BORALEX

2021 Expansion in full swing

Positioning for sustainable growth

Interim Report 3

As at September 30, 2021

Management's Discussion and Analysis 3

As at September 30, 2021

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Profile

At Boralex ("Boralex" or the "Corporation"), we have been providing affordable renewable energy accessible to everyone for over 30 years. A leader in the Canadian market and France's largest independent producer of onshore wind power, we also have facilities in the United States and the United Kingdom. Over the past five years, our installed capacity has more than doubled to 2.5 GW. We are developing a portfolio of more than 3 GW of wind and solar projects and almost 200 MW of storage projects, guided by our values and our corporate social responsibility (CSR) approach. Through profitable and sustainable growth, Boralex is actively participating in the fight against global warming. Thanks to our fearlessness, our discipline, our expertise and our diversity, we continue to be an industry leader.

Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at September 30, 2021, the Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, held 12.6% of Boralex's outstanding shares.

Highlights

Note that the information provided on a *Consolidated* basis (formerly *IFRS*) is calculated using the same methodology previously used to prepare the information provided under *IFRS* in previous MD&As.

Three-month periods ended September 30

	Consolidated		Combined(1)	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	**2021**	**2020**	**2021**	**2020**
Power production (GWh)(2)	1,108	789	1,238	1,017
Revenues from energy sales and feed-in premium	126	105	140	130
Operating income	7	3	13	12
EBITDA(A)(1)	81	62	93	83
Net loss	(22)	(8)	(22)	(13)
Net loss attributable to shareholders of Boralex	(20)	(6)	(20)	(11)
Per share - basic and diluted	($0.20)	($0.06)	($0.20)	($0.10)
Net cash flows related to operating activities	47	73	42	66
Cash flows from operations(1)	66	63	—	—
Discretionary cash flows(1)	21	26	—	—

Nine-month periods ended September 30

	Consolidated		Combined(1)	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	**2021**	**2020**	**2021**	**2020**
Power production (GWh)(2)	4,061	3,259	4,554	4,071
Revenues from energy sales and feed-in premium	479	426	532	513
Operating income	109	112	137	149
EBITDA(A)(1)	338	297	372	359
Net earnings	8	30	12	19
Net earnings attributable to shareholders of Boralex	1	29	5	18
Per share - basic and diluted	$0.01	$0.30	$0.05	$0.20
Net cash flows related to operating activities	264	303	272	318
Cash flows from operations(1)	247	238	—	—
Discretionary cash flows(1)	74	80	—	—
	As at Sept. 30	**As at Dec. 31**	**As at Sept. 30**	**As at Dec. 31**
Total assets	5,708	5,314	6,122	5,753
Adjusted debt(1)	3,693	3,609	4,050	3,976
Projects	3,207	3,190	3,564	3,557
Corporate	486	419	486	419

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

Abbreviations and definitions

In alphabetical order

Anticipated production	Historical averages for the oldest facilities adjusted for facility commissioning and planned shutdowns, and productivity forecasts for the other facilities.
CAC 40	The CAC 40 (Cotation Assistée en Continu) is a free float market capitalization weighted index that reflects the performance of the 40 largest and most actively traded shares listed on Euronext Paris, and is the most widely used indicator of the Paris stock market.
CAGR	Compound annual growth rate
Caisse	Caisse de dépôt et placement du Québec
Comparable assets	All the wind farms and power stations in operation during the entirety of a given period and the comparative period
Corporate debt	Comprises Boralex's revolving credit facility and the CDPQ/FSTQ term loan.
Corporate PPA	Power purchase agreement concluded with an energy-consuming company
CRE	Centaurus Renewable Energy LLC
DC&P	Disclosure controls and procedures
DM I and II	Des Moulins Wind Power L.P.
EBITDA	Earnings before taxes, interest, depreciation and amortization
EBITDA(A)	Earnings before taxes, interest, depreciation and amortization adjusted to include other items
EDF	Électricité de France
FiP	Feed-in premium
GWh	Gigawatt-hour
HQ	Hydro-Québec
IASB	International Accounting Standards Board
ICFR	Internal control over financial reporting
IFRS	International Financial Reporting Standards
Interests	Interests in the Joint Ventures and associates
Invenergy	Invenergy Renewables LLC
LP I	Le Plateau Wind Power L.P.
LP II	Le Plateau Community Wind Power L.P.
LTM	Last twelve months
MW	Megawatt
MWac	Megawatt alternating current
MWdc	Megawatt direct current
MWh	Megawatt-hour
NRWF	Niagara Region Wind Farm
NYPA	New York Power Authority
NYSERDA	New York State Energy Research and Development Authority
Ontario ISO	The Independent Electricity System Operator of Ontario
RECs	Renewable Energy Certificates
Repowering	Increase in installed capacity through equipment replacement
RFP	Request for proposals
Roncevaux	Roncevaux Wind Power L.P.
RTE	Manager of Réseau de Transport d'Électricité (France's transmission system operator)
SDB I	Seigneurie de Beaupré Wind Farms 2 and 3
SDB II	Seigneurie de Beaupré Wind Farms 4
Six Nations	Six Nations of the Grand River
SOP	Standing Offer Program

Introductory comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three- and nine-month periods ended September 30, 2021, compared with the corresponding periods of 2020, as well as the Corporation's financial position as at September 30, 2021, compared to December 31, 2020. This report should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes found in this Interim Report, as well as with the consolidated financial statements and related notes found in the most recent Annual Report for the fiscal year ended December 31, 2020.

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

In this MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions. The information contained in this MD&A reflects all material events up to November 11, 2021, the date on which the Board of Directors approved this MD&A and the 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 2020.

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

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

The information in this MD&A is presented as at September 30, 2021, with the exception of the number of sites, which is as of November 11, 2021. The installed capacity is presented as at September 30, 2021 and November 11, 2021, respectively.

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

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

	Closing rate[1]	
	As at September 30,	As at December 31,
Currency	2021	2020
USD	1.2680	1.2725
EUR	1.4683	1.5545
GBP	1.7084	1.7422

	Average rate[2]			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
Currency	2021	2020	2021	2020
USD	1.2600	1.3321	1.2513	1.3541
EUR	1.4851	1.5577	1.4968	1.5220
GBP	1.7366	1.7208	1.7331	1.7197

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

Notice concerning forward-looking statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. Positive or negative verbs such as "will," "would," "forecast," "anticipate," "expect," "plan," "project," "continue," "intend," "assess," "estimate" or "believe," or expressions such as "toward," "about," "approximately," "to be of the opinion," "potential" or similar words or the negative thereof or other comparable terminology, are used to identify such statements. They are based on Boralex management's expectations, estimates and assumptions as at November 11, 2021.

This forward-looking information includes statements about the Corporation's strategies, strategic plan, business model (including with respect to results and performance for future periods, installed capacity targets, EBITDA(A) and discretionary cash flows, organic growth and growth through mergers and acquisitions, obtaining an investment grade credit rating by 2025, maintaining a quarterly dividend of C$0.165 per share, and financial targets and corporate social responsibility (CSR) objectives), the renewable energy production projects in the pipeline or on the Corporation's *Growth Path* and their expected performance, EBITDA(A), EBITDA(A) margins and discretionary cash flow targets of Boralex or those expected to be generated in the future, the Corporation's forecasted financial results, future financial position, installed capacity or megawatt growth objectives, including those set in connection with the Corporation's pipeline of projects and *Growth Path* and outlook, the expected timing of project commissioning, planned production, capital expenditure and investment programs, access to credit facilities and financing, capital tax, income tax, risk profile, cash flows and earnings and their components, the amount of distributions and dividends to be paid to shareholders, as well as the anticipated distribution ratio, the dividend policy and the timing of such distributions and dividends. Actual events or results may differ materially from those expressed in such forward-looking statements.

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

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular forward-looking statement. The main factors that could lead to a material difference between the Corporation's actual results and the forward-looking financial information or the expectations set forth in the forward-looking statements include, but are not limited to, the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, the Corporation's financing capacity, competition, changes in general market conditions, the regulations governing the industry and raw material price increases and availability, litigation and other regulatory issues related to projects in operation or under development, as well as certain other factors described in the documents filed by the Corporation with the different securities commissions.

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

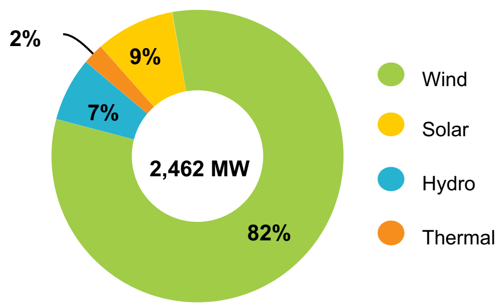
Description of business

Boralex is a Canadian corporation operating in the renewable energy segment. It draws on a workforce of more than 500 people to develop, build and operate power generating facilities in Canada, France, the United States and the United Kingdom. As at September 30, 2021, its asset base of installed capacity comprised 2,462 MW. Projects under construction or ready to build represented an additional 143 MW, to be commissioned by the end of 2023, while the pipeline of secured projects amounted to 521 MW.

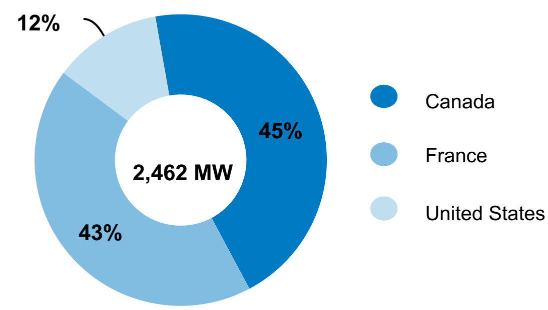
Segment and geographic breakdown

Boralex is active in four complementary power generation segments: wind, hydroelectric, thermal and solar. A major portion of Boralex's installed capacity originates from the wind power segment, making it France's leading independent producer of onshore wind power. The following table provides information about the makeup of the Corporation's energy portfolio in operation as at November 11, 2021.

Segment breakdown



Geographic breakdown



Installed capacity[1]

	Canada		France		United States		Total	
	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites	Installed capacity (MW)	Number of sites
Wind power stations[2]	985	23	1,038	66	—	—	2,023	89
Solar power stations	1	1	13	2	209	7	223	10
Hydroelectric power stations	100	9	—	—	81	7	181	16
Thermal power stations	35	1	—	—	—	—	35	1
	1,121	34	1,051	68	290	14	2,462	116

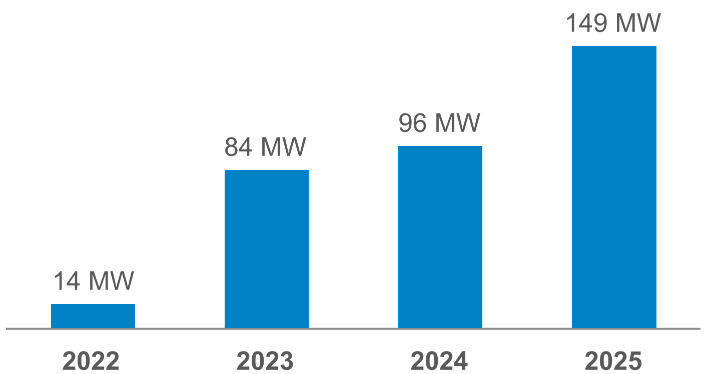
(1) The installed capacity in this MD&A reflects 100% of Boralex's subsidiaries in which Boralex is the controlling shareholder. It also reflects Boralex's share in entities over which it does not have control and which are accounted for using the equity method in this MD&A, consisting of 170 MW in the Joint Ventures operating the Seigneurie de Beaupré Wind Farms in Québec, representing 50% of a total installed capacity of 340 MW, plus 50 MW from interests in two wind farms in Québec, out of a total installed capacity of 96 MW. In November 2020, Boralex acquired the Caisse's interest in three facilities in which Boralex also held an interest in joint ventures. Since this acquisition, Boralex has control over these wind farms and consolidates the results of these subsidiaries.

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

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

Of Boralex's installed capacity, **99%** is covered by indexed, fixed-price energy sales or feed-in premium contracts. These contracts have a weighted average remaining contractual term of **13 years**. The Corporation estimates that the equivalent of 343 MW (14% of installed capacity or 10% of expected current production) will be covered by contracts expiring through December 2025, excluding *Growth path* projects for which contracts have been secured. If new contracts have not been negotiated beforehand, this production will then be sold at market prices. The Corporation expects to continue entering into long-term contracts with electricity-consuming companies or electricity suppliers for its projects under development and capacity upgrade projects.

Annual volume of contracts maturing by December 31, 2025



Corporate PPAs signed in France:

- **5-year term with Orange (2020);**
- **3-year term with Auchan (2020);**
- **5-year term with IBM (2021).**

STRATEGY FOLLOWING MATURITY

60%	40%
Repowering projects	TBD: Repowering, Corporate PPA or Market/hedging

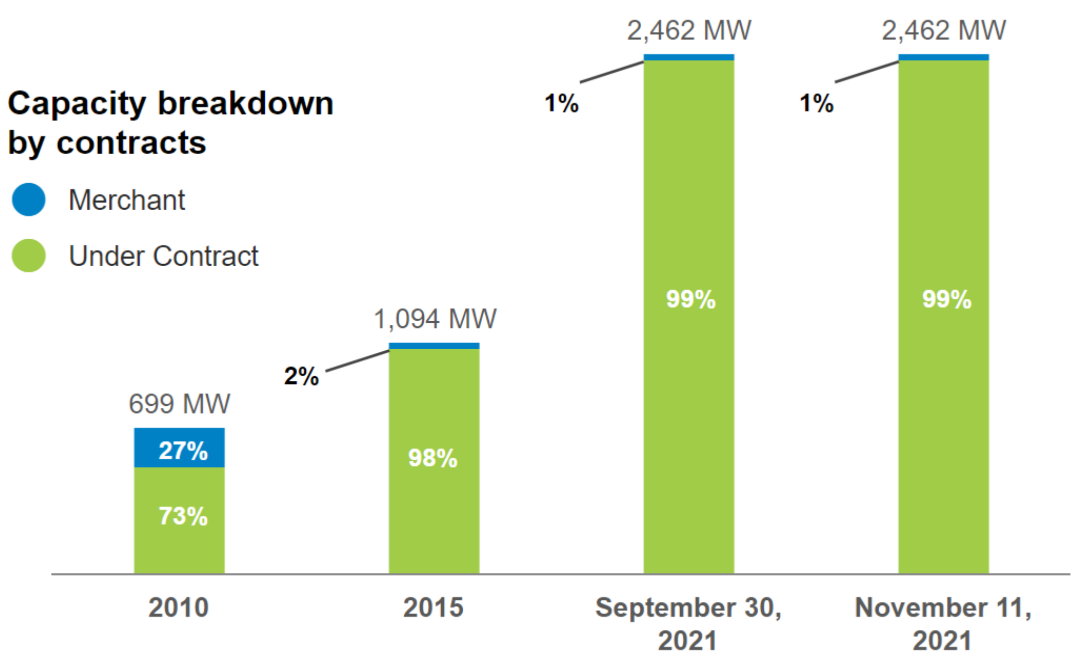
Installed capacity

Boralex's installed capacity increased from 1,094 MW as at December 31, 2015, to 2,462 MW as at November 11, 2021, which represents annual compound growth of **15%** for this period of slightly more than five years. This growth has been achieved both organically and through acquisitions.

Installed capacity

(in MW)

Compound annual growth rate: 15%

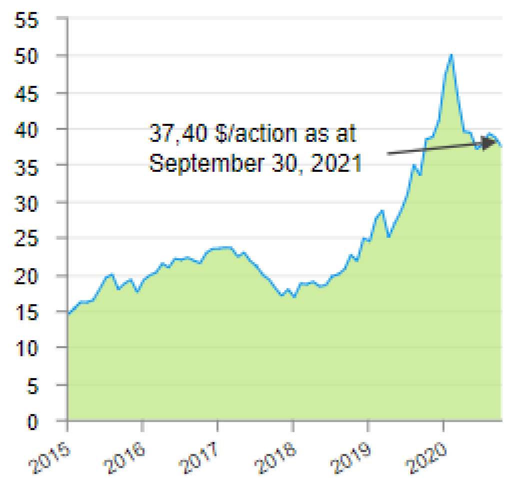


Selected financial information: A growth company

Since December 31, 2015, Boralex's EBITDA(A) and market capitalization have grown at annual compound rates of 20% (17% on a Combined basis) and 28%, respectively. The share price increased at a compound annual rate of 18% over the same period while the amount of dividends paid increased from $27 million in 2015 to $68 million for the 12-month period ended September 30, 2021.

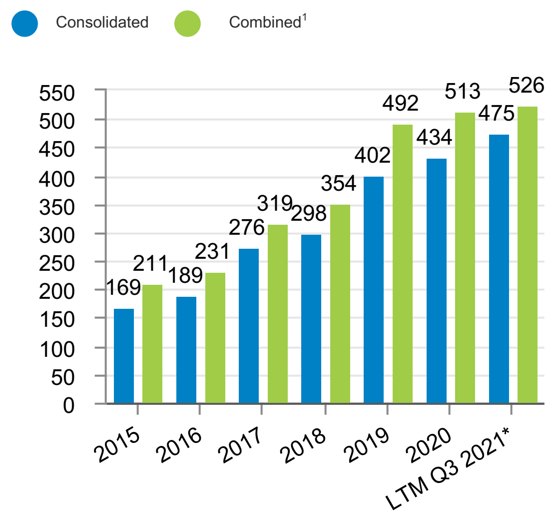
Share price

(Monthly closing price in Canadian dollars)
Compound annual growth rate: 18%
(Toronto Stock Exchange under the ticker BLX)



EBITDA(A)[1]

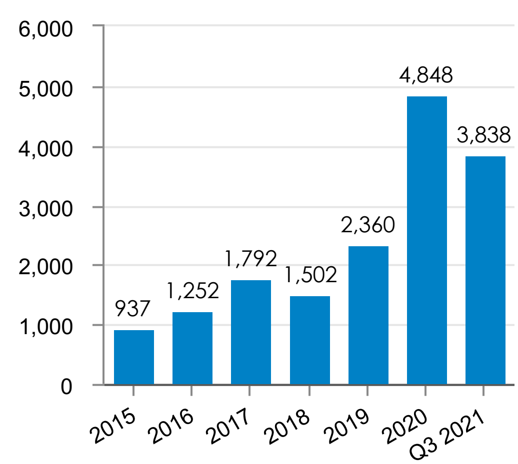
(in millions of Canadian dollars)
Compound annual growth rate: 20% (Consolidated) and 17% (Combined)



* On a Combined basis, for the twelve-month period ended September 30, 2021, EBITDA(A) is broken down as follows; Q3 2021: $93 million, Q2 2021: $117 million, Q1 2021: $162 million and Q4 2020: $154 million, for a total of $526 million.

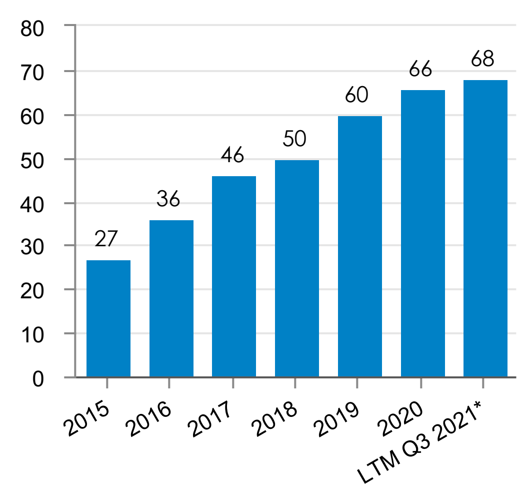
Market capitalization

(in millions of Canadian dollars)
Compound annual growth rate: 28%



Dividends paid

(in millions of Canadian dollars)



* For the twelve-month period ended September 30, 2021, dividends paid are broken down as follows; Q3 2021: $17 million, Q2 2021: $17 million, Q1 2021: $17 million and Q4 2020: $17 million, for a total of $68 million.

[1] These terms 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 financial measures* section in this report.

Growth strategy and development outlook

Strategic plan and financial objectives for 2025

In June 2021, Boralex's management announced its updated strategic plan for steering its actions to achieve the new corporate objectives by 2025. The Corporation continues to build on the four key strategic directions of the plan launched in 2019 and also integrates Boralex's corporate social responsibility (CSR) strategy.

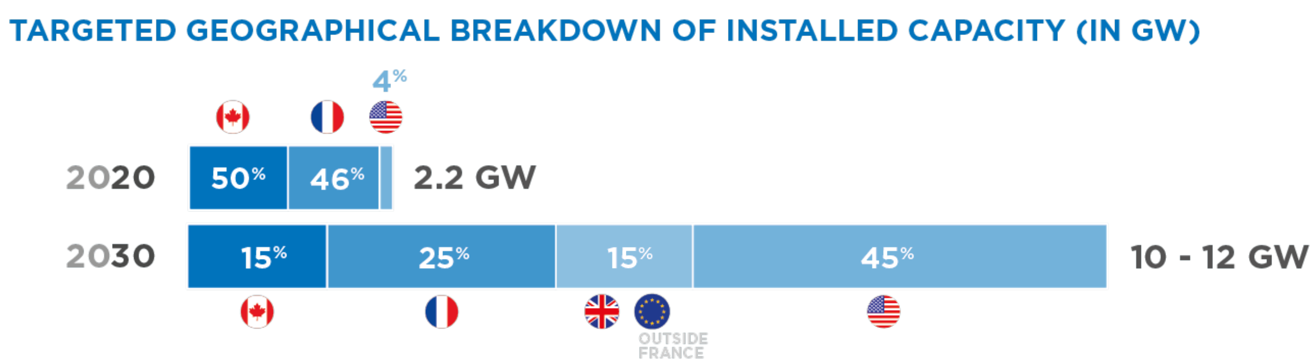
The plan describes the rapid and significant changes in renewable energy development policies and greenhouse gas emission reduction targets in some countries and also reports strong demand for renewable energy from environmentally conscious companies. These factors have created a business environment that offers numerous opportunities for growth, both organic and through acquisitions.

This plan is a continuation of the actions undertaken to date in sectors with strong growth potential and for which the Corporation has developed solid expertise. It also includes complementary initiatives to diversify and optimize its activities and revenue sources. Boralex will continue growing in its high-potential markets in Canada, United States, France and other European countries. The implementation of sustainable recovery plans and more ambitious greenhouse gas reduction targets in these countries should accelerate the demand for renewable energy and the need for interconnections between networks, particularly in Canada and the United States.

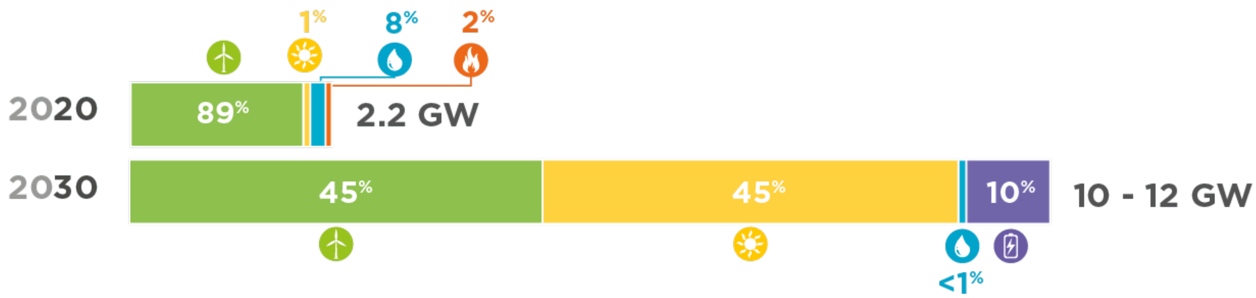
Highlights of the 2025 strategic plan

- Significantly increase the share of solar power in the portfolio of assets and projects and make inroads into the storage market.
- Position the United States as the main development market, diversify geographical presence in Europe as well as in U.S. states other than those in which Boralex already owns assets.
- Accelerate wind power development in Canada.
- Optimize the capital structure by increasing the share of corporate financing, including sustainable financing.
- Broaden the current client base to directly supply electricity-consuming industries seeking to improve their climate and social footprint.
- Integrate the Corporate Social Responsibility strategy, including the environmental, social and governance (ESG) priorities, in Boralex's strategic directions.

As shown by the charts below, the plan announced by Boralex provides for strong growth in installed capacity targets over the next ten years with an optimized breakdown of installed capacity by geographical location and technology. Under the plan, the proportion of installed capacity under contracts is expected to be maintained at a very high level.



TARGETED TECHNOLOGICAL BREAKDOWN OF INSTALLED CAPACITY (IN GW)



TARGETED BREAKDOWN BY CONTRACT TYPE OF INSTALLED CAPACITY (IN GW)

Growth prospects by territory

United States

President Biden and congressional Democrats continued to move forward on the approximately US$3,500 billion budget blueprint to expand social and environmental programs. A portion of the plan has been designed with the goal of having 80% of U.S. electricity produced from clean energy sources by 2030. Specifically, the plan includes investments in electricity transmission, clean energy tax credits and measures to electrify the economy. In early August, the U.S. Senate approved certain measures included in the Infrastructure Plan. Since the Senate passed the US$550 billion budget, which focuses on traditional infrastructure, President Biden and congressional Democrats have made progress on a companion budget bill to expand social and environmental programs.

The Department of Energy has outlined in a new report how the U.S. could move toward generating nearly half of its electricity from solar power by 2050 (about 3,000 GW). To achieve this objective, the U.S. would need to double the installed capacity of solar power each year over the next four years, and then double it again by 2030.

In August, Kathy Hochul was sworn in as the 57th Governor of the State of New York. Upon taking office, she reiterated her commitment to achieve the State’s climate-related targets through the accelerated deployment of renewable energy. In 2019, the State of New York passed the *Climate Leadership and Community Protection Act* (“CLCPA”), which commits it to generate 70% of renewable energy by 2030 and achieve zero emissions by 2040. On April 22, the State of New York launched its fifth RFP to acquire 4.5 million Tier 1 Renewable Energy Certificates (“RECs”).

Also, in September 2021, NYERSDA announced the results of the Tier 4 RFP. Two renewable energy transmission projects were selected: the Clean Path NY (“CPNY”) project, developed by Forward Power (a joint venture of Invenergy and EnergyRe) and the New York Power Authority, and the Champlain Hudson Power Express (“CHPE”) project, developed by Transmission Developers, Inc. (backed by Blackstone) and Hydro-Québec. Together, these projects could provide New York City with approximately 18 million MWh of renewable energy per year, enough to power more than 2.5 million homes. These two renewable energy transmission projects will support the construction of projects in both upstate New York and Québec.

NY STATE, US TARGETS

70% renewables by **2030**

Zero emission electrical grid by **2040**

Have **10,000 EV** charging stations by the end of 2021 and **850,000** zero emission vehicles by 2025

Add 3 GW of energy **storage** production capacity by **2030**

2020 ISSUE ORDER TO ACCELERATE THE TRANSITION

+40% of the demand **of Tier 1 projects** requiring NYSERDA to contract **4,500 GWh/year** between **2021 and 2026**

New Tier 4 RFP program for up to **3,000 MW** through one or more RFPs

In January 2021, Boralex closed the acquisition of a majority interest in a portfolio of seven solar power stations in the United States with an installed capacity of 209 MWac. The majority of the facilities are in the state of California, a fast-growing market for renewable energy. In June 2021, the California Public Utilities Commission ("CPUC") ordered state utilities to procure 11,500 megawatts (MW) of new electricity resources to come on stream between 2023 and 2026, with all of the resources procured from preferred resources, such as distributed energy resources, renewables, and zero-emitting sources. Boralex intends to continue its development efforts in this expanding market.

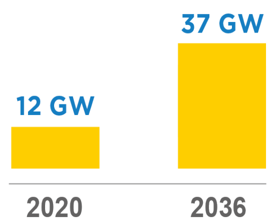
CALIFORNIA STATE, US TARGETS

60%
of electricity sales from **renewable energy** by 2030

ZERO
emissions by the power sector by 2045

SOLAR ENERGY AND STORAGE MARKET POTENTIAL IN CALIFORNIA

SOLAR ENERGY CAPACITY



ENERGY STORAGE CAPACITY

The California Public Utilities Commission (CPUC) modelled the need for at least **10 GW of deployed energy storage over the next 10 years**

When announcing its 2025 strategic plan in June 2021, Boralex stated its intention to make the United States its primary growth market and expand its presence in the coming years to other States with high potential for growth. To do this, the Corporation is investing in expanding its U.S. development team and is working to set up an integrated structure of development for new facilities and acquisitions in order to accelerate its growth.

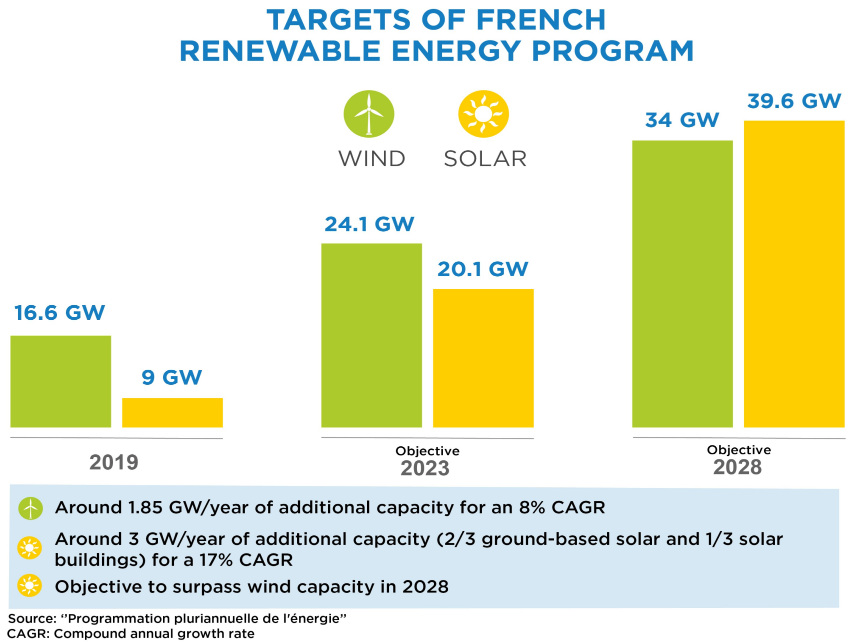
Canada

On September 20, 2021, Canadians re-elected a minority Liberal government with few changes to the makeup of the House of Commons. As a result, the Canadian government's commitments in the fight against climate change and the related policies could be expected to be maintained. This includes the measures set out in Canada's climate plan to protect the environment, create jobs and support communities. The plan provides for, among other initiatives, a $15 annual increase in the price of a tonne of carbon to reach $170 per tonne by 2030, and additional investments of $964 million to be made over the next four years to enhance grid modernization and greening. This includes support to increase production capacity from renewable energy sources, such as wind and solar, as well as energy storage. With this climate plan, the Government of Canada has renewed its commitment to continue to collaborate with provinces, utilities and the other partners to achieve its target of zero net carbon emissions from electricity generation by 2050.

In Québec, the government and Hydro-Québec continue to focus on wind power to meet future energy needs. Two RFPs will be launched by the end of 2021 – 300 MW of wind power and 480 MW of renewable energy – which will only cover a portion of Québec's power needs up to 2029. The Québec government estimates these needs at a minimum of 1,400 MW and intends to earmark a significant portion for wind power. The forecasted needs for Québec are mainly based on the implementation of the Plan for a Green Economy ("PEV") announced in November 2020 by the Minister of the Environment and the Fight against Climate Change, which forecasts that Québec will reduce its GHG emissions by 37.5% compared to 1990 levels by 2030 and will become carbon neutral by 2050. The amount of new supply of electricity needed to implement the measures provided for in this plan has not yet been determined. Projects to export power to the Northeastern United States have to be added to these new domestic needs, namely the previously mentioned project to power New York City and the annual 9.45 MW in power for the Massachusetts export project (NECEC).

France and other European countries

In France, as shown in the following chart, government programs anticipate a substantial and sustained increase in the share of wind and solar power as energy sources over the next decade. This large increase in anticipated volume will be accompanied by a more competitive environment. From an economic perspective, projects are made to compete against each other through tendering mechanisms and purchase agreements are negotiated directly with electricity consuming companies. The RTE study published in September 2021, "Futurs Énergétiques 2050," shows that regardless of the energy choices made by France, large-scale development of renewable energy, including onshore wind power and solar photovoltaics, will be necessary to achieve carbon neutrality in 2050 and ensure the security of power supplies.



When announcing its 2025 strategic plan in June 2021, Boralex stated its intention to expand its presence in the coming years to other European countries with high potential for growth, particularly in the solar power segment. The Corporation carried out in-depth analyses in Spain, Portugal, Sweden and Ireland as these markets with high potential are considered to be suitable for the type of development contemplated by Boralex. The Corporation will prioritize these markets as well as the United Kingdom where it is developing both organic and acquisition projects outside France with its partner Infinergy.

A plan built around four strategic directions

Based on the market analysis carried out, Boralex's management built its strategic plan around four main directions and six corporate objectives. To successfully implement its plan, the Corporation relies on its solid expertise and long track record in project development.

UPDATED STRATEGIC DIRECTIONS AND INTEGRATION OF CSR STRATEGY

GROWTH

- **Accelerate our organic** growth to maximize future value creation across our markets
- **Make the US our priority market and extend 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**

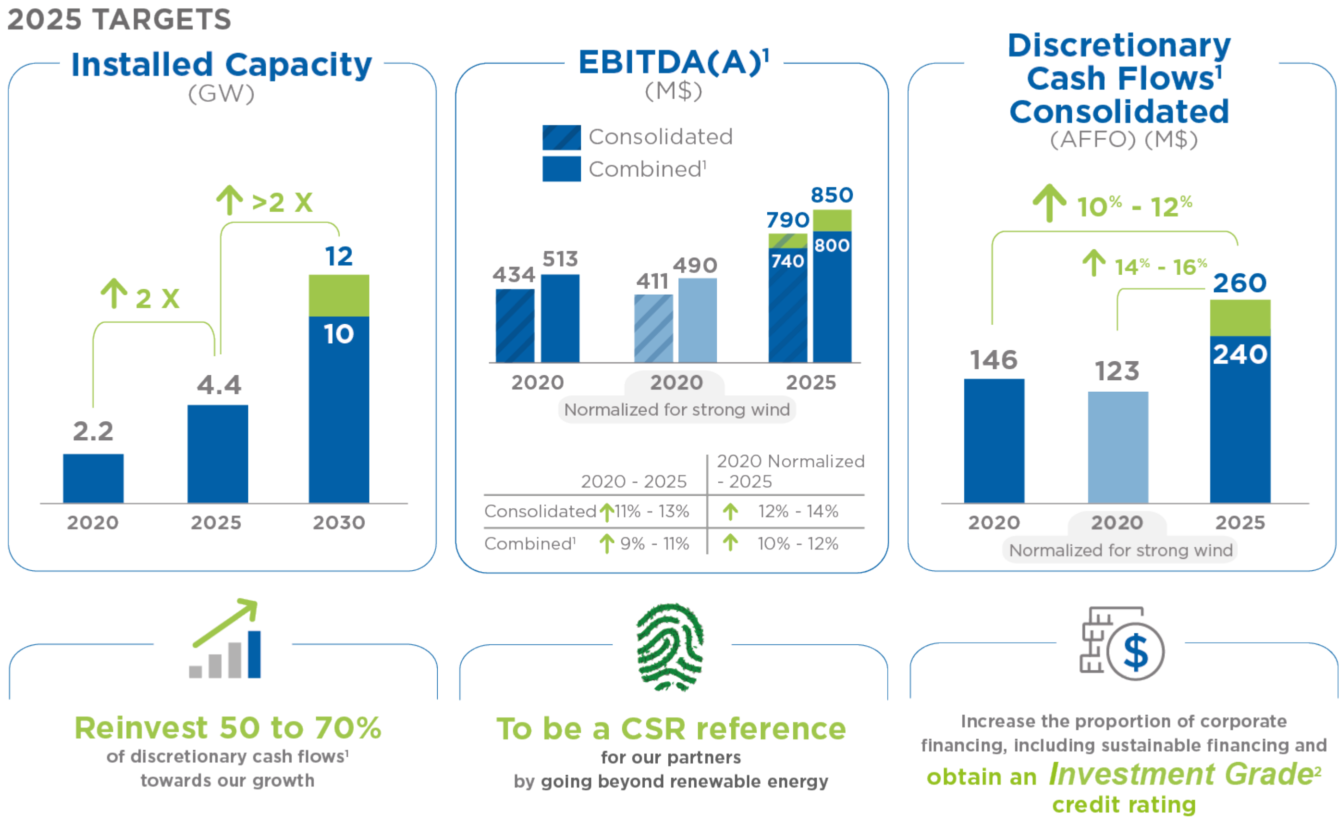
CORPORATE SOCIAL RESPONSIBILITY

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**.



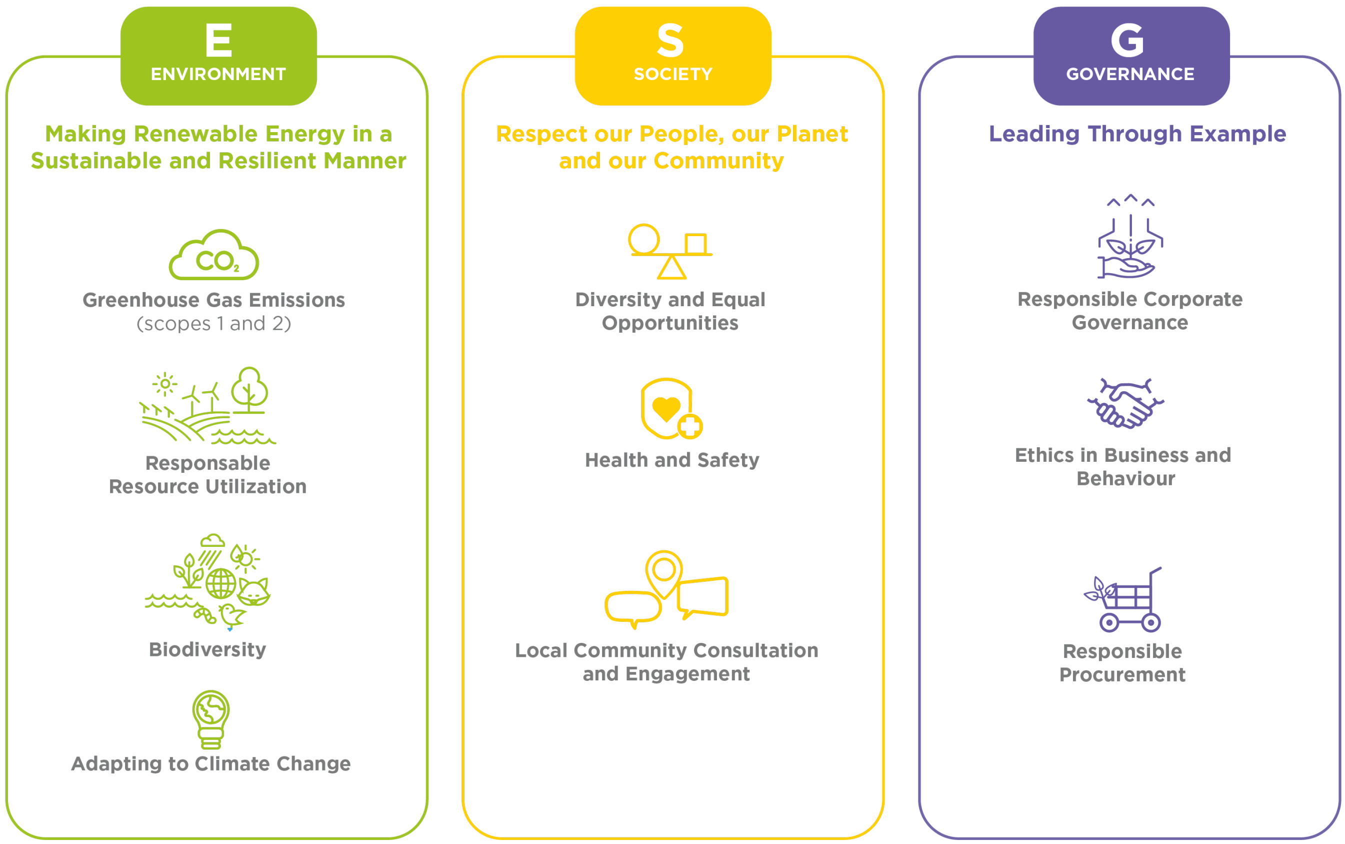
The Corporation also intends to maintain exemplary financial discipline by targeting projects and acquisitions that meet specific growth and synergy criteria in order to create value and generate returns in line with shareholder expectations. Accordingly, the Corporation intends to carry out more projects through partnerships while maintaining control and management of operations.

Boralex is also maintaining the same approach that has contributed to its success to date, which consists in relying primarily on predictable cash flows through long-term, indexed, fixed-price energy sales or feed-in premium contracts with financially solid corporations (including EDF, Hydro-Québec, Ontario ISO, NYISO and BC Hydro). These contracts do not contain a price adjustment or production clause for situations such as the COVID-19 pandemic. As at September 30, 2021, 99% of the Corporation's installed capacity was covered under contracts with a weighted average remaining term of 13 years.

[1] These terms 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 financial measures* section in this report.

[2] Minimal credit rating of BBB-

Lastly, significant efforts were made in recent quarters to formalize Boralex's CSR strategy and its position regarding ESG (Environmental, Social and Governance) criteria. Boralex management has also decided to integrate the CSR strategy in its corporate objectives for 2025. This plan will allow Boralex to accelerate its development initiatives in the high-growth renewable energy sector. This development will be carried out in a disciplined manner and with the utmost respect for environmental, social and corporate governance criteria. Our primary objective is to become the leading CSR reference for our partners by going beyond renewable energy. The Corporation intends to accelerate its *Beyond Renewable Energy* approach, which includes ten environmental, social and governance priorities, starting in 2021.



Development outlook by strategic direction

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

Growth

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

BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE

TOTAL **3,144 MW**

STORAGE **193 MW**

EARLY STAGE

- Real estate secured
- Interconnection available
- Confirmation of the project by local communities and regulatory risks

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	315 MW	339 MW	654 MW
	115 MW	150 MW	265 MW
PRODUCTION CAPACITY	430 MW	489 MW	919 MW
STORAGE	190 MW	-	190 MW

MID STAGE

- North America: Preliminary valuation and design to submit a bid under a request for proposals
- Europe: Preliminary design and request to obtain administrative authorizations

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	560 MW	555 MW	1,115 MW
	-	132 MW	132 MW
PRODUCTION CAPACITY	560 MW	687 MW	1,247 MW
STORAGE	-	-	-

ADVANCED STAGE

- North America: Project submitted under a request for proposals(1)
- Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)(1)

(1) or actively looking for a partner for the Corporate PPA projects

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	-	121 MW	121 MW
	845 MW	12 MW	857 MW
PRODUCTION CAPACITY	845 MW	133 MW	978 MW
STORAGE	-	3 MW	3 MW

TOTAL

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	875 MW	1,015 MW	1,890 MW
	960 MW	294 MW	1,254 MW
PRODUCTION CAPACITY	1,835 MW	1,309 MW	3,144 MW
STORAGE	190 MW	3 MW	193 MW

GROWTH PATH

TOTAL **664 MW**

SECURED STAGE

- North America: Contract win (REC or PPA) and interconnection secured
- Europe: Contract win (PPA) and interconnection secured (France); project authorized by regulatory authorities and interconnection secured (Scotland)

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	100 MW	208 MW	308 MW
	200 MW	13 MW	213 MW
TOTAL	300 MW	221 MW	521 MW

UNDER CONSTRUCTION OR READY-TO-BUILD

- Permits obtained
- Financing in progress
- Commissioning date determined
- Cleared of any claims (France)
- Aproved by Boralex Board of Directors

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	-	122 MW	122 MW
	-	21 MW	21 MW
TOTAL	-	143 MW	143 MW

TOTAL

	CANADA AND UNITED STATES	FRANCE AND OTHERS	TOTAL BORALEX
	100 MW	330 MW	430 MW
	200 MW	34 MW	234 MW
TOTAL	300 MW	364 MW	664 MW

CURRENTLY IN OPERATION 2,462 MW

Updated as of November 11, 2021

The pipeline comprises projects totalling the equivalent of 3,144 MW, up 69 MW from the previous quarter. The *Growth path* totalled 664 MW, up 34 MW from the previous quarter.

The **wind** power segment remains the Corporation's main driver of growth, with a project pipeline totalling 1,890 MW, up 41 MW from the previous quarter. The **solar** power segment pipeline comprises projects totalling the equivalent of 1,254 MW, up 28 MW from the previous quarter. This segment offers high growth potential in Europe and North America.

Note that in France, 103 MW of wind and solar projects were added to the early stage projects pipeline.

Europe

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

According to the data shown in the *Strategic plan and financial objectives for 2025* section of this report, government programs in France provide for a substantial 7.5 GW increase in wind power's share between 2019 and 2023 and the RTE study shows the need for large-scale development in renewable energy to achieve carbon neutrality by 2050.

In France, the Corporation has the necessary strengths to capitalize on development opportunities when they arise due to its long-standing presence and in-depth market knowledge. It has a portfolio of **wind** power projects at varying stages of completion, equal to a capacity of about 874 MW, up 41 MW from the previous quarter. Building on these achievements, Boralex actively participates in the tendering process for the construction of wind farms in France. For the 2021-2024 period, this process aims to award all feed-in premium contracts in two tranches of 925 MW each every year. Each contract will have a 20-year term as of commissioning. Following the wins under these RFPs since they were launched, the Corporation is one of the top three companies with the largest number of MW awarded to date, strengthening its position as a leading independent producer of onshore wind power in France.

The **Moulins du Lohan** project, which was selected under the November 2020 RFP and is covered by a 20-year contract, obtained a favourable decision from the Conseil d'État in its ruling issued on April 15, 2021. As a result, the 65 MW project is included under *Projects under construction or ready to build*. For more information on the ruling of the Conseil d'État, see the *Commitments and contingencies* note to the current quarterly financial statements.

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

Boralex has a portfolio of **solar** power projects at varying stages of completion, with a capacity of about 294 MW (264 MW in France and 30 MW in Scotland), up 28 MW from the previous quarter in France. Details on the segment's development program are provided in the *Diversification* section of this report.

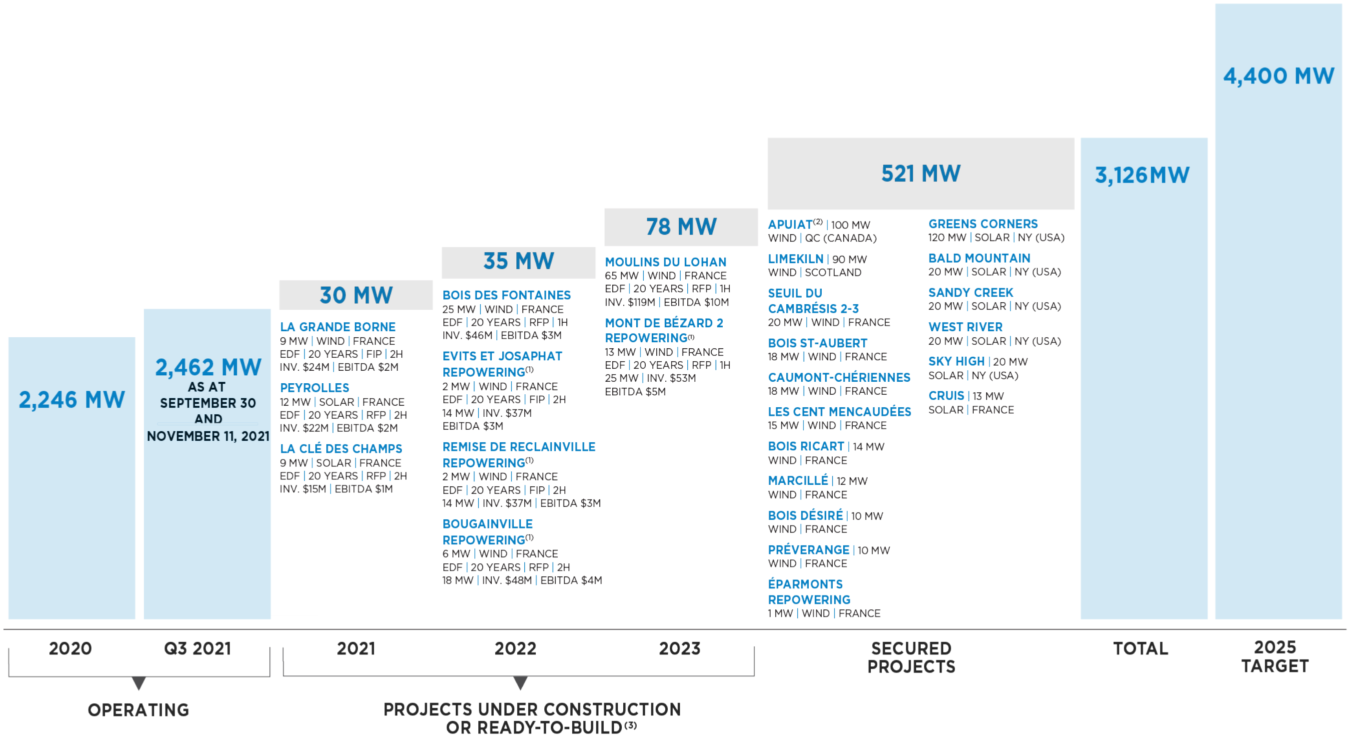
North America

Boralex's portfolio of **wind** power projects in North America represents 875 MW. The signing of a power purchase agreement for the **Apuiat** project in February 2021 marks the recovery of the wind power sector in Québec and new RFPs will be launched by year-end. The State of New York will be sourcing imported energy from Canada which will increase demand for power in Québec.

The Corporation also has a portfolio of **solar** power projects totalling 960 MW, stable from the previous quarter. Details on the development program for this segment are provided in the *Diversification* section of this report.

Growth path

Installed capacity



(1) The Evits et Josaphat repowering project represents a total capacity of 14 MW with an increase of 2 MW, the Remise de Reclainville repowering project represents a total capacity of 14 MW with an increase of 2 MW, the Bougainville repowering project represents a total capacity of 18 MW with an increase of 6 MW and the Mont de Bézard 2 repowering project represents a total capacity of 25 MW with an increase of 13 MW.

(2) The Corporation holds 50% of the shares of the 200 WM wind power project but does not have control over it.

(3) The total project investment and the estimated annual EBITDA for projects in France have been translated into Canadian dollars at the closing rate on September 30, 2021.

As shown in the chart above, as at November 11, 2021, Boralex has facilities in operation with installed capacity totalling 2,462 MW, following the disposal of the 4 MW **Oldman** wind farm in July 2021 and the commissioning of the 14 MW **Extension Plaine d'Escrebieux** wind farm on August 1, 2021.

In France, seven wind power and two solar power projects are either under construction or have completed all preliminary stages and obtained pre-construction approvals. They are all subject to long-term feed-in premium contracts. These projects will contribute to the Corporation's results when commissioned in 2021, 2022 and 2023.

Note that four *Growth path* projects that are in the *Projects under construction or ready-to-build* phase aim to replace existing wind turbines with new equipment (repowering) for wind farms with energy sales contracts expiring over the next few years. These wind farms with 48 MW of overall installed capacity before repowering work will benefit from a 23 MW increase for a total of 71 MW after the work, covered by new 20-year energy sales contracts with EDF in France.

Overall, the contribution to EBITDA of *Projects under construction or ready-to-build* is estimated at $32 million, based on total expected production and adjusted using the Canadian dollar exchange rate at the end of the quarter. This amounts to an additional estimated contribution to EBITDA of $23 million taking into account the estimated EBITDA generated by the wind farms before the repowering work. The implementation of these projects is expected to require investments totalling about $401 million, financed by debts up to $323 million. As of September 30, 2021, the amounts already invested in these projects totalled $134 million.

The capacity of *Secured projects* increased by 34 MW from the previous quarter mainly following the addition of two secured projects: **Les Cent Mencaudées** and **Caumont Chériennes**.

Commissioning of secured facilities and projects under construction is expected to bring Boralex's installed capacity to 3,126 MW.

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

Growth

- Commissioning in France of the 14 MW **Extension Plaine d'Escrebieux** wind farm on August 1.
- Addition of two secured projects totalling 33 MW to the *Growth path*.
- Addition of wind farm projects totalling 78 MW to the preliminary phase of the project portfolio.

Diversification

The Corporation intends to strengthen its presence in the solar power sector and participate in developing storage markets. It is also seeking to accelerate the development of its energy marketing skills in order to optimize its portfolio of contracts.

Boralex is focusing its business diversification efforts on its **solar** power segment. Projects considered to be part of Diversification represent a potential additional capacity of 1,254 MW.

Europe

According to the data shown in the *Strategic plan and financial objectives for 2025* section of this report, government programs in France provide for a substantial 11.1 GW increase in solar power's share between 2019 and 2023. Boralex has accelerated the development of this segment's initiatives in France with the aim of actively competing in RFPs. This process involves the award of feed-in premium contracts, consisting of two 1 GW tranches per year between 2021 and 2024, two thirds of which represent ground mounted projects, which is the market targeted by Boralex.

The Corporation is also active in developing new solar power projects, both ground-based and floating, to be added to its pipeline as well as in prospecting for acquisitions in the sector. Also, work continues on two solar power projects included in the *Growth path* as *Projects under construction or ready-to-build*: **Peyrolles**, a 12 MWac floating solar power project and **La Clé des Champs**, a 9 MWac ground-based solar power project. The Corporation has joined forces with Sun'Agri to develop agrivoltaics in France and Europe and build new solar power stations that protect agricultural operations from increasing challenging weather conditions. This partnership consists of a 10-year framework agreement under which Boralex will work exclusively with Sun'Agri to develop agrivoltaic projects in the European Union.

North America

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

During the third quarter, Boralex submitted solar power projects totalling 800 MW under NYSERDA's fifth Tier 1 RFP in the State of New York. The results are expected at the end of the fourth quarter of 2021 or at the beginning of the first quarter of 2022.

Under the Tier 4 RFP in the State of New York, Boralex had an agreement to include in the the Clean Path NY (CPNY) line portfolio projects totalling 200 MW that were selected under the 2019 Tier 1 RFP. Since the Clean Path line project was selected under that RFP, Boralex can potentially count on additional revenues from these projects starting in 2027 when this line will be completed.

Energy storage

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

In particular, such a service will ensure power grid stability, as well as support the integration of solar and wind power by shifting peak production to periods of high energy demand. It also serves to meet excess requirements during peak periods or when the supply system fails. Its portfolio of projects represents 193 MW in this respect.

During the third quarter, the Corporation also submitted bids for energy storage associated with solar power projects under NYSERDA's Tier 1 RFP.

The boxed information below provides the *Diversification* highlights.

Diversification

- Solar power projects totalling 800 MW submitted at the end of August 2021 under NYSERDA's Tier 1 RFP in the State of New York.
- 680 MW of solar power projects included under the advanced phase.
- Addition of solar projects totalling 25 MW to the preliminary phase of the project portfolio.

Customers

As indicated in its updated strategic plan, the Corporation intends to develop and expand its current clientele to directly supply energy-consuming industries seeking to reduce their carbon footprint. Boralex also wishes to adjust its business practices to focus on customer needs based on geographic location.

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

Boralex has observed an increase in demand from potential clients in recent months owing to the rise in energy prices. The Corporation is assessing the short-term opportunities resulting from sharp and significantly high market prices to adapt its strategy accordingly.

Note that during the first quarter, Boralex entered into a new five-year renewable power purchase agreement with IBM France and during the last fiscal year, Boralex had announced the signing of two energy sales agreements with the Orange and Auchan groups for a total of 55 MW.

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

The boxed information below provides the *Customers* highlights.

Customers

- Increase in demand from potential clients owing to the rise in energy prices.

Optimization

This strategic direction has three main components:

- Optimize our assets and promote our organization's sustainable performance culture;
- Use corporate financing, including sustainable financing, and partnerships to promote our growth;
- Increase the efficiency of corporate services through simplification, digitalization, and automation.

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

In particular, this resulted in repowering initiatives for certain wind farms in France. The use of more high-performance equipment enables a substantial increase in installed capacity and is expected to result in an additional contribution to annual EBITDA and a new 20-year contract. Note that operations were resumed at the **Cham Longe I** wind farm during fiscal 2020, following the completion of its repowering project.

Four other repowering projects are included in the *Growth path* under *Projects under construction or ready-to-build* phase. During the third quarter, preparatory work continued at the **Mont de Bézard 2 Repowering** project while construction was started on the **Évits et Josaphat Repowering**, **Remise de Reclainville Repowering** and **Bougainville Repowering** projects. The **Éparmonts Repowering** project is in the secured phase since the second quarter of 2021. Following repowering work, these five projects will have a total installed capacity of 84 MW, an increase of 24 MW. These projects will benefit from more high-performance equipment and a new 20-year contract.

In July, Boralex disposed of **Oldman** (4 MW), its only operating wind farm in Alberta, which was not covered by a fixed-price energy sales contract.

On September 29, 2021, the Corporation obtained a five-year extension to September 29, 2026 for its revolving credit facility. Including Export Development Canada's guaranteed letter of credit facility, the total authorized amount is $525 million. The facility also includes an amount of $150 million under an accordion clause that can be drawn as needed. This renewal resulted in an enhancement of lines of credit as well as favourable amendments and adjustments to the general terms and conditions.

Boralex intends to take over and perform service and maintenance work in-house for assets in several wind farms in Canada, currently under external maintenance contracts. The Corporation also took the necessary measures to repatriate service and maintenance work in-house starting in December 2021 for assets with an installed capacity of 71 MW in Canada.

In June, the Corporation announced the signing of long-term maintenance contracts with Vestas for its assets equipped with Vestas wind turbines that are currently operating or scheduled for commissioning in France (319 MW). The term of these contracts coincides with that of power purchase agreements specific to these wind farms. These contracts will allow Boralex to benefit from competitive operating costs, production commitments in line with its optimization strategy and an optimal allocation of Boralex maintenance teams across its 1 GW of operating assets. They also guarantee availability, ensure maximum effectiveness and maintain connections with Boralex's host regions. Internal teams dedicated to operational excellence will continue to track the performance of all of Boralex's assets in France, including those serviced by Vestas.

The boxed information below provides *Optimization* highlights.

Optimization

- Start of construction work at the **Évits et Josaphat Repowering, Remise de Reclainville Repowering** and **Bougainville Repowering** projects.
- Renewal and extension of the $525 million revolving credit facility with an amount of $150 million under an accordion clause that can be drawn as needed.

Corporate objectives for 2025 - current status

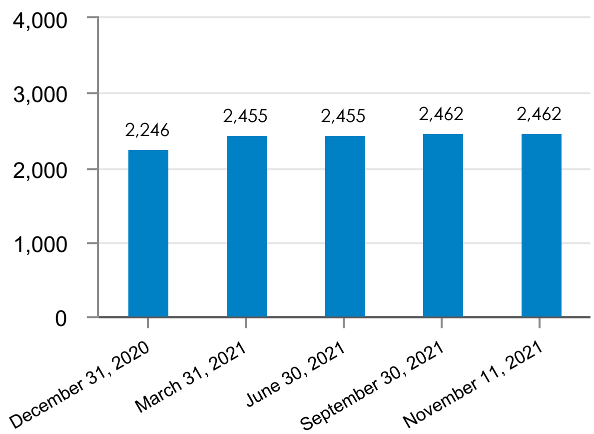
To ensure that the implementation of the strategic plan results in disciplined growth while creating shareholder value, Boralex's management monitors the three financial criteria included in the corporate objectives for 2025.

1. Double installed capacity by 2025

As at November 11, 2021, Boralex had an installed capacity totalling 2,462 MW, 216 MW higher than the level as at the end of fiscal 2020.

Installed capacity

(in MW)



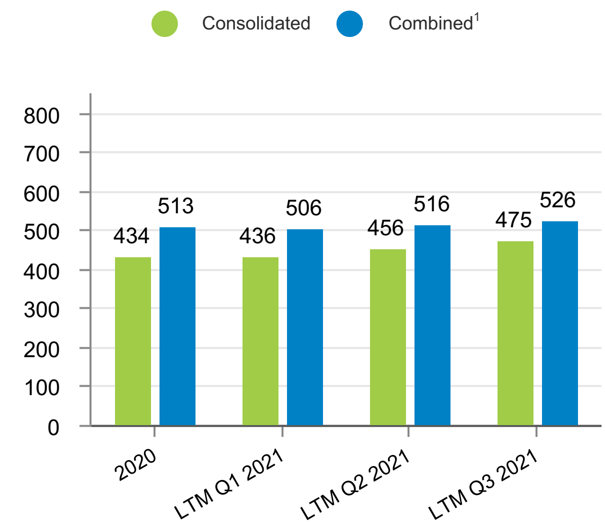
2. Achieve $740 million to $790 million of consolidated EBITDA(A), or $800 million to $850 million of EBITDA(A) on a Combined basis, by 2025

EBITDA(A) amounted to $81 million on a Consolidated basis and $93 million on a Combined basis for the three-month period ended September 30, 2021, compared with $62 million and $83 million, respectively, for the corresponding quarter of 2020. These differences stemmed mainly from the contributions of commissioned and acquired facilities, which largely offset lower volumes, mainly for comparable assets in the wind power segment.

EBITDA(A) amounted to $338 million on a Consolidated basis and $372 million on a Combined basis for the nine-month period ended September 30, 2021 compared with $297 million and $359 million, respectively, for the corresponding period of 2020. This change was mainly due to the growth of the Corporation.

EBITDA(A)[1]

(in millions of Canadian dollars)



1 These terms 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 financial measures* section in this report.

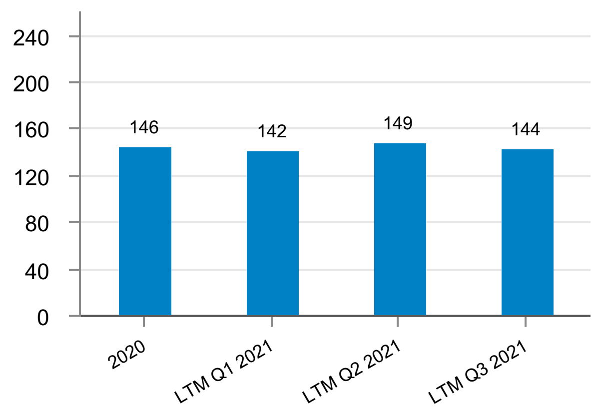
3. Generate $240 million to $260 million in discretionary cash flows by 2025

Discretionary cash flows amounted to $21 million for the entire three-month period ended September 30, 2021 compared with $26 million for the corresponding quarter in 2020. This $5 million decrease resulted from the fact that the increase in payments on non-current debt and distributions to non-controlling shareholders exceeded the increase in discretionary cash flows.

For the 12-month period ended September 30, 2021, discretionary cash flows amounted to $144 million compared with $146 million for the 12-month period ended December 31, 2020.

Discretionary cash flows[1]

(in millions of Canadian dollars)

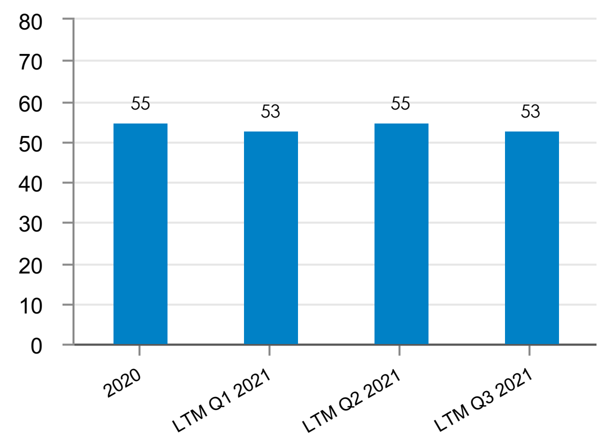


4. Reinvest 50% to 70% of discretionary cash flows in growth

The reinvestment ratio represents the portion of cash flows available for reinvestment in growth for the Corporation. For the 12-month period ended September 30, 2021, the reinvestment ratio stood at 53%. The payout ratio(1) was 47%, which falls within the target payout ratio range of 30% to 50% to allow for reinvestment of between 50% and 70% of discretionary cash flow into growth.

Reinvestment ratio[1]

(as a %)



[1] These terms 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 financial measures* section in this report.

5. Be the leading CSR reference for our partners

Boralex published its first separate CSR plan at the end of February 2021. This report illustrates the disciplined approach taken by the Corporation in developing its CSR strategy, which is also well aligned with its strategic plan as well as its financial objectives.

The Corporation consulted all of its stakeholders to identify the priority issues for which specific actions plans have been developed and will be implemented over the coming years. Ten issues have been identified and are presented in the report under three separate headings: Leading through example, Making renewable energy in a sustainable and resilient manner, and Respect our people, our planet and our community.

To accelerate implementation of its CSR strategy and ensure a smooth and disciplined deployment, Boralex hired, in mid-April, a CSR director reporting directly to the President and CEO.

The CSR strategy is now an integral part of Boralex's updated strategic plan. Boralex won a silver medal following an assessment by the EcoVadis platform, which measures the CSR performance of companies. The Corporation was ranked in the 92nd percentile in its industry. Boralex was subject to this assessment following an agreement with France's Orange for the sale of renewable energy. The boxed information below presents the main developments in this area over the third quarter.

E
ENVIRONMENT

Making Renewable Energy in a Sustainable and Resilient Manner

Assessment of the Corporation's carbon footprint is underway.

CO2 emissions avoided: Review of the current calculation methodology and identifying areas for continuous improvement.

A plan for managing end-of-life assets is being drawn up.

S
SOCIETY

Respect our People, our Planet and our Community

Launch of the mandatory training on indigenous culture for North American employees.

Setting targets for women's representation among new hires and management.

Setting a target for women's representation on the Board of Directors.

Boralex's participation in the seventh Women in the Workplace survey.

G
GOVERNANCE

Leading Through Example

First-time participation in S&P Global Corporate Sustainability Assessment; results expected in Q4 2021.

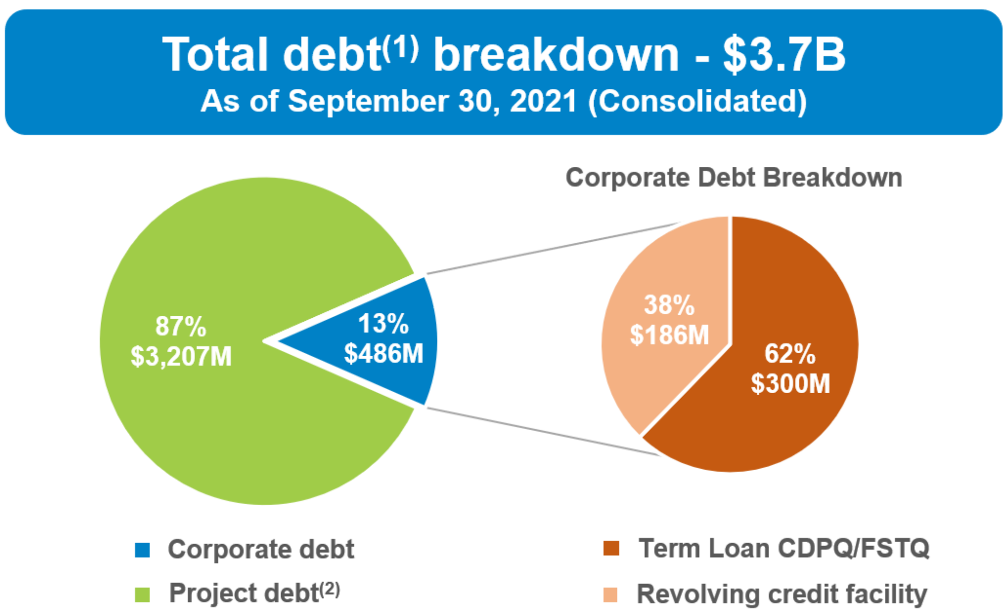
Participation in CDP's annual questionnaire.

First-time involvement in sustainable finance as part of the amendment to Boralex's revolving credit facility.

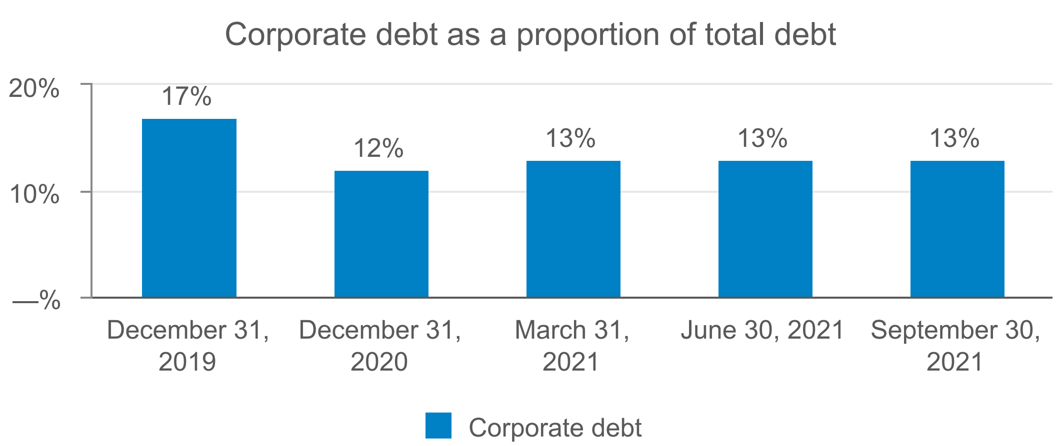
6. Increase the portion of corporate financing, including sustainable financing, and obtain an investment grade credit rating

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. In addition to more diversified access to financial markets, this type of financing has other advantages compared with project financing. Corporate financing is generally subject to fewer restrictions, thereby reducing the need to build up financial reserves, increasing financial flexibility and allowing Boralex to better use the cash generated by the operation of its facilities. Also, although the terms are shorter, corporate financing generally costs less and does not require principal repayments before maturity.

Also, during the third quarter, the Corporation renewed its $525 million revolving credit facility for a residual five-year term with an amount of $150 million under a accordion clause that can be drawn as needed. This renewal has resulted in a lower interest rate, facilitates development in the United States and the flow of cash generated by the operation of U.S. facilities. The credit facility qualified as a sustainability-linked financing for which annual ESG objectives must be met. This is Boralex's first sustainability-linked financing. Lastly, also in connection with its CSR initiatives, Boralex intends to be involved in the sustainable finance market through its revolving credit facility and the issuance of “green” or “CSR” loans.



(1) Excludes financing costs.
(2) Without recourse to the parent company.



Financial highlights

	Three-month periods ended September 30				Nine-month periods ended September 30			
	2021	2020	Change		2021	2020	Change	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)			GWh or $	%			GWh or $	%
POWER PRODUCTION (GWh)[1]								
Wind power stations	716	596	120	20	2,968	2,566	402	16
Hydroelectric power stations	205	144	61	42	567	560	7	1
Solar power stations	150	7	143	>100	402	18	384	>100
Thermal power stations[2]	37	42	(5)	(11)	124	115	9	8
	1,108	789	319	40	4,061	3,259	802	25
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	92	85	7	8	378	356	22	6
Hydroelectric power stations	17	14	3	26	46	48	(2)	(4)
Solar power stations	14	2	12	>100	37	5	32	>100
Thermal power stations[2]	3	4	(1)	(34)	18	17	1	5
	126	105	21	20	479	426	53	12
Operating income	7	3	4	>100	109	112	(3)	(2)
EBITDA(A)[3]								
Wind power stations	75	69	6	8	323	309	14	4
Hydroelectric power stations	13	9	4	38	34	35	(1)	(3)
Solar power stations	12	1	11	>100	32	2	30	>100
Thermal power stations[2]	—	—	—	—	3	2	1	77
	100	79	21	26	392	348	44	13
Corporate and eliminations	(19)	(17)	(2)	(9)	(54)	(51)	(3)	(5)
	81	62	19	31	338	297	41	14
NET EARNINGS (LOSS)	(22)	(8)	(14)	>(100)	8	30	(22)	(74)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	(20)	(6)	(14)	>(100)	1	29	(28)	(97)
NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	($0.20)	($0.06)	($0.14)	>(100)	$0.01	$0.30	($0.29)	(97)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	47	73	(26)	(36)	264	303	(39)	(13)
CASH FLOWS FROM OPERATIONS[3]	66	63	3	5	247	238	9	4
DIVIDENDS PAID ON COMMON SHARES	17	17	—	—	51	49	2	4
DIVIDENDS PAID PER COMMON SHARE	$0.165	$0.165			$0.495	$0.495		
Weighted average number of shares outstanding – basic	102,618,702	98,645,991			102,618,642	97,197,046		

(1) Includes financial compensation following electricity production limitations imposed by clients.
(2) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.
(3) These terms 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 financial measures* section in this report.

Financial highlights (cont'd)

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at September 30, 2021	As at December 31, 2020
Total cash, including restricted cash	254	277
Property, plant and equipment	3,297	3,112
Total assets	5,708	5,314
Debt, including current portion of debt	3,611	3,516
Total liabilities	4,495	4,323
Total equity	1,213	991
Net debt to market capitalization ratio(1)	46%	41%

(1) These terms 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 financial measures* section in this report.

Changes in the portfolio in operation

Project name	Type of transaction	Total capacity (MW)	Effective date	Segment / Country	Energy contract term / Client	Ownership (%)
Santerre	Commissioning	15	August 1	Wind/France	20 years/EDF/FiP	100
Blanches Fosses	Commissioning	11	November 1	Wind/France	20 years/EDF/FiP	100
LP I, DM I and II	Acquisition	145	December 1	Wind/Canada	Note(1)	Note(1)
Cham Longe I Repowering	Commissioning	17	December 1	Wind/France	20 years/EDF/FiP	100
Extension Seuil de Bapaume	Commissioning	17	December 1	Wind/France	20 years/EDF/FiP	100
2020		**+ 205 MW**			Installed capacity: **2,246 MW(2)**	
Solar power stations portfolio - Boralex US Solar	Acquisition	209	January 29	Solar/United States	Note(3)	Note(3)
Blendecques	Disposal	-12	May 1	Thermal/France	N/A	100
Bazougeais	Commissioning	12	May 1	Wind/France	20 years/EDF/FiP	100
Oldman	Disposal	-4	July 9	Wind/Canada	-	100
Extension Plaine d'Escrebieux	Commissioning	14	August 1	Wind/France	20 years/EDF/RFP	100
November 11, 2021		**+ 219 MW**			Installed capacity: **2,462 MW(2)**	

(1) Boralex now owns 100% of the shares of these three wind farms. The long-term power purchase agreements entered into with Hydro-Québec Distribution expire between 2032 and 2033 with a weighted average remaining term under contract of nearly 12.5 years, as at the date of acquisition.

(2) During fiscal 2020, capacity increases totalling 2 MW were made to existing French facilities, while net capacity in the United States was reduced by 1 MW. During the nine-month period of 2021, for consistency purposes, an adjustment of 3 MW was made to the French solar facilities.

(3) The long-term power purchase agreements will expire between 2029 and 2046 with a weighted average remaining term of nearly 21.5 years, as at the date of acquisition. Boralex has a controlling interest ranging from 50% to 100% in the solar power stations.

Analysis of consolidated operating results for the three-month period ended September 30, 2021

100% increase in operating income and 31% growth in EBITDA(A) driven in large part by expansion in the Corporation's operating base.

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

Total power production

(GWh)	Q3 2021				Q3 2020				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	In GWh	%
Wind										
Comparable assets[(1)(4)]	220	308	—	528	243	347	—	590	(62)	(10)
Acquisition - LP I, DM I and II	142	—	—	142	—	—	—	—	142	—
Commissioning[(2)]	—	29	—	29	—	6	—	6	23	>100
Temporary shutdown - Cham Longe I	—	17	—	17	—	—	—	—	17	—
Wind - total	362	354	—	716	243	353	—	596	120	20
Hydroelectric										
Comparable assets	95	—	110	205	105	—	39	144	61	42
Hydroelectric - total	95	—	110	205	105	—	39	144	61	42
Solar										
Comparable assets	—	7	—	7	—	7	—	7	—	(10)
Boralex US Solar power stations[(1)]	—	—	143	143	—	—	—	—	143	—
Solar - total	—	7	143	150	—	7	—	7	143	>100
Thermal[(3)]										
Senneterre	37	—	—	37	42	—	—	42	(5)	(11)
Thermal - total	37	—	—	37	42	—	—	42	(5)	(11)
Total[(1)]	494	361	253	1,108	390	360	39	789	319	40

(1) Includes compensation following power generation limitations imposed by clients
(2) See the *Changes in the portfolio in operation* table in this section.
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.
(4) The Oldman wind farm, which was sold in July 2021, was not adjusted in the comparable assets, as its impact on results is negligible

For the quarter ended September 30, 2021, Boralex reported production of 1,108 GWh compared with 789 GWh for the same quarter of 2020. The 40% increase was driven primarily by the contribution of sites acquired in the Canadian wind and U.S. solar power segments (see the *Changes in the portfolio in operation* table in this section).

Wind

Total production at the Corporation's wind farms for the third quarter of 2021 amounted to 716 GWh, up 20% from 596 GWh for the same period of 2020.

In **Canada**, the acquisition of the Caisse's 49% interest in the **LP I** and **DM I** and **II** wind farms added 142 GWh of production in the most recent quarter compared with a year earlier. This offset the effect of less favourable wind conditions for comparable assets, at which production volume was down 10%. As a result, in the third quarter of 2021, Canadian wind assets generated a total of 362 GWh, up 49% from 243 GWh a year earlier.

In **France**, the commissioning of new facilities and the resumption of operations at the **Cham Longe I** wind farm after a temporary shutdown (see *Changes in the portfolio in operation* table in this section) contributed 46 GWh to production in the last quarter, offsetting the 39 GWh decline in production by comparable assets owing to less favourable wind conditions. The French wind power segment's total production volume stood at 354 GWh in the third quarter of 2021, a level consistent with that reported for the same quarter last year.

Hydroelectric

In the third quarter of 2021, hydroelectric power stations generated 205 GWh, up 42% from 144 GWh in the same quarter of 2020.

In **Canada**, owing to less favourable conditions, the hydroelectric power segment's production volume fell 10% to 95 GWh in the third quarter of 2021 from 105 GWh in the same period a year earlier.

In the **United States**, hydroelectric facilities experienced outstanding conditions compared with last year. Production in the third quarter of 2021 totalled 110 GWh, up nearly threefold from the 39 GWh volume recorded a year earlier.

Solar

For the third quarter of 2021, production at our solar power stations stood at 150 GWh, up from 7 GWh for the same period in 2020, following the January 2021 acquisition of interests in solar power stations in the United States.

Revenues from energy sales and feed-in premium

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

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Other segments	**Consolidated**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	85	14	2	4	**105**
Segment breakdown	81%	13%	2%	4%	**100%**
Acquisitions/ commissioning[1]	19	—	13	—	**32**
Volume	(9)	4	—	—	**(5)**
Pricing	(1)	—	—	—	**(1)**
Foreign exchange effect	(2)	—	—	—	**(2)**
Other	—	(1)	(1)	(1)	**(3)**
Change	7	3	12	(1)	**21**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	92	17	14	3	**126**
Segment breakdown	73%	13%	11%	3%	**100%**

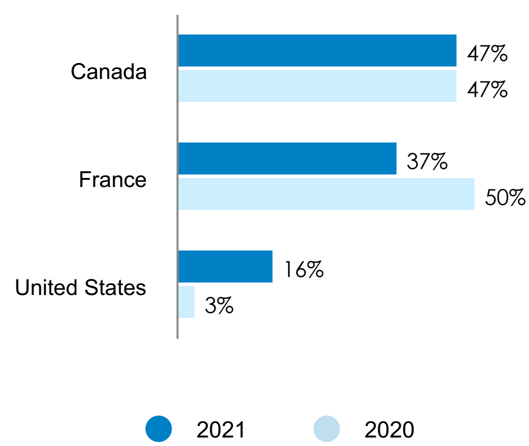
[1] See the *Changes in the portfolio in operation* table in this section.

For the three-month period ended September 30, 2021, revenues from energy sales totalled $126 million, up $21 million from $105 million for the same quarter of 2020. Contributions from facilities acquired in the US solar and Canadian wind power segments and assets commissioned in France (see the *Changes in the portfolio in operation* table in this section) were the key factor behind the following changes:

- Difference of 20% between the 40% increase in production volume and a 20% increase in revenues compared with the same quarter of 2020 (see *Financial highlights* in this section);
- Changes in segment breakdown, as set out in the table above, and in geographic breakdown, depicted in the following chart.

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

(Three-month periods ended September 30)



Wind

For the third quarter of 2021, wind power segment revenues totaled $92 million, up 8% from $85 million year over year.

In **Canada**, the acquisition of the Caisse's interest in the **LP I, DM I** and **II** wind farms more than offset the effect of unfavourable wind conditions for comparable wind farms, giving rise to 32% growth in revenues from the third quarter of 2020.

In **France**, unfavourable wind conditions were partially offset by the commissioning of wind farms, resulting in a 10% decrease in revenues compared with a year earlier.

Hydroelectric

For the third quarter of 2021, the hydroelectric power segment generated revenues of $17 million, up 26% from $14 million for the same quarter of 2020.

In **Canada**, revenues fell $2 million in the third quarter of 2021 compared with the same period of 2020 owing to unfavourable conditions.

In the **United States**, the $5 million increase was driven primarily by higher production volumes as a result of exceptionally favourable water flow conditions compared with a year earlier.

Solar

For the third quarter of 2021, solar power segment revenues rose $12 million to $14 million from $2 million year over year, following the January 2021 acquisition of interests in solar power stations in the United States.

EBITDA(A)[(1)]

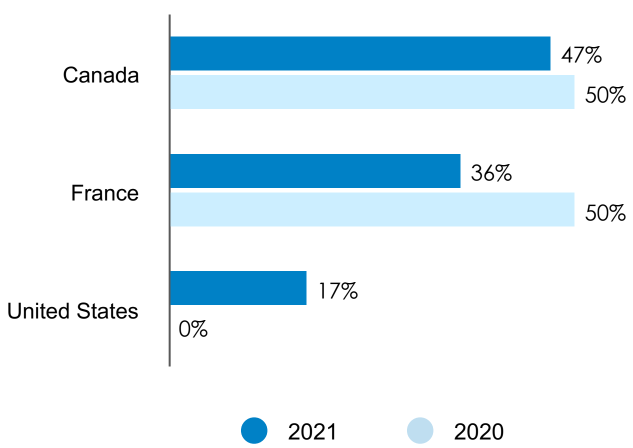
Main differences in EBITDA(A)

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Wind	Hydro	Solar	Corporate and eliminations	**Consolidated**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	69	9	1	(17)	**62**
Segment breakdown[(2)]	87%	12%	1%		**100%**
Acquisitions/commissioning[(3)]	18	—	11	—	**29**
Volume	(9)	4	—	—	**(5)**
Pricing	(1)	—	—	—	**(1)**
Foreign exchange effect	(2)	—	—	1	**(1)**
Other[(4)]	—	—	—	(3)	**(3)**
Change	6	4	11	(2)	**19**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	75	13	12	(19)	**81**
Segment breakdown[(2)]	75%	13%	12%		**100%**

(1) These terms 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 financial measures* section in this report.
(2) Excluding corporate segment and eliminations.
(3) See the *Changes in the portfolio in operation* table in this section.

Geographic breakdown of EBITDA(A)[(1)]

(Three-month periods ended September 30)



(1) Excluding the corporate segment and eliminations.

For the third quarter of 2021, the Corporation recorded EBITDA(A) of $81 million, up $19 million or 31% from the same quarter of 2020.

Wind

Wind power segment EBITDA(A) amounted to $75 million for the third quarter of 2021, up 8% compared with the same quarter of 2020.

In **Canada**, the acquisition of the Caisse's interest in the **LP I, DM I** and **II** wind farms more than offset the effect of unfavourable wind conditions, giving rise to a 31% improvement in EBITDA(A) compared with the third quarter of 2020.

In **France**, unfavourable wind conditions were partially offset by the commissioning of wind farms, resulting in a 10% decrease in EBITDA(A) compared with a year earlier.

Hydroelectric

For the third quarter of 2021, the hydroelectric power segment generated EBITDA(A) of $13 million, up 38% from $9 million for the same quarter of 2020.

In **Canada**, EBITDA(A) fell $1 million in the third quarter of 2021 compared with the same period of 2020 owing to unfavourable conditions.

In the **United States**, the $5 million increase was driven primarily by higher production volumes due to significantly more favourable water flow conditions than a year earlier.

Solar

Solar power segment EBITDA(A) rose $11 million in the third quarter of 2021 compared with the same period of 2020, following the acquisition of interests in solar power stations in the United States.

Excluding the acquisitions, the facilities commissioned and the resumption of operations following repowering projects, revenues from energy sales declined 8% in the third quarter of 2021 compared with last year, while operating expenses were relatively unchanged. The difference in the relationship between costs and revenues stemmed from unfavourable wind conditions.

Main differences in net loss attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	(6)
EBITDA(A)[1]	19
Excess of the interest over the net assets of Joint Venture SDB I	(6)
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	3
Amortization	(15)
Financing costs	(16)
Other	1
Change	(14)
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	(20)

[1] These terms 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 financial measures* section in this report.

Excess of the interest over the net assets of Joint Venture SDB I

During the third quarter of 2021, the Corporation accounted for no Excess of the interest over the net assets of Joint Venture SDB I, compared with the reversal of part of an excess amounting to $6 million for the same period of 2020, giving rise to a $6 million unfavourable difference. Under IFRS, if Boralex's interest in a Joint Venture becomes negative following the payment of distributions, the carrying amount of such interest is reduced to zero and the adjustment is recorded under Excess of the interest over the net assets of Joint Venture SDB I. When the carrying amount of the interest becomes positive again, the adjustment is reversed up to the cumulative amount previously recognized as an excess amount. The Corporation presents this excess amount in the *Share in earnings of the Joint Ventures and associates* in the consolidated statements of earnings (loss).

Change in fair value of derivative included in the share of the Apuiat Joint Venture

During the third quarter of 2021, a gain reflected in the change in fair value of a derivative financial instrument related to the power purchase agreement was recognized in project earnings, which affected the share of the **Apuiat** Joint Venture in the amount of $3 million. The Corporation has reported this change in the *Share in earnings of the Joint Ventures and associates* in the consolidated statements of earnings (loss).

Amortization

Amortization expense for the third quarter of 2021 rose $15 million to $74 million, owing mainly to expansion in the Corporation's operating base and the revision of estimated useful lives of facilities subject to a repowering.

Financing costs

Financing costs amounted to $36 million for the third quarter of 2021, up $16 million year over year, driven primarily by acquisitions in 2020 and 2021. In addition, the Corporation had recorded a $12 million gain on the refinancing of the NRWF debt, thereby decreasing financing costs in Q3 2020.

Net loss

Overall, for the three-month period ended September 30, 2021, Boralex recognized a net loss of $22 million, compared with a net loss of $8 million for the same period of 2020. A net loss of $2 million was attributable to non-controlling interests of Boralex for the third quarter of 2021, which was unchanged from the third quarter of 2020.

As shown in the table above, Boralex reported a net loss attributable to shareholders of Boralex of $20 million or $0.20 per share (basic and diluted) for the third quarter of 2021, compared with a net loss attributable to shareholders of Boralex of $6 million or $0.06 per share (basic and diluted) for the same period of 2020. The $14 million unfavourable difference resulted from the above-mentioned items.

Analysis of consolidated operating results for the nine-month period ended September 30, 2021

Stable operating income and 14% growth in EBITDA(A) driven in large part by expansion in the Corporation's operating base.

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

Total power production

(GWh)	Year-to-date 2021				Year-to-date 2020				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	In GWh	%
Wind										
Comparable assets[(1)(4)]	878	1,379	—	2,257	943	1,598	—	2,541	(284)	(11)
Acquisition - LP I, DM I and II	555	—	—	555	—	—	—	—	555	—
Commissioning[(2)]	—	92	—	92	—	6	—	6	86	>100
Temporary shutdown - Cham Longe I	—	64	—	64	—	19	—	19	45	>100
Wind - total	1,433	1,535	—	2,968	943	1,623	—	2,566	402	16
Hydroelectric										
Comparable assets	291	—	276	567	294	—	266	560	7	1
Hydroelectric - total	291	—	276	567	294	—	266	560	7	1
Solar										
Comparable assets	—	17	—	17	—	18	—	18	(1)	(3)
Boralex US Solar power stations[(1)]	—	—	385	385	—	—	—	—	385	—
Solar - total	—	17	385	402	—	18	—	18	384	>100
Thermal										
Blendecques - Disposition[(3)]	—	19	—	19	—	19	—	19	—	1
Senneterre	105	—	—	105	96	—	—	96	9	10
Thermal - total	105	19	—	124	96	19	—	115	9	8
Total[(1)]	1,829	1,571	661	4,061	1,333	1,660	266	3,259	802	25

(1) Includes compensation following power generation limitations imposed by clients.
(2) See the *Changes in the portfolio in operation* table in this section.
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.
(4) The Oldman wind farm, which was sold in July 2021, was not adjusted in the comparable assets, as its impact on results is negligible.

For the nine-month period ended September 30, 2021, Boralex reported production of 4,061 GWh compared with 3,259 GWh for the same period of 2020. The 25% increase was driven primarily by the contribution of sites acquired in the Canadian wind and U.S. solar power segments (see the *Changes in the portfolio in operation* table in this section).

Wind

Total production at the Corporation's wind farms amounted to 2,968 GWh, up 16% from 2,566 GWh for the same period of 2020.

In **Canada**, the acquisition of the Caisse's 49% interest in **LP I, DM I** and **II** wind farms added 555 GWh of production for the first nine months of the year compared with a year earlier. This offset the effect of less favourable wind conditions for comparable assets, at which production volume was down 7%. As a result, for the nine-month period ended September 30, 2021, Canadian wind assets generated a total of 1,433 GWh, up 52% from 943 GWh for the same period of 2020.

In **France**, the commissioning of new facilities and the resumption of operations at the **Cham Longe I** wind farm after a temporary shutdown (see *Changes in the portfolio in operation* table in this section) contributed 156 GWh to production for the first nine months of 2021, which partially offset the 14% decline in production by comparable assets owing to less favourable wind conditions. Total French wind power segment production stood at 1,535 GWh for the nine-month period ended September 30, 2021, down 5% from 1,623 GWh for the same period of 2020.

Hydroelectric

The hydroelectric power stations generated 567 GWh in the first nine months of 2021, which was consistent with the 560 GWh generated in the same period of 2020.

In **Canada**, water flow conditions have been generally stable year to date, with production of 291 GWh compared with 294 GWh for the same period of 2020.

In the **United States**, significantly improved water flow conditions in the third quarter of 2021 more than offset the decline in the first half of the year, with production up 4% to 276 GWh for the first nine months of 2021 from 266 GWh a year earlier.

Solar

The solar power stations generated 402 GWh for the first nine months of 2021, up from 18 GWh from the same period of 2020, following the January 2021 acquisition of interests in solar power stations in the United States.

Revenues from energy sales and feed-in premium

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

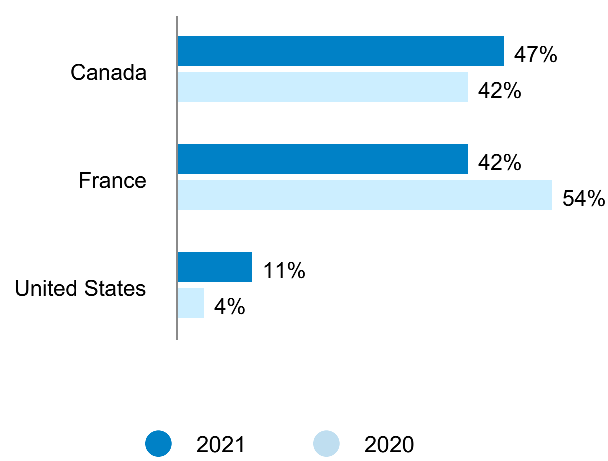
(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Other segments	Consolidated
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	356	48	5	17	**426**
Segment breakdown	84%	11%	1%	4%	**100%**
Acquisitions/ commissioning[(1)]	74	—	33	—	**107**
Volume[(2)]	(40)	1	—	—	**(39)**
Foreign exchange effect	—	(2)	—	—	**(2)**
Pricing	(4)	—	—	—	**(4)**
Other	(8)	(1)	(1)	1	**(9)**
Change	22	(2)	32	1	**53**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	378	46	37	18	**479**
Segment breakdown	79%	10%	7%	4%	**100%**

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

(2) Excluding the temporary shutdowns and resumptions.

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

(Nine-month periods ended September 30)



For the nine-month period ended September 30, 2021, revenues from energy sales totalled $479 million, up $53 million from the same period of period of 2020. Contributions from facilities acquired in the U.S. solar and Canadian wind power segments and assets commissioned in France (see the *Changes in the portfolio in operation* table in this section) were the key factor behind the following changes:

- A 25% increase in production volume and 12% increase in revenues compared with the first nine months of 2020 ;
- Changes in segment breakdown, as set out in the table above, and in geographic breakdown, depicted in the following chart.

Wind

For the nine-month period ended September 30, 2021, wind power segment revenues amounted to $378 million, up 6% from the same period of 2020.

In **Canada**, the acquisition of the Caisse's interest in the **LP I, DM I** and **II** wind farms more than offset the effect of unfavourable wind conditions, giving rise to a 35% improvement in revenues compared with the nine-month period ended September 30, 2020.

In **France**, unfavourable wind conditions were partially offset by commissioning, resulting in a 12% decrease in revenues compared with a year earlier.

Hydroelectric

For the nine-month period ended September 30, 2021, the hydroelectric power segment generated $46 million in revenues, down 4% from $48 million for the corresponding period of 2020.

In **Canada**, revenues were down $2 million year to date compared with the first nine months of 2020 owing to unfavourable conditions.

In the **United States**, hydroelectric facilities generated $18 million in revenues, unchanged from the same period of 2020.

Solar

For the first nine months of 2021, solar power segment revenues rose $32 million to $37 million from $5 million for the same period of 2020, following the January 2021 acquisition of interests in solar power stations in the United States.

EBITDA(A)[(1)]

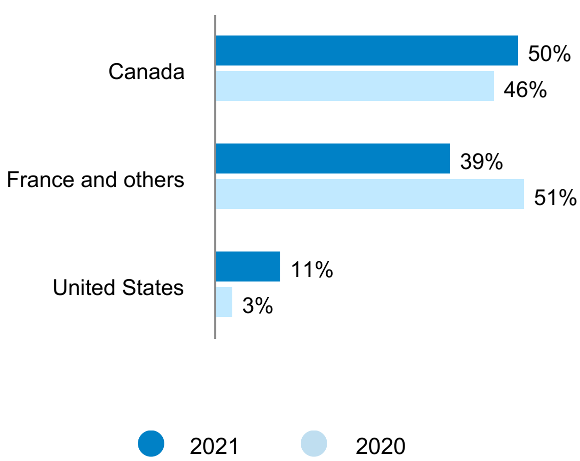
Main differences in EBITDA(A)

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Wind	Hydro	Solar	Other segments	Corporate and eliminations	**Consolidated**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	309	35	2	2	(51)	**297**
Segment breakdown[(2)]	89%	10%	—%	1%		**100%**
Acquisitions/commissioning[(3)]	65	—	28	—	—	**93**
Volume[(4)]	(40)	1	—	—	—	**(39)**
Pricing	(4)	—	—	—	—	**(4)**
Development	—	—	2	—	(5)	**(3)**
Other	(7)	(2)	—	1	2	**(6)**
Change	14	(1)	30	1	(3)	**41**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	323	34	32	3	(54)	**338**
Segment breakdown[(2)]	82%	9%	8%	1%		**100%**

(1) These terms 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 financial measures* section in this report.
(2) Excluding the corporate segment and eliminations.
(3) See *Changes in the portfolio in operation* table in this section.
(4) Excluding the temporary shutdowns and resumptions.

Geographic breakdown of EBITDA(A)[(1)]

(Nine-month periods ended September 30)



(1) Excluding the corporate segment and eliminations.

For the nine-month period ended September 30, 2021, consolidated EBITDA(A) amounted to $338 million, up $41 million or 14% from the same period of 2020.

Wind

For the nine-month period ended September 30, 2021, the wind power segment generated EBITDA(A) of $323 million, up $14 million or 4% from the same period of 2020.

In **Canada**, EBITDA(A) improved by 29% to $176 million compared with the nine months ended September 30, 2020.

In **France**, EBITDA(A) for the nine months ended September 30, 2021 fell 15% to $147 million compared with a year earlier.

Contributions from the assets acquired in Canada and those commissioned in France resulted in a $65 million positive difference, partially offset by a $40 million decline related to lower production at comparable assets owing to less favourable wind conditions in France and Canada compared with last year. That was in addition to an unfavourable price difference of $4 million resulting primarily from the expiry of a power purchase agreement with EDF for a wind farm.

Hydroelectric

For the nine-month period ended September 30, 2021, hydroelectric power segment EBITDA(A) amounted to $34 million, down 3% from $35 million for the same period of 2020.

In **Canada**, EBITDA(A) fell $2 million or 10% in the first nine months of 2021 compared with the same period of 2020 owing to unfavourable water flow conditions.

In the **United States**, the increase in EBITDA(A) of $1 million, or 11%, was driven primarily by higher production volumes as a result of more favourable water flow conditions compared with a year earlier.

Solar

For the nine-month period ended September 30, 2021, solar power segment EBITDA(A) rose $30 million to $32 million compared with the same period of 2020, following the acquisition of interests in solar power stations in the United States.

Excluding acquisitions, commissioning, temporary shutdowns, the resumption of production and the disposal of the Blendecques cogeneration plant, revenues from energy sales and feed-in premiums fell 12% in the nine-month period ended September 30, 2021, compared with the same period last year, while operating expenses remained relatively stable. The difference in the relationship between costs and revenues stemmed from unfavourable wind conditions and lower taxes in France.

Main changes in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	29
EBITDA(A)[1]	41
Excess of the interest over the net assets of Joint Venture SDB I	(20)
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	8
Amortization	(46)
Impairment	(2)
Acquisition costs	(4)
Financing costs	(23)
Income taxes	5
Non-controlling shareholders	(6)
Other gains	5
Other	14
Change	(28)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	1

[1] These terms 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 financial measures* section in this report.

Excess of the interest over the net assets of Joint Venture SDB I

During the nine-month period ended September 30, 2021, the Corporation reversed a $6 million excess of distributions received over the share in net earnings of Joint Venture SDB I compared with a $14 million excess amount for the first nine months of 2020, giving rise to a $20 million unfavourable difference. The significant decline in value of the interests in the first nine months of 2020 resulted primarily from the reduction in the fair value of the joint venture's interest rate swaps given the significant drop in rates since the beginning of the COVID-19 pandemic. (See the *Analysis of consolidated operating results for the three-month period ended September 30, 2021* section for a discussion of the applicable IFRS treatment).

Change in fair value of derivative included in the share of the Apuiat Joint Venture

During the nine-month period ended September 30, 2021, a gain reflected in the change in fair value of a derivative financial instrument related to the power purchase agreement, fluctuating in line with interest rates, was recognized in project earnings, which had an $8 million effect on the value of the share of the Apuiat Joint Venture. The Corporation reported this change in the *Share in earnings of the Joint Ventures and associates* in the consolidated statements of earnings (loss).

Amortization

During the nine-month period ended September 30, 2021, amortization expense rose $46 million to $221 million compared with the same period of 2020. This increase was driven primarily by expansion in the Corporation's operating base and the revision of estimated useful lives of assets of facilities subject to a repowering.

Acquisition costs

For the nine-month period September 30, 2021, the Corporation recorded costs of $4 million, mostly for the acquisition of interests in solar power stations in the United States completed in January 2021.

Financing costs

During the nine-month period ended September 30, 2021, financing costs rose $23 million to $107 million, compared with 2020, owing primarily to the acquisition of 49% interests in the **LP I, DM I** and **II** partnerships, previously 51% owned, and the acquisition of interests in solar power stations in the United States. For the nine-month period ended September 30, 2020, the Corporation recorded a $12 million gain on the NRWF debt refinancing.

Income taxes

During the nine-month period ended September 30, 2021, income tax expense fell $5 million compared with a year earlier. The decline was mainly due to lower pre-tax earnings of $27 million. However, certain non-deductible expenses gave rise to a higher effective tax rate in 2021.

Other

The $14 million favourable difference resulted from a $2 million gain on financial instruments for 2021. In 2020, The Corporation reported a net loss of $13 million on financial instruments, including an amount of $6 million following the settlement of litigation regarding the calculation of contingent consideration related to a past acquisition and the ineffective portion under hedge accounting related to lower interest rates in North America and Europe.

Other gains

The $5 million favourable difference stemmed mainly from a $7 million gain attributable to the reversal of a financial liability following a settlement with a supplier, partially offset by a net loss of $4 million related to the disposal of the Blendecques cogeneration plant, compared with a nil amount for the same period of 2020.

Net earnings

For the nine-month period ended September 30, 2021, Boralex recognized net earnings of $8 million, compared with net earnings of $30 million for the same period of 2020. Net earnings attributable to non-controlling shareholders of Boralex for the first nine months of 2021 amounted to $7 million compared with $1 million year over year. The $6 million difference was due primarily to the acquisition of interests in solar power stations in the United States for which there is a non-controlling shareholder.

As shown in the table above, for the nine-month period ended September 30, 2021, the Corporation recognized net earnings attributable to shareholders of Boralex of $1 million or $0.01 per share (basic and diluted), compared with net earnings attributable to shareholders of Boralex of $29 million or $0.30 per share (basic and diluted) for the same period a year earlier. The unfavourable difference of $28 million or $(0.29) per share (basic and diluted) compared with the first nine months of 2020 resulted from the combined effect of the items discussed above.

Cash flows

Cash flows for the first nine months of 2021 reflected the Corporation's capacity to generate net cash flows related to operating activities, through its growth strategy, comparable with the same period of 2020 despite less favourable weather conditions overall for comparable assets.

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars) (unaudited)	2021	2020	2021	2020
Net cash flows related to operating activities	47	73	264	303
Net cash flows related to investing activities	(31)	(54)	(373)	(96)
Net cash flows related to financing activities	(2)	(88)	89	(149)
Translation adjustment on cash and cash equivalents	—	3	(7)	9
NET CHANGE IN CASH AND CASH EQUIVALENTS	14	(66)	(27)	67
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	234	286	275	153
CASH AND CASH EQUIVALENTS – END OF PERIOD	248	220	248	220

For the three-month period ended September 30, 2021

Operating activities

Excluding non-cash net earnings items in both periods, the $3 million increase in cash flows from operations, for the third quarter of 2021 compared with the same period of 2020 resulted in particular from growth of $19 million in EBITDA(A), as discussed above. This was partially offset by an $8 million increase in *Interest paid*, owing primarily to the acquisition of the Caisse's interest in the three wind farms in Québec at the end of 2020 and the interests in solar power stations in the United States, and a $6 million decrease in *Distributions received from the Joint Ventures and associates* and a $2 million increase in *Income taxes paid*.

Distributions received from the Joint Ventures and associates

	Three-month periods ended September 30		
(in millions of Canadian dollars) (unaudited)	2021	2020	Change $
SDB I et II	11	12	(1)
LP II et Roncevaux	2	1	1
DM I et II et LP I [1]	—	6	(6)
	13	19	(6)

[1] The Corporation acquired control of these entities on November 30, 2020. As at September 30, 2021, the entities were subsidiaries.

Funds used after changes in non-cash operating items in the third quarter of 2021 amounted to $19 million, owing primarily to a $12 million increase in *Other current assets* related to deposits made for facilities under construction.

Operating activities generated net cash inflows totalling $47 million in the third quarter of 2021, compared with $73 million for the same period a year earlier.

Investing activities

Investing activities during the three-month period ended September 30, 2021 used cash amounting to $31 million compared with $54 million a year earlier. In particular, the Corporation invested $32 million in additions to property, plant and equipment as broken down below.

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

(in millions of Canadian dollars) (unaudited)	Canada	Europe	United States	**Total**
Wind				
Construction[1]	—	13	—	**13**
In operation	—	2	—	**2**
Wind - total	**—**	**15**	**—**	**15**
Hydroelectric				
In operation	1	—	—	**1**
Hydroelectric - total	**1**	**—**	**—**	**1**
Solar	**—**	**14**	**1**	**15**
Corporate	**—**	**1**	**—**	**1**
Total	**1**	**30**	**1**	**32**

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

In the third quarter of 2020, Boralex invested $47 million in additions to property, plant and equipment, including $45 million in the wind power segment in France.

Financing activities

Financing activities for the three-month period ended September 30, 2021 resulted in net cash outflows of $2 million.

New financing arrangements and repayments on existing debt

During the three-month period ended September 30, 2021, new non-current debt contracted by Boralex totalled $87 million comprising:

- $25 million under the revolving credit facility;
- $64 million drawn down for the Sainte-Christine portfolio;
- $2 million drawn down for the Boralex Energy Investments portfolio in France.

Conversely, the Corporation made repayments totalling $41 million on its debt relating to various assets in operation as well as $19 million in repayments under its revolving credit facility.

Dividends and other items

During the three-month period ended September 30, 2021, and for the three-month period ended September 30, 2020, the Corporation paid dividends to shareholders totalling $17 million ($0.1650 per common share).

The Corporation also paid $5 million to non-controlling shareholders, compared with $2 million a year earlier. The increase resulted primarily from the distributions to non-controlling shareholders of the solar power stations acquired in the United States.

Note that in the third quarter of 2020, Boralex announced the closing of a public offering of Class A common shares for proceeds of $192 million, net of issuance costs.

Discretionary cash flows and payout ratio[1]

Discretionary cash flows amounted to $21 million for the third quarter of 2021 compared with $26 million for the same period a year earlier.

The $5 million decline was mainly driven by an increase in non-current debt payments and distributions to non-controlling shareholders that exceeded the increase in cash flows from operations.

Note that in the third quarter of 2020, a adjustment of $10 million was made to eliminate the change in the debt repayment schedule following refinancing in France. This adjustment is no longer necessary, as the debt repayment schedule followed the same basis in 2021 as in 2020.

Discretionary cash flows amounted to $0.20 per share for the third quarter of 2021 compared with an amount of $0.26 per share for the same period of 2020.

[1] These terms 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 financial measures* section in this report.

For the nine-month period ended September 30, 2021

Operating activities

For the nine-month period ended September 30, 2021, Boralex reported $247 million in cash flows from operations, compared with $238 million for the same period last year. The $9 million growth, excluding non-cash items from net earnings, was driven by a $41 million increase in EBITDA(A), partially offset by a $9 million decrease in distributions received from *Interests in the Joint Ventures and associates*, a $9 million increase in *Income taxes paid* and an $18 million increase in *Interest paid* following the acquisition of the Caisse's interests in three wind farms in Québec at the end of 2020 and interests in solar power stations in the United States.

Distributions received from the Joint Ventures and associates

(in millions of Canadian dollars) (unaudited)	Nine-month periods ended September 30 2021	2020	Change $
SDB I and II	16	15	1
LP II and Roncevaux	3	4	(1)
DM I and II and LP I [1]	—	9	(9)
	19	28	(9)

[1] The Corporation acquired control of these entities on November 30, 2020. As at September 30, 2021, the entities were subsidiaries.

Cash generated by the non-cash items related to operating activities amounting to $17 million during the nine-month period ended September 30, 2021 resulted primarily from a $46 million decrease in *Trade and other receivables* related to the collection of trade receivables and the receipt of value added tax refunds in France for the facilities commissioned in 2020, partially offset by a $19 million increase in *Other current assets* related to deposits made to secure the supply of equipment. *Trade and other payables* was down by $8 million stemming mainly from disbursements related to facilities under construction in France and maintenance costs.

Operating activities generated net cash inflows totalling $264 million in the third quarter of 2021, compared with $303 million for the same period a year earlier.

Investing activities

Investing activities used cash flows totalling $373 million in the first nine months of 2021, compared with $96 million for the same period of 2020. Investments in property, plant and equipment amounted to $74 million for the nine-month period ended September 30, 2021, broken down as shown in the accompanying chart. In addition, in the first quarter of 2021, the Corporation paid $274 million, net of cash acquired, to acquire interests in solar power stations in the United States and invested $6 million in the Joint Venture **Apuiat**.

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

(in millions of Canadian dollars) (unaudited)	Canada	Europe	United States	Total
Wind				
Construction[1]	—	42	—	**42**
In operation	1	2	—	**3**
Wind - total	**1**	**44**	**—**	**45**
Hydroelectric				
In operation	2	—	—	**2**
Hydroelectric - total	**2**	**—**	**—**	**2**
Solar	**—**	**21**	**4**	**25**
Corporate	**—**	**2**	**—**	**2**
Total	**3**	**67**	**4**	**74**

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

During the first nine months of the fiscal year, the Corporation also paid $12 million consisting primarily of additional consideration for the **Extension Plaine d'Escrebieux** wind farm and the **La Grande Borne** project. Moreover, the Corporation's restricted cash rose $4 million, which will be used mainly for payments for facilities under construction.

Financing activities

Financing activities for the nine-month period ended September 30, 2021 generated total net cash inflows of $89 million.

New financing arrangements and repayments on existing debt

During the nine-month period ended September 30, 2021, new non-current debt contracted by Boralex totalled $461 million comprising:

- $182 million under the revolving credit facility including US$69 million for the acquisition of solar power stations in the United States;
- $192 million to finance the acquisition of interests in solar power stations in the United States;
- $67 million drawn down for the Sainte-Christine portfolio in France;
- $20 million drawn down for the Boralex Energy Investments portfolio.

Conversely, during the nine-month period ended September 30, 2021, the Corporation made debt repayments totalling $172 million relating to wind farms in operation, repaid $12 million in value added tax bridge financing for the Sainte-Christine portfolio. Boralex also repaid $114 million under its revolving credit facility.

Dividends and other items

During the nine-month period ended September 30, 2021, the Corporation paid dividends to shareholders totalling $51 million compared with $49 million for the same period of 2020. For both periods, dividends paid were equivalent to $0.1650 per share per quarter.

The Corporation paid $13 million to non-controlling shareholders for the nine-month ended September 30, 2021 compared with $5 million a year earlier. The increase resulted primarily from distributions to non-controlling shareholders of the solar power stations acquired in the United States.

Discretionary cash flows and payout ratio[1]

Discretionary cash flows amounted to $74 million for the nine-month period ended September 30, 2021 compared with $80 million for the same period a year earlier. The $9 million increase in cash flows from operations resulted from EBITDA(A) growth between the two periods, which was largely offset by increased debt repayments and higher distributions to non-controlling interests.

Discretionary cash flows amounted to $0.72 per share for the nine-month period ended September 30, 2021, compared with $0.82 per share for the nine-month period ended September 30, 2020.

Discretionary cash flows amounted to $144 million for the twelve-month period ended September 30, 2021 compared with $146 million for the twelve-month period ended December 31, 2020, which amounted to $1.40 and $1.48 per share, respectively. The dividends paid to shareholders during this period represented a payout ratio of 47%, which falls within the target payout ratio range of 30% to 50% to allow for reinvestment of between 50% and 70% of discretionary cash flows into growth.

[1] These terms 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 financial measures* section in this report

Financial position

Overview of the consolidated condensed statements of financial position

(in millions of Canadian dollars) (unaudited)	As at September 30, 2021	As at December 31, 2020	Change ($)
ASSETS			
Cash and cash equivalents	248	275	(27)
Restricted cash	6	2	4
Other current assets	163	195	(32)
CURRENT ASSETS	417	472	(55)
Property, plant and equipment	3,297	3,112	185
Right-of-use assets	349	316	33
Intangible assets	1,181	1,027	154
Goodwill	218	222	(4)
Interests in the Joint Ventures and associates	109	74	35
Other non-current assets	137	91	46
NON-CURRENT ASSETS	5,291	4,842	449
TOTAL ASSETS	5,708	5,314	394
LIABILITIES			
CURRENT LIABILITIES	393	403	(10)
Debt	3,388	3,287	101
Lease liabilities	278	243	35
Other non-current liabilities	436	390	46
NON-CURRENT LIABILITIES	4,102	3,920	182
TOTAL LIABILITIES	4,495	4,323	172
EQUITY			
TOTAL EQUITY	1,213	991	222
TOTAL LIABILITIES AND EQUITY	5,708	5,314	394

Summary of significant changes

Assets

As at September 30, 2021, Boralex's total assets amounted to $5,708 million, up $394 million from total assets of $5,314 million as at December 31, 2020. This difference resulted primarily from a $449 million increase in *Non-current assets*, partially offset by a $55 million decline in *Current assets*.

The $55 million change in *Current assets* was primarily driven by a $27 million decrease in *Cash and cash equivalents* and a $32 million decrease in *Other current assets*, owing in particular to a change in *Trade and other receivables*.

Non-current assets were up $449 million due primarily to the following:

- A $185 million increase in the value of *Property, plant and equipment* (net of amortization for the period), which breaks down as follows:
  - A $74 million increase mainly related to projects under construction (see the *Cash flows* section);
  - A $333 million increase related to the acquisition of interests in solar power stations in the United States;
  - A $75 million decrease related to exchange rate fluctuations;
  - A $138 million decrease related to amortization of assets in operation;
- A $33 million increase in *Right-of-use assets*, including $24 million resulting from the acquisition of interests in solar power stations in the United States;

- A $154 million increase in *Intangible assets* primarily as a result of a $224 million increase related to the acquisition of interests in solar power stations in the United States, $12 million in additional consideration for the acquisition of projects under construction, in particular for the **Extension Plaine d'Escrebieux** wind farm and the **La Grande Borne** project, all of which was partially offset by the $23 million unfavourable foreign exchange difference and a $68 million amortization expense for assets in operation.
- A $35 million increase in *Interests in the Joint Ventures and associates* owing to:
  - A $28 million contribution to the **Apuiat** project;
  - A $20 million share in net earnings, which includes the gain on the embedded derivative for the **Apuiat** project;
  - A $12 million share in other comprehensive income;
  - A decrease resulting from $19 million in distributions and a $6 million reversal of the excess of the interest over the net assets of Joint Venture SDB I;
- A $46 million increase in *Non-current assets*, owing to a change in *Other non-current financial assets* resulting from changes in the fair value of financial instruments following increases in interest rates.

Current liabilities

Current liabilities as at September 30, 2021 amounted to $393 million compared with $403 million recognized as at December 31, 2020. The $10 million decrease resulted mainly from a $6 million decrease in the *Current portion of debt* following a $12 million refund of value added tax for the Sainte-Christine portfolio.

Working capital

As at September 30, 2021, the Corporation had working capital of $24 million for a ratio of 1.06:1, compared with working capital of $69 million and a ratio of 1.17:1 as at December 31, 2020.

Non-current liabilities

Total non-current liabilities grew $182 million to total $4,102 million.

The increase resulted primarily from a $101 million increase in *Non-current debt*, which resulted mainly from:

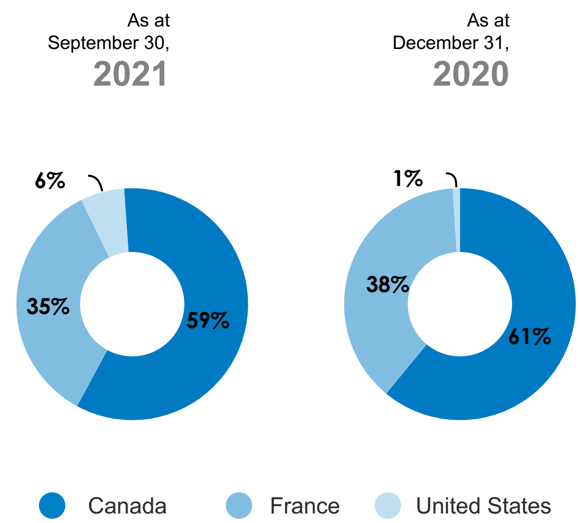
- An increase related to a $182 million drawdown under the revolving credit facility (including US$69 million for the acquisition of solar power stations in the United States);
- A $192 million increase related to the financing of the acquisition of seven solar power stations in the United States;
- A $76 million decrease in value resulting from exchange rate fluctuations;
- A $289 million decrease resulting from various debt repayments, excluding the refund of value added tax, including $114 million under the revolving credit facility and $172 million in respect of debt related to facilities in operation.

The increase in *Non-current liabilities* also resulted from:

- A $35 million increase in lease liabilities including $24 million related to the acquisition of interests in solar power stations in the United States;
- A $46 million increase in *Other non-current liabilities* including a $23 million increase in *Deferred income tax liabilities* and a $15 million increase in the *Decommissioning liability*.

As at September 30, 2021, Boralex had $175 million in debt contracted for its construction projects that remains undrawn. Boralex could still draw on the $150 million accordion clause as well as an amount of $315 million available under its revolving credit facility as at September 30, 2021.

Geographic breakdown of debt



Equity

During the nine-month period ended September 30, 2021, total *Equity* rose $222 million to $1,213 million as at September 30, 2021. This increase resulted from net earnings of $8 million and a $57 million increase in *Other comprehensive income*, related primarily to the change in fair value of financial instruments following higher interest rates, in addition to a $220 million share of a non-controlling shareholder resulting from a business combination. The increase was partly offset by $51 million in dividends paid to shareholders of Boralex and $14 million in distributions to non-controlling shareholders.

Debt ratios[1]

Net debt amounted to $3,439 million as at September 30, 2021 compared with $3,332 million as at December 31, 2020.

As a result, the net debt to market capitalization ratio rose from 41% as at December 31, 2020 to 46% as at September 30, 2021.

Boralex's share price stood at $37.40 per share as at September 30, 2021 compared with $47.24 per share as at December 31, 2020.

Information about the Corporation's equity

As at September 30, 2021, Boralex's capital stock consisted of 102,618,702 Class A shares issued and outstanding (102,616,653 as at December 31, 2020) due to the issuance of 2,049 shares following the exercise of stock options held by management and key employees.

As at September 30, 2021, there were 325,191 outstanding stock options, 210,210 of which were exercisable.

From October 1 to November 11, 2021, no new shares were issued on exercise of stock options.

Related party transactions

Boralex has entered into a management agreement with R.S.P. Énergie Inc., an entity of which Patrick Lemaire, a director of the Corporation, is one of three shareholders. For the nine-month periods ended September 30, 2021 and 2020, management fees were not material.

The Corporation has an office lease with Ivanhoé Cambridge, an entity in which the Caisse holds interests. On September 1, 2021, Ivanhoé Cambridge sold its interests to The Manufacturers Life Insurance Company and is no longer the property manager.

In addition, the Corporation holds a $250 million financing arrangement with the Caisse in the form of an unsecured term loan with a 10-year maturity as well as a $59 million (€40 million) term loan maturing in five years with repayment of the full amount of both loans on the maturity date. For the nine-month period ended September 30, 2021, the interest related to these loans amounted to $12 million ($11 million in 2020).

On November 30, 2020, Boralex announced the acquisition of the Caisse's 49% interest in three wind farms in Québec, which were already 51% owned by Boralex, for a cash consideration of $121 million ($98 million net of cash acquired), plus $4 million in contingent consideration subject to the settlement of certain future conditions.

The Six Nations' equity interest in FWRN LP was financed by Boralex through a non-recourse loan, which will be repaid, with interest, through Six Nations' share of the payouts that FWRN LP will make during the term of the energy sales contract. For the nine-month period ended September 30, 2021, the advance including interest totalled $31 million ($29 million as at December 31, 2020). On October 26, 2021, Boralex received the entire amount.

The 15 MW **Val aux Moines** wind farm is 35% owned by shareholder Nordex Employee Holding GmbH. The non-controlling shareholder advanced $6 million (€4 million) to finance construction of the facility. For the nine-month periods ended September 30, 2021 and 2020, interest related to this amount owing was not material.

The Corporation charges management fees and maintenance costs to certain joint ventures for services rendered. The related revenues for the nine-month period ended September 30, 2021 amounted to $8 million ($8 million in 2020).

In February 2021, the Corporation entered into a partnership for the Apuiat wind power project in which Boralex has a 50-50 interest with Innu communities. Boralex recorded a $20 million amount owing to a joint venture following recognition of its interest in the project. As at September 30, 2021, the amount owing stood at $19 million.

[1] These terms 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 financial measures* section in this report

Seasonal factors

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	March. 31, 2021	June 30, 2021	Sept. 30, 2021
POWER PRODUCTION (GWh)[1]								
Wind power stations	1,102	1,266	704	596	1,228	1,312	940	716
Hydroelectric power stations	211	198	218	144	186	171	190	205
Solar power stations	3	4	7	7	3	77	176	150
Thermal power stations[2]	48	65	8	42	51	70	17	37
	1,364	1,533	937	789	1,468	1,630	1,323	1,108
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	149	172	99	85	170	171	115	92
Hydroelectric power stations	22	16	18	14	15	15	14	17
Solar power stations	1	1	2	2	—	7	16	14
Thermal power stations[2]	7	11	2	4	8	13	2	3
	179	200	121	105	193	206	147	126
OPERATING INCOME	28	84	24	3	60	77	25	7
EBITDA(A)[3]								
Wind power stations	145	150	90	69	155	148	101	75
Hydroelectric power stations	17	12	14	9	10	10	11	13
Solar power stations	1	—	1	1	1	6	13	12
Thermal power stations[2]	1	4	(2)	—	—	5	(1)	—
	164	166	103	79	166	169	124	100
Corporate and eliminations	(21)	(17)	(17)	(17)	(29)	(18)	(18)	(19)
	143	149	86	62	137	151	106	81
NET EARNINGS (LOSS)	(23)	44	(6)	(8)	30	38	(8)	(22)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	(26)	41	(6)	(6)	25	34	(13)	(20)
Per share (basic and diluted)	($0.28)	$0.43	($0.07)	(0.06 $)	$0.24	$0.33	($0.13)	(0.20 $)
CASH FLOWS FROM OPERATIONS[3]	119	124	51	63	101	115	66	66

(1) Includes financial compensation following electricity production limitations imposed by clients.
(2) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.
(3) These terms 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 financial measures* section in this report.

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

- Wind conditions both in France and Canada are usually more favourable in the winter, which falls during Boralex's first and fourth quarters. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing.
- For solar power, sunlight conditions are typically more favourable in the spring and summer.
- Hydroelectricity produced depends on water flow, which in Canada and the Northeastern United States is typically at a maximum in spring and high in the fall. Historically, water flow tends to decrease in winter and summer. However, over a long-term horizon, there may be variations from year to year due to short-term weather conditions. Note that apart from four hydroelectric power stations whose water flow is regulated upstream and is not under the Corporation's control, Boralex's other hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.
- The generation of thermal energy is regulated under contracts with power generation limitation periods for Boralex. Since the disposal of its co-generation plant in France in April 2021, Boralex's thermal energy production is generated solely by its power station in Canada.

	Installed capacity (MW)[2]	Power production average of the past five years[1]			
		Q1	Q2	Q3	Q4
Wind	2,023	33%	20%	17%	30%
Solar	223	20%	31%	33%	16%
Hydroelectric	181	25%	31%	20%	24%
Thermal	35	41%	16%	18%	25%
Total power production	2,462	32%	22%	17%	29%

(1) The historical average of power production is based on the last five full fiscal years of the Corporation, from 2016 to 2020.
(2) As at November 11, 2021.

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 operation of facilities in France and the United States generates liquidity in foreign currencies. The Corporation benefits from partial natural coverage from this risk exposure, as revenues, expenses and financing are in the local currencies. Risk arises from its net investments and the residual liquidity that can be distributed to the parent company.

France
To mitigate this risk, the Corporation has entered into cross-currency swaps. These derivatives mainly provide a hedge of the net investment since they allow the conversion into euros of the financing issued in Canada to invest in France, while also allowing the Corporation to benefit from lower interest rates in Europe on the amounts drawn on the revolving credit facility. The fair value measurement of these instruments is based on a technique that is a combination of measurements of interest rate swaps and foreign exchange forward contracts.

United States
To naturally hedge the risk on its investment, the Corporation uses local currency debt for new investments, as it did for the acquisition of interests in the solar power stations in the United States, and has designated these instruments as hedges of the net investment in the United States. Since the investments in the United States are expected to grow, as provided for in Boralex's strategic plan, the Corporation will aim to manage the U.S. dollar more actively in the future.

Transactions denominated in foreign currencies

Equipment purchases
Certain significant future expenditures (wind turbines and solar panels) may be denominated in foreign currencies. To protect expected return, the Corporation will use derivatives to stabilize project costs.

Price risk

Revenues from energy sales
When power production is sold at market prices or under short-term contracts, the Corporation is subject to the risk of fluctuations in energy prices. Energy prices vary according to supply, demand and certain external factors, including weather conditions, and the price of energy from other sources. As a result, prices may fall too low for the power stations to yield an operating profit.

As at September 30, 2021, about 1% of the Corporation's power production was sold at market prices or under short-term contracts and was subject to fluctuations in energy prices. Therefore, this risk is low for the Corporation.

Interest rate risk

As at September 30, 2021, approximately 79% of non-current debt issued bore interest at variable rates, excluding the revolving credit facility and subordinated debt. To mitigate the risk of rate fluctuations, the Corporation has entered into interest rate swaps to reduce its exposure to 14% of total debt.

The following table summarizes the Corporation's derivative financial instruments as at September 30, 2021:

As at September 30,
2021
(in millions of Canadian dollars) (unaudited)

				Current notional		Fair value[1]	
Hedging instrument	**Hedged risk / Hedged item**	**Hedge type**	**Currency**	(currency of origin)	(CAD)	(currency of origin)	(CAD)
Cross-currency swaps	Cash flows / Net investment in Europe	Foreign currency risk	EUR for CAD	264	405	17	17
Cross-currency swaps	Cash flows	Economic	USD for CAD	78	100	(1)	(1)
U.S. dollar-denominated debt	Cash flows / Net investment in the United States	Foreign currency risk	USD for CAD	69	87	—	—
Interest rate swaps	Cash flows / Term borrowings in Euro	Interest rate risk	EUR	613	901	(18)	(27)
Interest rate swaps	Cash flows / Term borrowings in USD	Interest rate risk	USD	136	173	2	3
Interest rate swaps	Cash flows / Term borrowings in CAD	Interest rate risk	CAD	1,019	1,019	20	20

[1] Unfavourable values only indicate future fluctuations in interest rates or exchange rates and have no bearing on the effectiveness of the risk management strategy.

Non-IFRS measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses Combined information, EBITDA(A), net debt ratio, cash flows from operations, discretionary cash flows, payout ratio and reinvestment ratio as performance measures. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations. The non-IFRS 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.

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

Combined

The Combined information ("Combined") presented in this management's discussion and analysis results from the combination of the financial information of Boralex under IFRS and the share of the financial information of the Interests. In order to prepare the Combined information, Boralex first prepares its financial statements and those of the Interests in accordance with IFRS. Then, the Interests in the Joint Ventures and associates, Share in earnings (losses) of the Joint Ventures and associates and Distributions received from the Joint Ventures and associates are replaced with Boralex's respective share (ranging from 50.00% to 59.96%) in the financial statements of the Interests (revenues, expenses, assets, liabilities, etc.). This non-IFRS financial measure does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. The Interests represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that information on a Combined basis is useful data to assess the Corporation's performance. For greater detail, see the *Significant accounting policies* note to the financial statements in the Annual Report.

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

	2021			2020		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation(1)	Combined	Consolidated	Reconciliation(1)	Combined
Three-month period ended September 30:						
Power production (GWh)(2)	1,108	130	1,238	789	228	1,017
Revenues from energy sales and feed-in premium	126	14	140	105	25	130
Operating income	7	6	13	3	9	12
EBITDA(A)(3)	81	12	93	62	21	83
Net loss	(22)	—	(22)	(8)	(5)	(13)
Net cash flows related to operating activities	47	(5)	42	73	(7)	66
Nine-month period ended September 30:						
Power production (GWh)(2)	4,061	493	4,554	3,259	812	4,071
Revenues from energy sales and feed-in premium	479	53	532	426	87	513
Operating income	109	28	137	112	37	149
EBITDA(A)(3)	338	34	372	297	62	359
Net earnings	8	4	12	30	(11)	19
Net cash flows related to operating activities	264	8	272	303	15	318
As at September 30:						
Total assets(4)	5,708	414	6,122	5,314	439	5,753
Adjusted debt(3)(4)	3,693	357	4,050	3,609	367	3,976

(1) Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.
(2) Includes financial compensation following electricity production limitations imposed by clients.
(3) These terms 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 financial measures* section in this report.
(4) As at December 31, 2020 for the comparative figures.

Wind

	2021			2020		
(in millions of Canadian dollars) (unaudited)	Consolidated	Reconciliation(1)	Combined	Consolidated	Reconciliation(1)	Combined
Three-month period ended September 30:						
Power production (GWh)(2)	716	130	846	596	228	824
Revenues from energy sales and feed-in premium	92	14	106	85	25	110
EBITDA(A)(3)	75	11	86	69	21	90
Nine-month period ended September 30:						
Power production (GWh)	2,968	493	3,461	2,566	812	3,378
Revenues from energy sales and feed-in premium	378	53	431	356	87	443
EBITDA(A)(3)	323	33	356	309	61	370

(1) Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.
(2) Includes compensation following power generation limitations imposed by clients.
(3) These terms 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 financial measures* section in this report.

EBITDA(A)

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

In order to assess the performance of the Corporation's reporting segments, management uses EBITDA(A).

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

			2021			2020
(in millions of Canadian dollars) (unaudited)	**Consolidated**	**Reconciliation**	**Combined**	**Consolidated**	**Reconciliation**	**Combined**
Three-month period ended September 30:						
Operating income	7	6	13	3	9	12
Amortization	74	6	80	59	12	71
Share in earnings of Joint Ventures and Associates	3	(3)	—	6	(6)	—
Excess of the interest over the net assets of Joint Venture SDB I	—	—	—	(6)	6	—
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	(3)	3	—	—	—	—
EBITDA(A)	81	12	93	62	21	83
Nine-month period ended September 30:						
Operating income	109	28	137	112	37	149
Amortization	221	18	239	175	37	212
Impairment	2	—	2	—	—	—
Share in earnings of Joint Ventures and Associates	13	(13)	—	24	(24)	—
Other gains	(5)	(1)	(6)	—	(2)	(2)
Excess of the interest over the net assets of Joint Venture SDB I	6	(6)	—	(14)	14	—
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	(8)	8	—	—	—	—
EBITDA(A)	338	34	372	297	62	359

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

Net debt ratio

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

The Corporation relies mainly on the net debt ratio for capital management purposes. Cash and cash equivalents available are also a key factor in capital management, as the Corporation must retain sufficient flexibility to seize potential growth opportunities.

Investors should not consider the net debt ratio as an alternative measure to debt including transaction costs, which is an IFRS measure. Net debt is reconciled to the most comparable IFRS measure, namely debt, in the following table:

	Consolidated		Combined	
(in millions of Canadian dollars) (unaudited)	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Debt	3,388	3,287	3,714	3,623
Current portion of debt	223	229	243	247
Transaction costs, net of accumulated amortization	82	93	93	106
Adjusted debt	3,693	3,609	4,050	3,976
Less:				
Cash and cash equivalents	248	275	262	293
Restricted cash	6	2	6	2
Net debt	3,439	3,332	3,782	3,681

The Corporation defines total market capitalization as follows:

	Consolidated		Combined	
(unaudited)	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Number of outstanding shares (in thousands)	102,619	102,617	102,619	102,617
Share market price (in $ per share)	37.40	47.24	37.40	47.24
Market value of equity attributable to shareholders	3,838	4,848	3,838	4,848
Non-controlling shareholders	217	2	217	2
Net debt	3,439	3,332	3,782	3,681
Total market capitalization	7,494	8,182	7,837	8,531

The Corporation computes the net debt ratio as follows:

	Consolidated		Combined	
(unaudited)	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Net debt	3,439	3,332	3,782	3,681
Total market capitalization	7,494	8,182	7,837	8,531
NET DEBT RATIO, market capitalization	46%	41%	48%	43%

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

Cash flow from operations

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

Investors should not consider cash flows from operations as an alternative measure to cash flows related to operating activities, which is an IFRS measure. Cash flows from operations are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table.

Discretionary cash flows

When evaluating its operating results, the Corporation also uses discretionary cash flows, a key performance indicator and one of the *Corporate objectives for 2025* in its strategic plan. Discretionary cash flows represent the cash generated from operations that management believes is representative of the amount available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business.

Investors should not consider discretionary cash flows as an alternative financial measure to "net cash flows related to operating activities," before the "changes in non-cash operating items" which are IFRS financial measures. Discretionary cash flows are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table.

Discretionary cash flows are equal to *Net cash flows related to operating activities* before "change in non-cash items related to operating activities," less (i) distributions paid to non-controlling shareholders, (ii) additions to property, plant and equipment (maintenance of operations), (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).

Reinvestment ratio and payout ratio

The reinvestment ratio represents the portion of cash flows available for reinvestment in growth for the Corporation and is also one of the *Corporate objectives for 2025* in its strategic plan.

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

In the medium term, Boralex expects to pay common share dividends on an annual basis representing a ratio of approximately 30% to 50% of its discretionary cash flows. in order to maintain a reinvestment ratio of 50% to 70% to finance the Corporation's growth. For the twelve-month period ended September 30, 2021, the dividends paid to shareholders by the Corporation and cash flows available for reinvestment corresponded to 47% and 53%, respectively, of discretionary cash flows.

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

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

	Consolidated					
	Three-month periods ended		Nine-month periods ended		Twelve-month periods ended	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	September 30, 2021	December 31, 2020
Net cash flows related to operating activities	**47**	**73**	**264**	**303**	**323**	**362**
Changes in non-cash operating items	19	(10)	(17)	(65)	25	(24)
Cash flows from operations	**66**	**63**	**247**	**238**	**348**	**338**
Repayments on non-current debt (projects)(1)	(41)	(36)	(172)	(135)	(212)	(175)
Adjustment for non-operational items(2)(3)	—	(2)	8	(24)	16	(17)
	25	25	83	79	152	146
Principal payments related to lease liabilities	(3)	(2)	(9)	(7)	(13)	(11)
Distributions paid to non-controlling shareholders	(5)	(2)	(13)	(5)	(14)	(6)
Additions to property, plant and equipment (maintenance of operations)	(3)	(2)	(5)	(3)	(6)	(6)
Development costs (from statement of earnings)	7	7	18	16	25	23
Discretionary cash flows	**21**	**26**	**74**	**80**	**144**	**146**
Dividends paid to shareholders	17	17	51	49	68	66
Weighted average number of outstanding shares – basic (in thousands)	102,619	98,646	102,619	97,197	102,600	98,548
Discretionary cash flows – per share	$0.20	$0.26	$0.72	$0.82	$1.40	$1.48
Dividends paid to shareholders – per share	$0.17	$0.17	$0.50	$0.50	$0.66	$0.66
Payout ratio					47%	45%
Reinvestment ratio					53%	55%

(1) Excluding VAT bridge financing, early debt repayments and the debt repayments made in December for LP I, DM I and II in respect of the months prior to the acquisition (Q4-2020).

(2) For the twelve-month period ended September 30, 2021: favourable adjustment of $16 million comprising mainly acquisition costs of $8 million, interest paid of $3 million on LP I, DM I and II debt for the months prior to the acquisition in Q4-2020 and a one-time payment of $3 million in Q1-2021. For the twelve-month period ended December 31, 2020: unfavourable adjustment of $17 million comprising mainly interest paid of $3 million on LP I, DM I and II debt for the months prior to the acquisition in Q4-2020, less $22 million in debt repayments to reflect a normalized debt service following debt refinancing in France in Q1-2020.

(3) For Q3 2020, an adjustment was made related to the schedule of debt repayments of wind farms in France following the refinancing. This adjustment is no longer necessary because debt repayments are made under the same basis in 2021 as in 2020.

Combined

The combined information (“Combined”) presented in this MD&A results from the combination of the financial information of Boralex under IFRS ("Consolidated") and the share of the financial information of the Interests. For more details, see section *III - Non-IFRS financial measures* in this MD&A.

Interests in the Joint Ventures and associates

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

	Sector	Country	Status	Boralex % of interests As at Sept. 30 2021	2020
SDB I and II	Wind	Canada	Operating	50.00%	50.00%
DM I and II[1]	Wind	Canada	Operating	—% [1]	51.00% [1]
LP I[1]	Wind	Canada	Operating	—% [1]	51.00% [1]
LP II	Wind	Canada	Operating	59.96%	59.96%
Roncevaux	Wind	Canada	Operating	50.00%	50.00%
Apuiat	Wind	Canada	Secured project	50.00%	—%

[1] The Corporation acquired control of these entities on November 30, 2020. As at September 30, 2021, the entities were subsidiaries.

Highlights of the Joint Ventures and associates[1]

	2021			2020				
	SDB I and II	LP II and Roncevaux	Total	SDB I and II	LP II and Roncevaux	DM I and II and LP I	Total	Change (%)
Three-month periods ended September 30:								
Wind power production (GWh)	101	29	130	114	33	81	228	(43)
Revenues from energy sales	11	3	14	12	4	9	25	(44)
Operating income	6	—	6	7	1	1	9	(36)
EBITDA(A)[2]	9	2	11	11	3	7	21	(46)
Net earnings (loss)	1	(1)	—	2	—	(2)	—	>100
Cash flows related to operating activities	7	1	8	7	1	3	11	(24)
Nine-month periods ended September 30:								
Wind power production (GWh)	385	108	493	402	114	296	812	(39)
Revenues from energy sales	43	10	53	44	11	32	87	(39)
Operating income	26	2	28	28	2	7	37	(25)
EBITDA(A)[2]	36	8	44	39	9	25	73	(39)
Net earnings (loss)	14	(1)	13	14	(1)	(1)	12	1
Net cash flows related to operating activities	23	5	28	21	5	16	42	(34)
Shares in the assets[3]	339	129	468	351	135	—	486	(4)
Shares in the adjusted debt[2][3]	277	79	356	285	81	—	366	(3)

[1] Excludes the Apuiat joint venture as it was not in operation. The impact on net earnings (loss) is the change in fair value included in the share of $3 million for the three-month period ended September 30, 2021 and of $8 million for the nine-month periods ended September 30, 2021.

[2] These terms 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 financial measures* section in this report.

[3] As at December 31, 2020 for the comparative figures.

Analysis of consolidated operating results for the three-month period ended September 30, 2021 - Combined

Differences in production, revenues and EBITDA(A) between Consolidated and Combined

The differences are greater for Consolidated figures compared to the Combined information following the inclusion of all the results of **LP I, DM I and II** since the acquisition of the Caisse's interests on a Consolidated basis while the Combined information only includes the additional 49%.

Total power production

(GWh)	Q3 2021				Q3 2020				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	in GWh	%
Wind										
Comparable assets[1]	422	308	—	730	471	347	—	818	(88)	(11)
Acquisition - LP I, DM I and II	70	—	—	70	—	—	—	—	70	—
Commissioning[2]	—	29	—	29	—	6	—	6	23	>100
Temporary shutdown - Cham Longe I	—	17	—	17	—	—	—	—	17	—
Wind - total	492	354	—	846	471	353	—	824	22	3
Hydroelectric										
Comparable assets	95	—	110	205	105	—	39	144	61	42
Hydroelectric - total	95	—	110	205	105	—	39	144	61	42
Solar										
Comparable assets	—	7	—	7	—	7	—	7	—	(10)
Boralex US Solar power stations[1]	—	—	143	143	—	—	—	—	143	—
Solar - total	—	7	143	150	—	7	—	7	143	>100
Thermal[3]										
Senneterre	37	—	—	37	42	—	—	42	(5)	(11)
Thermal - total	37	—	—	37	42	—	—	42	(5)	(11)
Total[1]	624	361	253	1,238	618	360	39	1,017	221	22

(1) Includes compensation following power generation limitations imposed by clients.
(2) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.

On a Combined basis, power production amounted to 1,238 GWh for the third quarter of 2021, up 22% or 221 GWh compared with the corresponding period of 2020. This increase resulted mostly from the contribution of acquired facilities in the Canadian wind power and the U.S. solar power segments, partially offset by the impact of less favourable wind conditions for comparable assets.

Excluding the 2020 data for the **LP I, DM I and II** wind farms, the contribution of the facilities of the Joint Ventures and associates to production volume was down 11% from the previous year.

Revenues from energy sales and feed-in premium

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

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Other segments	**Combined**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	110	14	2	4	**130**
Segment breakdown	85%	10%	2%	3%	**100%**
Acquisitions/commissioning[1]	11	—	13	—	**24**
Volume	(11)	4	—	—	**(7)**
Pricing	(1)	—	—	—	**(1)**
Foreign exchange effect	(2)	—	—	—	**(2)**
Other	(1)	(1)	(1)	(1)	**(4)**
Change	(4)	3	12	(1)	**10**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	106	17	14	3	**140**
Segment breakdown	75%	12%	10%	3%	**100%**

(1) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*

On a Combined basis, revenues from energy sales amounted to $140 million for the third quarter, up 8% or $10 million compared with the corresponding period of 2020. This increase was driven by the same factors as mentioned in the Production section.

Excluding the 2020 data for the **LP I, DM I and II** wind farms, the contribution of the facilities of the Joint Ventures and associates to revenues from energy sales was down 13% from the previous year.

EBITDA(A)[1]

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Corporate and eliminations	**Combined**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	90	9	1	(17)	**83**
Segment breakdown[2]	90%	9%	1%		**100%**
Acquisitions/commissioning[3]	11	—	11	—	**22**
Volume	(11)	4	—	—	**(7)**
Pricing	(1)	—	—	—	**(1)**
Foreign exchange effect	(2)	—	—	1	**(1)**
Other	(1)	—	—	(2)	**(3)**
Change	(4)	4	11	(1)	**10**
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	86	13	12	(18)	**93**
Segment breakdown[2]	77 %	12 %	11 %		**100%**

(1) These terms 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 financial measures* section in this report.
(2) Excluding the corporate segment and eliminations.
(3) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*

On a Combined basis, EBITDA(A) amounted to $93 million for the third quarter, up 12% or $10 million compared with the corresponding period of 2020. This increase was driven by the same factors as discussed in the Production section.

Excluding the 2020 data for the **LP I, DM I and II** wind farms, the contribution of the facilities of the Joint Ventures and associates to EBITDA(A) was down 18% from the previous year.

Analysis of consolidated operating results for the nine-month period ended September 30, 2021 - Combined

Differences in production, revenues and EBITDA(A) between Consolidated and Combined

The differences are greater for Consolidated figures compared to the Combined information following the inclusion of all the results of **LP I, DM I and II** since the acquisition of the Caisse's interests on a Consolidated basis while the Combined information only includes the additional 49%.

Total power production

(GWh)	Year-to-date 2021				Year-to-date 2020				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	in GWh	%
Wind										
Comparable assets(1)	1,654	1,379	—	3,033	1,755	1,598	—	3,353	(320)	(10)
Acquisition - LP I, DM I and II	272	—	—	272	—	—	—	—	272	—
Commissioning(2)	—	92	—	92	—	6	—	6	86	>100
Temporary shutdown - Cham Longe I	—	64	—	64	—	19	—	19	45	>100
Wind - total	1,926	1,535	—	3,461	1,755	1,623	—	3,378	83	2
Hydroelectric										
Comparable assets	291	—	276	567	294	—	266	560	7	1
Hydroelectric - total	291	—	276	567	294	—	266	560	7	1
Solar										
Comparable assets	—	17	—	17	—	18	—	18	(1)	(3)
Boralex US Solar power stations(1)	—	—	385	385	—	—	—	—	385	—
Solar - total	—	17	385	402	—	18	—	18	384	>100
Thermal										
Blendecques disposal(3)	—	19	—	19	—	19	—	19	—	1
Senneterre	105	—	—	105	96	—	—	96	9	10
Thermal - total	105	19	—	124	96	19	—	115	9	8
Total(1)	2,322	1,571	661	4,554	2,145	1,660	266	4,071	483	12

(1) Includes compensation following electricity production limitations imposed by clients.
(2) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil energy production asset, thus becoming a 100% renewable energy producer.

On a Combined basis, power production amounted to 4,554 GWh for the nine-month period ended September 30, 2021, up 12% or 483 GWh compared with the corresponding period of 2020. This increase resulted mostly from the contribution of acquired facilities in the Canadian wind power and the U.S. solar power segments, partially offset by the impact of less favourable wind conditions for comparable assets.

Excluding the 2020 data for the **LP I, DM I and II** wind farms, the contribution of the facilities of the Joint Ventures and associates to production volume was down 4% from the previous year.

Revenues from energy sales and feed-in premium

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

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Other segments	**Combined**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	443	48	5	17	**513**
Segment breakdown	87%	9%	1%	3%	**100%**
Acquisitions/commissioning[(1)]	43	—	33	—	**76**
Volume[(2)]	(43)	1	—	—	**(42)**
Foreign exchange	—	(2)	—	—	**(2)**
Pricing	(4)	—	—	—	**(4)**
Other	(8)	(1)	(1)	1	**(9)**
Change	(12)	(2)	32	1	**19**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	431	46	37	18	**532**
Segment breakdown	81%	9%	7%	3%	**100%**

(1) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*
(2) Excluding temporary shutdowns and resumptions.

On a Combined basis, revenues from energy sales amounted to $532 million for the nine-month period ended September 30, 2021, up 4% or $19 million compared with the corresponding period of 2020. This increase was driven by the same factors as mentioned in the Production section.

Excluding the 2020 data for the **LP I, DM I** and **II** wind farms, the contribution of the facilities of the Joint Ventures and associates to revenues from energy sales was down 5% from the previous year.

EBITDA(A)[(1)]

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Solar	Other segments	Corporate and eliminations	**Combined**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020	370	35	2	2	(50)	**359**
Segment breakdown[(2)]	90%	9%	1%	—%		**100%**
Acquisitions/commissioning[(3)]	38	—	28	—	—	**66**
Volume[(4)]	(43)	1	—	—	—	**(42)**
Pricing	(4)	—	—	—	—	**(4)**
Development	—	—	2	—	(5)	**(3)**
Other	(5)	(2)	—	1	2	**(4)**
Change	(14)	(1)	30	1	(3)	**13**
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021	356	34	32	3	(53)	**372**
Segment breakdown[(2)]	84%	8%	7%	1%		**100%**

(1) These terms 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 financial measures* section in this report.
(2) Excluding the corporate segment and eliminations.
(3) See the *Changes in the portfolio in operation* table in section *II - Analysis of results, cash flows and financial position - Consolidated.*
(4) Excluding temporary shutdowns and resumptions.

On a Combined basis, EBITDA(A) amounted to $372 million for the third quarter, up 4% or $13 million compared with the corresponding period of 2020. This increase was driven by the same factors as discussed in the Production section.

Excluding the 2020 data for the **LP I, DM I** and **II** wind farms, the contribution of the facilities of the Joint Ventures and associates to EBITDA(A) was down 7% from the previous year.

Commitments and contingencies

	Commitments entered into during 2021	Cumulative commitments as at September 30, 2021
Purchase and construction contracts	210	214
Maintenance contracts	126	277
Contingent consideration	8	26
Other	7	42
	351	559

France - Moulins du Lohan

On September 16, 2016, the Corporation completed the acquisition of a portfolio of wind power projects of about 200 MW in France and Scotland, including **Moulins du Lohan** project in Brittany, France. The building permits had been obtained in 2014 from the Morbihan department administrative authorities (the “Administration”) and construction had already begun before the acquisition by the Corporation.

Project opponents had filed an interim application against the project on April 14, 2017, seeking to halt construction pending a decision of the courts regarding a petition for cancellation of the permits issued by the Préfet of Morbihan. Since then, construction has ceased amidst proceedings on the merits of the case. On July 7, 2017, the Administrative Tribunal of Rennes cancelled the authorizations for the **Moulins du Lohan** project based on its subjective risk assessment of landscape damage to the interests protected under the Environmental Code. The Corporation appealed the decision. The Administrative Court of Nantes ruled in favour of Boralex on March 5, 2019. In May 2019, the *Société pour la protection des paysages et de l'esthétique de la France* filed an appeal in cassation of these rulings of the Administrative Appeal Court of Nantes. In its judgment issued on April 15, 2021, the Conseil d'État made the decision, which is final and without appeal, to validate all the authorizations required for the project and whose validity were initially challenged by the plaintiffs. The project had been selected under an RFP issued by the French Energy and Regulation Commission and is covered by a 20-year power purchase agreement. The 65 MW project was included in the Projects under construction or ready to build phase of the *Growth Path* following approval from the Board of Directors. Its commissioning is scheduled for the first half of 2023.

Risk factors and uncertainties

Risk factors

With the exception of the following, the Corporation has not observed any major change with respect to the risks to which it is subject, which are described under *Risk factors* in Management's Discussion and Analysis contained in the Annual Report for the fiscal year ended December 31, 2020.

Estimations and sources of uncertainty

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

The items in question are presented under *Factors of uncertainty* in Boralex's annual MD&A for the year ended December 31, 2020.

Accounting policies and National Instruments

Changes in accounting policies and National Instruments

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

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, *Financial instruments*, IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*. The amendments included in Phase 2 address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments complete those issued in 2019 and focus on issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after January 1, 2021. The impact of this reform on the Corporation’s consolidated financial statements will depend on the facts and circumstances of future changes relating to financial instruments, if any, and any future changes to the benchmark rates, if any, to which the Corporation’s financial instruments are indexed. As at September 30, 2021, no financial instruments have been affected in connection with this reform.

IAS 12, Income Taxes

In May 2021, the IASB published *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (Amendments to IAS 12) that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption, which does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of deferred tax assets and liabilities in the same amount. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 with early adoption permitted. The Corporation early adopted this amended standard and this change had no impact on the Corporation's consolidated financial statements.

National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure

On May 27, 2021, the Canadian Securities Administrators published the final *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure* (the “Instrument"), effective August 25, 2021 and applicable to reporting issuers for documents filed for fiscal years ending on or after October 15, 2021. The Instrument addresses disclosure of non-IFRS financial measures, non-IFRS ratios and other financial measures with the intent to provide clarity and consistency with respect to an issuer's disclosure obligations. The Corporation will apply the Instrument for its filings for the year ended December 31, 2021.

Future changes in accounting policies

Some new standards, interpretations and amendments to existing policies were published by the IASB but are not effective for the period ended on September 30, 2021. They have not been applied in the current unaudited interim condensed consolidated financial statements.

The following changes could have an impact on the Corporation's financial statements:

Standard	Effective for the Corporation	Early adoption	Impact
IAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*	January 1, 2022	Permitted	Under evaluation
IAS 1, *Presentation of Financial Statements*	January 1, 2023	Permitted	Under evaluation

IAS 16, Property, Plant and Equipment — Proceeds before Intended Use

In May 2020, the IASB issued *Property, Plant and Equipment — Proceeds before Intended Use* (amendments to IAS 16). The amendments prohibit entities deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the Corporation must recognize the proceeds from sale as well as the production costs in net income.

IAS 1, Presentation of Financial Statements

In February 2021, the IASB amended IAS 1, *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies. Further amendments to IAS 1 explain how an entity can identify a material accounting policy.

Internal controls and procedures

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

During the three-month period ended September 30, 2021, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.

Limitation on the scope and design of DC&P and ICFR

The limitation on the scope and design of the Corporation's DC&P and ICFR as at September 30, 2021, did not cover the controls and procedures of the majority interests in a portfolio of solar power stations in the United States representing 209 MWac acquired on January 29, 2021, and which are included in the September 30, 2021 consolidated financial statements. The Corporation has elected to apply section 3.3(1)(b) of Regulation 52-109, which allows this acquisition to be excluded from the evaluation of the design of DC&P and ICFR for a maximum of 365 days from the acquisition date.

The limitation on the scope is based primarily on the time required to assess DC&P and ICFR with respect to information relating to the majority interests in the portfolio of solar power stations.

Since the acquisition date, these majority interests in the portfolio of solar power stations have contributed $33 million (US$26 million) to revenues from energy sales and generated net earnings of $8 million (US$6 million). In addition, current assets and current liabilities represented 3% and 4% of consolidated current assets and liabilities, respectively. Non-current assets and non-current liabilities each represented 11% and 6% of consolidated non-current assets and liabilities, respectively.

Unaudited interim

Consolidated financial statements

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Consolidated statements of financial position

(in millions of Canadian dollars) (unaudited)	Note	As at September 30, 2021	As at December 31, 2020
ASSETS			
Cash and cash equivalents		248	275
Restricted cash		6	2
Trade and other receivables		103	157
Other current financial assets	7	3	—
Other current assets		57	38
CURRENT ASSETS		417	472
Property, plant and equipment		3,297	3,112
Right-of-use assets		349	316
Intangible assets		1,181	1,027
Goodwill		218	222
Interests in the Joint Ventures and associates		109	74
Other non-current financial assets	7	116	70
Other non-current assets		21	21
NON-CURRENT ASSETS		5,291	4,842
TOTAL ASSETS		5,708	5,314
LIABILITIES			
Trade and other payables		139	161
Current portion of debt	5	223	229
Current portion of lease liabilities		16	13
Other current financial liabilities	7	15	—
CURRENT LIABILITIES		393	403
Debt	5	3,388	3,287
Lease liabilities		278	243
Deferred income tax liability		160	137
Decommissioning liability		143	128
Other non-current financial liabilities	7	100	100
Other non-current liabilities		33	25
NON-CURRENT LIABILITIES		4,102	3,920
TOTAL LIABILITIES		4,495	4,323
EQUITY			
Equity attributable to shareholders		996	989
Non-controlling shareholders		217	2
TOTAL EQUITY		1,213	991
TOTAL LIABILITIES AND EQUITY		5,708	5,314

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

Consolidated statements of earnings (loss)

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	Three-month periods ended September 30 2021	Three-month periods ended September 30 2020	Nine-month periods ended September 30 2021	Nine-month periods ended September 30 2020
REVENUES					
Revenues from energy sales		127	101	472	409
Feed-in premium		(1)	4	7	17
Revenues from energy sales and feed-in premium		126	105	479	426
Other income		4	3	13	10
		130	108	492	436
COSTS AND OTHER					
Operating		34	30	121	105
Administrative		8	9	26	28
Development		7	7	18	16
Amortization		74	59	221	175
Impairment		—	—	2	—
Other gains		—	—	(5)	—
		123	105	383	324
OPERATING INCOME		7	3	109	112
Acquisition costs	4	—	—	4	—
Financing costs		36	20	107	84
Share in earnings of the Joint Ventures and associates		(3)	(6)	(13)	(24)
Other		1	2	(2)	12
EARNINGS (LOSS) BEFORE INCOME TAXES		(27)	(13)	13	40
Income tax expense (recovery)		(5)	(5)	5	10
NET EARNINGS (LOSS)		(22)	(8)	8	30
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(20)	(6)	1	29
Non-controlling shareholders		(2)	(2)	7	1
NET EARNINGS (LOSS)		(22)	(8)	8	30
NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC AND DILUTED	6	($0.20)	($0.06)	$0.01	$0.30

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

Consolidated statements of comprehensive income (loss)

(in millions of Canadian dollars) (unaudited)	Three-month periods ended September 30 2021	2020	Nine-month periods ended September 30 2021	2020
NET EARNINGS (LOSS)	(22)	(8)	8	30
Other comprehensive income (loss) to be subsequently reclassified to net earnings (loss) when certain conditions are met				
Translation adjustments:				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	8	8	(30)	33
Net investment hedge:				
Change in fair value	(1)	(10)	25	(34)
Income taxes	—	—	(3)	—
Cash flow hedges - Financial swaps:				
Change in fair value	2	(15)	49	(90)
Hedging items realized and recognized in net earnings (loss)	9	10	27	20
Income taxes	(3)	2	(20)	18
Cash flow hedges – Interests in the Joint Ventures and associates:				
Change in fair value	—	(1)	7	(27)
Hedging items realized and recognized in net earnings (loss)	2	2	5	5
Income taxes	—	—	(3)	6
Total other comprehensive income (loss)	17	(4)	57	(69)
COMPREHENSIVE INCOME (LOSS)	(5)	(12)	65	(39)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(8)	(10)	57	(36)
Non-controlling shareholders	3	(2)	8	(3)
COMPREHENSIVE INCOME (LOSS)	(5)	(12)	65	(39)

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

Consolidated statements of changes in equity

Nine-month period ended September 30

2021

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders						
	Capital stock	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2021	1,320	9	(249)	(91)	989	2	991
Net earnings	—	—	1	—	1	7	8
Other comprehensive income	—	—	—	56	56	1	57
COMPREHENSIVE INCOME	—	—	1	56	57	8	65
Dividends (note 6)	—	—	(51)	—	(51)	—	(51)
Non-controlling interest resulting from a business combination (note 4)	—	—	—	—	—	220	220
Distributions to non-controlling shareholders	—	—	—	—	—	(14)	(14)
Other	—	—	1	—	1	1	2
BALANCE AS AT SEPTEMBER 30, 2021	1,320	9	(298)	(35)	996	217	1,213

Nine-month period ended September 30

2020

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders						
	Capital stock	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2020	1,125	9	(233)	(41)	860	15	875
Net earnings	—	—	29	—	29	1	30
Other comprehensive loss	—	—	—	(65)	(65)	(4)	(69)
COMPREHENSIVE INCOME (LOSS)	—	—	29	(65)	(36)	(3)	(39)
Dividends (note 6)	—	—	(49)	—	(49)	—	(49)
Issuance of shares	194	—	—	—	194	—	194
Transaction with a non-controlling shareholder	—	—	—	—	—	3	3
Repurchase of a non-controlling shareholder	—	—	—	—	—	(1)	(1)
Distributions to non-controlling shareholders	—	—	—	—	—	(14)	(14)
BALANCE AS AT SEPTEMBER 30, 2020	1,319	9	(253)	(106)	969	—	969

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

Consolidated statements of cash flows

(in millions of Canadian dollars) (unaudited)	Note	Three-month periods ended September 30 2021	2020	Nine-month periods ended September 30 2021	2020
Net earnings (loss)		(22)	(8)	8	30
Distributions received from the Joint Ventures and associates		13	19	19	28
Financing costs		36	20	107	84
Interest paid		(26)	(18)	(89)	(71)
Income tax expense (recovery)		(5)	(5)	5	10
Income taxes paid		(3)	(1)	(13)	(4)
Non-cash items in earnings (loss):					
Amortization		74	59	221	175
Share in earnings of the Joint Ventures and associates		(3)	(6)	(13)	(24)
Impairment		—	—	2	—
Net loss (gain) on financial instruments		—	3	(2)	13
Other		2	—	2	(3)
Change in non-cash items related to operating activities		(19)	10	17	65
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		47	73	264	303
Business acquisitions, net of cash acquired	4	—	—	(274)	—
Increase in the interests in the Joint Ventures and associates		—	—	(6)	—
Additions to property, plant and equipment		(32)	(47)	(74)	(91)
Acquisition of energy sales contracts		—	—	(12)	(10)
Change in restricted cash		1	(5)	(4)	7
Other		—	(2)	(3)	(2)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(31)	(54)	(373)	(96)
Increase in debt		87	100	461	190
Repayments on debt		(63)	(359)	(301)	(458)
Principal payments relating to lease liabilities		(3)	(2)	(9)	(7)
Distributions paid to non-controlling shareholders		(5)	(2)	(13)	(5)
Dividends paid to shareholders	6	(17)	(17)	(51)	(49)
Shares issued		—	201	—	201
Share issuance costs		—	(9)	—	(9)
Settlement on financial instruments		—	—	5	(9)
Other		(1)	—	(3)	(3)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(2)	(88)	89	(149)
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		—	3	(7)	9
NET CHANGE IN CASH AND CASH EQUIVALENTS		14	(66)	(27)	67
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD		234	286	275	153
CASH AND CASH EQUIVALENTS – END OF PERIOD		248	220	248	220

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

Notes to consolidated financial statements

As at September 30, 2021

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

Note 1. Incorporation and nature of business

Boralex Inc., its subsidiaries and its Joint Ventures and associates ("Boralex" or the "Corporation") are dedicated to the development, construction and operation of renewable energy power facilities. As at September 30, 2021, the Corporation had interests in 89 wind farms, 16 hydroelectric power stations, ten solar power stations and one thermal power station, representing an asset base with an installed capacity totalling 2,462 megawatts ("MW"). In addition, Boralex currently has new projects under development, representing an additional 143 MW of power and a portfolio of secured projects amounting to 521 MW. The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Énergie Inc., an entity of which one of the three shareholders is a director of the Corporation. Revenues from energy sales are generated mainly in Canada, France and the United States.

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

Note 2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), including IAS 34, *Interim Financial Reporting*. The accounting policies followed in these unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2020, except for income taxes for the interim periods, which are calculated using the tax rate that would be applicable to expected annual earnings for each jurisdiction, and except for changes to the accounting policies described in note 3. These unaudited interim consolidated financial statements do not constitute a complete set of financial statements, and should therefore be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2020. The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. The operating results in the interim financial statements are therefore not necessarily indicative of the expected annual results, as historically the first and fourth quarters generate higher results. The Management's Discussion and Analysis provides further information on the seasonal fluctuations in the Corporation's results under section *II – Analysis of results and financial position - Consolidated*.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on November 11, 2021.

Note 3. Changes in accounting policies

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

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, *Financial instruments*, IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*. The amendments included in Phase 2 address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments complete those issued in 2019 and focus on issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual periods beginning on or after January 1, 2021. The impact of this reform on the Corporation's consolidated financial statements will depend on the facts and circumstances of future changes relating to financial instruments, if any, and any future changes to the benchmark rates, if any, to which the Corporation's financial instruments are indexed. As at September 30, 2021, no financial instruments have been affected in connection with this reform.

IAS 12, Income Taxes

In May 2021, the IASB published *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (Amendments to IAS 12) that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption, which does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of deferred tax assets and liabilities in the same amount. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 with early adoption permitted. The Corporation early adopted this amended standard and this change had no impact on the Corporation's consolidated financial statements.

Future changes in accounting policies

Some new standards, interpretations and amendments to existing policies were published by the IASB but are not effective for the period ended on September 30, 2021. They have not been applied in the current unaudited interim condensed consolidated financial statements.

The following changes could have an impact on the Corporation's financial statements:

Standard	Effective for the Corporation	Early adoption	Impact
IAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*	January 1, 2022	Permitted	Under evaluation
IAS 1, *Presentation of Financial Statements*	January 1, 2023	Permitted	Under evaluation

IAS 16, Property, Plant and Equipment — Proceeds before Intended Use

In May 2020, the IASB issued *Property, Plant and Equipment — Proceeds before Intended Use* (amendments to IAS 16). The amendments prohibit entities deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the Corporation must recognize the proceeds from sale as well as the production costs in net income.

IAS 1, Presentation of Financial Statements

In February 2021, the IASB amended IAS 1, *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies. Further amendments to IAS 1 explain how an entity can identify a material accounting policy.

Note 4. Business combinations

Acquisition of interests in solar power stations in the United States

On January 29, 2021, and as announced in December 2020, Boralex acquired the majority interests of Centaurus Renewable Energy LLC (”CRE”) in a portfolio of seven solar power stations in the United States for a cash consideration of $277 million (US$215.4 million), subject to adjustments provided for in the acquisition agreements. Boralex holds interests of 50% to 100% with CRE and other investors retain minority interests in the assets. For three of the seven projects, there are tax equity investors. The total installed capacity of these power stations is 209 MWac, while the interests acquired represent a net installed capacity of 118 MWac for Boralex. Five of the solar power stations are located in California, one in Alabama and the other in Indiana. They were commissioned between 2014 and 2017 and are covered by long-term power purchase agreements (”PPAs”) expiring between 2029 and 2046 with a weighted average remaining term of nearly 21.5 years.

As at September 30, 2021, transaction costs amounted to $6 million including $3 million incurred in 2020.

Facilities acquired	Boralex % interest	PPA expiry	Installed capacity (MWac)	Boralex's share of installed capacity (MWac)
IMS	100%	July 2029	9	9
Westlands	50%	February 2034	18	9
Lancaster	100%	December 2034	3	3
Kettleman	50%	August 2040	20	10
Five Points	50%	October 2041	60	30
Lafayette	60%	December 2045	79	47
Frontier	50%	July 2046	20	10
Total			**209**	**118**

The following table shows the preliminary purchase price allocation of shares:

	Preliminary allocation	
	(in $)	(in US$)
Cash and cash equivalents	3	2
Trade and other receivables	2	1
Other current assets	1	1
Property, plant and equipment	333	259
Right-of-use assets	24	18
Intangible assets (energy sales contracts)	224	175
Goodwill	1	1
Current liabilities	(2)	(2)
Assumed liabilities (tax equity investors)	(47)	(37)
Lease liabilities	(24)	(18)
Decommissioning liability	(18)	(14)
Non-controlling shareholders	(220)	(171)
Net assets acquired	**277**	**215**
Less:		
Cash and cash equivalents	(3)	(2)
Net consideration paid for the acquisition	**274**	**213**

The preliminary allocation of the purchase price was established based on fair values of assets acquired and liabilities assumed as at acquisition date. The balance sheet items that are likely to change following the final determination of fair values as at acquisition date are *Property, plant and equipment*, *Intangible assets*, *Goodwill* and *Assumed liabilities*. The final recognition of the business combination could differ from amounts presented and could also result in favourable or unfavourable impacts, among others, on the currently recorded amortization and income tax expenses. These changes would be recorded retrospectively as at the acquisition date.

Trade and other receivables acquired as part of the acquisition has a fair value of $2 million and the Corporation expects to collect the entire amount during 2021.

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

Since the acquisition date, in 2021, the acquired entity contributed $33 million (US$26 million) to revenues from energy sales and generated net income of $8 million (US$6 million). If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenues from energy sales and feed-in premium for the period ended September 30, 2021, would have increased by $2 million (US$1 million) to $481 million and net income by $8 million. These estimates are based on the assumption that the fair market value adjustments that were made on the date of acquisition would have been the same had the acquisition occurred on January 1, 2021.

Note 5. Debt

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	Maturity	Rate[1]	Currency of origin[2]	As at September 30, 2021	As at December 31, 2020
Revolving credit facility	(a)	2026	1.71		186	119
Term loan (CDPQ/FSTQ)		2028	5.64		300	300
Term loan payable:						
Ocean Falls hydroelectric power station		2024	6.55		3	4
Thames River wind farms		2031	7.05		105	112
Témiscouata I wind farm		2032	5.13		38	39
LP I wind farm		2032	3.88		166	176
Témiscouata II wind farm		2033	5.58		99	102
DM I and II wind farms		2033	5.80		244	252
Port Ryerse wind farm		2034	3.80		24	26
Frampton wind farm		2035	4.11		57	59
Côte-de-Beaupré wind farm		2035	4.16		49	51
Niagara Region Wind Farm (“NRWF”)		2036	2.65		734	759
Moose Lake wind farm		2043	4.53		47	47
Jamie Creek hydroelectric power station		2054	5.42		55	55
Yellow Falls hydroelectric power station		2056	4.90		71	72
Other debt		—	—		2	6
CANADA					**2,180**	**2,179**
Construction facility:						
Boralex Energy Investments portfolio of projects	(b)	2023	0.66	14	20	—
Term loan payable:						
CDPQ Fixed Income Inc. ("Caisse")		2024	4.05	40	59	62
Boralex Production portfolio of wind farms and projects		2030	0.89	116	170	216
Val aux Moines wind farm		2034	1.33	13	20	22
Boralex Énergie France portfolio of wind farms and projects		2036	1.50	196	287	329
Sainte-Christine portfolio of wind farms and projects		2039	1.36	495	727	752
Other debt		—	—	3	4	4
FRANCE				**877**	**1,287**	**1,385**
Senior secured U.S. note		2026	3.51	30	38	45
Term loan:						
Boralex US Solar portfolio of solar power stations	(c)	2028	2.73	148	188	—
UNITED STATES				**178**	**226**	**45**
			3.08		3,693	3,609
Current portion of debt					(223)	(229)
Transaction costs, net of accumulated amortization					(82)	(93)
					3,388	**3,287**

(1) Weighted average rates, adjusted to reflect the impact of interest rate swaps and calculated using the effective interest method, where applicable.
(2) Currencies of origin are CAD (Canada), EUR (France) and USD (United States).

(a) Refinancing of the revolving credit facility

In September 2021, Boralex had the maturity of its revolving credit facility and letter of credit facility for a total of $525 million extended by three years to September 2026 and obtained a reduction in the interest rate on its line of credit. The agreement was also enhanced to include an accordion clause that provides Boralex with future access to an additional amount of $150 million under the same terms and conditions as for the line of credit.

(b) Drawdowns on the construction facility

As at September 30, 2021, Boralex had drawn down $20 million (€14 million) on the $182 million (€125 million) construction facility arranged in January 2020 to finance the construction of wind and solar power projects in France.

(c) Acquisition of interests in solar power stations in the United States

At the same time as the acquisition, Boralex closed a long-term financing arrangement of $192 million (US$149 million). The loan interest rate is variable and is based on the LIBOR, plus a margin. The Corporation entered into an interest rate swap for this loan to cover approximately 90% of expected future interest cash flows. With this swap, the fixed portion of the rate is set at 2.83%. The loan will be amortized over a 25-year period. The 7-year term loan, at maturity, with a balance of $146 million (US$116 million) will be refinanced.

Current portion of debt

(in millions of Canadian dollars) (unaudited)	As at September 30, 2021	As at December 31, 2020
Term loan payable – projects	223	217
Value added tax bridge financing facility	—	12
	223	229

Financial ratios and guarantees

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

As at September 30, 2021, management considers that Boralex and its subsidiaries were in compliance with all their ratios and financial commitments.

Note 6. Net earnings (loss) per share

(a) Net earnings (loss) per share – basic

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2021	2020	2021	2020
Net earnings (loss) attributable to shareholders of Boralex	(20)	(6)	1	29
Weighted average number of shares - basic	102,618,702	98,645,991	102,618,642	97,197,046
Net earnings (loss) per share attributable to shareholders of Boralex - basic	($0.20)	($0.06)	$0.01	$0.30

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

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2021	2020	2021	2020
Net earnings (loss) attributable to shareholders of Boralex - diluted	(20)	(6)	1	29
Weighted average number of shares - basic	102,618,702	98,645,991	102,618,642	97,197,046
Dilutive effect of stock options	—	—	159,663	143,124
Weighted average number of shares - diluted	102,618,702	98,645,991	102,778,305	97,340,170
Net earnings (loss) per share attributable to shareholders of Boralex - diluted	($0.20)	($0.06)	$0.01	$0.30

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

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	2021	2020
Stock options excluded due to their anti-dilutive effect	325,191	364,591	—	—

(c) Dividends paid

On September 16, 2021, the Corporation paid a dividend of $0.1650 per common share. For the nine-month period ended September 30, 2021, the Corporation paid a dividend of $51 million ($49 million in 2020).

On November 11, 2021, a dividend of $0.1650 per common share was declared, to be paid on December 15, 2021, to holders of record at the close of business on November 30, 2021.

Note 7. Financial instruments

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

	Note	As at September 30, 2021 Carrying amount	Fair value	As at December 31, 2020 Carrying amount	Fair value
OTHER CURRENT FINANCIAL ASSETS					
Other		3	3	—	—
OTHER NON-CURRENT FINANCIAL ASSETS					
Advance to a non-controlling shareholder	(a)	29	29	29	29
Reserve funds		35	35	34	34
Interest rate swaps		35	35	7	7
Cross-currency swaps (EUR for CAD)		17	17	—	—
		116	116	70	70
OTHER CURRENT FINANCIAL LIABILITIES					
Cross-currency swaps (USD for CAD)		1	1	—	—
Tax equity financing	(b)	11	11	—	—
Other		3	3	—	—
		15	15	—	—
DEBT[1]	5	3,611	3,821	3,516	3,703
OTHER NON-CURRENT FINANCIAL LIABILITIES					
Interest rate swaps		39	39	82	82
Due to a non-controlling shareholder		6	6	6	7
Cross-currency swaps (EUR for CAD)		—	—	8	8
Tax equity financing	(b)	31	31	—	—
Contingent consideration		4	4	4	4
Due to a joint venture		19	19	—	—
Other		1	1	—	—
		100	100	100	101

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

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

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

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

The fair values of the advance to a non-controlling shareholder, tax equity financing, debt, the amount due to a non-controlling shareholder, contingent consideration and amounts due to a joint venture are essentially based on discounted cash flows. Discount rates, ranging from 0.23% to 7.87% (0.42% to 7.51% as at December 31, 2020), were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions.

(a) Advance to a non-controlling shareholder

On October 26, 2021, Boralex received the entire amount owed by a non-controlling shareholder.

(b) Tax equity financing

At the time of the CRE acquisition, Boralex recorded assumed non-current liabilities of $47 million (US$37 million) in respect of tax equity financing (note 4). Under tax equity financing, the tax equity investors ("TEIs") make a cash contribution when initial investments are made in projects. In accordance with the substance of the contractual agreements, the initial contributions made by the TEIs are classified as financial instrument liabilities on Boralex's consolidated statement of financial position.

TEIs obtain a return on their contribution as set out in the agreements and are allocated most of the tax attributes of the projects such as investment tax credits, almost all of the taxable results in the first few years of the life of the projects (including accelerated tax amortization policy) as well as cash distributions.

The structure reaches a flip point when the agreed upon return on contribution is achieved. The maturity date of these obligations may change and depends on the dates on which the TEIs achieves the agreed rate of return. Once the flip point is reached, the tax attributes are allocated to the partners and the TEIs are then entitled to a limited portion of future cash distributions. Their interests are repurchased by the project partners or they remain as minority partners exposed to similar return risks as other partners. At all times, both before and after the project flip point, Boralex retains control over the projects. These financial liabilities are classified as financial liabilities at amortized cost in Boralex's consolidated financial statements.

Interest rate swaps

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

As at September 30,

2021	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Interest rate swaps	EUR	-0.16 % to 1.79 %	3-month EURIBOR	2030-2039	901	(27)
Interest rate swaps	USD	1.42 % to 1.43 %	3-month USD LIBOR	2028	173	3
Interest rate swaps	CAD	1.12 % to 2.68 %	3-month CDOR	2025-2043	1,019	20

As at December 31,

2020	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Interest rate swaps	EUR	-0.16% to 1.79%	3-month EURIBOR	2030-2039	1,045	(46)
Interest rate swaps	USD	1.01%	3-month USD LIBOR	2046	166	2
Interest rate swaps	CAD	1.12% to 2.68%	3-month CDOR	2025-2043	1,060	(31)

Cross-currency swaps

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

As at September 30,

2021	Exchange rate	Rate payer/ receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5325	1-month EURIBOR/CDOR	2023	405	17
Cross-currency swaps (USD for CAD)	1.2851	1-month LIBOR/CDOR	2021	100	(1)

As at December 31,

2020	Exchange rate	Rate payer/ receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5324	1-month EURIBOR/CDOR	2023	472	(8)

Hierarchy of financial assets and liabilities measured at fair value

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

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

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

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

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

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

	Fair value hierarchy levels			
	As at September 30, 2021	Level 1	Level 2	Level 3
DERIVATIVE FINANCIAL ASSETS				
Interest rate swaps	35	—	35	—
Cross-currency swaps (EUR for CAD)	17	—	17	—
Other	3	—	3	—
	55	—	55	—
NON-DERIVATIVE FINANCIAL LIABILITIES				
Contingent consideration	4	—	—	4
DERIVATIVE FINANCIAL LIABILITIES				
Cross-currency swaps (USD for CAD)	1	—	1	—
Interest rate swaps	39	—	39	—
Other	3	—	3	—
	43	—	43	—

	Fair value hierarchy levels			
	As at December 31, 2020	Level 1	Level 2	Level 3
DERIVATIVE FINANCIAL ASSETS				
Interest rate swaps	7	—	7	—
NON-DERIVATIVE FINANCIAL LIABILITIES				
Contingent consideration	4	—	—	4
DERIVATIVE FINANCIAL LIABILITIES				
Interest rate swaps	82	—	82	—
Cross-currency swaps (EUR for CAD)	8	—	8	—
	90	—	90	—

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

	Options to purchase a partner's interests	Contingent consideration
Balance as at January 1, 2020	9	—
Reversal following the acquisition of a partner's interests in Joint Ventures	(9)	—
Business combination	—	4
Balance as at December 31, 2020	—	4
Balance as at September 30, 2021	—	4

Note 8. Commitments and contingencies

	Commitments entered into during 2021	Cumulative commitments as at September 30, 2021
Purchase and construction contracts	210	214
Maintenance contracts	126	277
Contingent consideration	8	26
Other	7	42
	351	559

Moulins du Lohan litigation

On September 16, 2016, the Corporation completed the acquisition of a portfolio of wind power projects of about 200 MW in France and Scotland, including **Moulins du Lohan** project in Brittany, France. The building permits had been obtained in 2014 from the Morbihan department administrative authorities (the "Administration") and construction had already begun before the acquisition by the Corporation.

Project opponents had filed an interim application against the project on April 14, 2017, seeking to halt construction pending a decision of the courts regarding a petition for cancellation of the permits issued by the Préfet of Morbihan. Since then, construction has ceased amidst proceedings on the merits of the case. On July 7, 2017, the Administrative Tribunal of Rennes cancelled the authorizations for the **Moulins du Lohan** project based on its subjective risk assessment of landscape damage to the interests protected under the Environmental Code. The Corporation appealed the decision. The Administrative Court of Nantes ruled in favour of Boralex on March 5, 2019. In May 2019, the Société pour la protection des paysages et de l'esthétique de la France filed an appeal in cassation of these rulings of the Administrative Appeal Court of Nantes. In its judgment issued on April 15, 2021, the Conseil d'État made the decision, which is final and without appeal, to validate all the authorizations required for the project and whose validity were initially challenged by the plaintiffs. The project had been selected under an RFP issued by the French Energy and Regulation Commission and is covered by a 20-year power purchase agreement. The 65 MW project advanced to the *Projects under construction or ready-to-build* phase of the *Growth Path* following approval from the Board of Directors. Its commissioning is scheduled for the first half of 2023.

Note 9. Segmented information

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

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

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

A reconciliation of IFRS based data with data compiled on a Combined basis is also presented where the results of the *Interests in the Joint Ventures and associates* ("Interests") are accounted for according to the ownership interest. Management considers this information to be useful information for investors, as it is used to assess the Corporation's performance. For more details, see the *Interests in the Joint Ventures and associates* section in note 3. *Significant accounting policies* of the annual financial statements.

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

	Three-month periods ended September 30					
	2021			2020		
	Consolidated	Reconciliation(1)	Combined	Consolidated	Reconciliation(1)	Combined
Operating income	7	6	13	3	9	12
Amortization	74	6	80	59	12	71
Share in earnings of the Joint Ventures and associates	3	(3)	—	6	(6)	—
Excess of the interest over the net assets of Joint Venture SDB I	—	—	—	(6)	6	—
Change in fair value of derivative included in the share of the Apuiat Joint Venture	(3)	3	—	—	—	—
EBITDA(A)	81	12	93	62	21	83

	Nine-month periods ended September 30					
	2021			2020		
	Consolidated	Reconciliation(1)	Combined	Consolidated	Reconciliation(1)	Combined
Operating income	109	28	137	112	37	149
Amortization	221	18	239	175	37	212
Impairment	2	—	2	—	—	—
Share in earnings of the Joint Ventures and associates	13	(13)	—	24	(24)	—
Other gains	(5)	(1)	(6)	—	(2)	(2)
Excess of the interest over the net assets of Joint Venture SDB I	6	(6)	—	(14)	14	—
Change in fair value of derivative included in the share of the Apuiat Joint Venture	(8)	8	—	—	—	—
EBITDA(A)	338	34	372	297	62	359

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

	Three-month periods ended September 30							
	2021				2020			
	Canada	France and other(1)	United States	Total	Canada	France and other(1)	United States	Total
Power production (GWh)(2)								
Wind power stations	362	354	—	716	243	353	—	596
Hydroelectric power stations	95	—	110	205	105	—	39	144
Solar power stations	—	7	143	150	—	7	—	7
Thermal power stations(3)	37	—	—	37	42	—	—	42
	494	361	253	1,108	390	360	39	789
Revenues from energy sales and feed-in premium								
Wind power stations	47	45	—	92	36	49	—	85
Hydroelectric power stations	9	—	8	17	11	—	3	14
Solar power stations	—	1	13	14	—	2	—	2
Thermal power stations(3)	3	—	—	3	3	1	—	4
	59	46	21	126	50	52	3	105
EBITDA(A)								
Wind power stations	40	35	—	75	31	38	—	69
Hydroelectric power stations	7	—	6	13	8	—	1	9
Solar power stations	—	1	11	12	—	2	(1)	1
Corporate and eliminations	(7)	(8)	(4)	(19)	(7)	(9)	(1)	(17)
	40	28	13	81	32	31	(1)	62
Additions to property, plant and equipment								
Wind power stations	—	15	—	15	—	45	—	45
Hydroelectric power stations	1	—	—	1	1	—	—	1
Solar power stations	—	14	1	15	—	—	—	—
Corporate	—	1	—	1	1	—	—	1
	1	30	1	32	2	45	—	47

(1) United Kingdom.
(2) Includes compensation for power limitations imposed by clients.
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil-fuel power generating asset.

	Nine-month periods ended September 30							
	2021				2020			
	Canada	France and other(1)	United States	Total	Canada	France and other(1)	United States	Total
Power production (GWh)(2)								
Wind power stations	1,433	1,535	—	2,968	943	1,623	—	2,566
Hydroelectric power stations	291	—	276	567	294	—	266	560
Solar power stations	—	17	385	402	—	18	—	18
Thermal power stations(3)	105	19	—	124	96	19	—	115
	1,829	1,571	661	4,061	1,333	1,660	266	3,259
Revenues from energy sales and feed-in premium								
Wind power stations	187	191	—	378	139	217	—	356
Hydroelectric power stations	28	—	18	46	30	—	18	48
Solar power stations	—	4	33	37	—	5	—	5
Thermal power stations(3)	11	7	—	18	10	7	—	17
	226	202	51	479	179	229	18	426
EBITDA(A)								
Wind power stations	176	147	—	323	137	172	—	309
Hydroelectric power stations	21	—	13	34	23	—	12	35
Solar power stations	—	4	28	32	—	4	(2)	2
Thermal power stations(3)	2	1	—	3	—	2	—	2
Corporate and eliminations	(22)	(25)	(7)	(54)	(22)	(26)	(3)	(51)
	177	127	34	338	138	152	7	297
Additions to property, plant and equipment								
Wind power stations	1	44	—	45	—	77	—	77
Hydroelectric power stations	2	—	—	2	10	—	—	10
Solar power stations	—	21	4	25	—	—	—	—
Corporate	—	2	—	2	4	—	—	4
	3	67	4	74	14	77	—	91

(1) United Kingdom.
(2) Includes compensation for power limitations imposed by clients.
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil-fuel power generating asset.

For the three-month period ended September 30, 2021, revenues from energy sales for facilities not covered by energy sales contracts amounted to $2 million (insignificant for the same period of 2020). As for the nine-month period ended September 30, 2021, revenues from energy sales for facilities not covered by energy sales contracts amounted to $5 million ($2 million for the same period of 2020).

	As at September 30, 2021				As at December 31, 2020			
	Canada	France and other[1]	United States	Total	Canada	France and other[1]	United States	Total
Total assets								
Wind power stations	2,394	1,952	—	4,346	2,441	2,082	—	4,523
Hydroelectric power stations	414	—	148	562	426	—	155	581
Solar power stations	2	59	606	667	2	32	24	58
Thermal power stations[3]	9	—	—	9	14	11	—	25
Corporate	48	48	28	124	39	64	24	127
	2,867	2,059	782	5,708	2,922	2,189	203	5,314
Non-current assets[2]								
Wind power stations	2,192	1,724	—	3,916	2,251	1,835	—	4,086
Hydroelectric power stations	400	—	144	544	408	—	152	560
Solar power stations	1	53	582	636	1	28	15	44
Thermal power stations[3]	6	—	—	6	8	6	—	14
Corporate	44	19	17	80	28	20	16	64
	2,643	1,796	743	5,182	2,696	1,889	183	4,768
Total liabilities								
Wind power stations	1,926	1,470	—	3,396	1,972	1,591	—	3,563
Hydroelectric power stations	134	—	89	223	140	—	96	236
Solar power stations	—	13	276	289	—	3	4	7
Thermal power stations[3]	4	—	—	4	5	3	—	8
Corporate	470	105	8	583	411	88	10	509
	2,534	1,588	373	4,495	2,528	1,685	110	4,323

(1) United Kingdom.
(2) Excludes *Interests in the Joint Ventures and associates.*
(3) On May 1, 2021, the Corporation disposed of the Blendecques cogeneration power station, its last fossil-fuel power generating asset.

Reconciliation

	Three-month periods ended September 30					
	2021			2020		
	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
Power production (GWh)[2]	1,108	130	1,238	789	228	1,017
Wind power stations[2]	716	130	846	596	228	824
Revenues from energy sales and feed-in premium	126	14	140	105	25	130
Wind power stations	92	14	106	85	25	110
EBITDA(A)	81	12	93	62	21	83
Wind power stations	75	11	86	69	21	90
Additions to property, plant and equipment	32	—	32	47	—	47
Wind power stations	15	—	15	45	—	45

(1) Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest, less adjustments to reverse recognition of these interests under IFRS.
(2) Includes compensation for power limitations imposed by clients.

Reconciliation

	Nine-month periods ended September 30					
	2021			2020		
	Consolidated	Reconciliation[1]	Combined	Consolidated	Reconciliation[1]	Combined
		Canada	Total		Canada	Total
Power production (GWh)[2]	4,061	493	4,554	3,259	812	4,071
Wind power stations[2]	2,968	493	3,461	2,566	812	3,378
Revenues from energy sales and feed-in premium	479	53	532	426	87	513
Wind power stations	378	53	431	356	87	443
EBITDA(A)	338	34	372	297	62	359
Wind power stations	323	33	356	309	61	370
Additions to property, plant and equipment	74	1	75	91	—	91
Wind power stations	45	1	46	77	—	77

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

(2) Includes compensation for power limitations imposed by clients.

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

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

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

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SHAREHOLDER INFORMATION

The **Annual Meeting of Shareholders** was held on Wednesday, May 5, 2021, at 11 a.m. in the form of a virtual presentation.

For further information, please visit our website.

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