



# Financial Review

1<sup>st</sup> Quarter 2020



May 6, 2020



# DISCLAIMER

## Forward-looking statements

Some of the statements contained in this press release, including those regarding future results and performance, the Corporation's strategic plan, business model and growth strategy, financial objectives, and the renewable energy production projects in the pipeline or on the Corporation's *Growth path* are forward-looking statements based on current expectations, within the meaning of securities legislation.

Forward-looking statements are 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.

Borex 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 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, 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 of 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 Borex does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

## Combined – Non-IFRS measure

The combined information ("Combined") presented in this management's discussion and analysis ("MD&A") results from the combination of the financial information of Borex Inc. ("Borex" or the "Corporation") under IFRS and the share of the financial information of the Interests. The Interests represent significant investments by Borex and although IFRS does not permit the consolidation of their financial information within that of Borex, management considers that information on a Combined basis is useful data to assess the Corporation's performance. In order to prepare the Combined information, Borex 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 Borex's respective share (ranging from 50.00% to 59.96%) in the financial statement of the Interests (revenues, expenses, assets, liabilities, etc.). For greater detail, see the *Interests in the Joint Ventures and associates* note in the audited annual consolidated financial statements for the year ended December 31, 2019.

## Other non-IFRS measures

This presentation contains certain financial measures that are not in accordance with International Financial Reporting Standard ("IFRS"). In order to assess the performance of its assets and reporting segments, Borex uses the terms "EBITDA", "EBITDA(A)", "cash flows from operations", "net debt ratio", "discretionary cash flows" and "payout ratio". For more information, please refer to Borex's MD&A.

## General

The data expressed as a percentage is calculated using amounts in thousands of dollars.



**Patrick Lemaire**  
President and Chief Executive Officer





# Q1 2020 Financial Highlights

- Thank you to all of our operations and maintenance employees;
- Maintaining production, an essential service;
- Thank you to all of our administrative center employees;
- Strong growth in overall results;
- Significant increase in production in France;
- Benefits from refinancing carried out in 2019;
- 250 MW won in tenders.

# 2020 Achievements - Strategic Directions

## Growth

- Addition of 84 MW of secure projects to the *Growth Path*, comprising 56 MW of wind projects and 28 MW of solar projects.

## Diversification

- The bids for four solar power projects totalling 180 MW were selected in the State of New York in the United States.
- Two solar power projects totalling 28 MW were selected under the most recent RFP in France.
- Commercial commissioning of the Corporation's first 2 MW electricity storage asset.
- Bid made for a hybrid project consisting of solar power (5 MW) and energy storage (5 MW) in the State of New York in the United States.

## Customers

- Five-year energy sales contract starting January 1, 2021 concluded directly with a large CAC 40 industrial group in France (Corporate PPA) for an existing wind farm whose contract with EDF is coming to an end.

## Optimization

- Ongoing talks for the potential refinancing of certain assets in Canada.
- Ongoing repowering of the Cham Longe wind farm in France.
- Advanced talks for the optimization of repair and maintenance work in Canada.



# Key Elements

- No significant impacts related to COVID-19 for the moment;
- Slight delays in two ongoing construction projects;
- Solid balance sheet and cash flow.



**Patrick Decostre**

Vice President and Chief Operating Officer



# Power Production - Combined<sup>(1)</sup>

(GWh) - Quarterly

	Power production			Q1 2020 vs anticipated <sup>(2)(3)</sup>		Q1 2020 vs Q1 2019	
	Q1 2020	Anticipated <sup>(2)(3)</sup>	Q1 2019	GWh	%	GWh	%
<b>Wind - Canada</b>							
Comparable assets <sup>(4)</sup>	667	712	801	(45)	(6)	(134)	(17)
Commissioning - Moose Lake	17	15	—	2	13	17	—
<b>Total wind - Canada</b>	<b>684</b>	<b>727</b>	<b>801</b>	<b>(43)</b>	<b>(6)</b>	<b>(117)</b>	<b>(15)</b>
<b>Wind - France</b>							
Comparable assets	824	628	633	196	31	191	30
Commissioning <sup>(5)</sup>	62	49	9	13	25	53	>100
<b>Total wind - France</b>	<b>886</b>	<b>677</b>	<b>642</b>	<b>209</b>	<b>31</b>	<b>244</b>	<b>38</b>
<b>Total wind</b>							
Comparable assets <sup>(4)</sup>	1,491	1,340	1,434	151	11	57	4
Commissioning <sup>(5)</sup>	79	64	9	15	22	70	>100
<b>Total wind</b>	<b>1,570</b>	<b>1,404</b>	<b>1,443</b>	<b>166</b>	<b>12</b>	<b>127</b>	<b>9</b>
<b>Hydro Canada</b>							
Comparable assets	23	27	25	(4)	(14)	(2)	(7)
Commissioning - Yellow Falls	15	14	—	1	10	15	—
Temporary shutdown - Buckingham	32	28	—	4	12	32	—
<b>Total Hydro - Canada</b>	<b>70</b>	<b>69</b>	<b>25</b>	<b>1</b>	<b>1</b>	<b>45</b>	<b>&gt;100</b>
Hydro - United States	128	108	134	20	19	(6)	(4)
<b>Total Hydro</b>	<b>198</b>	<b>177</b>	<b>159</b>	<b>21</b>	<b>12</b>	<b>39</b>	<b>25</b>
<b>Thermal</b>	<b>65</b>	<b>77</b>	<b>72</b>	<b>(12)</b>	<b>(15)</b>	<b>(7)</b>	<b>(9)</b>
<b>Solar</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>—</b>	<b>(4)</b>	<b>(1)</b>	<b>(17)</b>
<b>Total<sup>(4)</sup></b>	<b>1,837</b>	<b>1,662</b>	<b>1,679</b>	<b>175</b>	<b>11</b>	<b>158</b>	<b>9</b>

<sup>(1)</sup> See the *Non-IFRS measures* section in the First Quarter 2020 Interim Report.

<sup>(2)</sup> Anticipated production is calculated using historical averages adjusted for planned facility commissioning and shutdowns for the older sites, and production forecasts for the other sites.

<sup>(3)</sup> See *Notice concerning forward-looking statements* in the First Quarter 2020 Interim Report.











<sup>(4)</sup> Including NRW compensation of 31 GWh for Q1 2020 (10 GWh for Q1 2019).

<sup>(5)</sup> See the *Commissioning* table in section II - *Analysis of results and financial position - IFRS* of the First Quarter 2020 Interim Report.



# New Presentation of Development Projects

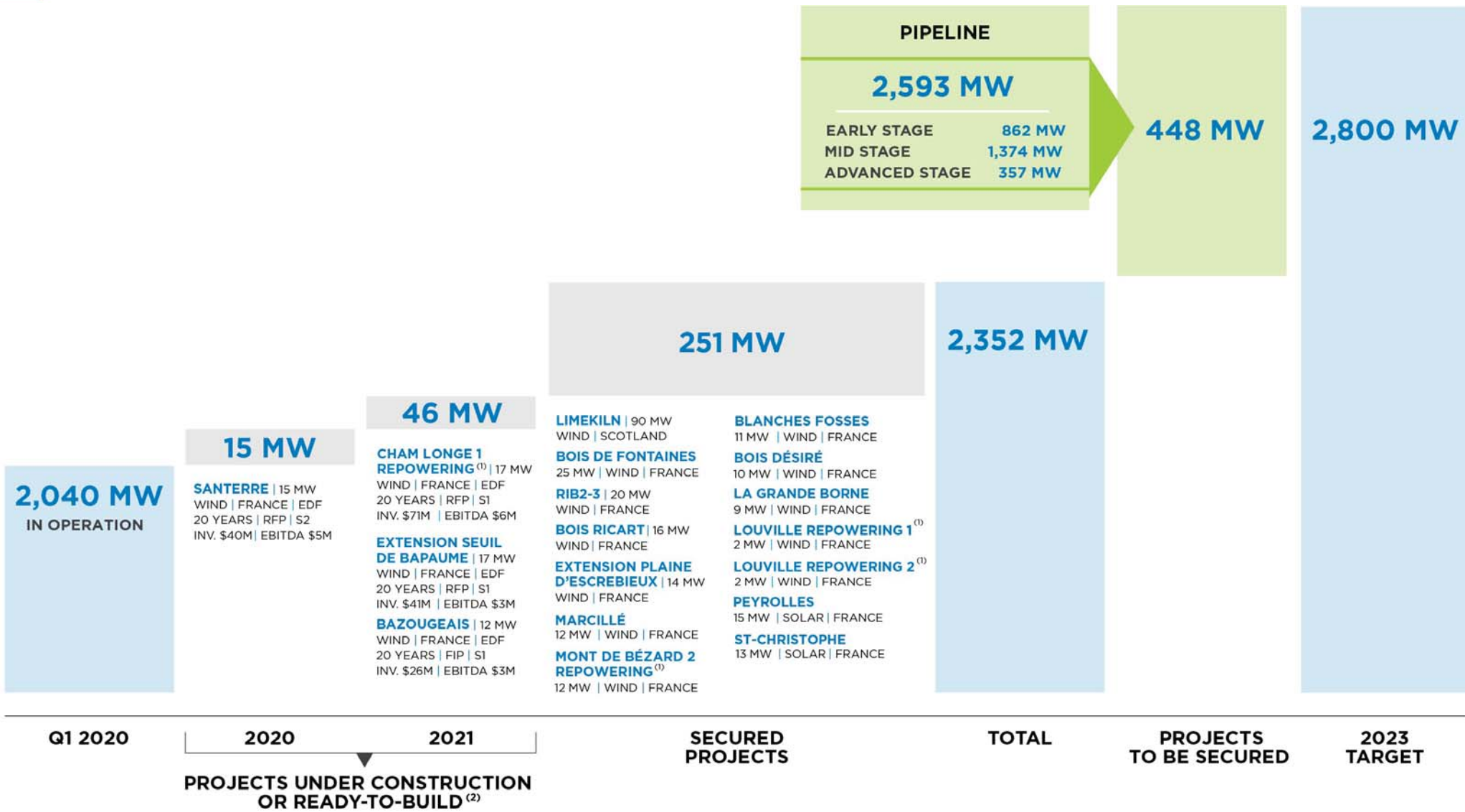
## BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE		NORTH AMERICA	EUROPE	TOTAL BORALEX	
TOTAL <b>2,593 MW</b>	<b>EARLY STAGE</b>				
	<ul style="list-style-type: none"> <li>Real estate rights secured</li> <li>Grid connection available</li> <li>Verification of the acceptability of the project by local communities and regulatory risks</li> </ul>	 315 MW  155 MW <b>TOTAL 470 MW</b>	276 MW 116 MW <b>392 MW</b>	<b>591 MW</b> <b>271 MW</b> <b>862 MW</b>	
	<b>MID STAGE</b>				
	<ul style="list-style-type: none"> <li>North America: Preliminary valuation and design to make a bid under a request for proposals</li> <li>Europe: Preliminary design and requests for administrative authorizations made</li> </ul>	 759 MW  - <b>TOTAL 759 MW</b>	565 MW 50 MW <b>615 MW</b>	<b>1,324 MW</b> <b>50 MW</b> <b>1,374 MW</b>	
	<b>ADVANCED STAGE</b>				
	<ul style="list-style-type: none"> <li>North America: Project submitted under a request for proposals</li> <li>Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)</li> </ul>	 -  205 MW <b>TOTAL 205 MW</b>	137 MW 15 MW <b>152 MW</b>	<b>137 MW</b> <b>220 MW</b> <b>357 MW</b>	
	<b>GROWTH PATH</b>				
	TOTAL <b>312 MW</b>	<b>SECURED STAGE</b>			
		<ul style="list-style-type: none"> <li>North America: Contract win (REC or PPA) and grid connection secured</li> <li>Europe: Contract win (PPA) and grid connection secured (France); project authorized by regulatory authorities and grid connection secured (Scotland)</li> </ul>	 -  - <b>TOTAL -</b>	223 MW 28 MW <b>251 MW</b>	<b>223 MW</b> <b>28 MW</b> <b>251 MW</b>
		<b>UNDER CONSTRUCTION OR READY-TO-BUILD</b>			
<ul style="list-style-type: none"> <li>Permits obtained</li> <li>Financing in progress</li> <li>Commissioning date determined</li> <li>Cleared of any claims (France)</li> <li>Approved by Boralex Board of Directors</li> </ul>		 -  - <b>TOTAL -</b>	61 MW - <b>61 MW</b>	<b>61 MW</b> <b>-</b> <b>61 MW</b>	

**CURRENTLY IN OPERATION 2,040 MW**

# Growth Path

As of March 31, 2020



<sup>(1)</sup> The Cham Longe 1 repowering project consists in replacing the existing wind turbines with new wind turbines for a total capacity of 35 MW covered by a new long-term contract, which represents an additional capacity of 17 MW. The Mont de Bézard 2 repowering project represents a total capacity of 24 MW and an additional capacity of 12 MW while the Louville repowering 1 project represents a total capacity of 14 MW and an additional capacity of 2 MW, and the Louville repowering 2 project represents a total capacity of 14 MW and an additional capacity of 2 MW.

<sup>(2)</sup> The total project investment and the estimated annual EBITDA for projects in France have been translated into Canadian dollars at the closing rate on March 31, 2020.



## Key elements

- Teams mobilized for the continuation of operations and maintenance;
- Pursue development in our portfolio of projects;
- Wind and solar tenders partially postponed from July to November in France;
- New York state solar tender postponed from summer to fall.



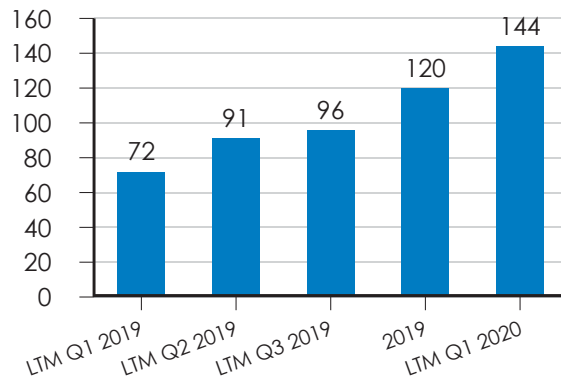
**Bruno Guilmette**  
Vice President and Chief Financial Officer



# Progress on 2023 Financial Objectives

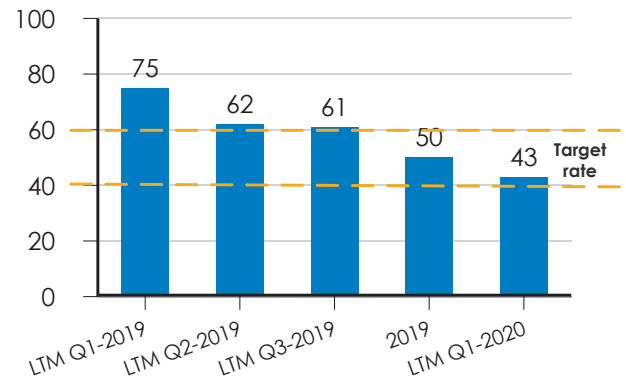
## Discretionary cash flow<sup>(1)</sup>

March 31, 2020  
(in millions of Canadian dollars)



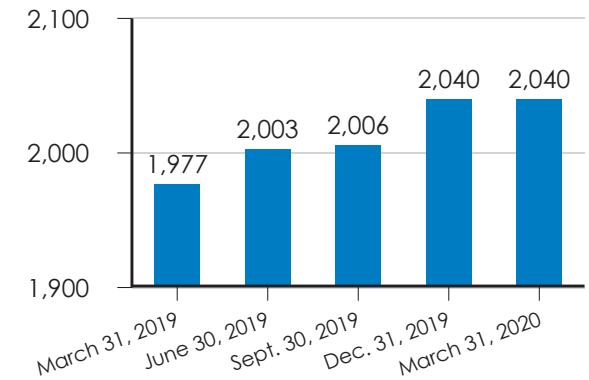
## Dividend payout ratio<sup>(1)</sup>

March 31, 2020  
(in %)



## Net installed capacity

March 31, 2020  
(in MW)



<sup>(1)</sup> See the Non-IFRS measures section in the First Quarter 2020 Interim Report.

**We continue to make good progress on our three financial objectives.**

# Revenues from Energy Sales<sup>(1)</sup> - Segmented

## Quarterly

	IFRS				Combined <sup>(2)</sup>			
	Q1 2020	Q1 2019	Change		Q1 2020	Q1 2019	Change	
			\$	%			\$	%
(in millions of Canadian dollars)								
<b>Wind</b>	<b>172</b>	<b>146</b>	<b>26</b>	<b>18</b>	<b>204</b>	<b>188</b>	<b>16</b>	<b>9</b>
<b>Hydro</b>	<b>16</b>	<b>12</b>	<b>4</b>	<b>29</b>	<b>16</b>	<b>12</b>	<b>4</b>	<b>29</b>
<b>Thermal</b>	<b>11</b>	<b>13</b>	<b>(2)</b>	<b>(16)</b>	<b>11</b>	<b>13</b>	<b>(2)</b>	<b>(16)</b>
<b>Solar</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>(17)</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>(17)</b>
<b>Total</b>	<b>200</b>	<b>172</b>	<b>28</b>	<b>16</b>	<b>232</b>	<b>214</b>	<b>18</b>	<b>9</b>

<sup>(1)</sup> Includes feed-in premium.

<sup>(2)</sup> See the *Non-IFRS measures* section in the First Quarter 2020 Interim Report.

# EBITDA(A)<sup>(1)</sup> and Net Earnings - Segmented

## Quarterly

(in millions of Canadian dollars)	IFRS				Combined <sup>(1)</sup>			
	Q1 2020	Q1 2019	Change		Q1 2020	Q1 2019	Change	
			\$	%			\$	%
<b>EBITDA(A)<sup>(1)</sup></b>								
<b>Wind</b>	150	130	20	15	170	152	18	12
<b>Hydro</b>	12	8	4	42	12	8	4	42
<b>Thermal</b>	4	6	(2)	(35)	4	6	(2)	(35)
<b>Solar</b>	—	1	(1)	(55)	—	1	(1)	(55)
<b>Corporate</b>								
Development	(4)	(4)	—	(5)	(4)	(4)	—	(5)
Administration	(10)	(8)	(2)	27	(10)	(8)	(2)	27
Other expenses	(3)	(2)	(1)	90	(3)	(1)	(2)	>100
<b>Total corporate</b>	<b>(17)</b>	<b>(14)</b>	<b>(3)</b>	<b>(26)</b>	<b>(17)</b>	<b>(13)</b>	<b>(4)</b>	<b>(27)</b>
<b>Total - EBITDA(A)<sup>(1)</sup></b>	<b>149</b>	<b>131</b>	<b>18</b>	<b>13</b>	<b>169</b>	<b>154</b>	<b>15</b>	<b>10</b>
<b>Net earnings</b>	<b>44</b>	<b>31</b>	<b>13</b>	<b>43</b>	<b>37</b>	<b>31</b>	<b>6</b>	<b>20</b>

<sup>(1)</sup> See the *Non-IFRS measures* section in the First Quarter 2020 Interim Report.

# Discretionary Cash Flows<sup>(1)</sup>

	IFRS - Quarterly				IFRS - LTM			
	Q1 2020	Q1 2019	Change		March 31, 2020	Dec. 31, 2019	Change	
			\$	%			\$	%
(in millions of Canadian dollars)								
Cash flows from operations	124	101	23	24	333	310	23	8
Repayments on non-current debt (projects) <sup>(2)</sup>	(35)	(58)	23	(39)	(153)	(176)	23	(13)
Adjustment for non-recurring items <sup>(3)</sup>	(22)	—	(22)	>(100)	(36)	(14)	(22)	>100
	67	43	24	59	144	120	24	19
Principal payments related to lease liabilities - IFRS 16	(3)	(3)	—	(7)	(10)	(10)	—	(2)
Distributions paid to non-controlling shareholders	(1)	—	(1)	>100	(8)	(7)	(1)	7
Additions to property, plant and equipment (operational maintenance)	—	(2)	2	(83)	(5)	(7)	2	(20)
Development costs (from statement of earnings)	5	6	(1)	(11)	23	24	(1)	(3)
<b>Discretionary cash flows</b>	<b>68</b>	<b>44</b>	<b>24</b>	<b>59</b>	<b>144</b>	<b>120</b>	<b>24</b>	<b>20</b>
Discretionary cash flows per share	0.71	0.47	0.24	50	1.51	1.33	0.18	14
Dividends paid to shareholders of Boralex	16	15	1	8	61	60	1	2
Weighted average number of outstanding shares – basic (in thousands)	96,465	89,185	7,280	8	92,411	90,605	1,806	2
Dividends paid to shareholders of Boralex per share	0.1650	0.1650	—	—	0.6600	0.6600	—	—
<b>Payout ratio</b>					<b>43 %</b>	<b>50 %</b>		

<sup>(1)</sup> See the Non-IFRS measures section in the First Quarter 2020 Interim Report.

<sup>(2)</sup> Excludes the bridge financing, the VAT bridge financing and the early debt repayments.

<sup>(3)</sup> A \$22 million adjustment to debt reimbursements in the first quarter of 2020 to reflect a normalized debt service following debt refinancing in France and a \$15 million exceptional distribution related to LP1 debt refinancing in the fourth quarter of 2019.



# Financial Position

	IFRS			
	March 31, 2020	December 31, 2019	Change	
			\$	%
(in millions of Canadian dollars, unless otherwise specified)				
Total cash, including restricted cash <sup>(1)</sup>	283	168	115	68
Property, plant and equipment and right-of-use assets	3,037	2,975	62	2
Goodwill and intangible assets	908	888	20	2
Financial net assets (liabilities)	(33)	52	(85)	>(100)
Total assets	4,724	4,557	167	4
<b>Debt</b>				
Corporate <sup>(1)</sup>	650	600	50	8
Projects	2,602	2,549	53	2
Transaction costs, net of accumulated amortization	(82)	(82)	—	—
<b>Total debt</b>	<b>3,170</b>	<b>3,067</b>	<b>103</b>	<b>3</b>
Average rate - total debt (%)	3.24	3.35		
Equity attributable to shareholders	840	860	(20)	(2)
Carrying value per share (\$)	8.71	9.47	(0.76)	(8)
Net debt to market capitalization ratio (%) <sup>(2)</sup>	55%	56%		

<sup>(1)</sup> Including an amount of \$40 million drawn on the revolving credit as a liquidity cushion to deal with the COVID-19 crisis

<sup>(2)</sup> See the Non-IFRS measures section in the First Quarter 2020 Interim Report.



# Conclusion

- Two quarters largely above anticipated production in France;
- Discretionary cash flows up sharply;
- Good progress on the execution of the strategic plan and financial objectives;
- Our teams are mobilized on the advancement of projects in our portfolio of projects and in our *Growth Path*;
- Strong financial position and potential for mergers and acquisitions transactions if they represent added value (accretive).



# Appendices

Historical data

| 20

Power production - IFRS results

| 21

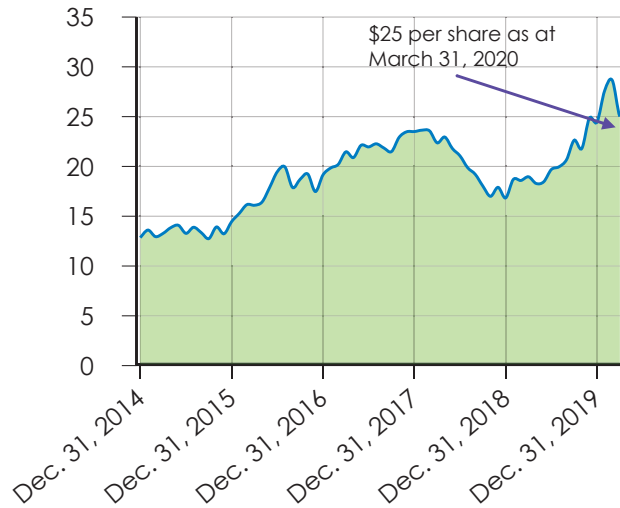
# Historical Data

## Stock price

(Closing price in Canadian dollars)

**Compound annual growth rate: 14%**

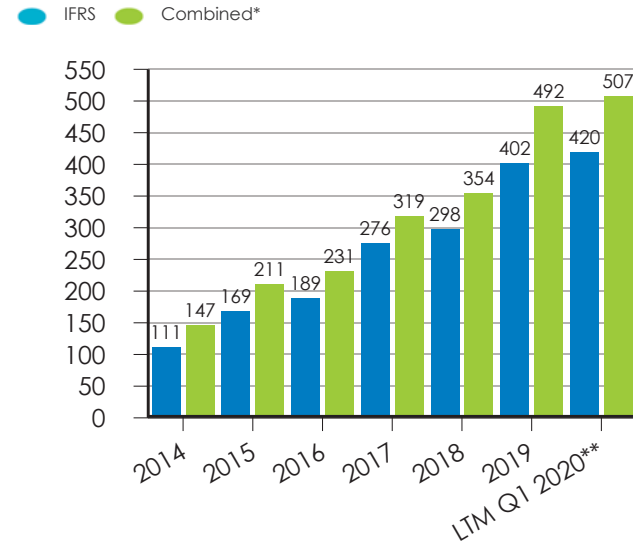
(Toronto Stock Exchange under the ticker BLX)



## EBITDA(A)\*

(in millions of Canadian dollars)

**Compound annual growth rate: 29% (IFRS) and 27% (Combined)**



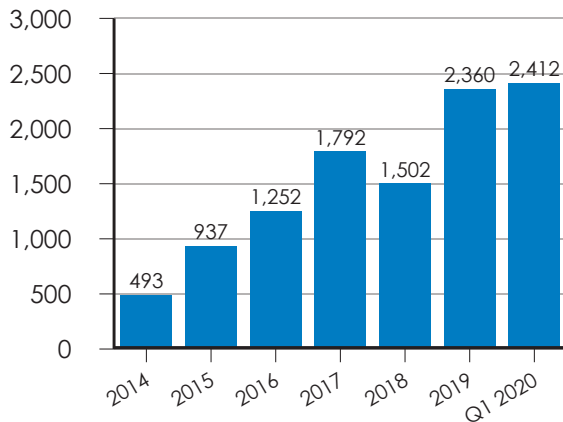
\* See the Non-IFRS measures section.

\*\* EBITDA(A) on a Combined basis for the 12-month period ended March 31, 2020 is as follows: Q1-20: \$169 million; Q4-19: \$165 million; Q3-19: \$70 million; and Q2-19: \$103 million, for a total of \$507 million.

## Market capitalization

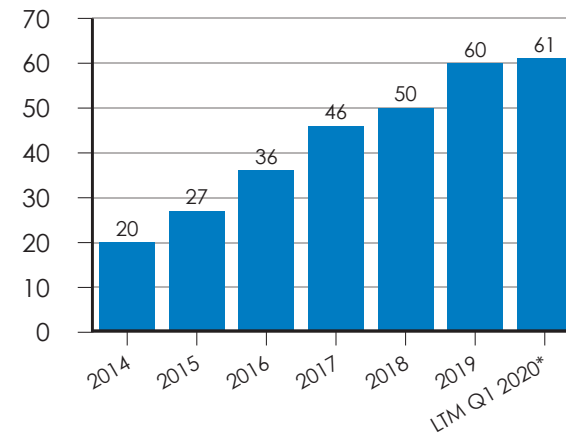
(in millions of Canadian dollars)

**Compound annual growth rate: 35%**



## Dividends paid

(in millions of Canadian dollars)



\* Dividend amount paid for the 12-month period ended March 31, 2020 is broken down as follows, Q1-2020: \$16 million, Q4 2019: \$16 million, Q3 2019: \$15 million and Q2 2019: \$14 million, for a total of \$61 million.

# Wind Power Production - IFRS

(GWh) - Quarterly

	Power production			Q1 2020 vs anticipated (1)(2)		Q1 2020 vs Q1 2019	
	Q1 2020	Anticipated <sup>(1)(2)</sup>	Q1 2019	GWh	%	GWh	%
<b>Wind - Canada</b>							
Comparable assets <sup>(3)</sup>	363	403	406	(40)	(10)	(43)	(11)
Commissioning - Moose Lake	17	15	—	2	13	17	—
<b>Total wind - Canada</b>	<b>380</b>	<b>418</b>	<b>406</b>	<b>(38)</b>	<b>(9)</b>	<b>(26)</b>	<b>(7)</b>
<b>Wind - France</b>							
Comparable assets	824	628	633	196	31	191	30
Commissioning <sup>(4)</sup>	62	49	9	13	25	53	>100
<b>Total wind - France</b>	<b>886</b>	<b>677</b>	<b>642</b>	<b>209</b>	<b>31</b>	<b>244</b>	<b>38</b>
<b>Total wind</b>							
Comparable assets <sup>(3)</sup>	1,187	1,031	1,039	156	15	148	14
Commissioning <sup>(4)</sup>	79	64	9	15	22	70	>100
<b>Total wind</b>	<b>1,266</b>	<b>1,095</b>	<b>1,048</b>	<b>171</b>	<b>16</b>	<b>218</b>	<b>21</b>
<b>Hydro - Canada</b>							
Comparable assets	23	27	25	(4)	(14)	(2)	(7)
Commissioning - Yellow Falls	15	14	—	1	10	15	—
Temporary shutdown - Buckingham	32	28	—	4	12	32	—
<b>Total Hydro - Canada</b>	<b>70</b>	<b>69</b>	<b>25</b>	<b>1</b>	<b>1</b>	<b>45</b>	<b>&gt;100</b>
Hydro - United states	128	108	134	20	19	(6)	(4)
<b>Total Hydro</b>	<b>198</b>	<b>177</b>	<b>159</b>	<b>21</b>	<b>12</b>	<b>39</b>	<b>25</b>
<b>Thermal</b>	<b>65</b>	<b>77</b>	<b>72</b>	<b>(12)</b>	<b>(15)</b>	<b>(7)</b>	<b>(9)</b>
<b>Solar</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>—</b>	<b>(4)</b>	<b>(1)</b>	<b>(17)</b>
<b>Total<sup>(3)</sup></b>	<b>1,533</b>	<b>1,353</b>	<b>1,284</b>	<b>180</b>	<b>13</b>	<b>249</b>	<b>19</b>

(1) Anticipated production is calculated using historical averages adjusted for planned facility commissioning and shutdowns for the older sites, and production forecasts for the other sites.

(2) See *Notice concerning forward-looking statements* in the First Quarter 2020 Interim Report.

(3) Including NRWF compensation of 31 GWh for Q1 2020 (10 GWh for Q1 2019).

(4) See the *Commissioning* table in section II - *Analysis of results and financial position - IFRS* of the First Quarter 2020 Interim Report.



# Question Period





For more information:  
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