

Borex adds significant volume of 468 MW to its portfolio of projects under development and construction, which reached 6 GW in the first quarter of 2023

Highlights

- **Addition of 238 MW of wind and solar projects and 230 MW of storage projects to the early stage of the project portfolio in the first quarter of 2023**
 - Wind projects in Europe totalling 117 MW.
 - Solar projects in the United States and Europe totalling 121 MW.
 - Storage projects in Ontario totalling 230 MW.
- **Production up 1% (22% on a Combined basis⁴)¹ compared to Q1-2022 due to assets commissioning and favourable wind conditions in France which offset unfavorable wind conditions in Canada. The increase on a Combined basis comes from the integration of the wind farms acquired in the United States in late 2022, production 1% (1%) above anticipated² for Q1**
 - Wind: up 4 % (29%) from Q1-2022 and equal to (4% below) anticipated production for Q1.
 - Hydroelectric: up 10% from Q1-2022 and 18% above anticipated production for Q1.
 - Solar: down 12% from Q1-2022 and 3% below anticipated production for Q1.
- **EBITDA(A)³ for the first quarter of 2023 down 1% (up 5%) and operating income down 16% (up 1%) from the same quarter of 2022**
 - EBITDA(A) of \$171 million (\$192 million) in Q1-2023, down \$2 million (up \$9 million) from Q1-2022. EBITDA(A) for the first quarter of 2022 included an amount of \$16 million attributable to certain contracts for which Borex had to record a provision in Q3-2022 following the implementation of the *2022 Supplementary Budget Act* in France.
 - Operating income of \$77 million (\$106 million) for Q1-2023, down \$14 million (up \$1 million) from Q1-2022.
- **Higher net cash flows related to operating activities but lower discretionary cash flows⁴ in Q1-2023**
 - Net cash flows related to operating activities of \$244 million in Q1, up \$107 million from Q1-2022.
 - Cash flows from operations⁴ of \$141 million in Q1, \$5 million higher than in Q1-2022.
 - Discretionary cash flows of \$65 million in Q1, down \$12 million from Q1-2022. As indicated for EBITDA(A), cash flows for Q1-2022 included an additional \$16 million attributable to certain contracts in France.
- **Sustained financial flexibility and balance sheet strength**
 - More than \$330 million in available cash resources and authorized financing facilities⁴ as at March 31, 2023. An amount of \$77 million under the revolving credit facility will be transferred to the letter of credit facility guaranteed by Export Development Canada, which was increased by \$125 million bringing its total authorized amount to \$200 million in April 2023.
 - Net debt to total capitalization ratio of 38% as at March 31, 2023, compared to 40% at the end of 2022.

Montreal (Canada), May 10, 2023 — Borex Inc. (“Borex” or the “Company”) (TSX: BLX) is pleased to report substantial growth of its project portfolio and a significant increase in production on a Combined basis in the first quarter of 2023.

“In the first quarter, we continued to implement our 2025 Strategic Plan initiatives, including through the addition of large development projects to our project portfolio and the integration of the two acquisitions completed in 2022,” said Patrick Decostre, President and Chief Executive Officer of Borex. “The first quarter was also marked by the announcement of new programs to help accelerate the energy transition and new tendering programs in our key markets, particularly in Quebec and elsewhere in Canada.”

“In the coming quarters, we will carry on with our plan to optimize revenues through a combination of corporate power purchase agreements, bidding on long-term contracts in requests for proposals and selling into the day-ahead market, particularly in France, where prices remain high. We intend to continue optimizing our capital structure by arranging specific financing for our ready-to-build projects and to make progress on integrating our many ESG initiatives into our day-to-day operation activities,” added Mr. Decostre.

¹ Figures in brackets indicate results on a Combined⁴ basis as opposed to those on a Consolidated basis.

² Anticipated production² is an additional financial measure. For more details, see the Non-IFRS and other financial measures section of this press release.

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

⁴ The terms “combined”, “cash flows from operations”, “discretionary cash flows” and “available cash resources and authorized financing facilities” designate non-GAAP financial measures and do not have a standardized meaning under IFRS. Accordingly, such measures may not be comparable to similarly named measures used by other companies. For more details, see the Non-IFRS and other financial measures section of this press release.

1st quarter highlights

Three-month period ended March 31

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated				Combined ¹			
	2023	2022	Change		2023	2022	Change	
			\$	%			\$	%
Power production (GWh) ²	1,696	1,681	15	1	2,286	1,875	411	22
Revenues from energy sales and feed-in premium	298	227	71	31	328	248	80	32
Operating income	77	91	(14)	(16)	106	105	1	1
EBITDA(A) ³	171	173	(2)	(1)	192	183	9	5
Net earnings (loss)	55	57	(2)	(4)	55	57	(2)	(4)
Net earnings attributable to shareholders of Boralex	43	50	(7)	(15)	43	50	(7)	(16)
Per share - basic and diluted	\$0.41	\$0.49	(\$0.08)	(16)	\$0.41	\$0.49	(\$0.08)	(16)
Net cash flows related to operating activities	244	137	107	77	—	—	—	—
Cash flows from operations ¹	141	136	5	4	—	—	—	—
Discretionary cash flows ¹	65	77	(12)	(15)	—	—	—	—

In the first quarter of 2023, Boralex produced 1,696 GWh (2,286 GWh) of electricity, 1% (22%) more than the 1,681 GWh (1,875 GWh) produced in the same quarter of 2022. The increase on a Consolidated basis is coming from the commissioning of wind and solar farms in France, favourable wind conditions in France and favourable water flow conditions in North America, which more than compensated for unfavourable wind conditions in Canada. On a Combined basis the increase is attributable to the integration of the wind farm acquisition in the United States.

For the three-month period ended March 31, 2023, revenues from energy sales and feed-in premiums totalled \$298 million (\$328 million), 31% (32%) more than in the first quarter of 2022. The increase is attributable to the contribution of the US acquisition and commissioning of assets, as well as to the higher production and high electricity prices in France. EBITDA(A)³ amounted to \$171 million (\$192 million), 1% less (5% more) than in the first quarter of 2022. The slight decrease in EBITDA(A) is attributable to lower production from Canadian wind farms and new regulations on certain contracts in France. It should be noted that in the first quarter of 2022, EBITDA(A) included an amount of \$16 million attributable to certain contracts for which Boralex had to record a provision in the third quarter of 2022 following the publication of the *2022 Supplementary Budget Act* in France. The increase seen on a combined basis is attributable to the wind farms acquisition in the United States. Operating income amounted to \$77 million (\$106 million), which compares to \$91 million (\$105 million) for the same quarter of 2022.

Outlook

Boralex's 2025 Strategic Plan is built around the same four strategic directions as the plan launched in 2019 – growth, diversification, customers and optimization – and six corporate targets. The details of the plan, which also sets out Boralex's corporate social responsibility strategy, are found in the Company's annual report. Highlights of the main achievements for the quarter ended March 31, 2023, in relation to the 2025 Strategic Plan can be found in the [2023 Interim Report 1](#), available in the Investors section of the Boralex website.

In the coming quarters, Boralex will continue to work on its various initiatives under the strategic plan, including project development, analysis of acquisition targets and optimization of power sales and operating costs.

Finally, to pursue its organic growth, the Company has a pipeline of projects at various stages of development defined on the basis of clearly identified criteria, totalling 4,293 MW in wind and solar projects and 1,050 MW in energy storage projects, as well as a Growth Path of 618 MW wind and solar projects and a 3 MW storage project.

¹ Combined, Cash Flow from operations, Discretionary Cash Flows and available cash resources and authorized financing facilities are non-GAAP financial measures and do not have a standardized definition under IFRS. Therefore, these measures may not be comparable to similar measures used by other companies. For more details, see the *Non-IFRS financial measures and other financial measures* section of this press release.

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.

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

Dividend declaration

The Company's Board of Directors has authorized and announced a quarterly dividend of \$0.1650 per common share. This dividend will be paid on June 15, 2023, to shareholders of record at the close of business on May 31, 2023. Boralex designates this dividend as an "eligible dividend" pursuant to paragraph 89(14) of the *Income Tax Act* (Canada) and all provincial legislation applicable to eligible dividends.

About Boralex

At Boralex, we have been providing affordable renewable energy accessible to everyone for over 30 years. As 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 development projects in the United Kingdom. Over the past five years, our installed capacity has more than doubled to over 3 GW. We are developing a portfolio of over 6 GW in wind, solar and 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.

For more information, visit www.boralex.com or www.sedar.com. Follow us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

Non-IFRS measures

Performance measures

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

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

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

Non-IFRS financial measures			
<i>Specific financial measure</i>	<i>Use</i>	<i>Composition</i>	<i>Most directly comparable IFRS measure</i>
Available cash and cash equivalents	To assess the cash and cash equivalents available, as at balance sheet date, to fund the Corporation's growth.	Represents cash and cash equivalents, as stated on the balance sheet, from which known short-term cash requirements are excluded.	Cash and cash equivalents
Available cash resources and authorized financing	To assess the total cash resources available, as at balance sheet date, to fund the Corporation's growth.	Results from the combination of credit facilities available to fund growth and the available cash and cash equivalents.	Cash and cash equivalents

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

Other financial measures - Supplementary Financial Measures	
<i>Specific financial measure</i>	<i>Composition</i>
Anticipated production	Production that the Company anticipates for the oldest sites based on adjusted historical averages, commissioning and planned shutdowns and, for other sites, based on the production studies carried out.
Credit facilities available for growth	The credit facilities available for growth include the unused tranche of the parent company's credit facility, apart from the accordion clause, as well as the unused tranche of the construction facility.

Combined

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

(in millions of Canadian dollars) (unaudited)	2023			2022		
	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation ⁽¹⁾	Combined
Three-month periods ended March 31:						
Power production (GWh) ⁽²⁾	1,696	590	2,286	1,681	194	1,875
Revenues from energy sales and feed-in premiums	298	30	328	227	21	248
Operating income	77	29	106	91	14	105
EBITDA(A)	171	21	192	173	10	183
Net earnings	55	—	55	57	—	57
	As at March 31, 2023			As at December 31, 2022		
Total assets	6,747	530	7,277	6,539	649	7,188
Debt - Principal balance	3,433	326	3,759	3,346	328	3,674

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

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

EBITDA(A)

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

Management uses EBITDA(A) to assess the performance of the Corporation's reporting segments.

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

(in millions of Canadian dollars) (unaudited)	2023			2022			Change 2023 vs 2022	
	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Reconciliation ⁽¹⁾	Combined	Consolidated	Combined
Three-month periods ended March 31:								
Operating income	77	29	106	91	14	105	(14)	1
Amortization	73	13	86	72	6	78	1	8
Impairment	—	—	—	1	—	1	(1)	(1)
Share in earnings of joint ventures and associates	19	(19)	—	24	(24)	—	(5)	—
Change in fair value of a derivative included in the share of the joint ventures	2	(2)	—	(15)	15	—	17	—
Other gains	—	—	—	—	(1)	(1)	—	1
EBITDA(A)	171	21	192	173	10	183	(2)	9

⁽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.

Cash flow from operations and discretionary cash flows

The Corporation computes the cash flow from operations and discretionary cash flows as follows:

	Consolidated			
	Three-month periods ended		Twelve-month periods ended	
	March 31, 2023	March 31, 2022	March 31, 2023	December 31, 2022
<i>(in millions of Canadian dollars) (unaudited)</i>				
Net cash flows related to operating activities	244	137	620	513
Change in non-cash items relating to operating activities	(103)	(1)	(212)	(110)
Cash flows from operations	141	136	408	403
Repayments on non-current debt (projects) ⁽¹⁾	(65)	(58)	(219)	(212)
Adjustment for non-operating items ⁽²⁾	—	1	6	7
Principal payments related to lease liabilities	76	79	195	198
Distributions paid to non-controlling shareholders ⁽³⁾	(6)	(6)	(15)	(15)
Distributions paid to non-controlling shareholders ⁽³⁾	(13)	(1)	(49)	(37)
Additions to property, plant and equipment (maintenance of operations)	(3)	(2)	(13)	(12)
Development costs (from statement of earnings)	11	7	37	33
Discretionary cash flows	65	77	155	167

⁽¹⁾ Excluding VAT bridge financing and early debt repayments.

⁽²⁾ For the twelve-month period ended March 31, 2023, favourable adjustment of \$6 million consisting mainly of transactions and acquisition costs. For the year ended December 31, 2022, favourable adjustment of \$7 million consisting mainly of acquisition and transaction costs.

⁽³⁾ Comprises distributions paid to non-controlling shareholders as well as the portion of discretionary cash flows attributable to the non-controlling shareholder of Boralex Europe Sàrl.

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

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

	Consolidated	
	As at March 31,	As at December 31,
	2023	2022
<i>(in millions of Canadian dollars) (unaudited)</i>		
Cash and cash equivalents	582	361
Cash and cash equivalents held by entities subject to project debt agreements	(428)	(279)
Bank overdraft	—	(12)
Available cash and cash equivalents	154	70
Credit facilities available for growth	177	424
Available cash resources and authorized financing	331	494

Disclaimer regarding forward-looking statements

Certain statements contained in this release, including those related to results and performance for future periods, installed capacity targets, EBITDA(A) and discretionary cash flows, the Company's strategic plan, business model and growth strategy, organic growth and growth through mergers and acquisitions, obtaining an investment grade credit rating, payment of a quarterly dividend, the Company's financial targets, the partnership with Énergir and Hydro-Québec for the elaboration of three 400 MW projects for which the development will depend on Hydro-Québec's changing needs, the portfolio of renewable energy projects, the Company's Growth Path and its Corporate Social Responsibility (CSR) objectives are forward-looking statements based on current forecasts, as defined by 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.

Forward-looking statements are based on major assumptions, including those about the Company's return on its projects, as projected by management with respect to wind and other factors, opportunities that may be available in the various sectors targeted for growth or diversification, assumptions made about EBITDA(A) margins, assumptions made about the sector realities and general economic conditions, competition, exchange rates as well as the availability of funding and partners. In particular, CSR targets are based on a number of assumptions, including, but not limited to, the following key assumptions: implementation of various corporate and business initiatives to reduce direct and indirect GHG emissions; availability of technologies to achieve targets; absence of new business initiatives or acquisitions of companies or technologies that would significantly increase the expected level of performance; no negative impact resulting from clarifications or amendments to international standards or the methodology used to calculate our CSR performance and disclosure; sufficient participation and collaboration of our suppliers in setting their own targets in line with Boralex's CSR initiatives; the ability to find diverse and competent talent; education and organizational engagement to help achieve our CSR targets. While the Company considers these factors and assumptions to be reasonable, based on the information currently available to the Company, they may prove to be inaccurate.

Boralex wishes to clarify that, by their very nature, forward-looking statements involve risks and uncertainties, and that its results, or the measures it adopts, could be significantly different from those indicated or underlying those statements, or could affect the degree to which a given forward-looking statement is achieved. The main factors that may result in any significant discrepancy between the Company's actual results and the forward-looking financial information or expectations expressed in forward-looking statements include the general impact of economic conditions, fluctuations in various currencies, fluctuations in energy prices, the Company's financing capacity, competition, changes in general market conditions, industry regulations and amendments thereto, particularly the legislation, regulations and emergency measures that could be implemented for time to time to address high energy prices in Europe, litigation and other regulatory issues related to projects in operation or under development, as well as other factors listed in the Company's filings with the various securities commissions.

Unless otherwise specified by the Company, forward-looking statements do not take into account the effect that transactions, non-recurring items or other exceptional items announced or occurring after such statements have been made may have on the Company's activities. There is no guarantee that the results, performance or accomplishments, as expressed or implied in the forward-looking statements, will materialize. Readers are therefore urged not to rely unduly on these forward-looking statements.

Unless required by applicable securities legislation, Boralex's management assumes no obligation to update or revise forward-looking statements in light of new information, future events or other changes.

Percentage figures are calculated in thousands of dollars.

For more information

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