a total installed capacity of 30 MW, representing an increase in installed capacity of 6 MW, compared to the capacity prior to repowering, as shown below.

Commissioning of repowering projects			
(in MW)	Remise de Réclainville <sup>(1)</sup>	Evits et Josaphat <sup>(1)</sup>	Total
Commissioning date	May 9, 2022	June 24, 2022	
Initial capacity	12	12	<b>24</b>
Additional capacity	3	3	<b>6</b>
Current capacity	15	15	<b>30</b>

<sup>(1)</sup> Additional capacity increased from 2 MW to 3 MW following the authorization to increase capacity for two of the projects.

Three other repowering projects are included in the *Growth path*. Following repowering work, these three projects will increase their total installed capacity by 20 MW from 36 MW to 56 MW. These projects will benefit from more high-performance equipment and a new 20-year feed-in premium contract. During the second quarter, Boralex financed part of the repowering cost by selling dismantled assets.

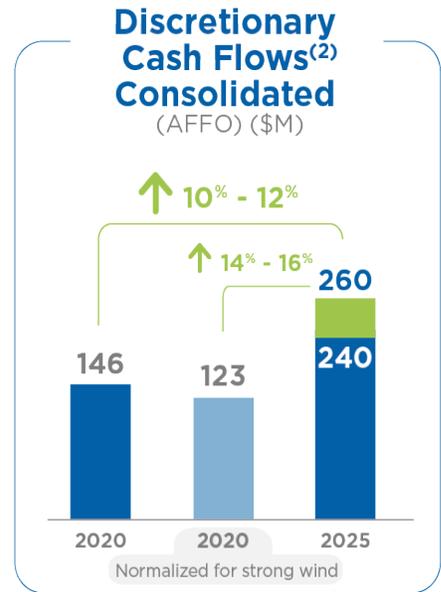
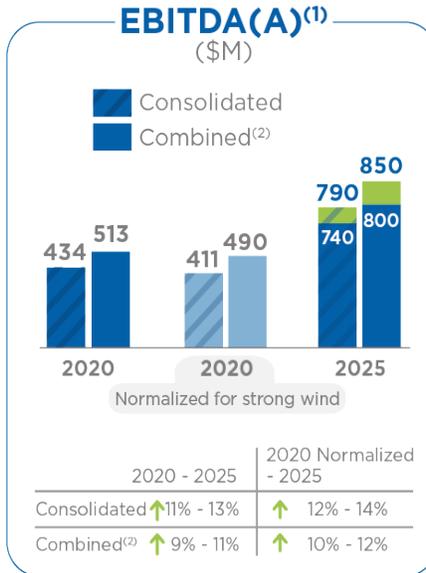
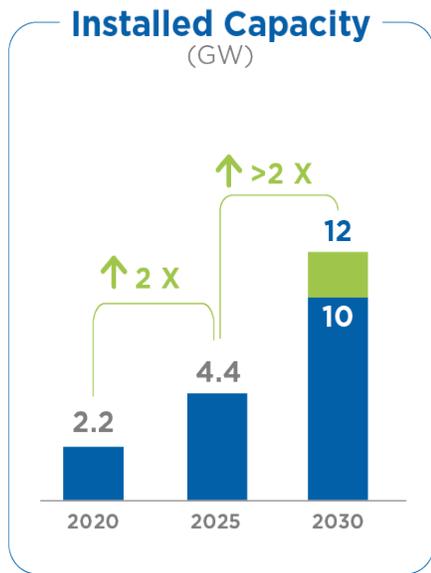
Boralex intends to take over and perform service and maintenance work in-house for assets in several wind farms in Canada and in Europe, currently under external maintenance contracts. The Corporation has also taken the necessary steps to repatriate in-house, during the third quarter, the service and maintenance of assets with an installed capacity of 14 MW in Europe, and, as of December 2022, of assets with an installed capacity of 76 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 Corporation announced the closing of the transaction on April 29, 2022. With a 70% interest, the Corporation remains the majority shareholder of its activities and the manager of all of its operating assets and projects under development or under construction in France. The amounts received from EIP under this transaction was partly used to optimize the Corporation’s financing structure, including the repayment of the revolving credit facility for an amount of \$272 million, on May 5, 2022 and the early repayment of a \$98 million project loan on June 9, 2022. Also, the Corporation repaid the U.S. note in the amount of \$34 million (US\$27 million) on July 15, 2022.

In April 2022, the Corporation disposed of the Senneterre power station with installed capacity of 35 MW, the last biomass energy production asset in its portfolio. The sale of the power station is in line with Boralex’s ambitions to accelerate growth in the wind power, solar and energy storage while optimizing its hydroelectric facilities. In April, the Corporation also sold La Bouleste wind farm with an installed capacity of 10 MW.

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.

## 2025 TARGETS



**Reinvest 50 to 70%**  
of discretionary cash flows<sup>(2)</sup>  
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<sup>(3)</sup> credit rating**

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Minimum corporate credit rating of BBB-.

## Corporate objectives for 2025 - 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

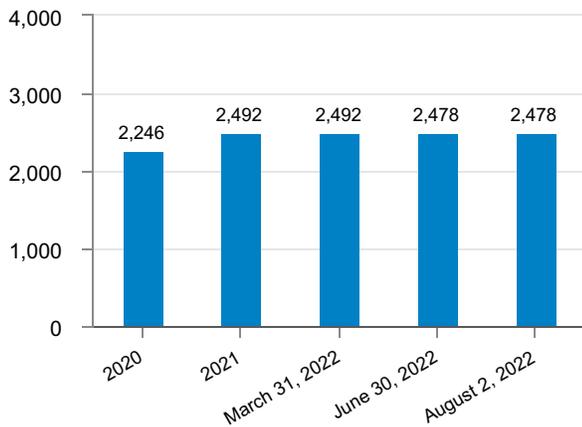
Boralex's installed capacity increased from 2,492 MW as at December 31, 2021 to 2,478 MW as at June 30, 2022.

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. Projects totalling 31 MW were commissioned during the second quarter.

As at August 2, 2022, the Corporation's installed capacity is the same as the installed capacity as at June 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

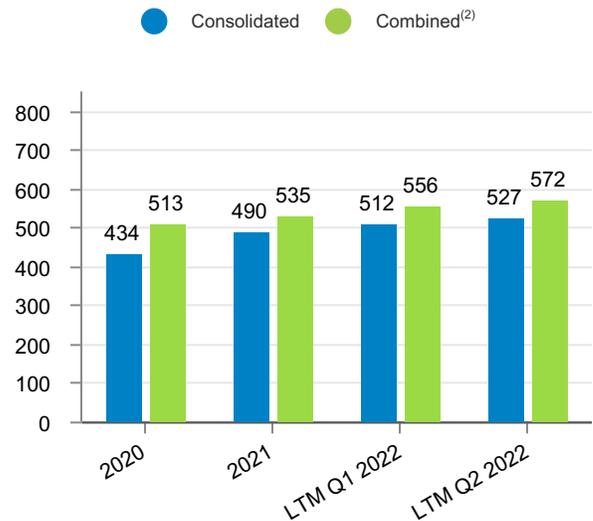
EBITDA(A) amounted to \$121 million on a Consolidated basis and \$133 million on a Combined basis for the three-month period ended June 30, 2022, compared with \$106 million and \$117 million, respectively, for the corresponding quarter of 2021.

For the 12-month period ended June 30, 2022, EBITDA(A) stood at \$527 million on a Consolidated basis and \$572 million on a Combined basis compared with \$490 million and \$535 million, respectively, for fiscal 2021.

This increase is mainly attributable to the fact that the Corporation benefitted from high market prices in France for facilities earning feed-in premiums. The various acquisitions and commissioning also contributed to the increase in EBITDA(A).

#### EBITDA(A)<sup>(1)</sup>

(in millions of Canadian dollars)



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

<sup>(2)</sup> 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

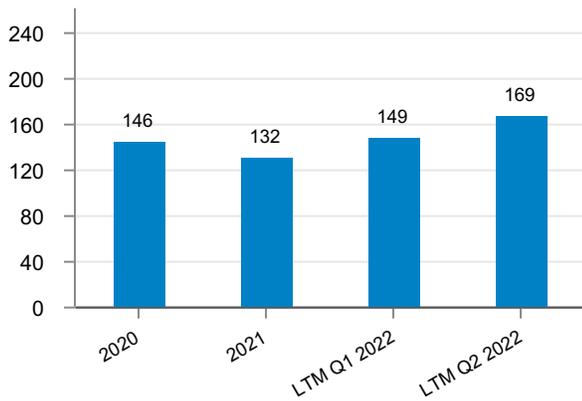
Discretionary cash flows amounted to \$13 million for the three-month period ended June 30, 2022 compared with a negative amount of \$7 million for the corresponding quarter of 2021.

This \$20 million improvement is mainly due to high market prices in France for facilities earning feed-in premiums and the commissioning of wind and solar farms in recent months.

For the 12-month period ended June 30, 2022, discretionary cash flows amounted to \$169 million compared with \$132 million for the year ended December 31, 2021. This \$37 million increase mainly resulted from the \$41 million growth in cash flows from operations<sup>(1)</sup>, which was also driven by higher market prices in France for facilities earning feed-in premiums.

#### Discretionary cash flows<sup>(1)</sup>

(in millions of Canadian dollars)

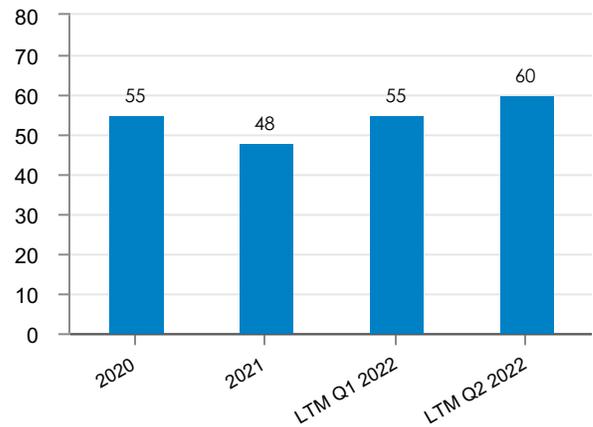


### 4. Reinvest 50% to 70% of discretionary cash flows in growth

For the 12-month period ended June 30, 2022, the reinvestment ratio<sup>2</sup> stood at 60%, in the target range of 50% to 70%.

#### Reinvestment ratio<sup>(2)</sup>

(as a %)

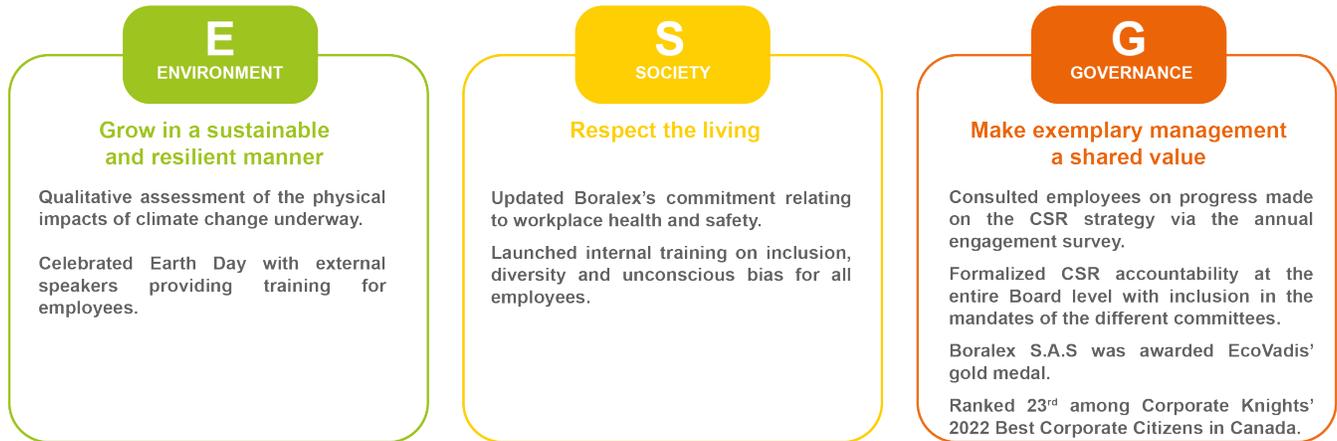


<sup>(1)</sup> Cash flow from operations and discretionary cash flows are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures*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

<sup>(2)</sup> 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

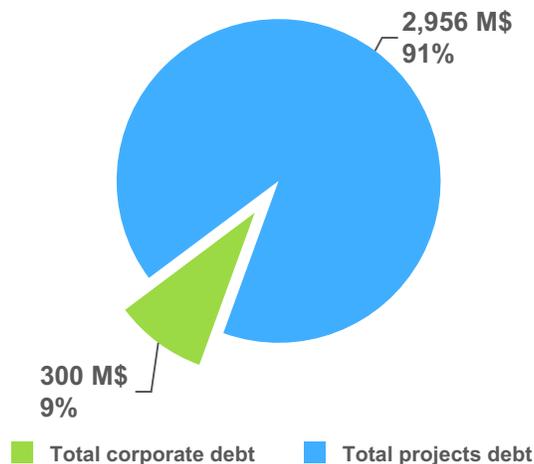
Boralex released its second separate Corporate Social Responsibility (CSR) report in February 2022, which included more extensive disclosure of its key indicators, its policies and its business processes. The achievements of the second quarter of 2022 are discussed below.



## 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 - \$3.3 billion  
As of June 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 \$34 million (US\$27 million) on July 15, 2022. The Corporation expects to benefit from savings of approximately \$8 million on 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, and nearly \$0.5 million for the second quarter of 2022 through the repayment of the revolving credit facility.

**Available cash resources and authorized financing**

	As at June 30,	As at December 31,
	<b>2022</b>	<b>2021</b>
<i>(in millions of Canadian dollars) (unaudited)</i>		
Credit facilities of the parent company		
Authorized credit facility <sup>(1)</sup>	450	450
Amounts drawn under the authorized credit facility <sup>(2)</sup>	(23)	(258)
Unused tranche of the parent company's credit facility	427	192
Unused tranche of the construction facility	73	147
<b>Credit facilities available to fund growth<sup>(3)</sup></b>	<b>500</b>	<b>339</b>
Available cash and cash equivalents <sup>(4)</sup>	421	61
<b>Available cash resources and authorized financing facilities<sup>(4)</sup></b>	<b>921</b>	<b>400</b>

<sup>(1)</sup> Excluding accordion clause of \$150 million.

<sup>(2)</sup> As at June 30, 2022, relates to letters of credit only.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 June 30				Six-month periods ended June 30			
	2022	2021	Change		2022	2021	Change	
			GWh or \$	%			GWh or \$	%
Power production (GWh) <sup>(1)</sup>	1,298	1,323	(25)	(2)	2,979	2,952	27	1
Revenues from energy sales and feed-in premium	168	147	21	14	395	353	42	12
Operating income	45	24	21	89	136	102	34	35
EBITDA(A) <sup>(2)</sup>	121	106	15	15	294	257	37	15
Net earnings (loss)	14	(12)	26	>100	71	28	43	>100
Net earnings (loss) attributable to shareholders of Boralex	10	(16)	26	>100	60	20	40	>100
Per share (basic and diluted)	\$0.10	(\$0.16)	\$0.26	>100	\$0.59	\$0.18	\$0.41	>100
Net cash flows related to operating activities	97	84	13	16	234	217	17	8
Cash flows from operations <sup>(3)</sup>	86	66	20	32	222	181	41	23
Dividends paid on common shares	17	17	—	—	34	34	—	—
Dividends paid per common shares	\$0.1650	\$0.1650			\$0.3300	\$0.3300		
Weighted average number of shares outstanding – basic	102,728,354	102,618,702			102,689,025	102,618,611		

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at June 30,	As at Dec. 31,	Change	
	2022	2021	\$	%
Total cash, including restricted cash	713	259	454	>100
Property, plant and equipment	3,198	3,227	(29)	(1)
Total assets	6,305	5,751	554	10
Debt - principal balance	3,256	3,682	(426)	(12)
Total liabilities	4,256	4,540	(284)	(6)
Total equity	2,049	1,211	838	69
Net debt to market capitalization ratio <sup>(4)</sup> (%)	35%	48%		

<sup>(1)</sup> Includes compensation following electricity production limitations imposed by clients.

<sup>(2)</sup> EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 (%)
<b>2020</b>		<b>+ 205 MW</b>		<b>Installed capacity: 2,246 MW</b>		
<b>Solar portfolio - Boralex US Solar</b>	Acquisition	209	January 29	Solar   United States	21.5 years <sup>(1)</sup> /CPPA	50-100 <sup>(1)</sup>
<b>Blendecques</b>	Disposal	-12	May 1	Thermal   France	N/A	100
<b>Bazougeais</b>	Commissioning	12	May 1	Wind   France	20 years/EDF/FiP	100
<b>Oldman</b>	Disposal	-4	July 9	Wind   Canada	N/A	100
<b>Extension Plaine d'Escrebieux</b>	Commissioning	14	August 1	Wind   France	20 years/EDF/FiPRFP	100
<b>La Grande Borne</b>	Commissioning	9	December 1	Wind   France	20 years/EDF/FiP	100
<b>Peyrolles</b>	Commissioning	12	December 14	Solar   France	20 years/EDF/FiPRFP	100
<b>La Clé des Champs</b>	Commissioning	9	December 23 <sup>(2)</sup>	Solar   France	20 years/EDF/FiPRFP	60
<b>2021</b>		<b>+ 249 MW</b>		<b>Installed capacity: 2,492 MW<sup>(3)</sup></b>		
<b>Senneterre</b>	Disposal	-35	April 1	Thermal   Canada	N/A	100
<b>La Bouleste</b>	Disposal	-10	April 27	Wind   France	N/A	100
<b>Remise de Réclainville Repowering</b>	Commissioning	3	May 9	Wind   France	20 years/EDF/FiP	100
<b>Bois des Fontaines</b>	Commissioning	25	May 12	Wind   France	20 years/EDF/FiPRFP	100
<b>Evits &amp; Josaphat Repowering</b>	Commissioning	3	June 24	Wind   France	20 years/EDF/FiP	100
<b>August 2, 2022</b>		<b>- 14 MW</b>		<b>Installed capacity: 2.478 MW</b>		

<sup>(1)</sup> 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.

<sup>(2)</sup> The installed capacity comprises 100% of the 9 MW capacity of the Clé des Champs solar power station in France. As at June 30, 2022, 75% of its total capacity or 7 MW had been brought on stream. Work continues to bring the remaining capacity on stream.

<sup>(3)</sup> During fiscal 2021, for consistency purposes, an adjustment of 3 MW was made to the French solar facilities.

## Segment and geographic financial information for the three- and six-month periods ended June 30, 2022

	Three-month periods ended June 30				Six-month periods ended June 30			
	2022	2021	Change		2022	2021	Change	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)			GWh or \$	%			GWh ou \$	%
<b>POWER PRODUCTION (GWh)<sup>(1)</sup></b>	<b>1,298</b>	<b>1,323</b>	<b>(25)</b>	<b>(2)</b>	<b>2,979</b>	<b>2,952</b>	<b>27</b>	<b>1</b>
Wind power stations	894	940	(46)	(5)	2,231	2,251	(20)	(1)
Canada	478	467	11	2	1,135	1,070	65	6
France	416	473	(57)	(12)	1,096	1,181	(85)	(7)
Hydroelectric power stations	229	190	39	20	418	361	57	15
Canada	123	107	16	15	196	195	1	—
United States	106	83	23	28	222	166	56	34
Solar power stations	175	176	(1)	—	290	253	37	15
United States	156	170	(14)	(8)	261	242	19	8
France	19	6	13	>100	29	11	18	>100
Thermal power stations <sup>(2)</sup>	—	17	(17)	(100)	40	87	(47)	(54)
<b>REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM</b>	<b>168</b>	<b>147</b>	<b>21</b>	<b>14</b>	<b>395</b>	<b>353</b>	<b>42</b>	<b>12</b>
Wind power stations	128	115	13	12	320	286	34	12
Canada	63	61	2	3	151	140	11	8
France	65	54	11	21	169	146	23	16
Hydroelectric power stations	21	14	7	44	39	29	10	35
Canada	11	9	2	14	18	18	—	1
United States	10	5	5	>100	21	11	10	94
Solar power stations	19	16	3	19	30	23	7	32
United States	14	14	—	(3)	22	20	2	10
France	5	2	3	>100	8	3	5	>100
Thermal power stations <sup>(2)</sup>	—	2	(2)	(100)	6	15	(9)	(60)
<b>EBITDA(A)<sup>(3)</sup></b>	<b>121</b>	<b>106</b>	<b>15</b>	<b>15</b>	<b>294</b>	<b>257</b>	<b>37</b>	<b>15</b>
Wind power stations	117	101	16	17	287	248	39	16
Canada	60	57	3	5	147	136	11	8
France	57	44	13	32	140	112	28	25
Hydroelectric power stations	15	11	4	42	28	21	7	38
Canada	8	8	—	7	13	14	(1)	(2)
United States	7	3	4	>100	15	7	8	>100
Solar power stations	16	13	3	15	25	19	6	30
United States	11	12	(1)	(13)	18	17	1	2
France	5	1	4	>100	7	2	5	>100
Thermal power stations <sup>(2)</sup>	—	(1)	1	98	2	4	(2)	(61)
Corporate and eliminations	(27)	(18)	(9)	(49)	(48)	(35)	(13)	(35)

<sup>(1)</sup> Includes compensation following electricity production limitations imposed by clients.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 June 30, 2022

Increase of 89% in operating income and 15% growth in EBITDA(A), driven in part by higher market prices in France and expansion in the Corporation's operating base.

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) <sup>(1)</sup>
<b>Consolidated</b>			
Three-month period ended June 30, 2021	1,323	147	106
Commissioning and temporary shutdowns <sup>(2)</sup>	14	6	6
Senneterre disposal <sup>(2)</sup>	(17)	(2)	1
Pricing (power purchase agreements and FiP)	—	15	15
Volume	(22)	—	—
Foreign exchange effect	—	(4)	(2)
Other	—	6	(5)
<b>Three-month period ended June 30, 2022</b>	<b>1,298</b>	<b>168</b>	<b>121</b>
<b>Wind power stations</b>			
Three-month period ended June 30, 2021	940	115	101
Commissioning and temporary shutdowns <sup>(2)</sup>	2	2	2
Pricing (power purchase agreements and FiP)	—	13	13
Volume	(48)	(3)	(3)
Foreign exchange effect	—	(4)	(3)
Other	—	5	7
<b>Three-month period ended June 30, 2022</b>	<b>894</b>	<b>128</b>	<b>117</b>
<b>Hydroelectric power stations</b>			
Three-month period ended June 30, 2021	190	14	11
Volume	39	4	4
Pricing	—	2	2
Other	—	1	(2)
<b>Three-month period ended June 30, 2022</b>	<b>229</b>	<b>21</b>	<b>15</b>
<b>Solar power stations</b>			
Three-month period ended June 30, 2021	176	16	13
Commissioning <sup>(2)</sup>	12	4	4
Volume	(13)	(1)	(1)
<b>Three-month period ended June 30, 2022</b>	<b>175</b>	<b>19</b>	<b>16</b>
<b>Thermal power stations</b>			
Three-month period ended June 30, 2021	17	2	(1)
Senneterre disposal <sup>(2)</sup>	(17)	(2)	1
<b>Three-month period ended June 30, 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Corporate and eliminations</b>			
Three-month period ended June 30, 2021			(18)
Foreign exchange effect			1
Other			(10)
<b>Three-month period ended June 30, 2022</b>			<b>(27)</b>

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

<sup>(2)</sup> 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 resulted in adding 2 GWh to production and \$2 million to revenues from energy sales and FiP and to EBITDA(A).

In the **solar** power segment, commissioning of new facilities in **France** at the end of 2021 added 12 GWh to production and \$4 million to revenues from energy sales and FiP and to EBITDA(A).

In the **thermal** segment, the disposal of the Senneterre power station gave rise to decreases of 17 GWh in production, \$2 million in revenues from energy sales and FiP and an increase of \$1 million in EBITDA(A).

**Volume**

Overall, the **wind** power segment experienced less favourable wind conditions compared with the second quarter of 2021. As a result, comparable assets recorded a decrease of 48 GWh, leading to an unfavourable difference of \$3 million for both revenues from energy sales and FiP, and EBITDA(A).

In the **hydroelectric** segment, better water flow conditions allowed the U.S. and the Canadian power stations to increase their production by 20% to reach 229 GWh, resulting in a total favourable difference of 39 GWh for production and \$4 million for both revenues from energy sales and FiP, and EBITDA(A).

**Pricing (power purchase agreements and FiP)**

During the three-month period ended June 30, 2022, revenues from energy sales and EBITDA(A) were up by \$15 million in regards to energy sales prices primarily due to higher market prices in France for facilities earning feed-in premiums.

A draft bill concerning feed-in premium contracts, which provides for a sharing of revenues between the French State and producers based on a floor price to be determined annually by ministerial order, is currently under discussion in parliament and the Corporation may have to pay back a portion of the amounts already received if the law is adopted with retroactive effect.

**Foreign exchange effect**

During the three-month period ended June 30, 2022, fluctuations in the euro resulted in decreases in revenues from energy sales and FiP of \$4 million and EBITDA(A) of \$2 million.

**Reconciliation between EBITDA(A) and operating income**

For the three-month period ended June 30, 2022, the Corporation recorded operating income of \$45 million, up 89% or \$21 million from \$24 million for the corresponding period of 2021. EBITDA(A) grew by 15% or \$15 million from \$106 million to \$121 million.

**Relationship between revenues and costs**

Excluding the acquisitions, the facilities commissioned and temporary shutdowns due to repowering work, revenues from energy sales and FiP rose by approximately 11% in the second quarter of 2022 compared with a year earlier, given favourable conditions in France following the increase in market prices of energy sales while operating expenses increased by about 8%, primarily due to savings following the repatriation of maintenance work in-house.

## Net earnings

Overall, for the three-month period ended June 30, 2022, Boralex recognized net earnings of \$14 million, compared with a net loss of \$12 million for the same period of 2021.

As shown in the table below, Boralex reported a net earnings attributable to shareholders of Boralex of \$10 million or \$0.10 per share (basic and diluted) for the second quarter of 2022, compared with a net loss attributable to shareholders of Boralex of \$16 million or \$0.16 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)

<b>Net earnings for the three-month period ended June 30, 2021</b>	(16)
EBITDA(A) <sup>(1)</sup>	15
Change in fair value of a derivative included in the share of Joint Ventures	12
Amortization	1
Impairment	(1)
Financing costs	2
Income taxes	(3)
Other losses	5
Other	(5)
Change	26
<b>Net earnings for the three-month period ended June 30, 2022</b>	10

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

The \$26 million favourable difference resulted mainly from:

- A \$15 million increase in EBITDA(A);
- A \$12 million favourable difference in fair value of a derivative related to the power purchase agreement included in the joint ventures;
- A \$5 million favourable difference in other losses, mainly due to the loss arising from the disposal of the Blendecques cogeneration power station in 2021.

Partly offset by:

- A \$3 million increase in the income tax expense stemming from higher income for the three-month period;
- A \$5 million unfavourable difference in other items, related primarily to the change in fair value of financial instruments.

## Analysis of consolidated operating results for the six-month period ended June 30, 2022

35% increase in operating income and 15% growth in EBITDA(A), driven in part by higher market prices in France and 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) <sup>(1)</sup>
<b>Consolidated</b>			
Six-month period ended June 30, 2021	2,952	353	257
Acquisitions <sup>(2)</sup>	19	2	2
Commissioning and temporary shutdowns <sup>(2)</sup>	33	12	12
Volume	22	7	7
Thermal disposal <sup>(2)</sup>	(47)	(9)	(2)
Pricing (power purchase agreements and FiP)	—	33	33
Foreign exchange effect	—	(10)	(6)
Other	—	7	(9)
<b>Six-month period ended June 30, 2022</b>	<b>2,979</b>	<b>395</b>	<b>294</b>
<b>Wind power stations</b>			
Six-month period ended June 30, 2021	2,251	286	248
Commissioning and temporary shutdowns <sup>(2)</sup>	15	6	7
Volume	(35)	2	2
Pricing (power purchase agreements and FiP)	—	30	30
Foreign exchange effect	—	(10)	(7)
Other	—	6	7
<b>Six-month period ended June 30, 2022</b>	<b>2,231</b>	<b>320</b>	<b>287</b>
<b>Hydroelectric power stations</b>			
Six-month period ended June 30, 2021	361	29	21
Volume	57	6	6
Pricing	—	3	3
Other	—	1	(2)
<b>Six-month period ended June 30, 2022</b>	<b>418</b>	<b>39</b>	<b>28</b>
<b>Solar power stations</b>			
Six-month period ended June 30, 2021	253	23	19
Acquisitions <sup>(2)</sup>	19	2	2
Commissioning <sup>(2)</sup>	18	6	5
Volume	—	(1)	(1)
<b>Six-month period ended June 30, 2022</b>	<b>290</b>	<b>30</b>	<b>25</b>
<b>Thermal power stations</b>			
Six-month period ended June 30, 2021	87	15	4
Thermal disposal <sup>(2)</sup>	(47)	(9)	(2)
<b>Six-month period ended June 30, 2022</b>	<b>40</b>	<b>6</b>	<b>2</b>
<b>Corporate and eliminations</b>			
Six-month period ended June 30, 2021			(35)
Foreign exchange effect			1
Other			(14)
<b>Six-month period ended June 30, 2022</b>			<b>(48)</b>

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

<sup>(2)</sup> 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 resulted in adding 15 GWh to production and \$6 million to revenues from energy sales and FiP, and \$7 million to 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 37 GWh to production and \$8 million to revenues from energy sales and FiP and \$7 million to EBITDA(A).

In the **thermal** segment, the disposal of Blendecques and Senneterre power stations gave rise to decreases of 47 GWh in production, \$9 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 six months of 2021, which led to a 65 GWh rise in production of comparable assets and a \$10 million increase in revenues from energy sales and FiP and in EBITDA(A). In France, wind conditions were less favourable, resulting in a 100 GWh decrease in production of comparable assets and an \$8 million decrease in revenues from energy sales and FiP and in EBITDA(A). Overall, the impact on comparable assets translates into a 35 GWh decrease in production and a \$2 million increase in revenues from energy sales and FiP and in EBITDA(A).

In the **hydroelectric** segment, better water flow conditions allowed the U.S. power stations to increase their production by 34% to reach 222 GWh while the production at Canadian facilities remained stable, resulting in global favourable differences of 57 GWh for production and \$6 million for both revenues from energy sales and FiP, and EBITDA(A).

### Pricing (power purchase agreements and FiP)

During the six-month period ended June 30, 2022, revenues from energy sales and EBITDA(A) were up by \$33 million in regards to energy sales prices, primarily due to higher market prices in France for facilities earning feed-in premiums.

A draft bill concerning feed-in premium contracts, which provides for a sharing of revenues between the French State and producers based on a floor price to be determined annually by ministerial order, is currently under discussion in parliament and the Corporation may have to pay back a portion of the amounts already received if the law is adopted with retroactive effect.

### Foreign exchange effect

During the six-month period ended June 30, 2022, fluctuations in the euro resulted in decreases in revenues from energy sales and FiP of \$10 million and EBITDA(A) of \$6 million.

### Reconciliation between EBITDA(A) and operating income

For the six-month period ended June 30, 2022, the Corporation recorded operating income of \$136 million, up 35% or \$34 million from \$102 million for the corresponding period of 2021. EBITDA(A) grew by 15% or \$37 million from \$257 million to \$294 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 rose 11% in the first six months of 2022 compared with the corresponding period of 2021, given favourable conditions in the French market following higher market prices of energy sales while operating expenses remained stable, mainly due to savings following the repatriation of maintenance work in-house.

## Net earnings

Overall, for the six-month period ended June 30, 2022, Boralex recognized net earnings of \$71 million, compared with \$28 million for the same period of 2021.

As shown in the table below, the Corporation reported net earnings attributable to shareholders of Boralex of \$60 million or \$0.59 per share (basic and diluted) for the six-month period ended June 30, 2022, compared with net earnings attributable to shareholders of Boralex of \$20 million or \$0.18 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)

<b>Net earnings for the six-month period ended June 30, 2021</b>	20
EBITDA(A) <sup>(1)</sup>	37
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	18
Amortization	4
Impairment	(1)
Acquisition costs	2
Financing costs	1
Income taxes	(9)
Non-controlling shareholders	(3)
Other gains	(5)
Other	(10)
Change	40
<b>Net earnings for the six-month period ended June 30, 2022</b>	<b>60</b>

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

The \$40 million favourable difference resulted mainly from:

- A \$37 million increase in EBITDA(A);
- An \$18 million favourable difference in fair value of a derivative related to the power purchase agreement included in the joint ventures;
- A \$6 million favourable difference resulting from the excess of the interest over the net assets of Joint Venture SDB I;
- A \$4 million decrease in the amortization expense mainly caused by the fluctuations in the euro.

Partly offset by:

- A \$9 million increase in the income tax expense stemming from higher income for the six-month period;
- A \$10 million unfavourable difference in other items, related primarily to the change in fair value of financial instruments;
- A \$5 million unfavourable difference in other gains due mainly to a reversal, in the first quarter of 2021, of a financial liability recognized in 2019 following a settlement with a supplier.

## Cash flows

Cash flows for the first three months of 2022 demonstrates that the Corporation has the financial flexibility to support its growth following the transaction with EIP. It also reflects the increase of market prices in France and the contribution of commissioned facilities, which drove the increase in cash flows from operations compared with the same period last year.

(in millions of Canadian dollars) (unaudited)	Three-month periods ended June 30		Six-month periods ended June 30	
	2022	2021	2022	2021
Net cash flows related to operating activities	97	84	234	217
Net cash flows related to investing activities	(78)	(20)	(137)	(342)
Net cash flows related to financing activities	392	(91)	344	91
Translation adjustment on cash and cash equivalents	2	(3)	4	(7)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>413</b>	<b>(30)</b>	<b>445</b>	<b>(41)</b>
<b>CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD</b>	<b>288</b>	<b>264</b>	<b>256</b>	<b>275</b>
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<b>701</b>	<b>234</b>	<b>701</b>	<b>234</b>

### For the three-month period ended June 30, 2022

#### Operating activities

For the three-month period ended June 30, 2022, Boralex reported \$86 million in cash flows from operations, compared with \$66 million for the same period last year. This increase of \$20 million was mainly attributable to a \$15 million growth in EBITDA(A) as discussed previously and a \$5 million decrease in *Income tax paid*.

Operating activities generated net cash flows totalling \$97 million in the second quarter of 2022, compared with \$84 million for the same period a year earlier.

#### Investing activities

Net cash flows related to investing activities represented a cash outflow of \$78 million for the second quarter of 2022 compared with \$20 million one year earlier. In particular, the Corporation invested \$78 million in new property, plant and equipment and made advance payments, including \$69 million in the wind power segment in France and \$7 million in the solar power segment, including \$6 million in France.

In the second quarter of 2021, Boralex had invested \$12 million in additions to property, plant and equipment, including \$8 million in the wind power segment in France. The Corporation had also paid the sum of \$4 million, mainly as additional consideration.

#### Financing activities

Financing activities for the three-month period ended June 30, 2022 generated total net cash flows of \$392 million. This resulted primarily from the EIP investment, which generated a net cash inflow of \$750 million, as shown in the following table:

<b>Net cash flow related to the transaction with EIP</b>	
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 shareholders	43
Settlement of financial instruments	40
<b>Total</b>	<b>750</b>

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. At the same time, the Corporation repaid the revolving credit facility in the total net amount of \$272 million and the debt of a wind farm for an amount of \$98 million.

#### Net change in cash and cash equivalents

Total cash movements in the second quarter of 2022 resulted in a \$413 million increase, bringing *Cash and cash equivalents* to \$701 million as at June 30, 2022.

## For the six-month period ended June 30, 2022

### Operating activities

For the six-month period ended June 30, 2022, Boralex reported \$222 million in cash flows from operations, compared with \$181 million for the same period last year. This increase of \$41 million was mainly attributable to a \$37 million growth in EBITDA(A) as discussed previously and a decrease of \$5 million in *Income taxes paid*.

Operating activities generated net cash flows totalling \$234 million in the first six months of 2022, compared with \$217 million for the same period of 2021.

### Investing activities

Net cash flows related to investing activities represented a cash outflow of \$137 million for the first semester of 2022 compared with \$342 million for the corresponding period of 2021. In particular, the Corporation invested \$72 million in additions to property, plant and equipment and paid \$59 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
<b>Wind</b>				
Construction <sup>(1)</sup>	—	115	—	115
In operation	—	1	—	1
<b>Wind - total</b>	—	116	—	116
<b>Hydroelectric</b>				
In operation	3	—	—	3
<b>Hydroelectric - total</b>	3	—	—	3
<b>Solar</b>	—	9	1	10
<b>Storage</b>	—	1	—	1
<b>Corporate</b>	—	1	—	1
<b>Total</b>	3	127	1	131

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

In the first six months of 2021, Boralex invested \$42 million in additions to property, plant and equipment, including \$30 million in the wind 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 six-month period ended June 30, 2022 resulted in net cash outflows of \$344 million.

#### New financing arrangements and repayments on existing debt

This increase resulted primarily from the transaction with EIP, which generated a net cash inflow of \$750 million, as discussed previously.

In addition, during the six-month period ended June 30, 2022, the Corporation repaid its revolving credit facility, which generated a net change of \$241 million, in addition to a project loan of an amount of \$98 million and made payments totaling \$127 million on non-current borrowings mainly related to wind farms in operation.

On the other hand, non-current borrowings increased by \$112 million in the first six months of 2022 mainly due to the financing of the Les Moulins du Lohan wind project in France, concluded on March 29, 2022. The financing of \$97 million (€70 million), with repayments made on a quarterly basis, includes a debt service letter of credit facility of \$3 million (€2 million), a value added tax bridging financing of \$9 million (€7 million) and a construction facility of \$85 million (€61 million).

#### Dividends and other items

During the six-month period ended June 30, 2022, the Corporation paid dividends to shareholders totalling \$34 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 six-month period ended June 30, 2022 resulted in a \$445 million increase, bringing *Cash and cash equivalents* to \$701 million as at June 30, 2022.

# Financial position

## Overview of the consolidated condensed statements of financial position

(in millions of Canadian dollars) (unaudited)	As at June 30, <b>2022</b>	As at December 31, <b>2021</b>	Change (\$)
<b>ASSETS</b>			
Cash and cash equivalents	701	256	445
Restricted cash	12	3	9
Other current assets	183	201	(18)
<b>CURRENT ASSETS</b>	<b>896</b>	<b>460</b>	<b>436</b>
Property, plant and equipment	3,198	3,227	(29)
Right-of-use assets	400	407	(7)
Intangible assets	1,091	1,147	(56)
Goodwill	213	218	(5)
Interests in the Joint Ventures and associates	158	107	51
Other non-current assets	349	185	164
<b>NON-CURRENT ASSETS</b>	<b>5,409</b>	<b>5,291</b>	<b>118</b>
<b>TOTAL ASSETS</b>	<b>6,305</b>	<b>5,751</b>	<b>554</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>	<b>466</b>	<b>395</b>	<b>71</b>
Debt	2,936	3,383	(447)
Lease liabilities	287	290	(3)
Other non-current liabilities	567	472	95
<b>NON-CURRENT LIABILITIES</b>	<b>3,790</b>	<b>4,145</b>	<b>(355)</b>
<b>TOTAL LIABILITIES</b>	<b>4,256</b>	<b>4,540</b>	<b>(284)</b>
<b>EQUITY</b>			
<b>TOTAL EQUITY</b>	<b>2,049</b>	<b>1,211</b>	<b>838</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,305</b>	<b>5,751</b>	<b>554</b>

## Highlights

### Assets

As at June 30, 2022, Boralex's total assets amounted to \$6,305 million, up \$554 million from total assets of \$5,751 million as at December 31, 2021. This difference resulted from an increase of \$436 million in *Current assets* and \$118 million in *Non-currents assets*.

The \$436 million change in *Current assets* was driven by a \$445 million increase in *Cash and cash equivalents* as previously explained in the *Cash flows* section.

*Non-current assets* were up \$118 million due primarily to the following:

- A \$29 million decrease 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 \$131 million mainly related to projects under construction;
  - A \$75 million decrease related to exchange rate fluctuations;
  - A \$86 million decrease related to amortization of assets in operation.

- A \$56 million decrease in *Intangible assets* mostly as a result of the \$15 million unfavourable foreign exchange difference and a \$47 million amortization expense for assets in operation.
- A \$51 million increase in *Interests in the Joint Ventures and associates* owing to:
  - A \$35 million share in net earnings, which includes the gain on the embedded derivative in the power purchase agreement of the **Apuiat** project given the increase in long-term interest rates;
  - A \$19 million share in other comprehensive income.
  - A \$5 million decrease in distributions.
- A \$164 million increase 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 June 30, 2022, *Current liabilities* amounted to \$466 million compared with \$395 million as at December 31, 2021. The \$71 million increase was driven primarily by the following:

- An increase of \$18 million in *Trade and other payables* resulting mainly from an increase, in Europe, of \$6 million in the amount payable relating to income taxes and of \$5 million in the amount payable relating to property taxes;
- A \$24 million increase in *Other current financial liabilities* resulting from an amount due to a joint venture in the amount of \$18 million;
- A \$29 million increase in the current portion of borrowings 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 \$21 million for projects in the Boralex Energy Investments portfolio will be refinanced with a term loan.

## Working capital<sup>(1)</sup>

As at June 30, 2022, the Corporation had working capital of \$430 million for a ratio<sup>(1)</sup> of 1.92:1, 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 \$355 million to \$3,790 million as at June 30, 2022.

This decline was mainly due to the \$447 million decrease in *Non-current debt* which resulted mainly from:

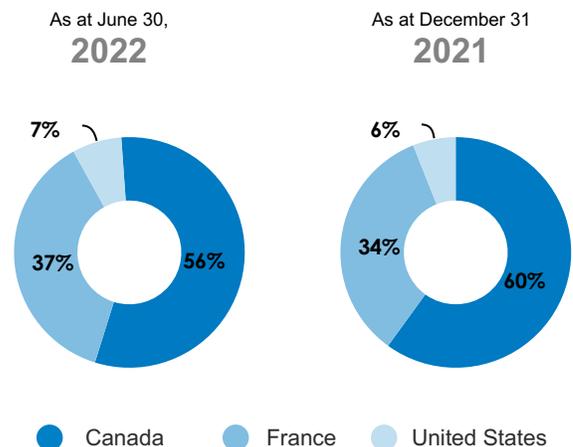
- A \$241 million decrease resulting from the repayment of the revolving credit facility;
- A \$68 million decrease in value resulting from exchange rate fluctuations;
- A decrease of \$225 million following the early repayment of a project loan in the amount of \$98 million and payments totaling \$127 million on non-current loans mainly related to wind farms in operation;
- A \$112 million increase mainly due to the financing of the Les Moulins du Lohan wind project in France.

Also, *Other non-current liabilities* increased by \$95 million, owing mainly to a \$93 million increase in *Deferred income tax liabilities*.

As at June 30, 2022, Boralex had \$500 million in credit facilities available to fund growth<sup>(1)</sup> and an amount of \$921 million of available cash resources and authorized financing facilities<sup>(2)</sup>. 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 EDF for a total amount of \$75 million, of which \$34 million in letters of credit were issued as of June 30, 2022. Project borrowings include credit facilities with a total authorized amount of \$224 million as of June 30, 2022. As of the same date, \$81 million was available on these facilities.

## Geographic breakdown of Debt - principal balance



## Equity

Total *Equity* increased by \$838 million in the six-month period ended June 30, 2022, to \$2,049 million. This increase is largely attributable to the transaction between Boralex and EIP as a contribution from a non-controlling shareholder of \$114 million was recorded in addition to the increase in equity attributable to Boralex's shareholders, net of taxes, in the amount of \$513 million, as well as to the contribution of a non-controlling shareholder of \$22 million. This increase is also attributable to net income of \$71 million as well as a \$163 million increase in *Other comprehensive income*, mainly related to the change in the fair value of financial instruments following the increase in interest rate. All of this was partially offset by the sum of \$34 million paid in dividends to Boralex's shareholders as well as distributions to non-controlling shareholders of \$15 million.

<sup>(1)</sup> 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.

<sup>(2)</sup> Available cash resources and authorized financing facilities are 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<sup>(1)</sup>

Net debt<sup>(1)</sup> amounted to \$2,543 million as at June 30, 2022 compared with \$3,423 million as at December 31, 2021.

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

Boralex's closing share price was \$42.88 per share as at June 30, 2022 compared with \$34.42 per share as at December 31, 2021.

## Information about the Corporation's equity

As at June 30, 2022, Boralex's capital stock consisted of 102,760,775 Class A shares issued and outstanding (102,618,702 as at December 31, 2021) due to the issuance of 142,073 shares following the exercise of stock options held by management and key employees.

As at June 30, 2022, there were 224,427 outstanding stock options, 107,418 of which were exercisable.

From July 1 to August 2, 2022, 881 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 six-month periods ended June 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 six-month period ended June 30, 2022, the interest related to these loans amounted to \$8 million (\$8 million in 2021). As at June 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 three-month periods ended June 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 three-month period ended June 30, 2022 amounted to \$6 million (\$7 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 June 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.

<sup>(1)</sup> 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)	Sept. 30, 2020	Dec. 31, 2020	March 31, 2021	June 30, 2021	Sept. 30, 2021	Dec 31, 2021	March 31, 2022	June 30, 2022
<b>POWER PRODUCTION (GWh)</b>								
Wind power stations	596	1,228	1,312	940	716	1,168	1,337	894
Hydroelectric power stations	144	186	171	190	205	223	189	229
Solar power stations	7	3	77	176	150	81	115	175
Thermal power stations <sup>(1)</sup>	42	51	70	17	37	20	40	—
	789	1,468	1,630	1,323	1,108	1,492	1,681	1,298
<b>REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM</b>								
Wind power stations	85	170	171	115	92	164	192	128
Hydroelectric power stations	14	15	15	14	17	18	18	21
Solar power stations	2	—	7	16	14	7	11	19
Thermal power stations <sup>(1)</sup>	4	8	13	2	3	3	6	—
	105	193	206	147	126	192	227	168
<b>OPERATING INCOME</b>	3	60	77	24	7	74	91	45
<b>EBITDA(A)<sup>(2)</sup></b>								
Wind power stations	69	155	148	101	75	152	170	117
Hydroelectric power stations	9	10	10	11	13	13	13	15
Solar power stations	1	1	6	13	12	5	9	16
Thermal power stations <sup>(1)</sup>	—	—	5	(1)	—	—	2	—
	79	166	169	124	100	170	194	148
Corporate and eliminations	(17)	(29)	(18)	(18)	(19)	(18)	(21)	(27)
	62	137	151	106	81	152	173	121
<b>NET EARNINGS (LOSS)</b>	(8)	30	40	(12)	(22)	20	57	14
<b>NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX</b>								
Per share (basic and diluted)	(\$0.06)	\$0.24	\$0.34	(\$0.16)	(\$0.20)	\$0.17	\$0.49	\$0.10
<b>CASH FLOWS FROM OPERATIONS<sup>(3)</sup></b>	63	101	115	66	66	116	136	86

<sup>(1)</sup> 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.

<sup>(2)</sup> EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

<sup>(3)</sup> 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) <sup>(2)</sup>	Power production average of the past five years <sup>(1)</sup>			
		Q1	Q2	Q3	Q4
Wind	2,053	32%	20%	17%	31%
Solar	244	19%	32%	32%	17%
Hydroelectric	181	24%	30%	20%	26%
<b>Total power production</b>	<b>2,478</b>	<b>30%</b>	<b>22%</b>	<b>18%</b>	<b>30%</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> As of August 2, 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 the 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.

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

(in millions of Canadian dollars) (unaudited)

Hedging instrument	Hedged type / Hedged item	Hedged risk	Currency	Current notional		Fair value <sup>(1)</sup>	
				(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	11	11
Foreign exchange forward contracts (USD for CAD)	Cash flows / Net investment in United States	Foreign currency risk	USD for CAD	69	88	(1)	(1)
Interest rate swaps	Cash flows / Term borrowings in euros	Interest rate risk	EUR	768	1,036	52	69
Interest rate swaps	Cash flows / Term borrowings in USD	Interest rate risk	USD	136	175	21	26
Interest rate swaps	Cash flows / Term borrowings in CAD	Interest rate risk	CAD	1,063	1,063	124	124

<sup>(1)</sup> 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.

### 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. Substantially all of the power stations have long-term energy sales contracts, the vast majority of which are subject to partial or full indexation clauses tied to inflation or feed-in premiums setting floor 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 short-term contracts. As at June 30, 2022, about 3% of the Corporation's power production was sold at market prices without feed-in premiums or under short-term contracts.

### Interest rate risk

As at June 30, 2022, about 92% of term loans - projects bore interest at variable rates<sup>(1)</sup>, 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 8% of total debt<sup>1</sup>.

<sup>(1)</sup> 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 a substitute 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.

<b>Non-GAAP financial measures</b>			
<b><i>Specific financial measure</i></b>	<b><i>Use</i></b>	<b><i>Composition</i></b>	<b><i>Most directly comparable IFRS measure</i></b>
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.  <i>Corporate objectives for 2025 from the strategic plan</i>	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

<b>Non-GAAP financial measures - cont'd</b>			
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>	<i>Most directly comparable IFRS measure</i>
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	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

<b>Non-GAAP financial measures - Non-GAAP ratios</b>		
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>
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.  <i>Corporate objectives for 2025 from the strategic plan.</i>	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.

<b>Other financial measures - Total of segment measures</b>	
<i>Specific financial measure</i>	<i>Most directly comparable IFRS measure</i>
EBITDA(A)	Operating income

<b>Other financial measures - Capital management measures</b>	
<i>Specific financial measure</i>	<i>Use</i>
Net debt ratio - Consolidated	For capital management purposes
Net debt	To assess debt level for capital management purposes.

<b>Other financial measures - Supplementary financial measures</b>	
<i>Specific financial measure</i>	<i>Composition</i>
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:

(in millions of Canadian dollars) (unaudited)	2022			2021		
	Consolidated	Reconciliation <sup>(1)</sup>	Combined	Consolidated	Reconciliation <sup>(1)</sup>	Combined
<b>Three-month periods ended June 30:</b>						
Power production (GWh) <sup>(2)</sup>	1,298	154	1,452	1,323	162	1,485
Revenues from energy sales and feed-in premium	168	17	185	147	17	164
Operating income	45	8	53	24	9	33
EBITDA(A)	121	12	133	106	11	117
Net earnings (loss)	14	—	14	(12)	—	(12)
<b>Six-month periods ended June 30:</b>						
Power production (GWh) <sup>(2)</sup>	2,979	348	3,327	2,952	363	3,315
Revenues from energy sales and feed-in premium	395	38	433	353	39	392
Operating income	136	22	158	102	22	124
EBITDA(A)	294	22	316	257	22	279
Net earnings	71	—	71	28	4	32
	<b>As at June 30, 2022</b>			<b>As at December 31, 2021</b>		
Total assets	6,305	380	6,685	5,751	411	6,162
Debt - Principal amount	3,256	337	3,593	3,682	348	4,030

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes financial compensation following electricity production limitations imposed by clients.

## Wind

(in millions of Canadian dollars) (unaudited)	2022			2021		
	Consolidated	Reconciliation <sup>(1)</sup>	Combined	Consolidated	Reconciliation <sup>(1)</sup>	Combined
<b>Three-month periods ended June 30:</b>						
Power production (GWh) <sup>(2)</sup>	894	154	1,048	940	162	1,102
Revenues from energy sales and feed-in premium	128	17	145	115	17	132
EBITDA(A)	117	10	127	101	10	111
<b>Six-month periods ended June 30:</b>						
Power production (GWh) <sup>(2)</sup>	2,231	348	2,579	2,251	363	2,614
Revenues from energy sales and feed-in premium	320	38	358	286	39	325
EBITDA(A)	287	20	307	248	21	269

<sup>(1)</sup> 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.

<sup>(2)</sup> 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:

(in millions of Canadian dollars) (unaudited)	2022			2021			Variation 2022 vs 2021	
	Consolidated	Reconciliation <sup>(1)</sup>	Combined	Consolidated	Reconciliation <sup>(1)</sup>	Combined	Consolidated	Combined
<b>Three-month periods ended June 30:</b>								
<b>Operating income</b>	45	8	53	24	9	33	21	20
Amortization	72	6	78	73	5	78	(1)	—
Impairment	2	1	3	1	—	1	1	2
Share in earnings (loss) of Joint Ventures and associates	10	(10)	—	(1)	1	—	11	—
Change in fair value of a derivative included in the share of the Joint Ventures	(8)	8	—	4	(4)	—	(12)	—
Other loss (gains)	—	(1)	(1)	5	—	5	(5)	(6)
<b>EBITDA(A)</b>	<b>121</b>	<b>12</b>	<b>133</b>	<b>106</b>	<b>11</b>	<b>117</b>	<b>15</b>	<b>16</b>
<b>Six-month periods ended June 30:</b>								
<b>Operating income</b>	136	22	158	102	22	124	34	34
Amortization	144	12	156	148	10	158	(4)	(2)
Impairment	3	1	4	2	—	2	1	2
Share in earnings of Joint Ventures and associates	34	(34)	—	9	(9)	—	25	—
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	(23)	23	—	(5)	5	—	(18)	—
Other gains	—	(2)	(2)	(5)	—	(5)	5	3
<b>EBITDA(A)</b>	<b>294</b>	<b>22</b>	<b>316</b>	<b>257</b>	<b>22</b>	<b>279</b>	<b>37</b>	<b>37</b>

<sup>(1)</sup> 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 June 30,	As at December 31,	As at June 30,	As at December 31,
(in millions of Canadian dollars) (unaudited)	2022	2021	2022	2021
Debt	2,936	3,383	3,243	3,700
Current portion of debt	249	220	270	240
Transaction costs, net of accumulated amortization	71	79	80	90
Debt - Principal balance	3,256	3,682	3,593	4,030
Less:				
Cash and cash equivalents	701	256	722	271
Restricted cash	12	3	12	3
Net debt	2,543	3,423	2,859	3,756

The Corporation defines total market capitalization as follows:

	Consolidated		Combined	
	As at June 30,	As at December 31,	As at June 30,	As at December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2022	2021	2022	2021
Number of outstanding shares (in thousands)	102,761	102,619	102,761	102,619
Share market price (in \$ per share)	42.88	34.42	42.88	34.42
Market value of equity attributable to shareholders	4,406	3,532	4,406	3,532
Non-controlling shareholders	354	210	354	210
Net debt	2,543	3,423	2,859	3,756
Total market capitalization	7,303	7,165	7,619	7,498

The Corporation computes the net debt ratio as follows:

	Consolidated		Combined	
	As at June 30,	As at December 31,	As at June 30,	As at December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2022	2021	2022	2021
Net debt	2,543	3,423	2,859	3,756
Total market capitalization	7,303	7,165	7,619	7,498
<b>NET DEBT RATIO, market capitalization</b>	<b>35%</b>	<b>48%</b>	<b>38%</b>	<b>50%</b>

## 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:

	<b>Consolidated</b>			
	Three-month periods ended		Twelve-month periods ended	
	June 30,		June 30,	December 31,
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i>(in millions of Canadian dollars, unless otherwise specified) (unaudited)</i>				
<b>Net cash flows related to operating activities</b>	<b>97</b>	<b>84</b>	<b>362</b>	<b>345</b>
Change in non-cash items relating to operating activities	(11)	(18)	42	18
<b>Cash flows from operations</b>	<b>86</b>	<b>66</b>	<b>404</b>	<b>363</b>
Repayments on non-current debt (projects) <sup>(1)</sup>	(69)	(72)	(218)	(222)
Adjustment for non-operational items <sup>(2)</sup>	4	2	6	8
Principal payments related to lease liabilities	21	(4)	192	149
Distributions paid to non-controlling shareholders	(3)	(2)	(16)	(13)
Distributions paid to non-controlling shareholders	(10)	(6)	(23)	(20)
Additions to property, plant and equipment (maintenance of operations)	(3)	(1)	(12)	(8)
Development costs (from statement of earnings)	8	6	28	24
<b>Discretionary cash flows</b>	<b>13</b>	<b>(7)</b>	<b>169</b>	<b>132</b>
Dividends paid to shareholders	17	17	68	68
Weighted average number of outstanding shares – basic (in thousands)	102,728	102,619	102,654	102,619
Discretionary cash flows – per share	\$0.12	(\$0.07)	\$1.64	\$1.28
Dividends paid to shareholders – per share	\$0.1650	\$0.1650	\$0.6600	\$0.6600
<b>Payout ratio</b>			40%	52%
<b>Reinvestment ratio</b>			60%	48%

<sup>(1)</sup> Excluding VAT bridge financing and early debt repayments.

<sup>(2)</sup> For the three-month period ended June 30, 2022, favourable adjustment of \$4 million consisting mainly of transactions and acquisition costs. For the twelve-month period ended June 30, 2022, favourable adjustment of \$6 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 operating sites.

## 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:

	<b>Consolidated</b>	
	As at June 30	As at December 31
	<b>2022</b>	<b>2021</b>
<i>(in millions of Canadian dollars) (unaudited)</i>		
Cash and cash equivalents	701	256
Cash and cash equivalents available under project financing	(209)	(195)
Cash and cash equivalents earmarked for known short-term requirements	(71)	(220)
<b>Available cash and cash equivalents</b>	<b>421</b>	<b>61</b>
Credit facilities available to fund growth	500	339
<b>Available cash resources and authorized financing facilities</b>	<b>921</b>	<b>400</b>

## Analysis of operating results - Combined

The combined information (“Combined”) presented in this MD&A resulted from the combination of the financial information of Boralex Inc. (“Boralex” or the “Corporation”) under IFRS (“Consolidated”) and its 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 the 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 June 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<sup>(1)</sup>

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	SDB I and II <sup>(2)</sup>		Combined <sup>(1)</sup>		Variation Combined <sup>(1)</sup> 2022 vs 2021	
	2022	2021	2022	2021	GWh or \$	%
<b>Three-month periods ended June 30:</b>						
Wind power production (GWh)	117	128	1,452	1,485	(33)	(2)
Revenues from energy sales and feed-in premium	13	14	185	164	21	12
Operating income	8	9	53	33	20	61
EBITDA(A) <sup>(3)</sup>	12	12	133	117	16	14
Net earnings (loss)	4	4	14	(12)	26	>100
<b>Six-month periods ended June 30:</b>						
Wind power production (GWh)	266	284	3,327	3,315	12	—
Revenues from energy sales and feed-in premium	30	32	433	392	41	10
Operating income	21	20	158	124	34	28
EBITDA(A) <sup>(3)</sup>	28	27	316	279	37	13
Net earnings	13	12	71	32	39	>100
Total assets <sup>(4)</sup>	346	342	6,685	6,162	523	8
Debt - Principal balance <sup>(4)</sup>	261	270	3,593	4,030	(437)	(11)

<sup>(1)</sup> 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.

<sup>(2)</sup> SDB I and II are considered material joint ventures to the Corporation.

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

<sup>(4)</sup> As at December 31, 2021 for the comparative figures.

## Analysis of operating results for the three-month period ended June 30, 2022

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A) <sup>(1)</sup>
<b>Consolidated</b>			
Three-month period ended June 30, 2021	1,323	147	106
Commissioning and temporary shutdown <sup>(2)</sup>	14	6	6
Thermal disposal	(17)	(2)	1
Pricing (power purchase agreements and FiP)	—	15	15
Volume	(22)	—	—
Foreign exchange effect	—	(4)	(2)
Other	—	6	(5)
<b>Three-month period ended June 30, 2022</b>	<b>1,298</b>	<b>168</b>	<b>121</b>
<b>Impact of Joint Ventures, associates and eliminations</b>			
Three-month period ended June 30, 2021	162	17	11
Volume	(8)	(1)	(1)
Other	—	1	2
<b>Three-month period ended June 30, 2022</b>	<b>154</b>	<b>17</b>	<b>12</b>
<b>Combined<sup>(3)</sup></b>			
Three-month period ended June 30, 2021	1,485	164	117
Commissioning, temporary shutdown and disposition <sup>(2)</sup>	14	6	6
Thermal disposal	(17)	(2)	1
Pricing (power purchase agreements and FiP)	—	15	15
Volume	(30)	(1)	(1)
Foreign exchange effect	—	(4)	(2)
Other	—	7	(3)
<b>Three-month period ended June 30, 2022</b>	<b>1,452</b>	<b>185</b>	<b>133</b>

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

<sup>(2)</sup> See the *Changes in the portfolio in operation* table.

<sup>(3)</sup> 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 second quarter of 2022, on a Combined basis, power production amounted to 1,452 GWh, down 2% or 33 GWh compared with the corresponding period of 2021. Revenues from energy sales and FiP were up 12% and EBITDA(A) was up 14% to reach \$185 million and \$133 million, respectively.

Compared to the second quarter of 2021, the facilities of the Joint Ventures and associates show decreases of 5% in the contribution to production volume, 4% in the contribution to revenue from the sale of energy and FiP and 2% in the contribution to EBITDA(A).

## Analysis of consolidated operating results for the six-month period ended June 30, 2022

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A) <sup>(1)</sup>
<b>Consolidated</b>			
Six-month period ended June 30, 2021	2,952	353	257
Acquisitions <sup>(2)</sup>	19	2	2
Commissioning and temporary shutdown <sup>(2)</sup>	33	12	12
Volume	22	7	7
Thermal disposal	(47)	(9)	(2)
Pricing (power purchase agreements and FiP)	—	33	33
Foreign exchange effect	—	(10)	(6)
Other	—	7	(9)
<b>Six-month period ended June 30, 2022</b>	<b>2,979</b>	<b>395</b>	<b>294</b>
<b>Impact of Joint Ventures, associates and eliminations</b>			
Six-month period ended June 30, 2021	363	39	22
Volume	(15)	(2)	(2)
Other	—	—	1
<b>Six-month period ended June 30, 2022</b>	<b>348</b>	<b>37</b>	<b>21</b>
<b>Combined<sup>(3)</sup></b>			
Six-month period ended June 30, 2021	3,315	392	279
Acquisitions <sup>(2)</sup>	19	2	2
Commissioning and temporary shutdown <sup>(2)</sup>	33	12	12
Volume	7	5	5
Thermal disposal	(47)	(9)	(2)
Pricing (power purchase agreements and FiP)	—	34	34
Foreign exchange effect	—	(10)	(6)
Other	—	7	(8)
<b>Six-month period ended June 30, 2022</b>	<b>3,327</b>	<b>433</b>	<b>316</b>

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

<sup>(2)</sup> See the *Changes in the portfolio in operation* table.

<sup>(3)</sup> 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 six-month period ended June 30, 2022, power production on a Combined basis amounted to 3,327 GWh, up 12 GWh from the corresponding period of 2021, while revenues from energy sales and FiP, and EBITDA(A) increased by 10% and 13% to reach \$433 million and \$316 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 and the disposal of a thermal power station.

Compared to the first half of 2021, the facilities of the Joint Ventures and associates show decreases of 4% in the contribution to production volume, 3% in the contribution to revenue from the sale of energy and FiP, and a 3% increase in the contribution to EBITDA(A).

## Commitments

(in millions of Canadian dollars) (unaudited)	Commitments entered into during 2022	Cumulative commitments as at June 30, 2022
Purchase and construction contracts	112	141
Maintenance contracts	19	302
Contingent consideration	—	24
Other	18	37
	149	504

## Subsequent event

### Acquisition of Infinergy's interests

On July 4, 2002, the Corporation closed the acquisition of the entire interest of WW Holdco Ltd ("Infinergy"), a UK-based renewable energy development company for a cash consideration of \$37 million (£24 million). The transaction includes Infinergy's remaining 50% interest in projects that are part of the partnership established in 2017 with Boralex and which the Corporation already controls, a portfolio of projects in development as well as the integration of the Infinergy team. As at June 30, 2022, the transaction costs were negligible.

Owing to the limited time period between the acquisition and the publication of the Corporation's consolidated financial statements, the accounting impacts of the acquisition are currently being analyzed.

## 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 identified and measured negative 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 June 30, 2022, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.