

Driven
by Disciplined
Actions

2024
Annual Report





WORKING FOR A LOW-CARBON FUTURE

For more than 30 years, Boralex has been actively contributing to the fight against climate change by producing renewable, affordable energy. When we started, our focus was on operating our sites and optimizing our assets. We have since added project development and construction management to our portfolio.

We have also optimized our revenues by developing unique, intelligent solutions that allow us to sell green electricity directly to public utilities and private businesses. Today, we are a fully integrated renewable energy company, managing assets over their entire life cycle.



— Fully integrated and focused on renewable energy

All of our operations at Boralex are guided by a strong commitment to corporate social responsibility (CSR). We officially incorporated this approach into our strategic planning close to five years ago, with the goal of becoming a leader in the field, improving our corporate performance, boosting our long-term value and generating positive impacts beyond renewable energy production.



Developer



Project Development

Be active on the ground to develop wind, solar, hydroelectric, and energy storage projects integrated into their respective ecosystems and designed to meet the needs of clients, partners and stakeholders



Construction Management

Manage all phases of financing and construction for our projects

Operator

Asset Operation and Optimization

Run facilities, manage contracts, liaise with communities, optimize maintenance and repairs, and repower existing sites

Direct-to-Client Energy Sales

Sell green energy to public utility companies and private businesses, and directly on the markets



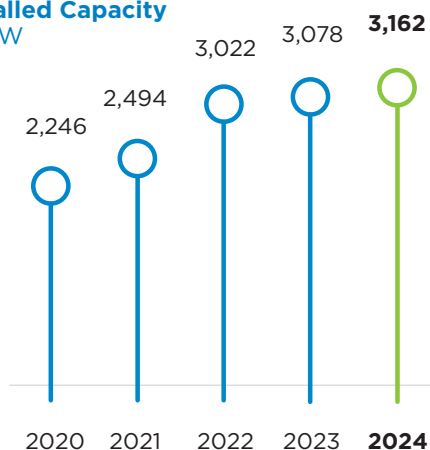
— Growth firmly rooted in a long-term vision

At Boralex, our growth is anchored in our long-term vision, which underscores the importance we attach to sustainability and how seriously we take these ambitions. We have added 916 MW of capacity since December 31, 2020, and more than doubled the capacity of the portfolio of projects under development and growth path. Over this same period, we achieved a 7% compound annual growth rate in revenues from energy sales and feed-in premiums. A total of 90% of Boralex's installed capacity is covered by energy sales contracts with a weighted average remaining term of 11 years at the end of 2024.

↑ **916 MW**
of capacity
Since December 31, 2020

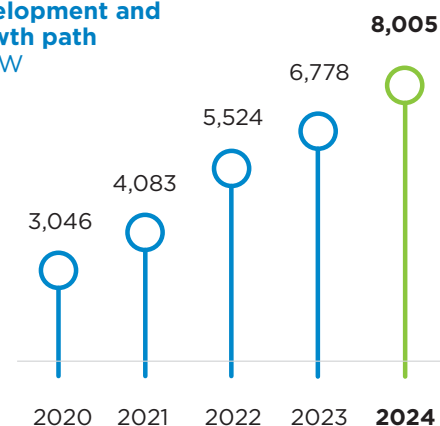
↑ **7%**
CAGR
Revenues from energy sales and feed-in premiums Consolidated
Since December 31, 2020

Installed Capacity
in MW



↑ **41%**
+ 9% CAGR
Since December 31, 2020

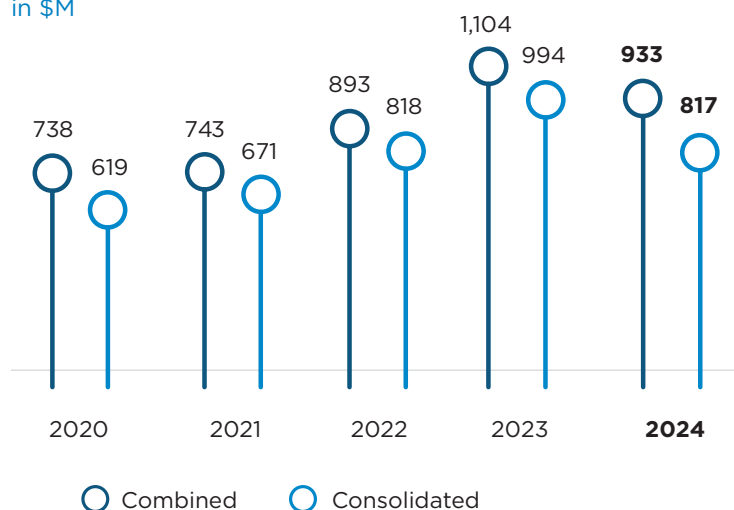
Portfolio of projects under development and growth path
in MW



↑ **163%**
+ 27% CAGR
Since December 31, 2020



Revenues from energy sales and feed-in premiums Consolidated and Combined⁽¹⁾ in \$M



Revenues from energy sales and feed-in premiums Consolidated

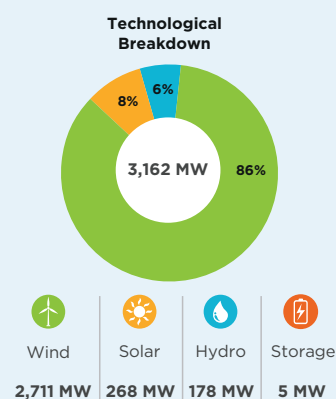
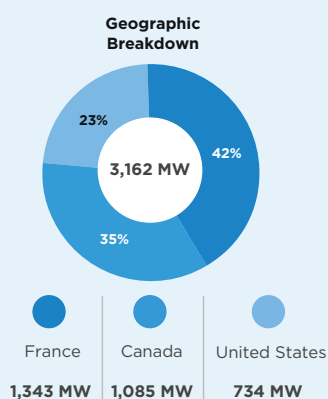
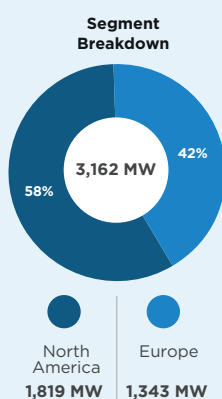
32%
+ 7% CAGR
Since December 31, 2020

Revenues from energy sales and feed-in premiums Combined

26%
+ 6% CAGR
Since December 31, 2020



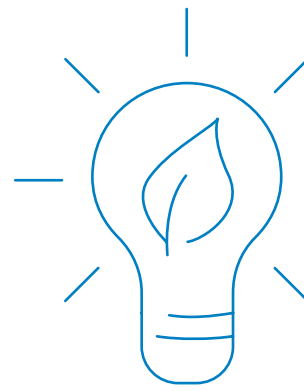
Boralex is present in Canada, France, the United-States and the United Kingdom and operates renewable energy production technologies in three sectors: wind, solar and hydroelectricity as well as energy storage technologies. This balanced diversification is the key to creating value, which we then share with all of our partners and stakeholders.



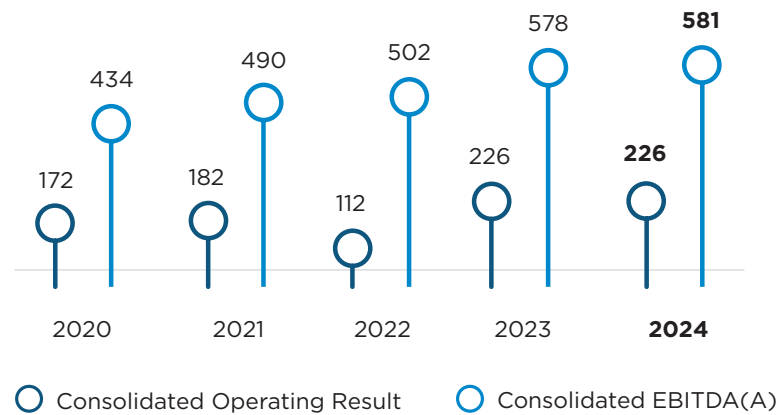
⁽¹⁾ Combined basis is a non-GAAP measure and does not have a standardized meaning under IFRS. Therefore, this measure may not be comparable to similar measures used by other companies. For more details, see "Non-IFRS and Other Financial Measures" in the MD&A section of this report.

A strong, stable financial position

The steady, disciplined progress we have made in our target markets since 2020 has translated to a compound annual growth rate of 8% in adjusted earnings before interest, taxes, depreciation and amortization (EBITDA(A))⁽¹⁾ and 7% in consolidated operating income.



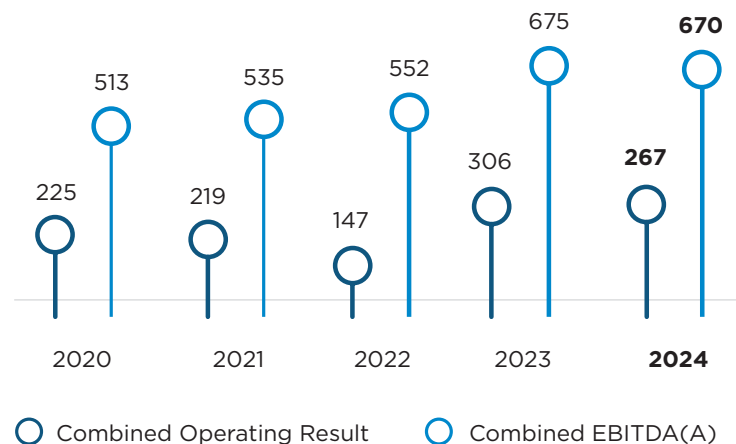
Consolidated Operating Income and Consolidated EBITDA(A) in \$M



Consolidated Operating Income
31%
+ 7% CAGR
Since December 31, 2020

Consolidated EBITDA(A)
34%
+ 8% CAGR
Since December 31, 2020

Combined Operating Result and Combined EBITDA(A) in \$M



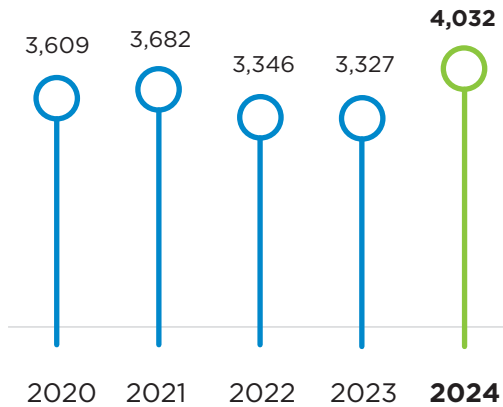
Combined Operating Result
19%
+ 4% CAGR
Since December 31, 2020

Combined EBITDA(A)
31%
+ 7% CAGR
Since December 31, 2020

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

We have achieved this growth in our results since 2020 while maintaining a healthy balance sheet with only a slight increase in our debt level over this time. We also enjoy a good degree of financial flexibility, with \$592 million in cash and cash equivalents and more than \$500 million of available cash resources and authorized financing⁽¹⁾, and debt composed of nearly 90% non-recourse project loans.

Consolidated debt - principal balance
in \$M



A good degree of financial flexibility, with
\$592M
in cash and cash equivalents
and more than
\$500M
of available cash resources
and authorized financing

↑ Increase of
12%
+ 3% CAGR
Consolidated
Debt - principal
balance
Since December 31, 2020



⁽¹⁾ Available cash resources and authorized financing facilities are a non-GAAP financial measure and do not have a standardized definition under IFRS. Therefore, this measure may not be comparable to similar measures used by other companies. For more details, see "Non-IFRS and Other Financial Measures" in the MD&A section of this report.

Message from the Chairman of the Board



Steady growth toward reaching our strategic goals

The past year was one marked by change and instability on a global scale. Against this backdrop, we leaned into the agility and flexibility that we are known for to continue to deliver a performance that sets our company apart.

By upholding our focus on disciplined, cost-effective growth, we will be embarking on the last year of our strategic plan for 2025 in an enviable financial position, which will enable us to make tangible progress toward our goals. We continued to utilize the capital at our disposal in an orderly and responsible fashion during the year, yielding an impressive list of important and future-oriented achievements, and pushing forward with our ambitious plans for growth that are rooted in sustainability, value creation and a measured approach to risk-taking.

With demand for energy growing sharply in our target markets and around the planet, the need for energy diversification, especially in the renewables sector, will be a source of significant opportunities for Boralex in the years to come. Bearing this in mind, we continued to lay the groundwork for these opportunities in 2024 by adjusting our business practices, specifically as regards to risk management and corporate social responsibility (CSR). The strategic plan that will take us into 2030, which is currently in the drafting stages, will capitalize on the talent, diversity and engagement of our people, who have served Boralex so well thus far.

An evermore robust governance framework

We also continued to refresh the composition of our Board of Directors during the year, taking care to maintain the same high level of expertise, skill and diversity. We were honoured to welcome Ricky Fontaine among our ranks, who brings his extensive expertise in project financing and Indigenous governance to the table. I would also like to thank outgoing board member Inès Kolmsee for her contributions during her tenure.

The year saw the Board strengthen governance practices and oversight in order to be even more supportive of Boralex and the management team as they work toward the company's objectives. Accordingly:

- Risk monitoring and management is now directly assumed by the Board's purview.
- Boralex's relations with Indigenous Peoples continued to be enhanced, specifically through a new partnership in Ontario and a custom training program for wind turbine maintenance for Innu communities.
- The variable compensation of senior management, which has always been primarily linked to Boralex's financial performance, is now also partially tied to the achievement of targets in terms of occupational health and safety, female representation in management positions and GHG emissions reduction to support the company's CSR goals.

As a result, Boralex is starting 2025 in a strong, stable position, ready to meet the challenges ahead and act on the opportunities that will come with a growth in the demand for electricity and the energy transition, and eager to create value for shareholders and serve the needs of our stakeholders.

A handwritten signature in dark ink, appearing to read 'Alain Rhéaume'.

Alain Rhéaume

Chair of the Board of Directors

— Message from the President and Chief Executive Officer

A strong, agile company in an excellent position to pursue growth opportunities in the years to come

The economic, geopolitical and climate-related context in recent years has made it clear that businesses need to be nimble and flexible if they are to stay competitive and relevant. At Boralex, we have been particularly successful in embracing this approach.

We are entering into the last year of our 2021-2025 strategic plan with a solid roster of achievements, which can be credited to a strategic and disciplined deployment of capital, a large number of value-added development projects and diversification into new geographic areas, all while remaining keenly focused on our ambitious sustainability targets. Other winning conditions include lucrative partnerships in key markets without significantly increasing our debt or decreasing our share capital. Today, Boralex has a very strong financial position, backed by an integrated approach to enterprise risk management and long-term sustainability in an industry where the opportunities for growth are greater than ever before.

Game-changing steps forward

In 2024, our teams once again yielded results we can be very proud of in each of the markets where we operate. In Europe, we continued to expand into Scotland with the construction of the Limekiln wind farm, the acquisition of the Sallachy wind power project and a partnership for the development, construction and operation of the Clashindarroch wind farm extension. We also inaugurated two wind farms and signed new long-term power purchase agreements with European companies. In North America, construction of the Apuiat wind farm was ongoing during the year, and we received the green light from provincial authorities to move forward with the Des Neiges - Secteur sud wind power project in Quebec. We also kicked off construction on battery energy storage system projects in Hagersville and Tilbury, in Ontario. Lastly, in the United States, we continued development work on several solar projects, bid on new projects and explored opportunities to further increase our presence in this target market.

In short, we made progress on every strategic front during the year, focusing our capital on projects with high added value and low risk, and leveraging a business model that allows us to develop tailored solutions in line with local realities.



Ambitious growth, enduring success

The successful execution of our strategic plan is contingent to a large degree on the integration of our sustainability objectives. Boralex's long-term viability will be driven not by unchecked growth, but by a well-thought-out, deliberate plan to gradually expand our operations, which requires us to integrate corporate social responsibility (CSR) considerations into every aspect of our business.

And I am very proud of everything we have accomplished from a CSR perspective. Among the achievements that are particularly worthy of note are the official validation of our greenhouse gas (GHG) emissions reduction targets by the Science Based Targets initiative (SBTi), thereby formalizing our pledge to reaching net-zero across our entire value chain by 2050. This makes us one of only a handful of renewable energy companies whose reduction targets for Scope 1, 2 and 3 emissions have been validated by SBTi. We are proud of this distinction because, although our operations inherently contribute to decarbonizing electricity production, they still generate GHG emissions.

Preparing for a future rife with opportunities and challenges

The future looks bright for Boralex. In a business environment that promises to be increasingly volatile and demanding, and a context where we will rely on a significant portfolio of development projects in each of our target markets, we will need to put increased emphasis on optimizing our practices and continue to make adaptability and agility our watchwords. This is especially important given the ongoing strong demand in our target markets, against the backdrop of the energy transition and transportation electrification. Among the developments that are particularly promising for Boralex are Hydro-Québec's intention to develop 10 GW in wind farms in a short timeframe, the procurement plan announced for Ontario targeting 7.5 GW in new clean energy resources and initiatives that have been announced in the United Kingdom to accelerate the energy transition.

Our efforts will therefore concentrate on diversified, cost-effective and lasting growth, revolving around projects that are smart, scalable and in tune with the needs of our stakeholders. This will be the guiding force behind our next strategic plan, which we will be drafting in 2025. And to make this happen, I am honoured to be able to count on our multiple teams, made up of a diverse group of dedicated individuals who come to us from a wide range of backgrounds and whose talent, drive and versatility are second to none. They continue to inspire us and propel us forward, and are at the heart of our success. Without them, Boralex would not be in such a favourable position to tackle the challenges and seize the opportunities that await us. I thank them from the bottom of my heart for their profound dedication.

I would also like to express my gratitude to our Board of Directors, who are a vital link in our leadership chain. Their vision, their expertise and their experience come together to guide us in our commitment to success and excellence. Lastly, I would be remiss if I didn't thank our shareholders, many of whom renewed their trust in Boralex this year, as well as our clients and our business partners. It is support like this that enables us to work toward fulfilling our mission of providing renewable and affordable energy, and understanding the world around us.



Patrick Decostre

President and Chief Executive Officer

Management's Discussion and Analysis

As at December 31, 2024

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Highlights

Non-IFRS measures and other financial measures

The combined information ("Combined") presented in this management's discussion and analysis ("MD&A") results from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS and the share of the financial information of the Interests. The Interests represent investments by Boralex, and although IFRS does not permit the consolidation of their financial information with that of Boralex, management considers that information on a Combined basis is useful data to assess the Corporation's performance. For more details, see the *Non-IFRS and other financial measures* section in this report.

Three-month periods ended December 31

	Consolidated		Combined ⁽¹⁾	
(in millions of Canadian dollars, unless otherwise specified)	2024	2023	2024	2023
Power production (GWh) ⁽²⁾	1,520	1,814	2,099	2,351
Revenues from energy sales and feed-in premiums	228	315	258	345
Operating income	78	98	53	119
EBITDA(A) ⁽¹⁾	169	202	191	229
Net earnings (loss)	(2)	58	(2)	58
Net earnings (loss) attributable to the shareholders of Boralex	(16)	37	(16)	37
Per share (basic and diluted)	(\$0.15)	\$0.36	(\$0.15)	\$0.36
Net cash flows related to operating activities	31	107	—	—
Cash flows from operations ⁽¹⁾	105	161	—	—
Discretionary cash flows ⁽¹⁾	47	91	—	—

Years ended December 31

	Consolidated		Combined	
(in millions of Canadian dollars, unless otherwise specified)	2024	2023	2024	2023
Power production (GWh) ⁽²⁾	5,691	5,973	7,845	8,020
Revenues from energy sales and feed-in premiums	817	994	933	1,104
Operating income	226	226	267	306
EBITDA(A) ⁽¹⁾	581	578	670	675
Net earnings	74	115	74	115
Net earnings attributable to the shareholders of Boralex	36	78	36	78
Per share (basic and diluted)	\$0.35	\$0.76	\$0.35	\$0.76
Net cash flows related to operating activities	215	496	—	—
Cash flows from operations ⁽¹⁾	415	445	—	—
Discretionary cash flows ⁽¹⁾	158	184	—	—
	As at Dec. 31	As at Dec. 31	As at Dec. 31	As at Dec. 31
Total assets	7,604	6,574	8,476	7,304
Debt - Principal balance	4,032	3,327	4,588	3,764
Total project debt	3,608	2,844	4,166	3,281
Total corporate debt	424	483	424	483

⁽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. EBITDA(A) is a total of segment measures. 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 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 premiums.

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
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
ITC	Investment tax credit
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
RFP	Request for proposals
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 or electrical storage of a piece of equipment. It is expressed in Megawatts, or even Gigawatts.

Contract for Difference (CfD)

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 Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three- and twelve-month periods ended December 31, 2024, compared with the corresponding periods of 2023, as well as the Corporation's financial position as at December 31, 2024, compared with December 31, 2023. This report should be read in conjunction with the audited consolidated financial statements and related notes found in this Annual Report for the fiscal year ended December 31, 2024.

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 February 27, 2025, the date on which the Board of Directors approved this annual MD&A and the audited 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 2023.

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 December 31, 2024, 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 these financial statements and this MD&A.

Currency	Closing rate ⁽¹⁾		Average rate ⁽²⁾			
	As at December 31		Three-month periods ended December 31		Years ended December 31	
	2024	2023	2024	2023	2024	2023
USD	1.4384	1.3243	1.3982	1.3624	1.3690	1.3497
EUR	1.4890	1.4606	1.4918	1.4660	1.4818	1.4597
GBP	1.7966	1.6871	1.7822	1.6913	1.7506	1.6784

⁽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, results and performance for future periods, targets for installed capacity and growth in the number of Megawatts, EBITDA(A) and EBITDA(A) margins and discretionary cash flows, organic growth and growth through mergers and acquisitions, obtaining an "Investment Grade" credit rating, targets for discretionary cash flow reinvestment ratio in growth, the renewable energy production projects in the pipeline or on the Corporation's Growth path and their expected performance, the expected timing of project commissioning, anticipated production¹, capital expenditure and investment programs, access to credit facilities and financing, the amount of distributions and dividends to be paid to shareholders, as well as the anticipated payout ratio², 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's estimates and expectations with respect to wind and other factors, the opportunities that could arise in the various segments targeted for growth or diversification, assumptions about EBITDA(A) margins, assumptions about the industry and general economic conditions, competition and availability of financing and partners. While the Corporation considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular forward-looking statement. The main factors that could lead to a material difference between the Corporation's actual results and the forward-looking financial information or the expectations set forth in this report include, but are not limited to, the risks of strategic positioning and mergers and acquisitions, the risk of not renewing PPAs or being unable to sign new corporate PPAs, 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, particularly legislation, regulations and emergency measures that could be implemented from time to time to address high energy prices in Europe, CSR regulations and amendments thereto, loss of reputation, pandemics, the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, interest rate fluctuations, the Corporation's financing capacity, cybersecurity risks, competition, changes in general market conditions, raw material availability and price increases, litigation and other regulatory issues related to projects in operation or under development, as well as certain other factors discussed in the sections on risk factors and factors of uncertainty in Boralex's Management's Discussion and Analysis for the year ended December 31, 2024.

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

¹ Anticipated production is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.

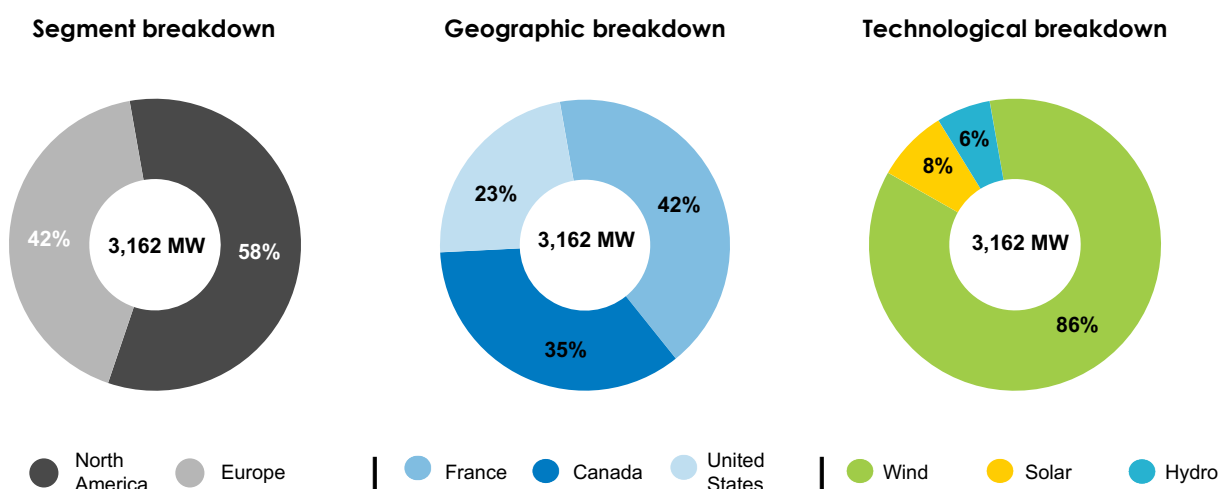
² Payout ratio is a non-GAAP ratio and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named ratios used by other companies. For more details, see the *Non-IFRS and other financial measures* section in this report.

Description of business

Boralex is a Canadian corporation operating in the renewable energy segment for over 30 years. It draws on a workforce of 822 people to develop, build and operate power generating and storage facilities in Canada, France, the United States and the United Kingdom. One of the leaders 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 3,162 MW as at December 31, 2024. The Corporation is developing a portfolio of projects under development, and a growth path equivalent to over 8 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 748 MW out of the total portfolio of projects under development or on the growth path, to be commissioned in 2025 and 2026, while the pipeline of all secured projects amounts to 243 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, geographic and technological breakdown

As at December 31, 2024, Boralex was active in the production of three complementary types of renewable energy: wind, solar, and hydroelectric, along with energy storage. Installed capacity is 3,162 MW.



Installed capacity⁽¹⁾

	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
Canada	985	23	—	—	100	9	—	—	1,085	32
United States	447	5	209	7	78	6	—	—	734	18
Europe - France	1,279	75	59	6	—	—	5	2	1,343	83
	2,711	103	268	13	178	15	5	2	3,162	133

⁽¹⁾ Installed capacity in this MD&A reflects 100% of Boralex's subsidiaries in which Boralex is the controlling shareholder. It also reflects Boralex's share in entities over which it does not have control and which are accounted for using the equity method in this MD&A, consisting of 170 MW for joint ventures operating the Seigneurie de Beaurpré 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 holds 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.

Overview of past three fiscal years

Selected annual information (Consolidated)

Results and cash flow data

(in millions of Canadian dollars, unless otherwise specified)	Years ended December 31			Change (%)	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Power production (GWh)⁽¹⁾	5,691	5,973	5,617	(5)	6
Revenues from energy sales and feed-in premiums	817	994	818	(18)	21
Operating income	226	226	112	—	>100
EBITDA(A)⁽²⁾	581	578	502	—	15
Net earnings	74	115	8	(35)	>100
Net earnings attributable to the shareholders of Boralex	36	78	30	(54)	>100
Net earnings per share attributable to the shareholders of Boralex - basic and diluted	\$0.35	\$0.76	\$0.30	(54)	>100
Net cash flows related to operating activities	215	496	513	(57)	(3)
Cash flows from operations⁽³⁾	415	445	403	(7)	10
Dividends paid - common shares	68	68	68	—	—
Dividends paid per common share	\$0.66	\$0.66	\$0.66	—	—
Weighted average number of shares outstanding – basic	102,766,122	102,765,694	102,726,063	—	—

Statement of financial position data

(in millions of Canadian dollars, unless otherwise specified)	As at December 31			Change (%)	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Total cash, including restricted cash	611	500	374	22	34
Property, plant and equipment	4,070	3,355	3,335	21	1
Total assets	7,604	6,574	6,539	16	1
Debt - principal balance	4,032	3,327	3,346	21	(1)
Total liabilities	5,579	4,550	4,513	23	1
Total equity	2,025	2,024	2,026	—	—
Net debt to market capitalization ratio ⁽⁴⁾ (%)	50%	42%	40%	8	2

⁽¹⁾ Includes compensation following electricity production limitations.

⁽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	Contract: Term Client Type	Investment type
Senneterre	Disposal	-35	April 1	Thermal Canada	N/A	Subsidiary
La Bouleste	Disposal	-10	April 27	Wind France	N/A	Subsidiary
Remise de Reclainville 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% ⁽¹⁾
2022		+ 528 MW		Installed capacity: 3,022 MW ⁽²⁾		
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
Bois Ricart	Commissioning	14	December 11	Wind France	20 yrs EDF FiP-RFP	Subsidiary
Marcillé	Commissioning	13	December 28	Wind France	20 yrs EDF FiP-RFP	Subsidiary
2023		+ 56 MW		Installed capacity: 3,078 MW		
Bois St-Aubert	Commissioning	21	February 12	Wind France	20 yrs EDF FiP-RFP	Subsidiary
Helfaut	Commissioning	21	June 5	Wind France	15 yrs Corporate PPA	Subsidiary
Cruis	Commissioning	13	July 31	Solar France	15 yrs Corporate PPA	Subsidiary
Moulin Blanc	Commissioning	29	November 29	Wind France	20 yrs Corporate PPA	Subsidiary
2024		+ 84 MW		Installed capacity: 3,162 MW		

⁽¹⁾ 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.

⁽²⁾ 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.

As of December 31, 2024, 90%¹ of our asset portfolio's installed capacity is under energy sales contracts at fixed and indexed prices or feed-in premium activated with public utilities. In recent years, Boralex has successfully diversified its customer base by signing corporate PPAs with large companies in Europe. The weighted average remaining duration² of these contracts is 11 years, with 11 years in North America and 9 years in Europe.

¹ The percentage of installed capacity subject to energy sales contracts or remuneration supplements is a supplementary financial measure. For more details, refer to the *Non-IFRS and other financial measures* section in this report.

² The weighted average remaining duration also includes non-activated contracts for newly commissioned sites.

2024

Commissioning

The Corporation added 84 MW to its installed capacity with the commissioning of three wind farms and one solar power project in France.

Financial transactions

In February 2024, Boralex concluded the financing for its 50% interest in the MiRose joint venture for two wind farms in operation in the United States for a total of \$37 million (US \$27 million), which will be amortized over a period of 10 years.

In April 2024, Boralex secured financing for the Helfaut wind farm in France, commissioned in June for a total of \$41 million (€28 million), which will be amortized over a period of 15 years.

In May 2024, Boralex secured an 18-year financing for the Limekiln wind power project in the United Kingdom totalling \$224 million (£130 million).

In August 2024, Boralex secured financing for the Témiscouata II wind farm in operation in Québec totalling \$95 million, which will be amortized over a period of 11 years.

In September 2024, Boralex obtained a three-year extension of the term for its construction facility for the projects in the Boralex Energy Investments portfolio, until July 2028.

In October 2024, Boralex acquired the Sallachy wind power project in the United Kingdom for \$10 million (£5 million).

In November 2024, Boralex secured financing for the Moulin Blanc wind farm in France totalling \$49 million (€33 million), which will be amortized over a period of 17 years.

In December 2024, Boralex secured financing totalling \$710 million for two battery storage projects in Ontario, which will be amortized over a 20-year period, with \$538 million for Hagersville and \$172 million for Tilbury. Additionally, Boralex acquired stakes in two development projects in the United Kingdom, including a 50% stake with an option to purchase the remaining stake in the Clashindarroch Extension wind project for \$27 million (£15 million). The Corporation has control over the project.

Results

In 2024, the Corporation generated 5,691 GWh of electricity, down 5% from the previous fiscal year. This decrease was mainly attributable to unfavourable wind conditions in France which impacted wind farm production and increased electricity production limitations.

Revenues from energy sales and feed-in premiums amounted to \$817 million, down 18% due to a decrease in the production volume of comparable assets in Europe and an unfavourable impact on prices for facilities having terminated their power purchase agreement early. In October 2022, the Corporation had implemented new contracts for which the electricity price was fixed annually on a portion of the production. The variations in contracted prices and the decrease in market prices resulted in an average price reduction on these contracts in 2024. *Operating income* amounted to \$226 million, the same as for the previous fiscal year. A \$178 million decrease in the inframarginal rent contribution in Europe had a positive impact on operating income, offsetting the previously mentioned items regarding production and revenues from energy sales, as well as the increase in development costs to support growth. *EBITDA(A)* amounted to \$581 million, an increase of \$3 million compared with the previous year.

2023

Commissioning

The Corporation added 59 MW to its net installed capacity with the commissioning of four wind farms and one energy storage unit on a wind farm site in France.

Financial transactions

In April 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.

In July 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.

In September 2023, the joint venture Parc éolien Apuiat SEC, in which Boralex holds a 50% interest, closed the financing of \$608 million for the construction of the Apuiat wind power project including short-term facilities. Following the financing, the joint venture returned capital in the amount of \$61 million to Boralex, allowing it to optimize the overall capital structure.

In October 2023, Boralex closed a two-year short term credit facility in France in the amount of \$14 million (€10 million).

In December 2023, Boralex obtained an increase in its revolving credit facility of \$100 million and its credit facility guaranteed by EDC by \$150 million, bringing the authorized amounts to \$550 million and \$350 million, respectively. The Corporation also obtained a one-year extension of the term of its facilities until December 2028. The credit facility again qualified as a sustainable loan with annual CSR objectives. Boralex also secured a 15-year financing for a solar power project totalling \$17 million (€11 million).

Results

In 2023, the Corporation generated 5,973 GWh of electricity, up 6% from the prior fiscal year. This increase was mainly attributable to wind farms in France, which benefitted from better wind conditions, the contribution of new facilities commissioned and the resumption of operations at facilities shut down temporarily owing to repowering work.

Revenues from energy sales and feed-in premiums reached \$994 million, a 21% increase due to the implementation of new contracts in line with higher electricity prices and better wind conditions in France.

Operating income was \$226 million, an increase of \$114 million considering the previous explanations related to the increases in production and revenues from energy sales, the acquisition in the United States and a lower impairment loss in 2023 compared to the previous year. In 2023, the Corporation recorded an impairment of \$19 million for solar power projects in the United States since the recoverable amount of some of these projects was lower than their carrying value. EBITDA(A) reached \$578 million, an increase of 15%.

2022

Acquisitions, commissioning and disposals

In December 2022, the Corporation acquired a 50% interest in five wind farms with a total installed capacity of 894 MW in the United States. Boralex's interest represents a net installed capacity of 447 MW and resulted in a total cash outflow of \$370 million (US\$273 million).

On July 4, 2022, Boralex acquired 100% of Infinergy Ltd.'s interests in the U.K., comprising a portfolio of wind and solar power and energy storage projects.

The Corporation added 127 MW to its installed capacity with the commissioning of six wind farms and one solar power station in France. Boralex also sold a 10 MW wind farm in France, and a 35 MW thermal power station in Canada, thereby shedding its last biomass energy production asset from its portfolio.

Financial transactions

In April 2022, the Corporation announced the closing of an agreement for an investment by Energy Infrastructure Partners ("EIP"), a Switzerland-based global investment manager with a focus on the energy sector, in a 30% stake of Boralex's operating portfolio of 1.1 GW and development projects of 1.5 GW in France. The amounts received from EIP under this transaction were partly used to optimize the Corporation's financing structure, including the repayment of the revolving credit facility for an amount of \$272 million, on May 5, 2022 and the early repayment of a \$98 million project loan on June 9, 2022. Also, the Corporation repaid the U.S. note in the amount of \$35 million (US\$27 million) on July 15, 2022.

In October 2022, the Corporation closed a one-year extension of its revolving credit facility and credit letter facilities amounting to \$525 million until September 2027. The credit facility again qualified as a sustainable loan with annual CSR objectives.

Results

In 2022, the Corporation generated 5,617 GWh of electricity, a result comparable to the prior fiscal year. *Revenues from energy sales and feed-in premiums* reached \$818 million, a 22% increase due to the increase in electricity prices and the implementation of new contracts following the early termination of certain power purchase agreements. *Operating income* was \$112 million, a 39% decrease taking into account the new revenue tax in France and the impairment of \$81 million recorded due to the increase in the cost of capital in the United States. EBITDA(A) reached \$502 million, an increase of 3%.

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 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 for a summary of the strategic plan and an update of the significant achievements of 2024 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 continues its growth in high-potential markets in Canada, the United States, France, the United Kingdom and eventually in 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 yearly update of key developments in these countries is provided below.

Canada

The Canadian federal government took steps to advance a clean energy strategy called "Powering Canada's Future," which combines historic investments and new policies to advance the development of clean, reliable, and affordable electricity. A center piece to the strategy, the 30% Investment Tax Credit (ITC) for capital expenditures related to renewable energy production, energy storage, and the clean technologies sector, became law in spring 2025 and is available for taxable corporations through 2034. Additionally, in December the Government of Canada released the finalized *Clean Electricity Regulations* (CER). To address stakeholder concerns, the end of life date prescribed under the CER (i.e., the date by which a unit must comply with specific provisions under the CER, accounting for commissioning timelines and phased requirements) for planned units has been extended from December 31, 2035, to December 31, 2049, but is still designed to achieve a net-zero electricity grid by 2035 and contribute to economy-wide net-zero emissions by 2050.

Also in December, the Government of Canada unveiled the 2024 *Fall Economic Statement* (FES), which contained numerous provisions to advance the Powering Canada's Future strategy, including the Clean Electricity Investment Tax Credit, a 15% refundable credit which would be available for non tax paying entities including territorial Crown corporations and Indigenous communities.

The future of the FES became uncertain, with the Minister of Finance announcing her resignation from government on the morning of the FES. This announcement contributed to Prime Minister announcing that Parliament will be prorogued until March 24 and that he will be stepping down as the Leader of the Liberal Party of Canada and, therefore, the Prime Minister of Canada. The Liberal Party of Canada will conduct a leadership selection process over the coming months. There is still a great deal of uncertainty as to the survival of the government, which could fall as early as the end of March, triggering an election in May 2025.

In Québec, Bill 69 was tabled by Québec's Minister of Economy, Innovation and Energy. The legislation is intended to modernize Québec's energy sector and help Québec achieve its carbon neutral goal by 2050. The bill supports Hydro-Québec's Action Plan 2035, which anticipates an electricity demand increase of over 60 TWh in Québec by 2035. Furthermore, this action plan includes Hydro-Québec's Wind Power Development Strategy, which will promote the development of large-scale projects that exceed 1,000 MW. For these large-scale wind projects, Hydro-Québec would act as a shareholder and project manager in partnership with Indigenous Peoples and municipalities. This measure underscores the importance that the Québec government and Hydro-Québec place on wind power to meet the province's future energy needs. The goal is to triple wind power's contribution to more than 10,000 MW generated by 2035 by using innovative approaches to secure new projects, such as allowing Hydro-Québec Distribution to enter into bilateral power purchase agreements.

In 2024, Ontario's government put energy policy into action. The Independent Electricity Systems Operator (IESO) announced the results of LT1 securing 1,784 MW of storage capacity for Ontario's grid. This included the selection of the 125 MW Boralex Oxford battery storage project. Notably, the LT1 procurement was the largest battery storage procurement in Canada. For the LT2 procurement, the IESO outlined plans to secure approximately 5 TWh of energy, or roughly 1,500 MW, depending on the resource type and its effective capacity.

British Columbia saw significant developments in energy policy, particularly around the election and the procurement of large-scale renewables. The election resulted in the majority retaining the majority. BC Hydro announced its first call for power in 15 years, aiming to acquire approximately 3,000 GWh of new clean or renewable energy from greenfield facilities by 2029, and around 700 GWh of additional electricity from existing generation facilities before 2029. Additionally, BC Hydro's 2024 Capital Plan indicated an expected 15% or more increase in electricity demand by 2030.

United States

In 2024, the U.S. Federal Government implemented significant measures to facilitate an energy transition while achieving its environmental, economic, and social objectives. However, the newly elected President has different priorities. He is focused on U.S. energy dominance, through increased fossil fuel production. The President's statements regarding wind power, particularly offshore wind, has led to the issuance of executive orders that are intended to impede development of renewable resources with impacts that are still unpredictable and will differ from one State to another. Notably, the new President has expressed his intention to impose tariffs that could potentially cripple the economy. Many of the considered tariffs could disrupt the supply chain, provide upward pressure on inflation and impact the exchange rate. For renewable energy projects, tariffs could lead to increased equipment costs and possible delays in delivery, as suppliers may struggle to absorb the impacts.

After relatively flat load growth over the last decade, 2024 witnessed grid operators forecasting a combined 2.4% annual growth rate in load between 2025 and 2033 as data centers and the continued electrification of industry, transportation, and homes raise power demand across the country. As a result of the political realignment, more of this load growth will be addressed by traditional forms of energy generation and nuclear power; in many region, the additional load will be assumed by new renewable energies.

In New York, NYSEERDA moved forward with expedited procurement in the fall, following the mass cancellation of contracts in late 2023. Additionally, the New York Power Authority unveiled its draft plan to build 3.5 gigawatts of renewable energy, aiming to support New York State's clean energy goals. Furthermore, the New York State Public Service Commission created the H-Value in the *Value of Distributed Energy Resources* (VDER) stack to compensate existing hydro resources, including *Community Distributed Generation* (CDG) projects, by providing financial incentives for small hydroelectric facilities.

The Texas Legislature was not in session in 2024 but will be in 2025 (Texas only holds session every other year). ERCOT made progress on its implementation of ride-through standards for *Inverter-Based-Resources* (IBRs). Under the new rule, IBRs that come online after July 24, 2024, must meet relevant parts of the Institute of Electrical and Electronics Engineers' standard for IBRs interconnecting with the grid by 2026. Resource entities must submit by April 1, 2025, a notice of intent to request an exemption if they cannot meet the new requirements. Resources that can meet the new requirements, but not by the deadline, must request an extension.

In California, the California Independent System Operator (CAISO) continued its work on expanding the Western Energy Imbalance Market by creating an *Extended Day-Ahead Market* (EDAM) set to launch in 2026. The ISO continues to work on implementation plans with relevant utilities, preparing for the 2026 launch of EDAM. In late November, the Balancing Authority of Northern California became the third entity to formally commit to join EDAM and other utilities, including the Los Angeles Department of Water & Power, Idaho Power, NV Energy, Public Service Company of New Mexico, and Arizona G&T Cooperatives, are also considering joining the extended day-ahead market.

Europe

New European regulations adopted in the first half of 2024 will have a favourable impact on renewable energy framework. First, the *Net Zero Industry Act* (NZIA), which aims at enhancing European manufacturing capacity regarding carbon neutral technologies, rare metals and critical materials, upstream of the renewable chain. Secondly, the *Electricity Market Design Reform*, which aims at protecting customers against surge pricing during periods of high energy demand, encourage the development of PPAs, flexibility mechanisms and the use of contracts for difference to support decarbonized capacities as nuclear and renewable energy.

The second half of 2024 was dominated by the renewal of institutions, which happens every five years. Following elections in June, the European Parliament became slightly more right wing, but the overall balance remains the same, meaning a continuity in the existing energy and decarbonization policy. A new European Commission has also been appointed with a promising energy transition agenda announced for 2025: the release within 100 days of a new *Clean Industry Pact* for industry competitiveness and the simplification of existing regulations.

France

The political landscape underwent several changes but the support for long-term decarbonization goals remains strong: in the aftermath of the European elections, a new National Assembly was elected in June. No party emerged victorious, leading to three blocks of deputies, and the designation of several successive governments. The common thread of energy policy remains to reach carbon neutrality by 2050 and move away from fossil fuels. Several pillars are meant to achieve these targets: energy efficiency and the production of decarbonized electricity based on renewable and nuclear power. Nevertheless, over the next ten years, if electricity demand is high, decarbonization should rely more on renewables, given the delays in development times for new nuclear reactors.

Discussions also took place to update the energy policy framework described in the *Multi-annual Energy Program* (PPE) and the *National Low Carbon Strategy* (SNBC). The PPE is intended to provide greater visibility to the renewable targets by 2035, with a significant momentum expected for solar energy and stable development for onshore wind. Their final adoption should take place in the beginning of 2025.

The *Finance Law*, which includes the 2025 budget, has been adopted. It confirms that the inframarginal rent contribution on electricity production will not be renewed for 2025. In the coming months, efforts will be focus on finalizing the transposition into French law of the NZIA, which aims to develop the carbon-neutral technology industry within the European Union.

Finally, in 2024, the publication of the implementing legislation of the *Renewable production acceleration Law* led to a number of structural advances for the sector, such as the establishment of a framework for developing agrivoltaism. A number of tenders for wind and solar power also took place throughout the year and new RFPs are planned in 2025 to support the development of additional renewable capacities.

United Kingdom

Energy was a central topic during the election debates that took place in the United Kingdom at the beginning of 2024. The general election in July resulted in the victory of the Labour party. A key objective of the new Government is to deliver a clean power system by 2030, which includes doubling the amount of onshore wind and a 5 to 6 fold increase in the installed capacity of batteries (BESS) in the next 5 years. A significant investment in the upgrade and expansion of the electricity networks around the UK will be also needed.

As part of the new Government's intention to deliver net zero by 2050 and to reach 100% clean power by 2030, several promising decisions for renewable energy have been taken in its first months in power for example, lifting of the de facto ban on onshore wind power in England and the creation of Mission Control to deliver the government's clean power mission for 2030. Regarding grid issues, the creation of the *National Energy System Operator* (NESO) is expected to provide a more integrated and coordinated approach to managing the energy system, ensuring energy security, and supporting the transition to clean energy.

At the end of the year, the publication of the *Industrial Strategy*, the announcement that the RFP (CfD) process is renewed and will be launched in 2025 to support the development of new capacities, and the release of the *2030 Clean Power Action Plan* with increased public spending for renewables will also be drivers for the next months.

Development outlook by strategic direction

Boralex continues to develop according its four strategic directions, building on the potential offered by the European and North American markets where it already operates. The main progress made in fiscal 2024 is presented below.

Growth

- Commissioning of three wind farms in Europe, adding 71 MW of installed capacity, and addition of wind power projects totalling 1,028 million to the early stage of the portfolio of projects under development.
- Finalization of turbine assembly for the Limekiln wind power project in the United Kingdom and the Apuiat wind power project in Québec, with interconnections planned for the first few months of 2025.
- Transition to the construction stage of the Des Neiges Sud project in Québec totalling 133 MW.
- Progression to the secured stage of three wind power projects in North America and in Europe for a total of 197 MW.
- Acquisition of 50% interest and control of the Extension Clashindarroch wind power project in the United Kingdom with an installed capacity of 145 MW and the adjacent battery energy storage system with a maximum installed capacity of 50 MW, for a total installed capacity of 195 MW.
- Selection of three projects totalling 51 MW under the most recent RFP for onshore wind power in France.
- Acquisition of the Sallachy wind power project in the United Kingdom in October 2024, adding 50 MW in Europe to the advanced stage of the portfolio of projects under development.
- Signing of a 30-year PPA for the two wind power projects in North America, equivalent to 315 MW, under Hydro-Québec's RFP process.

Diversification

- Commissioning of a solar power station in France, adding 13 MWac of installed capacity; addition of 226 MWac in solar power projects and 220 MW in storage projects to the early stage of the portfolio of projects under development.
- Progression to the secured stage of two solar power projects in Europe, for a total of 24 MWac.
- Start of construction work on the Hagersville (300 MW) and Tilbury (80 MW) battery energy storage projects in Ontario, scheduled to be commissioned in the fourth quarter of 2025.
- Submission of solar power projects under NYSERDA's RFP process.
- Signing of a 22-year power purchase agreement for the Oxford storage project in North America, equivalent to 125 MW, selected under the Ontario LT1 RFP.

Customers

- Signing of a 3-year PPA with Statkraft in the United Kingdom for the Limekiln wind farm, covering the period between commissioning and the start date of its contract for difference (CfD).
- Signing of a 15-year corporate PPA with Nestlé France for a facility commissioned in 2024 and two projects included in the Corporation's portfolio of projects under development.
- Signing of a 20-year corporate PPA with Saint-Gobain for two solar power projects and one wind power project included in the Corporation's portfolio of projects under development.

Optimization











- Financing of the Hagersville storage project for a total of \$538 million, including a construction facility of \$366 million, a bridge loan of \$141 million and a letter of credit facility of \$31 million.
- Financing of the Tilbury storage project for a total of \$172 million, including a construction facility of \$120 million, a bridge loan of \$45 million and a letter of credit facility of \$7 million.
- Financing of the Moulin Blanc wind power project for a total of \$49 million (€33 million), including a construction facility of \$45 million (€30 million), a value-added tax bridge financing facility of \$1 million (€1 million) and a letter of credit facility for debt service of \$3 million (€2 million).
- Financing of the Témiscouata II wind farm in Québec for a total of \$95 million, including an \$85 million term loan and a letter of credit facility of \$10 million.
- Financing of the Limekiln wind power project in the United Kingdom for a total of \$224 million (£130 million), including a term loan of \$203 million (£118 million), a value-added tax financing facility of \$9 million (£5 million) and a debt service reserve facility of \$12 million (£7 million).
- Financing of the Helfaut wind power project for a total of \$41 million (€28 million), including a construction facility of \$30 million (€21 million), a value-added tax bridge financing facility of \$9 million (€6 million) and a letter of credit facility for debt service of \$2 million (€1 million).
- Financing of two wind farms in operation in the United States in which the Corporation has an interest for a total of \$37 million (US\$27 million), including credit facilities of \$12 million (US\$9 million).
- Three-year extension of the construction facility in Europe until July 2028.

Portfolio of projects under development and growth path

Changes in the project portfolio

The Corporation's pipeline of development projects totals 7,014 MW, up 1,142 MW from the end of fiscal 2023. The wind power development portfolio comprises projects totalling 3,181 MW, up 725 MW from the previous year. The solar power development portfolio is contributing to the Corporation's growth, with a total of 2,595 MWac, up 129 MWac from the previous year. Solar power has high development potential in both Europe and North America. The energy storage development portfolio amounted to 1,238 MW, up 288 MW from the previous year.

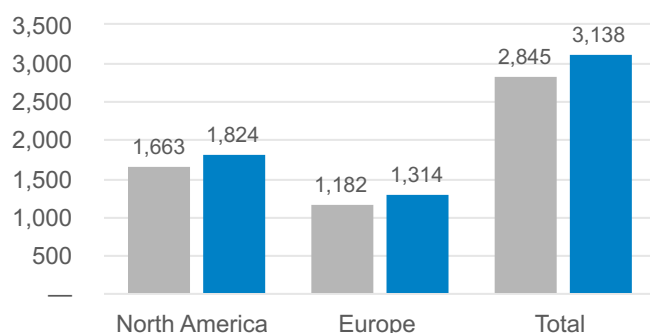
BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE		NORTH AMERICA	EUROPE	TOTAL BORALEX
TOTAL 7,014 MW	EARLY STAGE			
	• Real estate secured	 809 MW	616 MW	1,425 MW
	• Interconnection available	 550 MW	553 MW	1,103 MW
	• Review of regulatory risks	 465 MW	145 MW	610 MW
	• Assessment of local community acceptability (Europe)			
	TOTAL CAPACITY	1,824 MW	1,314 MW	3,138 MW
	MID STAGE			
	• Preliminary design for a bid	 298 MW	580 MW	878 MW
	• Assessment of required permits and local community acceptability (North America)	 200 MW	330 MW	530 MW
	• Requests for permits and administrative authorizations made and final assessment of environmental risks completed (Europe)	 -	50 MW	50 MW
	TOTAL CAPACITY	498 MW	960 MW	1,458 MW
	ADVANCED STAGE			
	• Project submitted under a request for proposals or actively looking for a corporate PPA	 398 MW	480 MW	878 MW
	• Final assessment of environmental risks completed (North America)	 960 MW	2 MW	962 MW
	• Project authorized by regulatory authorities (France)	 525 MW	53 MW	578 MW
	TOTAL CAPACITY	1,883 MW	535 MW	2,418 MW
	TOTAL			
		 1,505 MW	1,676 MW	3,181 MW
		 1,710 MW	885 MW	2,595 MW
		 990 MW	248 MW	1,238 MW
	TOTAL CAPACITY	4,205 MW	2,809 MW	7,014 MW

Movements between the stages in the development project portfolio since December 31, 2023 are provided below (in MW):

● 2023 ● 2024

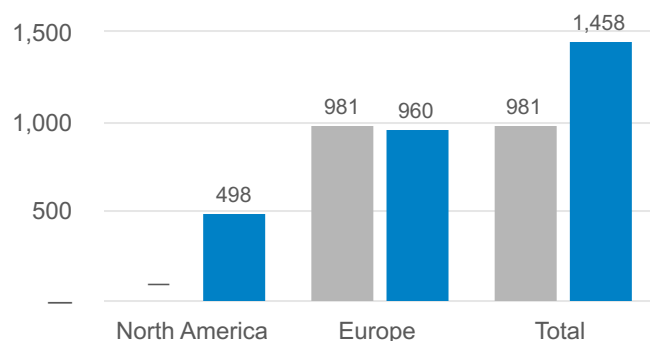
Early stage



The 293 MW increase was mainly due to:

- The addition of projects in North America and Europe, for an increase of 1,801 MW;
- Changes to the expected capacity of wind and solar projects in Europe and in North America, for an increase of 59 MW;
- Transition to mid and advanced stages of wind and solar power projects in Europe and storage projects in North America, for a reduction of 1,254 MW;
- Discontinuation of projects in North America and Europe, for a reduction of 275 MW.

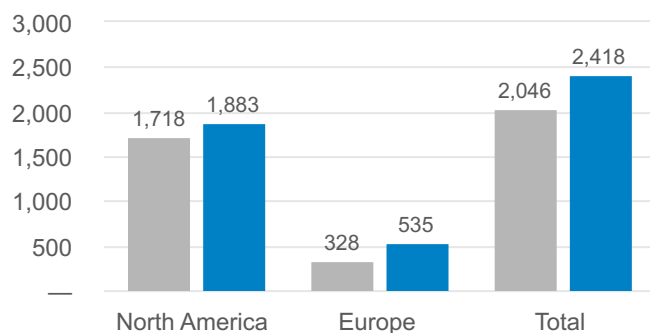
Mid stage



The 477 MW increase was mainly due to:

- Progression to the mid stage of projects in North America and Europe, for an increase of 853 MW;
- Transition to the advanced stage of wind power projects in Europe, for a reduction of 169 MW;
- The return of wind power projects in Europe to the early stage, for a reduction of 147 MW.

Advanced stage



The 372 MW change was mainly due to:









- Progression to the advanced stage of projects in North America and Europe, for an increase of 694 MW;
- The addition of a 50 MW wind power project in Europe, following acquisition of the Sallachy project in October 2024;
- Transition to the secured stage of wind and solar power projects in Europe and North America, for a reduction of 221 MW;
- Discontinuation of projects in North America and Europe, for a reduction of 197 MW.

Changes to the Growth path

The Growth path represented a capacity of 991 MW as at December 31, 2024, compared with 906 MW at the end of fiscal 2023. This increase was mainly attributable to the progression of wind power projects in North America to the secured stage.

Wind power projects secured, under construction, or ready to build represented a total of 587 MW, compared with 513 MW at the end of fiscal 2023, while solar power projects now represent 24 MWac, following the progression of projects. Finally, energy storage projects totalling 380 MW are advancing to the under construction or ready-to-build project stage and continue to make progress towards their commissioning according to the planned timelines.

GROWTH PATH

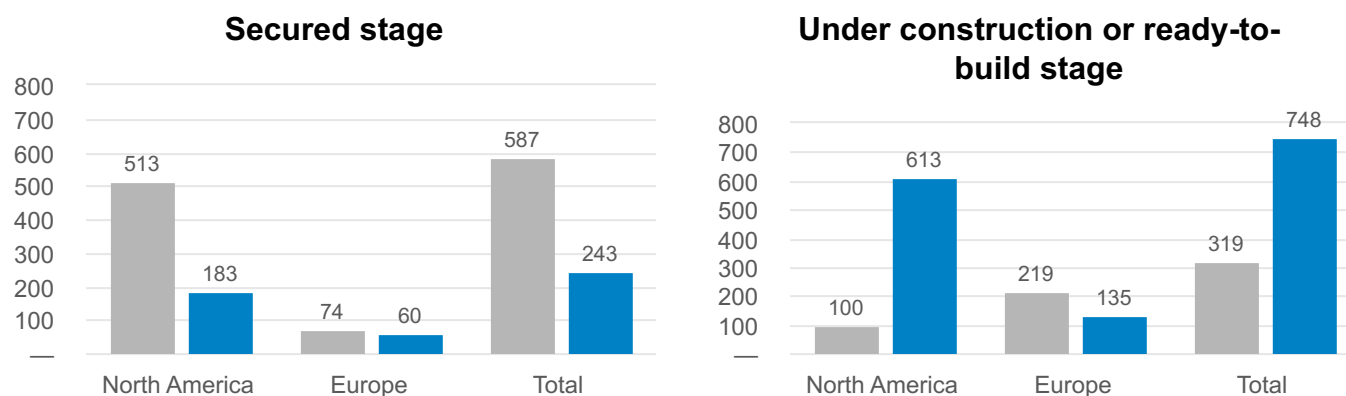
		NORTH AMERICA	EUROPE	TOTAL BORALEX
TOTAL 991 MW	SECURED STAGE			
	• Contract win (REC or PPA) and			
	• Interconnection submitted (United States)	183 MW	36 MW	219 MW
	• Interconnection secured (Canada)	-	24 MW	24 MW
	• Interconnection secured and			
	• Project cleared of any claims (France)	-	-	-
	• Project authorized by regulatory authorities (Scotland)			
	TOTAL CAPACITY	183 MW	60 MW	243 MW
	UNDER CONSTRUCTION OR READY-TO-BUILD STAGE			
	• Permits obtained			
	• Financing underway	233 MW	135 MW	368 MW
	• Commissioning date determined	-	-	-
	• Pricing strategy defined			
	• Authorized by Boralex's Board of Directors or the President and Chief Executive Officer in accordance with Boralex's Delegation Policy	380 MW	-	380 MW
	TOTAL CAPACITY	613 MW	135 MW	748 MW
	TOTAL			
		416 MW	171 MW	587 MW
				
		-	24 MW	24 MW
				
		380 MW	-	380 MW
	TOTAL CAPACITY	796 MW	195 MW	991 MW

CURRENTLY IN OPERATION 3,162 MW

As at December 31, 2024.

Movements between the stages in the *Growth path* since December 31, 2023 are provided below (in MW):

● 2023 ● 2024

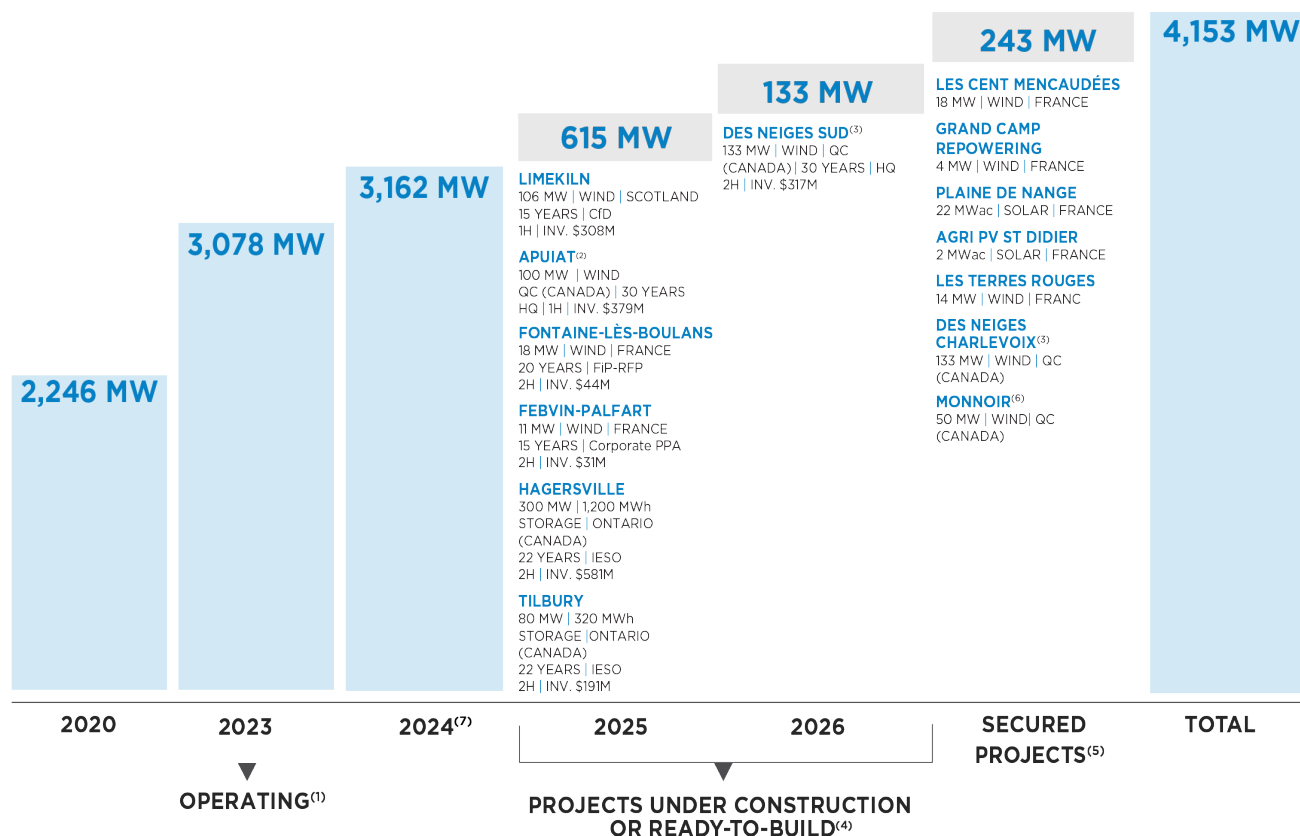


The **secured stage** represented an expected capacity of 243 MW as at December 31, 2024, a reduction of 344 MW compared with the previous year. This decrease was mainly attributable to the progression of two storage projects and one wind power project in North America to the under construction or ready-to-build stage, for a total of 513 MW. This decrease was partially offset by the progression to the secured stage of two wind power projects in North America and two projects in Europe, one solar and one wind power, for a total of 221 MW.

The expected capacity of the **under construction or ready-to-build stage** increased from 319 MW as at December 31, 2023 to 748 MW as at December 31, 2024. This increase was due to the start of construction work on storage projects in Ontario and a wind power project in Québec totalling 513 MW, partially offset by the commissioning of three wind power projects and one solar power project in Europe, for a total of 84 MW.

As shown in the *Growth path*, the Corporation had assets in operation totalling 3,162 MW as at December 31, 2024, an increase of 84 MW compared with the previous year, due to the commissioning of four projects: Bois St-Aubert, Helfaut, Cruis and Moulin Blanc. Boralex expects four wind power projects and two storage projects to be commissioned by the end of 2025 and another wind power project in 2026, for a total increase of 748 MW in operation. Commissioning of secured facilities and projects under construction or ready to build is expected to bring Boralex's installed capacity to 4,153 MW.

Growth path



⁽¹⁾ Installed capacity of production, including the installed capacity of energy storage projects.

⁽²⁾ The Corporation holds 50% of the shares in the joint venture with a total capacity of 200 MW but does not have control over it.

⁽³⁾ The Corporation holds 50% of the shares in the joint venture with a total capacity of 400 MW but does not have control over it. A minority shareholder holds an interest in the project entity, bringing the Corporation's net economic interest to 33%.

⁽⁴⁾ Total project investment for projects in Europe has been translated into Canadian dollars at the closing rate on December 31, 2024.

⁽⁵⁾ Some secured projects will be commissioned after 2025.

⁽⁶⁾ The Corporation holds 50% of the shares in the joint venture with a total capacity of 100 MW but does not have control over it.

⁽⁷⁾ Corresponds to the installed capacity as of December 31, 2024, and February 27, 2025.

Three wind power projects in Europe as well as two wind power projects and two battery energy storage projects in North America are under construction or have completed all preliminary stages and obtained pre-construction approvals. The wind power projects are all covered by 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. Both battery energy storage projects have long-term fixed-price capacity contracts. These projects will contribute to the Corporation's results when commissioned in 2024 and 2025, as indicated in the Growth path. The commissioning of the Limekiln project, initially scheduled for the end of 2024, has been delayed by a few months and will be commissioned during the first quarter due to delays in grid interconnection. The Apuiat project, which was also scheduled to be commissioned at the end of 2024, has been postponed to the first half of 2025 due to difficulties encountered with a supplier and unfavourable weather conditions for the final phase of the project's construction. This delay results in additional investment. The internal rate of return on this investment remains within the target set by management for projects under construction. The commissioning of battery energy storage projects in Ontario continues as scheduled.

Overall, the combined EBITDA¹ contribution of projects under construction or ready to build is estimated at \$174 million, based on total expected production and adjusted using the Canadian dollar exchange rate at the end of the quarter. Implementing these projects, including Boralex's share of Apuiat and Des Neiges Sud projects, will require total planned investments² from the Corporation of about \$1,851 million, and planned financing² of \$1,068 million. As at December 31, 2024, the funds already invested² in these projects totalled \$720 million. The effect of the investment tax credit in Canada, in effect since June 2024, is not reflected in the above data.

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.

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. To ensure disciplined growth and create shareholder value, Boralex's management monitors the progress made toward achieving the corporate objectives for 2025.

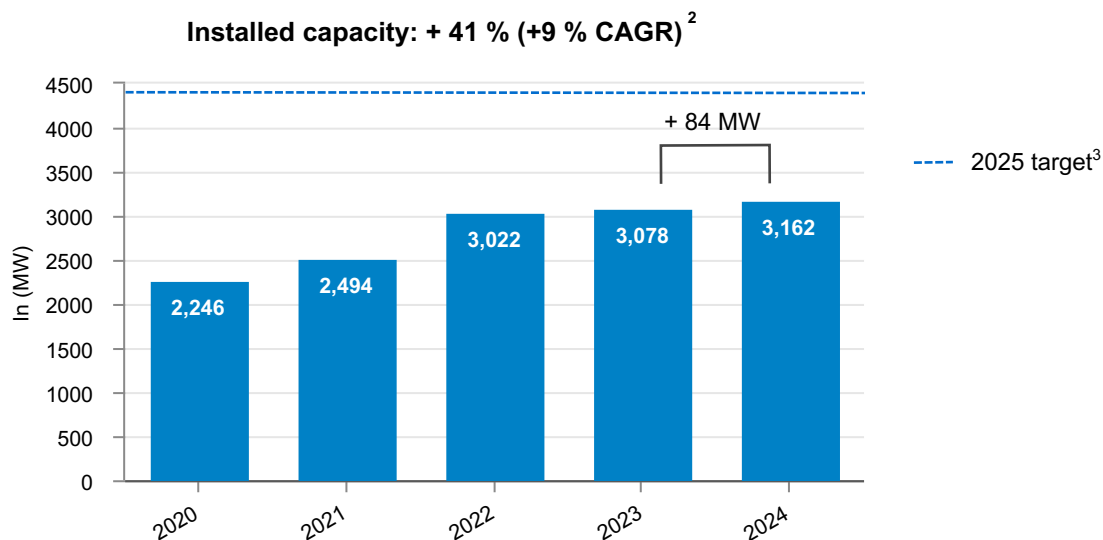
Composition and progress toward targets

Note that the targets for installed capacity, operating income, EBITDA(A), net cash flows from operating activities and discretionary cash flows to be achieved by 2025 include organic growth projects, reflected by secured projects under construction or ready to build, as well as forecasted growth through acquisitions. Boralex is always on the lookout for potential acquisitions that meet its strict investment criteria and align with its strategy, but cannot guarantee that these will be completed by the end of 2025, which would impact the achievement of its targets. The current gap with the strategic plan targets is mainly due to projected but not yet realized mergers and acquisitions. For more information on key assumptions and risk factors related to the strategic plan targets, see the *Non-IFRS and other financial measures* section in this report.

Here is the progress made toward achieving corporate objectives for the fiscal year ended December 31, 2024, compared to December 31, 2023:

- Increase in installed capacity by 84 MW thanks to the commissioning of three wind farms and one solar power station;
- Consolidated operating income and consolidated and combined EBITDA(A) stable compared to the fiscal year ended December 31, 2023, despite unfavourable wind conditions in Europe¹;
- Decrease in discretionary cash flow by \$26 million caused by a \$23 million decrease in EBITDA(A) net of non-cash items. Decrease in net cash flow from operating activities by \$281 million attributable to a decrease in *Trade and other payables* due to the payment of the contribution on the inframarginal rent of electricity production for the period from December 1, 2022 to December 31, 2023;
- Reinvestment ratio² of 57% as of December 31, 2024, within the target range;
- Numerous CSR initiatives throughout the year while optimizing its capital structure with the ongoing objective of obtaining an "Investment Grade" credit rating.

1. Double installed capacity between 2020 and 2025



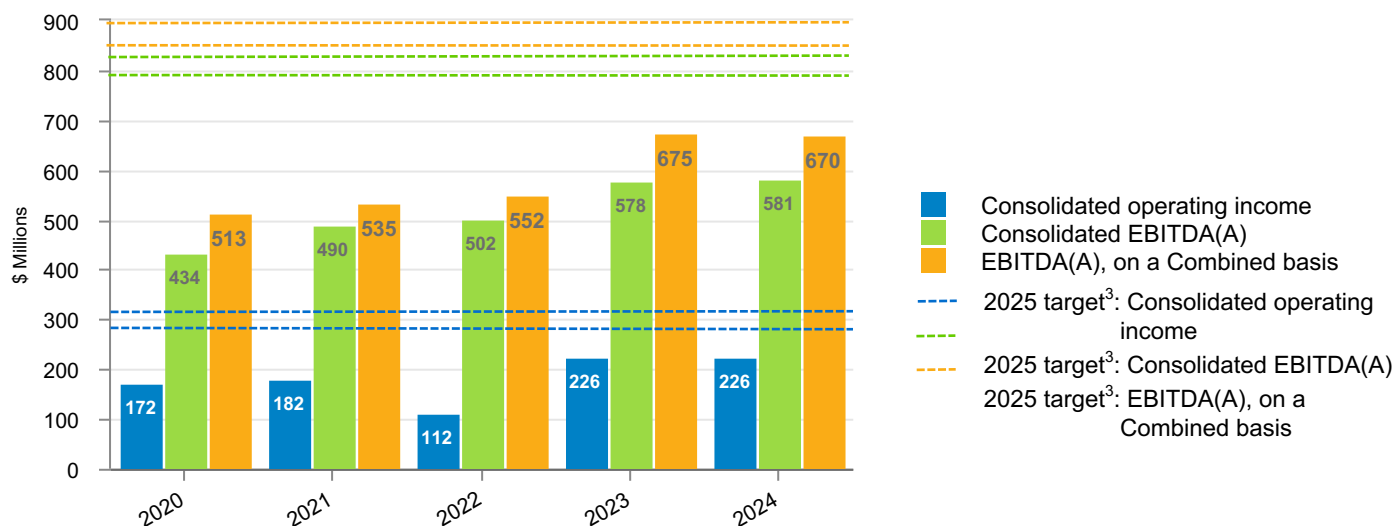
¹ For more details, see the *Analysis of consolidated operating results for the fiscal year ended December 31, 2024* section.

² Reinvestment ratio is a non-GAAP ratio. It does not have a standardized meaning under IFRS and, accordingly, may not be comparable to similarly named measures used by other companies. The compound annual growth rate is an supplementary financial measure. For more details, see the section *Non-IFRS and other financial measures* section in this report.

³ For more details on the gap with the 2025 targets, see *Composition and progress toward targets* in this section.

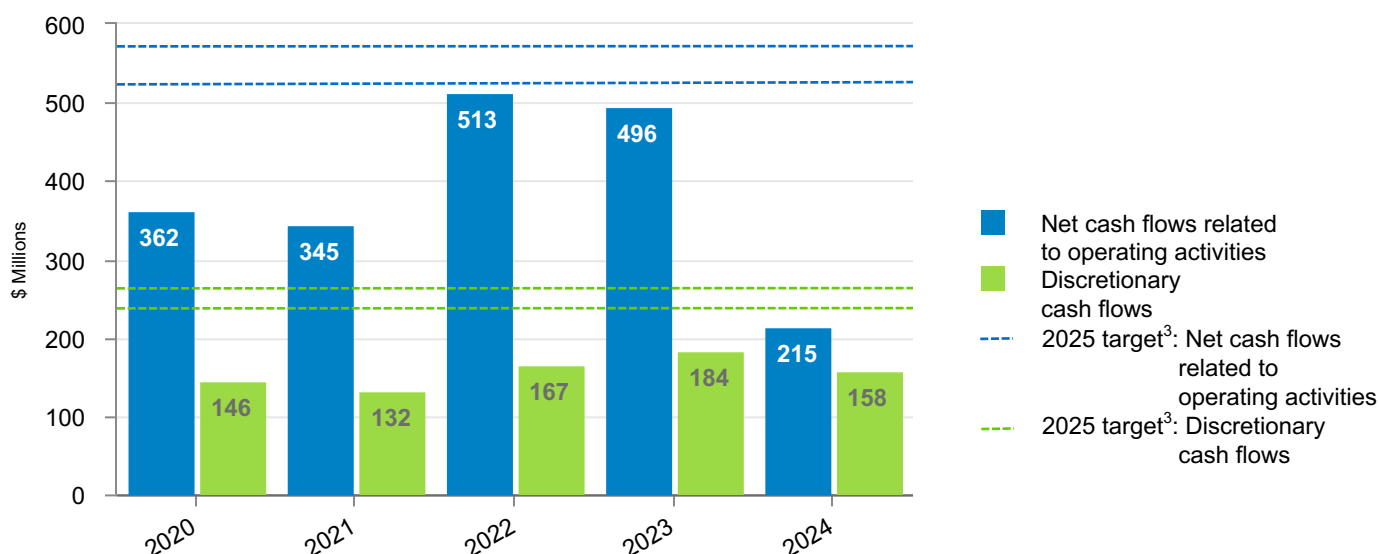
2. Achieve \$280 million to \$300 million of Consolidated operating income and \$740 million to \$790 million of Consolidated EBITDA(A), or \$800 million to \$850 million of EBITDA(A) on a Combined basis, by 2025

Consolidated operating income: +31% (+7% CAGR), Consolidated EBITDA(A): +34% (+8% CAGR)
and EBITDA (A), on a Combined basis: 31% (+7% CAGR)



3. Generate \$520 million to \$570 million in net cash flows related to operating activities and \$240 million to \$260 million in discretionary cash flows^{1,2} by 2025

Net cash flows related to Consolidated operating activities and Consolidated discretionary cash flows

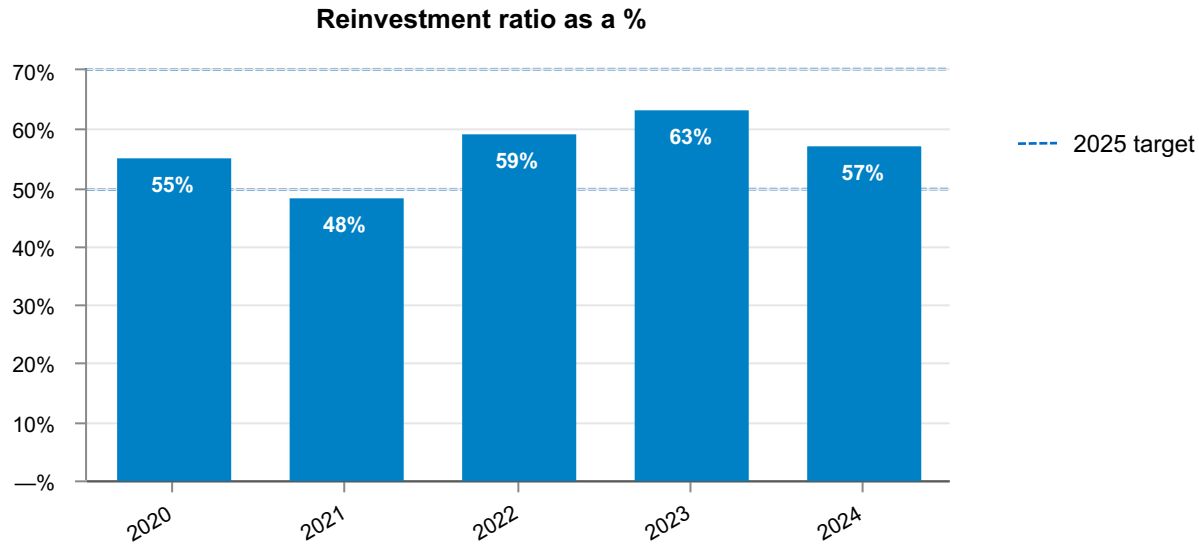


¹ During Q1-2024, the Corporation reclassified the employee benefits for 2023 and 2024 related to its incentive plans, which were reported in full under *Operating expenses* in the consolidated statements of earnings. To better allocate these expenses to the Corporation's various functions and thus provide more relevant information to users of the financial statements, the Corporation is now allocating these costs to *Operating*, *Administrative* and *Development expenses* in the consolidated statements of earnings according to the breakdown of staff. This change resulted in a \$1 million increase in development costs for the three-month period ended December 31, 2023 and a \$5 million increase for the year ended December 31, 2023.

² Discretionary cash flows exclude production tax credits 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 \$9 million for the year ended December 31, 2024 (\$8 million in 2023).

³ For more details on the gap with the 2025 targets, see *Composition and progress toward targets* in this section.

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



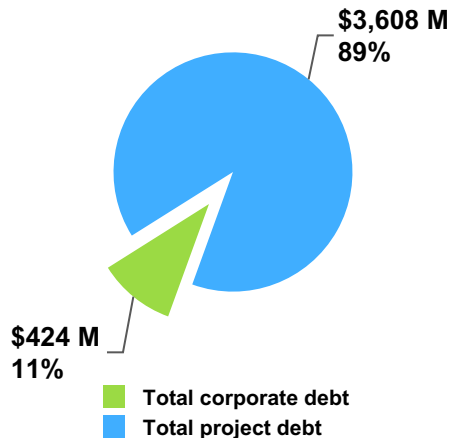
5. Be the leading CSR reference for our partners

ENVIRONMENT	SOCIETY	GOVERNANCE
<ul style="list-style-type: none"> Greenhouse gas emissions reduction targets approved by the SBTi - Science Based Targets Initiative, confirming our commitment to net zero emissions in 2050. Participated in the Wind Energy Circular Innovation Challenge to address circularity challenges in the Québec wind power segment. Partnered with FORESi - Fostering a Recycled European Silicon Supply, a European project on the supply of European silicon recycled from end-of-life photovoltaic panels. Gap analysis conducted on our biodiversity practices based on recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD). 	<ul style="list-style-type: none"> One-point increase in the overall engagement index compared with 2023, with a 95% participation rate in the engagement survey. "Workforce Development" award won at Nergica's Reconnaissance renewable energy gala for the wind maintenance training program for Innus. Talent acquisition process reviewed, for inclusive recruitment. First survey to measure workplace well-being index (92% participation). 	<ul style="list-style-type: none"> Our performance submitted to leading external CSR assessments such as Corporate Knights, Carbon Disclosure Project, the S&P Global Corporate Sustainability Assessment and the Institutional Shareholder Services group of companies ESG Corporate Rating (ISS ESG). Mandatory training on forced labour and human rights completed by 100% of procurement employees. First report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act published.

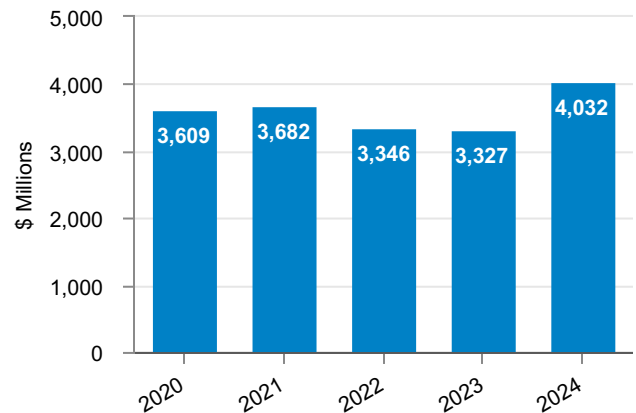
6. Increase the portion of corporate financing, including sustainable financing, and obtain an investment-grade credit rating

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 \$4 billion
As at December 31, 2024



Debts - Principal balance (Consolidated): +12% (+3% CAGR)



The proportion of corporate financing remained within a range of 10% to 15% over the strategic plan period, mainly because the Corporation is still working towards obtaining an "Investment Grade" credit rating. However, the Corporation has undertaken several actions to optimize its capital structure, including the following in 2024:

- Used bills of exchange for a total amount of \$88 million (US\$61 million) as at 31 December 2024, to generate additional funds for its various growth projects;
- Following discussions with financial institutions initiated in June 2024 related to the upstream financing of the Investment Tax Credit of 30% in Canada (see *Growth prospects by region*), Boralex obtained two bridge loans to finance investment tax credits (ITCs) for which the projects are eligible, amounting to \$141 million for the Hagersville project and \$45 million for the Tilbury project. These short-term facilities will allow for a reduction in the amount of equity allocated to short-term projects, thereby optimizing Boralex's overall capital structure. These loans will be reimbursed when the investment tax credits are received;
- The following amounts have been recorded as credits receivable for eligible assets acquired for the following projects under construction in *Other non-current assets*:
 - \$54 million, representing more than 83% of the total amount receivable for the Apuiat project under construction in Québec;
 - \$140 million, representing more than 71% of the total amount receivable for the Hagersville and Tilbury battery storage projects in Ontario.

Available cash resources and authorized financing⁽¹⁾

	As at December 31, 2024	As at December 31, 2023
(in millions of Canadian dollars)		
Available cash and cash equivalents⁽¹⁾		
Cash and cash equivalents	592	478
Cash and cash equivalents held by entities subject to project debt agreements and restrictions	(526)	(388)
Bank overdraft	(5)	(6)
Available cash and cash equivalents	61	84
Credit facilities of the parent company		
Authorized credit facility ⁽²⁾	550	550
Amounts drawn under the authorized credit facility ⁽³⁾	(157)	(244)
Unused tranche of the parent company's credit facility	393	306
Unused tranche of the subsidiary's credit facilities	69	157
Credit facilities available for growth⁽⁴⁾	462	463
Available cash resources and authorized financing	523	547

⁽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 December 31, 2024, this amount included \$33 million in letters of credit (\$61 million as at December 31, 2023).

⁽⁴⁾ Credit facilities available for growth is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* section in this report.

As shown in the table above, the Corporation has the financial flexibility to support its growth. Available cash resources and authorized financing 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

Segment financial information for the three-month periods and years ended December 31, 2024

	Three-month periods ended December 31				Years ended December 31			
	2024	2023	Change		2024	2023	Change	
(in millions of Canadian dollars, unless otherwise specified)			GWh or \$	%			GWh or \$	%
POWER PRODUCTION (GWh)⁽¹⁾	1,520	1,814	(294)	(16)	5,691	5,973	(282)	(5)
North America	812	820	(8)	(1)	3,073	3,065	8	—
Wind farms	588	537	51	10	1,929	1,807	122	7
Solar power stations	78	75	3	4	402	423	(21)	(5)
Hydroelectric power stations	146	208	(62)	(30)	742	835	(93)	(11)
Europe	708	994	(286)	(29)	2,618	2,908	(290)	(10)
Wind farms	692	983	(291)	(30)	2,534	2,829	(295)	(10)
Solar power stations	16	11	5	37	84	79	5	7
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUMS	228	315	(87)	(28)	817	994	(177)	(18)
North America	103	98	5	4	368	355	13	3
Wind farms	81	73	8	10	264	245	19	7
Solar power stations	7	6	1	9	37	38	(1)	(3)
Hydroelectric power stations	15	19	(4)	(24)	67	72	(5)	(7)
Europe	125	217	(92)	(42)	449	639	(190)	(30)
Wind farms	123	215	(92)	(42)	438	626	(188)	(30)
Solar power stations	2	2	—	—	11	13	(2)	(18)
Operating income	78	98	(20)	(56)	226	226	—	(15)
North America	32	15	17	>100	91	78	13	(28)
Europe	53	91	(38)	(43)	172	183	(11)	(6)
Corporate and eliminations	(7)	(8)	1	20	(37)	(35)	(2)	(5)
EBITDA(A)	169	202	(33)	(17)	581	578	3	—
North America	88	87	1	—	316	302	14	4
Europe	87	123	(36)	(30)	299	310	(11)	(4)
Corporate and eliminations	(6)	(8)	2	33	(34)	(34)	—	—

⁽¹⁾ Includes compensation following electricity production limitations.

Analysis of consolidated operating results for the three-month period ended December 31, 2024

Decreases in revenues from energy sales by 28%, operating income by 21%, and EBITDA(A) by 17% primarily due to unfavourable weather conditions in Europe.

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

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating income	EBITDA(A)
Consolidated				
Three-month period ended December 31, 2023	1,814	315	98	202
Commissioning ⁽¹⁾	43	6	6	6
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity	—	(32)	21	21
Volume ⁽²⁾	(337)	(61)	(61)	(61)
Share in joint ventures and associates	—	—	—	5
Development	—	—	(2)	(2)
Impairment	—	—	20	—
Other	—	—	(4)	(2)
Three-month period ended December 31, 2024	1,520	228	78	169
North America				
Three-month period ended December 31, 2023	820	98	15	87
Pricing (power purchase agreements and FiP)	—	1	1	1
Volume	(8)	2	2	2
Share in joint ventures and associates	—	—	—	5
Development	—	—	(5)	(5)
Impairment	—	—	20	—
Other	—	2	(1)	(2)
Three-month period ended December 31, 2024	812	103	32	88
Europe				
Three-month period ended December 31, 2023	994	217	91	123
Commissioning	43	6	6	6
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity	—	(33)	20	20
Volume	(329)	(63)	(63)	(63)
Development	—	—	3	3
Other	—	(2)	(4)	(2)
Three-month period ended December 31, 2024	708	125	53	87
Corporate and eliminations				
Three-month period ended December 31, 2023			(8)	(8)
Other			1	2
Three-month period ended December 31, 2024			(7)	(6)

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

⁽²⁾ Includes compensation following electricity production limitations.

Commissioning

In Europe, wind farms and solar power stations benefitted from the contribution of newly commissioned facilities (see the *Changes in the portfolio in operation* table), which added 43 GWh to production and \$6 million to both revenues from energy sales and FiP, operating income, and EBITDA(A).

Volume - comparable assets

Comparable assets recorded a decrease in production of 337 GWh, leading to an unfavourable difference of \$61 million in revenues from energy sales and FiP, operating income, and EBITDA(A). This decrease was mainly attributable to the wind farms in Europe that experienced a reduction of 330 GWh or 34% in production, compared to the fourth quarter of 2023, due to unfavourable wind conditions.

Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production

In the fourth quarter of 2024, the pricing effect of electricity production on revenues from energy sales and FiP was an unfavourable difference of \$32 million. Given the \$53 million decrease in the inframarginal rent contribution in France recognized in operating expenses, the net pricing effect was a favourable difference of \$21 million in operating income and EBITDA(A) compared with the fourth quarter of 2023.

These differences are primarily explained by the variation in contracted prices and the decrease in market prices in Europe. Facilities with contracts fixing the price of electricity annually on a portion of the production generated the majority of the variance, benefitting from significantly higher prices when exiting their contracts in October 2022 and during fiscal 2023. To a lesser extent, facilities selling at market prices have also seen an unfavourable variance.

The favourable difference in the inframarginal rent contribution was mainly driven by the decreases in prices and volumes of comparable facilities in France, and to a lesser extent by the change in the contribution rate from 90% in 2023 to 50% in 2024.

Reconciliation between revenue and operating expenses

Excluding the newly commissioned facilities, revenues from energy sales and FiP, net of the inframarginal rent contribution on electricity production, decreased by 17% in the fourth quarter of 2024 compared with a year earlier, while operating expenses, excluding the inframarginal rent contribution on electricity production, were up 3%. The difference was mainly attributable to an increase in payroll expense related to operations, while revenues varied unfavourably mainly because of the decrease in production from comparable assets.

Impairment

In the fourth quarter of 2023, the Corporation recorded a \$20 million impairment, principally on development projects in the state of New York.

Net earnings (loss)

The Corporation recorded an impairment of \$35 million (US\$24 million) related to its interest in a joint venture in the United States, due to historical and projected underperformance of a wind farm which sells its electricity on the market. As explained in the table below, Boralex reported a net loss of \$2 million for the fourth quarter of 2024, leading to an unfavourable difference of \$60 million compared to the fourth quarter of 2023. Over this same period, the Corporation reported a net loss attributable to shareholders of Boralex of \$16 million, or \$0.15 per share (basic and diluted), compared with net earnings attributable to shareholders of Boralex of \$37 million, or \$0.36 per share (basic and diluted), for the corresponding period of 2023.

	Three month periods ended December 31,		
	2024	2023	Var \$
Operating income	78	98	(20)
Financing costs	36	33	3
Share in earnings of joint ventures and associates	(3)	(17)	14
Impairment of an investment in a joint venture	35	—	35
Other	4	2	2
Earnings before income taxes and non-controlling interests	6	80	(74)
Income tax expense	8	22	(14)
Net earnings (loss)	(2)	58	(60)
Net earnings attributable to non-controlling interests	14	21	(7)
Net earnings (loss) attributable to the shareholders of Boralex	(16)	37	(53)

Analysis of consolidated operating results for the year ended December 31, 2024

Stable operating income and increase of \$3 million in EBITDA(A), mainly attributable to the favourable effect of the strategy to optimize electricity selling prices, the commissioning of wind farms in Europe, as well as an increase in the share of joint ventures and associates due to higher production in North America, which offset the decline in production in Europe.

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

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating income	EBITDA(A)
Consolidated				
Year ended December 31, 2023	5,973	994	226	578
Commissioning ⁽¹⁾	149	21	18	18
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production	—	(127)	55	55
Volume ⁽²⁾	(431)	(79)	(79)	(79)
Foreign exchange effect	—	9	5	5
Development	—	—	(11)	(11)
Share in joint ventures and associates	—	—	—	18
Impairment	—	—	15	—
Other	—	(1)	(3)	(3)
Year ended December 31, 2024	5,691	817	226	581
North America				
Year ended December 31, 2023	3,065	355	78	302
Pricing	—	3	3	3
Volume	8	7	7	7
Development	—	—	(13)	(13)
Share in joint ventures and associates	—	—	—	18
Impairment	—	—	17	—
Other	—	3	(1)	(1)
Year ended December 31, 2024	3,073	368	91	316
Europe				
Year ended December 31, 2023	2,908	639	183	310
Commissioning	149	21	18	18
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production	—	(130)	52	52
Volume	(439)	(86)	(86)	(86)
Foreign exchange effect	—	9	5	5
Other	—	(4)	—	—
Year ended December 31, 2024	2,618	449	172	299
Corporate and eliminations				
Year ended December 31, 2023			(35)	(34)
Other			(2)	—
Year ended December 31, 2024			(37)	(34)

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

⁽²⁾ Includes compensation following electricity production limitations.

Commissioning

Wind and solar farms benefitted from the contribution of newly commissioned facilities in Europe (see the *Changes in the portfolio in operation* table), which added 149 GWh to production, \$21 million to revenues from energy sales and FiP and \$18 million to operating income and EBITDA(A).

Volume - comparable assets

Comparable assets recorded a decrease in production of 431 GWh leading to an unfavourable difference of \$79 million in revenues from energy sales and FiP, operating income and EBITDA(A). This decrease was mainly attributable to wind farms in Europe that experienced a reduction of 436 GWh or 16% in production compared to 2023, due to unfavourable wind conditions and increased limitations on electricity production.

Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production

For the year ended December 31, 2024, the pricing effect, net of the inframarginal rent contribution on electricity production, resulted in an unfavourable difference of \$127 million in revenues from energy sales and FiP. Given the effect of the \$182 million inframarginal rent contribution recognized in operating expenses, the net pricing effect led to a favourable difference of \$55 million in operating income and EBITDA(A), compared with the corresponding period of 2023.

These differences are mainly attributable to variations in contracted prices and the drop in market prices in Europe. Facilities with contracts where the electricity price was set in annual tranches for a portion of the production accounted for most of the difference, as they benefitted from significantly higher prices upon exiting their power purchase agreements in October 2022 and during fiscal 2023. To a lesser extent, facilities selling to the market also experienced an unfavourable difference, while newly commissioned facilities that are authorized to postpone the activation of their feed-in premium contracts (emergency measure to accelerate renewable energy production) experienced a favourable difference.

The favourable difference in the inframarginal rent contribution was mainly driven by the decreases in prices and volumes of comparable facilities in France and partly by the change in the contribution rate from 90% in 2023 to 50% in 2024.

Share in net earnings of joint ventures and associates

Overall, wind farms of joint ventures and associates located in North America experienced more favourable wind conditions and those in the United States benefitted from higher production tax credits than in the corresponding period of 2023, giving rise to a favourable difference of \$18 million.

Reconciliation between revenue and operating expenses

Excluding the facilities commissioned, revenues from energy sales and FiP, net of the inframarginal rent contribution on electricity production, were down 3% during fiscal 2024 compared with a year earlier, while operating expenses, net of the inframarginal rent contribution on electricity production, were up 4%. The difference was mainly attributable to an increase in payroll expense related to operations, and higher maintenance costs, whereas revenues were down mainly due to the volume of comparable assets.

Impairment

In the fourth quarter of 2023, the Corporation recorded an impairment of \$20 million, mainly on development projects in the state of New York.

Net earnings

The Corporation recorded an impairment of \$35 million (US\$24 million) related to its interest in a joint venture in the United States due to the historical and projected underperformance of a wind farm that sells its electricity production on the market. As detailed in the table below, Boralex reported net earnings of \$74 million compared to \$115 million for the fiscal year 2023, a decrease of \$41 million or 35%. The Corporation reported net earnings attributable to Boralex shareholders of \$36 million or \$0.35 per share (basic and diluted) for the year ended December 31, 2024, compared to net earnings attributable to Boralex shareholders of \$78 million or \$0.76 per share (basic and diluted) in 2023.

	Years ended December 31		
	2024	2023	Var \$
Operating income	226	226	—
Financing costs	124	129	(5)
Share in earnings of joint ventures and associates	(46)	(59)	13
Impairment of an investment in a joint venture	35	—	35
Acquisition and integration costs	1	3	(2)
Other	2	(1)	3
Earnings before income tax and non-controlling interests	110	154	(44)
Income tax expense	36	39	(3)
Net earnings	74	115	(41)
Net earnings attributable to non-controlling interests	38	37	1
Net earnings attributable to shareholders of Boralex	36	78	(42)

Cash flows

As at December 31, 2024, cash flows reflected the Corporation's significant investments in growth-related projects as well as the payment of \$226 million for the inframarginal rent contribution on electricity production related to the period from December 1, 2022 to December 31, 2023 which resulted in a decrease in cash compared with the same period last year.

Overview of the condensed consolidated statements of cash flows

(in millions of Canadian dollars)	Three-month periods ended December 31		Years ended December 31	
	2024	2023	2024	2023
Net cash flows related to operating activities	31	107	215	496
Net cash flows related to investing activities	(245)	(60)	(578)	(268)
Net cash flows related to financing activities	519	(48)	479	(109)
Translation adjustment on cash and cash equivalents	(6)	5	(1)	4
NET CHANGE IN CASH AND CASH EQUIVALENTS	299	4	115	123
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	288	468	472	349
CASH AND CASH EQUIVALENTS – END OF PERIOD	587	472	587	472

(in millions of Canadian dollars)	Years ended December 31	
	2024	2023
Cash and cash equivalents	592	478
Bank overdraft	(5)	(6)
	587	472

For the three-month period ended December 31, 2024

Total cash movements in the fourth quarter of 2024, detailed below, resulted in a \$299 million decrease, bringing *Cash and cash equivalents* to \$587 million as at December 31, 2024.

Operating activities

For the three-month period ended December 31, 2024, operating activities generated net cash flows totalling \$31 million.

Cash flows from operations reached \$105 million compared with \$161 million for the corresponding period of 2023. This \$56 million decrease was mainly attributable to a decrease in EBITDA(A), net of non-cash items.

The change in non-cash operating items in the fourth quarter of 2024 used funds in the amount of \$74 million. This change was mainly attributable to the following items:

- A \$99 million increase in *Trade and other receivables*, higher than in the previous quarter due to the seasonal cycle of wind generation and to an increase in taxes receivable for projects under construction in Canada;
- A \$31 million increase in *Trade and other payables* resulting mainly from the increase in amounts payable to suppliers for storage projects in Ontario.

Investing activities

Net cash flows related to investing activities represented a cash outflow of \$245 million for the fourth quarter of 2024, compared with \$60 million for the same period last year mainly due to:

- A \$172 million investment in new property, plant and equipment and in prepayments, including \$100 million in storage projects in North America and \$69 million in Europe, primarily for wind power projects;
- A \$37 million capital contribution to its joint ventures and associates, mainly to the Apuiat and Des Neiges Sud wind power projects;
- A \$37 million investment in development projects, primarily for wind power projects in United Kingdom.

In the fourth quarter of 2023, Boralex invested \$81 million in additions to property, plant and equipment and in prepayments, mainly in the wind power segment in Europe. For this same period, an amount of \$21 million was released from reserve funds after a resolution was reached by the parties in the dispute over local content during the second quarter of 2023.

Financing activities

Financing activities for the three-month period ended December 31, 2024 resulted in net cash outflows of \$519 million.

New financing arrangements and repayments on existing debt

During the quarter, the Corporation drew down a net amount of \$86 million from its revolving credit facility while non-current debt increased by \$530 million, mainly due to drawdowns on the new financings for the Hagersville and Tilbury projects in Canada, and the Moulin Blanc facility in France.

At the same time, the Corporation repaid non-current (project) debt, mainly related to operating facilities, for a total of \$53 million. The Corporation also disbursed an amount of \$16 million in financing costs and repaid \$13 million in amounts due to non-controlling shareholders.

Dividends and other items

During the three-month period ended December 31, 2024, the Corporation paid dividends to shareholders totalling \$17 million, the same as for the corresponding period of 2023. For both periods, dividends paid were equivalent to \$0.1650 per share per quarter.

For the year ended December 31, 2024

Total cash movements for the year ended December 31, 2024, detailed below, resulted in a \$115 million decrease, bringing *Cash and cash equivalents* to \$587 million as at December 31, 2024.

Operating activities

For the year ended December 31, 2024, operating activities generated net cash flows totalling \$215 million, compared with \$496 million for the same period of 2023.

Boralex reported \$415 million in cash flows from operations, compared with \$445 million for the corresponding period of 2023. This \$30 million decrease was driven by a decrease in EBITDA(A), net of non-cash items.

The change in non-cash operating items as at December 31, 2024, used funds of \$200 million. This change was mainly attributable to a \$188 million decrease in *Trade and other payables*, following a \$196 million net decrease in the provision for the inframarginal rent contribution on electricity production and a \$29 million decrease in the provision for feed-in premium contracts, partially offset by an increase in amounts payable to suppliers for storage projects in Ontario.

Investing activities

Net cash flows related to investing activities represented a cash outflow of \$578 million for fiscal 2024, compared with \$268 million for the same period of fiscal 2023 due to the following:

- A \$398 million investment in new property, plant and equipment and in prepayments, including \$277 million in Europe, primarily for wind and solar power projects under construction, and \$107 million in energy storage projects in North America;
- A \$119 million capital contribution to joint ventures and associates, mainly for the Apuiat and Des Neiges Sud wind power projects;
- A cash outflow of \$54 million, mainly for energy storage development projects in Ontario and wind power projects under development in Europe.

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

(in millions of Canadian dollars)	Maintenance of operations	Construction ⁽¹⁾	Other	Total
North America				
Wind	3	—	—	3
Storage	—	107	—	107
Hydroelectric	3	5	—	8
Other	—	1	1	2
North America - total	6	113	1	120
Europe				
Wind	4	257	—	261
Solar	—	14	—	14
Other	—	—	2	2
Europe - total	4	271	2	277
Corporate	—	—	1	1
Total	10	384	4	398

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

In 2023, the Corporation invested \$260 million in new property, plant and equipment and in prepayments, including \$236 million in Europe mainly for wind and solar power projects under construction. The Corporation also invested \$39 million, mainly in the Apuiat wind power project. The Corporation received a \$61 million return of capital from the joint ventures and associates following the financing of this project. An amount of \$21 million was released from reserve funds after a resolution was reached by the parties in the dispute over local content. At the same time, the Corporation disbursed \$20 million for solar, wind and storage development projects.

Financing activities

Financing activities for the year ended December 31, 2024 required net cash outflows of \$479 million.

New financing arrangements and repayments on existing debt

During the year ended December 31, 2024, the Corporation repaid a net amount of \$57 million on its revolving credit facility, while non-current debt increased by \$955 million. This increase was primarily attributable to drawdowns on the new financings for the Hagersville, Tilbury and Limekiln projects, and for certain facilities in operation, including Témiscouata II, Helfaut and Moulin Blanc, as well as drawdowns on the construction facility in Europe.

The Corporation repaid non-current (project) debt, mainly related to operating facilities, for a total of \$240 million. The Corporation also paid \$21 million in lease liabilities during the year ended December 31, 2024, disbursed an amount of \$27 million in transaction costs and recorded \$13 million in realized financial instruments.

The Corporation also repaid \$37 million on amounts due to a non-controlling shareholder and paid \$26 million in distributions to non-controlling shareholders during the year ended December 31, 2024.

Dividends and other items

During the year ended December 31, 2024, the Corporation paid dividends to shareholders totalling \$68 million, the same as for fiscal 2023. For both periods, dividends paid were equivalent to \$0.1650 per share per quarter.

Financial position

Overview of the condensed consolidated statements of financial position

(in millions of Canadian dollars)		As at December 31, 2024	As at December 31, 2023	Change (\$)
ASSETS				
Cash and cash equivalents		592	478	114
Restricted cash		19	22	(3)
Other current assets		312	271	41
CURRENT ASSETS		923	771	152
Property, plant and equipment		4,070	3,355	715
Right-of-use assets		376	370	6
Intangible assets		963	986	(23)
Goodwill		237	234	3
Interests in joint ventures and associates		580	510	70
Other non-current assets		455	348	107
NON-CURRENT ASSETS		6,681	5,803	878
TOTAL ASSETS		7,604	6,574	1,030
LIABILITIES				
Bank overdraft		5	6	(1)
Trade and other payables		590	405	185
Current portion of debt		339	271	68
Other current liabilities		31	33	(2)
CURRENT LIABILITIES		965	715	250
Debt		3,617	2,995	622
Lease liabilities		318	327	(9)
Other non-current liabilities		679	513	166
NON-CURRENT LIABILITIES		4,614	3,835	779
TOTAL LIABILITIES		5,579	4,550	1,029
EQUITY				
Equity attributable to shareholders		1,601	1,629	(28)
Non-controlling interests		424	395	29
TOTAL EQUITY		2,025	2,024	1
TOTAL LIABILITIES AND EQUITY		7,604	6,574	1,030

Highlights

Assets

As at December 31, 2024, Boralex's total assets amounted to \$7,604 million, up \$1,030 million from total assets of \$6,574 million as at December 31, 2023. This difference resulted from an increase of \$152 million in *Current assets* and an increase of \$878 million in *Non-current assets*.

The \$152 million change in *Current assets* was mainly attributable to the \$114 million increase in *Cash and cash equivalents*, as discussed previously in the *Cash flows* section. In addition, *Other current assets* increased by \$41 million, mainly due to an increase in *Trade and other receivables*, particularly taxes receivable attributable to construction projects.

Non-current assets increased by \$878 million due to the following major changes:

- A \$715 million increase in *Property, plant and equipment* (net of amortization for the period), which breaks down as follows:
 - Additions totalling \$827 million during the period, mainly related to projects under construction;
 - A \$17 million increase related to a transfer of development projects;
 - A \$187 million decrease related to amortization of assets in operation;
 - A \$63 million increase related to exchange rate fluctuations.
- A \$23 million decrease in *Intangible assets* mainly due to an \$85 million amortization of assets in operation and a \$17 million transfer from development projects to *Property, plant and equipment*. This decrease was partially offset by the capitalization of internally generated development projects for \$26 million and the acquisition of development projects for \$31 million, and an exchange rate effect of \$21 million.
- *Interests in joint ventures and associates* increased by \$70 million mainly due to:
 - An acquisition of interests of \$129 million mainly in the Apuiat and Des Neiges Sud joint ventures;
 - A \$48 million share in net earnings;
 - A decrease resulting from \$103 million in distributions, mainly due to cash distributions from joint ventures of \$39 million, to the recognition of the new refundable investment tax credit for clean technologies for the Parc éolien Apuiat S.E.C. joint venture of \$54 million, and tax credits for renewable energy and energy efficiency expenses in Canada of \$10 million;
 - A \$35 million decrease resulting from the impairment of the interest in a joint venture in the United States;
 - A \$32 million increase related to exchange rate fluctuations.
- *Other non-current assets* increased by \$107 million, mainly owing to the following changes:
 - A \$148 million increase in *Other non-current financial assets*, mainly attributable to an addition of \$194 million in tax credits receivable related to investments in Canada, including \$140 million for the battery energy storage projects under construction and \$54 million for the Apuiat joint venture project. This variance is partially offset by a \$62 million decrease in prepayments for facilities under construction, in part due to the transfer to *Property, plant and equipment*;
 - A \$41 million decrease in *Other non-current financial assets*, mainly attributable to a change in fair value of financial instruments, given lower long-term interest rates.

Current liabilities

As at December 31, 2024, *Current liabilities* amounted to \$965 million, compared with \$715 million as at December 31, 2023. The \$250 million increase was attributable primarily to the following:

- A \$185 million increase in *Trade and other payables*, mainly due to:
 - A \$326 million increase related to the construction of battery energy storage facilities in Ontario;
 - An \$88 million (US\$61 million) increase due to the use of bills of exchange for payments to suppliers;
 - A \$196 million (€134 million) net decrease in the provision related to the inframarginal rent contribution on electricity production resulting from a payment of \$226 million (€152 million), partially offset by a \$26 million (€17 million) increase in the provision;
 - A \$29 million (€21 million) net decrease in the provision related to feed-in premium contracts primarily related to payments.
- A \$68 million increase in the *Current portion of debt*, owing mainly to an additional \$78 million to be repaid in the next twelve months under the construction facility, which will be refinanced with a term loan.

Working capital¹

As at December 31, 2024, the Corporation had negative working capital of \$42 million for a working capital ratio¹ of 0.96:1, compared with positive working capital of \$56 million and a ratio of 1.08:1 as at December 31, 2023, mainly driven by the current portion of long-term debt and bills of exchange. As at December 31, 2024, the Corporation presented as current an amount of \$110 million from its construction facility of the Boralex Energy Investment portfolio to be repaid within 18 months following project commissioning, as well as \$88 million in bills of exchange to be repaid in 2025, included in *Trade and other payables*. Management financed the projects for which bills of exchange were taken, and intends to refinance the short-term amount from its construction facility of the Boralex Energy Investment portfolio, as it did in 2023. Also, the Corporation would be able to draw down the unused portion of the revolving credit facility of the parent company for an amount of \$393 million as at December 31, 2024, as discussed in the *Growth strategy and development outlook* section, as well as use cash generated from its operating activities within the upcoming year in order to meet its other financial obligations.

Non-current liabilities

Total *Non-current liabilities* grew \$779 million to \$4,614 million as at December 31, 2024. This growth was mainly due to the following:

- A \$622 million increase in *Non-current debt* due to the following:
 - A \$57 million net decrease related to the change in the revolving credit facility;
 - An \$867 million increase in new drawdowns:
 - \$558 million drawn from financings in Canada, including for battery energy storage projects and for the Témiscouata II wind farm;
 - \$284 million drawn down in Europe, in particular \$204 million for the Limekiln wind farm in the United Kingdom, but also for wind farms and projects in France;
 - A \$25 million (US\$18 million) term loan from the interest in the Roosevelt Holdco, LLC ("MiRose") joint venture.
 - A \$235 million decrease related to repayments on non-current project debts, excluding repayments to tax equity investors;
 - A \$56 million increase related to exchange rate fluctuations.
- A \$169 million increase in *Other non-current liabilities* principally due to an increase in deferred government grants on investment tax credits for storage projects under construction in Canada.

The Corporation also has a \$150 million accordion clause which will allow Boralex to have access in the future to an additional sum under certain conditions.

As at December 31, 2024, the Corporation had access to the following letter of credit facilities:

(in millions of Canadian dollars)	As at Dec 31, 2024		As at Dec 31, 2023	
	Authorized	Issued	Authorized	Issued
EDC	350	330	350	154
Related to project debt	206	159	142	121
	556	489	492	275

Moreover, as at December 31, 2024, the Corporation drew down \$33 million (\$61 million as at December 31, 2023) from its letter of credit facilities under the revolving credit facility.

As at December 31, 2024, Boralex had \$61 million in available cash and cash equivalents. The Corporation also had access to \$462 million in credit facilities available for growth. As a result, Boralex had access to available cash resources and authorized financing for a total of \$523 million. For further information, see the *Strategic plan follow up - current status* section.

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.

Equity

During the year ended December 31, 2024, total *Equity* increased by \$1 million to \$2,025 million. This increase resulted mainly from net earnings of \$74 million, and from the \$31 million increase in *Other comprehensive income*, mainly due to translation adjustments on financial statements of foreign operations of \$77 million, the unfavourable change in the hedge of a net investment in a foreign operation of \$22 million, and the unfavourable change in cash flow hedges of \$24 million. This was partially offset by the \$68 million paid in dividends to Boralex's shareholders and \$26 million in distributions to non-controlling shareholders, as well as by the gains and losses recorded in equity transferred and included in the initial valuation of property, plant and equipment for an amount of \$15 million.

Debt ratio

Net debt¹ amounted to \$3,426 million as at December 31, 2024, compared with \$2,833 million as at December 31, 2023.

As a result, the net debt to market capitalization ratio rose from 42% as at December 31, 2023 to 50% as at December 31, 2024.

Boralex's share price was \$28.71 per share as at December 31, 2024, compared with \$33.68 per share as at December 31, 2023.

Information about the Corporation's equity

As at December 31, 2024, Boralex's capital stock consisted of 102,766,580 Class A shares issued and outstanding (102,766,104 as at December 31, 2023).

As at December 31, 2024, there were 354,568 outstanding stock options, 194,909 of which were exercisable.

From January 1 to February 27, 2025, 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 a 10-year unsecured term loan with repayment of the full amount on the maturity date. For the year ended December 31, 2024, the interest related to this loan amounted to \$14 million (\$14 million in 2023). As at December 31, 2024, the CDPQ, one of Canada's largest institutional investors, held 15.3% of Boralex's outstanding shares.

The CDPQ holds a majority stake in Énergir. The Corporation and Énergir are co-partners in joint arrangements that develop and operate wind power projects located on the Seigneurie de Beaupré site.

The Corporation charges management and maintenance fees, as well as letter of credit fees, to certain joint ventures for services rendered. The related revenues for the year ended December 31, 2024 amounted to \$26 million (\$23 million in 2023).

On April 29, 2022, Boralex announced it had closed an agreement for an investment by Energy Infrastructure Partners ("EIP"), a Switzerland-based global investment manager with a focus on the energy sector, in a 30% stake in Boralex Europe Sàrl, a subsidiary holding a portfolio of operating assets and development projects in France. In connection with this transaction, the Corporation paid its share of distributions of \$31 million (€21 million) to EIP during fiscal 2024. The amount due to this non-controlling shareholder was \$5 million (€4 million) as at December 31, 2024 (\$36 million (€25 million) as at December 31, 2023). For the year ended December 31, 2024, the interest related to the amount due was not significant (\$1 million for the year ended December 31, 2023).

¹ Net debt is a capital management measure. 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)	March 31, 2023	June 30, 2023	Sep 30, 2023	Dec 31, 2023	March 31, 2024	June 30, 2024	Sep 30, 2024	Dec 31, 2024
POWER PRODUCTION (GWh)								
Wind farms	1,387	976	753	1,520	1,460	964	759	1,280
Hydroelectric power stations	208	222	197	208	226	213	158	146
Solar power stations	101	155	160	86	81	146	164	94
	1,696	1,353	1,110	1,814	1,767	1,323	1,081	1,520
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUMS								
Wind farms	269	176	138	288	231	148	119	204
Hydroelectric power stations	18	18	17	19	20	18	14	15
Solar power stations	11	16	16	8	8	14	17	9
	298	210	171	315	259	180	150	228
OPERATING INCOME	77	38	13	98	106	35	7	78
EBITDA(A)⁽¹⁾								
Wind farms	179	127	94	217	208	141	101	190
Hydroelectric power stations	13	12	11	13	13	12	7	8
Solar power stations	7	13	14	6	2	8	10	4
	199	152	119	236	223	161	118	202
General expenses, corporate and eliminations	(32)	(33)	(29)	(34)	(28)	(31)	(31)	(33)
	167	119	90	202	195	130	87	169
NET EARNINGS (LOSS)⁽¹⁾	45	19	(7)	58	73	17	(14)	(2)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX⁽¹⁾	33	16	(8)	37	55	11	(14)	(16)
Per share (basic and diluted) ⁽¹⁾	\$0.31	\$0.15	(\$0.07)	\$0.36	\$0.53	\$0.10	(\$0.13)	(\$0.15)
CASH FLOWS FROM OPERATIONS	141	76	67	161	157	89	64	105

⁽¹⁾ EBITDA(A), net earnings (loss), net earnings (loss) attributable to shareholders of Boralex and net earnings (loss) per share for the first three quarters of 2023 have been adjusted to incorporate adjustments resulting from the finalization of the determination of the fair value of the assets and liabilities of the wind farms acquired in 2022.

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 frost;
- 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)	Power production average of the past five years ⁽¹⁾			
	Q1	Q2	Q3	Q4
Wind	32 %	21 %	16 %	31 %
Solar	19 %	32 %	32 %	17 %
Hydroelectric	26 %	28 %	22 %	24 %
Total power production⁽²⁾	30 %	22 %	19 %	29 %

⁽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⁾ The calculation of the power production average of the past five years excludes storage units.

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. Cross-currency swaps and foreign exchange forward contracts provide a hedge on net investments in Europe and in the United States.

Equipment purchases – Equipment purchases related to development projects may be denominated in foreign currencies. The Corporation uses cash flow hedges to protect the anticipated return on its projects, as necessary.

Price risk

Revenues from energy sales – The energy selling 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 December 31, 2024, the majority of facilities had 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 contract. During this period, the Corporation can sell its energy on the markets or negotiate prices under short-term contracts. This allows the Corporation to benefit from high market prices while remaining covered by a feed-in premium contract over the long term. As at December 31, 2024, about 3% of the Corporation's power production was sold at market prices without feed-in premiums or under variable price contracts, of which 1% was sold on the market by facilities that benefit from deferred activation of their feed-in premium contract.

Interest rate risk

As at December 31, 2024, about 88% of term loans – projects bore interest at variable rates¹, exposing the Corporation to fluctuations in the loan amounts. In order to mitigate the risk of interest expense fluctuation, the Corporation entered into interest rate swaps that reduced its exposure to variable rate borrowings to 12% of total debt¹. The following table summarizes the Corporation's main designated and economic hedging relationships as at December 31, 2024:

(in millions of Canadian dollars)				Current notional		Fair value ⁽¹⁾	
Hedging instrument	Hedge type	Hedged risk	Currency	(currency of origin)	(CAD)	(currency of origin)	(CAD)
DESIGNATED HEDGING RELATIONSHIP							
Interest rate swaps	Cash flow	Interest rate risk	EUR	692	1,031	34	51
Interest rate swaps	Cash flow	Interest rate risk	USD	143	206	28	40
Interest rate swaps	Cash flow	Interest rate risk	CAD	1,283	1,283	62	62
Interest rate swaps	Cash flow	Interest rate risk	GBP	117	212	—	—
Cross-currency swaps	Net investment	Foreign exchange risk	EUR for CAD	314	442	(24)	(24)
Cross-currency swaps	Net investment	Foreign exchange risk	USD for CAD	50	71	(2)	(2)
Foreign exchange forward contracts	Net investment	Foreign exchange risk	USD for CAD	319	426	(12)	(12)
ECONOMIC HEDGING RELATIONSHIP							
Foreign exchange forward contracts		Foreign exchange risk	USD for CAD	93	125	8	8
Cross-currency swaps		Foreign exchange risk	USD for CAD	84	120	1	1

⁽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.

Liquidity Risk

The contractual maturities of the Corporation's material non-derivative financial liabilities and derivative financial instruments are detailed in the following table.

As at December 31	Undiscounted cash flows (principal and interest)					
2024	Carrying amount	Year 1	Year 2	Years 3 to 5	More than 5 years	Total
(in millions of Canadian dollars)						
Non-derivative financial liabilities:						
Trade and other payables	590	590	—	—	—	590
Amounts due to non-controlling shareholders	9	1	—	3	6	10
Tax equity liabilities and options to repurchase TEI	16	5	9	—	—	14
Debt	3,956	255	383	1,809	2,588	5,035
Lease liabilities	340	28	26	70	314	438
Derivative financial instruments:						
Interest rate swaps	21	2	5	12	6	25
Cross-currency swaps	26					
Disbursements		23	22	567	—	612
(Receipts)		(25)	(23)	(536)	—	(584)
Foreign exchange forward contracts	12					
Disbursements		71	—	368	—	439
(Receipts)		(70)	—	(356)	—	(426)
	4,970	880	422	1,937	2,914	6,153

As at December 31	Undiscounted cash flows (principal and interest)					
2023	Carrying amount	Year 1	Year 2	Years 3 to 5	More than 5 years	Total
(in millions of Canadian dollars)						
Non-derivative financial liabilities:						
Trade and other payables	405	405	—	—	—	405
Amounts due to non-controlling shareholders	44	7	1	3	40	51
Tax equity liabilities and options to repurchase TEI	17	4	17	—	—	21
Debt	3,266	545	312	1,303	1,900	4,060
Lease liabilities	347	26	27	74	321	448
Derivative financial instruments:						
Interest rate swaps	9	(1)	1	4	7	11
Cross-currency swaps (EUR against CAD)	17					
Disbursements		21	16	422	—	459
(Receipts)		(25)	(20)	(392)	—	(437)
Foreign exchange forward contracts (CAD against USD)	1					
Disbursements		—	—	90	—	90
(Receipts)		—	—	(88)	—	(88)
	4,106	982	354	1,416	2,268	5,020

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 and other 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			
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>	<i>Most directly comparable IFRS measure</i>
Financial data - Combined (all disclosed financial data)	To assess the operating performance and the ability of a company to generate cash from its operations and investments in joint ventures and associates.	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. <i>Corporate objectives for 2025 from the strategic plan.</i>	Net cash flows related to operating activities before "change in non-cash items related to operating activities," less: (i) distributions paid to non-controlling shareholders; (ii) additions to property, plant and equipment (maintenance of operations); (iii) repayments on non-current debt (projects) and repayments to tax equity investors; (iv) principal payments related to lease liabilities; (v) adjustments for non-operational items, plus: (vi) development costs (from the statement of earnings).	Net cash flows related to operating activities

Non-GAAP financial measures - cont'd			
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>	<i>Most directly comparable IFRS measure</i>
Cash flows from operations	To assess the cash generated by the Corporation's operations and its ability to finance its expansion from these funds.	Net cash flows related to operating activities before changes in non-cash items related to operating activities.	Net cash flows related to operating activities
Available cash and cash equivalents	To assess the cash and cash equivalents available, as at the balance sheet date, to fund the Corporation's 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		
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>
Discretionary cash flows per share	To assess the amount per share available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business as well as to assess operating results.	The discretionary cash flows amount divided by the weighted average number of basic outstanding shares.
Reinvestment ratio	To assess the portion of cash flows available for reinvestment in growth to the Corporation. <i>Corporate objectives for 2025 from the strategic plan.</i>	The discretionary cash flows amount less the amount of dividends paid to shareholders divided by the discretionary cash flows amount.
Payout ratio	To assess ability to sustain current dividends as well as 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	
<i>Specific financial measure</i>	<i>Most directly comparable IFRS measure</i>
EBITDA(A)	Operating income

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

Other financial measures - Supplementary financial measures	
<i>Specific financial measure</i>	<i>Composition</i>
Total market capitalization	Total market capitalization consists of the sum of market value of equity attributable to shareholders, non-controlling shareholders and net debt.
Working capital ratio	Working capital ratio is calculated by dividing current assets by current liabilities.
Debt contracted for construction projects	Debt contracted for construction projects consists of the amount of debt for which the Corporation has obtained financing and for which the full amount available has not been drawn.
Planned financing	Planned financing represents financing the Corporation expects to obtain for the construction of its projects.
Working capital	Working capital is the difference between current assets and current liabilities.
Power production average of the past five years	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 2020 to 2024.
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 credit facilities of subsidiaries which includes the unused tranche of the credit facility - France and 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 statement of financial position 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.

Assumptions regarding forward-looking information

Assumptions and risk factors regarding the forward-looking information in our 2025 strategic targets are presented below.

Foward-looking information	Key assumptions	Most relevant risk factors
2025 installed capacity	50% of growth from organic projects and 50% from potential merger and acquisition transactions.	Organic growth: Lag in commissioning time if obtaining the required permits is more complicated and takes longer than expected and if the Corporation encounters issues related to the availability of materials. Mergers and acquisitions: Availability and price of transactions may not be optimal.
Projects under construction	Investments, EBITDA(A) and forecasted discretionary cash flows to meet the target internal rate of return (IRR) of 10% to 12% set by management for projects under construction.	Possible variation in construction costs related to the complexity of work, the supply of materials and equipment and availability of labour necessary for the construction of projects.
2025 Operating Result and EBITDA(A)	Prices of energy sales or feed-in premium contracts, proportion of production sold at market prices, annual anticipated production, cost structures to support growth.	Competition in requests for proposals, lag in commissioning time for organic projects and completion of merger and acquisition transactions, price curve volatility and weather conditions impacting the total volume of power generated by the Corporation.
2025 Cash Flows	Largely related to expected EBITDA(A) and to financings for projects ranging from 70% to 80% of expected total investments.	Possible fluctuations related to differences in EBITDA from the expected target and market conditions for financing.

Combined

The following table reconciles the Consolidated financial data with data presented on a Combined basis:

	2024			2023		
(in millions of Canadian dollars)	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation	Combined
Three-month periods ended December 31:						
Power production (GWh) ⁽²⁾	1,520	579	2,099	1,814	537	2,351
Revenues from energy sales and feed-in premiums	228	30	258	315	30	345
Operating income	78	(25)	53	98	21	119
EBITDA(A)	169	22	191	202	27	229
Net earnings (loss)	(2)	—	(2)	58	—	58
Years ended December 31:						
Power production (GWh)	5,691	2,154	7,845	5,973	2,047	8,020
Revenues from energy sales and feed-in premiums	817	116	933	994	110	1,104
Operating income	226	41	267	226	80	306
EBITDA(A)	581	89	670	578	97	675
Net earnings	74	—	74	115	—	115
	As at December 31, 2024			As at December 31, 2023		
Total assets	7,604	872	8,476	6,574	730	7,304
Debt - Principal balance	4,032	556	4,588	3,327	437	3,764

⁽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 \$2 million under EBITDA(A) for the year ended December 31, 2024 (\$2 million as at December 31, 2023).

⁽²⁾ Includes compensation following electricity production limitations.

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 and integration costs, other losses (gains), net loss (gain) on financial instruments and foreign exchange loss (gain), with the last two items 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:

(in millions of Canadian dollars)	Three-month periods ended December 31						Change	
	2024			2023			2024 vs 2023	
	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation	Combined	Consolidated	Combined
EBITDA(A)	169	22	191	202	27	229	(33)	(38)
Amortization	(73)	(15)	(88)	(75)	(14)	(89)	2	1
Impairment	—	(47)	(47)	(20)	(1)	(21)	20	(26)
Other gains (losses)	(3)	—	(3)	1	(1)	—	(4)	(3)
Share in earnings of joint ventures and associates	(3)	3	—	(17)	17	—	14	—
Change in fair value of a derivative included in the share in earnings of a joint venture	—	—	—	7	(7)	—	(7)	—
Impairment included in the share in earnings of a joint venture	(12)	12	—	—	—	—	(12)	—
Operating income	78	(25)	53	98	21	119	(20)	(66)

(in millions of Canadian dollars)	Years ended December 31						Change	
	2024			2023			2024 vs 2023	
	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation	Combined	Consolidated	Combined
EBITDA(A)	581	89	670	578	97	675	3	(5)
Amortization	(297)	(59)	(356)	(293)	(58)	(351)	(4)	(5)
Impairment	(5)	(47)	(52)	(20)	(1)	(21)	15	(31)
Other gains	5	—	5	1	2	3	4	2
Share in earnings of joint ventures and associates	(46)	46	—	(59)	59	—	13	—
Change in fair value of a derivative included in the share in earnings of a joint venture	—	—	—	19	(19)	—	(19)	—
Impairment included in the share in earnings of a joint venture	(12)	12	—	—	—	—	(12)	—
Operating income	226	41	267	226	80	306	—	(39)

⁽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 December 31	As at December 31
	2024	2023
(in millions of Canadian dollars)		
Debt	3,617	2,995
Current portion of debt	339	271
Transaction costs, net of accumulated amortization	76	61
Debt - Principal balance	4,032	3,327
Less:		
Cash and cash equivalents	592	478
Restricted cash	19	22
Bank overdraft	(5)	(6)
Net debt	3,426	2,833

The Corporation defines total market capitalization as follows:

	Consolidated	
	As at December 31	As at December 31
	2024	2023
(in millions of Canadian dollars, unless otherwise specified)		
Number of outstanding shares (in thousands)	102,767	102,766
Share market price (in \$ per share)	28.71	33.68
Market value of equity attributable to shareholders	2,950	3,461
Non-controlling interests	424	395
Net debt	3,426	2,833
Total market capitalization	6,800	6,689

The Corporation computes the net debt ratio as follows:

	Consolidated	
	As at December 31	As at December 31
	2024	2023
(in millions of Canadian dollars, unless otherwise specified)		
Net debt	3,426	2,833
Total market capitalization	6,800	6,689
NET DEBT RATIO, market capitalization	50%	42%

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		Years ended	
	December 31		December 31	
(in millions of Canadian dollars, unless otherwise specified)	2024	2023	2024	2023
Net cash flows related to operating activities	31	107	215	496
Change in non-cash items related to operating activities	74	54	200	(51)
Cash flows from operations	105	161	415	445
Repayments on non-current debt (projects) ⁽¹⁾	(53)	(50)	(240)	(232)
Adjustment for non-operational items ⁽²⁾	5	2	7	6
	57	113	182	219
Principal payments related to lease liabilities ⁽³⁾	(6)	(4)	(19)	(17)
Distributions paid to non-controlling shareholders ⁽⁴⁾	(17)	(33)	(52)	(57)
Additions to property, plant and equipment (maintenance of operations) ⁽⁵⁾	(3)	2	(10)	(6)
Development costs (from statement of earnings) ⁽⁶⁾	16	13	57	45
Discretionary cash flows	47	91	158	184
Dividends paid to shareholders	17	17	68	68
Weighted average number of outstanding shares – basic (in thousands)	102,766	102,766	102,766	102,766
Discretionary cash flows – per share	\$0.46	\$0.89	\$1.54	\$1.80
Dividends paid to shareholders – per share	\$0.1650	\$0.1650	\$0.66	\$0.66
Payout ratio			43%	37%
Reinvestment ratio			57%	63%

⁽¹⁾ Includes repayments on non-current debt (projects) and repayments to tax equity investors, and excludes VAT bridge financing, early debt repayments and repayments under the construction facility - Boralex Energy Investments portfolio and the CDPQ Fixed Income Inc. term loan.

⁽²⁾ For the years ended December 31, 2024 and 2023, favourable adjustment consisting mainly of acquisition, integration and other non-operating miscellaneous items.

⁽³⁾ Excludes the principal payments related to lease liabilities for projects under development and construction.

⁽⁴⁾ 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.

⁽⁵⁾ Excludes the additions to the property, plant and equipment of regulated assets (treated as assets under construction since they are regulated assets for which investments in the plant are considered in the setting of its electricity selling price). During the fourth quarter of 2023, an amount of \$4 million was reclassified as new property, plant, and equipment under construction.

⁽⁶⁾ During Q1-2024, the Corporation reclassified the employee benefits for 2023 and 2024 related to its incentive plans, which were reported in full under *Operating expenses* in the consolidated statements of earnings. To better allocate these expenses to the Corporation's various functions and thus provide more relevant information to users of the financial statements, the Corporation is now allocating these costs to *Operating*, *Administrative* and *Development expenses* in the consolidated statements of earnings according to the breakdown of staff. This change resulted in a \$1 million increase in development costs for the three-month period ended December 31, 2023 and \$5 million increase for the year ended December 31, 2023.

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 December 31	As at December 31
(in millions of Canadian dollars)	2024	2023
Cash and cash equivalents	592	478
Cash and cash equivalents held by entities subject to project debt agreement and restrictions ⁽¹⁾	(526)	(388)
Bank overdraft	(5)	(6)
Available cash and cash equivalents	61	84
Credit facilities available for growth	462	463
Available cash resources and authorized financing	523	547

⁽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 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 Corporation's main *joint ventures and associates* as at December 31, 2024 and December 31, 2023 were:

	Technology	Country	Status	Boralex % of interests	Installed capacity		Investment type
					Total (MW)	Net (MW)	
Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership (“SDB I”)	Wind	Canada	Operational	50%	272	136	Joint venture
Seigneurie de Beaupré Wind Farm 4 General Partnership (“SDB II”)	Wind	Canada	Operational	50%	68	34	Joint venture
Le Plateau Community Wind Power L.P. (“LP II”)	Wind	Canada	Operational	60%	21	13	Joint venture
Des Neiges Holding Sud, General Partnership (“Des Neiges Sud”) ⁽¹⁾	Wind	Canada	Construction	50%	400	133	Joint venture
Parc éolien Apuiat Inc. (“Apuiat”)	Wind	Canada	Construction	50%	200	100	Joint venture
Roosevelt HoldCo, LLC (“MiRose”)	Wind	US	Operational	50%	300	150	Joint venture
LongSpur Wind Holdings, LLC (“LongSpur”)	Wind	US	Operational	50%	394	197	Joint venture
Tx Hereford Wind Holdings, LLC (“Hereford”) ⁽²⁾	Wind	US	Operational	50%	200	100	Joint venture
Roncevaux Wind Power L.P. (“Roncevaux”)	Wind	Canada	Operational	50%	75	37	Associate

⁽¹⁾ A non-controlling shareholder holds an interest in the project entity, bringing the Corporation's net economic interest to 33%.

⁽²⁾ The Corporation's economic share in the results of the joint venture is 11.3% until December 31, 2024 due to the interest of a non-controlling shareholder in the wind farm. Beginning January 1, 2025, the economic share will be 48%.

Highlights - Combined

(in millions of Canadian dollars, unless otherwise specified)	Combined		Change Combined 2024 vs 2023	
	2024	2023	GWh or \$	%
Three-month periods ended December 31:				
Power production (GWh) ⁽¹⁾	2,099	2,351	(252)	(11)
Revenues from energy sales and feed-in premiums	258	345	(87)	(25)
Operating income	53	119	(66)	(55)
EBITDA(A)	191	229	(38)	(17)
Net earnings (loss)	(2)	58	(60)	>(100)
Twelve-month periods ended December 31:				
Power production (GWh)	7,845	8,020	(175)	(2)
Revenues from energy sales and feed-in premiums	933	1,104	(171)	(15)
Operating income	267	306	(39)	(12)
EBITDA(A)	670	675	(5)	(1)
Net earnings	74	115	(41)	(35)
	As at Dec. 31	As at Dec. 31		
Total assets	8,476	7,304	1,172	16
Debt - Principal balance	4,588	3,764	824	22

⁽¹⁾ Power production includes the production for which Boralex received financial compensation following power generation limitations 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 premiums.

Analysis of combined operating results for the three-month period ended December 31, 2024

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating income	EBITDA(A)
Combined				
Three-month period ended December 31, 2023	2,351	345	119	229
Commissioning ⁽¹⁾	43	6	6	6
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity	—	(33)	20	20
Volume ⁽²⁾	(295)	(59)	(59)	(59)
Development	—	—	(2)	(2)
Impairment	—	—	(27)	—
Other	—	(1)	(4)	(3)
Three-month period ended December 31, 2024	2,099	258	53	191
North America				
Three-month period ended December 31, 2023	1,357	128	36	114
Volume	34	4	4	4
Development	—	—	(5)	(5)
Impairment	—	—	(27)	—
Other	—	1	(2)	(4)
Three-month period ended December 31, 2024	1,391	133	6	109
Europe				
Three-month period ended December 31, 2023	994	217	91	123
Commissioning	43	6	6	6
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity	—	(33)	20	20
Volume	(329)	(63)	(63)	(63)
Development	—	—	3	3
Other	—	(2)	(4)	(2)
Three-month period ended December 31, 2024	708	125	53	87
Corporate and eliminations				
Three-month period ended December 31, 2023			(8)	(8)
Other			2	3
Three-month period ended December 31, 2024			(6)	(5)

Impact of joint ventures and associates, net of eliminations

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating Income	EBITDA(A)
Three-month period ended December 31, 2023	537	30	21	37
Volume	42	2	2	2
Pricing	—	(1)	(1)	(1)
Impairment	—	—	(47)	—
Other	—	(1)	—	(1)
Three-month period ended December 31, 2024	579	30	(25)	37

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

⁽²⁾ Includes compensation following electricity production limitations.

In the fourth quarter of 2024, power production on a Combined basis amounted to 2,099 GWh, a decrease of 252 GWh or 11% compared to the corresponding period in 2023. Revenues from energy sales and FiP decreased by 25% to \$258 million, while operating income decreased by 55% to \$53 million and EBITDA(A) decreased by 17% to a total of \$191 million. Compared to the fourth quarter of 2023, the contribution to production of the *joint ventures and associates'* facilities contributed 579 GWh, an increase of 8% in production. Revenues from energy sales and EBITDA(A) increased by 2% and 1%, respectively. The \$62 million difference between operating income and EBITDA(A) was mainly due to an impairment related to Boralex's interest in a joint venture in the United States due to the historical and projected underperformance of a wind farm that sells its electricity production on the market. The effect of *joint ventures and associates* on EBITDA(A) on a combined basis is offset by the change in the *share in earnings of joint ventures and associates*, which is eliminated and replaced by the results of the joint ventures.

Analysis of combined operating results for the year ended December 31, 2024

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating income	EBITDA(A)
Combined				
Year ended December 31, 2023	8,020	1,104	306	675
Commissioning ⁽¹⁾	149	21	18	18
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production	—	(129)	53	53
Volume ⁽²⁾	(324)	(70)	(70)	(70)
Foreign exchange effect	—	9	5	5
Development	—	—	(11)	(11)
Impairment	—	—	(30)	—
Other	—	(2)	(4)	—
Year ended December 31, 2024	7,845	933	267	670
North America				
Year ended December 31, 2023	5,112	465	158	397
Pricing	—	1	1	1
Volume	115	16	16	16
Development	—	—	(13)	(13)
Impairment	—	—	(28)	—
Other	—	2	(2)	2
Year ended December 31, 2024	5,227	484	132	403
Europe				
Year ended December 31, 2023	2,908	639	183	310
Commissioning	149	21	18	18
Pricing (power purchase agreements and FiP), net of the inframarginal rent contribution on electricity production	—	(130)	52	52
Volume	(439)	(86)	(86)	(86)
Foreign exchange effect	—	9	5	5
Other	—	(4)	—	—
Year ended December 31, 2024	2,618	449	172	299
Corporate and eliminations				
Year ended December 31, 2023			(35)	(32)
Other			(2)	—
Year ended December 31, 2024			(37)	(32)

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

⁽²⁾ Includes compensation following electricity production limitations.

Impact of joint ventures and associates, net of eliminations

(in millions of Canadian dollars, unless otherwise specified)	Production (GWh)	Revenues from energy sales and FiP	Operating income	EBITDA(A)
Year ended December 31, 2023	2,047	110	80	129
Pricing	—	(2)	(2)	(2)
Volume ⁽¹⁾	107	9	9	9
Impairment	—	—	(45)	—
Other	—	(1)	(1)	3
Year ended December 31, 2024	2,154	116	41	139

⁽¹⁾ Includes compensation following electricity production limitations.

For the year ended December 31, 2024, power production on a Combined basis amounted to 7,845 GWh, a decrease of 2% or 175 GWh compared to the corresponding period in 2023. Revenues from energy sales and FiP decreased by 15%, operating income decreased by 12%, and EBITDA(A) decreased by 1% to \$933 million, \$267 million, and \$670 million, respectively. Compared to fiscal 2023, the contribution to production of the *joint ventures and associates'* facilities in operation increased by 5% while the contributions to revenues from energy sales and EBITDA(A) rose by 5% and 9%, respectively. The \$98 million difference between operating income and EBITDA(A) was mainly attributable to the impairment of a joint venture in the United States. The effect of *joint ventures and associates* on the Combined EBITDA(A) is offset by the change in the *share of earnings of joint ventures and associates*, which is eliminated and replaced by the results of the joint ventures.

Commitments and contingencies

(in millions of Canadian dollars)	Note	Payments			Total
		Less than one year	Between one and five years	More than five years	
Purchase and construction contracts	(a)	195	29	—	224
Maintenance contracts	(b)	34	147	281	462
Other	(c)	12	28	56	96
		241	204	337	782

(a) Purchase and construction contracts

The Corporation has entered into equipment, construction and grid connection contracts for projects under development and construction.

(b) Maintenance contracts

The Corporation has entered into maintenance contracts with initial terms between 15 and 20 years in North America, and from 5 to 20 years in Europe. The Corporation is committed to pay variable amounts based on the achievement of production and availability levels. These amounts are not included in the above commitments table.

(c) Other commitments

The Corporation is bound by royalty and community agreements with Indigenous Peoples and municipalities expiring between 2032 and 2059. The community agreements include clauses relating to the preservation of the natural habitat, use of roads and the community fund.

The Corporation is bound by royalty agreements and is subject to variable conditional royalties related to the operation of its wind farms, solar power stations and hydroelectric power stations. The commitments table above does not include these amounts.

Energy sales and feed-in-premium contracts

Most of the Corporation's electricity production is subject to long-term energy sales contracts or feed-in premium contracts. Most of these contracts are subject to annual indexation. These contracts have the following characteristics:

	Wind	Solar	Hydroelectric
	Terms		
North America	2029 - 2059	2029 - 2046	2027 - 2059
Europe	2025 - 2046	2031 - 2043	—

Commitments to joint ventures

The Corporation has committed to certain joint ventures through contracts and letters of credit to support the development and the construction of projects for a total amount of \$194 million as at December 31, 2024. Moreover, the Corporation is committed to provide a bridge loan to a joint venture for a total amount of \$90 million. An amount of \$6 million was expected to be received for this bridge loan as at December 31, 2024.

Contingency

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 power 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 power projects under development. The Court found that the defendants were in breach of their obligation with respect to the then under development Epléssier-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. On September 7, 2023, Boralex appealed to the Court of Cassation and filed a “full” petition in January 2024. Boralex also submitted a statement of claim to the judicial representative regarding this litigation following the opening of a safeguard procedure against Innovent in October 2023.

Related to the procedure described above, a proceeding led by Innovent was underway before the Execution Judge (Lille), related to the conservatory seizures carried out by Boralex to ensure proper payment of the judgement (immediately enforceable) in its favour, amounting to \$72.7 million (€50.6 million).

In the context of this procedure, on December 5, 2021, Innovent and Mr. Verhaeghe filed a claim against Boralex seeking the release of the enforcement measures carried out by Boralex under the judgement of the Commercial Court of Lille. Since the decision of July 6, 2023 by the Court of Appeal of Douai, which set the amount of the judgement at \$3.6 million (€2.5 million), the conservatory seizures carried out by Boralex have been lifted. In January 2024, Innovent filed a new claim against Boralex, alleging that the seizures prevented Innovent from completing a transaction that would have allowed it to become a public company and reassessed its damage at \$3 billion (€2.1 billion) in May 2024. Boralex and its Board believes that this claim is unfounded; Boralex intends to defend itself vigorously. Boralex has filed its statement of defence during the third quarter of 2024 and Innovent's conclusions on Boralex's brief are expected during the first quarter of 2025.

In addition to the above procedure, 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.

Risk governance

The Corporation's Enterprise Risk Management Policy is subject to annual review and approval by the Board of Directors. The Corporation's risk management framework combines best practices notably found in COSO's Enterprise Risk Management and ISO 31000 guidelines. The purpose of the Corporation's risk management framework is to identify, assess, mitigate, monitor, and report on the key risk exposures it faces in the pursuit of its strategic objectives. These risks are segmented into the following categories: strategic, financial, legal and regulatory, and operational risks. As part of the risk management process, a risk register has been developed across the organization to monitor changes to its risk landscape and articulate its risk mitigation measures. Key risks are reviewed by the business units and global Executive Committees and are presented periodically to the Board.

The Corporation has developed qualitative and quantitative risk limits in its Risk Appetite Statement that is independently and periodically monitored by the Enterprise Risk Management function and approved by the Board of Directors. The Risk Appetite Statement defines the type and amount of risk the Corporation is willing to accept to pursue its strategic objectives. In some instances, the Corporation may determine that it has no appetite to take on certain risks.

The Corporation is subject to a wide spectrum of risks and uncertainties that evolve over time, some of which are described below. Although it is not feasible to identify and mitigate all possible risks, the Corporation has set forth commensurate risk oversight and governance practices to foster a strong risk culture at all levels of management. This includes risk specific oversight responsibilities for the Board of Directors through its sub-committee mandates as described in the annual information form. The following section provides a non-exhaustive list of risks to which Boralex could be exposed. The actual effect of any risk event on the Corporation's business could be materially different from what is anticipated or described herein.

Risk factors

1. Strategic risks

Strategic positioning risk

Definition: Potential loss resulting from implementing a strategic or tactical decision not aligned with the organization's strategic objectives. This decision may be related, but not limited to, merger and acquisition (M&A) activities, organic project development, technological choices, and types of partners.

Context: The Corporation has a strategic plan that guides it in achieving its business objectives, notably by continuing the actions undertaken in sectors with strong growth potential, and by implementing complementary initiatives with a view to diversifying and optimizing its activities, revenue sources and customers. The Corporation intends to achieve these objectives with strong environmental, social and governance performance, as defined in its corporate social responsibility (CSR) strategy.

The Corporation operates in the renewable energy sector in Canada, France, the United Kingdom and the United States. This sector is characterized by competition from large utilities or other independent energy producers. Boralex competes with other companies with sometimes significantly greater resources, financial or otherwise, in connection with the awarding of energy sales contracts, the acquiring of projects, the establishment of partnerships or the recruitment of qualified personnel. This could adversely affect the implementation of the Corporation's long-term vision and prevent it from seizing available opportunities.

Mergers and acquisitions risk

Definition: Potential loss and/or adverse reaction from financial markets following an M&A transaction, resulting from an inability to implement a comprehensive and systematic process of due diligence and mitigation measures with respect to the impacts of the acquisition of the transaction (financial, legal, strategic, operational, technological, cultural, environmental, retention of skills and key people, etc.). Loss and/or under-performance of the transaction resulting from an inability to implement a comprehensive integration plan aimed at taking advantage of potential synergies, to capitalize on key skills and assets arising from the transaction and the overall inability to maximize the value of the acquiree to achieve its strategic and financial objectives.

Context: The Corporation believes that the acquisitions recently completed and expected to be completed will generate benefits for the Corporation. However, it is possible that all or some of the anticipated benefits, including financial benefits and those that are the subject of forward-looking financial information, may not materialize, particularly within the time frame set by the Corporation's management. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Corporation.

It is also possible that the Corporation may not detect in its M&A due diligence any liabilities or contingencies for which the Corporation may not be indemnified. Discovery of any material liability or contingencies with respect to shares, assets or businesses acquired following the transaction could have a material adverse effect on the Corporation's financial position and operating results.

Lastly, the integration of assets as part of the Corporation's mergers or acquisitions could pose significant challenges, and the Corporation's management may be unable to complete the integration successfully, and there can be no guarantee that management will be able to successfully integrate the new assets or to realize the full benefits expected from the transactions.

Organizational transformation risk

Definition: The inability to manage growth effectively, efficiently and in line with the operating context, due to inadequate processes, people, structure, or change management adaptation.

Context: As a result of its continued growth and successful execution of its strategic objectives, the Corporation has undergone important organizational transformations to align its structure and processes with its ambitions. Future high growth could increase internal pressures, including, but not limited to, change management, shortage of skills, and technological requirements, which may limit the achievement of the Corporation's objectives.

Political, legislative and regulatory risks

Definition: Limited ability of the Corporation to maintain its usual operations and/or achieve its financial and strategic objectives due to political, legislative and regulatory events at the national level, or part of a territory or state where the Corporation has activities, which could modify, among other things, the general market conditions in the renewable energies sector.

Context: The Corporation operates in the renewable energy sector in Canada, France, the United Kingdom and the United States. Moreover, the Corporation continuously assesses opportunities in other regions. Any changes in government policies could have a significant impact on the Corporation's business in such jurisdictions. Business risks include, but are not limited to, changes of laws affecting foreign ownership, government participation and support for renewable energies, energy prices, sales taxes, income taxes, royalties, duties and repatriation of earnings, sourcing from countries subject to sanctions, as well as exchange rates, inflation, and civil unrest. There can be no guarantee that current and future economic and political conditions in the countries in which the Corporation operates or intends to operate will be conducive for generating the expected profitability. Particular attention is given to the evolution of the political context, statements, and potential decisions of the U.S. government and possible global repercussions.

Notably, US President Donald Trump has expressed his intention to implement a 25% tariff on imports of certain Canadian materials and commodities and has discussed implementing additional tariffs on imports from Canada and Mexico, and increasing tariffs on Chinese products. Canada Prime Minister Justin Trudeau has indicated that Canada will respond with tariffs on US goods. Whether and to what extent these tariffs will be imposed remains to be seen, but if tariffs are imposed or increased, materials and goods that Boralex imports may face higher prices, which could lead to increased prices for its projects under development or construction, and higher operating costs.

The Corporation's activities are also subject to changes in governmental regulatory requirements, including environmental and energy-related regulations and other matters beyond the control of the Corporation. The operation of power generating facilities is subject to extensive regulations by various government agencies at the municipal, provincial, and federal levels.

Currently unregulated operations may become regulated. Because legal requirements change frequently and are subject to interpretation, the Corporation is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Some of the Corporation's operations are regulated by government agencies that exercise statutory discretion. Because the scope of such discretionary authority is uncertain and may be inconsistently applied, the Corporation is unable to predict the ultimate cost of compliance with such requirements or their effect on operations. Failure of the Corporation to obtain or maintain all necessary licenses, leases or permits, including renewals thereof or modifications thereto, may adversely affect its ability to generate revenues.

The impact of global geopolitical conditions may also influence the supply chains of products and services required by the Corporation. The effect of such factors is unpredictable.

Diversification risk

Definition: Potential loss or underachievement of the Corporation's strategic objectives resulting from excessive exposure to a technological sector, geographic region, regulatory environment, type of contract or to a single client; or from an inability to seize other diversification opportunities.

Context: The Corporation pursues a strategy of diversification in its power generation sources and geography. This diversification is reflected in the Corporation's operating revenues and EBITDA(A). Given the size of some of its operating segments and the importance of regions where it operates, the Corporation could, however, be exposed to significant financial consequences in the event of underperformance of a region or a substantial downturn in a specific power segment, particularly wind.

2. Operational risks

Uneconomic projects

Definition: Potential loss or underachievement of the Corporation's strategic objectives resulting from failing to identify, select or develop the best investment opportunities.

The contextual information discussed below should be considered.

Project management and execution risk

Definition: Failure to plan (including inaccurate resource estimates) and execute activities resulting in adverse and/or unexpected effects on project costs, scope and schedule. In addition to affecting the profitability of the project, exceeding schedules, particularly in the case of the commissioning of energy production assets, may result in the suspension of operating permits, commercial disputes and/or specific financial penalties that hinder the achievement of strategic, business and financial objectives.

Context: The Corporation participates in the construction and development of new power generating facilities. Delays or cost overruns may occur during the construction phase, in particular delays in obtaining permits, key supplier withdrawal, increases in construction prices due to inflation or otherwise, changes in engineering design, labour conflicts, inclement weather, the availability of financing or availability of qualified personnel. Even when completed, a facility may not operate as planned, which could conceivably not be covered by warranty, due in particular to poor equipment performance. New development projects by nature have no operating history and may employ recently developed, technologically complex equipment.

Moreover, energy sales contracts entered into with counterparties early in the development phase of a project may enable counterparties to terminate the agreement or retain security posted as liquidated damages, if a project fails to achieve commercial operation or certain operating levels by specified dates; or if the Corporation fails to make specified payments. Also, a new facility may be unable to generate the necessary revenues to fund principal and interest payments under its financing obligations. A default under such a financing obligation could result in a legal recourse, a financial penalty or a loss of the Corporation's interest in the facility.

The contextual information discussed below should be considered.

Ability to secure appropriate land

Finding suitable sites for new power generating facilities is a highly competitive process. Identifying and obtaining optimal sites is challenging due to geographic features, legal and regulatory restrictions, and ownership rights, which naturally limit the areas available for site development. There can be no guarantee that the Corporation will be successful in obtaining any desirable site.

Social acceptance of renewable energy projects

The Corporation's ability to find and develop new sites suitable for viable renewable energy projects is heavily dependent on social acceptance by local stakeholders, including governmental authorities, local communities, First Nations, and other Indigenous peoples. If a prospective project fails to obtain sufficient social acceptance, it may lead to development delays, or even the loss of all upfront investments and a financial write-off. Additionally, for operational sites, material and justified challenges to the social acceptance could adversely affect the operation's performance or revenue.

Security and damage to physical assets

The Corporation may be subject to losses resulting from malicious acts (e.g., sabotage, vandalism, kidnapping) against our physical assets, employees, or third parties. The Corporation actively takes actions to prevent, respond and/or remediate these risks as they can impact site and employee safety, as well as operational capacity.

Third party risk

Definition: Potential financial loss and/or reputational damage due to Boralex's selection of partners (suppliers, joint ventures, clients) or their failure to meet their contractual commitments.

The contextual information discussed below should be considered.

Procurement risk

Definition: Loss or incident resulting from an inadequate selection of a third party (supplier or contractor), low market availability, competitiveness or a contract that does not meet our corporate values (including ESG risk factors), the use of third party services and dependence on these third parties. Inadequate performance monitoring, absence of a contract owner or poor monitoring of the third party (including ESG risk factors) impacting the quality or sustainability of the services provided. Inadequate design and implementation of exit strategy, recovery or termination of the agreement resulting in loss or breakdown of service.

Development and operation of the Corporation's facilities are dependent on the supply of third-party equipment and services. Equipment prices can increase rapidly depending on, among other things, equipment availability, raw material prices and the market for such products, as well as international tariffs. Any significant increase in equipment procurement prices and any delay in their delivery could adversely affect the future profitability of the Corporation's facilities and the Corporation's ability to build additional projects. There can be no assurance that manufacturers will meet all their contractual obligations. Any failure by a supplier of equipment or service to meet its commitments could adversely affect the Corporation's ability to complete projects on schedule and meet its commitments under the power purchase agreements.

Relationships with strategic partners

Definition: Loss or inability to achieve anticipated benefits resulting in suboptimal selection or management of a strategic partnership (Indigenous partners and/or communities) throughout its life cycle, including selection and due diligence, contract negotiation, business relationship management, partnership performance, renewal, exit strategy and termination.

The Corporation may collaborate with partners for the development of its projects or for operations, including corporations and Indigenous groups. However, some of these partners may have or develop interests or objectives that are different from or even in conflict with the objectives of the Corporation. Any such differences could have a negative impact on the success of the Corporation's projects, or cause delays or financial losses.

Power purchase agreements

Definition: Financial loss due to the Corporation's inability to win power purchase agreements or renew such contracts under favourable terms. Significant legislative changes could impact existing contracts.

Context: Obtaining new power purchase and feed-in premium agreements is a key component for the sustainability of the Corporation's profits and cash resources. Winning new power purchase and feed-in premium agreements involves certain risks owing to the competitive environment in which the Corporation operates. In several instances, the Corporation obtains new power purchase and feed-in premium agreements by submitting offers in response to requests for proposals issued by clients. There is no guarantee that the Corporation will be able to effectively compete against its competitors over the long term, or that it will be selected as an energy supplier following such processes, or that existing power purchase agreements will be renewed under favourable terms and conditions on expiry. Governments could make legislative changes in the energy sector that may have negative or positive effects on existing power purchase agreements with Crown corporations or those under government control.

Production volume risk

Definition: Hydro, wind and solar resources at Boralex's facilities could vary significantly against historical data and forecasts.

Context: The amount of power generated by the Corporation's hydro, wind farms and solar power facilities is dependent on water, wind and sunlight, which are naturally variable. There can be no guarantee that the long-term historical water, wind or solar availability will remain unchanged or that no material events will impact water, wind or solar conditions on a particular site.

The amount of power generated by the Corporation's hydroelectric power stations is dependent on available water flow. Accordingly, revenues and cash flows may be affected by low and high water flow in the watersheds. Decreases in the solar or wind regime at the Corporation's different sites could reduce its revenues and profitability. Annual deviations from the long-term average could be significant.

If resources are insufficient, the assumptions underlying the financial projections for the volume of electricity to be produced by renewable energy facilities might not materialize, which could have a material adverse effect on the Corporation's cash flows and profitability.

The contextual information discussed below should be considered.

Acute and chronic climate-related risks

Definition: Losses and incidents stemming from physical risks amplified by climate change, which can be event-driven (acute) or caused by longer-term shifts in climate patterns (chronic).

Context: the Corporation's power generation facilities and operations are exposed to damage and/or destruction resulting from natural disasters (for example, floods, drought, high winds, freezing rain, fires and earthquakes) that could lead to impacts on human safety or equipment failure. Climate change could increase the frequency or magnitude of natural disasters. Moreover, such disasters could impede access to facilities.

The occurrence of a significant event which disrupts the production capacity of the Corporation's assets or prevents it from selling its energy for an extended period, such as an event that precludes existing clients from purchasing energy, could have a material adverse impact on the Corporation. The Corporation's generation assets or a facility owned by a third party to which the transmission assets are connected could be exposed to effects of severe weather conditions, natural disasters and unforeseen events. In certain cases, there is the potential that some events may not excuse the Corporation from performing its obligations pursuant to agreements entered into with third parties. In addition, a number of the Corporation's generation assets are located in remote areas, which makes access for repair of damage difficult. Any such scenario could have a material adverse effect on the Corporation's business, operating results and financial position.

Hydroelectric, wind and solar resources will vary. Although the Corporation believes that past resource studies and production data collected demonstrate that the sites are economically viable, historical data and engineering forecasts may not accurately reflect the strength and consistency of resources in the future.

Seasonal factors

By the nature of its business, the Corporation's earnings are sensitive to changes in climate and weather conditions from period to period. Changes in winter weather affect demand for electrical heating requirements. Changes in summer weather affect demand for electrical cooling requirements. These fluctuations in demand translate into spot market price volatility, which may have an impact, albeit limited, on approximately 10% of the Corporation's total installed capacity.

Grid availability and reliability risk

The Corporation's ability to sell electricity is impacted by the availability of the various power transmission and distribution systems in each jurisdiction in which it operates. The failure of existing transmission or distribution facilities or the lack of adequate transmission capacity would have a material adverse effect on the Corporation's ability to deliver electricity to its various counterparties, thereby adversely impacting the Corporation's operating results, financial position or prospects.

Dam safety

Hydroelectric power stations in Québec, which represented 2% of total installed capacity as at December 31, 2024, are subject to the *Dam Safety Act* and its regulation. Depending on the region where the power stations are located, dams must comply with certain criteria defined in this Act. Generally, once the Corporation's recommendations are accepted by the *Ministère de l'Environnement et de la Lutte contre les changements climatiques, de la Faune et des Parcs*, an action plan is prepared reflecting the relative urgency of the work required. The Corporation is also subject to disclosure requirements and regulations relating to the monitoring of structural integrity of the power stations it operates in British Columbia and the United States.

A dam breach at any of the Corporation's hydroelectric power stations could result in a loss of production capacity, and repairing such failures could require the Corporation to incur significant expenditures of capital and other resources. Such failures could expose the Corporation to significant liability for damages. Other dam safety regulations could change from time to time, potentially impacting the Corporation's costs and operations. Upgrading all dams to enable them to withstand all events could require the Corporation to incur significant expenditures of capital and other substantial resources, particularly on occurrence of an extraordinary event or a case of force majeure. In conclusion, a dam failure could have a material adverse effect on the Corporation's business, operating results, financial position and outlook. Compliance with dam safety laws (and any future changes to these laws) and the requirements of licenses, permits and other approvals remain material to the Corporation.

Talent and culture risk

The Corporation could be exposed to risks related to its current and future employees.

The contextual information discussed below should be considered.

Talent attraction, retention and succession

Definition: Inability of the Corporation to implement its purpose, reach its strategic objectives or meet its obligations as an employer due to loss of key people or an inability to define or implement strategies to attract, retain, train, develop and renew talent

Context: The Corporation's employees play a critical role in its success. The Corporation's performance and future growth depend in large part on their skills, experience and efforts. The Corporation's continued success is dependent on its ability to attract, retain and develop qualified, suited and experienced talent. An inability to identify, train or attract successors in the event of the departure of key employees or members of management could have a material adverse effect on its organization, results, operations and outlook. The external context of the job market could affect this risk.

Physical and mental health and safety risk

Definition: Physical health and safety threatened by an inadequate, unhealthy, or non-compliant work environment leading to minor incidents, near misses, accidents, occupational disease or death that can result in employee disengagement, absences, claims, complaints, grievances and damage to reputation or inability to attract and retain talent. Psychological health and well-being threatened by an inadequate work environment or by behaviours that do not align with corporate values, that do not promote a sustainable performance culture, which can lead to employee disengagement, absences, claims, complaints, grievances and damage to the brand image and/or the ability to attract and retain talent.

Context: The construction, ownership and operation of the Corporation's power generation assets carry an inherent risk of liability related to worker physical and mental health and safety, including the risk of government-imposed orders to remedy unsafe conditions, of potential penalties for contravention of health and safety laws, licenses, permits and other approvals, and of potential civil liability for the Corporation. Compliance with health and safety laws (and any future changes to these laws) and the requirements of licenses, permits and other approvals remains material to the Corporation. In addition, the Corporation may become subject to government orders, investigations, inquiries or civil suits relating to health and safety matters. Potential penalties or other remediation orders could have a material adverse effect on the Corporation's business and results of operations.

Information technology risk

The Corporation could be exposed to risks related to its digital and physical information technology.

The contextual information discussed below should be considered, in addition to risk factors related to the development, implementation, deployment, and/or management of information technology. The Corporation recognizes that risk exposures may arise from digital transformation and the adoption of emerging technologies such as artificial intelligence, consequently leading to the unintended consequences described hereafter.

Information systems failure and cybersecurity risk

Definition: Inadequate protection of data and information (including personal information of customers, third parties and strategic information), whether by an intentional or unintentional act (error, negligence, omission), or threats and cyberattacks on infrastructures, networks, application systems or databases, causing a data leak, an interruption of operations and a breach of confidentiality of corporate information that may lead to litigation, a sanction (legal or financial) or any other contractual legal and regulatory liability.

Context: The Corporation relies on information technologies to conduct its business operations. A failure of information technology systems or infrastructure could have a material impact on its activities.

Cyber intrusion or any other type of misuse of technological systems could seriously disrupt commercial power generation and distribution operations, compromise the confidentiality, integrity, and availability of information, including personal data; or diminish the Corporation's competitive advantages. In addition, such attacks could result in breaches under critical infrastructure and data protection regulations. Attacks on the Corporation's computer or operational systems could result in unanticipated expenses related to their investigation, repair of security breaches or system damage, give rise to litigation, fines, corrective actions or increased regulatory scrutiny, or harm the Corporation's reputation. Incidents affecting technological systems could therefore have a material adverse effect on the Corporation's business, financial condition, or operating results.

Data integrity, availability, and confidentiality risk

Definition: Deficiencies in data integrity, availability, and confidentiality due to inadequate data governance and management.

Context: The Corporation relies on data integrity and availability to support daily operations, strategic planning, and financial reporting. Deficiencies in data governance and management could significantly impact operational efficiency and financial statement accuracy. To mitigate these risks, the Corporation has implemented data management frameworks, governance policies, and system redundancies to enhance reliability and resilience.

In addition, privacy risks primarily arise from unauthorized access and system breaches that could expose sensitive information. To address these risks, the Corporation has established security controls, access management policies, and regulatory compliance measures to protect personal and confidential data.

3. Financial risks

Pricing and contractual protection risk

Definition: Risk of income volatility due to the decrease of the value of a contract, volume committed, security or investment, as a result of poor business decisions, including misunderstanding of the consequences of the risks involved, the type of products, resources contracted, the expiration of a market position and/or inadequate contractual protections.

Context: The Corporation sells most of its energy to a limited number of customers with long-standing credit histories or investment grade ratings. However, the inability of one or more of these customers to meet their commitments under their respective contracts could result in revenue losses.

In addition, in the United States and in France, a portion of the Corporation's power production is sold at market prices or under short-term contracts and is accordingly subject to fluctuations in energy prices. In France, feed-in-premiums protect the Corporation from declines in market prices, while allowing it to benefit from increases, in some circumstances.

The market price of energy in individual jurisdictions can be volatile. Energy prices vary according to supply, demand and other external factors, including weather conditions, the geopolitical context, grid transmission and distribution capacity and the price of other sources of power.

As a result, prices may drop significantly to levels at which the power facilities are unable to yield an operating profit. In such cases, the economic prospects of the Corporation's projects in facilities in operation that rely, in whole or in part, on market prices, or development projects in which the Corporation has an interest, could be significantly reduced or rendered uneconomic. If this pricing differential occurs or extends over a long period of time, it could negatively impact the Corporation's financial results and cash flows. A material reduction in such prices could have a material adverse effect on the Corporation's financial position.

Counterparty risk

Definition: Risk that a counterparty to a transaction will default before the final settlement of the transaction's cash flows.

Where a customer does not have a public credit rating, the Corporation minimizes this risk through the use of standard trading contracts and guarantee requirements that allows it to diversify counterparties. Regular monitoring of their credit risk exposure and changes in their financial position is also carried out.

Financing and access to capital risk

Definition: Poor decision and/or inability to obtain or access financial capital to support organic development, M&A activities or other needs related to achieving the organization's strategic plan. Inability to access alternative sources of capital or better borrowing terms due to failure to qualify for ESG financing tools.

The contextual information discussed below should be considered.

Credit risk and additional financing and debt

Definition: Exposure to a change in credit conditions reducing cash flow and/or the competitiveness and profitability of projects and/or the possibility of the organization defaulting on a loan or meeting its contractual obligations.

Context: The Corporation's projects require significant capital. The Corporation expects to finance the development and construction of new facilities, acquisitions and other capital expenditures with sources of financing that may combine cash flows from operating activities, borrowings or the issuance of additional shares by the Corporation.

To the extent that external sources of capital, including the issuance of additional securities of the Corporation, become limited, unavailable, or unavailable under reasonable terms and conditions, the Corporation's ability to make the necessary capital investments to build new facilities or maintain its existing operations and remain in business would be impaired.

The degree to which the Corporation is leveraged could have important consequences to shareholders, including: (i) Corporation's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other project developments in the future; (ii) a significant portion of the Corporation's cash flows from operations may be dedicated to the payment of the principal and interest on indebtedness, thereby reducing funds available for future operations; and (iii) exposing the Corporation to increased interest expenses on borrowings at variable rates.

Furthermore, the ability to refinance, renew or extend debt instruments is dependent up to their maturity on the changing conditions of the capital markets which may affect the availability, price or terms of alternative financing.

Moreover, investors could suffer dilution to their holdings of securities of the Corporation if financing were to be obtained by issuing additional Class A shares of the Corporation.

Interest rate and refinancing risk

Definition: The possibility that central bank decisions will lead to changes in countries' monetary policies resulting in changes in interest rates thereby reducing the value of an asset, bond or other fixed-rate investment, and/or increasing the cost of capital and/or the value of the Corporation's stock.

Context: Given the high-leverage financing strategy used by the Corporation, interest rate fluctuations are a factor which may materially affect its profitability. When a loan is taken on a variable rate basis, in order to limit the effect of changes in interest rates, the Corporation simultaneously arranges interest rate swaps covering a significant portion of the corresponding loan. The hedged portion is typically between 75% and 90% of anticipated variable interest cash flows and the duration of the instrument is generally aligned with the amortization period of the loans, which limits the risk related to the changes in benchmark rates when refinancing. As at December 31, 2024, excluding corporate loans and given the effect of the interest rate swaps in force, only about 12% of the total debt was exposed to interest rate fluctuations on a Consolidated and a Combined basis.

A sharp increase in interest rates in the future could affect the liquid assets available to fund the Corporation's projects. In addition, the ability of the Corporation to refinance debt when due is dependent on capital market conditions, which change over time. A sharp increase in interest rates could reduce the anticipated profitability of projects won through calls for tenders or under feed-in-tariff programs below the return projected by the Corporation. For larger scale projects, the Corporation could decide to arrange financial instruments to protect such returns during the development period prior to the closing of financing for the project.

Restrictive covenant risk

The Corporation uses a project-based or project group-based financing approach to optimize its leverage. The cash flows from several of the facilities are subordinated to senior debt when financed through project financing. Such financing arrangements are typically secured by project assets and contracts, as well as Boralex's interests in the project operating entity.

The Corporation is subject to operating and financial restrictions through covenants in the instruments governing its debts. These restrictions prohibit or limit the Corporation's operating flexibility and may limit the Corporation's ability to obtain additional financing, withstand downturns in the Corporation's business and take advantage of business opportunities. Moreover, the Corporation may be required to seek additional debt or equity financing on terms that include more restrictive covenants, require repayment on an accelerated schedule or impose other obligations that limit the Corporation's ability to grow the business, acquire projects and other assets, or take other actions the Corporation might otherwise consider appropriate or desirable.

There is a risk that a loan may go into default if the Corporation does not fulfil its commitments and obligations or fails to meet the financial and other restrictive covenants contained in the instruments governing such loan, which may prevent cash distributions by the project or the project operating entity and result in the lender realizing on its security and, indirectly, causing the Corporation to lose its ownership or possession of such a project. Such situations could have a material adverse effect on the business, results of operations and financial position of the Corporation.

Declaration of dividends risk

The declaration of dividends is subject to regulatory restrictions and is at the discretion of the Board of Directors, regardless of whether the Corporation has sufficient funds, less indebtedness, to pay dividends. The Corporation may neither declare nor pay dividends if it has reasonable grounds to believe that (i) the Corporation cannot, or would not be able to pay its liabilities as they become due; or (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated outstanding share capital; or (iii) it would be possible to procure shareholders higher yield by investing the equivalent amount in its current businesses.

As a result, no assurance can be given as to whether Boralex will continue to declare and pay dividends in the future, or the frequency or amount of any such dividend.

Liquidity and fluctuations of insurance coverage and exchange rates

Definition: The Corporation is exposed to liquidity risk on liabilities and fluctuations in insurance coverage and exchange rates

The contextual information discussed below should be considered.

Liquidity risks related to derivative financial instruments

Definition: Loss resulting from liquidity difficulties or an inability to meet financial commitments in a timely manner and at reasonable costs, which may also impair the ability to pursue business opportunities.

Derivative financial instruments are entered into with major financial institutions and other counterparties, and their effectiveness is dependent on the performance of these entities. Failure by one of them to perform its obligations could involve a liquidity risk. Liquidity risks related to derivative financial instruments also include the settlement of forward contracts on their maturity dates and the early termination option included in some interest rate swap contracts and foreign exchange contracts. The Corporation uses derivative financial instruments to manage its exposure to the risk of interest rates fluctuations on debt financing or of foreign currency fluctuations. The Corporation does not own or issue financial instruments for speculation purposes.

Foreign exchange risk fluctuations

Definition: The possibility that a currency fluctuation may affect the value of an asset, bond or investment, the profitability of a project and/or an M&A transaction, and consequently impact the financial performance of the Corporation.

Context: The Corporation generates foreign currency liquidity through the operation of its facilities in France and the United States. As a result, it may be exposed to fluctuations in the Canadian dollar against the currencies of such countries. The Corporation initially reduces its risk exposure as revenues, expenses and financing are in the local currency. Accordingly, foreign exchange risk is related more to the residual liquidity that is available for distribution to the parent company.

In France, given the above and the size of the sector and that Boralex now pays a dividend in Canadian dollars, the Corporation may enter into forward sales contracts to hedge the exchange rate on a portion of the distributions it expects to repatriate from Europe based on the cash generated. The Corporation also holds cross-currency swaps. These derivative instruments serve to hedge the Corporation's net investment in France, allowing financing issued in Canada for investment in France to be synthetically translated into euros. In addition to reducing exposure to foreign currency risk, these instruments provide access to lower interest rates.

Management considers that the cash flows generated in the United Kingdom do not represent a significant risk at present. A hedging strategy could be developed in due course, in alignment with hedging strategies employed in other major regions of operation.

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

Insurance coverage

The Corporation believes that its insurance coverage addresses material insurable risks, provides adequate coverage that is similar to what would be maintained by a prudent owner/operator of similar facilities, and is subject to deductibles, limits and exclusions that are customary or reasonable. However, there can be no assurance that such insurance will continue to be offered on an economically affordable basis, or that such insurance will cover all events which could give rise to a loss or claim involving insured assets or operations of the Corporation. We maintain and renew a comprehensive portfolio of insurance coverage with appropriate limits and retention based on industry and external risk factors to recover damages to our assets resulting from extreme weather and natural disasters.

Financial and management information

Definition: Failure to maintain effective internal controls could impair investor confidence and affect the Corporation's ability to obtain financing or cause an unreliable disclosure of financial information that does not provide a true and fair view in accordance with requirements (e.g. accounting standards) and/or that such information is erroneous, false, misleading or omits material facts.

Context: The Corporation is subject to the disclosure requirements of Regulation 52-109 and the rules of the *Autorité des marchés financiers*. Failure to implement and maintain adequate internal controls over financial reporting could result in material weaknesses or deficiencies in internal control over financial reporting that could lead to material misstatements or errors in the financial statements. Investors could lose confidence in the financial information disclosed, which could make access to financing more difficult. In addition, incomplete or inaccurate financial information could lead to sub-optimal business decisions.

4. Legal and compliance risks

Litigation and breach of contract

Definition: Discrepancies or disputes regarding compliance with laws, regulations and contractual agreements, or any other issue that may result in legal disputes.

Context: In the normal course of its operations, the Corporation may become involved in various legal actions, typically concerning claims relating to bodily injuries, financial losses, inconveniences, excess construction costs, damages related to the social acceptability of projects, noise, environmental compliance, property damage and disputes related to property taxes, land rights and contracts. The Corporation maintains adequate provisions for outstanding claims with merit. The final outcome with respect to outstanding or future disputes cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on the financial position or operating results of the Corporation in a particular quarter or fiscal year.

Regulatory non-compliance

Definition: Failure to comply with regulations, including environmental, societal and governance requirements could result in impacts on communities, biodiversity and the environment, as well as penalties and even the loss of permits and licenses, the interdiction of a certain type of equipment, doing business with certain suppliers of goods or services or participating in private or public tenders. Amendments to such regulations could result in additional costs.

Context: The Corporation holds permits and licenses from various regulatory authorities for the construction and operation of its facilities. These licenses and permits are critical to the Corporation's operations. The majority of these permits and licenses are long-term in nature, reflecting the anticipated useful life of the facilities. These permits and licenses are dependent upon the Corporation's compliance with the terms thereof. If the Corporation is unable to renew its existing licenses or obtain new licenses, capital expenditures will be required to enable Boralex to continue operations over the long term, possibly under different operating conditions. In addition, delays may occur in obtaining government approvals required for future energy projects.

The Corporation's operations carry risk of liability related to the environment, including the risk of government-imposed orders to remedy any instances of environmental noncompliance, and potential penalties for violations of environmental laws, licenses, permits and other approvals, and potential civil liability. In addition, the Corporation may become subject to investigations, inquiries or civil suits relating to environmental matters.

Compliance with environmental, social and governance laws (and any future changes to these laws) and the requirements of licenses, permits and other approvals will remain material to the Corporation. Potential penalties or other remediation orders could have a material adverse effect on the Corporation's business and results of operations.

Ethics, fraud and corruption risk

Definition: Intentional or unintentional act deviating from internal ethical rules, including the Corporation's Code of Ethics, or in violation of external laws and regulations. Intentional acts committed unlawfully by internal or external parties with the intent to cause harm, to draw personal benefit, or misappropriate assets of the organization.

Context: The Corporation could suffer significant losses as a result of fraud, bribery, corruption, other illegal acts, or inadequate or ineffective internal processes. The Corporation has in place several internal policies and procedures to prevent and detect such incidents, including a Code of ethics which was updated in 2023.

Reputational risk

Definition: The Corporation's reputation with internal and external stakeholders could be damaged as a result of business decisions made by management, or by association with business partners. All of the risks mentioned in this section (**Risk factors**) may also have an impact on the Corporation's reputation.

Context: The Corporation's reputation with stakeholders, political leaders, the media or other interested parties could be damaged as a result of business decisions made by management, or events or changes, notwithstanding all internal measures implemented to protect it.

Damage to the Corporation's reputation could harm relationships with its stakeholders, cause it to lose business opportunities, reduce its ability to recruit and engage employees and compromise the social acceptability of its projects or result in material financial impacts.

Factors 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.

The following items require management to make the most critical estimates and judgments:

Main sources of uncertainty relating to management's key estimates

Management determines its 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.

Recoverable amount – Impairment of assets

Every year, management tests for impairment its CGUs and groups of CGUs containing intangible assets with indefinite useful lives or goodwill. Also, at each reporting date, if any evidence of impairment exists, the Corporation performs impairment tests on its long-lived assets with indefinite and finite useful lives and goodwill. The goal of these tests is to assess whether the carrying amounts of these assets are recoverable. Recoverable amounts are determined based on discounted cash flows projected over the terms of projects using rates that factor in current economic conditions and management's estimates based on past experience of the Corporation as well as expectations of future cash flows. Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of key assumptions, including anticipated production, selling prices, expenses and discount rates.

Discount rate

The discount rate estimated and used by management represents the weighted average cost of capital determined for a CGU or a group of CGUs.

Anticipated production

For each facility, the Corporation determines long-term average annual energy production over the expected life of the facility, based on engineering studies that consider several important factors: for wind power, past wind and weather conditions and turbine technology; for hydroelectric power, historical water flow and head height, technology used and aesthetic and ecological instream flows; for solar power, historical sunlight conditions, panel technology and their expected degradation. Other factors considered include site topography, installed capacity, curtailment, energy losses, operational characteristics and maintenance. Although varying from year to year, production is expected to approximate estimated long-term average production.

Selling price

The Corporation uses contractual selling prices when fixed-price contracts exist; cash flows subsequent to contract expiry are estimated using projected price curves.

Useful life of property, plant and equipment and intangible assets with finite useful lives

In assessing the useful lives of property, plant and equipment and intangible assets with finite useful lives, management takes into account estimates of the expected use period of the asset. Such estimates of useful life are reviewed annually and the impacts of any changes are accounted for prospectively. The same useful lives are then used in estimating lease renewals and expected decommissioning of facilities.

Fair value of financial instruments

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair value is determined using discounted cash flow models and requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as for numerous other variables. These assumptions are determined using external, readily observable market inputs when available. Otherwise, management makes its best estimate of what market participants would use for these instruments. Since they are based on estimates, fair values may not be realized in an actual sale or immediate settlement of the instruments. See note 19 of these financial statements for a more detailed explanation of the bases for the calculations and estimates used.

Hierarchy of financial assets and liabilities measured at fair value

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

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

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

Business combinations

The Corporation makes a number of key estimates when allocating fair values to the assets acquired and liabilities assumed in a business combination. Fair values of property, plant and equipment as well as intangible assets are estimated using valuation techniques, such as the discounted cash flows method, which take into account key assumptions such as anticipated production, selling prices, costs and discount rate. When there is a contingent consideration arrangement, management must also use its judgment in determining the amount of contingent consideration to be recognized as part of the business combination. Management estimates the fair value of future amounts to be paid to the seller under the terms of the agreements based on the likelihood that the conditions will be met for payment.

Main sources of uncertainty relating to management's key judgments

Asset impairment indicators

At each reporting date, management is required to use its judgment to assess whether there is any evidence that property, plant and equipment, intangible assets and goodwill may be impaired. If applicable, the Corporation performs impairment tests on its CGUs or groups of CGUs to assess whether the carrying amounts of assets are recoverable. As described in the previous section, various estimates made by management are used in the impairment tests.

Management is required to exercise judgment and assess whether any events or changes in circumstances could have affected the recoverability of the carrying amount of assets. In making these assessments, management uses various indicators including, but not limited to, adverse changes in the industry or economic conditions, changes in the degree or method of use of the asset, changes in production, a lower-than-expected economic performance of the asset or a significant change in interest rates.

Business combination or asset acquisition

When a development project is acquired, management is required to exercise its judgment to determine whether the transaction constitutes a business combination under IFRS 3 or an asset acquisition. Management determines that a transaction for a project acquisition is defined as a business combination when an acquired development project has completed the key steps required to obtain construction permits, financing and an energy sales or feed-in premium contract. When the acquisition includes a portfolio of projects, management assesses whether it has acquired a process that allows it to complete the development of the acquired projects.

Consolidation

Significant judgment is required to assess whether the structure of certain investments represents control or joint control of, or significant influence over, an investee. Management's assessment of control or joint control of, or significant influence over, an investee has a material impact on the accounting treatment. Management is required to make significant judgments regarding the relevant activities of an investee and as to whether it has power over such activities. The relevant activities of an investee can change over time and are therefore subject to periodic review.

Feed-in premiums

Significant judgment is exercised by management to determine whether a feed-in premium ("FiP") contract should be recorded as a government grant. This judgment also applies to similar contracts, such as contracts for differences in the United Kingdom. When the market price received by the Corporation for energy sales exceeds the FiP contractual price, the Corporation has an obligation to pay any excess to the French Government. The Corporation determines the accounting treatment for this type of contract at its inception. The Corporation estimates the cumulative net position at the inception date based on expected future cash flows from the FiP contract, which depend on estimates of future energy production and future market prices. When, at the inception date of the FiP contract, the estimated cumulative net position is positive, the Corporation treats the FiP contract as a government grant under IAS 20. When, at the inception date of the FiP contract, the estimated cumulative net position is negative, management uses judgment to determine whether the FiP contract is more akin to a derivative financial instrument contract under IFRS 9 rather than a government grant under IAS 20. In making this judgment, management considers all the facts and circumstances and examines the terms and conditions of the FiP contract, including early termination clauses, to determine whether they are economically similar to those of financial contracts entered into with non-government entities.

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.

The Chief Executive Officer and the Chief Financial Officer assessed the effectiveness of Boralex's DC&P as of December 31, 2024, as well as the effectiveness of Boralex's ICFR process as of that same date and concluded that they were effective.

During the three-month period ended December 31, 2024, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.

Consolidated financial statements

Management's report

The consolidated financial statements and other financial information included in this annual report are the responsibility of, and have been prepared by, management of Boralex Inc. within reasonable limits of materiality. To fulfil this responsibility, management maintains appropriate systems of internal control, policies and procedures. These systems of internal control, policies and procedures help ensure that the Corporation's reporting practices as well as accounting and administrative procedures provide reasonable assurance that the financial information is relevant, reliable and accurate and that assets are safeguarded and transactions are executed in accordance with proper authorization. These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and set out in the CPA Canada *Handbook*, which are summarized in the consolidated financial statements. Where appropriate, these consolidated financial statements reflect estimates based on management's best judgment. Financial information presented elsewhere in this annual report is consistent, where applicable, with that reported in the accompanying consolidated financial statements.

The audited consolidated financial statements have been reviewed by the Board of Directors and its Audit Committee. The Audit Committee consists exclusively of independent directors and meets periodically during the year with the independent auditor. The independent auditor has full access to and meets with the Audit Committee both in the presence and absence of management.

PricewaterhouseCoopers LLP has audited the consolidated financial statements of Boralex Inc. The independent auditor's responsibility is to express a professional opinion on the fairness of the consolidated financial statements presentation. The Independent auditor's report outlines the scope of its audits and sets forth its opinion on the consolidated financial statements.

(s) Patrick Decostre

Patrick Decostre

President and Chief Executive Officer

(s) Bruno Guilmette

Bruno Guilmette

Senior Vice-President and Chief Financial Officer

Montréal, Canada

February 27, 2025

Independent auditor's report

To the Shareholders of Boralex Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Boralex Inc. and its subsidiaries (together, the Corporation) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of indications of impairment of property, plant and equipment, intangible assets and interests in joint ventures and associates</p> <p><i>Refer to note 3 – Material accounting policies, note 4 – Main sources of uncertainty, note 5 – Property, plant and equipment, note 7 – Intangible assets and goodwill and note 8 – Interests in joint ventures and associates to the consolidated financial statements.</i></p> <p>As at December 31, 2024, the Corporation had property, plant and equipment of \$4,070 million, intangible assets of \$963 million and interests in joint ventures and associates of \$580 million. At each reporting date, management is required to use its judgment to assess whether there is any evidence that property, plant and equipment, intangible assets and goodwill and interests in joint ventures and associates may be impaired. If applicable, the Corporation performs impairment tests on its cash-generating units (CGUs), groups of CGUs and interests in joint ventures and associates to assess whether the carrying amounts of such assets are recoverable. Management is required to exercise judgment and assess whether any events or changes in circumstances could have affected the recoverability of the carrying amount of property, plant and equipment, intangible assets and interests in joint ventures and associates.</p> <p>In making these assessments, management uses various indicators including, but not limited to, adverse changes in the industry or economic conditions, changes in the degree or method of use of the asset, changes in production, a lower-than-expected economic performance or a significant change in interest rates.</p> <p>We considered this a key audit matter due to i) the significance of the property, plant and equipment, intangible assets and interests in joint ventures and associates balances, ii) the significant judgment applied by management in assessing the existence of any indication of impairment, which introduced subjectivity in performing procedures to test management's assessment.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Evaluated management's assessment of indications of impairment, which included the following:<ul style="list-style-type: none">– Evaluated the economic performance of the assets of the Corporation and the assets in joint ventures and associates by comparing actual production with average historical production.– Assessed the potential impact of interest rate changes by considering external market data.– Assessed factors likely to be considered indications of impairment, such as adverse changes in the industry or economic conditions and changes in the degree or method of use of the asset, based on evidence obtained in other audit areas.– Read the minutes of the Board of Directors to identify events or decisions that could be indicators of impairment.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jean-François Lecours.

(s) PricewaterhouseCoopers LLP¹

Montréal (Québec)

February 27, 2025

¹ CPA auditor, public accountancy permit No. A126402

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Consolidated statements of financial position

(in millions of Canadian dollars)			As at December 31, 2024	As at December 31, 2023
	Note			
ASSETS				
Cash and cash equivalents			592	478
Restricted cash			19	22
Trade and other receivables			264	236
Current financial assets	19		11	—
Other current assets			37	35
CURRENT ASSETS			923	771
Non-current financial assets	19		186	227
Property, plant and equipment	5		4,070	3,355
Right-of-use assets	6		376	370
Intangible assets	7		963	986
Goodwill	7		237	234
Other non-current assets			269	121
Interests in joint ventures and associates	8		580	510
NON-CURRENT ASSETS			6,681	5,803
TOTAL ASSETS			7,604	6,574
LIABILITIES				
Bank overdraft			5	6
Trade and other payables	9		590	405
Current portion of debt	10		339	271
Current portion of lease liabilities			22	20
Current financial liabilities	19		9	13
CURRENT LIABILITIES			965	715
Debt	10		3,617	2,995
Lease liabilities			318	327
Deferred income tax liability	12		256	260
Non-current financial liabilities	19		88	87
Other non-current liabilities	11		335	166
NON-CURRENT LIABILITIES			4,614	3,835
TOTAL LIABILITIES			5,579	4,550
EQUITY				
Equity attributable to shareholders			1,601	1,629
Non-controlling interests			424	395
TOTAL EQUITY			2,025	2,024
TOTAL LIABILITIES AND EQUITY			7,604	6,574

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

The Board of Directors approved these audited consolidated financial statements on February 27, 2025.

(s) Alain Rhéaume

Alain Rhéaume, Director

(s) Lise Croteau

Lise Croteau, Director

Consolidated statements of earnings

(in millions of Canadian dollars, unless otherwise specified)	Note	2024	2023
REVENUES			
Revenues from energy sales		794	1,002
Feed-in premiums		23	(8)
Revenues from energy sales and feed-in premiums		817	994
Other revenues		36	28
		853	1,022
EXPENSES AND OTHER			
Operating	15	198	368
Administrative	15	75	71
Development	15	57	45
Amortization		297	293
Impairment		5	20
Other gains		(5)	(1)
		627	796
OPERATING INCOME		226	226
Acquisition and integration costs		1	3
Financing costs	16	124	129
Share in earnings of joint ventures and associates	8	(46)	(59)
Impairment of an investment in a joint venture	8	35	—
Other		2	(1)
EARNINGS BEFORE INCOME TAXES		110	154
Income tax expense	12	36	39
NET EARNINGS		74	115
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex		36	78
Non-controlling interests		38	37
NET EARNINGS		74	115
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	17	\$0.35	\$0.76

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

Consolidated statements of comprehensive income

(in millions of Canadian dollars)	2024	2023
NET EARNINGS	74	115
Other comprehensive income (loss) items that will be reclassified subsequently to net earnings when certain conditions are met		
Translation adjustments:		
Exchange differences on translation of financial statements of foreign operations	77	(8)
Hedge of a net investment in foreign operations:		
Change in fair value	(25)	7
Income taxes	3	(1)
Cash flow hedges:		
Change in fair value	28	(25)
Hedging items realized and recognized in net earnings	(65)	(56)
Income taxes	13	21
Share of other comprehensive income (loss) of joint ventures and associates:		
Change in fair value	2	(15)
Hedging items realized and recognized in net earnings	(3)	(4)
Income taxes	1	5
Total other comprehensive income (loss)	31	(76)
COMPREHENSIVE INCOME	105	39
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Shareholders of Boralex	54	16
Non-controlling interests	51	23
COMPREHENSIVE INCOME	105	39

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

Consolidated statements of changes in equity

2024

(in millions of Canadian dollars)	Equity attributable to shareholders					Non-controlling interests	Total equity
	Capital stock (note 13)	Contributed surplus	Retained earnings	Hedging reserve and other	Total		
BALANCE AS AT JANUARY 1, 2024	1,323	11	183	112	1,629	395	2,024
Net earnings	—	—	36	—	36	38	74
Other comprehensive income	—	—	—	18	18	13	31
COMPREHENSIVE INCOME	—	—	36	18	54	51	105
Dividends (note 13)	—	—	(68)	—	(68)	—	(68)
Contribution by non-controlling interest	—	—	—	—	—	4	4
Distributions to non-controlling interests	—	—	—	—	—	(26)	(26)
Other	—	1	—	(15)	(14)	—	(14)
BALANCE AS AT DECEMBER 31, 2024	1,323	12	151	115	1,601	424	2,025

2023

(in millions of Canadian dollars)	Equity attributable to shareholders					Non-controlling interests	Total equity
	Capital stock (note 13)	Contributed surplus	Retained earnings	Hedging reserve and other	Total		
BALANCE AS AT JANUARY 1, 2023	1,323	10	174	174	1,681	345	2,026
Net earnings	—	—	78	—	78	37	115
Other comprehensive loss	—	—	—	(62)	(62)	(14)	(76)
COMPREHENSIVE INCOME (LOSS)	—	—	78	(62)	16	23	39
Dividends (note 13)	—	—	(68)	—	(68)	—	(68)
Contribution by non-controlling interest	—	—	—	—	—	54	54
Distributions to non-controlling interests	—	—	—	—	—	(33)	(33)
Other	—	1	(1)	—	—	6	6
BALANCE AS AT DECEMBER 31, 2023	1,323	11	183	112	1,629	395	2,024

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

Consolidated statements of cash flows

(in millions of Canadian dollars)	Note	2024	2023
Net earnings		74	115
Distributions from joint ventures and associates	8	39	37
Financing costs		124	129
Interest paid		(132)	(122)
Interest received		19	16
Income tax expense		36	39
Income taxes paid		(30)	(26)
Non-cash items included in earnings:			
Amortization		297	293
Share in earnings of joint ventures and associates		(46)	(59)
Impairment of an investment in a joint venture		35	—
Impairment		5	20
Other		(6)	3
Change in non-cash items related to operating activities	18	(200)	51
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		215	496
Increase in interests in joint ventures and associates	8	(119)	(39)
Return of capital from joint ventures and associates	8	—	61
Additions to property, plant and equipment		(291)	(133)
Prepayments for property, plant and equipment		(107)	(127)
Additions to energy sales contracts and other rights		(3)	(12)
Additions to development projects		(54)	(20)
Change in restricted cash		4	(9)
Change in reserve funds		(2)	21
Other		(6)	(10)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(578)	(268)
Net change in revolving credit facility	18	(57)	149
Increase in debt	18	955	269
Repayments of debt	18	(257)	(440)
Principal payments relating to lease liabilities	18	(21)	(19)
Contribution by a non-controlling interest		4	54
Distributions paid to non-controlling interests		(26)	(32)
Dividends paid to shareholders	13	(68)	(68)
Transaction costs		(27)	(5)
Change in amounts due to non-controlling shareholders		(37)	(11)
Settlement of financial instruments	18	13	(4)
Other		—	(2)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		479	(109)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(1)	4
NET CHANGE IN CASH AND CASH EQUIVALENTS		115	123
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR		472	349
CASH AND CASH EQUIVALENTS – END OF YEAR	18	587	472

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

Notes to the consolidated financial statements

As at December 31, 2024

(in millions of Canadian dollars, unless otherwise specified)

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 December 31, 2024, Boralex held interests in 50 facilities in North America and 83 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 in the aggregate an asset base with an installed capacity totalling 3,162 megawatts ("MW"). The Corporation also provides management and maintenance services to certain joint ventures and associates. 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 audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and set out in the CPA Canada Handbook. The Corporation has consistently applied the same accounting policies for all of the periods presented unless otherwise stated.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Note 3. Material accounting policies

The material accounting policies used to prepare these audited consolidated financial statements are as follows:

Measurement basis

The consolidated financial statements have been prepared on a going concern basis, using the historical cost method, except for certain financial assets and liabilities measured at fair value.

Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries comprising:

Subsidiaries

A subsidiary is an entity controlled by the Corporation. The Corporation controls an entity when it has power to direct the relevant activities, it is exposed to or has rights to variable returns and has the ability to affect those returns through its power over relevant activities. Subsidiaries are consolidated from the date the Corporation acquires control and until the date the control ends. Intercompany transactions and balances are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation and comparability of financial information.

As at December 31, 2024, the Corporation's main subsidiaries were as follows:

Name of subsidiary	Voting rights held	Location
Borex Ontario Energy Holdings L.P.	100%	Canada
Borex Ontario Energy Holdings 2 L.P.	100%	Canada
Des Moulins Wind Power L.P. ("DM I and II")	100%	Canada
Le Plateau Wind Power L.P. ("LP I")	100%	Canada
FWRN LP	50%	Canada
Hagersville Battery Storage Inc.	50%	Canada
Borex Power Limited Partnership	100%	Canada
Borex US Solar CIA LLC	100%	United States
Borex US Wind TNM LLC	100%	United States
Borex Energie France S.A.S.	70%	France
Borex Production S.A.S.	70%	France
Borex Projets Spéciaux S.A.S	70%	France
Borex Sainte-Christine S.A.S.	70%	France
Limekiln Extension Limited	100%	United Kingdom

Joint ventures and associates

A joint venture is a joint arrangement in which the parties are bound by a contractual agreement that gives them joint control over the entity. Joint control exists when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control.

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor a joint venture.

The Corporation recognizes *Interests in joint ventures and associates* ("Interests" or an "Interest") using the equity method. Under the equity method, Interests are initially recorded at cost and the carrying amount is adjusted thereafter to include the Corporation's pro rata share in net earnings (loss) and other comprehensive income (loss) of the joint ventures and associates. Dividends received or receivable from joint ventures and associates reduce the carrying amount of the Interests. When a joint venture or an associate is not subject to income taxes, and it incurs eligible costs that can give rise to a refundable investment tax credit, that tax credit is considered to be distributed to the partners as and when the eligible property giving rise to the tax credit is acquired.

Unrealized gains and losses on transactions between the Corporation and joint ventures and associates are eliminated to the extent of the Corporation's interest in these entities. Accounting policies of joint ventures and associates have been aligned with those applied by the Corporation to ensure comparability of financial information.

An Interest is accounted for using the equity method from the date on which the entity becomes a joint venture or an associate. On acquisition of an Interest, any difference between the cost of the Interest and the share of the net fair value of the identifiable assets and liabilities is accounted for as goodwill, which is included in the carrying amount of the Interest. Appropriate adjustments are made to the share in earnings (loss) of joint ventures and associates, after acquisition, in order to account for adjustments to the respective fair values of assets and liabilities at the acquisition date.

When an Interest becomes negative, the carrying amount of such Interest is brought back to zero. If the carrying amount of the Interest becomes positive during a subsequent period, the Corporation reverses such adjustment up to the accumulated amount previously recorded.

At each reporting date, the Corporation assesses whether there is any evidence that the carrying amounts of its Interests in joint ventures and associates is greater than their recoverable amount. If any such indication exists, the recoverable amount of the interest is estimated using the higher of value in use and fair value less costs of disposal, and where it is less than the carrying amount, an impairment is recorded. Any impairment loss forms part of the carrying amount of the Interest and is not allocated to any asset. Accordingly, any reversal of that impairment loss is recognized to the extent that the recoverable amount of the Interest subsequently increases.

Non-controlling interests

Non-controlling interests consist of interests held by third parties in the Corporation's subsidiaries. The non-controlling interests in the net assets of the subsidiary are recorded as a component of equity. *Non-controlling interests* is initially recognized at the amount received by the subsidiary for this interest, or at the amount determined at the acquisition date. In the context of a business combination, the amount at acquisition date is determined according to the methodology chosen by the Corporation, either at its acquisition-date fair value or at the non-controlling shareholder's share of the acquiree's identifiable net assets. In the context of an asset acquisition, the amount at acquisition date is determined at the proportional share of non-controlling shareholders in the net assets recognized by the acquired corporation immediately prior to the acquisition date.

Non-controlling interests is subsequently increased or decreased by the allocation of net earnings (loss) and comprehensive income (loss) for the period attributable to non-controlling interests. This allocation is determined based on the economic share of non-controlling interests in net earnings (loss) and comprehensive income (loss) for the period of the Corporation's subsidiaries.

Transactions involving the ownership interests of the Corporation and non-controlling shareholders in a subsidiary that do not result in a loss of control of the subsidiary are recognized directly in equity.

Business combinations

Business combinations are accounted for using the acquisition method when the integrated set of activities and assets acquired meets the definition of a business and the Corporation acquires control of that business. An integrated set of activities and assets is a business if it includes, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output.

The consideration transferred by the Corporation to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred, liabilities assumed and the equity instruments issued by the Corporation, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. The Corporation recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have previously been recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values. For each business combination, the Corporation chooses, at the acquisition date, to measure the amount of non-controlling shareholders at fair value or at the non-controlling shareholder's share of the acquiree's identifiable net assets.

Goodwill is determined after identifiable net assets acquired are recognized separately. It is calculated as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (gain on a bargain purchase) is recognized through earnings immediately. If the business combination is achieved in stages, the acquisition-date carrying amount of the acquirer's previously held interest in the acquiree is remeasured at its acquisition-date fair value with any resulting gain or loss recognized in net earnings (loss).

Acquisition costs are expensed in net earnings (loss) as incurred.

Subsequent to the acquisition date, the fair value of a contingent consideration is remeasured at each reporting date, with changes in fair value recognized in net earnings (loss).

Foreign currency translation

Functional and reporting currency

Items included in the financial statements of each of the Corporation's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Exchange differences resulting from foreign currency transactions are recognized in *Other* in net earnings (loss), except for those relating to qualifying cash flow hedges, which are recognized in other comprehensive income (loss).

Translation of foreign operations

The financial statements of entities with a different functional currency from that of the Corporation (foreign operations) are translated into Canadian dollars as follows: the assets and liabilities are translated at the closing rate prevailing at the reporting date. *Goodwill* and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate prevailing at the reporting date. Revenues and expenses are translated at the average monthly exchange rate for each period. Exchange differences are recognized in other comprehensive income (loss) under *Exchange differences on translation of financial statements of foreign operations* and accumulated in *Hedging reserves and other*. Upon the disposal of a foreign operation, the cumulative amount of exchange differences recognized in *Hedging reserve and other* is reclassified from equity to net earnings (loss).

Financial instruments

Classification

The Corporation determines the classification of financial instruments at initial recognition and classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI");
- Those to be measured at amortized cost.

The classification of financial instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics. Assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVPL. For other equity instruments, on the day of acquisition, the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL (such as instruments held for trading or derivatives) or the Corporation has opted to measure them at FVPL.

Financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Currently, the Corporation classifies *Cash and cash equivalents*, *Restricted cash*, *Trade and other receivables* and *Reserve funds* as financial assets measured at amortized cost, and *Bank overdraft*, *Trade and other payables*, *Amounts due to non-controlling shareholders*, *Tax equity liabilities* and *Debt* as financial liabilities measured at amortized cost.

Financial instruments at fair value

Financial instruments are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net earnings (loss). The effective portion of gains and losses on financial instruments designated as hedges is included in the consolidated statements of comprehensive income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income (loss).

Currently, the Corporation classifies other non-current financial assets (excluding *Reserve funds*) as financial assets measured at fair value, and other current financial liabilities and other non-current financial liabilities (excluding *Amounts due to non-controlling shareholders* and *Tax equity liabilities*) as financial liabilities measured at fair value.

Impairment

The Corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost or at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Corporation applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the receivables.

Derecognition

Financial assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of earnings (loss).

Financial liabilities

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of earnings (loss).

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host, with the effect that some of the cash flows of the hybrid contract vary in a way similar to a stand-alone derivative.

A derivative embedded in a host contract is accounted for as a derivative, separately from the host contract, when the embedded derivative meets the definition of a derivative and its economic characteristics and risks are not closely related to those of the host contract. Derivatives embedded in host contracts that are financial assets or financial liabilities measured at FVPL are not accounted for as separate derivatives.

Hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives are designated as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction (cash flow hedges).

The Corporation documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Corporation also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The full fair value of a derivative financial instrument is classified as a non-current asset or liability when the remaining life of the hedged item is more than 12 months and as a current asset or liability when the remaining life of the hedged item is less than 12 months. Held-for-trading derivative financial instruments are classified as current assets or liabilities.

Cash flow hedges

In a cash flow hedge relationship, the change in value of the effective portion of the derivative is recognized in *Hedging reserve and other*. The gain or loss relating to the ineffective portion is recognized immediately in the statements of earnings (loss) under *Net gain or loss on financial instruments*, which is included in *Other*.

Amounts accumulated in equity are reclassified to net earnings (loss) in the periods in which the hedged item affects net earnings (loss) (for example, when a forecast interest expense that is hedged occurs). The effective portion of the hedging derivative is recognized in the statements of earnings (loss) in the line item to which the hedged item relates (for example, under *Financing costs* for interest expense hedges). The ineffective portion is recognized in the statements of earnings (loss) under *Net gain or loss on financial instruments*, which is included in *Other*. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, *Property, plant and equipment*), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the asset. The deferred amounts are recognized as amortization of property, plant and equipment.

Note 3. Material accounting policies (cont'd)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognized when the forecast transaction affects earnings (loss). If the forecast transaction does not occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the statements of earnings (loss), under *Net gain or loss on financial instruments*, which is included in *Other*.

Hedge of a net investment in foreign operations

The Corporation designates its foreign exchange forward contracts and cross-currency swaps as hedges of a net investment in foreign operations. In this hedge relationship of a net investment in foreign currency, the change in value of the effective portion of the derivative financial instrument is recognized in *Hedging reserve and other* and the change in the ineffective portion is recorded in the statements of earnings (loss), under *Net gain or loss on financial instruments*, which is included in *Other*.

Cash and cash equivalents

Cash includes cash on hand and bank balances. *Cash equivalents* are short-term investments with a maturity of three months or less, are highly liquid, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They comprise bankers' acceptances or deposit certificates guaranteed by banks.

Restricted cash

Restricted cash comprises mainly cash and cash equivalents designated as reserves to fund capital expenditures and amounts held in trust for the purpose of meeting the requirements of certain debt agreements within a one-year period following each reporting date.

Other current assets

Other current assets comprise inventories, prepaid expenses, deposits and assets held for sale. Inventories mainly consist of replacement parts. Assets held for sale are measured at the lower of fair value less costs to sell and their carrying amounts, and are not amortized as long as they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists mainly of wind farms, hydroelectric power stations, solar power stations, and energy storage facilities, which are in operation or under construction. They are recorded at cost, less accumulated amortization and accumulated impairment losses, if any.

Cost comprises any costs directly attributable to bringing the facility to the condition necessary for it to be capable of operating in the manner intended by management. This also includes borrowing costs directly attributable to the acquisition and construction of an item of property, plant and equipment when that item is a qualifying asset (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use).

Performing regular major maintenance is necessary for the continued use of certain items of property, plant and equipment. When major maintenance is performed, the cost is included in the carrying amount of the property, plant and equipment if the criteria for capitalization are met, and any remaining carrying amount from the previous maintenance is derecognized.

Property, plant and equipment is amortized from the date on which it is in the location and condition necessary to be capable of operating in the manner intended by management. When a significant part of an item of property, plant and equipment has a different useful life or amortization method, that part is amortized separately from the rest. Useful lives, amortization methods and residual values are reviewed at each reporting date according to asset type, expected usage and changes in technology. Impairment losses and reversals, if any, are recognized in net earnings (loss) under *Impairment*.

The amortization methods and useful lives of the Corporation's property, plant and equipment are as follows:

Type of property, plant and equipment	Method of amortization	Useful life
Wind farms	By component using the straight-line method	5 to 30 years
Hydroelectric power stations	By component using the straight-line method	20 to 40 years
Solar power stations	By component using the straight-line method	20 to 35 years
Major maintenance	Straight-line method over the scheduled maintenance frequency	3 to 5 years

Leases

The Corporation's leases are mainly for land and offices.

At the inception of a contract, the Corporation determines whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation recognizes a right-of-use asset and a lease liability at the inception date, which is the date the leased asset is available for use. Each lease payment is allocated between lease liabilities and financing costs. Financing costs are charged to the statements of earnings (loss) over the lease term so as to produce a constant periodic rate of interest on the remaining balance of lease liabilities for each period.

The right-of-use asset is initially measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received, if applicable;
- any initial direct costs, if applicable;
- decommissioning and site restoration costs.

The right-of-use asset is subsequently amortized on a straight-line basis over the shorter of the underlying asset's useful life and the lease term. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. Also, the lease term includes periods covered by an option to terminate if the Corporation is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The lease liability includes the net present value of the following lease payments:

- Fixed payments (including in-substance fixed lease payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or the effective rate at the commencement date;
- Amounts expected to be payable by the Corporation under residual value guarantees;
- The exercise price of a purchase option if the Corporation is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of that option by the Corporation.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Some leases contain variable payment terms that are linked to revenues or operating expenses. Variable lease payments are recognized in the statements of earnings (loss) in the period in which the condition that triggers those payments occurs.

For short-term leases of 12 months or less and leases for which the leased property is of low value, the Corporation has elected not to recognize a right-of-use asset and a lease liability. The Corporation recognizes lease payments related to these leases as expenses in net earnings (loss), on a straight-line basis over the lease term.

Remeasurement

The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is remeasured if there is a change in future lease payments arising from a change in an index or rate, there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Intangible assets

Energy sales contracts and other rights

Energy sales contracts and other rights are measured at cost, net of accumulated amortization and impairment losses. Cost corresponds to the acquisition-date fair value of energy sales contracts, feed-in premium contracts and other contractual rights. Energy sales contracts and other rights are amortized on a straight-line basis over a useful life of 15 to 40 years, representing the shorter of the contractual term, or the rights including one renewal period, if applicable, or the period over which the Corporation expects to use them. The amortization method and useful lives are reviewed at each reporting date.

Water rights

Water rights are measured at cost, net of accumulated amortization and any impairment losses. Cost corresponds to the acquisition-date fair value of water rights acquired in business combinations and necessary to operate hydroelectric power stations. Water rights with finite useful lives are amortized on a straight-line basis over a useful life of 20 to 30 years, representing the shorter of the contractual term and the period over which the Corporation expects to use those rights. Water rights with indefinite useful lives are not amortized. The amortization method and useful lives are reviewed at each reporting date.

Development projects

Development projects refers to renewable energy projects generated internally by the Corporation as well as projects under development that the Corporation acquires separately or through business combinations. They are measured at cost, net of any impairment losses, and are not amortized since the facilities related to the projects are not yet ready for use as intended.

When the Corporation incurs research and development expenditures for a project, it distinguishes between expenditures attributable to the “research” stage and those attributable to the “development” stage. The research stage is the investigation undertaken with the prospect of gaining new technical knowledge and understanding. The development stage is the application of results from the research stage to a plan for the construction of the related facilities. The Corporation expenses research expenditures under *Development* as they are incurred. Development expenditures are capitalized in *Development projects* when all the following criteria are met: (i) the technical feasibility to complete the project so that it will be commissioned; (ii) management’s intention to complete the project and commission it; (iii) the ability to commission the project; (iv) how the project will generate probable future economic benefits, including the existence of a market for the output of the project; (v) the availability of adequate technical, financial and other resources to complete the project and commission it; and (vi) the ability to measure reliably the expenditures attributable to the project during its development. Until then, development expenditures are expensed under *Development* as they are incurred and are never capitalized subsequently.

The Corporation reclassifies the carrying amount of development projects in *Property, plant and equipment* from the date on which construction of the related facilities begins. *Development projects* are tested for impairment annually, or when there is indication of impairment, to determine whether an impairment loss shall be recognized.

Goodwill

Goodwill arises from business combinations and represents the excess of the consideration transferred over the acquisition-date fair value of the identifiable net assets acquired. It is measured at cost, net of accumulated impairment losses. Goodwill is not amortized, and is tested for impairment annually, or when there is an indication of impairment, to determine whether an impairment loss shall be recognized. Any impairment loss is charged to net earnings (loss) in the period in which it arises.

Other non-current assets

Other non-current assets consist mainly of tax credits receivable and prepayments to suppliers relating to the acquisition of property, plant and equipment. Prepayments are transferred to property, plant and equipment when the Corporation obtains control of the related assets.

Impairment of long-lived assets

Goodwill, water rights with indefinite useful lives, and intangible assets that are not yet ready for use, are tested for impairment annually. These assets, as well as long-lived assets with a finite useful life, are also tested for impairment when particular events or changes in circumstances indicate that their carrying amounts might not be recoverable. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

At each reporting date, if there is any indication that an impairment loss recognized in a prior period no longer exists or has decreased, the loss is reversed up to the recoverable value. The carrying amount following the reversal must not be higher than the carrying amount that would have prevailed (net of amortization) had the original impairment not been recognized in prior periods. Goodwill impairment charges cannot be reversed.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For the purpose of goodwill impairment testing, from the acquisition date, goodwill is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The recoverable amount of an asset, a CGU or a group of CGUs is the higher of its fair value less costs of disposal and its value in use. To calculate value in use, estimated future cash flows are discounted to their present value using a rate that reflects changes in the time value of money and the risks specific to the asset or the CGU. When determining fair value less costs of disposal, the Corporation considers whether there is a current market price for the asset. The income approach is based on the present value of future cash flows generated by an asset, a CGU or a group of CGUs. The discounted cash flow method consists of projecting cash flows and converting them into present values by applying discount rates.

Provisions

A provision is recognized in the consolidated statements of financial position when the Corporation has a present obligation (legal or constructive) as a result of a past event and it is probable that the settlement of the obligation will require a payment or cause a financial loss, and a reliable estimate can be made of the amount of the obligation. At each reporting date, the Corporation reviews its provisions and adjusts them to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is derecognized.

Contingent consideration

Contingent consideration, accounted for upon asset acquisitions or business combinations, consists of a contingent compensation agreement between the parties to the share or asset purchase agreements. Under the terms of the agreements, the Corporation could have future amounts payable to the seller based on the achievement of certain criteria. Contingent consideration relating to asset acquisitions is capitalized to property, plant and equipment or intangible assets when the Corporation has a present obligation, it is probable that the settlement will result in a payment and the amount of the settlement can be reliably estimated.

Decommissioning liability

A decommissioning and site restoration liability is recognized at fair value in the period during which a legal or constructive obligation is incurred, when the amount of the liability can be reliably estimated and it is probable that the settlement of the obligation will require a financial payment. Decommissioning costs are capitalized into the value of the related right-of-use assets and are amortized over the asset's remaining useful life. The liability is discounted using a pre-tax interest rate that reflects the assessment of the risks specific to the liability. Revisions to estimated amounts or the timing of undiscounted cash flows or changes in the discount rate are accounted for as part of the carrying amount of the related right-of-use assets.

The Corporation has a legal or contractual obligation to decommission its wind, solar, and storage facilities when their commercial operations are discontinued. These costs are mostly related to the removal, transportation and disposal of the facilities, as well as revegetation.

Supplier finance arrangements

The Corporation uses supplier finance arrangements to optimize its cash. An analysis is conducted to determine whether the supplier finance arrangements results in derecognition of the initial account payable and recognition of a financing.

Tax equity liabilities

The Corporation has entered into partnerships with tax equity investors ("TEI") in the United States. The partnership agreements apportion the cash flows generated by the partnerships as well as the related taxable income or losses and the investment or production tax credits between the TEI and the project sponsors (sponsors are usually the Corporation as well as non-controlling shareholders). Typically, tax equity structures grant the TEI the majority of the projects' taxable income and renewable tax incentives, along with a smaller portion of the projects' cash flows, until a contractually determined point at which the allocations are adjusted (the "flip point"). The flip point dates can be either fixed or can depend on the achievement of certain pre-determined conditions. Subsequent to the flip point, the majority of the projects' cash flows, taxable income and renewable energy tax incentives are allocated to the project sponsors.

The TEI's interests in the partnerships represent financial liabilities and are recorded in the consolidated statements of financial position in *Other current financial liabilities* and *Other non-current financial liabilities*. In addition to the above, the Corporation has options to repurchase the TEI interests during a defined period following the flip points, which are recorded at fair value under *Other current financial liabilities* and *Other non-current financial liabilities* in the consolidated statements of financial position. If the repurchase option is not exercised following the flip point, the TEI shares the risks and benefits of the project as a shareholder, and the TEI's interest will be accounted for as a non-controlling interest and the financial liability is reclassified to *Non-controlling interests*.

Income taxes

The Corporation accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is charged to earnings (loss). Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws for each jurisdiction that are expected to apply to taxable income for the periods in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are reported under non-current assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends to settle on a net basis or realize the asset and recognize the liability simultaneously.

The tax expense includes current and deferred taxes. This expense is recognized in net earnings (loss), except for income taxes related to the components of *Hedging reserve and other* or in equity, in which case the tax expense is recognized in *Hedging reserve and other* or in equity, respectively.

Current income tax assets or liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period and included under current assets or liabilities. Current tax is payable on taxable profit, which differs from net earnings (loss). This calculation is made using tax rates and laws enacted for each jurisdiction at the end of the reporting period.

The Corporation recognizes a deferred income tax asset or liability for all temporary differences generated by interests in subsidiaries and in joint ventures, except where it is likely that the temporary difference will not reverse in the foreseeable future and the Corporation is able to control the date of the reversal of the temporary difference.

The Corporation has elected to recognize initial future income taxes on temporary differences between the carrying amount and the tax basis resulting from the acquisition of transparent companies. As a result, the consideration has been added to the cost of the acquired interests for interests accounted for under the equity method.

Equity

Capital stock is presented at the value at which the shares were issued. Costs related to the issuance of stock are presented in equity, net of taxes, as a deduction from issuance proceeds.

Stock-based compensation

Stock options granted to senior management are measured at fair value. This fair value is then recognized in net earnings (loss) over the vesting period based on service conditions for senior management with an offsetting increase in *Contributed surplus*. Fair value is determined using the Black-Scholes model. Any consideration paid by employees on the exercise of stock options is credited to *Capital stock*.

Stock option expense is recorded in operating expenses, and the cumulative value of unexercised options outstanding is included under *Contributed surplus*.

Revenues from energy sales

The Corporation recognizes revenues from energy sales when the energy is delivered to the delivery point. Revenues are recorded at the amount of consideration the Corporation expects to be entitled to receive based on the power purchase agreements ("PPAs") in effect or on the market price for revenues generated outside a PPA.

Contractual compensation received or receivable for non-production of electricity is recorded when it is highly probable that the compensation will be received.

Feed-in premiums

Feed-in premium ("FiP") contracts are a form of financial assistance paid by the French government to renewable energy producers in addition to the market price received by the producer for sales of electricity on the market. When the market price received by the Corporation for a given facility is less than the FiP contractual price for that facility, the Corporation obtains a FiP equivalent to the difference between the market price and the contractual price. When the market price exceeds the FiP contractual price, the Corporation has an obligation to pay any excess to the French government.

FiP contracts are, in substance, a government grant. FiPs are recorded in *Feed-in premiums* at the same time as the related revenue from energy sales is recognized.

Other revenues

Other revenues mainly comprises maintenance and management fee revenues from joint ventures and associates, which are recognized as the service is provided.

Government grants

Refundable tax credits are, in substance, a government grant, and are therefore recognized when there is reasonable assurance that the eligibility criteria for the credit will be met and the payments will be received. They are recorded under *Other non-current assets* or *Other current assets* as and when eligible investments are incurred, based on management's estimates. Government grants related to assets are initially recognized under *Other non-current liabilities* in the consolidated statements of financial position. They are subsequently recognized in net earnings (loss) under *Other revenues*, on a straight-line basis over the same term as the underlying assets, following the amortization method for these assets. Government grants related to net earnings (loss) are recognized as a reduction of the eligible expense to which they relate, when incurred.

Net earnings (loss) per share

Net earnings (loss) per share (basic and diluted) is determined based on the weighted average number of Class A shares outstanding during the year. The calculation of diluted earnings (loss) per share takes into account the potential impact of the exercise of all dilutive instruments, i.e., stock options, on the theoretical number of shares. Diluted earnings (loss) per share is calculated using the treasury stock method to determine the dilutive effect of the stock options. For options that have a dilutive effect, i.e., when the average share price for the period is higher than the exercise price of the options, these methods assume that the options have been exercised at the beginning of the period and that the resulting proceeds have been used to buy back common shares of the Corporation at their average price during the period.

Changes in accounting policies

Amendments to IAS 1, Presentation of financial statements ("IAS 1")

On January 1, 2024, the Corporation adopted the amendments to IAS 1, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*, as issued by the IASB in 2020 and 2022. The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current, and clarify that covenants to be complied with after the reporting period do not affect the classification as current or non-current at the reporting date, while incorporating disclosure requirements for non-current liabilities that are subject to covenants within 12 months after the reporting period. The adoption of these amendments did not have a material impact on the Corporation's consolidated financial statements.

Amendments to IAS 7 and IFRS 7, Supplier finance arrangements

The Corporation adopted the amendments to IAS 7 and IFRS 7, *Supplier Finance Arrangements*, for the annual reporting period beginning January 1, 2024. These amendments add disclosure requirements for entities on their financing arrangements with suppliers and their effects on liabilities, cash flows and exposure to liquidity risk. The adoption of these amendments did not have an impact on the Corporation's financial statements.

Future changes in accounting policies

IFRS 18, Presentation and disclosure in financial statements

The IASB has published IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements*. The new standard will change how companies present their results in the main body of the statements of earnings (loss) and provide information in the notes to the financial statements. In addition, IFRS 18 provides the framework for the disclosure of certain "non-GAAP" information, such as management's performance measures, which will be included in the audited financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and earlier application is permitted. The Corporation is currently assessing the impact of this new standard on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7

The IASB issued amendments to IFRS 9 and IFRS 7 related to the classification and measurement of financial instruments. The amendments clarify certain concepts such as the classification of financial assets that include environmental, social and governance ("ESG") linked features and establish a derecognition date for liabilities settled using electronic payment systems. The amendments add disclosure requirements for financial instruments designated at fair value through other comprehensive income. The amendments become effective for annual reporting periods beginning on or after January 1, 2026, but earlier application is permitted. Management is currently assessing the impact of these amendments.

Note 4. Main 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.

The following items require management to make the most critical estimates and judgments:

Main sources of uncertainty relating to management's key estimates

Management determines its 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.

Recoverable amount – Impairment of assets

Every year, management tests for impairment its CGUs and groups of CGUs containing intangible assets with indefinite useful lives or goodwill. Also, at each reporting date, if any evidence of impairment exists, the Corporation performs impairment tests on its long-lived assets with indefinite and finite useful lives and goodwill. The goal of these tests is to assess whether the carrying amounts of these assets are recoverable. Recoverable amounts are determined based on discounted cash flows projected over the terms of projects using rates that factor in current economic conditions and management's estimates based on past experience of the Corporation as well as expectations of future cash flows. Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of key assumptions, including anticipated production, selling prices, expenses and discount rates.

Discount rate

The discount rate estimated and used by management represents the weighted average cost of capital determined for a CGU or a group of CGUs.

Anticipated production

For each facility, the Corporation determines long-term average annual energy production over the expected life of the facility, based on engineering studies that consider several important factors: for wind power, past wind and weather conditions and turbine technology; for hydroelectric power, historical water flow and head height, technology used and aesthetic and ecological instream flows; for solar power, historical sunlight conditions, panel technology and their expected degradation. Other factors considered include site topography, installed capacity, curtailment, energy losses, operational characteristics and maintenance. Although varying from year to year, production is expected to approximate estimated long-term average production.

Selling price

The Corporation uses contractual selling prices when fixed-price contracts exist; cash flows subsequent to contract expiry are estimated using projected price curves.

Useful life of property, plant and equipment and intangible assets with finite useful lives

In assessing the useful lives of property, plant and equipment and intangible assets with finite useful lives, management takes into account estimates of the expected use period of the asset. Such estimates of useful life are reviewed annually and the impacts of any changes are accounted for prospectively. The same useful lives are then used in estimating lease renewals and expected decommissioning of facilities.

Fair value of financial instruments

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair value is determined using discounted cash flow models and requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as for numerous other variables. These assumptions are determined using external, readily observable market inputs when available. Otherwise, management makes its best estimate of what market participants would use for these instruments. Since they are based on estimates, fair values may not be realized in an actual sale or immediate settlement of the instruments. See note 19 of these financial statements for a more detailed explanation of the bases for the calculations and estimates used.

Hierarchy of financial assets and liabilities measured at fair value

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

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

Note 4. Main sources of uncertainty (cont'd)

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

Business combinations

The Corporation makes a number of key estimates when allocating fair values to the assets acquired and liabilities assumed in a business combination. Fair values of property, plant and equipment as well as intangible assets are estimated using valuation techniques, such as the discounted cash flows method, which take into account key assumptions such as anticipated production, selling prices, costs and discount rate. When there is a contingent consideration arrangement, management must also use its judgment in determining the amount of contingent consideration to be recognized as part of the business combination. Management estimates the fair value of future amounts to be paid to the seller under the terms of the agreements based on the likelihood that the conditions will be met for payment.

Main sources of uncertainty relating to management's key judgments

Asset impairment indicators

At each reporting date, management is required to use its judgment to assess whether there is any evidence that property, plant and equipment, intangible assets and goodwill may be impaired. If applicable, the Corporation performs impairment tests on its CGUs or groups of CGUs to assess whether the carrying amounts of assets are recoverable. As described in the previous section, various estimates made by management are used in the impairment tests.

Management is required to exercise judgment and assess whether any events or changes in circumstances could have affected the recoverability of the carrying amount of assets. In making these assessments, management uses various indicators including, but not limited to, adverse changes in the industry or economic conditions, changes in the degree or method of use of the asset, changes in production, a lower-than-expected economic performance of the asset or a significant change in interest rates.

Business combination or asset acquisition

When a development project is acquired, management is required to exercise its judgment to determine whether the transaction constitutes a business combination under IFRS 3 or an asset acquisition. Management determines that a transaction for a project acquisition is defined as a business combination when an acquired development project has completed the key steps required to obtain construction permits, financing and an energy sales or feed-in premium contract. When the acquisition includes a portfolio of projects, management assesses whether it has acquired a process that allows it to complete the development of the acquired projects.

Consolidation

Significant judgment is required to assess whether the structure of certain investments represents control or joint control of, or significant influence over, an investee. Management's assessment of control or joint control of, or significant influence over, an investee has a material impact on the accounting treatment. Management is required to make significant judgments regarding the relevant activities of an investee and as to whether it has power over such activities. The relevant activities of an investee can change over time and are therefore subject to periodic review.

Feed-in premiums

Significant judgment is exercised by management to determine whether a feed-in premium ("FiP") contract should be recorded as a government grant. This judgment also applies to similar contracts, such as contracts for differences in the United Kingdom. When the market price received by the Corporation for energy sales exceeds the FiP contractual price, the Corporation has an obligation to pay any excess to the French Government. The Corporation determines the accounting treatment for this type of contract at its inception. The Corporation estimates the cumulative net position at the inception date based on expected future cash flows from the FiP contract, which depend on estimates of future energy production and future market prices. When, at the inception date of the FiP contract, the estimated cumulative net position is positive, the Corporation treats the FiP contract as a government grant under IAS 20. When, at the inception date of the FiP contract, the estimated cumulative net position is negative, management uses judgment to determine whether the FiP contract is more akin to a derivative financial instrument contract under IFRS 9 rather than a government grant under IAS 20. In making this judgment, management considers all the facts and circumstances and examines the terms and conditions of the FiP contract, including early termination clauses, to determine whether they are economically similar to those of financial contracts entered into with non-government entities.

Note 5. Property, plant and equipment

(in millions of Canadian dollars)	Wind farms	Hydroelectric power stations	Solar power stations	Projects under construction	Other	Total
Year ended December 31, 2023:						
Balance – beginning of year	2,456	339	342	178	20	3,335
Translation adjustment	7	(2)	(6)	3	—	2
Additions	1	6	5	196	5	213
Transfer of newly commissioned assets	221	—	—	(221)	—	—
Amortization	(157)	(16)	(16)	—	(3)	(192)
Impairment	—	—	(2)	—	—	(2)
Other	(3)	—	(1)	1	2	(1)
Balance – end of year	2,525	327	322	157	24	3,355
As at December 31, 2023:						
Cost	3,806	472	416	157	50	4,901
Accumulated amortization	(1,281)	(145)	(94)	—	(26)	(1,546)
Net carrying amount	2,525	327	322	157	24	3,355
Year ended December 31, 2024:						
Balance – beginning of year	2,525	327	322	157	24	3,355
Translation adjustment	26	6	23	8	—	63
Additions	5	9	1	810	2	827
Transfer of assets from development projects	—	—	—	17	—	17
Transfer of newly commissioned assets	154	1	23	(178)	—	—
Amortization	(157)	(14)	(13)	—	(3)	(187)
Other	—	—	(5)	—	—	(5)
Balance – end of year	2,553	329	351	814	23	4,070
As at December 31, 2024:						
Cost	4,006	496	465	814	53	5,834
Accumulated amortization	(1,453)	(167)	(114)	—	(30)	(1,764)
Net carrying amount	2,553	329	351	814	23	4,070

As at December 31, 2024, an amount of \$382 million (\$16 million in 2023) of additions to property, plant and equipment was unpaid and was included in *Trade and other payables*.

Note 6. Leases

The following table shows the change and the breakdown of the Corporation's right-of-use assets:

(in millions of Canadian dollars)	Land	Buildings	Other	Total
Year ended December 31, 2023:				
Balance – beginning of year	314	14	12	340
Additions	40	3	11	54
Amortization	(18)	(3)	(2)	(23)
Other	(1)	—	—	(1)
Balance – end of year	335	14	21	370
As at December 31, 2023:				
Cost	431	23	27	481
Accumulated amortization	(96)	(9)	(6)	(111)
Net carrying amount	335	14	21	370
Year ended December 31, 2024:				
Balance – beginning of year	335	14	21	370
Translation adjustment	6	1	—	7
Additions	34	5	11	50
Disposals	(25)	(1)	—	(26)
Amortization	(19)	(3)	(3)	(25)
Balance – end of year	331	16	29	376
As at December 31, 2024:				
Cost	435	26	38	499
Accumulated amortization	(104)	(10)	(9)	(123)
Net carrying amount	331	16	29	376

Cash outflows related to lease liabilities totalled \$34 million in 2024 (\$32 million in 2023).

Note 7. Intangible assets and Goodwill

	Other intangible assets					
(in millions of Canadian dollars)	Energy sales contracts and other rights	Water rights	Development projects	Other intangible assets	Total	Goodwill
Year ended December 31, 2023:						
Balance – beginning of year	952	79	16	12	1,059	233
Translation adjustment	(2)	—	—	—	(2)	1
Internally generated	—	—	20	4	24	—
Amortization	(71)	(3)	—	(4)	(78)	—
Impairment	—	—	(17)	—	(17)	—
Balance – end of year	879	76	19	12	986	234
As at December 31, 2023:						
Cost	1,350	114	19	23	1,506	234
Accumulated amortization	(471)	(38)	—	(11)	(520)	—
Net carrying amount	879	76	19	12	986	234
Year ended December 31, 2024:						
Balance – beginning of year	879	76	19	12	986	234
Translation adjustment	20	—	1	—	21	3
Additions	1	—	31	—	32	—
Internally generated	—	—	26	3	29	—
Transfer to property, plant and equipment	—	—	(17)	—	(17)	—
Amortization	(80)	(2)	—	(3)	(85)	—
Other	—	—	(3)	—	(3)	—
Balance – end of year	820	74	57	12	963	237
As at December 31, 2024:						
Cost	1,377	114	57	26	1,574	237
Accumulated amortization	(557)	(40)	—	(14)	(611)	—
Net carrying amount	820	74	57	12	963	237

An amount of \$8 million (\$7 million in 2023) in additions to intangible assets was unpaid as at December 31, 2024 and was included in *Trade and other payables*.

The weighted average amortization period of intangible assets with finite useful lives is as follows:

Energy sales contracts and other rights	21 years
Water rights	27 years

Water rights of the Buckingham hydroelectric power station, which amounted to \$38 million in 2024 and 2023, are not amortized given their indefinite useful life. *Development projects* consist primarily of solar power projects in North America and wind power projects in Europe. *Other intangible assets* consist primarily of an enterprise resource planning system.

The following table shows the allocation of *Goodwill* by groups of CGUs:

(in millions of Canadian dollars)	As at December 31, 2024	As at December 31, 2023
North America	124	124
Europe	113	110
	237	234

During the year ended December 31, 2024, the Corporation performed the annual impairment test on the goodwill of the North America and Europe groups of CGUs, and water rights with indefinite useful life relating to the Buckingham hydroelectric power station. On the date these tests were performed, the recoverable amounts exceeded the carrying amounts. For all the tests carried out, the recoverable amount was determined based on the fair value less costs of disposal. The most recent detailed calculation of the recoverable amount of the Europe and North America group of CGUs carried out during the year ended December 31, 2023 was used in the depreciation test. The recoverable amount of the Europe group of CGUs was estimated based on a transaction with a non-controlling shareholder in April 2022. For the other tests, the recoverable amount was estimated based on projected cash flows over periods ranging from 25 to 40 years and discounted at a rate ranging from 5.88% to 5.97% in 2024 and 2023.

Note 8. Interests in joint ventures and associates

(a) Information about joint ventures and associates

As at December 31, 2024 and 2023 the Corporation's main joint ventures and associates were as follows:

Name of entity	Type	% Boralex	Location
Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership ("SDB I")	Joint venture	50.00%	Canada
Seigneurie de Beaupré Wind Farm 4 General Partnership ("SDB II")	Joint venture	50.00%	Canada
Le Plateau Community Wind Power L.P. ("LP II")	Joint venture	59.96%	Canada
Des Neiges Holding Sud, General Partnership ("Des Neiges Sud") ⁽¹⁾	Joint venture	50.00%	Canada
Parc éolien Apuiat Inc. ("Apuiat")	Joint venture	50.00%	Canada
Roosevelt HoldCo, LLC ("MiRose")	Joint venture	50.00%	United States
LongSpur Wind Holdings, LLC ("LongSpur")	Joint venture	50.00%	United States
TX Hereford Wind Holdings, LLC ("Hereford") ⁽²⁾	Joint venture	50.00%	United States
Roncevaux Wind Power L.P. ("Roncevaux")	Associate	50.00%	Canada

⁽¹⁾ A non-controlling shareholder holds an interest in the project entity, bringing the Corporation's net economic interest to 33%.

⁽²⁾ The Corporation's economic share was 11.3% until December 31, 2024 due to the interest of a non-controlling shareholder in the project entity. Starting on January 1, 2025, the economic share will be 48%.

The following table presents the changes in *Interests in joint ventures and associates*:

(in millions of Canadian dollars)	2024	2023
Balance as at January 1	510	536
Acquisition of interests	129	39
Share in earnings	48	61
Share of other comprehensive loss	(1)	(18)
Distributions	(39)	(37)
Distributions with no impact on cash flows ⁽¹⁾	(64)	—
Return of capital	—	(61)
Translation adjustment	32	(9)
Impairment	(35)	—
Other	—	(1)
Balance as at December 31	580	510

⁽¹⁾ For the year ended December 31, 2024, certain joint ventures not subject to income tax recorded government grants in the form of refundable tax credits amounting to \$64 million. These tax credits receivable were recorded as distributions with no impact on cash flow.

(b) Material joint ventures

The following table presents the summarized financial information of the joint ventures considered material:

	2024			2023		
(in millions of Canadian dollars)	SDB I	MiRose	LongSpur	SDB I	MiRose	LongSpur
Cash and cash equivalents	12	6	7	17	4	10
Other current assets	12	8	7	19	6	7
Current assets	24	14	14	36	10	17
Non-current assets	429	390	420	457	389	420
Current financial liabilities	34	50	22	32	48	50
Other current liabilities	6	11	9	7	6	8
Current liabilities	40	61	31	39	54	58
Non-current financial liabilities	290	18	54	320	60	76
Other non-current financial liabilities	68	47	66	70	44	62
Non-current liabilities	358	65	120	390	104	138
Net assets	55	278	283	64	241	241
Revenues from energy sales and feed-in premiums	89	41	45	82	41	44
Production tax credits and other revenues	1	50	62	4	47	57
Revenues	90	91	107	86	88	101
Operating expenses	20	21	20	19	22	23
Amortization	25	31	34	25	30	33
Financing costs	23	9	13	25	12	22
Net earnings	23	31	42	20	23	23
Other comprehensive loss	(6)	—	—	(6)	—	—
Comprehensive income	17	31	42	14	23	23

	2024			2023		
(in millions of Canadian dollars)	SDB I	MiRose	LongSpur	SDB I	MiRose	LongSpur
Balance as at January 1	32	144	125	33	138	127
Share in net earnings	11	24	22	10	20	12
Share in other comprehensive income (loss)	(3)	—	—	(3)	—	—
Distributions	(13)	(8)	(10)	(8)	(11)	(11)
Translation adjustment	—	13	11	—	(3)	(3)
Balance as at December 31	27	173	148	32	144	125

(c) Joint ventures and associates not considered individually material

The following table presents information about joint ventures not considered individually material:

	2024	2023
(in millions of Canadian dollars)		
Interest in joint ventures - Balance as at December 31	206	180
Corporation's share in the following:		
Net earnings (loss)	(8)	20
Other comprehensive income (loss)	2	(15)
Comprehensive income (loss)	(6)	5

Note 8. Interests in joint ventures and associates (cont'd)

The following table presents information about associates not considered individually material:

(in millions of Canadian dollars)	2024	2023
Interest in associates - Balance as at December 31	26	29
Corporation's share in the following:		
Net loss	—	(1)
Comprehensive loss	—	(1)

(d) Impairment

As at December 31, 2024, the Corporation recorded an impairment of \$35 million (\$24 million USD) relative to its investment in a joint venture in the United States. The recoverable value was determined using a fair value less costs of disposal approach, based on management's forecasts of future cash flows, which take into account the estimated future performance of the joint venture. The fair value is classified at Level 3 of the fair value hierarchy, and the key assumptions used are production, energy sales prices, and the discount rate.

(e) Commitments to joint ventures

The Corporation has committed to certain joint ventures through contracts and letters of credit to support the development and the construction of projects for a total amount of \$194 million as at December 31, 2024. In addition, the Corporation has committed to provide a joint venture with a bridge loan up to a maximum amount of \$90 million. As at December 31, 2024, an amount of \$6 million was outstanding on this loan.

Note 9. Trade and other payables

(in millions of Canadian dollars)	Note	As at December 31, 2024	As at December 31, 2023
Trade payables from the acquisition of property, plant and equipment		382	16
Other accrued liabilities		112	59
Other payables		46	43
Inframarginal rent contribution on electricity production	15	26	222
Interest payable		15	12
Trade payables		7	22
Feed-in premium contracts		2	31
		590	405

Note 10. Debt

					As at December 31,	As at December 31,
(in millions of Canadian dollars, unless otherwise specified)	Note	Maturity	Rate ⁽¹⁾	Original currency ⁽²⁾	2024	2023
Corporate debt						
Revolving credit facility		2028	6.22	86	124	183
Term loan (CDPQ/FSTQ)		2028	5.64		300	300
Total corporate debt				86	424	483
Project debt						
North America						
<u>Canada</u>						
Term loans:						
Tilbury battery energy storage project ⁽³⁾	(a)	2030	4.78		98	—
Thames River wind farms		2031	7.05		75	85
Témiscouata I wind farm		2032	5.39		29	31
LP I wind farm		2032	3.95		119	133
DM I and II wind farms		2033	6.18		197	212
Port Ryerse wind farm		2034	4.03		19	21
Frampton wind farm		2035	4.23		46	50
Côte-de-Beaupré wind farm		2035	4.30		40	43
Témiscouata II wind farm	(b)	2035	4.83		85	—
Niagara Region Wind Farm (“NRWF”)		2036	2.94		611	653
Moose Lake wind farm		2044	4.92		43	44
Hagersville battery energy storage project ⁽³⁾	(c)	2045	4.95		375	—
Jamie Creek hydroelectric power station		2054	5.42		54	55
Yellow Falls hydroelectric power station		2056	4.99		68	69
Other debt		—	—		1	1
					1,860	1,397
<u>United States</u>						
Term loan:						
Boralex US Solar portfolio of solar power stations		2028	2.99	138	198	191
Roosevelt HoldCo, LLC (“MiRose”) joint venture	(d)	2029	5.49	17	24	—
				155	222	191
Total North America				155	2,082	1,588

Note 10. Debt (cont'd)

(in millions of Canadian dollars, unless otherwise specified)				Original currency ⁽²⁾	As at December 31, 2024	As at December 31, 2023
Note	Maturity	Rate ⁽¹⁾				
Europe						
France						
Construction facility:						
Boralex Energy Investments projects portfolio	(e)	2028	4.65	79	117	40
Term loans:						
Val aux Moines wind farm		2034	1.79	13	19	15
Boralex Énergie France portfolio of wind farms		2036	1.70	131	195	222
Cruis solar power project		2039	5.30	11	17	17
Helfaut wind farm	(f)	2040	4.45	21	31	—
Moulin Blanc wind farm	(g)	2042	4.29	24	36	—
Les Moulins du Lohan wind farm		2043	3.12	58	87	88
Sainte-Christine portfolio of wind farms		2044	2.31	437	651	700
Boralex Production portfolio of wind farms		2044	3.24	86	127	157
Grange du Causse solar power station		2044	3.33	8	12	12
Other debt		—	—	13	20	5
				881	1,312	1,256
United Kingdom						
Limekiln wind power project	(h)	2043	5.98	119	214	—
Total Europe					1,526	1,256
Total project debt					3,608	2,844
Debt – Principal balance			4.02		4,032	3,327
Current portion of debt					(339)	(271)
Transaction costs, net of accumulated amortization					(76)	(61)
					3,617	2,995

⁽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), GBP (United Kingdom) and USD (United States) and the revolving credit facility was in USD as at December 31, 2024.

⁽³⁾ Includes the balance of the bridge loan.

(a) Financing of the Tilbury battery energy storage project

On December 23, 2024, Boralex closed the financing of the Tilbury battery energy storage project in Canada. The \$172 million financing includes a \$120 million construction loan, a \$45 million bridge loan, and a \$7 million letter of credit facility. The term loan will bear interest at a variable rate based on the Canadian Overnight Repo Rate Average ("CORRA"), adjusted by a margin, and will be renewable in 2030. It will be amortized over a period of 20 years and will be repaid on a quarterly basis. In order to reduce exposure to interest rate fluctuations, an interest rate swap was entered into to cover 75% of the construction loan and up to 90% of the term loan.

(b) Financing of the Témiscouata II wind farm

On August 15, 2024, Boralex closed the financing for the Témiscouata II wind farm in Canada. The \$95 million financing includes an \$85 million term loan and a \$10 million letter of credit facility. The term loan, which will be repaid on a quarterly basis, bears interest at a variable rate based on CORRA, adjusted by a margin, and will be amortized over a period of 11 years. In order to reduce exposure to interest rate fluctuations, an interest rate swap was entered into to cover 90% of the term loan.

(c) Financing of the Hagersville battery energy storage project

On December 9, 2024, Boralex closed the financing of the Hagersville battery energy storage project in Canada. The \$538 million financing includes a \$366 million construction loan, a \$141 million bridge loan, and a \$31 million letter of credit facility. The term loan will bear interest at a variable rate based on CORRA, adjusted by a margin and will be renewable in 2045. It will be amortized over a period of 20 years and will be repaid on a quarterly basis. In order to reduce exposure to interest rate fluctuations, an interest rate swap was entered into to cover 75% of the construction loan and up to 90% of the term loan.

(d) Financing of the investment in the Roosevelt HoldCo, LLC joint venture ("MiRose")

On February 29, 2024, Boralex closed the financing of its 50% investment in the MiRose joint venture in the United States. The \$37 million (US\$27 million) financing includes a term loan of \$25 million (US\$18 million) and letter of credit facilities of \$12 million (US\$9 million). The term loan bears interest at a variable rate based on the Secured Overnight Financing Rate ("SOFR"), adjusted by a margin and renewable in 2029, and will be amortized over a period of 10 years with semi-annual repayments. In order to reduce exposure to interest rate fluctuations, an interest rate swap was entered into to cover 100% of the term loan.

(e) Amendment to the construction facility agreement

On September 30, 2024, Boralex obtained a three-year extension of the term for the construction facility for the projects in the Boralex Energy Investments portfolio, until July 2028.

(f) Financing of the Helfaut wind farm

On April 25, 2024, Boralex closed the financing of the Helfaut wind farm in France. The financing of \$41 million (€28 million) includes a construction facility of \$30 million (€21 million), a value-added tax bridge financing facility of \$9 million (€6 million), and a letter of credit facility for debt service of \$2 million (€1 million). The term loan bears interest at a variable rate based on the Euro Interbank Offered Rate ("EURIBOR"), plus a margin, and will be amortized over a period of 15 years with quarterly repayments. In order to reduce exposure to interest rate changes, an interest rate swap was entered into to cover 75% of the total long-term debt.

(g) Financing of the Moulin Blanc wind power project

On November 28, 2024, Boralex closed the financing of the Moulin Blanc wind power project in France. The \$49 million (€33 million) financing includes a construction loan of \$45 million (€30 million), a value-added tax bridge financing facility of \$1 million (€1 million), and a letter of credit facility for debt service of \$3 million (€2 million). The term loan, which will be repaid on a quarterly basis, bears interest at a variable rate based on the EURIBOR, adjusted by a margin, and will be amortized over a period of 17 years. In order to reduce exposure to interest rate fluctuations, an interest rate swap was entered into to cover 80% of the long-term debt.

(h) Financing of the Limekiln wind power project

On May 16, 2024, Boralex closed the financing of the Limekiln wind power project in the United Kingdom. The \$224 million (£130 million) financing includes a term loan of \$203 million (£118 million), a value-added tax financing facility of \$9 million (£5 million), and a debt service reserve facility of \$12 million (£7 million). The term loan bears interest at a variable interest rate based on the Sterling Overnight Index Average ("SONIA"), adjusted by a margin, and will be amortized over a period of 18 years with quarterly repayments. In order to reduce exposure to interest rate changes, an interest rate swap was entered into to cover 100% of the long-term debt.

Current portion of debt

	As at December 31, 2024	As at December 31, 2023
(in millions of Canadian dollars)		
Term loans – projects	226	231
Construction facility – Boralex Energy Investments projects portfolio	110	40
Value-added tax bridge financing facility ⁽¹⁾	3	—
	339	271

⁽¹⁾ Temporary financing for value-added tax (VAT) paid for construction sites in France and the United Kingdom.

Financial ratios and guarantees

As at December 31, 2024, the Corporation had access to the following letter of credit facilities:

(in millions of Canadian dollars)	As at December 31, 2024		As at December 31, 2023	
	Authorized	Issued	Authorized	Issued
EDC	350	330	350	154
Related to project debt	206	159	142	121
	556	489	492	275

Moreover, as at December 31, 2024, the Corporation drew down \$33 million (\$61 million as at December 31, 2023) from its letter of credit facilities under the revolving credit facility.

As at December 31, 2024, the carrying amount of assets pledged to secure loans was \$4,662 million (\$3,619 million in 2023). Project term loans are non-recourse to their parent company.

The majority of the Corporation's project debts have debt service coverage ratios that must be met on a quarterly, semi-annual or annual basis, whereas the corporate debt agreements include covenants related to compliance of interest coverage ratios and debt/EBITDA ratios on a quarterly basis. As at December 31, 2024, management considers that all ratios and financial commitments were met.

Note 11. Deferred government grants

The Corporation has recorded an amount of \$140 million in *Other non-current liabilities* for government grants related to assets, in the form of clean energy refundable tax credits.

The amounts recorded are subject to certain requirements related to labour, as well as the determination of eligible property that qualifies for the government grants.

Note 12. Income taxes

The breakdown of income tax expense is as follows:

(in millions of Canadian dollars)	2024	2023
Current taxes:		
Current income tax expense	25	21
Income tax expense for prior years recorded in the current year	1	—
	26	21
Deferred taxes:		
Differences between the current tax rate and deferred income tax rates	(1)	3
Deferred tax expense relating to temporary differences	10	15
Valuation allowance	2	—
Income tax recovery relating to prior years	(1)	—
	10	18
Income tax expense	36	39

Note 12. Income taxes (cont'd)

The reconciliation of income tax expense, calculated using the statutory income tax rates prevailing in Canada, with the income tax expense reported in the consolidated financial statements is as follows:

(in millions of Canadian dollars, unless otherwise specified)	2024	2023
Earnings before income taxes	110	154
Combined basic Canadian and provincial income tax rate	26.59%	26.59%
Income tax expense at the statutory rate	29	41
Increase (decrease) in income taxes arising from the following:		
Non-deductible (non-taxable) items	8	—
Difference in foreign operations' statutory income tax rates	1	(2)
Differences between the current tax rate and deferred income tax rates	(1)	(1)
Income tax expense (recovery) relating to prior years	(1)	1
Income taxes allocated to non-controlling interests	(2)	—
Other items and valuation allowance	2	—
Effective income tax expense	36	39

The changes in deferred taxes by nature are as follows:

(in millions of Canadian dollars)	As at January 1, 2024	Recorded in comprehensive income	Recorded in net earnings	As at December 31, 2024
Deferred income tax asset related to loss carryforwards	165	—	10	175
Financial instruments	(50)	16	1	(33)
Provisions	22	—	—	22
Interests in joint ventures and associates	(110)	1	(20)	(129)
Temporary differences between accounting and tax amortization	(279)	—	—	(279)
Translation adjustments	1	(3)	—	(2)
Financing costs and other	(9)	—	(1)	(10)
Total deferred income tax liabilities	(260)	14	(10)	(256)

(in millions of Canadian dollars)	As at January 1, 2023	Recorded in comprehensive income	Recorded in net earnings	As at December 31, 2023
Deferred income tax asset related to loss carryforwards	173	—	(8)	165
Financial instruments	(68)	20	(2)	(50)
Provisions	8	—	14	22
Interests in joint ventures and associates	(79)	5	(36)	(110)
Temporary differences between accounting and tax amortization	(290)	—	11	(279)
Translation adjustments	(3)	—	4	1
Financing costs and other	(8)	—	(1)	(9)
Total deferred income tax liabilities	(267)	25	(18)	(260)

Given that future taxable income is expected to be sufficient, deductible temporary differences, unused loss carryforwards and tax credits have been recorded in the consolidated statements of financial position.

Note 13. Capital stock, contributed surplus and dividends

Boralex's capital stock is composed of an unlimited number of Class A common shares and an unlimited number of preferred shares. The Class A shares have no par value and confer on each shareholder the right to vote at any meeting of shareholders, receive any dividends declared by the Corporation thereon and share in the residual property upon dissolution of the Corporation. The preferred shares have no par value and were created to provide the Corporation with additional flexibility with respect to future financing, strategic acquisitions and other transactions. The preferred shares are issuable in series with the number of shares in each series to be determined by the Board of Directors prior to issuance. No preferred shares were outstanding as at December 31, 2023 and 2024.

The Corporation's contributed surplus is equal to the cumulative value of unexercised stock options granted to members of management and to key employees.

The following changes occurred in the Corporation's capital stock between December 31, 2023 and 2024:

(in millions of Canadian dollars, unless otherwise specified)	Capital stock	
	Number of shares	Amount
Balance as at January 1, 2023	102,762,850	1,323
Exercise of options	3,254	—
Balance as at December 31, 2023	102,766,104	1,323
Exercise of options	476	—
Balance as at December 31, 2024	102,766,580	1,323

Dividends paid

On March 15, June 17, September 17, and December 16, 2024, the Corporation paid dividends totalling \$68 million (\$68 million in 2023).

On February 11, 2025, a dividend of \$0.1650 per common share was declared and will be paid on March 17, 2025 to shareholders of record at the market close on February 28, 2025.

Note 14. Non-controlling interests

A non-controlling shareholder holds 30% of the capital stock of Boralex Europe Sàrl, a subsidiary holding a portfolio of operating assets and development projects in France.

The following table shows the summarized consolidated financial information of Boralex Europe Sàrl (before eliminations):

(in millions of Canadian dollars)	As at December 31, 2024	As at December 31, 2023
Current assets	319	569
Non-current assets	2,164	2,131
Current liabilities	353	538
Non-current liabilities	1,385	1,471
Net assets	745	691
Non-controlling interest carrying amount	235	218
Revenues	457	640
Net earnings	102	109
Other comprehensive income (loss)	4	(34)
Comprehensive income	106	75
Net earnings attributable to the non-controlling interest	31	33
Other comprehensive loss attributable to the non-controlling interest	(1)	(10)
Net cash flows related to operating activities	48	312
Net cash flows related to investing activities	(117)	(201)
Net cash flows related to financing activities	(137)	(13)
Effects of exchange rate changes on cash and cash equivalents	7	2
Net change in cash and cash equivalents	(199)	100

Note 15. Expenses by nature

Operating, administrative and development expenses

(in millions of Canadian dollars)	2024	2023
Employee salaries and benefits	127	112
Maintenance and repairs	65	61
Inframarginal rent contribution on electricity production	26	204
Taxes	26	28
Other expenses	23	23
Development expenses	22	15
Professional fees	18	19
Insurance expenses	12	11
Rental expenses and permits	11	11
	330	484

Note 16. Financing costs

(in millions of Canadian dollars)	Note	2024	2023
Interest on debt, net of the impact of interest rate swaps		132	123
Interest on lease liabilities		9	9
Interest income		(19)	(16)
Amortization of debt transaction costs		11	12
Other		10	10
		143	138
Interest capitalized to qualifying assets	a)	(19)	(9)
		124	129

a) The weighted average annual capitalization rate on borrowed funds included in the cost of qualifying assets is 5.95% (4.29% in 2023).

Note 17. Net earnings per share

(a) Basic net earnings per share

(in millions of Canadian dollars, unless otherwise specified)	2024	2023
Net earnings attributable to the shareholders of Boralex	36	78
Weighted average number of shares – basic	102,766,122	102,765,694
Net earnings per share attributable to the shareholders of Boralex – basic	\$0.35	\$0.76

(b) Diluted net earnings per share

(in millions of Canadian dollars, unless otherwise specified)	2024	2023
Net earnings attributable to the shareholders of Boralex	36	78
Weighted average number of shares – basic	102,766,122	102,765,694
Dilutive effect of stock options	46,761	47,914
Weighted average number of shares – diluted	102,812,883	102,813,608
Net earnings per share attributable to the shareholders of Boralex – diluted	\$0.35	\$0.76

For fiscal 2024, 151,235 stock options (94,819 in 2023) were excluded from the calculation of diluted net earnings per common share due to their anti-dilutive effect.

Note 18. Additional information on the consolidated statements of cash flows

(a) Change in non-cash items related to operating activities

(in millions of Canadian dollars)	2024	2023
Decrease (increase) in:		
Trade and other receivables	(10)	21
Other current assets	(2)	(6)
Increase (decrease) in:		
Trade and other payables	(188)	36
	(200)	51

(b) Changes in liabilities arising from financing activities

								As at December 31, 2024
		Non-cash items						
(in millions of Canadian dollars)	Balance – beginning of year	Cash	Additions	Translation adjustment	Amortization	Disposition	Other items ⁽²⁾	Balance – end of year
Debt ⁽¹⁾	3,266	620	—	61	11	—	(2)	3,956
Lease liabilities ⁽¹⁾	347	(21)	37	9	—	(32)	—	340
Amounts due to non-controlling shareholders ⁽¹⁾	44	(37)	2	1	—	—	(1)	9
Derivative financial instruments	(176)	13	—	—	—	—	35	(128)
Tax equity liabilities and options to repurchase TEI ⁽¹⁾	17	(5)	—	1	—	—	3	16

								As at December 31, 2023
		Non-cash items						
(in millions of Canadian dollars)	Balance – beginning of year	Cash	Additions	Translation adjustment	Amortization	Other items ⁽²⁾		Balance – end of year
Debt ⁽¹⁾	3,277	(21)	—	—	11	(1)		3,266
Lease liabilities ⁽¹⁾	318	(19)	49	(1)	—	—		347
Amounts due to non-controlling shareholders ⁽¹⁾	53	(11)	—	1	—	1		44
Derivative financial instruments	(273)	(4)	—	—	—	101		(176)
Tax equity liabilities and options to repurchase TEI ⁽¹⁾	25	(5)	—	—	—	(3)		17

⁽¹⁾ Including current and non-current portions.

⁽²⁾ Mainly including changes in fair value of derivative financial instruments.

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following elements:

(in millions of Canadian dollars)	2024	2023
Cash and cash equivalents	592	478
Bank overdraft	(5)	(6)
	587	472

An amount of \$357 million included in cash and cash equivalents as at December 31, 2024, is subject to restrictions and should be used solely for the acquisition of property, plant, and equipment for projects under construction.

The debt agreements include certain covenants restricting the distribution of cash and cash equivalents from certain subsidiaries to the parent company. As at December 31, 2024, cash of \$169 million (\$388 million in 2023) was subject to these restrictions.

Note 19. Financial instruments

Classification of financial instruments

The tables below detail the classification of financial instruments, their carrying amounts and fair value hierarchy level when measured and accounted for at fair value in the consolidated financial statements. *Cash and cash equivalents*, *Restricted cash*, *Trade and other receivables*, *Bank overdraft*, and *Trade and other payables* are excluded because their fair value approximates their carrying amount due to their short-term maturities or high liquidity.

					2024
					Carrying amount
(in millions of Canadian dollars)	Level	Amortized cost	FVOCI	FVPL	Total
OTHER CURRENT FINANCIAL ASSETS					
Foreign exchange forward contracts	2	—	—	11	11
		—	—	11	11
OTHER NON-CURRENT FINANCIAL ASSETS					
Reserve funds		11	—	—	11
Interest rate swaps	2	—	174	—	174
Other	2	—	—	1	1
		11	174	1	186
OTHER CURRENT FINANCIAL LIABILITIES					
Tax equity liabilities		3	—	—	3
Other	2	—	1	5	6
		3	1	5	9
DEBT⁽²⁾		3,956	—	—	3,956
OTHER NON-CURRENT FINANCIAL LIABILITIES					
Interest rate swaps	2	—	21	—	21
Cross currency swaps	2	—	25	—	25
Foreign exchange forward contracts	2	—	11	—	11
Amounts due to non-controlling shareholders		9	—	—	9
Tax equity liabilities and options to repurchase TEI ⁽¹⁾	3	—	—	13	13
Other	2	—	—	9	9
		9	57	22	88

					2023
					Carrying amount
(in millions of Canadian dollars)	Level	Amortized cost	FVOCI	FVPL	Total
OTHER NON-CURRENT FINANCIAL ASSETS					
Reserve funds		9	—	—	9
Interest rate swaps	2	—	211	—	211
Other	2	—	7	—	7
		9	218	—	227
OTHER CURRENT FINANCIAL LIABILITIES					
Cross currency swaps	2	—	—	1	1
Tax equity liabilities ⁽¹⁾		3	—	—	3
Amounts due to a non-controlling shareholder		7	—	—	7
Other		1	—	1	2
		11	—	2	13
DEBT⁽²⁾		3,266	—	—	3,266
OTHER NON-CURRENT FINANCIAL LIABILITIES					
Interest rate swaps	2	—	9	—	9
Cross currency swaps	2	—	17	—	17
Amounts due to non-controlling shareholders		37	—	—	37
Tax equity liabilities and options to repurchase TEI ⁽¹⁾	3	3	—	11	14
Other	2	—	1	9	10
		40	27	20	87

⁽¹⁾ Tax equity investors.

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

Fair value of financial instruments

The carrying amount of the Corporation's financial instruments at amortized cost approximates their fair value due to their short-term maturity or high liquidity, with the exception of debt, for which the fair value was \$4,023 million as at December 31, 2024 (\$3,286 million as at December 31, 2023).

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 rate 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 liabilities, debt and amounts due to non-controlling shareholders are essentially based on discounted cash flows. Discount rates, ranging from 3.09% to 7.00% (3.64% to 5.93% as at December 31, 2023), 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 is established using cash flows discounted at a rate of 7.50% (7.50% as at December 31, 2023), which is the expected rate of return on this type of instrument.

Canadian IBOR reform transition

The transition from the CDOR benchmark rate to the CORRA benchmark rate for all of the Corporation's debts and derivatives was completed during the fiscal year. The transition had no significant effect on the Corporation's consolidated financial statements.

Note 20. Financial risks

The Corporation is exposed in the normal course of business to various financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market prices (foreign exchange rates, energy market prices and interest rates) will cause volatility in the Corporation's net earnings (loss) or the value of its financial instruments. To mitigate the various market risks to which it is exposed, the Corporation employs several strategies, including the use of derivative instruments and natural hedge management techniques.

Foreign exchange risk

Foreign exchange risk represents the Corporation's exposure to fluctuations in the value of its financial instruments or future cash flows as a result of changes in foreign exchange rates. The Corporation operates internationally and is subject to risks related to exchange rate fluctuations on its investments in foreign operations, in France, the United Kingdom and the United States, whose functional currencies are not the Canadian dollar. In addition, the Corporation is exposed to foreign exchange risk due to certain significant future disbursements related to additions to property, plant and equipment and debt denominated in foreign currencies.

The Corporation uses various strategies to mitigate foreign exchange risk. These strategies include the use of natural risk hedge management techniques as revenues, expenses and financing are in local currencies, the contracting of debt denominated in foreign currencies and derivative financial instruments, including foreign exchange forward contracts and cross-currency swaps.

Note 20. Financial risks (cont'd)

The following tables show the Corporation's cross-currency swaps designated as hedges of a net investment in foreign operations:

As at December 31,

2024	Exchange rate		Rate payer/ receiver	Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
EUR for CAD	1.3919	to 1.4911	EURIBOR/CORRA	2027-2029	442	(24)
USD for CAD	1.4181		SOFR/CORRA	2029	71	(2)

As at December 31,

2023	Exchange rate		Rate payer/ receiver	Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
EUR for CAD	1.3919	to 1.3932	1-month EURIBOR/CDOR	April 2027	368	(17)

The following tables show the Corporation's foreign exchange forward contracts designated as hedges of a net investment in foreign operations:

As at December 31,

2024	Exchange rate		Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
USD for CAD	1.2820	to 1.3970	2025-2028	426	(12)

As at December 31,

2023	Exchange rate		Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
USD for CAD	1.2820	to 1.3391	2027-2028	356	6

Sensitivity analysis

Assuming that all other variables remain the same, a 5% decrease in the Canadian dollar against the euro, pound sterling or U.S. dollar would have affected *Net earnings (loss)* and *Hedging reserve and other* of the Corporation as shown in the table below:

	Net earnings		Hedging reserve and other	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2024	2023	2024	2023
(in millions of Canadian dollars)				
EUR	(4)	(4)	(11)	(15)
USD	—	—	(8)	(12)
GBP	—	—	(5)	(4)

Price risk – revenues from energy sales

Energy sales price risk represents the risk that future cash flows will fluctuate due to changes in market energy prices, which in turn vary according to supply, demand and certain external factors, including weather conditions, and the price of energy from other sources. As at December 31, 2024 and 2023, the majority of the power stations have long-term energy sales contracts with fixed prices, most of which are subject to partial or full price indexation clauses tied to inflation, or FiP contracts or contracts for difference with fixed prices and partial price indexation. The Corporation thus finds itself exposed to fluctuations in the energy price when energy produced is sold on the market without FiP contracts or under variable price contracts. In Europe, the Corporation has been able to sell energy from certain newly commissioned sites at market prices for a period of 18 months before activating its FiP contract. This allows the Corporation to benefit from high market prices, while remaining protected in the long term due to the FiP contracts. As at December 31, 2024, 3% (6% as at December 31, 2023) of the Corporation's revenues from energy sales came from market sales without FiP contracts or under variable price contracts, of which 1% (3% as at December 31, 2023) came from market sales for sites that benefit from a postponement of the activation of their FiP contract.

Interest rate risk

Interest rate risk represents the Corporation's exposure to fluctuations in the value of its future cash flows or financial instruments as a result of changes in interest rates. A large portion of the Corporation's debt bears interest at variable rates. To mitigate its interest rate risk, the Corporation has entered into interest rate swaps in order to obtain a fixed interest charge on portions of the corresponding debt, and applies hedge accounting to these items. As at December 31, 2024, the Corporation's exposure to variable-rate debts was 12% of the total debt.

The following tables summarize the Corporation's interest rate swaps that have been designated as cash flow hedges:

As at December 31,

2024

	Fixed-rate payer	Floating-rate receiver	Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
EUR	-0.22% to 3.12%	3-month EURIBOR	2030-2044	1,031	51
USD	1.20% to 4.08%	3-month SOFR	2028-2046	206	40
CAD	1.12% to 3.92%	CORRA	2025-2045	1,283	62
GBP	4.08%	3-month SONIA	2043	212	—

As at December 31,

2023

	Fixed-rate payer	Floating-rate receiver	Maturity	Notional (in millions CAD)	Fair value (in millions CAD)
EUR	-0.22% to 3.12 %	3-month EURIBOR	2030-2044	1,093	74
USD	1.20% to 1.43 %	3-month SOFR	2028-2046	176	33
CAD	1.12% to 2.68 %	1 and 3-month CDOR	2025-2044	963	95

Sensitivity analysis

Assuming that all other variables remain the same, a 0.25% increase in interest rates would have had an impact of \$1 million on *Net earnings* in 2024 (nil in 2023) and would have increased *Hedging reserve and other* by approximately \$23 million (\$28 million in 2023).

Credit risk

Credit risk arises primarily from the potential inability of customers or counterparties to financial instruments to meet their obligations. The maximum exposure to credit risk is the carrying amount of the Corporation's financial assets. As at December 31, 2024 and 2023, the Corporation had not recorded any impairment losses on its financial assets.

Trade receivables – Given the nature of the Corporation's business, the number of customers is limited. In addition, their credit rating is generally high. The electricity market in Canada and France mainly includes very large corporations or monopolies, while the U.S. market is more deregulated. In the U.S. market, it is also possible to conclude agreements directly with electricity distributors that are usually large corporations which typically have investment grade credit ratings. The Corporation regularly monitors the financial position of its clients.

Cash and cash equivalents, restricted cash and derivatives – The counterparties to cash and cash equivalents, restricted cash and derivative financial instruments are mainly large financial institutions. Prior to entering into a derivative financial instrument transaction, the Corporation analyzes the counterparty's credit rating and assesses the overall risk based on the counterparty's relative weight in the Corporation's portfolio. When these analyses produce unfavourable results because the counterparty's credit rating has changed significantly or its weight in the portfolio has become too high, the Corporation does not pursue the transaction. Furthermore, if an institution does not have a public credit rating, the Corporation assesses the risk and may require financial guarantees.

Liquidity risk

Liquidity risk represents the risk that the Corporation will experience difficulty meeting its obligations as they fall due. The Corporation has a centralized treasury department which is responsible, among other things, for ensuring sound management of available cash resources, financing and compliance with maturity for all of the activities. With senior management oversight, the treasury department manages the Corporation's cash resources based on financial forecasts and expected cash flows.

Note 20. Financial risks (cont'd)

The contractual maturities of the Corporation's material non-derivative financial liabilities and derivative financial instruments are detailed in the following tables:

As at December 31,		Undiscounted cash flows (principal and interest)				
2024						
(in millions of Canadian dollars)	Carrying amount	Year 1	Year 2	Years 3 to 5	More than 5 years	Total
Non-derivative financial liabilities:						
Trade and other payables	590	590	—	—	—	590
Amounts due to non-controlling shareholders	9	1	—	3	6	10
Tax equity liabilities and options to repurchase TEI	16	5	9	—	—	14
Debt	3,956	255	383	1,809	2,588	5,035
Lease liabilities	340	28	26	70	314	438
Derivative financial instruments:						
Interest rate swaps	21	2	5	12	6	25
Cross-currency swaps	26					
Disbursements		23	22	567	—	612
(Receipts)		(25)	(23)	(536)	—	(584)
Foreign exchange forward contracts	12					
Disbursements		71	—	368	—	439
(Receipts)		(70)	—	(356)	—	(426)
	4,970	880	422	1,937	2,914	6,153

As at December 31,		Undiscounted cash flows (principal and interest)				
2023						
(in millions of Canadian dollars)	Carrying amount	Year 1	Year 2	Years 3 to 5	More than 5 years	Total
Non-derivative financial liabilities:						
Trade and other payables	405	405	—	—	—	405
Amounts due to a non-controlling shareholder	44	7	1	3	40	51
Tax equity liabilities and options to repurchase TEI	17	4	17	—	—	21
Debt	3,266	545	312	1,303	1,900	4,060
Lease liabilities	347	26	27	74	321	448
Derivative financial instruments:						
Interest rate swaps	9	(1)	1	4	7	11
Cross-currency swaps (EUR for CAD)	17					
Disbursements		21	16	422	—	459
(Receipts)		(25)	(20)	(392)	—	(437)
Cross-currency swaps (CAD for USD)	1					
Disbursements		—	—	90	—	90
(Receipts)		—	—	(88)	—	(88)
	4,106	982	354	1,416	2,268	5,020

Undiscounted cash flows of non-derivative financial liabilities are determined using principal repayments and interest rates prevailing at the reporting date for variable-rate debts. For derivatives, undiscounted contractual cash flows are determined using the values of underlying indices prevailing at the reporting date. These indices are subject to significant volatility such that the undiscounted cash flows presented could vary significantly until they are realized. These derivative instruments held for risk management purposes are generally not settled before contractual maturity.

Note 21. Capital management

The Corporation's objectives when managing capital are as follows:

- safeguard the Corporation's ability to pursue its operations and development;
- maintain financial flexibility to enable the Corporation to seize opportunities when they arise;
- safeguard the Corporation's financial flexibility with a view to offset the seasonal nature of its operations primarily for the cyclical variations in hydroelectric, solar and wind power generation;
- maximize the terms of borrowings in line with the useful lives of its assets or underlying contracts;
- ensure continuous access to capital markets; and
- diversify its financing sources to optimize its capital cost.

The Corporation manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain its capital structure, the Corporation prioritizes the use of less costly financing sources, such as cash flows from operations, debts, hybrid instruments such as convertible debentures, equity issuance and, as a last resort, the sale of assets. In managing liquidity, the Corporation's policy is to earmark in priority its available cash resources for (i) growth projects and (ii) the payment of a quarterly dividend. Generally, Borealex expects to pay common share dividends on an annual basis representing a ratio of 30% to 50% of its discretionary cash flows (defined as "net cash flows related to operating activities" before changes in "non-cash items related to operating activities," less (i) distributions paid to non-controlling shareholders, (ii) additions to property, plant and equipment (maintaining operations), (iii) repayments on non-current debt (projects) and repayments to tax equity investors; (iv) principal payments made related to lease liabilities, (v) adjustments for non-operational items; plus (vi) development costs (from the statements of earnings (loss)).

The Corporation's investment policy governing cash resources is limited to investments with maturities of less than one year that are guaranteed by financial institutions. For instance, bankers' acceptances guaranteed by a Canadian chartered bank meet these criteria. The Corporation deems its current financing sources to be sufficient to support its plans and its operating activities.

The Corporation monitors its capital on a quarterly and annual basis based on various financial ratios and non-financial performance indicators.

The Corporation's capital management objectives have remained unchanged from the previous year. The Corporation mainly relies on the net debt ratio for overall capital management. Available cash and cash equivalents are also an important factor in capital management, as the Corporation must retain sufficient flexibility to seize potential growth opportunities. To achieve this objective, the Corporation establishes long-term financial forecasts to determine future financing needs in line with its strategic business development plans.

For calculation purposes, net debt is defined as follows:

	As at December 31, 2024	As at December 31, 2023
(in millions of Canadian dollars)		
Debt	3,617	2,995
Current portion of debt	339	271
Transaction costs, net of accumulated amortization	76	61
Less:		
Cash and cash equivalents	592	478
Restricted cash	19	22
Bank overdraft	(5)	(6)
Net debt	3,426	2,833

Note 21. Capital management (cont'd)

The Corporation defines total market capitalization as follows:

	As at December 31, 2024	As at December 31, 2023
(in millions of Canadian dollars, unless otherwise specified)		
Number of outstanding shares (in thousands)	102,767	102,766
Share market price (in \$ per share)	28.71	33.68
Market value of equity attributable to shareholders	2,950	3,461
Non-controlling interests	424	395
Net debt	3,426	2,833
Total market capitalization	6,800	6,689

The Corporation computes the net debt to market capitalization ratio as follows:

	As at December 31, 2024	As at December 31, 2023
(in millions of Canadian dollars, unless otherwise specified)		
Net debt	3,426	2,833
Total market capitalization	6,800	6,689
NET DEBT RATIO (market capitalization)	50%	42%

At present, the net debt to capitalization ratio is currently at 50% and the Corporation wishes to maintain this ratio below 65%. It is important to specify that the Corporation uses a project-based financing approach whereby each project leverage is maximized up to nearly 80% of amounts invested. However, those financing arrangements are generally repayable over the life of the contract. Consequently, as other projects or large projects are added, the debt level could exceed this target, but the Corporation will ensure the ratio is brought back below the set threshold within a reasonable timeframe. In keeping with its corporate objectives announced in the 2025 strategic plan, the Corporation aims to increase the proportion of corporate financing over the next few years to benefit from certain advantages of this type of financing. Although the terms are shorter, corporate financing generally costs less and does not require principal repayments before maturity.

Note 22. Commitments and contingencies

(in millions of Canadian dollars)	Note	Payments			Total
		Less than one year	Between one and five years	More than five years	
Purchase and construction contracts	(a)	195	29	—	224
Maintenance contracts	(b)	34	147	281	462
Other	(c)	12	28	56	96
		241	204	337	782

(a) Purchase and construction contracts

The Corporation has entered into equipment, construction and grid connection contracts for projects under development and construction.

(b) Maintenance contracts

The Corporation has entered into maintenance contracts with initial terms between 15 and 20 years in North America, and from 5 to 20 years in Europe. The Corporation is committed to pay variable amounts based on the achievement of production and availability levels. These amounts are not included in the above commitments table.

(c) Other commitments

The Corporation is bound by royalty and community agreements with Indigenous Peoples and municipalities expiring between 2032 and 2059. The community agreements include clauses relating to the preservation of the natural habitat, use of roads and the community fund.

The Corporation is bound by royalty agreements and is subject to variable conditional royalties related to the operation of its wind farms, solar power stations and hydroelectric power stations. The commitments table above does not include these amounts.

Energy sales and feed-in-premium contracts

Most of the Corporation's electricity production is subject to long-term energy sales contracts or feed-in premium contracts. Most of these contracts are subject to annual indexation. These contracts have the following characteristics:

	Wind	Solar	Hydroelectric
		Terms	
North America	2029 - 2059	2029 - 2046	2027 - 2059
Europe	2025 - 2046	2031 - 2043	—

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 power 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 power 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. On September 7, 2023, Boralex appealed to the Court of Cassation and filed a "full" petition in January 2024. Boralex also submitted a statement of claim to the judicial representative regarding this litigation following the opening of a safeguard procedure against Innovent in October 2023.

Related to the procedure described above, a proceeding led by Innovent was underway before the Execution Judge (Lille), related to the conservatory seizures carried out by Boralex to ensure proper payment of the judgement (immediately enforceable) in its favour, amounting to \$72.7 million (€50.6 million).

In the context of this procedure, on December 5, 2021, Innovent and Mr. Verhaeghe filed a claim against Boralex seeking the release of the enforcement measures carried out by Boralex under the judgement of the Commercial Court of Lille. Since the decision of July 6, 2023 by the Court of Appeal of Douai, which set the amount of the judgement at \$3.6 million (€2.5 million), the conservatory seizures carried out by Boralex have been lifted. In January 2024, Innovent filed a new claim against Boralex, alleging that the seizures prevented Innovent from completing a transaction that would have allowed it to become a public company and reassessed its damage at \$3 billion (€2.1 billion) in May 2024. Boralex and its Board believes that this claim is unfounded; Boralex intends to defend itself vigorously. Boralex has filed its statement of defence during the third quarter of 2024 and Innovent's conclusions on Boralex's brief are expected during the first quarter of 2025.

In addition to the above procedure, 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.

Note 23. Related party transactions

Related parties include the Corporation's subsidiaries, associates, joint ventures, key management personnel and principal shareholders.

Other revenues includes an amount of \$26 million (\$23 million in 2023) for services rendered to associates and joint ventures, while *Trade and other receivables* includes an amount receivable of \$9 million (\$9 million in 2023) related to these transactions. *Financing costs* include \$14 million (\$14 million in 2023) in interest paid to CDPQ, a shareholder of the Corporation, related to the \$250 million debt.

These transactions were made on terms equivalent to those that prevail under normal terms in arm's length transactions.

Note 24. Segment information

The Corporation's operations are grouped into two distinct segments, which represent the Corporation's geographic business units: North America and Europe.

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 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 about reportable segments

The measure of net earnings (loss) 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), with the last two items 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 in joint ventures and associates. *Interests in joint ventures and associates*, *Share in earnings 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 in joint ventures and associates (i.e., the assets, liabilities, income and expenses of these joint 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 (loss), earnings (loss) before income taxes or operating income, which are IFRS measures.

	Combined	
(in millions of Canadian dollars)	2024	2023
Revenues from energy sales and feed-in premiums		
North America	484	465
Europe	449	639
	933	1,104
EBITDA(A)		
North America	403	397
Europe	299	310
	702	707
Other material item in income and expenses:		
Operating expenses		
North America	123	120
Europe ⁽¹⁾	105	280
	228	400

⁽¹⁾ Includes the inframarginal rent contribution on electricity production for an amount of \$26 million in 2024 and \$204 million in 2023.

Reconciliation of information on reportable segments with the amounts reported in the financial statements

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

	2024			2023		
(in millions of Canadian dollars)	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation ⁽¹⁾	Combined
Revenues from energy sales and feed-in premiums of the Corporation	817	116	933	994	110	1,104
Operating expenses						
Total of all reported segments	202	26	228	372	28	400
Unallocated corporate operating expenses	(4)	—	(4)	(4)	—	(4)
Operating expenses of the Corporation	198	26	224	368	28	396
EBITDA(A)						
Total reportable segments	615	87	702	612	95	707
Unallocated corporate expenses	(34)	2	(32)	(34)	2	(32)
EBITDA(A) of the Corporation	581	89	670	578	97	675
Amortization	(297)	(59)	(356)	(293)	(58)	(351)
Impairment	(5)	(47)	(52)	(20)	(1)	(21)
Other gains	5	—	5	1	2	3
Share in earnings of joint ventures and associates	(46)	46	—	(59)	59	—
Change in fair value of a derivative included in the share in earnings of a joint venture	—	—	—	19	(19)	—
Impairment included in the share of earnings of a joint venture	(12)	12	—	—	—	—
Operating income of the Corporation	226	41	267	226	80	306

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

Information about revenues from energy sales and feed-in premiums of the Corporation

(in millions of Canadian dollars)	2024	2023
Revenues from energy sales and feed-in premiums		
Wind	702	871
Solar	48	51
Hydro	67	72
Total	817	994

Information of the Corporation by geographical area

(in millions of Canadian dollars)	2024	2023
Revenues from energy sales and feed-in premiums		
Canada	301	283
United States	66	72
France	450	639
Total	817	994

Revenues from energy sales and feed-in premiums are allocated between countries based on the geographic location where the Corporation derives its revenues.

(in millions of Canadian dollars)	2024	2023
Non-current assets⁽¹⁾		
Canada	3,013	2,364
United States	1,027	1,026
France	2,126	2,068
United Kingdom	340	127
Total	6,506	5,585

⁽¹⁾ Non-current assets excluded financial instruments measured at fair value.

Information about major customers of the Corporation

In 2024, 4 customers (4 in 2023) individually represented 10% or more of the Corporation's total revenues from energy sales. The following table provides the amount of revenues from energy sales relating to each of these major customers as well as the segment presenting these revenues.

2024		2023	
Amount of revenues from energy sales attributable to a major customer (in millions of Canadian dollars)	Segments	Amount of revenues from energy sales attributable to a major customer (in millions of Canadian dollars)	Segments
249	Europe	478	Europe
152	North America	141	North America
125	Europe	137	Europe
102	North America	94	North America

General Information

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ADDITIONAL INFORMATION MAY BE OBTAINED FROM:

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

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

Pour obtenir une version française du rapport annuel, veuillez communiquer avec le service Marketing, affaires publiques et communications corporatives.

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www.centredesinvestisseurs.com/service

SHAREHOLDER INFORMATION

Annual Meeting of Shareholders
Wednesday, May 14, 2025, at 11 AM (Eastern Daylight Time - EDT)

In person at
Maison Manuvie
900 de Maisonneuve Boulevard West, 8th floor
Montréal, Québec
Canada H3A 0A8

Online via live audio webcast at
<https://meetnow.global/M2KH4FV>

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