MOVING FORWARD

TOGETHER

BORALEX

INTERIM REPORT 3

AS AT SEPTEMBER 30, 2023

Management's Discussion and Analysis 3

As at September 30, 2023

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Highlights

Three-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated 2023	Consolidated 2022	Combined[1] 2023	Combined[1] 2022
Power production (GWh)[2]	1,110	1,019	1,522	1,159
Revenues from energy sales and feed-in premiums	171	101	194	116
Operating income (loss)	13	(31)	29	(25)
EBITDA(A)[3]	91	50	113	63
Net loss	(2)	(56)	(2)	(56)
Net loss attributable to the shareholders of Boralex	(3)	(44)	(3)	(44)
Per share (basic and diluted)	($0.03)	($0.44)	($0.03)	($0.44)
Net cash flows related to operating activities	1	90	—	—
Cash flows from operations[1]	67	40	—	—
Discretionary cash flows[1]	21	1	—	—

Nine-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated 2023	Consolidated 2022	Combined[1] 2023	Combined[1] 2022
Power production (GWh)[2]	4,159	3,998	5,670	4,486
Revenues from energy sales and feed-in premiums	679	496	759	549
Operating income	128	105	192	133
EBITDA(A)[3]	381	344	448	379
Net earnings	75	15	75	15
Net earnings attributable to the shareholders of Boralex	59	16	59	16
Per share (basic and diluted)	$0.57	$0.16	$0.57	$0.16
Net cash flows related to operating activities	389	324	—	—
Cash flows from operations[1]	284	262	—	—
	As at Sept. 30	**As at Dec. 31**	**As at Sept. 30**	**As at Dec. 31**
Total assets	6,557	6,539	7,215	7,188
Debt - Principal balance	3,313	3,346	3,727	3,674
Total project debt	2,820	3,007	3,234	3,335
Total corporate debt	493	339	493	339

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

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

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

Abbreviations and Definitions

CDPQ	Caisse de dépôt et placement du Québec
CODM	Chief operating decision maker
Corporate PPA / CPPA	Power purchase agreement concluded by commercial and industrial corporations
CSR	Corporate social responsibility
DC&P	Disclosure controls and procedures
DM I and II	Des Moulins Wind Power L.P.
EBITDA	Earnings before taxes, interest, depreciation and amortization
EBITDA(A)	Earnings before taxes, interest, depreciation and amortization adjusted to include other items
EDC	Export Development Canada
EDF	Électricité de France
EIP	Energy Infrastructure Partners
ERCOT	Electric Reliability Council of Texas
FiP	Feed-in premium
GAAP	Generally accepted accounting principles
GHG	Greenhouse gases
GW	Gigawatt
GWh	Gigawatt-hour
HQ	Hydro-Québec
ICFR	Internal control over financial reporting
IESO	Independent Electricity System Operator
IFRS	International Financial Reporting Standards
Interests	Interests in joint ventures and associates
LP I	Le Plateau Wind Power L.P.
LP II	Le Plateau Community Wind Power L.P.
LTM	Last twelve months
MW	Megawatt
MWac	Megawatt alternating current
MWdc	Megawatt direct current
MWh	Megawatt-hour
NYSERDA	New York State Energy Research and Development Authority
PPA	Power purchase agreement
RECs	Renewable Energy Certificates
REPowerEU	Joint European action for more affordable, secure and sustainable energy
RFP	Request for proposals
Roncevaux	Roncevaux Wind Power L.P.
SDB I	Seigneurie de Beaupré Wind Farms 2 and 3
SDB II	Seigneurie de Beaupré Wind Farms 4
TWh	Terawatt-hour

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

Repowering
Equipment replacement with new components to increase installed capacity.

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.

Installed capacity
The installed capacity represents the electrical generation capacity of a piece of equipment. It is expressed in Megawatts, or even Gigawatts.

Contract for Difference
The contract for difference was introduced in the UK in 2014 as a market support mechanism for low carbon energy projects. It was designed to encourage the development of large-scale renewable energy infrastructure at the lowest cost to the consumer, while limiting market volatility. It consists of a contract with the British government to guarantee a stable income for renewable energy producers.

Introductory comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three-and-nine-month periods ended September 30, 2023, compared with the corresponding periods of 2022, as well as the Corporation's financial position as at September 30, 2023, compared to December 31, 2022. 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, 2022.

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

In this MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions. The information contained in this MD&A reflects all material events up to November 8, 2023, 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 2022.

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 a standardized meaning under IFRS; consequently, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

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

The information in this MD&A is presented as at September 30, 2023, unless otherwise specified.

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

	Closing rate[1]	
	As at September 30	As at December 31
Currency	2023	2022
USD	1.3577	1.3554
EUR	1.4357	1.4506
GBP	1.6563	1.6395

	Average rate[1]			
	Three-month periods ended September 30		Nine-month periods ended September 30	
Currency	2023	2022	2023	2022
USD	1.3414	1.3056	1.3456	1.2828
EUR	1.4593	1.3138	1.4576	1.3642
GBP	1.6978	1.5354	1.6744	1.6117

[1] Source: Bloomberg
[2] Source: Bank of Canada - Average daily exchange rates

Notice concerning forward-looking statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. These forward-looking statements are typically identified by such words 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," "target," "objective," "initiative" or similar words or the negative thereof or other comparable terminology are used to identify such statements. In particular, this report includes forward-looking statements about the Corporation's strategic directions, priorities and objectives (including its ambition to be the Corporate Social Responsibility (CSR) reference for our partners), the strategic plan, business model, growth prospects, CSR targets and initiatives (including women's representation on the board and in management, targets for geographic and technological distribution of installed capacity, CO_2 emissions avoided, greenhouse gas (GHG) emissions reduced, and hiring women for new positions) and renewable energy generation projects in the portfolio. Actual events or results may differ materially from those expressed in such forward-looking statements. They are based on Boralex management's expectations, estimates and assumptions as at November 8, 2023.

This forward-looking information includes statements about the Corporation's strategies, strategic plan, business model (including with respect to results and performance for future periods, installed capacity targets, EBITDA(A)[(1)] and discretionary cash flows,[(2)] organic growth and growth through mergers and acquisitions, obtaining an "investment grade" credit rating, payment of the quarterly dividend, the objectives related to 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, anticipated production,[(3)] capital expenditure and investment programs, access to credit facilities and financing, capital tax, income tax, risk profile, cash flows and earnings and their components, the amount of distributions and dividends to be paid to shareholders, as well as the anticipated distribution ratio,[(4)] the dividend policy and the timing of such distributions and dividends. Actual events or results may differ materially from those expressed in such forward-looking statements.

Forward-looking information is based on significant assumptions, including assumptions about the performance of Boralex'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. In particular, CSR targets are based on a number of assumptions, including, but not limited to, the following key assumptions: implementation of various corporate and business initiatives to reduce direct and indirect GHG emissions; availability of technologies to achieve targets; absence of new business initiatives or acquisitions of companies or technologies that would significantly increase the expected level of performance; no negative impact resulting from clarifications or amendments to international standards or the methodology used to calculate our CSR performance and disclosure; sufficient participation and collaboration of our suppliers in setting their own targets in line with Boralex's CSR initiatives; the ability to find diverse and competent talent; education and organizational engagement to help achieve our CSR targets. While the Corporation considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect.

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

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

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

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

Notice concerning forward-looking statements (cont.)

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 this report include, but are not limited to, the risk of not renewing PPAs or being unable to sign new corporate PPA, the risk of not being able to capture the US or Canadian investment tax credit, counterparty risk, performance of power stations and sites, compliance by Boralex's partners with their contractual commitments, personnel accidents and health and safety, disasters and force majeure, personnel recruitment and retention, regulations governing Boralex's industry and amendments thereto, CSR regulations and amendments thereto, loss of reputation, pandemics and certain other factors discussed in the *Risk factors* and *Factors of uncertainty* sections in Boralex's MD&A for the year ended December 31, 2022. 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, cybersecurity risks, competition, changes in general market conditions, the regulations governing the industry and amendments thereto, particularly the legislation, regulations and emergency measures that could be implemented from time to time to address high energy prices in Europe, raw material price increases and availability, litigation and other regulatory issues related to projects in operation or under development, as well as certain other factors described in the documents filed by the Corporation with the different securities commissions.

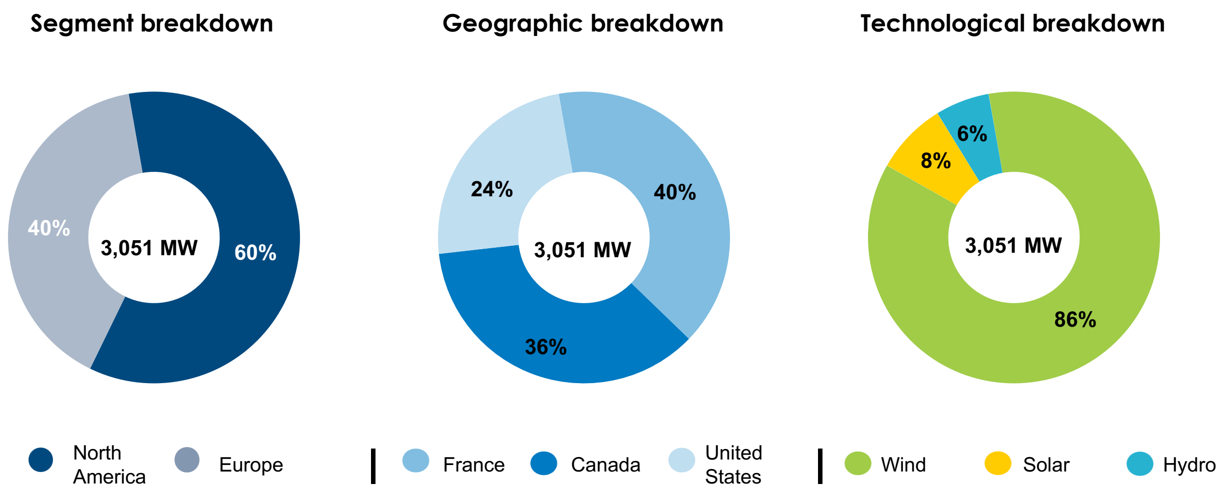
Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities, transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization of the results, performance or achievements as expressed or implied by forward-looking statements. The reader is cautioned not to place undue reliance on such forward-looking statements. Unless required to do so under applicable securities legislation, management of Boralex does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

Description of business

Boralex is a Canadian corporation operating in the renewable energy segment for over 30 years. It draws on a workforce of 746 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 3,051 MW as at September 30, 2023. The Corporation is developing a portfolio equivalent to more than 5 GW of wind and solar power as well as energy storage, guided by its values and its corporate social responsibility (CSR) approach. Projects under construction or ready to build represent an additional 317 MW, to be commissioned in 2023 and 2024, while the pipeline of secured projects amounts to 454 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,[1] geographic and technological breakdown

As at September 30, 2023, Boralex was active in the production of three complementary types of renewable energy: wind, solar and hydroelectric, along with energy storage. The installed capacity is 3,051 MW. The major part of Boralex's installed capacity is accounted for by wind energy. The following illustration provides information about the makeup of the Corporation's operating portfolio.



Installed capacity[2]

	Wind farms		Solar power stations		Hydroelectric power stations		Storage units		Total	
	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites
North America	1,432	28	209	7	178	15	—	—	1,819	50
Europe	1,181	70	46	5	—	—	5	2	1,232	77
	2,613	98	255	12	178	15	5	2	3,051	127

(1) See the *Changes to the management model* section.

(2) 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 the financial statements, consisting of 170 MW for 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. In addition, the Corporation acquired a 50% interest in five wind farms in the United States with a total installed capacity of 894 MW, for which Boralex's share is 447 MW.

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

Changes to feed-in premium contracts

On October 26, 2023, the French Constitutional Council issued a ruling that was in favour of the Corporation by declaring Article 38 of the *2022 Supplementary Budget Act* (the "Act") unconstitutional. Consequently, the ministerial order that set the threshold prices ("the threshold price order" or "the ministerial order") has no legal foundation as of October 27, 2023, since it had been enacted under the delegated authority of Article 38 of the Act. Following the adoption of the Act and the threshold price order, the Corporation's feed-in premium ("FiP") contracts were unilaterally modified by the French government, such that the difference between the selling price of energy and the FiP contractual price had to be remitted to the French government.

Since the threshold price determined by the ministerial order was lower than the FiP contractual price, the Corporation had to record a provision as at December 31, 2022 in the amount of $83 million (€57 million), to reflect the amounts to be paid to the French government based on the threshold price. Additionally, $10 million (€7 million) was recorded during the nine-month period ended September 30, 2023. An amount of $32 million (€22 million) was included in *Trade and other payables* for these contracts as at September 30, 2023.

It is now up to the Administrative Supreme Court to decide upon the impact and treatment of this decision by the French Constitutional Council and the resulting financial repercussions for the period prior to October 27, 2023.

The Corporation's profile

As at September 30, 2023, **93%**[(1)] of Boralex's installed capacity was covered by fixed-price and indexed energy sales contracts or feed-in premium contracts in effect. Over the past few years, Boralex has been able to diversify its customer base by signing corporate PPAs with major companies in Europe.

Corporate PPAs:	Start	End
• 5-year term - Orange	2020	2025
• 3-year term - Auchan	2020	2023
• 5-year term - IBM	2021	2026
• 3-year term - L'Oréal	2021	2023
• 20-year term - METRO France	2024	2043

The weighted average remaining term[(2)] of these contracts is **11 years** (12 years in North America and 9 years in Europe). The breakdown of the remaining terms of the Corporation's contracts are provided in the table below.

Breakdown of installed capacity based on remaining term of contracts as at September 30, 2023 (in MW)

	≤ 5 years	6 to 10 years	11 to 15 years	> 15 years	Total
North America	123	542	732	279	1,676
Europe	401	395	42	338	1,176
Total	524	937	774	617	2,852

(1) The percentage of installed capacity covered by energy sales contracts or feed-in premium contracts is a supplementary financial measure. For more details, refer to the *Non-IFRS and other financial measures* section of this report.

(2) The average remaining term includes feed-in premium contracts that are not yet in effect for newly commissioned facilities.

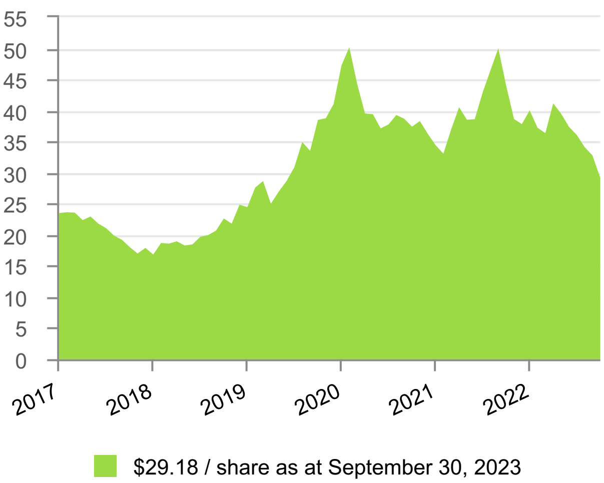
Selected financial information: A growth company

Since December 31, 2017, Boralex's share price and market capitalization have increased at compound annual growth rates[1] of 4% and of 9%, respectively. Boralex's operating income was up 6% (9% increase on a Combined[2] basis). For EBITDA(A), the compound annual growth rate is 12% (12% on a Combined basis).

Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at September 30, 2023, the Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, held 13.9% of Boralex's outstanding shares.

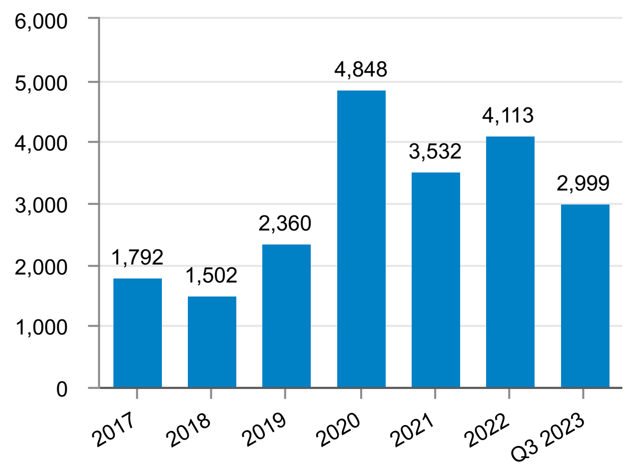
Share price

(Monthly closing price in Canadian dollars)
Compound annual growth rate:[1] 4%
(Toronto Stock Exchange under the ticker BLX)



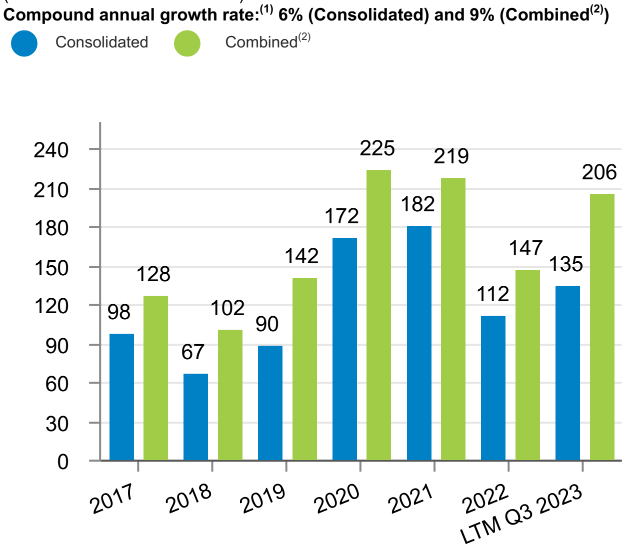
Market capitalization

(in millions of Canadian dollars)
Compound annual growth rate:[1] 9%



Operating income

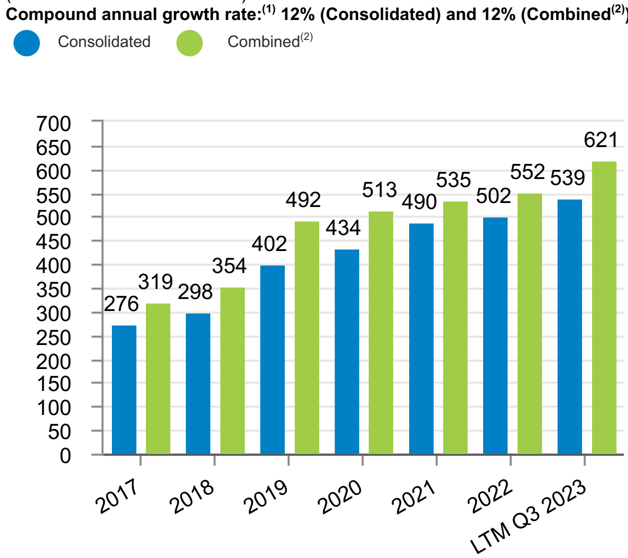
(in millions of Canadian dollars)
Compound annual growth rate:[1] 6% (Consolidated) and 9% (Combined[2])



* On a combined basis, for the twelve-month period ended September 30, 2023, operating income is broken down as follows; Q3 2023: $29 million, Q2 2023: $57 million, Q1 2023: $106 million, Q4 2022: $14 million, for a total of $206 million.

EBITDA(A)[3]

(in millions of Canadian dollars)
Compound annual growth rate:[1] 12% (Consolidated) and 12% (Combined[2])



* On a combined basis, for the twelve-month period ended September 30, 2023, EBITDA(A) is broken down as follows; Q3 2023: $113 million, Q2 2023: $143 million, Q1 2023: $192 million, Q4 2022: $173 million, for a total of $621 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 about the updated strategic plan, see the *Strategic plan and financial objectives for 2025* section in 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 region

The Corporation will continue growing in high-potential markets in Canada, the United States, France, United Kingdom, 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 2022 Annual Report for additional information.

United States

The Inflation Reduction Act (IRA) has ignited an expansion of United States domestic renewable energy manufacturing by providing tax credits at every stage of the clean energy supply chain. Simultaneously, numerous Federal Agencies and Commissions have advanced policies to increase the deployment of renewable energy or regulate traditional forms of energy.

While the Inflation Reduction Act has spurred new investment, it has also raised tensions between the US and its traditional trading partners. Potential growth of US manufacturing could lead to the adoption of additional protectionist measures. Clean energy manufacturers have committed to investments of over US$70 billion in manufacturing, including more than 40 initiatives in the US solar energy supply chain valued at more than US$13 billion. Increasing local manufacturing could reduce the cost of materials and help reduce uncertainty in the supply chain.

The New York State Public Service Commission denied a series of petitions requesting a formula-based inflation adjustment for 90 renewable energy projects in the state. Boralex is developing 10 of the impacted projects. On the same day, NYSERDA committed to holding an expedited RFP as part of a 10-point action plan released by the agency and Governor Hochul to help support renewable energy development in New York State.

In California, the state has adopted a slate of bills into law to establish a new centralized procurement system for clean energy resources, put the state on a path towards its 25 GW offshore wind goal, reform the interconnection process and reform grid planning. California’s recent actions solidify it as one of the strongest renewable energy markets.

In Texas after concerns were raised over the adoption of a performance credit mechanism (PCM), the legislature and the Governor agreed to adopt measures intended to address the current energy market. One bill will establish an up to $7.2 billion low-interest loan and grant program for “dispatchable” generation. The second bill places restrictions on PCM. Most notably, the legislation provides that the net cost of the PCM to the market cannot exceed $1 billion annually.

Canada

The Federal government announced on March 28 its intention to adopt a series of measures to advance the green economy including the adoption of a 30% Investment Tax Credit (ITC) for capital expenditures related to renewable energy production, energy storage and clean technologies sector. The Federal government has conducted consultations on the ITC and is planning to introduce the bill in the fall.

On August 10, the federal government released the draft of the Clean Electricity Regulations, which are based around the creation of a near-zero emissions standard for fossil fuel generating facilities. The regulations are technology-neutral, as the provinces are ultimately responsible for the design and operation of electricity systems. The CER are expected to come into force in January 2025.

On March 31, Hydro-Québec issued a tender call in Québec for 1,500 MW of wind power, in which Boralex submitted two projects. This tender is part of a larger plan to quadruple wind power capacity over the next 15 years to meet growing energy demand of 25 TWh or 14% over the 2022-2023 period. In November, Hydro-Québec released a plan to meet the growing energy demand, by tripling wind production to more than 10,000 MW by 2035, as well as by adding 3,800 to 4,200 MW of hydropower generation capacity. The Québec government is also continuing consultations with a view to introducing a bill in fall 2023 to modernize energy sector regulations and promote the development of clean energy.

In Ontario, the Independent Electricity System Operator (IESO) will be called upon to implement procurement mechanisms to meet the new needs for power confirmed for the years from 2025 onwards. In May, the IESO announced awards 739 MW of battery storage contracts, including two awards for Boralex storage projects totaling 380 MW. In July, Ontario’s Ministry of Energy released a report on acquiring and maintaining the electricity resources needed to satisfy increasing demand for electricity in the province. The report stated economic growth, electrification and population growth could require Ontario to more than double its generating capacity from 42,000 to 88,000 megawatts by 2050.

France and other European Union countries

In Europe, implementation of the REPowerEU plan continues to make Europe independent from Russian fossil fuels and strengthen the commitment to increase renewable energy targets for 2030. Measures are also being prepared in response to the US IRA, in connection with the European Green Deal, to develop the European industry of carbon neutral technologies, rare metals and critical materials. Discussions on the reform of the electricity market are ongoing. The amended Renewable Energy Directive is being adopted to achieve the reduction of CO2 emissions by 55% by 2030 (Fit for 55) and to raise targets from 32% to 42.5%. Finally, the launch of an upcoming Wind Power Package was announced to accelerate development of this technology.

In France, following the publication in March of the law on accelerating renewables production, work continues to prepare implementation regulations. The government is also very committed to strengthening the green energy sector and to update energy planning with the adoption of a new Multiannual Energy Plan. Measures to protect consumers, finance an extension to the cap on electricity price hikes and to encourage green industrial production by way of a tax credit are also being discussed in the draft budget. Two RFPs, one for wind and one for solar, are planned for the end of the year.

United Kingdom

In the United Kingdom, the energy policy is focused on decarbonizing the energy mix by strengthening the industry and carbon-neutral technologies. Since 2024 is a pre-election year, energy will be at the centre of discussions. Developing renewable energies is a key objective for ensuring the country’s energy supply and energy transition. Discussions are underway in England to expand onshore wind power and decarbonize the electric grid. Lastly, Scotland is continuing to work toward achieving its ambitious targets announced at the end of 2022 (20 GW of onshore wind power by 2030).

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. Main progress made in the third quarter of 2023 is presented below.

Growth

- Obtained a contract for difference (CfD) for the Limekiln wind project under a tender in the United Kingdom.
- Two wind projects in North America were tendered under Hydro-Québec's call for tenders for a total of 315 MW.
- Addition of a 265 MW wind project in North America to the mid-stage phase.
- Repositioning of a 400 MW wind project in North America as an approximately 200 MW project under study at another site in the same region.

Diversification

- Following the announcements made by the Public Securities Commission (PSC) and the launch of an expedited RFP process in October 2023, the Corporation is assessing alternative optimization options for its solar power projects in the advanced stage in New York, including re-submitting these projects under this RFP.
- Added six new solar projects and one storage project in North America, as well as two solar projects in Europe, for an additional 244 MW to the early stage phase.
- Negotiation of supply agreements for the two storage projects in Ontario totalling 380 MW.

Customers

- Discussions underway to enter into Corporate PPAs in France.
- Distributed Generation Partnership (DGP) between Boralex, Northern Power & Light and the Town of Glens Falls for local and renewable electricity support under the Community Hydro program extending into New York State.

Optimization

- A $608 million in financing for the Apuiat wind farm, including short-term facilities to optimize Boralex's overall capital structure.
- Additional financing of an incremental tranche under the term loans of the Boralex Production and Sainte-Christine portfolio of wind farms and projects for a total of $194 million (€133 million), including letter of credit facilities for $11 million (€8 million).

Growth

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

In December 2022, the Corporation acquired EDF Renewables North America's interest in five wind farms in operation with a total installed capacity of 894 MW located in Texas and New Mexico. The acquired interest represents 447 MW of net installed capacity. Three of the wind farms are covered by structured long-term PPAs entered into with established purchasers while the other two sell all of their energy at market prices.

The Limekiln wind project in Scotland was awarded a 15-year CfD. Preparatory work has already been completed and the turbine supply agreement with Vestas was signed last year. In addition to obtaining the CfD, construction of the substation and connection to the grid on the site are underway.

For the 2021-2024 period, the RFP process in France aims to award all feed-in premium contracts in tranches of 925 MW each, twice a year. The Corporation has the necessary strengths to capitalize on development opportunities when they arise due to its long-standing presence and in-depth market knowledge.

Changes in the project portfolio

The Corporation’s pipeline of projects totals 5,610 MW, up 284 MW from the end of the second quarter of 2023. The solar portfolio contributes to the Corporation's growth, with a total of 2,398 MW, up 414 MW from the previous quarter. Solar power has high development potential in both Europe and North America. The wind portfolio comprises projects totalling 2,387 MW, down 145 MW from the previous quarter. The energy storage portfolio amounted to 825 MW, up 15 MW from the previous quarter.

BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

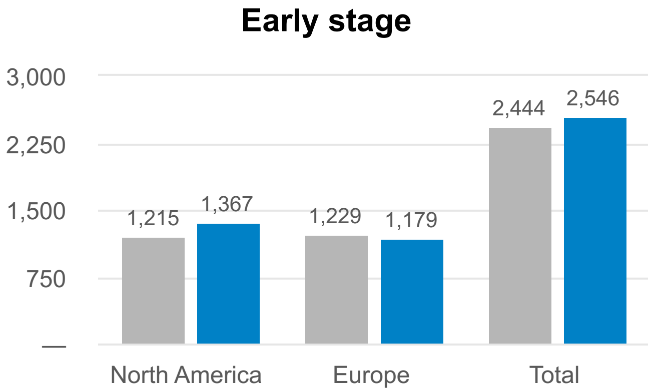
PIPELINE

TOTAL
5,610 MW

		NORTH AMERICA	EUROPE	TOTAL BORALEX
EARLY STAGE				
• Real estate secured • Interconnection available • Review of regulatory risks • Assessment of local community acceptability (Europe)		250 MW	488 MW	738 MW
		552 MW	566 MW	1,118 MW
		565 MW	125 MW	690 MW
	TOTAL CAPACITY	1,367 MW	1,179 MW	2,546 MW
MID STAGE				
• Preliminary design for a bid • Assessment of required permits and local community acceptability (North America) • Requests for permits and administrative authorizations made and final assessment of environmental risks completed (Europe)		449 MW	607 MW	1,056 MW
		-	260 MW	260 MW
		-	40 MW	40 MW
	TOTAL CAPACITY	449 MW	907 MW	1,356 MW
ADVANCED STAGE				
• Project submitted under a request for proposals or actively looking for a Corporate PPA • Final assessment of environmental risks completed (North America) • Project authorized by regulatory authorities (France)		326 MW	267 MW	593 MW
		1,000 MW	20 MW	1,020 MW
		77 MW	18 MW	95 MW
	TOTAL CAPACITY	1,403 MW	305 MW	1,708 MW
TOTAL		1,025 MW	1,362 MW	2,387 MW
		1,552 MW	846 MW	2,398 MW
		642 MW	183 MW	825 MW
	TOTAL CAPACITY	3,219 MW	2,391 MW	5,610 MW

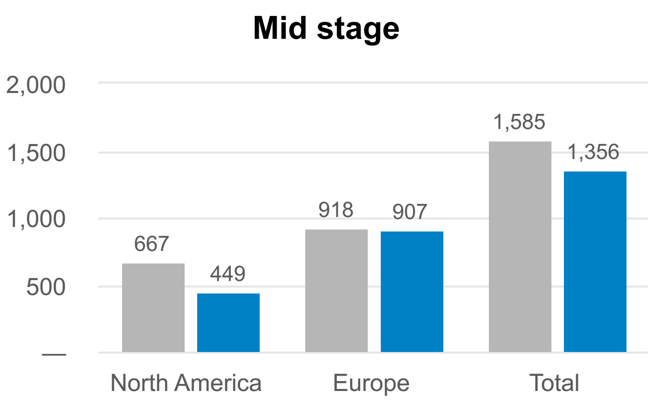
Movements between the development stages in the project portfolio since the last quarter are provided below (in MW):

Q2 2023 Q3 2023



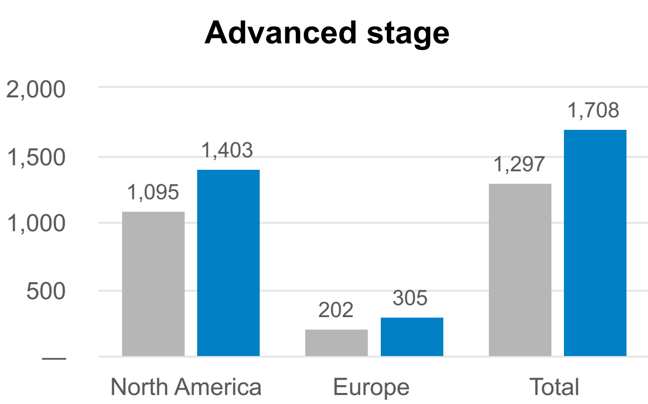
The 102 MW increase was mainly due to:

- Addition of six new solar projects and one storage project in North America, as well as two solar projects in Europe, for an additional 244 MW;
- Transition to the mid-stage phase of one wind project in North America, as well as four wind projects and one solar project in Europe, for a total reduction of 142 MW.



The 229 MW change was due to:

- Transition to the mid-stage phase of one wind project in North America as well as four wind projects and one solar project in Europe, for a total increase of 142 MW;
- Addition of a new wind project in North America for an additional 265 MW;
- Transition to the advanced phase of one wind project in North America, as well as one wind project and one storage project in Europe, for a total reduction of 236 MW;
- The repositioning of a 400 MW wind project in North America as an approximately 200 MW project under study at another site in the same region.



The 411 MW increase was mainly due to:

- Transition to the advanced phase of one wind project in North America as well as one wind project and one storage project in Europe, for a total increase of 236 MW;
- On October 12, 2023, the PSC decided not to add a price adjustment clause for projects selected under RFPs in recent years. Concurrently, NYSERDA announced an expedited RFP process for which the criteria are being defined. Following this decision, the Corporation is assessing the possibility of re-submitting solar power projects of 200 MW in New York and has moved these projects to the advanced phase.

Changes to the Growth path

The *Growth path* represents a capacity of 771 MW for the third quarter of 2023 compared to 971 MW for the previous quarter.

Wind energy remains the primary source of power production with secured, under construction or ready-to-build projects totalling 378 MW, the same capacity as for the previous quarter. For solar power, secured, under construction or ready-to-build projects totalled 13 MW, a decrease of 200 MW compared to the previous quarter. Lastly, for energy storage, secured projects remained stable at 380 MW. Projects under construction or ready-to-build continue to make progress towards their commissioning according to the planned timelines.

GROWTH PATH

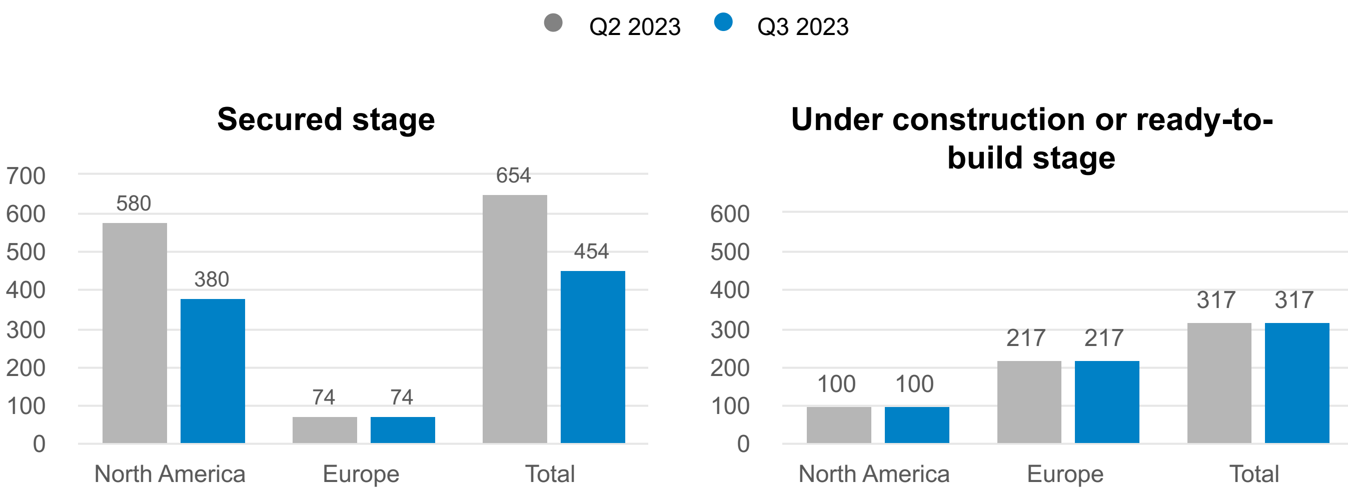
TOTAL
771 MW

		NORTH AMERICA	EUROPE	TOTAL BORALEX
SECURED STAGE				
• Contract win (REC or PPA) and • Interconnection submitted (United States) • Interconnection secured (Canada) • Interconnection secured and • Project cleared of any claims (France) • Project authorized by regulatory authorities (Scotland)	Wind	-	74 MW	74 MW
	Solar	-	-	-
	Storage	380 MW	-	380 MW
	TOTAL CAPACITY	380 MW	74 MW	454 MW
UNDER CONSTRUCTION OR READY-TO-BUILD				
• Permits obtained • Financing underway • Commissioning date determined • Pricing strategy defined	Wind	100 MW	204 MW	304 MW
	Solar	-	13 MW	13 MW
	Storage	-	-	-
	TOTAL CAPACITY	100 MW	217 MW	317 MW
TOTAL	Wind	100 MW	278 MW	378 MW
	Solar	-	13 MW	13 MW
	Storage	380 MW	-	380 MW
	TOTAL CAPACITY	480 MW	291 MW	771 MW

CURRENTLY IN OPERATION 3,051 MW

As at September 30, 2023 and November 8, 2023.

Movements between the development stages in the *Growth path* since the last quarter are provided below (in MW):

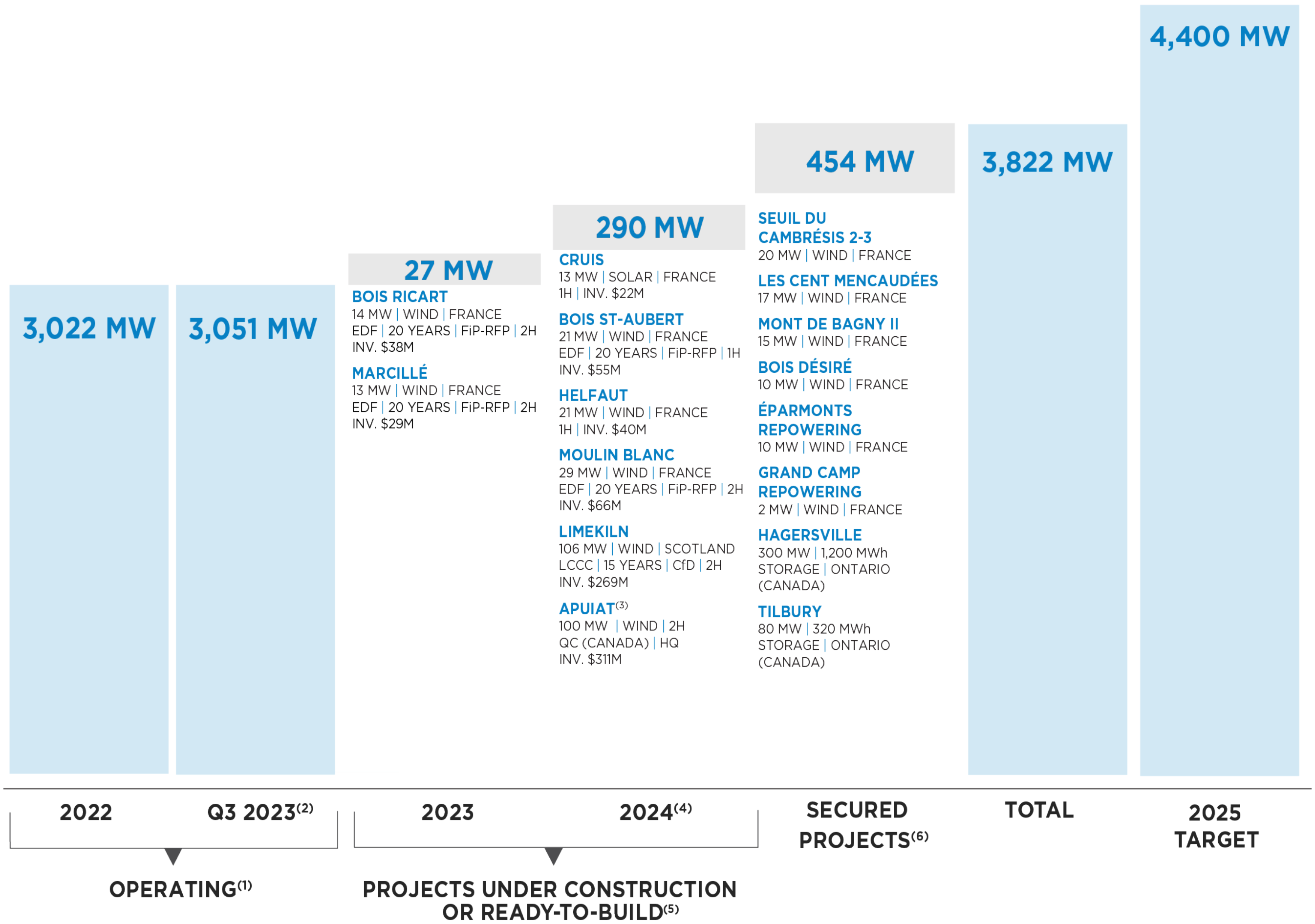


The **secured stage** represents an expected capacity of 454 MW, a decrease of 200 MW related to solar projects in New-York for which the Company is currently evaluating the possibility of re-bidding, such as discussed earlier.

The **projects under construction or ready to build** have an expected capacity of 317 MW as at September 30, 2023, which is comparable to the previous quarter.

As shown in the *Growth path*, the Corporation had assets in operation with 3,051 MW of installed capacity as at September 30, 2023, unchanged from the previous quarter. Commissioning of secured facilities and projects under construction and ready to build is expected to bring Boralex's installed capacity to 3,822 MW.

Growth path



(1) Installed capacity of production, including the installed capacity of energy storage projects.
(2) As at September 30, 2023, and November 8, 2023.
(3) The Corporation holds 50% of the shares of the 200 MW wind power project but does not have control over it.
(4) Some items of projects slated for commissioning in 2024 will be provided at a later date since measures are still underway to further optimize these projects.
(5) Total project investment for projects in Europe have been translated into Canadian dollars at the closing rate on September 30, 2023.
(6) Some secured projects will be commissioned after 2025.

Six wind power projects and one solar power project in Europe as well as a wind power project in North America are under construction or have completed all preliminary stages and obtained pre-construction approvals. The wind and solar power projects are almost all subject to power purchase agreements, either long-term feed-in premium contracts which benefit from a fixed price or power purchase agreements with commercial and industrial corporations. Some contracts benefit from price indexation clauses in effect until facilities are commissioned to provide protection against inflation. These projects will contribute to the Corporation's results when commissioned in 2023 and 2024 as indicated in the *Growth path*.

Overall, the combined EBITDA[1] contribution of projects under construction or ready to build is estimated at $80 million, based on total expected production and adjusted using the Canadian dollar exchange rate at the end of the quarter. Implementing these projects will require total planned investments[2] for the Corporation of about $830 million and planned financing[2] of $607 million, including Boralex's share of the Apuiat project. As at September 30, 2023, the funds already invested[2] in these projects totalled $272 million.

[1] The contribution to combined EBITDA is estimated pending the analysis of the significant accounting policies applicable to these projects.
[2] Total planned investments, planned financing and funds already invested in projects under construction 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** projects portfolio, which represents a potential additional capacity of 2,398 MW. On October 12, 2023, the PSC decided not to add a price adjustment clause for projects selected under RFPs in recent years. Concurrently, NYSERDA announced an expedited RFP process, which gives rise to the possibility to re-submit solar projects in the advanced stage in the State of New York at a price reflecting current market construction and financing costs. The Corporation is assessing all of its project optimization options and expects to obtain details of the expedited RFP process by year-end.

Boralex is continuing its efforts to gradually deploy a battery-based energy **storage** service, leveraging the significant cost reduction associated with this technology. Boralex's energy storage project portfolio was equivalent to 825 MW at the end of the third quarter of 2023, following sustained efforts toward their development. The Corporation was the leading awardee in the IESO's expedited RFP process, with two storage projects totalling 380 MW selected during the second quarter of 2023 for 22-year capacity contracts. These two secured projects continue to advance, with negotiations of supply agreements. The 4-hour batteries will provide electricity during peak periods and thus contribute to the stability of the electricity grid in Ontario. Once commissioned, the projects will be Boralex's first storage facilities in North America. Installed capacity of storage units in Europe totalled 5 MW after the commissioning of the second energy storage unit for 3 MW in April of this year.

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) and also to gradually add complementary services to be offered to energy transmission networks and large-scale electricity consumers. Discussions are underway for entering into Corporate PPAs, mainly in France. In addition, a Distributed Generation Partnership (DGP) was concluded between Boralex, Northern Power & Light and the Town of Glens Falls for local and renewable electricity support under the Community Hydro program extending into New York State.

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

During the third quarter of 2023, Boralex continued its initiatives for the **optimization** of current assets by taking concrete actions to increase performance and reduce both operating and financing costs.

Other initiatives include repowering projects at certain wind farms in France, including a project to repower an existing wind farm, which was added to the *Growth path* under the **secured phase** in the second quarter of 2023.

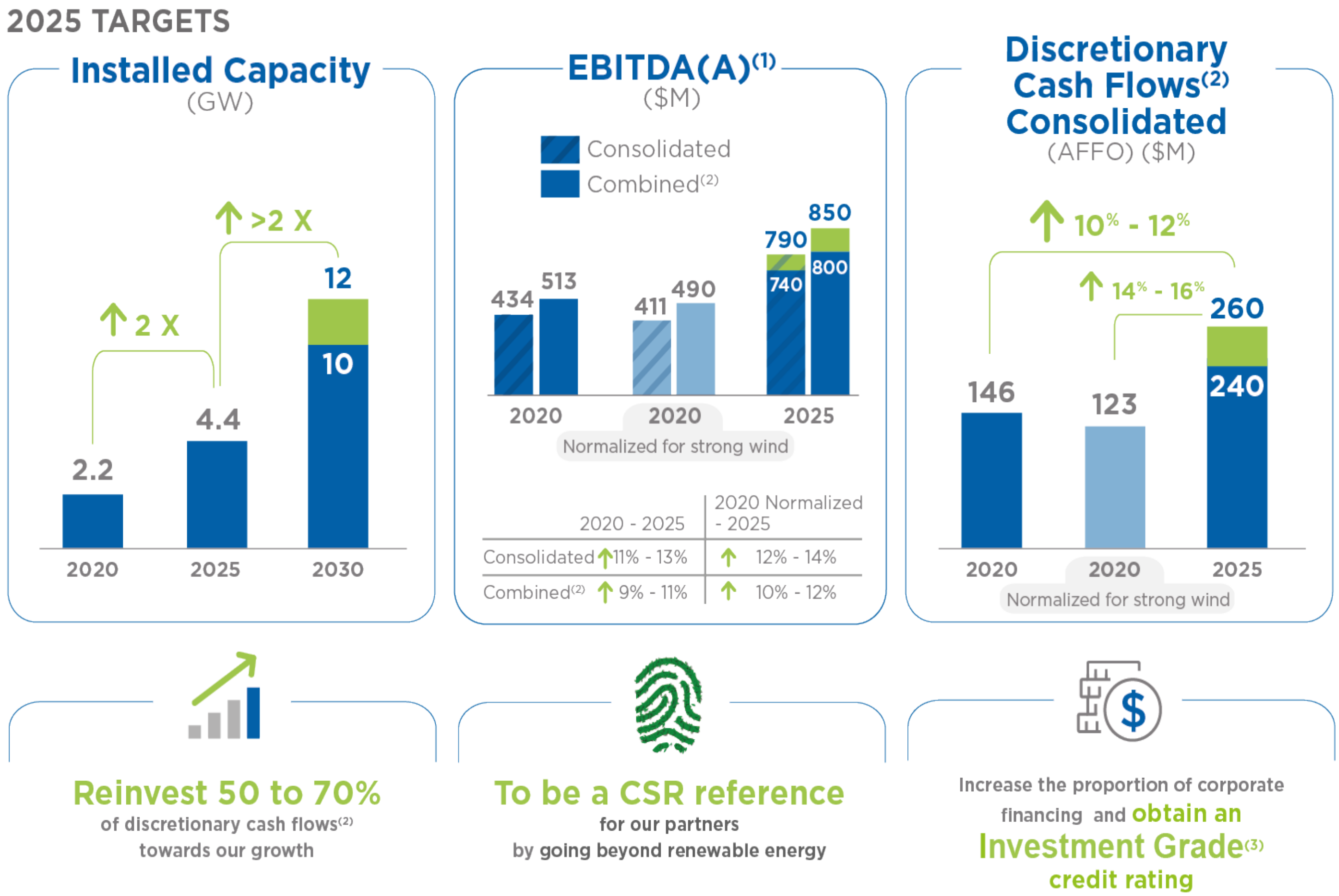
Boralex seeks to optimize service and maintenance work for its assets. Accordingly, the Corporation opts in some cases to internalize maintenance activities while conserving or even renegotiating external maintenance contracts.

During the third quarter, Boralex closed two incremental tranches totalling $194 million (€133 million) under the term loans of the Boralex Production and Saint-Christine portfolio of wind farms and projects including letter of credit facilities for $11 million (€8 million). In order to reduce exposure to interest rate changes, interest rate swaps were entered into to cover 80% of long-term debts until 2023 and 90% until their maturity.

Boralex also closed a tranche of $608 million for the Apuiat wind farm in Québec. The tranche includes a $465 million construction loan to be converted into a term loan following the commencement of commercial operations, short-term credit facilities totalling $143 million to finance certain costs incurred during construction and reimbursable by HQ, and various letters of credit issued. An ESG swap with cash back to hedge the debt's interest rate risk and reward the achievement of ESG performance indicators was included in the financing. The bridge credit facility will allow Boralex and the Innu to optimize their overall capital structure.

Strategic plan follow up

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



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

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

(3) Minimum corporate credit rating of BBB-.

Current status

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

1. Double installed capacity between 2020 and 2025

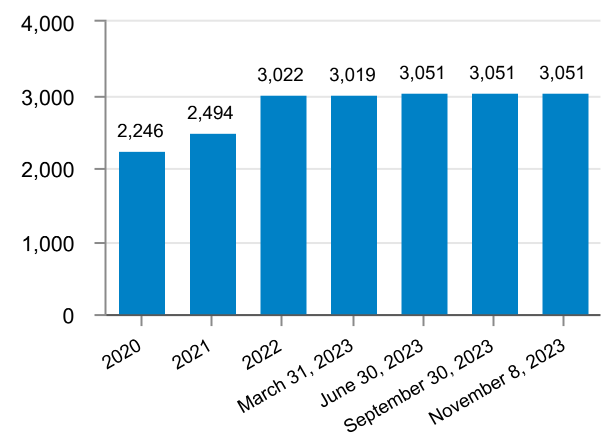
Boralex's installed capacity increased from 3,022 MW as at December 31, 2022, to 3,051 MW as at September 30, 2023.

This change resulted from the termination of activities of a hydroelectric power station with installed capacity of 3 MW in the United States, following the expiry of its operating agreement in March 2023 and the commissioning of two wind farms for a total of 29 MW and one storage unit of 3 MW in Europe.

As at November 8, 2023, the Corporation's installed capacity is the same as the installed capacity as at September 30, 2023.

Installed capacity

(in MW)



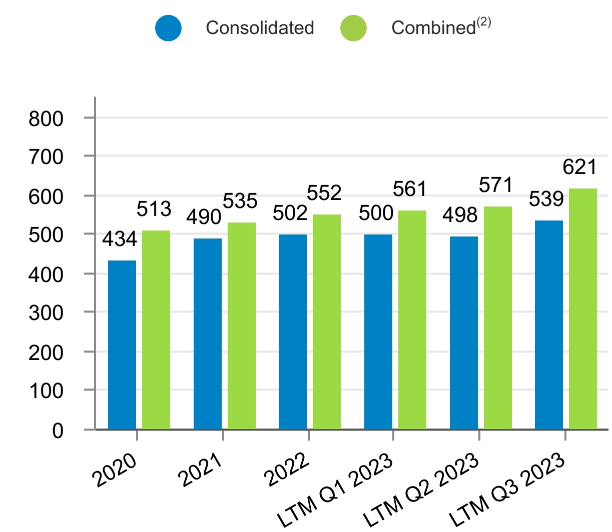
2. Achieve $740 million to $790 million of consolidated EBITDA(A), or $800 million to $850 million of EBITDA(A) on a Combined basis, by 2025

EBITDA(A) amounted to $91 million on a Consolidated basis and $113 million on a Combined basis for the three-month period ended September 30, 2023, compared with $50 million and $63 million, respectively, for the corresponding quarter of 2022.

For the 12-month period ended September 30, 2023, EBITDA(A) amounted to $539 million on a Consolidated basis and $621 million on a Combined basis compared with $502 million and $552 million, respectively, for fiscal 2022. This favourable difference (on a Consolidated basis as well as on a Combined basis) was mainly attributable to the acquisition of interests in wind facilities in the United States at the end of 2022 as well as by the commissioning of wind and solar farms in France.

EBITDA(A)[(1)]

(in millions of Canadian dollars)



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

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

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

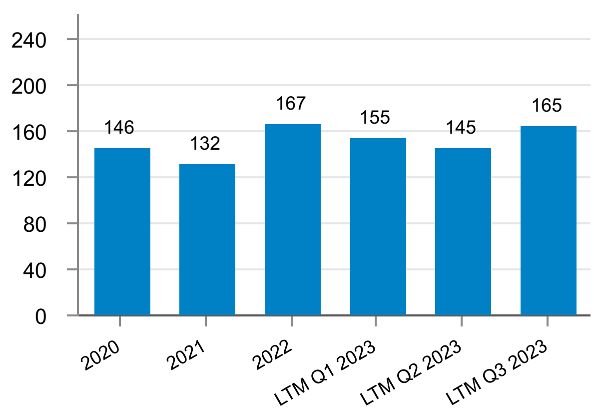
Discretionary cash flows[1] amounted to $21 million for the three-month period ended September 30, 2023, compared with $1 million for the corresponding quarter of fiscal 2022.

This $20 million change was mainly attributable to the fact that during the third quarter of 2022, the Corporation recognized a provision of $28 million for revenues recorded during the first six months of 2022 to reflect the impact of the *Supplementary Budget Act* adopted in August 2022 with retroactive effect to January 1, 2022. Excluding this $28 million provision from discretionary cash flows of the comparative period, discretionary cash flows for the third quarter of 2023 would be lower by $8 million. The difference is mainly due to increases in repayments on project debt, income tax payments and distributions made to non-controlling interests.

For the twelve-month period ended September 30, 2023, discretionary cash flows amounted to $165 million compared with $167 million for the year ended December 31, 2022. This $2 million change was mainly attributable to increases in repayments on project debt and distributions made to non-controlling shareholders, offset by an increase in EBITDA.

Discretionary cash flows[2]

(in millions of Canadian dollars)

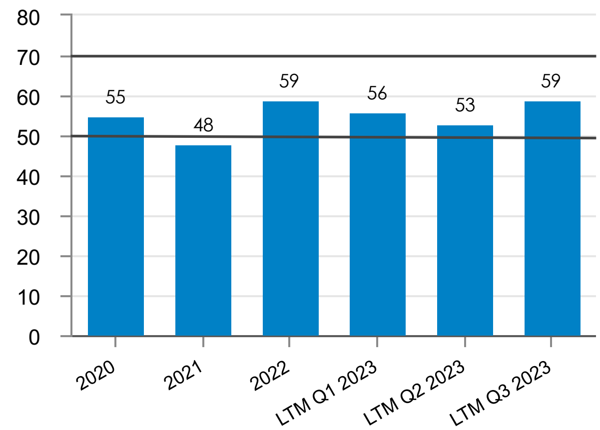


4. Reinvest 50% to 70% of discretionary cash flows in growth

For the 12-month period ended September 30, 2023, the reinvestment ratio[3] stood at 59%, which is within the target range of 50% to 70%.

Reinvestment ratio[3]

(as a %)



(1) Discretionary cash flows for the three month-period ended September 30, 2023, exclude production tax credits of $1 million generated during the period by certain wind farms in the United States, which will be considered in discretionary cash flows when received in 2025. That amount is $8 million for the nine-month period ended September 30, 2023.

(2) 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.

(3) 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

The achievements of the third quarter of 2023 are discussed below.

E
ENVIRONMENT

Grow in a sustainable and resilient manner

Prepared a projection of our GHG emissions up to 2030, and progressed on the development of reduction targets and actions.

S
SOCIETY

Respect the living

Launched the 2nd cohort of the A Effect and the 2023 Leadership Path.

At the Forum de Giverny, an annual meeting of the CSR in France, Nicolas Wolff participated as the Co-Chair of the working group on renewable energy.

Trained the Talent and Culture teams on mental health (17 employees), and trained managers on psychosocial risks (119 managers).

G
GOVERNANCE

Make exemplary management a shared value

Added a diversity target for visible and ethnic minorities to the Board of Directors composition policy.

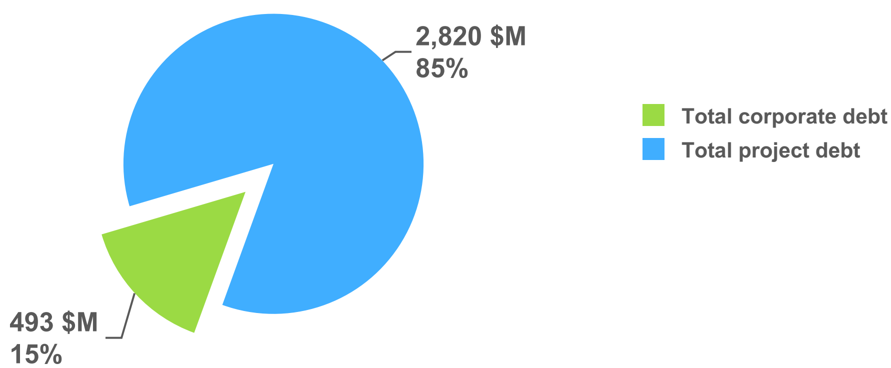
Participated in the Colloque National Éolien (CNE) with turbine manufacturers in Europe, where discussions were held on supply chain CSR aspects.

Was awarded a Gold Medal CSR rating by EcoVadis in Europe.

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 September 30, 2023



The Corporation is continuously looking for opportunities to optimize its financing structures and minimize its capital cost. Boralex is currently exploring various scenarios to generate additional funds for its growth, such as releasing reserve funds at its assets in operation in France following the issuance of letters of credit or financing potential investment tax credits upstream when they are applicable for its projects.

Available cash resources and authorized financing

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at September 30 2023	As at December 31 2022
Available cash and cash equivalents[1]		
Cash and cash equivalents	476	361
Cash and cash equivalents held by entities subject to project debt agreements	(405)	(279)
Bank overdraft	(8)	(12)
Available cash and cash equivalents[1]	**63**	**70**
Credit facilities of the parent company		
Authorized credit facility[2]	450	450
Amounts drawn under the authorized credit facility[3]	(300)	(61)
Unused tranche of the parent company's credit facility	150	389
Unused tranche of the construction facility	179	35
Credit facilities available to fund growth[4]	**329**	**424**
Available cash resources and authorized financing[1]	**392**	**494**

(1) Available cash and cash equivalents and available cash resources and authorized financing are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) Excluding the accordion clause of $150 million.
(3) As at September 30, 2023, this amount included $106 million in letters of credit ($22 million as at December 31, 2022). This $106 million amount will be transferred under project letters of credit and the credit facility guaranteed by Export Development Canada.
(4) 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.

As at September 30, 2023, *Cash and cash equivalents held by entities subject to project debt agreements* included $158 million payable under the inframarginal rent contribution on electricity production and $32 million payable for feed-in premium contracts. As shown in the table above, the Corporation has the financial flexibility to support its growth. Available cash resources and authorized financing will allow Boralex to invest in its current projects, finance the development of new projects to achieve its growth objectives and continue to implement its strategic plan.

Analysis of results, cash flows and financial position - Consolidated

Financial highlights

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended September 30 2023	2022	Change GWh or $	%	Nine-month periods ended September 30 2023	2022	Change GWh or $	%
Power production (GWh)[1]	1,110	1,019	91	9	4,159	3,998	161	4
Revenues from energy sales and feed-in premiums	171	101	70	70	679	496	183	37
Operating income (loss)	13	(31)	44	>100	128	105	23	22
EBITDA(A)[2]	91	50	41	82	381	344	37	11
Net earnings (loss)	(2)	(56)	54	96	75	15	60	>100
Net earnings (loss) attributable to the shareholders of Boralex	(3)	(44)	41	94	59	16	43	>100
Per share (basic and diluted)	($0.03)	($0.44)	$0.41	93	$0.57	$0.16	$0.41	>100
Net cash flows related to operating activities	1	90	(89)	(99)	389	324	65	20
Cash flows from operations[3]	67	40	27	67	284	262	22	8
Dividends paid on common shares	17	17	—	—	51	51	—	—
Dividends paid per common share	$0.1650	$0.1650			$0.4950	$0.4950		
Weighted average number of shares outstanding (basic)	102,766,104	102,762,146			102,765,556	102,713,666		

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at Sept. 30 2023	As at Dec. 31 2022	Change $	%
Total cash, including restricted cash	529	374	155	41
Property, plant and equipment	3,288	3,335	(47)	(1)
Total assets	6,557	6,539	18	—
Debt - Principal balance	3,313	3,346	(33)	(1)
Total liabilities	4,428	4,513	(85)	(2)
Total equity	2,129	2,026	103	5
Net debt to market capitalization ratio[4] (%)	45%	40%		

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

Changes in the portfolio in operation

Project name	Type of transaction	Total capacity (MW)	Effective date	Technology | Country	Energy contract term | Client	Investment type
2021		+ 249 MW			Installed capacity: **2,494 MW**[1]	
Senneterre	Disposal	-35	April 1	Thermal | Canada	N/A	Subsidiary
La Bouleste	Disposal	-10	April 27	Wind | France	N/A	Subsidiary
Remise de Réclainville Repowering	Commissioning	3	May 9	Wind | France	20 yrs | EDF | FiP	Subsidiary
Bois des Fontaines	Commissioning	25	May 12	Wind | France	20 yrs | EDF | FiP-RFP	Subsidiary
Evits & Josaphat Repowering	Commissioning	3	June 24	Wind | France	20 yrs | EDF | FiP	Subsidiary
Bougainville Repowering	Commissioning	6	September 12	Wind | France	20 yrs | EDF | FiP	Subsidiary
Vaughn	Disposal	-1	October 24	Solar | Canada	N/A	Subsidiary
Grange du Causse	Commissioning	12	December 16	Solar | France	20 yrs | Corporate PPA	Subsidiary
Mont de Bézard 2 Repowering	Commissioning	13	December 22	Wind | France	20 yrs | EDF | FiP-RFP	Subsidiary
Moulins du Lohan	Commissioning	65	December 28	Wind | France	20 yrs | EDF | FiP-RFP	Subsidiary
Wind farm portfolio - Boralex US Wind	Acquisition	447	December 29	Wind | United States	10 yrs | Various and market[2]	Joint venture 50%[2]
2022		+ 528 MW			Installed capacity: **3,022 MW**[1]	
Fourth Branch	End of operations	-3	March 23	Hydroelectric | United States	N/A	Subsidiary
Plouguin	Commissioning	3	April 5	Storage | France	Market	Subsidiary
Préveranges	Commissioning	12	June 14	Wind | France	20 yrs | EDF | FiP	Subsidiary
Caumont-Chériennes	Commissioning	17	June 26	Wind | France	20 yrs | EDF | FiP-RFP	Subsidiary
November 8, 2023		+ 29 MW			Installed capacity: **3,051 MW**	

(1) During fiscal 2021, for consistency purposes, an adjustment of 3 MW was made to the French solar facilities.
During fiscal 2023, installed capacity was increased to include the installed capacity of 2 MW of an energy storage unit commissioned on March 1, 2020, on an existing wind farm in France.

(2) Boralex holds a 50% interest in the five wind farms over which it has joint control. Three farms have a long-term power purchase agreement with Exelon, the towns of Georgetown and Garland in Texas and with Southwestern Public Service Company (SPS), which will expire between 2026 and 2035 with a weighted average remaining term of nearly 10 years as at the date of acquisition. Two farms sell all their power to the ERCOT and SPP markets.

Changes to the management model

Starting in the second quarter of 2023, the Corporation made changes to its management model to increase agility in its key markets, which led to a change in the composition of the reportable segments. The Corporation has transitioned from technology-based management to a geographical management model. Boralex has established a business unit in North America, in addition to the existing one in Europe officially helmed by an Executive Vice-President and General Manager, Europe. The regional business units are now consolidating operations in organic development, construction, asset management, energy sales, local mergers and acquisitions as well as support functions such as public affairs, human resources, operational finance and accounting. This is a natural evolution for Boralex, whose success is driven by its close collaborations in its areas of operations as well as its detailed understanding of market specifics and its agility in seizing business opportunities.

Following this change, the reportable segments were determined as the Corporation's two business units, namely **North America** and **Europe**. Comparative segmented information has been restated to reflect the new management model. Each reportable segment derives its revenues from energy sales, mainly from wind farms, hydroelectric power stations and solar power stations.

The reportable segments were determined on the basis of internal reports that are regularly reviewed by the CODM to allocate resources and assess performance of the segments. The CODM of the Corporation is the President and Chief Executive Officer.

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

	Three-month periods ended September 30				Nine-month periods ended September 30			
	2023	2022	Change		2023	2022	Change	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)			GWh or $	%			GWh or $	%
POWER PRODUCTION (GWh)(1)	**1,110**	**1,019**	**91**	**9**	**4,159**	**3,998**	**161**	**4**
North America	610	669	(59)	(9)	2,245	2,521	(276)	(11)
Wind farms	281	372	(91)	(25)	1,270	1,507	(237)	(16)
Solar power stations	132	137	(5)	(3)	348	397	(49)	(13)
Hydroelectric power stations	197	160	37	23	627	577	50	9
Thermal power stations(2)	—	—	—	—	—	40	(40)	(100)
Europe	500	350	150	43	1,914	1,477	437	30
Wind farms	472	331	141	43	1,846	1,428	418	29
Solar power stations	28	19	9	44	68	49	19	38
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUMS	**171**	**101**	**70**	**70**	**679**	**496**	**183**	**37**
North America	67	75	(8)	(11)	257	293	(36)	(12)
Wind farms	38	48	(10)	(23)	172	199	(27)	(14)
Solar power stations	12	13	(1)	(1)	32	35	(3)	(8)
Hydroelectric power stations	17	14	3	19	53	53	—	—
Thermal power stations(2)	—	—	—	—	—	6	(6)	(100)
Europe	104	26	78	>100	422	203	219	>100
Wind power stations	100	18	82	>100	411	187	224	>100
Solar power stations	4	8	(4)	(48)	11	16	(5)	(32)
EBITDA(A)(3)	**91**	**50**	**41**	**82**	**381**	**344**	**37**	**11**
North America	48	53	(5)	(9)	219	233	(14)	(5)
Wind farms	37	41	(4)	(11)	187	188	(1)	—
Solar power stations	10	11	(1)	(10)	25	29	(4)	(13)
Hydroelectric power stations	11	10	1	12	36	39	(3)	(5)
Thermal power stations(2)	—	—	—	—	—	1	(1)	(100)
General expenses(4)	(10)	(9)	(1)	(2)	(29)	(24)	(5)	(19)
Europe	51	5	46	>100	187	133	54	39
Wind farms	58	7	51	>100	218	147	71	47
Solar power stations	4	8	(4)	(53)	9	15	(6)	(43)
General expenses(4)	(11)	(10)	(1)	(12)	(40)	(29)	(11)	(38)
Corporate and eliminations	(8)	(8)	—	2	(25)	(22)	(3)	(14)

(1) Includes compensation following electricity production limitations imposed by customers.
(2) On April 1, 2022, the Corporation sold the Senneterre generating station, the last biomass-based energy production asset in its portfolio.
(3) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
(4) Prior to the introduction of the new management model, these expenses were included under Corporate. See the *Changes to the management model* section.

Financial information by technology for the three- and nine-month periods ended September 30

	Three-month periods ended September 30				Nine-month periods ended September 30			
	2023	2022	Change		2023	2022	Change	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)			GWh or $	%			GWh or $	%
POWER PRODUCTION (GWh)[(1)]	**1,110**	**1,019**	**91**	**9**	**4,159**	**3,998**	**161**	**4**
Wind farms	753	703	50	7	3,116	2,935	181	6
Solar power stations	160	156	4	2	416	446	(30)	(7)
Hydroelectric power stations	197	160	37	23	627	577	50	9
Thermal power stations[(2)]	—	—	—	—	—	40	(40)	(100)
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUMS	**171**	**101**	**70**	**70**	**679**	**496**	**183**	**37**
Wind farms	138	66	72	>100	583	386	197	51
Solar power stations	16	21	(5)	(19)	43	51	(8)	(16)
Hydroelectric power stations	17	14	3	19	53	53	—	—
Thermal power stations[(2)]	—	—	—	—	—	6	(6)	(100)
EBITDA(A)[(3)]	**91**	**50**	**41**	**82**	**381**	**344**	**37**	**11**
Wind farms	95	48	47	94	405	335	70	21
Solar power stations	14	19	(5)	(27)	34	44	(10)	(23)
Hydroelectric power stations	11	10	1	12	36	39	(3)	(5)
Thermal power stations[(2)]	—	—	—	—	—	1	(1)	(100)
General expenses, corporate and eliminations	(29)	(27)	(2)	(4)	(94)	(75)	(19)	(25)

(1) Includes compensation following electricity production limitations imposed by customers.
(2) On April 1, 2022, the Corporation sold the Senneterre power station, the last biomass-based energy production asset in its portfolio.
(3) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

Analysis of consolidated operating results for the three-month period ended September 30, 2023

Increase in operating income and EBITDA(A)[1] for the three-month period ended September 30, 2023, mainly attributable to the reversal of revenues from the first six months of 2022 (retroactive effect) linked to feed-in premium contracts when the *2022 Supplementary Budget Act* was enacted in France and to growth in the Corporation's operating assets.

The following table shows the main differences in production, revenues from energy sales and FiP, and EBITDA(A)[1]:

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Consolidated			
Three-month period ended September 30, 2022	1,019	101	50
Acquisition - interest in wind farms in the United States	—	—	9
Commissioning and temporary shutdowns[2]	60	10	10
Pricing (power purchase agreements and FiP)	—	25	25
Inframarginal rent contribution on electricity production	—	—	(31)
Reversal of 2022 FiP revenues (*2022 Supplementary Budget Act*)	—	28	28
Volume	31	4	4
Foreign exchange effect	—	2	—
Share of earnings in joint ventures and associate - comparable assets	—	—	(3)
Other	—	1	(1)
Three-month period ended September 30, 2023	**1,110**	**171**	**91**
North America			
Three-month period ended September 30, 2022	669	75	53
Acquisition - interest in wind farms in the United States	—	—	9
Volume	(59)	(10)	(10)
Pricing	—	1	1
Share of earnings in joint ventures and associate - comparable assets	—	—	(3)
Other	—	1	(2)
Three-month period ended September 30, 2023	**610**	**67**	**48**
Europe			
Three-month period ended September 30, 2022	350	26	5
Commissioning and temporary shutdowns[2]	60	10	10
Pricing (power purchase agreements and FiP)	—	24	24
Inframarginal rent contribution on electricity production	—	—	(31)
Reversal of 2022 FiP revenues (*2022 Supplementary Budget Act*)	—	28	28
Volume	90	14	14
Foreign exchange effect	—	2	—
Other	—	—	1
Three-month period ended September 30, 2023	**500**	**104**	**51**
Corporate and eliminations			
Three-month period ended September 30, 2022			(8)
Three-month period ended September 30, 2023			**(8)**

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

[2] See the *Changes in the portfolio in operation* table.

Acquisitions, commissioning and disposals

In **North America**, the investment made, at the end of 2022, in three partnerships holding five wind farms in operation in the United States added a share in net earnings of $9 million to EBITDA(A).

In **Europe**, wind and solar farms benefited from the contribution of new facilities commissioned (see the *Changes in the portfolio in operation* table) and the resumption of operations at facilities shut down temporarily owing to repowering work, which added 60 GWh to production, $10 million to revenues from energy sales and FiP and $10 million to EBITDA(A). These favourable differences resulted mainly from the contribution of the wind power stations that added 52 GWh to production and $9 million to revenues from energy sales and FiP and to EBITDA(A).

Due to emergency measures put in place by the French government in order to accelerate the development of renewable energies, facilities recently commissioned in France are authorized to postpone the initially set deadline to activate their feed-in premium agreements by 18 months. During this period, the Corporation can sell its energy on the markets or negotiate prices under short-term contracts.

Volume - comparable assets

In **North America**, the segment's comparable assets recorded a decrease in production of 59 GWh, leading to an unfavourable difference of $10 million for both revenues from energy sales and FiP, and EBITDA(A). Wind conditions at wind farms were less favourable than in the third quarter of 2022, which resulted in a decrease in production of 91 GWh or 25% in Canada. Water flow conditions at hydroelectric power stations in the United States were favourable, resulting in an increase in production of 56 GWh, while in Canada, water flow conditions were unfavourable, leading to a decrease in production of 19 GWh or 16% compared with the same period in 2022. Solar power stations in the United States recorded a decrease of 5 GWh or 3%.

In **Europe**, the segment's comparable assets recorded an increase in production of 90 GWh, leading to a favourable difference of $14 million for both revenues from energy sales and FiP, and EBITDA(A). Wind farms experienced more favourable wind conditions compared with the third quarter of 2022, resulting in an increase of 89 GWh or 27% in production.

Overall, favourable wind conditions in Europe and water flow conditions in the United States more than offset poor wind conditions in North America.

Pricing (power purchase agreements and FiP)

Revenues from energy sales and FiP and EBITDA(A) were up $25 million compared with the third quarter of 2022, driven primarily by the following factors in **Europe**:

- The early termination of power purchase agreements in France during the third quarter of 2022, followed by the implementation of new contracts with high electricity prices for an impact of $33 million;
- An unfavourable difference of $12 million linked to a decrease in market prices in 2023 compared with the corresponding period of last year for facilities authorized to postpone the deadline to activate their electricity contracts.

FiP revenues (before adoption of the 2022 *Supplementary Budget Act*)

During the third quarter of 2022, the Corporation recorded a provision for revenues from the first six months of 2022 to reflect the impact of the Act, as a result of which the revenues linked to FiP contracts in France are higher by $28 million in 2023. The Corporation fully benefited from the difference between the selling price of energy and the reference tariffs of certain FiP contracts when such difference exceeded the sums received since the start of the contract. In August 2022, the *Supplementary Budget Act* was enacted by the French government, resulting in an obligation to pay the French government the difference between the market selling prices received and the reference tariffs of the FiP contracts. The retroactive effect of this law from January 1, 2022 was accounted for when the law was promulgated, during the third quarter of 2022.

Inframarginal rent contribution on electricity production

In December 2022, the French government adopted an act under which a contribution of 90% of revenues in excess of a threshold has to be paid to the government for the period from July 1, 2022 to December 31, 2023. The price threshold varies by technology and was set at €100/MWh for solar power stations and wind farms. This act applies to energy sold directly on the market or under new contracts once the power purchase agreements expire, as well as to facilities having terminated their power purchase agreements early. During the third quarter of 2023, an amount of $31 million was recorded under operating expenses as an inframarginal rent contribution.

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

For the three-month period ended September 30, 2023, the Corporation recorded operating income of $13 million, compared with an operating loss of $31 million for the corresponding period of 2022, an increase of $44 million. EBITDA(A) grew by 82% or $41 million from $50 million to $91 million. The $3 million difference between the change in EBITDA(A) and the change in operating income is due to the share in net earnings of joint ventures acquired at the end of December 2022, which is included in EBITDA(A) but not in operating income.

Relationship between revenues and operating expenses

Excluding the acquisitions, disposals, facilities commissioned and temporary shutdowns due to repowering work, revenues from energy sales and FiP grew by 60% in the third quarter of 2023 compared with a year earlier, while operating expenses more than doubled, mainly due to the recording of a $31 million provision for the inframarginal rent contribution on electricity production. Excluding the inframarginal rent contribution on electricity production, operating expenses increased by 17%. The differences in electricity production (volume) and prices described above explain the change in revenues from energy sales and FiP, which have no direct effect on operating expenses.

Net loss

Overall, for the three-month period ended September 30, 2023, Boralex recognized a net loss of $2 million, compared with a net loss of $56 million for the same period of 2022.

As shown in the following table, Boralex reported a net loss attributable to shareholders of Boralex of $3 million or $0.03 per share (basic and diluted) for the third quarter of 2023, compared with a net loss of $44 million or $0.44 per share (basic and diluted) for the corresponding period of 2022.

Main differences in net loss attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

Net loss for the three-month period ended September 30, 2022	(44)
EBITDA(A)[1]	41
Change in fair value of a derivative included in the share of joint ventures	(1)
Amortization	11
Acquisition and integration costs	2
Financing costs	(3)
Income taxes	(6)
Non-controlling interests	(13)
Other gains	(2)
Other	12
Change	41
Net loss for the three-month period ended September 30, 2023	(3)

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

The $41 million favourable difference resulted mainly from:

- A $41 million increase in EBITDA(A);
- An $11 million decrease in amortization expense following accelerated amortization of power purchase agreements in 2022 for which the Corporation exercised its right to early termination;
- A favourable variance of $12 million, mainly composed of changes in financial instruments.

Partly offset by:

- A $3 million increase in financing costs;
- A decrease in income tax recovery mainly due to the decrease in the loss on earnings for the third quarter of 2023 compared to the same quarter of 2022;
- A $13 million increase related to non-controlling interests in line with the Corporation's improved net results.

Analysis of consolidated operating results for the nine-month period ended September 30, 2023

Increase of 22% in operating income and increase of 11% in EBITDA(A)[(1)], mainly attributable to increased production at wind farms for comparable facilities in Europe and the commissioning of wind farms and solar power stations, as well as to the acquisition of an interest in wind farms in the United States.

The following table shows the main differences in production, revenues from energy sales and FiP, and EBITDA(A)[(1)]:

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[(1)]
Consolidated			
Nine-month period ended September 30, 2022	3,998	496	344
Acquisition - Interest in wind farms in the United States	—	—	31
Commissioning and temporary shutdowns[(2)]	239	39	33
Disposal[(2)]	(40)	(6)	(2)
Pricing (power purchase agreements and FiP)	—	148	148
Inframarginal rent contribution on electricity production	—	—	(143)
Volume	(38)	(7)	(7)
Foreign exchange effect	—	12	8
Payroll[(3)]	—	—	(12)
Development	—	—	(4)
Share of earnings in joint ventures and associates - comparable assets	—	—	(7)
Other	—	(3)	(8)
Nine-month period ended September 30, 2023	**4,159**	**679**	**381**
North America			
Nine-month period ended September 30, 2022	2,521	293	233
Acquisition - Interest in wind farms in the United States	—	—	31
Disposal[(2)]	(40)	(6)	(2)
Volume	(236)	(33)	(33)
Foreign exchange effect	—	3	2
Payroll[(3)]	—	—	(5)
Development	—	—	1
Share of earnings in joint ventures and associates - comparable assets	—	—	(7)
Other	—	—	(1)
Nine-month period ended September 30, 2023	**2,245**	**257**	**219**
Europe			
Nine-month period ended September 30, 2022	1,477	203	133
Commissioning and temporary shutdowns[(2)]	239	39	33
Pricing (power purchase agreements and FiP)	—	148	148
Inframarginal rent contribution on electricity production	—	—	(143)
Volume	198	26	26
Foreign exchange effect	—	9	6
Payroll[(3)]	—	—	(3)
Development	—	—	(5)
Other	—	(3)	(8)
Nine-month period ended September 30, 2023	**1,914**	**422**	**187**
Corporate and eliminations			
Nine-month period ended September 30, 2022			(22)
Payroll[(3)]			(4)
Other			1
Nine-month period ended September 30, 2023			**(25)**

(1) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) See the *Changes in the portfolio in operation* table.
(3) Excludes payroll related to development activities, which is reported separately.

Acquisitions, commissioning and disposals

In **North America**, the investment made, at the end of 2022, in three partnerships holding five wind farms in operation in the United States added a share in earnings of $31 million to EBITDA(A). The disposal of the Senneterre power station in Canada led to decreases of 40 GWh in production, $6 million in revenues from energy sales and FiP and $2 million to EBITDA(A).

In **Europe**, wind farms and solar power stations benefited from the contribution of new facilities commissioned (see the *Changes in the portfolio in operation* table) and the resumption of operations at facilities shut down temporarily owing to repowering work, which added 239 GWh to production, $39 million to revenues from energy sales and FiP and $33 million to EBITDA(A). These favourable differences resulted mainly from the contribution of wind farms that added 219 GWh to production, $35 million to revenues from energy sales and FiP and $30 million to EBITDA(A).

Volume - comparable assets

In **North America**, the segment's comparable assets recorded a decrease in production of 236 GWh, leading to an unfavourable difference of $33 million for both revenues from energy sales and FiP, and EBITDA(A). Wind farms experienced less favourable wind conditions than in the comparative period, resulting in a decline in production of 237 GWh or 16% in Canada. In the United States, hydroelectric power stations experienced favourable water flow conditions, resulting in an increase of 68 GWh or 25% in production compared with the corresponding period one year earlier. However, solar power stations in the United States experienced less favourable conditions, recording a decrease of 49 GWh or 13% in production.

In **Europe**, the segment's comparable assets recorded a 198 GWh increase in production, adding $26 million to both revenues from energy sales and FiP and EBITDA(A). Wind farms benefited from more favourable wind conditions compared to the corresponding period of 2022, which resulted in an increase in production of 199 GWh or 14%.

Pricing (power purchase agreements and FiP)

For the nine-month period ended September 30, 2023, a favourable difference of $148 million was recorded for both revenues from energy sales and FiP and EBITDA(A), compared to the corresponding period of 2022. This difference was mainly attributable to the following factors in **Europe**:

- The early termination of purchase agreements in France during the third quarter of 2022, followed by the implementation of new contracts in line with high electricity prices for an impact of $154 million;
- An unfavourable difference of $15 million owing to lower market prices in 2023 compared with the corresponding period of 2022 for facilities authorized to postpone the activation of their electricity contracts.

Inframarginal rent contribution on electricity production - tax in France - enacted in 2022

The provision recorded with respect to this new law amounted to $143 million (€99 million).

Share of joint ventures and associates - comparable assets

Overall, excluding the $31 million share from the acquired interest in wind farms in the United States, the comparable facilities of joint ventures and associates experienced less favourable wind conditions than in the corresponding period of 2022, giving rise to the unfavourable difference of $7 million.

Foreign exchange effect

For the nine-month period ended September 30, 2023, fluctuations in the euro and the US dollar resulted in increases in revenues from energy sales and FiP of $12 million and EBITDA(A) of $8 million.

Payroll

The higher payroll in the first nine months of 2023 related to operations and administration, owing mostly to the increase in the workforce driven by the Corporation's growth, resulted in an unfavourable difference of $12 million in EBITDA(A).

Reconciliation between EBITDA(A) and operating income

During the nine-month period ended September 30, 2023, the Corporation recorded operating income of $128 million, compared to $105 million for the corresponding period of 2022, an increase of $23 million or 22%. EBITDA(A) grew by 11% or $37 million from $344 million to $381 million. The $14 million difference between the change in EBITDA(A) and the change in operating income is mainly due to the share in net earnings generated during the first nine months of 2023 from the joint ventures acquired at the end of December 2022, which is included in EBITDA(A) but not in operating income.

Relationship between revenues and operating expenses

Excluding acquisitions, disposals, facilities commissioned and temporary shutdowns due to repowering work, revenues from energy sales and FiP were up by 44% in the first nine months of 2023 compared with 2022, while operating expenses more than doubled owing mainly to the $143 million provision recorded for the inframarginal rent contribution on electricity production and increases in payroll and maintenance costs. Excluding the inframarginal rent contribution on electricity production, operating expenses increased by 22%. The differences in electricity production (volume) and prices described above explain the change in revenues from energy sales and FiP, which have no direct effect on operating expenses.

Net earnings

For the nine-month period ended September 30, 2023, Boralex recognized net earnings of $75 million, compared with $15 million for the same period of 2022.

As shown in the table below, the Corporation reported net earnings attributable to shareholders of Boralex of $59 million or $0.57 per share (basic and diluted) for the nine-month period ended September 30, 2023, compared with net earnings attributable to shareholders of Boralex of $16 million or $0.16 per share (basic and diluted) in 2022.

Main differences in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

Net earnings for the nine-month period ended September 30, 2022	16
EBITDA(A)[(1)]	37
Change in fair value of a derivative included in the share of earnings from joint ventures	(9)
Amortization	10
Impairment	3
Acquisition and integration costs	3
Financing costs	3
Non-controlling interests	(17)
Other gains	(2)
Other	15
Change	43
Net earnings for the nine-month period ended September 30, 2023	59

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

The $43 million favourable difference resulted mainly from:

- A $37 million increase in EBITDA(A);
- A $10 million decrease in amortization expense;
- A $3 million decrease in the impairment charge compared with the corresponding period of 2022;
- A $3 million decrease in financing costs due to the early repayment of project debt and interest income on available cash resources;
- A favourable variance of $15 million, mainly composed of changes in financial instruments.

Partly offset by:

- A $17 million unfavourable difference related to non-controlling interests;
- A $9 million decrease in fair value of a derivative included in the power purchase agreement of a joint venture.

Cash flows

Cash flows as at September 30, 2023 reflected the expansion of Boralex's operating base over the past year.

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars) (unaudited)	2023	2022	2023	2022
Net cash flows related to operating activities	1	90	389	324
Net cash flows related to investing activities	(59)	(60)	(208)	(197)
Net cash flows related to financing activities	(68)	(99)	(61)	245
Translation adjustment on cash and cash equivalents	—	(3)	(1)	1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(126)**	**(72)**	**119**	**373**
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**594**	**701**	**349**	**256**
CASH AND CASH EQUIVALENTS – END OF PERIOD	**468**	**629**	**468**	**629**

	As at September 30	
(in millions of Canadian dollars) (unaudited)	2023	2022
Cash and cash equivalents	476	629
Bank overdraft	(8)	—
	468	629

For the three-month period ended September 30, 2023

Operating activities

For the three-month period ended September 30, 2023, Boralex reported $67 million in cash flows from operations, compared with $40 million for the same period last year. This $27 million increase was driven mainly by a $36 million increase in EBITDA(A), net of the non-cash items. This favourable difference was partly offset by a $4 million increase in income taxes paid in Europe and a $5 million increase in interest paid.

The change in non-cash operating items in the third quarter of 2023 used funds in the amount of $66 million. This change was mainly attributable to a decrease in *Trade and other payables* following a $64 million net decrease in the provision related to the inframarginal rent contribution on electricity production, which resulted from a $31 million increase in the provision for 2023, less a $95 million payment, and plus an $11 million payment on the provision for amounts payable to the government of France under the 2022 *Supplementary Budget Act* on feed-in premiums. This was partly offset by a decrease in *Trade and other receivables* due to the receipt of value added tax refunds in France for commissioned facilities.

Operating activities genereted net cash flows totalling $1 million in the third quarter of 2023.

Investing activities

Net cash flows related to investing activities represented a cash outflow of $59 million for the third quarter of 2023 compared with $60 million for the same period of 2022. The Corporation invested $62 million in new property, plant and equipment and in prepayments, including $60 million in the wind power projects in Europe. In addition, the Corporation made a capital contribution of $29 million, mainly for the Apuiat wind farm, and disbursed an amount of $12 million as additional consideration for a wind project in France. A $61 million return of capital from joint ventures and associates was received, following financing of the Apuiat wind farm.

Segment and technological breakdown of disbursements related to additions and prepayments for property, plant and equipment

(in millions of Canadian dollars) (unaudited)	Maintenance of operations	Construction[1]	Other	Total
North America				
Hydroelectric	1	—	—	**1**
North America - total	**1**	**—**	**—**	**1**
Europe				
Wind	—	59	—	**59**
Other	—	—	1	**1**
Europe - total	**—**	**59**	**1**	**60**
Corporate	**—**	**—**	**1**	**1**
Total	**1**	**59**	**2**	**62**

[1] See the *Changes in the portfolio in operation* table.

In the third quarter of 2022, Boralex invested $40 million in additions to property, plant and equipment and in prepayments, mainly in the wind power project portfolio in France.

Financing activities

Financing activities for the three-month period ended September 30, 2023 required total net cash flows of $68 million.

New financing arrangements and repayments on existing debt

During the quarter, the Corporation repaid a net amount of $60 million from its revolving credit facility while non-current debt increased by $196 million, mainly due to the arrangement of the incremental tranche under the term loans of the Boralex Production and Sainte-Christine portfolios of wind farms and projects. The Corporation also repaid non-current project debt mainly related to sites in operation for a total of $44 million and repaid the construction facility of the Boralex Energy Investments portfolio in the amount of $131 million.

Dividends and other items

During the three-month period ended September 30, 2023, the Corporation paid dividends to shareholders totalling $17 million, the same as for the corresponding period of 2022. For both periods, dividends paid were equivalent to $0.1650 per share per quarter.

Net change in cash and cash equivalents

Total cash movements in the third quarter of 2023 resulted in a $126 million decrease, bringing *Cash and cash equivalents* to $468 million as at September 30, 2023.

For the nine-month period ended September 30, 2023

Operating activities

For the nine-month period ended September 30, 2023, Boralex reported $284 million in cash flows from operations, compared with $262 million for the same period last year. This $22 million increase was mainly attributable to a $15 million increase in EBITDA(A), net of non-cash items, and a $16 million increase in distributions received. These favourable differences were partly offset by a $16 million increase in taxes paid. The increase in taxes paid resulted primarily from the growth in earnings in France and the installment payment made to the French government while the higher distributions received were related to the wind farms acquired in the United States at the end of 2022.

The change in non-cash operating items for the first nine months of 2023 generated funds in the amount of $105 million. This change was mainly attributable to the following items:

- A $112 million decrease in *Trade and other receivables* following the higher collection of accounts receivable of the last quarter of 2022 due to the seasonal cycle of wind generation and changes in market prices and to the receipt of value added tax refunds in France for commissioned facilities;
- A decrease in *Trade and other payables* due to the $51 million net decrease in the provisions in respect of feed-in premium contracts, offset by the $48 million net increase in the provision in respect of the inframarginal rent contribution on electricity production as explained in the *Financial position* section. The Corporation also made various payments to suppliers related to construction sites in Europe.

Operating activities generated net cash flows totalling $389 million in the first nine months of 2023, compared with $324 million for the same period a year earlier.

Investing activities

Net cash flows related to investing activities represented a cash outflow of $208 million for the first nine months of 2023 compared with $197 million for the same period of 2022 due to the following:

- A $179 million investment in new property, plant and equipment, and in prepayments for assets under construction, including $171 million in Europe, primarily for the wind power projects, and $7 million in North America;
- A $19 million increase in restricted cash mainly for payments related to facilities under construction, partly offset by the outflow for repayment of a debt;
- A $37 million capital contribution, mainly for the Apuiat wind power project;
- A $61 million return of capital from the joint ventures and associates following the financing of the Apuiat wind power project.

Segment and technological breakdown of disbursements related to additions and prepayments for property, plant and equipment

(in millions of Canadian dollars) (unaudited)	Maintenance of operations	Construction[1]	Other	**Total**
North America				
Hydroelectric	6	—	—	**6**
Other	—	—	1	**1**
North America -	**6**	**—**	**1**	**7**
Europe				
Wind	2	159	—	**161**
Solar	—	7	—	**7**
Storage	—	1	—	**1**
Other	—	—	2	**2**
Europe - total	**2**	**167**	**2**	**171**
Corporate	**—**	**—**	**1**	**1**
Total	**8**	**167**	**4**	**179**

[1] See the *Changes in the portfolio in operation* table.

In the first nine months of 2022, Boralex invested $96 million in additions to property, plant and equipment and made prepayments totalling $75 million for construction sites, mainly in the wind power projects portfolio in France.

Financing activities

Financing activities for the nine-month period ended September 30, 2023 required net cash outflows of $61 million.

New financing arrangements and repayments on existing debt

During the nine-month period ended September 30, 2023, the Corporation drew down a net amount of $152 million from its revolving credit facility while non-current debt increased by $212 million, following drawdowns on various financings. The Corporation repaid non-current project debt mainly related to sites in operation for a total of $182 million and repaid early the CDPQ Fixed Income Inc. loan and the construction facility of the Boralex Energy Investments portfolio for a total of $208 million. The Corporation also paid $13 million in lease liabilities.

Also, the Corporation received a $54 million contribution from a minority shareholder for the first nine months of the year.

Dividends and other items

During the nine-month period ended September 30, 2023, the Corporation paid dividends to shareholders totalling $51 million, the same as for the corresponding period of 2022. For both periods, dividends paid were equivalent to $0.1650 per share per quarter.

Net change in cash and cash equivalents

Total cash movements in the nine-month period ended September 30, 2023, resulted in a $119 million increase, bringing *Cash and cash equivalents* to $468 million as at September 30, 2023.

Financial position

Overview of the consolidated condensed statements of financial position

(in millions of Canadian dollars) (unaudited)	As at September 30, 2023	As at December 31, 2022	Change ($)
ASSETS			
Cash and cash equivalents	476	361	115
Restricted cash	53	13	40
Other current assets	152	264	(112)
CURRENT ASSETS	681	638	43
Property, plant and equipment	3,288	3,335	(47)
Right-of-use assets	347	340	7
Intangible assets	1,011	1,059	(48)
Goodwill	233	233	—
Interests in joint ventures and associates	538	536	2
Other non-current assets	459	398	61
NON-CURRENT ASSETS	5,876	5,901	(25)
TOTAL ASSETS	6,557	6,539	18
LIABILITIES			
Bank overdraft	8	12	(4)
Trade and other payables	323	377	(54)
Current portion of debt	228	404	(176)
Other current liabilities	25	28	(3)
CURRENT LIABILITIES	584	821	(237)
Debt	3,023	2,873	150
Lease liabilities	306	300	6
Other non-current liabilities	515	519	(4)
NON-CURRENT LIABILITIES	3,844	3,692	152
TOTAL LIABILITIES	4,428	4,513	(85)
EQUITY			
Equity attributable to shareholders	1,717	1,681	36
Non-controlling interests	412	345	67
TOTAL EQUITY	2,129	2,026	103
TOTAL LIABILITIES AND EQUITY	6,557	6,539	18

Highlights

Assets

As at September 30, 2023, Boralex's total assets amounted to $6,557 million, up $18 million from total assets of $6,539 million as at December 31, 2022. This difference resulted from an increase of $43 million in *Current assets* and a decrease of $25 million in *Non-currents assets.*

The $43 million change in *Current assets* was mainly attributable to the $115 million increase in *Cash and cash equivalents*, as discussed previously in the *Cash flows* section. In addition, *Restricted cash* increased by $40 million, attributable to the reclassification of restricted cash related to the dispute over local content in respect of which the parties reached a comprehensive settlement during the second quarter of 2023 as well as to an increase related to facilities under construction.

These increases were partly offset by the $112 million decline in *Other current assets*, owing primarily to the decrease in *Trade and other receivables* following the decline in selling and market prices as well as seasonal fluctuations.

Non-current assets were down $25 million due primarily to the following:

- A $47 million decrease in *Property, plant and equipment* (net of amortization for the period), which breaks down as follows:
  - Additions during the period for an amount of $111 million mainly related to projects under construction;
  - A $14 million decrease related to exchange rate fluctuations;
  - A $144 million decrease related to amortization of assets in operation.

- A $48 million decrease in *Intangible assets* mostly as a result of the $57 million amortization expense for assets in operation. However, development projects led to a $11 million increase in intangible assets.

- *Interests in joint ventures and associates* remained stable, due to:
  - A $37 million increase mainly related to a capital contribution to the Apuiat wind farm;
  - A $49 million share in net earnings, which mainly resulted from the acquisition of wind power stations in the United States and the fluctuation in fair value of a derivative associated with a joint venture's power purchase agreement;
  - A favourable difference of $9 million in share of other comprehensive income;
  - A decrease resulting from $32 million in distributions;
  - A decrease resulting from a return of capital of $61 million following the financing of the Apuiat wind farm.

- A $61 million favourable difference in *Other non-current assets*, owing to the following changes:
  - An $8 million increase in *Other non-current financial assets* resulting from the $29 million increase in fair value of financial instruments given higher long-term interest rates, partly offset by the reclassification of $21 million in reserve funds to *Restricted cash;*
  - A $53 million increase in *Other non-current assets*, mainly related to prepayments for sites under construction.

Current liabilities

As at September 30, 2023, *Current liabilities* amounted to $584 million compared with $821 million as at December 31, 2022. The $237 million decrease was attributable primarily to the following:

- A $54 million decrease in *Trade and other payables* mainly due to:
  - The reversal for $12 million of a provision for additional consideration payable for a wind project in France, following payment;
  - A $48 million (€34 million) net increase in the provision related to the inframarginal rent contribution on electricity production resulting from a $143 million (€99 million) increase for 2023 less a $95 million (€65 million) payment;
  - A $51 million (€35 million) net decrease in the provision related to feed-in premium contracts resulting from an $11 million (€7 million) increase for 2023 less a $61 million (€42 million) payment;
  - The remaining change is mainly attributable to a decrease in construction accounts payable following the commissioning of wind farms in France.

- A $176 million decrease in the *Current portion of debt* owing mainly to the early repayment of the $58 million (€40 million) CDPQ Fixed Income Inc. term loan and the repayment of the $120 million (€83 million) current portion as at December 31, 2022 on the construction facility of the Boralex Energy Investments portfolio of projects using the incremental tranche under term loans in Europe.

Working capital[1]

As at September 30, 2023, the Corporation had working capital of $97 million for a working capital ratio[1] of 1.17:1, compared with negative working capital of $183 million and a ratio of 0.78:1 as at December 31, 2022.

Non-current liabilities

Total *Non-current liabilities* grew by $152 million to $3,844 million as at September 30, 2023.

This growth was mainly due to the $150 million increase in *Non-current debt* which resulted mainly from:

- A $152 million net increase related to the change in the revolving credit facility;
- A $212 million increase mainly owing to the supplemental financing of the incremental tranche under the term loans of the Boralex Production and Sainte-Christine portfolios for an amount of $183 million (€125 million), as well as an amount of $24 million (€16 million) for the Les Moulins du Lohan wind power station;
- A $178 million decrease related to the repayments on non-current project debt and to an amount of $29 million (€19 million) for the repayment of a construction facility of the Boralex Energy Investments portfolio of projects;
- A $9 million decrease in value resulting from exchange rate fluctuations.

As at September 30, 2023, Boralex had $329 million in credit facilities available to fund growth[2] and an amount of $392 million in available cash resources and authorized financing.[3] For further information, see the *Strategic plan follow up - 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. On April 14, 2023, Boralex's letter of credit facility guaranteed by Export Development Canada was increased by $125 million, bringing its total authorized amount to $200 million.

[1] Working capital and working capital ratio are supplementary financial measures. For more details, see the *Non-IFRS and other financial measures* section in this report.

[2] 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.

[3] Available cash resources and authorized financing are a non-GAAP financial measure and do not have a standardized definition 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.

As at September 30, 2023, the Corporation has access to the following letter of credit facilities:

(in millions of Canadian dollars) (unaudited)	As at Sept. 30, 2023		As at Dec. 31, 2022	
	Authorized	Issued	Authorized	Issued
EDC	200	98	75	47
Related to project debt	143	108	144	109
	343	206	219	156

Moreover, as at September 30, 2023, the Corporation drew down $106 million ($22 million as at December 31, 2022) on its letter of credit facilities under its revolving credit facility.

Equity

During the nine-month period ended September 30, 2023, total *Equity* rose $103 million to $2,129 million. This increase resulted from the $54 million contribution from a non-controlling shareholder, from $75 million in net earnings and a $29 million increase in *Other comprehensive income*, related primarily to the change in fair value of financial instruments. This increase was partly offset by the $51 million paid in dividends to Boralex's shareholders.

Debt ratios[(1)]

Net debt[(1)] amounted to $2,792 million as at September 30, 2023, compared with $2,984 million as at December 31, 2022.

As a result, the net debt to market capitalization ratio went from 40% as at December 31, 2022 to 45% as at September 30, 2023. As at September 30, 2023, *Cash and cash equivalents* included $158 million ($110 million as at December 31, 2022) payable under the inframarginal rent contribution on electricity production and $32 million ($83 million as at December 31, 2022) payable for feed-in premium contracts. Excluding these amounts from net debt, the net debt ratio would be 47% as at September 30, 2023, and 42% as at December 31, 2022.

Boralex’s closing share price was $29.18 per share as at September 30, 2023, compared with $40.02 per share as at December 31, 2022.

Information about the Corporation’s equity

As at September 30, 2023, Boralex’s capital stock consisted of 102,766,104 Class A shares issued and outstanding (102,762,850 as at December 31, 2022) due to the issuance of 3,254 shares following the exercise of stock options held by management and key employees.

As at September 30, 2023, there were 277,120 outstanding stock options, 149,097 of which were exercisable.

From October 1 to November 8, 2023, no new shares were issued on exercise of stock options.

Related party transactions

The Corporation has a $250 million financing arrangement with a subsidiary of the CDPQ in the form of an unsecured term loan with a 10-year maturity with repayment of the full amount on the maturity date as well as a €40 million term loan which was entirely repaid in advance during the first quarter of 2023. For the nine-month period ended September 30, 2023, the interest related to these loans amounted to $11 million ($12 million in 2022). As at September 30, 2023, the CDPQ, one of Canada’s largest institutional investors, held 13.9% of Boralex’s outstanding shares following an increase in its interest in the Corporation during the third quarter of 2023.

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

The Corporation charges management fees and maintenance costs to certain joint ventures for services rendered. The related revenues for the nine-month period ended September 30, 2023, amounted to $17 million ($10 million in 2022).

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

Seasonal factors

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Dec 31, 2021	March 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	March 31, 2023	June 30, 2023	Sep 30, 2023
POWER PRODUCTION (GWh)								
Wind power stations	1,168	1,337	894	703	1,355	1,387	976	753
Hydroelectric power stations	223	189	229	160	175	208	222	197
Solar power stations	81	115	175	156	89	101	155	160
Thermal power stations(1)	20	40	—	—	—	—	—	—
	1,492	1,681	1,298	1,019	1,619	1,696	1,353	1,110
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	164	192	128	66	295	269	176	138
Hydroelectric power stations	18	18	21	14	18	18	18	17
Solar power stations	7	11	19	21	9	11	16	16
Thermal power stations(1)	3	6	—	—	—	—	—	—
	192	227	168	101	322	298	210	171
OPERATING INCOME (LOSS)	74	91	45	(31)	7	77	38	13
EBITDA(A)(2)								
Wind power stations	152	170	117	48	173	183	127	95
Hydroelectric power stations	13	13	15	10	12	13	12	11
Solar power stations	5	9	16	19	3	7	13	14
Thermal power stations(1)	—	2	—	—	—	—	—	—
	170	194	148	77	188	203	152	120
Corporate and eliminations	(18)	(21)	(27)	(27)	(30)	(32)	(33)	(29)
	152	173	121	50	158	171	119	91
NET EARNINGS (LOSS)	20	57	14	(56)	(7)	55	22	(2)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	17	50	10	(44)	14	43	19	(3)
Per share (basic and diluted)	$0.17	$0.49	$0.10	($0.44)	$0.14	$0.41	$0.19	($0.03)
CASH FLOWS FROM OPERATIONS(3)	116	136	86	40	141	141	76	67

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

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by energy type. 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 by the following factors:

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

	Installed capacity (MW)(2)	Power production average of the past five years(1)			
		Q1	Q2	Q3	Q4
Wind	2,613	32%	20%	17%	31%
Solar	255	20%	32%	32%	16%
Hydroelectric	178	24%	30%	20%	26%
Total power production(3)	3,046	31%	22%	17%	30%

(1) The power production average over the past five years is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) As of November 8, 2023.
(3) The calculation of the power production average of the past five years includes the production of energy from thermal power stations.

Financial risk management

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

Foreign exchange risk

The Corporation is exposed to foreign exchange risk through:

Net investments in foreign operations – The Corporation operates internationally and is subject to fluctuations in exchange rates on its investments in foreign operations and primarily on the residual liquidity that can be distributed to the parent company. The Corporation benefits from partial natural coverage from this risk exposure, as revenues, expenses and financing are in the local currencies. The Corporation contracts debt denominated in foreign currencies and derivative financial instruments, including foreign exchange forward contracts and cross-currency swaps to mitigate this risk. Cross-currency swaps mainly provide a hedge of the net investment in Europe and allow the conversion of the amounts drawn from the revolving credit facility in Canada to benefit from lower interest rates in other countries. A similar strategy is implemented through foreign exchange forward contracts in the United States.

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

Price risk

Revenues from energy sales – The energy sales price risk represents the risk that future cash flows will fluctuate based on changes in prices that vary according to supply, demand and certain external factors including weather conditions, and the price of energy from other sources. As at September 30, 2023, the majority of the power stations have long-term energy sales contracts with fixed prices of which the vast majority are subject to partial or full indexation clauses tied to inflation or feed-in premiums at partially indexed prices. The Corporation is thus exposed to fluctuations in energy prices when power production is sold at market prices without feed-in premiums or under variable price contracts. In France, since 2022, the Corporation can sell the power generated from newly commissioned facilities at market prices for an 18-month period before activating the feed-in premium agreement. This allows the Corporation to sell its production on electricity markets or negotiate prices under short-term contracts. As at September 30, 2023, about 3% of the Corporation's power production was sold at market prices without feed-in premiums or under variable price contracts and an additional 4% was sold on the market by facilities that benefit from a postponement of their feed-in premium contract.

Interest rate risk

As at September 30, 2023, about 85% of term loans–projects bore interest at variable rates,[(1)] exposing the Corporation to fluctuations in the loan amounts. Due to the anticipated rate increases and to mitigate this risk, the Corporation has entered into interest rate swaps in addition to traditional swaps to lock in loan interest rates, thereby reducing its exposure to 10% of total debt.[(1)]

The following table summarizes the Corporation's designated and economic hedging relationships as at September 30, 2023:

(in millions of Canadian dollars) (unaudited)				Current notional		Fair value[(1)]	
Hedging instrument	Hedge type	Hedged risk	Currency	(currency of origin)	(CAD)	(currency of origin)	(CAD)
DESIGNATED HEDGING RELATIONSHIPS							
Interest rate swaps	Cash flow	Interest rate risk	EUR	664	953	87	125
Interest rate swaps	Cash flow	Interest rate risk	USD	133	180	32	43
Interest rate swaps	Cash flow	Interest rate risk	CAD	984	984	152	152
Cross-currency swaps	Net investment	Foreign exchange risk	EUR for CAD	264	368	(11)	(11)
Foreign exchange forward contracts	Net investment	Foreign exchange risk	USD for CAD	69	88	(4)	(4)
ECONOMIC HEDGING RELATIONSHIP							
US. dollar-denominated debt	Economic	Foreign exchange risk	USD	142	193	—	—

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

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

Non-IFRS and other financial measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses performance measures. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations. The non-IFRS and other financial measures also provide investors with insight into the Corporation's decision making as the Corporation uses these non-IFRS financial measures to make financial, strategic and operating decisions. The non-IFRS and other financial measures should not be considered as substitutes for IFRS measures.

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

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

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

Non-GAAP financial measures - Non-GAAP ratios		
Specific financial measure	***Use***	***Composition***
Discretionary cash flows per share	To assess the amount per share available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business as well as to assess operating results.	The discretionary cash flows amount divided by the weighted average number of basic outstanding shares.
Reinvestment ratio	To assess the portion of cash flows available for reinvestment in growth to the Corporation. *Corporate objectives for 2025* from the strategic plan.	The discretionary cash flows amount less the amount of dividends paid to shareholders divided by the discretionary cash flows amount.
Payout ratio	To assess ability to sustain current dividends as well as its ability to fund its future development.	The amount of dividends paid to shareholders divided by the discretionary cash flows amount.

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

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

Other financial measures - Supplementary financial measures	
Specific financial measure	***Composition***
Total market capitalization	Total market capitalization consists of the sum of market value of equity attributable to shareholders, non-controlling shareholders and net debt.
Working capital ratio	Working capital ratio is calculated by dividing current assets by current liabilities.
Debt contracted for construction projects	Debt contracted for construction projects consists of the amount of debt for which the Corporation has obtained financing and for which the full amount available has not been drawn.
Planned financing	Planned financing represents financing the Corporation expects to obtain for the construction of its projects.
Working capital	Working capital is the difference between current assets and current liabilities.
Power production average of the past five years	Five-year average of historical power production is calculated using the average electricity generated during the last five full fiscal years of the Corporation, from 2018 to 2022.
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.
Anticipated production	For older sites, anticipated 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:

	2023			2022		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation(1)	Combined	Consolidated	Reconciliation(1)	Combined
Three-month periods ended September 30:						
Power production (GWh)(2)	1,110	412	1,522	1,019	140	1,159
Revenues from energy sales and feed-in premiums	171	23	194	101	15	116
Operating income	13	16	29	(31)	6	(25)
EBITDA(A)	91	22	113	50	13	63
Net earnings	(2)	—	(2)	(56)	—	(56)
Nine-month periods ended September 30:						
Power production (GWh)(2)	4,159	1,511	5,670	3,998	488	4,486
Revenues from energy sales and feed-in premiums	679	80	759	496	53	549
Operating income	128	64	192	105	28	133
EBITDA(A)	381	67	448	344	35	379
Net earnings	75	—	75	15	—	15

	As at September 30, 2023			As at December 31, 2022		
Total assets	6,557	658	7,215	6,539	649	7,188
Debt - Principal balance	3,313	414	3,727	3,346	328	3,674

(1) Includes the respective contribution of joint ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS. This contribution is attributable to the North America segment's wind farms and includes corporate expenses of $1 million under EBITDA(A) for the nine-month period ended September 30, 2023 ($2 million as at September 30, 2022).

(2) Includes compensation following electricity production limitations imposed by customers.

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.*

EBITDA(A) is used 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:

	Three-month periods ended September 30							
	2023			2022			Change 2023 vs 2022	
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined	Consolidated	Combined
EBITDA(A)	91	22	113	50	13	63	41	50
Amortization	(73)	(14)	(87)	(84)	(6)	(90)	11	3
Other gains	—	3	3	2	—	2	(2)	1
Share in earnings (losses) of joint ventures and associates	(2)	2	—	3	(3)	—	(5)	—
Change in fair value of a derivative included in the share of joint ventures	(3)	3	—	(2)	2	—	(1)	—
Operating income (loss)	13	16	29	(31)	6	(25)	44	54

	Nine-month periods ended September 30							
	2023			2022			Change 2023 vs 2022	
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined	Consolidated	Combined
EBITDA(A)	381	67	448	344	35	379	37	69
Amortization	(218)	(41)	(259)	(228)	(18)	(246)	10	(13)
Impairment	—	—	—	(3)	(1)	(4)	3	4
Other gains	—	3	3	2	2	4	(2)	(1)
Share in earnings (losses) of joint ventures and associates	(47)	47	—	(31)	31	—	(16)	—
Change in fair value of a derivative included in the share of joint ventures	12	(12)	—	21	(21)	—	(9)	—
Operating income	128	64	192	105	28	133	23	59

(1) Includes the respective contribution of joint ventures and associates as a percentage of the Corporation'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.

	Consolidated	
	As at September 30	As at December 31
(in millions of Canadian dollars) (unaudited)	2023	2022
Debt	3,023	2,873
Current portion of debt	228	404
Transaction costs, net of accumulated amortization	62	69
Debt - Principal balance	3,313	3,346
Less:		
Cash and cash equivalents	476	361
Restricted cash	53	13
Bank overdraft	(8)	(12)
Net debt	2,792	2,984

The Corporation defines total market capitalization as follows:

	Consolidated	
	As at September 30	As at December 31
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2023	2022
Number of outstanding shares (in thousands)	102,766	102,763
Share market price (in $ per share)	29.18	40.02
Market value of equity attributable to shareholders	2,999	4,113
Non-controlling shareholders	412	345
Net debt	2,792	2,984
Total market capitalization	6,203	7,442

The Corporation computes the net debt ratio as follows:

	Consolidated	
	As at September 30	As at December 31
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2023	2022
Net debt	2,792	2,984
Total market capitalization	6,203	7,442
NET DEBT RATIO, market capitalization	45%	40%

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

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

	Consolidated			
	Three-month periods ended		Twelve-month periods ended	
	September 30		September 30	December 31
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2023	2022	2023	2022
Net cash flows related to operating activities	**1**	**90**	**578**	**513**
Change in non-cash items relating to operating activities	66	(50)	(153)	(110)
Cash flows from operations	**67**	**40**	**425**	**403**
Repayments on non-current debt (projects)[1]	(44)	(38)	(229)	(212)
Adjustment for non-operational items[2]	3	3	3	7
	26	5	199	198
Principal payments related to lease liabilities	(3)	(2)	(17)	(15)
Distributions paid to non-controlling shareholders[3]	(9)	(6)	(43)	(37)
Additions to property, plant and equipment (maintenance of operations)	(1)	(5)	(11)	(12)
Development costs (from statement of earnings)	8	9	37	33
Discretionary cash flows	**21**	**1**	**165**	**167**
Dividends paid to shareholders	17	17	68	68
Weighted average number of outstanding shares – basic (in thousands)	102,766	102,762	102,765	102,726
Discretionary cash flows – per share	$0.20	$—	$1.61	$1.63
Dividends paid to shareholders – per share	$0.1650	$0.1650	$0.66	$0.66
Payout ratio			41%	41%
Reinvestment ratio			59%	59%

(1) Excluding VAT bridge financing, early debt repayments and repayments under the construction facility - Boralex Energy Investments portfolio.
(2) For the twelve-month period ended September 30, 2023, favourable adjustment of $2 million consisting mainly of acquisition, integration and transaction costs. For the year ended December 31, 2022, favourable adjustment of $7 million consisting mainly of acquisition and transaction costs.
(3) Comprises distributions paid to non-controlling shareholders as well as the portion of discretionary cash flows attributable to the non-controlling shareholder of Boralex Europe Sàrl.

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

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

	Consolidated	
	As at September 30	As at December 31
(in millions of Canadian dollars) (unaudited)	2023	2022
Cash and cash equivalents	476	361
Cash and cash equivalents held by entities subject to project debt agreements[1]	(405)	(279)
Bank overdraft	(8)	(12)
Available cash and cash equivalents	**63**	**70**
Credit facilities available for growth	329	424
Available cash resources and authorized financing	**392**	**494**

(1) This cash can be used for the operations of the respective projects, but is subject to restrictions for non-project related purposes under the credit agreements.

Analysis of operating results - Combined

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

Interests in joint ventures and associates

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

				Boralex % of interests		Installed capacity	
	Technology	Country	Status	As at September 30, 2023	As at December 31, 2022	Total (MW)	Net (MW)
LongSpur Wind Holdings, LLC[1]	Wind	US	Operational	50.00%	50.00%	394	197
Roosevelt Holdco, LLC[1]	Wind	US	Operational	50.00%	50.00%	300	150
Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership ("SDB I")	Wind	Canada	Operational	50.00%	50.00%	272	136
Tx Hereford Wind Holdings, LLC[1][2]	Wind	US	Operational	50.00%	50.00%	200	100
Roncevaux Wind Power L.P. ("Roncevaux")	Wind	Canada	Operational	50.00%	50.00%	75	37
Seigneurie de Beaupré Wind Farm 4 General Partnership ("SDB II")	Wind	Canada	Operational	50.00%	50.00%	68	34
Le Plateau Community Wind Power L.P. ("LP II")	Wind	Canada	Operational	59.96%	59.96%	21	13
Parc éolien Apuiat Inc.	Wind	Canada	Construction	50.00%	50.00%	200	100

(1) On December 29, 2022, the Corporation acquired a 50% joint controlling interest in five wind farms in the United States.
(2) The share of earnings until December 31, 2025 is net of the economic interest of a tax equity investor, which obtains 77.5% of the economic benefits of the wind farm.

Highlights - Combined[1]

	Combined[1]		Change Combined[1] 2023 vs 2022	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2023	2022	GWh or $	%
Three-month periods ended September 30:				
Wind power production (GWh)	1,522	1,159	363	31
Revenues from energy sales and feed-in premiums	194	116	78	67
Operating income (loss)	29	(25)	54	>100
EBITDA(A)[2]	113	63	50	82
Net earnings	(2)	(56)	54	96
Nine-month periods ended September 30:				
Wind power production (GWh)	5,670	4,486	1,184	26
Revenues from energy sales and feed-in premiums	759	549	210	38
Operating income	192	133	59	45
EBITDA(A)[2]	448	379	69	18
Net earnings	75	15	60	>100
	As at Sept. 30	**As at Dec. 31**		
Total assets	7,215	7,188	27	—
Debt - Principal balance	3,727	3,674	53	1

(1) Combined information is a non-GAAP financial measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) 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 combined operating results for the three-month period ended September 30, 2023

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Combined			
Three-month period ended September 30, 2022	1,159	116	63
Acquisition - interest in wind farms in the United States	319	12	22
Commissioning and temporary shutdowns[2]	60	10	10
Pricing (power purchase agreements and FiP)	—	26	26
Inframarginal rent contribution on electricity production	—	—	(31)
Reversal of 2022 FiP revenues (*2022 Supplementary Budget Act*)	—	28	28
Volume	(16)	(1)	(1)
Foreign exchange effect	—	2	—
Other	—	1	(4)
Three-month period ended September 30, 2023	**1,522**	**194**	**113**
North America			
Three-month period ended September 30, 2022	809	90	65
Acquisition - interest in wind farms in the United States	319	12	22
Volume	(106)	(15)	(15)
Pricing	—	2	2
Other	—	1	(4)
Three-month period ended September 30, 2023	**1,022**	**90**	**70**
Europe			
Three-month period ended September 30, 2022	350	26	5
Commissioning and temporary shutdowns[2]	60	10	10
Pricing (power purchase agreements and FiP)	—	24	24
Inframarginal rent contribution on electricity production	—	—	(31)
Reversal of 2022 FiP revenues (*2022 Supplementary Budget Act*)	—	28	28
Volume	90	14	14
Foreign exchange effect	—	2	—
Other	—	—	1
Three-month period ended September 30, 2023	**500**	**104**	**51**
Corporate and eliminations			
Three-month period ended September 30, 2022			(7)
Other			(1)
Three-month period ended September 30, 2023			**(8)**

Impact of joint ventures, associates and eliminations

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Three-month period ended September 30, 2022	140	15	13
Acquisition - interest in wind farms in the United States	319	12	13
Pricing	—	1	1
Volume	(47)	(5)	(5)
Share of earnings in joint ventures and associates - comparable assets	—	—	3
Other	—	—	(3)
Three-month period ended September 30, 2023	**412**	**23**	**22**

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

In the third quarter of 2023, on a Combined basis, power production amounted to 1,522 GWh, an increase of 31% or 363 GWh compared with the corresponding period of 2022. Revenues from energy sales and FiP were up 67% and EBITDA(A) was up 82% to reach $194 million and $113 million, respectively.

Compared to the third quarter of 2022, the contribution of the *joint ventures and associates'* facilities to production nearly tripled. Revenues from energy sales increased by 48% and EBITDA(A) more than doubled following the acquisition of an interest in wind farms in the United States.

Analysis of combined operating results for the nine-month period ended September 30, 2023

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[(1)]
Combined			
Nine-month period ended September 30, 2022	4,486	549	379
Acquisition - Interest in wind farms in the United States	1,099	34	67
Commissioning and temporary shutdowns[(2)]	239	39	33
Disposal[(2)]	(40)	(6)	(2)
Pricing (power purchase agreements and FiP)	—	149	149
Inframarginal rent contribution on electricity production	—	—	(143)
Volume	(114)	(15)	(15)
Foreign exchange effect	—	12	8
Payroll[(3)]	—	—	(12)
Development	—	—	(3)
Other	—	(3)	(13)
Nine-month period ended September 30, 2023	**5,670**	**759**	**448**
North America			
Nine-month period ended September 30, 2022	3,009	346	266
Acquisition - Interest in wind farms in the United States	1,099	34	67
Disposal[(2)]	(40)	(6)	(2)
Volume	(312)	(41)	(41)
Pricing	—	1	1
Foreign exchange effect	—	3	2
Payroll[(3)]	—	—	(5)
Development	—	—	2
Other	—	—	(5)
Nine-month period ended September 30, 2023	**3,756**	**337**	**285**
Europe			
Nine-month period ended September 30, 2022	1,477	203	133
Commissioning and temporary shutdowns[(2)]	239	39	33
Pricing (power purchase agreements and FiP)	—	148	148
Inframarginal rent contribution on electricity production	—	—	(143)
Volume	198	26	26
Foreign exchange effect	—	9	6
Payroll[(3)]	—	—	(3)
Development	—	—	(5)
Other	—	(3)	(8)
Nine-month period ended September 30, 2023	**1,914**	**422**	**187**
Corporate and eliminations			
Nine-month period ended September 30, 2022			(20)
Payroll[(3)]			(4)
Nine-month period ended September 30, 2023			**(24)**

(1) EBITDA(A) is a total of segment measures. For more details, see the *Non-IFRS and other financial measures* section in this report.
(2) See the *Changes in the portfolio in operation* table.
(3) Excludes payroll related to development activities that are reported separately.

Impact of joint ventures, associates and eliminations

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Production (GWh)	Revenues from energy sales and FiP	EBITDA(A)[1]
Nine-month period ended September 30, 2022	488	53	35
Acquisition - interest in wind farms in the United States	1,099	34	36
Pricing	—	1	1
Volume	(76)	(8)	(8)
Development	—	—	1
Share of earnings in joint ventures and associates - comparable assets	—	—	7
Other	—	—	(5)
Nine-month period ended September 30, 2023	**1,511**	**80**	**67**

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

On a Combined basis, power production amounted to 5,670 GWh for the nine-month period ended September 30, 2023, up by 26% or 1,184 GWh compared with the corresponding period of 2022. Revenues from energy sales and FIP were up by 38% and EBITDA(A) was up by 18% to reach $759 million and $448 million, respectively. These increases resulted mostly from the acquisition of an interest in wind farms in the United States, the contributions of commissioned facilities, and high market prices in France.

Compared to the first nine months of 2022, the contribution of the joint ventures and associates' facilities to production more than tripled. Revenues from energy sales and FiP increased by 51% and EBITDA(A) more than doubled.

Commitments and contingencies

(in millions of Canadian dollars) (unaudited)	Commitments entered into during 2023	Cumulative commitments as at September 30, 2023
Purchase and construction contracts	94	277
Maintenance contracts	2	353
Other	16	54
	112	684

Contingencies

France – Innovent

On May 17, 2021, Boralex Inc. announced that the Tribunal de Commerce de Lille rendered a decision in its favour, ordering Innovent SAS (“Innovent”) and its president, Grégoire Verhaeghe to pay Boralex $72.7 million (€50.6 million) for breach of contractual obligations. This dispute arose in the context of a transaction between the parties that occurred in 2012 whereby Boralex acquired construction-ready wind projects from Innovent. As part of such transaction, the parties entered into a development services agreement pursuant to which Innovent and Mr. Verhaeghe had the obligation to offer Boralex the right to acquire certain wind projects under development. The Court found that the defendants were in breach of their obligation with respect to the then under development Eplessier-Thieulloy-l'Abbaye and Buire-Le-Sec projects, thereby depriving Boralex of its right to acquire the projects at the agreed price and terms. Given such default, Innovent and Grégoire Verhaeghe were ordered by the Court to pay to Boralex $72.7 million (€50.6 million). Innovent and Grégoire Verhaeghe had appealed the decision.

On July 6, 2023, the Douai Court of Appeal rendered its decision agreeing with Boralex on the merits of the dispute, but reduced to $3.6 million (€2.5 million) the amount of the damages to be paid by Innovent to Boralex due to breaches of contract attributable to Innovent and Grégoire Verhaeghe and their bad faith in the performance of the contract. Boralex has appealed to the Court of Cassation and will file a "full" petition by January 7, 2024.

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

Canada – Local content

Under the energy sales contracts entered into with Hydro-Québec Distribution for its wind power projects, the Corporation’s project entities must comply with certain regional content requirements regarding the costs associated with wind farm turbines (the “regional content requirements”) and certain Québec content requirements regarding overall wind farm costs (collectively with the regional content requirements, the “local content requirements”). These requirements apply to all Québec wind power projects built by the Corporation’s project entities or other producers under requests for proposals issued from 2005 to 2009. Failure to comply with these requirements may result in penalties being imposed under these energy sales contracts.

In connection with this dispute, Hydro-Québec filed an originating application on April 18, 2019, with the Superior Court of Québec against Le Plateau Wind Power L.P. (a partnership operating the **LP I** wind farm in which the Corporation indirectly held 51% of the outstanding units at the time and holds 100% of the outstanding units since November 30, 2020), Enercon Canada and Enercon GmbH to determine the applicable calculation methodology for ascertaining whether the regional content requirements were complied with or not.

During the nine-month period ended September 30, 2023, the parties to the dispute related to the LP I wind farm reached a comprehensive settlement regarding the LP I wind farm and the nine other wind farms in which Boralex has an interest that are subject to local and regional content requirements ("Boralex's Québec wind farms"). The terms of the confidential settlement provide that the parties release each other from and waive any potential claims related to the local and regional content requirements of Boralex's Québec wind farms. This settlement did not have a significant impact on the consolidated financial statements of the Corporation.

Subsequent event

Feed-in premiums

On October 26, 2023, the French Constitutional Council issued a ruling that was in favour of the Corporation by declaring Article 38 of the *2022 Supplementary Budget Act* (the “Act”) unconstitutional. Consequently, the ministerial order that set the threshold prices (“the threshold price order” or “the ministerial order”) has no legal foundation as of October 27, 2023, since it had been enacted under the delegated authority of Article 38 of the Act. Following the adoption of the Act and the threshold price order, the Corporation's feed-in premium ("FiP") contracts were unilaterally modified by the French government, such that the difference between the selling price of energy and the FiP contractual price had to be remitted to the French government.

Since the threshold price determined by the ministerial order was lower than the FiP contractual price, the Corporation had to record a provision as at December 31, 2022 in the amount of $83 million (€57 million), to reflect the amounts to be paid to the French government based on the threshold price. Additionally, $10 million (€7 million) was recorded during the nine-month period ended September 30, 2023. An amount of $32 million (€22 million) was included in *Trade and other payables* for these contracts as at September 30, 2023.

It is now up to the Administrative Supreme Court to decide upon the impact and treatment of this decision by the French Constitutional Council and the resulting financial repercussions for the period prior to October 27, 2023.

Risk factors and uncertainties

Risk factors

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, 2022.

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, 2022.

Internal controls and procedures

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

During the three-month period ended September 30, 2023, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.

Consolidated financial statements

Unaudited interim

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Interim consolidated statements of financial position

(in millions of Canadian dollars) (unaudited)	Note	As at September 30, 2023	As at December 31, 2022
ASSETS			
Cash and cash equivalents		476	361
Restricted cash		53	13
Trade and other receivables		122	234
Other current assets		30	30
CURRENT ASSETS		681	638
Property, plant and equipment		3,288	3,335
Right-of-use assets		347	340
Intangible assets		1,011	1,059
Goodwill		233	233
Interests in joint ventures and associates		538	536
Other non-current financial assets	9	328	320
Other non-current assets		131	78
NON-CURRENT ASSETS		5,876	5,901
TOTAL ASSETS		6,557	6,539
LIABILITIES			
Bank overdraft		8	12
Trade and other payables	5	323	377
Current portion of debt	6	228	404
Current portion of lease liabilities		20	18
Other current financial liabilities	9	5	10
CURRENT LIABILITIES		584	821
Debt	6	3,023	2,873
Lease liabilities		306	300
Deferred income tax liability		271	267
Decommissioning liability		135	129
Other non-current financial liabilities	9	82	97
Other non-current liabilities		27	26
NON-CURRENT LIABILITIES		3,844	3,692
TOTAL LIABILITIES		4,428	4,513
EQUITY			
Equity attributable to shareholders		1,717	1,681
Non-controlling interests		412	345
TOTAL EQUITY		2,129	2,026
TOTAL LIABILITIES AND EQUITY		6,557	6,539

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

Interim consolidated statements of earnings (loss)

		Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	2023	2022	2023	2022
REVENUES					
Revenues from energy sales		171	165	690	581
Feed-in premiums		—	(64)	(11)	(85)
Revenues from energy sales and feed-in premiums		171	101	679	496
Other revenues		7	5	19	12
		178	106	698	508
EXPENSES AND OTHER					
Operating	7	70	33	278	112
Administrative		14	13	46	38
Development		8	9	28	24
Amortization		73	84	218	228
Impairment		—	—	—	3
Other gains		—	(2)	—	(2)
		165	137	570	403
OPERATING INCOME (LOSS)		13	(31)	128	105
Acquisition and integration costs		1	3	2	5
Financing costs		32	29	96	99
Share in losses (earnings) of joint ventures and associates		(2)	3	(47)	(31)
Other		(7)	5	(2)	13
EARNINGS (LOSS) BEFORE INCOME TAXES		(11)	(71)	79	19
Income tax expense (recovery)		(9)	(15)	4	4
NET EARNINGS (LOSS)		(2)	(56)	75	15
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(3)	(44)	59	16
Non-controlling interests		1	(12)	16	(1)
NET EARNINGS (LOSS)		(2)	(56)	75	15
NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	8	($0.03)	($0.44)	$0.57	$0.16

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

Interim consolidated statements of comprehensive income

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2023	2022	2023	2022
NET EARNINGS (LOSS)	(2)	(56)	75	15
Other comprehensive income that will be reclassified subsequently to net earnings (loss) when certain conditions are met				
Translation adjustments:				
Foreign exchange differences on translation of financial statements of self-sustaining foreign operations	11	30	(7)	(1)
Net investment hedge:				
Change in fair value	—	(5)	3	17
Income taxes	—	1	—	(2)
Cash flow hedges - financial swaps:				
Change in fair value	61	57	75	258
Hedging items realized and recognized in net earnings (loss)	(14)	3	(39)	17
Income taxes	(12)	(13)	(9)	(67)
Share of other comprehensive income (loss) of joint ventures and associates:				
Change in fair value	8	1	11	17
Hedging items realized and recognized in net earnings (loss)	(1)	—	(3)	3
Income taxes	(2)	(1)	(2)	(6)
Total other comprehensive income	51	73	29	236
COMPREHENSIVE INCOME	49	17	104	251
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of Boralex	42	4	87	214
Non-controlling interests	7	13	17	37
COMPREHENSIVE INCOME	49	17	104	251

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

Interim consolidated statements of changes in equity

	Equity attributable to shareholders						Nine-month period ended September 30 2023
(in millions of Canadian dollars) (unaudited)	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
BALANCE AS AT JANUARY 1, 2023	1,323	10	174	174	1,681	345	2,026
Net earnings	—	—	59	—	59	16	75
Other comprehensive income	—	—	—	28	28	1	29
COMPREHENSIVE INCOME	—	—	59	28	87	17	104
Dividends (note 8)	—	—	(51)	—	(51)	—	(51)
Repurchase of non-controlling interest	—	—	(1)	—	(1)	—	(1)
Contribution by non-controlling interest	—	—	—	—	—	54	54
Distributions to non-controlling interests	—	—	—	—	—	(10)	(10)
Other	—	1	—	—	1	6	7
BALANCE AS AT SEPTEMBER 30, 2023	1,323	11	181	202	1,717	412	2,129

	Equity attributable to shareholders						Nine-month period ended September 30 2022
(in millions of Canadian dollars) (unaudited)	Capital stock	Contributed surplus	Retained earnings (Deficit)	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
BALANCE AS AT JANUARY 1, 2022	1,320	9	(299)	(29)	1,001	210	1,211
Net earnings (loss)	—	—	16	—	16	(1)	15
Other comprehensive income	—	—	—	198	198	38	236
COMPREHENSIVE INCOME	—	—	16	198	214	37	251
Dividends (note 8)	—	—	(51)	—	(51)	—	(51)
Exercise of options	3	—	—	—	3	—	3
Transaction with a non-controlling interest	—	—	526	(9)	517	111	628
Repurchase of non-controlling interest	—	—	(15)	—	(15)	—	(15)
Contribution by non-controlling interest	—	—	—	—	—	22	22
Non-controlling interest resulting from a business combination	—	—	—	—	—	2	2
Distributions to non-controlling interests	—	—	—	—	—	(23)	(23)
Other	—	1	2	—	3	(1)	2
BALANCE AS AT SEPTEMBER 30, 2022	1,323	10	179	160	1,672	358	2,030

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

Interim consolidated statements of cash flows

(in millions of Canadian dollars) (unaudited)	Note	Three-month periods ended September 30 2023	2022	Nine-month periods ended September 30 2023	2022
Net earnings (loss)		(2)	(56)	75	15
Distributions received from joint ventures and associates		10	12	32	16
Financing costs		32	29	96	99
Interest paid		(23)	(18)	(75)	(79)
Income tax expense (recovery)		(9)	(15)	4	4
Income taxes paid		(5)	(1)	(22)	(6)
Non-cash items included in earnings (loss):					
Amortization		73	84	218	228
Share in losses (earnings) of joint ventures and associates		(2)	3	(47)	(31)
Net loss (gain) on financial instruments		(8)	4	(3)	14
Other		1	(2)	6	2
Change in non-cash items related to operating activities		(66)	50	105	62
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		1	90	389	324
Business combination, net of cash acquired		—	(8)	—	(8)
Increase in interests in joint ventures and associates		(29)	—	(37)	—
Return of capital from joint ventures and associates	4	61	—	61	—
Additions to property, plant and equipment		(25)	(24)	(87)	(96)
Prepayments for property, plant and equipment		(37)	(16)	(92)	(75)
Acquisition of energy sales contracts and other rights		(12)	(8)	(12)	(8)
Change in restricted cash		(10)	(12)	(19)	(21)
Development projects		(5)	(2)	(14)	(6)
Other		(2)	10	(8)	17
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(59)	(60)	(208)	(197)
Net change in revolving credit facility		(60)	—	152	(241)
Increase in debt		196	28	212	140
Repayments of debt		(175)	(76)	(390)	(301)
Principal payments relating to lease liabilities		(3)	(2)	(13)	(11)
Contribution by non-controlling interest		—	—	54	22
Distributions paid to non-controlling interests		(4)	(13)	(9)	(22)
Dividends paid to shareholders	8	(17)	(17)	(51)	(51)
Transaction costs		(2)	—	(4)	(11)
Transaction with non-controlling interest		—	—	—	655
Change in amounts due from non-controlling interest		(7)	—	(7)	43
Repurchase of a non-controlling interest		—	(12)	—	(12)
Settlement of a non-current liability		—	(6)	—	(6)
Settlement of financial instruments		4	(1)	(3)	36
Other		—	—	(2)	4
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(68)	(99)	(61)	245
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		—	(3)	(1)	1
NET CHANGE IN CASH AND CASH EQUIVALENTS		(126)	(72)	119	373
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	(a)	594	701	349	256
CASH AND CASH EQUIVALENTS – END OF PERIOD		468	629	468	629

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

(a) Cash and cash equivalents consist of cash and cash equivalents and bank overdraft

Notes to interim consolidated financial statements

As at September 30, 2023

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

Note 1. Incorporation and nature of business

Boralex Inc., its subsidiaries and its joint ventures and associates (“Boralex” or the “Corporation”) are dedicated to the development, construction and operation of renewable energy power facilities. As at September 30, 2023, Boralex held interests in 50 facilities in North America and 77 facilities in Europe. The Corporation operates in the production of three types of complementary renewable energy: wind, solar and hydroelectric power, as well as energy storage, representing an asset base with an installed capacity totalling 3,051 megawatts (“MW”). In addition, Boralex currently has projects under construction or ready-to-build, representing an additional 317 MW of power and a portfolio of secured projects amounting to 454 MW. Revenues from energy sales are generated mainly in Canada, France and the United States.

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

Note 2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), including IAS 34, *Interim Financial Reporting*. The accounting policies followed in these unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2022, except for income taxes for the interim periods, which are calculated using the tax rate that would be applicable to expected annual earnings for each jurisdiction. These unaudited interim consolidated financial statements do not constitute a complete set of financial statements, and should therefore be read in conjunction with the Corporation’s audited annual consolidated financial statements for the year ended December 31, 2022. The Corporation’s operations and results are partly subject to seasonal cycles and other cyclical factors that vary by energy type. The operating results in the interim financial statements are therefore not necessarily indicative of the expected annual results, as historically the first and fourth quarters generate higher results. Management’s Discussion and Analysis provides further information on the seasonal fluctuations in the Corporation’s results under section *II – Analysis of results, cash flows and financial position - Consolidated*.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on November 8, 2023.

Note 3. Business combination

2022

Acquisition of Infinergy

On July 4, 2022, the Corporation closed the acquisition of all the shares of WW Holdco Ltd ("Infinergy"), a renewable energy development company based in the U.K., for a total consideration of $36 million (£22 million). This transaction included the acquisition of 50% of Infinergy’s interest in projects that were part of a joint venture with Boralex established in 2017 of which the Corporation already had control prior to this transaction, a portfolio of projects in development, the integration of Infinergy’s team and an established development platform. With this transaction, the Corporation will be able to accelerate its growth in the U.K, leveraging Infinergy’s development platform and fully benefit from revenues and cash flows generated by the future operations of wind farms under development or ready-to-build, particularly the Limekiln farm.

Given the pre-existing relationships between the Corporation and Infinergy, the transaction price was subject to an allocation among the business combination, the repurchase of a non-controlling interest, and the settlement of advances payable that were previously reported in the consolidated statement of financial position.

The consideration transferred is detailed as follows:

(in millions)	(in $)	(in £)
Cash consideration transferred	27	17
Non-cash consideration - settlement of current assets	9	5
Total consideration for the transaction	**36**	**22**
Less:		
Allocation to items excluded from the business combination:		
Repurchase of a non-controlling interest	12	7
Settlement of a non-current liability	6	4
Consideration allocated to the business combination	**18**	**11**

The repurchase of a non-controlling shareholder in projects already controlled by Boralex resulted in a decrease in equity of $15 million (£10 million). Prior to this transaction, the non-controlling shareholder's interest was recognized in *Other non-current liabilities* due to the presence of a put option. This option was cancelled following the transaction.

Boralex and Infinergy were counterparties to long-term advances under the joint venture agreement established in 2017, which were recorded in *Other non-current liabilities*. An amount of $6 million (£4 million) of the transaction price was allocated to settle these advances.

The following table shows the final purchase price allocation:

	Final allocation	
(in millions)	(in $)	(in £)
Cash and cash equivalents	1	1
Current assets	9	5
Goodwill	17	11
Current liabilities	(7)	(5)
Non-controlling interests	(2)	(1)
Net assets acquired	**18**	**11**

Goodwill relates mainly to development projects and to Infinergy employees' know-how and technical skills. Recognized goodwill is not tax deductible.

The final purchase price allocation was established based on the fair value of the assets acquired and liabilities assumed as at the acquisition date.

Boralex recognized the share of non-controlling shareholders according to their non-controlling share in identifiable net assets in the acquired entities.

Note 4. Interests in joint ventures and associates

During the three-month period ended September 30, 2023, the Parc Éolien Apuiat S.E.C joint venture, in which the Corporation holds a 50% interest, closed a financing of $608 million to finance the construction of its wind project. Following the financing, the joint venture paid a return of capital of $61 million to the Corporation. Under certain provisions of the financing agreement, the Corporation has committed to make capital contributions to the joint venture to fund its share of the construction costs of the project in an amount sufficient to ensure maximum debt leverage of 80%. A letter of credit was issued to secure this commitment.

Note 5. Trade and other payables

Trade and other payables included an amount of $158 million (€110 million) ($110 million (€76 million) as at December 31, 2022) for the inframarginal rent contribution on electricity production and an amount of $32 million (€22 million) ($83 million (€57 million) as at December 31, 2022) for feed-in premium contracts.

Note 6. Debt

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	Maturity	Rate[1]	Original currency[2]	As at September 30, 2023	As at December 31, 2022
Corporate debt						
Revolving credit facility		2027	5.30	142	193	39
Term loan (CDPQ/FSTQ)		2028	5.64		300	300
Total corporate debt					**493**	**339**
Project debt						
North America						
Canada						
Term loans:						
Thames River wind farms		2031	7.05		87	94
Témiscouata I wind farm		2032	5.40		32	34
LP I wind farm		2032	3.96		138	148
DM I and II wind farms		2033	6.08		218	226
Port Ryerse wind farm		2034	3.84		21	23
Frampton wind farm		2035	4.24		51	53
Côte-de-Beaupré wind farm		2035	4.31		44	46
Niagara Region Wind Farm (“NRWF”)		2036	2.96		662	693
Moose Lake wind farm		2044	4.94		44	45
Jamie Creek hydroelectric power station		2054	5.42		55	55
Yellow Falls hydroelectric power station		2056	4.95		69	70
Other debt		—	—		1	1
					1,422	**1,488**
United States						
Term loan:						
Boralex US Solar portfolio of solar power stations		2028	3.05	144	196	198
Total North America				**144**	**1,618**	**1,686**
Europe						
France						
Construction facility:						
Boralex Energy Investments projects portfolio	(a)	2024	4.51	—	—	146
Term loans:						
CDPQ Fixed Income Inc.	(b)	2023	4.05	—	—	58
Boralex Production portfolio of wind farms and projects	(c)	2030	3.12	111	160	118
Val aux Moines wind farm		2034	1.34	11	15	17
Boralex Énergie France portfolio of wind farms and projects		2036	1.72	155	223	249
Sainte-Christine portfolio of wind farms and projects	(c)	2041	2.38	486	698	651
Les Moulins du Lohan wind farm		2043	3.15	61	88	64
Grange du Causse solar power station		2044	3.34	9	13	13
Other debt		—	—	4	5	5
Total Europe				**837**	**1,202**	**1,321**
Total project debt					**2,820**	**3,007**
Debt - Principal balance			**3.66**		**3,313**	**3,346**
Current portion of debt					(228)	(404)
Transaction costs, net of accumulated amortization					(62)	(69)
					3,023	**2,873**

(1) Weighted average rates, adjusted to reflect the impact of interest rate swaps and calculated using the effective interest method, where applicable.
(2) Original currencies are EUR (France) and USD (United States) and a portion of the revolving credit facility is in USD as at September 30, 2023.

(a) Construction facility - Boralex Energy Investments projects portfolio

The construction facility for projects in the Boralex Energy Investments portfolio represents a bridge financing facility for projects under construction and must be repaid within 18 months of project commissioning. An amount of $131 million (€89 million) was repaid on July 27, 2023, using the incremental facilities - France.

(b) Prepayment of term loan - CDPQ Fixed Income Inc.

On January 30, 2023, the CDPQ Fixed Income Inc. term loan was repaid in advance of its original term.

(c) Incremental facilities - France

On July 21, 2023, Boralex closed two incremental tranches totalling $194 million (€133 million) under the term loans of the Boralex Production and Saint-Christine portfolios of wind farms and projects. The financings, repayable on a quarterly basis, comprise an $11 million (€8 million) letter of credit facility for debt service and $183 million (€125 million) in term loans. The loans have a variable interest rate based on EURIBOR, plus a margin, and will be amortized over a period of 21 years. In order to reduce exposure to interest rate changes, interest rate swaps were entered into to cover 80% of the total long-term debt until 2030 and 90% until their maturity, as required by the credit agreements.

Increase in authorized amount of letter of credit facility

On April 14, 2023, the amount of Boralex's letter of credit facility guaranteed by Export Development Canada was increased by $125 million, bringing the total authorized amount to $200 million.

Credit facility - France

On October 17, 2023, Boralex closed a two-year short term credit facility in the amount of $14 million (€10 million). The credit facility has a variable interest rate based on EURIBOR, plus a margin, and the maximum authorized amount will be reduced by 50% or $7 million (€5 million) as at September 30, 2024.

Current portion of debt

(in millions of Canadian dollars) (unaudited)	Note	As at September 30, 2023	As at December 31, 2022
Term loans – projects		228	225
Construction facility - Boralex Energy Investments projects portfolio	(a)	—	120
Term loan - CDPQ Fixed Income Inc.		—	58
Value added tax bridge financing facility[1]		—	1
		228	404

[1] Temporary financing for value added tax (VAT) paid for construction sites in France.

Financial ratios and guarantees

The debt agreements include certain covenants restricting the use of cash resources of the Corporation's subsidiaries. As at September 30, 2023, cash of $405 million ($279 million as at December 31, 2022) was subject to these restrictions. Certain financial ratios, such as debt service coverage ratios and debt/equity ratio, must be met on a quarterly, semi-annual or annual basis.

As at September 30, 2023, management considers that Boralex and its subsidiaries were in compliance with all their ratios and financial commitments.

Note 7. Operating expenses

Operating expenses included an amount of $31 million (€22 million) for the inframarginal rent contribution on electricity production for the three-month period ended September 30, 2023 (nil for the same period of 2022). For the nine-month period ended September 30, 2023, the inframarginal rent contribution on electricity production amounted to $143 million (€99 million) (nil for the nine-month period ended September 30, 2022).

Note 8. Net earnings (loss) per share

(a) Basic net earnings (loss) per share

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended September 30 2023	2022	Nine-month periods ended September 30 2023	2022
Net earnings (loss) attributable to the shareholders of Boralex	(3)	(44)	59	16
Weighted average number of shares - basic	102,766,104	102,762,146	102,765,556	102,713,666
Net earnings (loss) per share attributable to the shareholders of Boralex - basic	($0.03)	($0.44)	$0.57	$0.16

(b) Diluted net earnings (loss) per share

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended September 30 2023	2022	Nine-month periods ended September 30 2023	2022
Net earnings (loss) attributable to the shareholders of Boralex	(3)	(44)	59	16
Weighted average number of shares - basic	102,766,104	102,762,146	102,765,556	102,713,666
Dilutive effect of stock options	—	—	54,622	68,638
Weighted average number of shares - diluted	102,766,104	102,762,146	102,820,178	102,782,304
Net earnings (loss) per share attributable to the shareholders of Boralex - diluted	($0.03)	($0.44)	$0.57	$0.16

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

	Three-month periods ended September 30 2023	2022	Nine-month periods ended September 30 2023	2022
Stock options excluded due to their anti-dilutive effect	277,120	222,352	—	—

(c) Dividends

On September 15, 2023, the Corporation paid a dividend of $0.1650 per common share. For the nine-month period ended September 30, 2023, the Corporation paid dividends for a total amount of $51 million ($51 million in 2022).

On November 8, 2023, a dividend of $0.1650 per common share was declared, to be paid on December 15, 2023, to shareholders of record at the market close on November 30, 2023.

Note 9. Financial instruments

Classification of financial instruments

The tables below detail the classification of financial instruments, their respective carrying amount and fair value hierarchy level when measured and accounted for at fair value in the financial statements. Cash, restricted cash, trade and other receivables, bank overdraft, and trade and other payables are excluded, because their fair values approximate their carrying amounts due to their short-term maturities or high liquidity and they are recorded at amortized cost.

					As at September 30, 2023
		Carrying value			
(in millions of Canadian dollars) (unaudited)	Level	Amortized cost	FVOCI	FVPL	**Total**
OTHER NON-CURRENT FINANCIAL ASSETS					
Reserve funds		8	—	—	**8**
Interest rate swaps	2	—	320	—	**320**
		8	320	—	**328**
OTHER CURRENT FINANCIAL LIABILITIES					
Tax equity liabilities and options to repurchase TEI[1]	3	3	—	—	**3**
Other	2	1	—	1	**2**
		4	—	1	**5**
DEBT[2]		3,251	—	—	**3,251**
OTHER NON-CURRENT FINANCIAL LIABILITIES					
Cross currency swaps	2	—	11	—	**11**
Amount due to non-controlling shareholders		46	—	—	**46**
Tax equity liabilities and options to repurchase TEI[1]	3	4	—	11	**15**
Other	2	—	4	6	**10**
		50	15	17	**82**

					As at December 31, 2022
		Carrying value			
(in millions of Canadian dollars) (unaudited)	Level	Amortized cost	FVOCI	FVPL	**Total**
OTHER NON-CURRENT FINANCIAL ASSETS					
Reserve funds		29	—	—	**29**
Interest rate swaps	2	—	291	—	**291**
		29	291	—	**320**
OTHER CURRENT FINANCIAL LIABILITIES					
Tax equity liabilities and options to repurchase TEI[1]	3	4	—	5	**9**
Other		1	—	—	**1**
		5	—	5	**10**
DEBT[2]		3,277	—	—	**3,277**
OTHER NON-CURRENT FINANCIAL LIABILITIES					
Cross currency swaps	2	—	16	—	**16**
Amount due to non-controlling shareholders		53	—	—	**53**
Tax equity liabilities and options to repurchase TEI[1]	3	6	—	10	**16**
Contingent consideration	3	—	—	4	**4**
Other	2	—	2	6	**8**
		59	18	20	**97**

(1) Tax equity investors.

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

Fair value of financial instruments

The carrying value of all the Corporation's financial instruments approximates their fair value due to their short-term maturity or high liquidity with the exception of debt for which the fair value was $3,250 million as at September 30, 2023 ($3,207 million as at December 31, 2022).

The following valuation assumptions were used to estimate the fair value of financial instruments:

– The fair value of derivative instruments is determined using valuation techniques and is calculated based on the present value of estimated projected cash flows, using appropriate interest rates curves and foreign exchange rates as well as contract prices quoted on futures markets. Assumptions are based on market conditions at each reporting date.

– The fair values of tax equity investor (TEI) liabilities, debt, amount due to a non-controlling shareholder, contingent consideration and amounts due to a joint venture are essentially based on discounted cash flows. Discount rates, ranging from 4.18% to 7.10% (4.06% to 6.97% as at December 31, 2022), were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions.

– The fair value of the options to repurchase TEI interests is established using cash flows discounted at a rate of 7.50% (7.50% as at December 31, 2022), which is the expected rate of return on this type of instrument.

The financial instruments classified as Level 3 and which are measured at fair value through profit or loss have changed as follows:

(in millions of Canadian dollars) (unaudited)	Contingent consideration	Options to repurchase TEI interests
Balance as at January 1, 2022	4	13
Change in fair value	—	2
Balance as at December 31, 2022	4	15
Disbursement	(4)	—
Change in fair value	—	1
Reclassification to non-controlling interest	—	(5)
Balance as at September 30, 2023	**—**	**11**

Note 10. Commitments and contingencies

(in millions of Canadian dollars) (unaudited)	Commitments concluded in 2023	Cumulative commitments as at September 30, 2023
Purchase and construction contracts	94	277
Maintenance contracts	2	353
Other	16	54
	112	684

Contingencies

France – Innovent

On May 17, 2021, Boralex Inc. announced that the Tribunal de Commerce de Lille rendered a decision in its favour, ordering Innovent SAS ("Innovent") and its president, Grégoire Verhaeghe to pay Boralex $72.7 million (€50.6 million) for breach of contractual obligations. This dispute arose in the context of a transaction between the parties that occurred in 2012 whereby Boralex acquired construction-ready wind projects from Innovent. As part of such transaction, the parties entered into a development services agreement pursuant to which Innovent and Mr. Verhaeghe had the obligation to offer Boralex the right to acquire certain wind projects under development. The Court found that the defendants were in breach of their obligation with respect to the then under development Eplessier-Thieulloy-l'Abbaye and Buire-Le-Sec projects, thereby depriving Boralex of its right to acquire the projects at the agreed price and terms. Given such default, Innovent and Grégoire Verhaeghe were ordered by the Court to pay to Boralex $72.7 million (€50.6 million). Innovent and Grégoire Verhaeghe had appealed the decision.

On July 6, 2023, the Douai Court of Appeal rendered its decision agreeing with Boralex on the merits of the dispute, but reduced to $3.6 million (€2.5 million) the amount of the damages to be paid by Innovent to Boralex due to breaches of contract attributable to Innovent and Grégoire Verhaeghe and their bad faith in the performance of the contract. Boralex has appealed to the Court of Cassation and will file a "full" petition by January 7, 2024.

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

Canada – Local content

Under the energy sales contracts entered into with Hydro-Québec Distribution for its wind power projects, the Corporation’s project entities must comply with certain regional content requirements regarding the costs associated with wind farm turbines (the “regional content requirements”) and certain Québec content requirements regarding overall wind farm costs (collectively with the regional content requirements, the “local content requirements”). These requirements apply to all Québec wind power projects built by the Corporation’s project entities or other producers under requests for proposals issued from 2005 to 2009. Failure to comply with these requirements may result in penalties being imposed under these energy sales contracts.

In connection with this dispute, Hydro-Québec filed an originating application on April 18, 2019, with the Superior Court of Québec against Le Plateau Wind Power L.P. (a partnership operating the **LP I** wind farm in which the Corporation indirectly held 51% of the outstanding units at the time and holds 100% of the outstanding units since November 30, 2020), Enercon Canada and Enercon GmbH to determine the applicable calculation methodology for ascertaining whether the regional content requirements were complied with or not.

During the nine-month period ended September 30, 2023, the parties to the dispute related to the LP I wind farm reached a comprehensive settlement regarding the LP I wind farm and the nine other wind farms in which Boralex has an interest that are subject to local and regional content requirements ("Boralex's Québec wind farms"). The terms of the confidential settlement provide that the parties release each other from and waive any potential claims related to the local and regional content requirements of Boralex's Québec wind farms. This settlement did not have a significant impact on the consolidated financial statements of the Corporation.

Note 11. Segmented information

During the second quarter of 2023, the Corporation made changes to its management model in order to increase its agility in its key markets, resulting in a change in the composition of the reportable segments. The Corporation has transitioned from a technology-based management model to a geographic management model of its operations. Following this change, the reportable segments were determined as the Corporation's two business units, namely North America and Europe. Comparative segmented information has been restated to reflect this new structure.

Each reportable segment derives its revenues from energy sales, mainly from wind power stations, hydroelectric power stations and solar power stations.

The reportable segments were determined on the basis of internal reports that are regularly reviewed by the chief operating decision maker (CODM) to allocate resources and assess performance of the segments. The CODM of the Corporation is the President and Chief Executive Officer.

Information concerning the reportable segments

The measure of net earnings regularly reviewed by the CODM for each of the two reportable segments is Combined EBITDA(A). Management considers this measure to be the most relevant for assessing the performance of each reportable segment given the industry in which the Corporation operates.

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

Combined financial data results from the combination of the financial information of the Corporation under IFRS and the share of the financial information of the Interests. *Interests in joint ventures and associates, Shares in earnings (losses) of joint ventures and associates* and *Distributions received from joint ventures and associates* are then replaced with the Corporation's respective share in the financial statements of the Interests (i.e. the assets, liabilities, income and expenses of these joints ventures and associates).

Combined EBITDA(A) does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view Combined EBITDA(A) as an alternative measure to, for example, net earnings, earnings before income taxes or operating income, which are IFRS measures.

	Combined			
	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars) (unaudited)	2023	2022	2023	2022
Revenues from energy sales and feed-in premiums				
North America	90	90	337	346
Europe	104	26	422	203
	194	116	759	549
EBITDA(A)				
North America	70	65	285	266
Europe	51	5	187	133
	121	70	472	399

Reconciliation

The following tables present a reconciliation of the reportable segments' information with the Corporation's most comparable information under IFRS.

	Three-month periods ended September 30					
	2023			2022		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
Revenues from energy sales and feed-in premiums						
Total reportable segments	171	23	194	101	15	116
Revenues from energy sales and feed-in premiums of the Corporation	171	23	194	101	15	116
EBITDA(A)						
Total reportable segments	99	22	121	58	12	70
Unallocated corporate expenses	(8)	—	(8)	(8)	1	(7)
EBITDA(A) of the Corporation	91	22	113	50	13	63
Amortization	(73)	(14)	(87)	(84)	(6)	(90)
Other gains	—	3	3	2	—	2
Share in losses (earnings) of joint ventures and associates	(2)	2	—	3	(3)	—
Change in fair value of a derivative included in the share of joint ventures	(3)	3	—	(2)	2	—
Operating income (loss) of the Corporation	13	16	29	(31)	6	(25)

[1] Includes the respective contribution of joint ventures and associates as a percentage of the Corporation's interest, less adjustments to reverse recognition of these interests under IFRS.

	Nine-month periods ended September 30					
	2023			2022		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
Revenues from energy sales and feed-in premiums						
Total reportable segments	679	80	759	496	53	549
Revenues from energy sales and feed-in premiums of the Corporation	679	80	759	496	53	549
EBITDA(A)						
Total reportable segments	406	66	472	366	33	399
Unallocated corporate expenses	(25)	1	(24)	(22)	2	(20)
EBITDA(A) of the Corporation	381	67	448	344	35	379
Amortization	(218)	(41)	(259)	(228)	(18)	(246)
Impairment	—	—	—	(3)	(1)	(4)
Other gains	—	3	3	2	2	4
Share in earnings of joint ventures and associates	(47)	47	—	(31)	31	—
Change in fair value of a derivative included in the share of joint ventures	12	(12)	—	21	(21)	—
Operating income of the Corporation	128	64	192	105	28	133

[1] Includes the respective contribution of joint ventures and associates as a percentage of the Corporation's interest, less adjustments to reverse recognition of these interests under IFRS.

Note 12. Subsequent event

Feed-in premiums

On October 26, 2023, the French Constitutional Council issued a ruling that was in favour of the Corporation by declaring Article 38 of the *2022 Supplementary Budget Act* (the “Act”) unconstitutional. Consequently, the ministerial order that set the threshold prices (“the threshold price order” or “the ministerial order”) has no legal foundation as of October 27, 2023, since it had been enacted under the delegated authority of Article 38 of the Act. Following the adoption of the Act and the threshold price order, the Corporation's feed-in premium ("FiP") contracts were unilaterally modified by the French government, such that the difference between the selling price of energy and the FiP contractual price had to be remitted to the French government.

Since the threshold price determined by the ministerial order was lower than the FiP contractual price, the Corporation had to record a provision as at December 31, 2022 in the amount of $83 million (€57 million), to reflect the amounts to be paid to the French government based on the threshold price. Additionally, $10 million (€7 million) was recorded during the nine-month period ended September 30, 2023. An amount of $32 million (€22 million) was included in *Trade and other payables* for these contracts as at September 30, 2023.

It is now up to the Administrative Supreme Court to decide upon the impact and treatment of this decision by the French Constitutional Council and the resulting financial repercussions for the period prior to October 27, 2023.

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

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

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SHAREHOLDER INFORMATION

The Annual Meeting of Shareholders was held on Wednesday, May 10, 2023 at 11 am, in the form of a virtual presentation.

For further information, please visit our website.

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Pour obtenir une version française du rapport annuel, veuillez communiquer avec les Affaires publiques et corporatives de Boralex.





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