BORALEX

LEVERAGE OUR STRENGTHS

INTERIM REPORT 1
As at March 31, 2020

Management’s Discussion and Analysis 1

As at March 31, 2020

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Profile

Boralex develops, builds and operates renewable energy power facilities in Canada, France, the United Kingdom and the United States. A leader in the Canadian market and France's largest independent producer of onshore wind power, the Corporation is recognized for its solid experience in optimizing its asset base in four power generation types - wind, hydroelectric, thermal and solar. Boralex has ensured sustained growth by leveraging the expertise and diversification developed over nearly 30 years.

Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. As at March 31, 2020, the Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, held 18.4% of Boralex's outstanding shares.

Highlights

For the three-month periods ended March 31

	IFRS		Combined[1]	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Power production (GWh)[2]	1,533	1,284	1,837	1,679
Revenues from energy sales and feed-in premium	200	172	232	214
EBITDA(A)[1]	149	131	169	154
Net earnings	44	31	37	31
Net earnings attributable to shareholders of Boralex	41	29	34	29
Per share - basic	$0.43	$0.32	$0.35	$0.32
Per share - diluted	$0.43	$0.31	$0.35	$0.31
Net cash flows related to operating activities	133	65	136	72
Cash flows from operations[1]	124	101	137	121
	As at March 31	**As at Dec. 31**	**As at March 31**	**As at Dec. 31**
Total assets	4,724	4,557	5,420	5,246
Debt[3]	3,252	3,149	3,841	3,742
Project[4]	2,602	2,549	3,191	3,142
Corporate	650	600	650	600

	Three-month periods ended		Twelve-month periods ended	
	March 31,	March 31,	March 31,	December 31,
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2020	2019	2020	2019
Discretionary cash flows[1] - IFRS	68	44	144	120

(1) See the *Non-IFRS measures* section.

(2) Production level for which NRWF wind farm was compensated following power generation limitations imposed by the IESO was included in power production as management uses this measure to evaluate the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

(3) Includes current portion of debt and excludes transaction costs, net of accumulated amortization.

(4) Project borrowings are normally amortized over the life of the energy contracts of the related facilities and are without recourse to Boralex.

Abbreviations and definitions

In alphabetical order

Caisse	Caisse de dépôt et placement du Québec
Cube	Cube Hydro-Power SARL (formerly Cube Energy SCA)
DC&P	Disclosure controls and procedures
DM I and DM 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	Electricité de France
FiP	Feed-in premium
GWh	Gigawatt-hour
HQ	Hydro-Québec
IASB	International Accounting Standards Board
ICFR	Internal control over financial reporting
IESO	Independent Electricity System Operator (Ontario)
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
MWh	Megawatt-hour
NRWF	Niagara Region Wind Farm
NYSERDA	New York State Energy Research and Development Authority
RFP	Request for proposals
Roncevaux	Roncevaux Wind Power L.P.
SDB I	Seigneurie de Beaupré Wind Farms 2 and 3
SDB II	Seigneurie de Beaupré Wind Farms 4
Six Nations	Six Nations of the Grand River
SOP	Standing Offer Program

Anticipated production	Historical averages for the oldest facilities adjusted for facility commissioning and planned shutdowns, 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.

Introductory comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three-month period ended March 31, 2020, compared with the corresponding period of 2019, as well as the Corporation's financial position as at March 31, 2020, compared to December 31, 2019. 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, 2019.

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 May 5, 2020, the date on which the Board of Directors approved this interim MD&A and the unaudited interim consolidated financial statements. Unless otherwise indicated, the financial information presented in this MD&A, including tabular amounts, is prepared in accordance with IFRS under Part I of the *CPA Canada Handbook*. The interim consolidated 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 2019.

As discussed under the *Non-IFRS measures* section, this MD&A also contains information consisting of non-IFRS measures. The Corporation uses "EBITDA," "EBITDA(A)," "cash flows from operations," "ratio of net debt," "discretionary cash flows," 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.

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]		**Average rate[2]**	
	As at March 31,		Three-month periods ended March 31	
Currency	2020	2019	2020	2019
USD	1.4062	1.3349	1.3449	1.3295
EUR	1.5514	1.4975	1.4826	1.5098
GBP	1.7462	1.7405	1.7184	1.7316

[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 May 5, 2020.

This forward-looking information includes statements about the Corporation's strategic plan, business model, growth strategy and financial objectives, 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, net installed capacity or megawatt growth objectives, including those set in connection with the Corporation's pipeline of projects and Growth path, growth outlook, the strategies, the strategic plan and objectives of or relating to the Corporation, 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 securityholders, 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 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 487 people to develop, build and operate power generating facilities in Canada, France, the United States and the United Kingdom. As at March 31, 2020, its asset base of net installed capacity comprised 2,040 MW.[1] Projects under construction or ready to build represent an additional 61 MW, to be commissioned by the end of 2021, while the secure pipeline of projects amounts to 251 MW.

Segment and geographic breakdown

Boralex is present in key markets such as Canada, France and the Northeastern United States. Boralex is active in four complementary power generation segments: wind, hydroelectric, thermal and solar. A major portion of Boralex's net installed capacity originates from the wind power segment, making it France's largest independent producer of onshore wind power. The following table provides information about the makeup of the Corporation's energy portfolio in operation as at March 31, 2020.

	Canada		France		United States		Total		
	Net installed capacity (MW)	Number of sites	Net installed capacity (MW)	Number of sites	Net installed capacity (MW)	Number of sites	Net installed capacity MW	Net installed capacity %	Facilities
Wind power stations*	844	24	951	61	—	—	1,795	88%	85
Hydroelectric power stations	100	9	—	—	82	7	182	9%	16
Thermal power stations	35	1	12	1	—	—	47	2%	2
Solar power stations	1	1	15	2	—	—	16	1%	3
	980	35	978	64	82	7	2,040	100%	106
Geographic breakdown	48 %		48 %		4 %		100%		

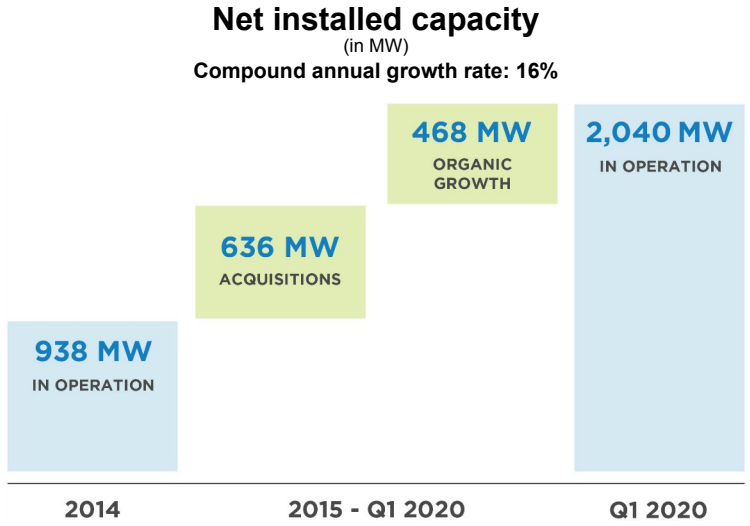
* First energy storage asset commissioned on March 1, 2020 with an installed capacity of 2 MW and covered by a two-year contract, located on an existing wind farm in France. Storage asset capacity is not included in Boralex's aggregate net installed capacity.

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

Substantially all (97%) of the GWh generated by Boralex are covered by long-term indexed, fixed-price energy sales contracts. These contracts have a weighted average remaining contractual term of 13 years. The Corporation estimates that the equivalent of 304 MW (15% of net installed capacity or 12% of expected current production) covered by contracts expiring through March 2025 will then be sold at market prices if new contracts have not been negotiated beforehand. Under its strategic plan, Boralex anticipates entering into new agreements, either through the completion of capacity upgrade projects with long-term contracts at wind farms whose contracts are due to expire or by negotiating power purchase agreements with electricity-consuming companies. The Corporation also expects to continue entering into long-term contracts for its projects under development. Boralex expects 96% of its production to be generated from such contracts over a 2023 horizon, with an expected weighted average remaining term of about 11 years.

Net installed capacity

Boralex's net installed capacity increased from 938 MW as at December 31, 2014 to 2,040 MW as at March 31, 2020, which represents annual compound growth of 16% for this period of slightly more than five years. This growth has been achieved both organically and through acquisitions.



[1] This data, and all of the data in this MD&A, reflect 100% of Boralex's subsidiaries in which Boralex is the controlling shareholder. The data 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 201 MW from the acquisition of Invenergy's interests in five wind farms in Québec, out of the total installed capacity of 391 MW.

Selected financial information: A growth company

Since December 31, 2014, Boralex's EBITDA(A) and market capitalization have grown at annual compound rates of 29% (27% on a Combined basis) and 35%, respectively. In 2014, Boralex also undertook to pay a dividend to its shareholders, which amounted to $20 million for that first fiscal year. The dividend for the twelve-month period ended March 31, 2020 amounted to $61 million.

Share price

(Closing price in Canadian dollars)

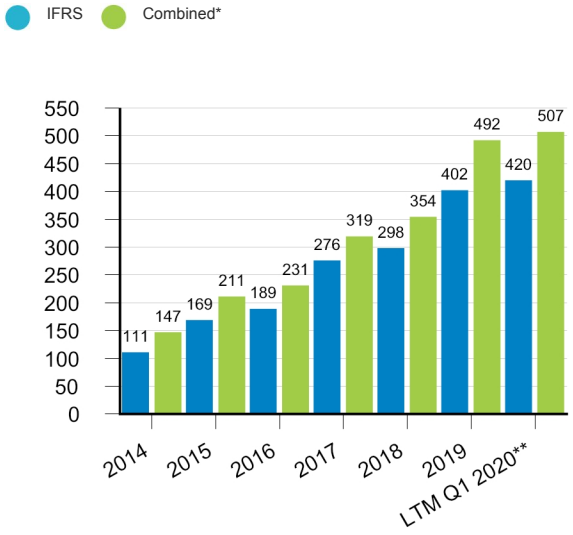
Compound annual growth rate: 14%

(Toronto Stock Exchange under the ticker BLX)

EBITDA(A)*

(in millions of Canadian dollars)

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



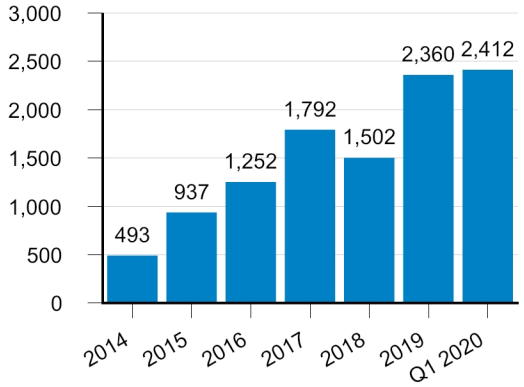
* See the *Non-IFRS measures* section.

** EBITDA (A) under Combined information for the 12-month period ended March 31, 2020 is broken down as follows, Q1 2020: $169 million, Q4 2019: $165 million, Q3 2019: $70 million and Q2 2019: $103 million, for a total of $507 million.

Market capitalization

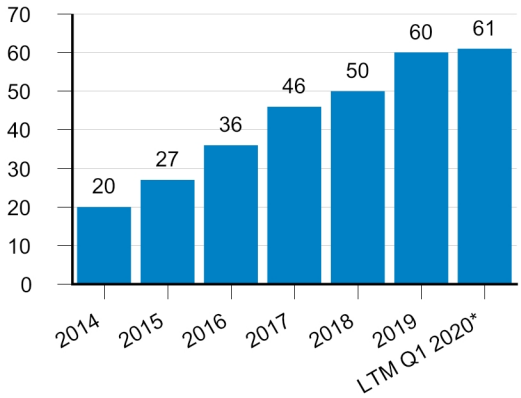
(in millions of Canadian dollars)

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.

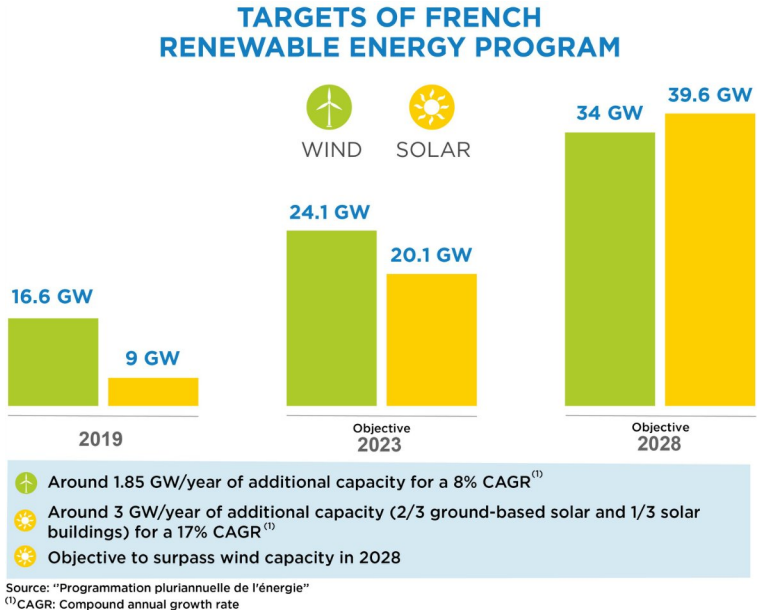
Growth strategy and development outlook

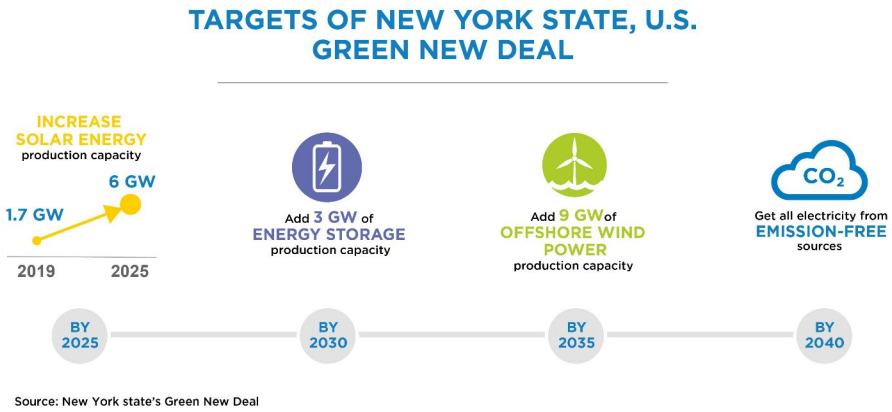
Strategic plan and financial objectives for 2023

In 2019, Boralex's management announced the strategic plan which will steer its actions to achieve the financial objectives set for 2023. This plan is a continuation of the actions undertaken to date in sectors with high growth potential and for which the Corporation has developed solid expertise. It also includes complementary initiatives to diversify and optimize operations and revenue sources.

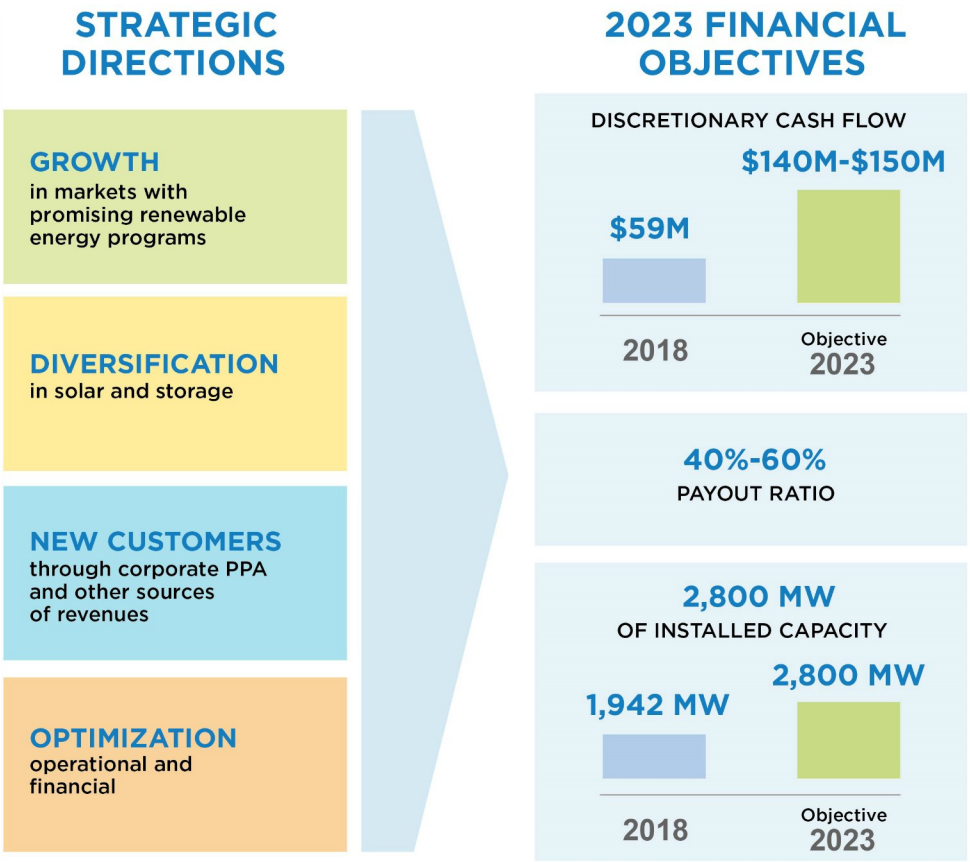
Boralex's strategic plan is based on a rigorous analysis of the market and trends in the renewable energy sector. The plan also reflects the view that a profound and rapid transformation of the industry is under way, driven mainly by numerous technological innovations. For instance, in France, as shown in the chart below, 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. Changes are also expected with the development of tendering mechanisms programs and energy sales contracts directly with electricity-consuming companies.

In the United States, the State of New York intends, in the medium term, to focus on developing solar power stations and at the same, deploying energy storage facilities. As of the date of publication of this report, responsible authorities in France and the State of New York are maintaining their long-term objectives despite the short-term impacts of COVID-19 on business continuity. Like Boralex, these authorities have implemented a business continuity plan. In France, the results of recent requests for proposals (RFPs) were announced as planned, while some wind and solar power RFPs scheduled for July were postponed until November. In the State of New York, the results of the latest solar power RFP were announced on March 13, 2020, and the next RFP, initially scheduled for the summer was postponed to next fall.





Based on the market analysis carried out, Boralex's management built its strategic plan around four main directions and three financial objectives. To successfully implement its plan, the Corporation relies on its solid expertise in developing small- and medium-sized projects, which is a key advantage for seizing opportunities in increasingly competitive markets, particularly the solar power market.



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, which will generate additional revenues.

Boralex is also maintaining the same approach that has contributed to its success to date, which consists in relying on predictable cash flows through long-term, indexed, fixed-price energy sales contracts with financially solid corporations (EDF, Hydro-Québec, IESO and BC Hydro). These contracts do not contain a price adjustment or production clause for situations such as the COVID-19 epidemic. As at March 31, 2020, 97% of the Corporation's production was covered under long-term contracts with a weighted average remaining term of 13 years.

Amid the COVID-19 pandemic, Boralex remains focused on achieving its 2023 strategic directions and financial objectives and is closely monitoring potential acquisition opportunities that may arise in the current economic environment.

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

As shown in the chart below, the Corporation has a portfolio of projects at various stages of development, according to clearly identified criteria. The Corporation's portfolio of projects totalled 2,593 MW, while its *Growth path* capacity amounted to 312 MW.

BREAKDOWN OF BORALEX DEVELOPMENT PROJECTS

PIPELINE			NORTH AMERICA	EUROPE	TOTAL BORALEX
TOTAL 2,593 MW	**EARLY STAGE**				
	• Real estate rights secured • Grid connection available • Verification of the acceptability of the project by local communities and regulatory risks		315 MW	276 MW	591 MW
			155 MW	116 MW	271 MW
		TOTAL	470 MW	392 MW	862 MW
	MID STAGE				
	• North America: Preliminary valuation and design to make a bid under a request for proposals • Europe: Preliminary design and requests for administrative authorizations made		759 MW	565 MW	1,324 MW
			-	50 MW	50 MW
		TOTAL	759 MW	615 MW	1,374 MW
	ADVANCED STAGE				
	• North America: Project submitted under a request for proposals • Europe: Project authorized by regulatory authorities and submitted under a request for proposals (France)		-	137 MW	137 MW
			205 MW	15 MW	220 MW
		TOTAL	205 MW	152 MW	357 MW
GROWTH PATH					
TOTAL 312 MW	**SECURED STAGE**				
	• North America: Contract win (REC or PPA) and grid connection secured • Europe: Contract win (PPA) and grid connection secured (France); project authorized by regulatory authorities and grid connection secured (Scotland)		-	223 MW	223 MW
			-	28 MW	28 MW
		TOTAL	-	251 MW	251 MW
	UNDER CONSTRUCTION OR READY-TO-BUILD				
	• Permits obtained • Financing in progress • Commissioning date determined • Cleared of any claims (France) • Approved by Boralex Board of Directors		-	61 MW	61 MW
			-	-	-
		TOTAL	-	61 MW	61 MW

CURRENTLY IN OPERATION 2,040 MW

The **wind** power segment remains the Corporation's main driver of growth, with a project pipeline totalling 2,052 MW. The solar power segment pipeline, while not as extensive as wind power, comprises projects totalling 541 MW. The segment offers high growth potential in Europe and North America, and Boralex has strengthened its teams to accelerate its development, particularly in the State of New York in the United States where a new team was set up in 2019.

Europe

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

According to the data shown in the *Strategic plan and financial objectives for 2023* section of this report, wind power segment potential in France stands to total about 7.5 GW by 2023.

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 978 MW. Building on these achievements, Boralex actively participates in the tendering process for the construction of wind farms in France. This process aims to award all feed-in premium contracts in tranches with 250 MW in July 2020, 500 MW in November 2020 and 925 MW at the end of 2020. For the years 2021 to 2024, two tranches of 925 MW per year will be awarded under the process. Each contract will have a 20-year term as of commissioning. Following the wins under these RFPs, 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 player in the onshore wind power industry in France.

Furthermore, Boralex is well placed to penetrate the **U.K.** market as result of a partnership entered into in October 2017 with Infinergy. The 90 MW Limekiln project in Scotland was approved in 2019 and is included in the secure section of the Corporation's *Growth path*.

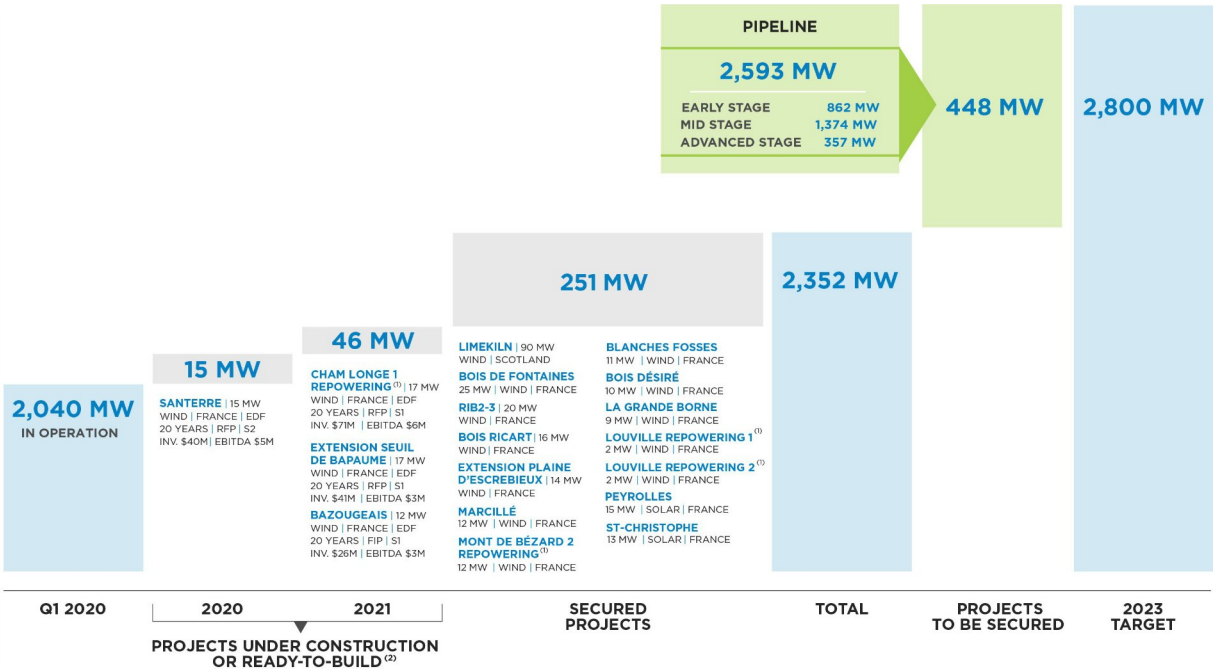
In its solar power segment, the Corporation has a portfolio of projects at varying stages of completion with a capacity of about 181 MW. Details on the segment's development program are provided in the *Diversification* section of this report.

North America

Boralex's portfolio of wind projects in North America represents 1,074 MW. Most of these projects could quickly move through the Corporation's development stages once renewable energy development programs in Boralex's target markets are reactivated. Note that many programs are on hold due to political changes in these markets in recent years. The COVID-19 crisis could, however, lead to changes in this situation as governments announce their economic recovery plans.

The Corporation also has a 360 MW portfolio of projects in the solar power segment. Details on the development program for this segment are provided in the *Diversification* section of this report.

Growth path



(1) 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.

(2) 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.

As shown in the chart above, 12 wind farm projects representing 223 MW in additional capacity and two solar power projects totalling 28 MW are at a sufficiently advanced stage to be considered as secured and included in the Corporation's *Growth path*. This represents a total increase of 84 MW compared with the end of fiscal 2019. These projects resulted from Boralex's wins under recent RFPs in France. Note that out of these 12 secured wind projects, three are for the replacement of existing wind turbines with energy sales contracts expiring in the next few years with new wind turbines (repowering). These existing wind farms with 36 MW of installed capacity will benefit from a 16 MW increase for a total of 52 MW which will be secured by new 20-year energy sales contracts with EDF in France.

Also, four French wind farms 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 wind farms will contribute to the Corporation's results when they are commissioned in 2020 or 2021. Overall, their additional contribution to EBITDA(A) is estimated at $17 million per year, adjusted using the Canadian dollar exchange rate at the end of the quarter. At this time, the Corporation is anticipating a slight delay in the commissioning of these wind farms given the slowdown in operations caused by the COVID-19 crisis. More details will be provided with the release of our 2020 second quarter results.

The implementation of these projects will require total planned investments of approximately $178 million, financed by loans of up to $142 million. As at March 31, 2020, the amounts already invested in these projects totalled over $42 million.

Commissioning of secured projects and projects under construction is expected to bring Boralex's net installed capacity to 2,352 MW. To achieve the Corporation's target of 2,800 MW, projects totalling 448 MW will be included in the *Growth path* by 2023. Boralex already expects projects at an advanced stage to add a total of 357 MW.

The information in the box below provides the Growth highlights for the three-month period ended March 31, 2020, namely the key achievements of development teams in North America and Europe.

Growth

- Addition of 84 MW of secure projects to the *Growth Path*, comprising 56 MW of wind projects and 28 MW of solar projects.
- Solar power projects totaling 180 MW selected under an RFP in the State of New York in the United States.

Diversification

Initially, the Corporation is focusing its business diversification efforts on its **solar** power segment. Projects considered to be part of Diversification represent a potential additional capacity of 541 MW.

Europe

Europe remains a potential market totalling 11,100 MW for solar power by 2023 according to the information provided in the *Strategic plan and financial objectives for 2023* section of this report. Boralex intends to accelerate the development of this segment's initiatives in France. Furthermore, Boralex has undertaken more active participation in RFPs for the construction of solar facilities in France. This process involves the award of all energy purchase contracts, consisting of two 1,000 MW tranches per year between 2020 and 2024, two thirds of which represent ground mounted solar panel projects, a market targeted by Boralex. On April 2, 2020, Boralex announced that it won two solar power contracts totalling 28 MW under the most recent RFP for the construction and operation of solar power generation facilities through "ground mounted power stations."

North America

In North America, Boralex is initially 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 since a number of years who were tasked with responsibilities and priorities related to the development of the State of New York market.

Since the announcement of the strategic plan, the Corporation's portfolio of projects has increased from 200 MW in June 2019 to 360 MW as at March 31, 2020.

On March 13, 2020, Boralex announced that the four solar power projects it had submitted were selected by NYSERDA under its 2019 RFP launched under the "Renewable Energy Standard" for the purchase of Tier-1 renewable energy credits ("Environmental Credits"). The selection of these projects totalling 180 MW initiated a process whereby Boralex and NYSERDA are working to enter into agreements to purchase the Environmental Credits associated with the energy generated by each project.

Energy storage

Boralex is also 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 energy by shifting peak production to periods of peak energy demand. It also serves to meet excess requirements during peak periods or when the supply system fails.

In the first quarter of fiscal 2020, Boralex commissioned its first electricity storage asset with an installed capacity of 2 MW at one of its existing wind farms in France. Also, the Corporation made a bid under an RFP for a hybrid project comprising 5 MW of solar energy and 5 MW of energy storage in the State of New York in the United States.

The information in the box below provides the Diversification highlights for the first quarter of fiscal 2020, namely the rapid progress achieved in the United States.

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

The Corporation has deployed sales teams in France and the United States to serve a wider customer base. In particular, this will involve operationalizing this business model based on signing energy sales contracts directly with electricity consuming companies, as well as the gradual addition of complementary services offered to energy transmission networks and large-scale electricity consumers.

Boralex entered into its first power purchase agreement with a major French company in the first quarter of fiscal 2020. A five-year power purchase agreement commencing on January 1, 2021 was entered into with a large CAC 40 industrial group for an existing wind farm whose contract with EDF is coming to an end. Boralex will be able to provide more details about this contract when confinement measures in France are lifted and the company in question is no longer in crisis management communication mode.

Moreover, obtaining the licence for the **Limekiln** wind farm project is also an opportunity to implement the business model based on the sale of energy directly to electricity-consuming companies, as there is no pre-defined energy purchase program in Scotland. Boralex and its partner are gauging opportunities to enter into power purchase agreements with such companies, a prerequisite step before construction work can begin.

The information in the accompanying box provides the Customers highlights for the three-month period ended March 31, 2020.

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

This strategic direction has two main components:

1. Increase synergies across the organization and ensure optimal use of existing resources and assets;
2. Consider the sale of minority interests in future energy assets in order to reach optimal capital allocation.

Initially, Boralex is focusing on component No. 1 by taking concrete actions to increase performance and reduce both operating and financing costs.

In particular, this resulted in the repowering project at the **Cham Longe I** wind farm 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. Boralex is also in advanced talks for the optimization of maintenance contracts by replacing external maintenance contracts with internal maintenance for certain assets in Canada.

In terms of the optimal use of its financial resources, the Corporation is in talks with financial institutions regarding the potential refinancing of certain assets in Canada on improved terms.

The information in the box below provides Optimization highlights for the first quarter of fiscal 2020.

Optimization

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

Financial objectives - 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 criteria chosen as financial objectives.

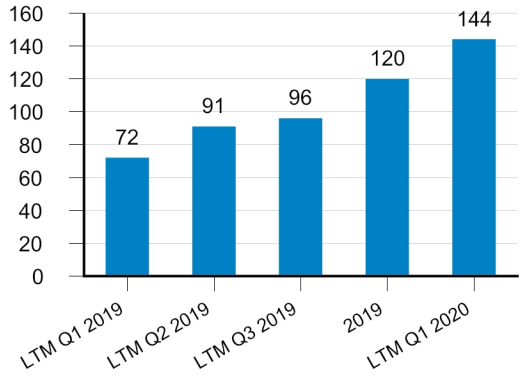
1. Discretionary cash flows

For the full three-month period ended March 31, 2020, discretionary cash flows amounted to $68 million. This represented an increase of 59% from $44 million for the three-month period ended March 31, 2019. This improvement was driven by better operating results, owing in particular to favourable wind conditions in France and the contribution of facilities commissioned over the past year. Note that in order to reflect a normalized debt service amid the debt refinancing in France, reimbursements of project debts were adjusted upward by $22 million.

For the 12-month period ended March 31, 2020, discretionary cash flows amounted to $144 million. Note that during the past two quarters, our discretionary cash flows were bolstered by wind power output in France which largely exceeded anticipated production. Over the last twelve months, a $20 million favorable volume difference was realized compared with anticipated results.

Discretionary cash flows*

(in millions of Canadian dollars)



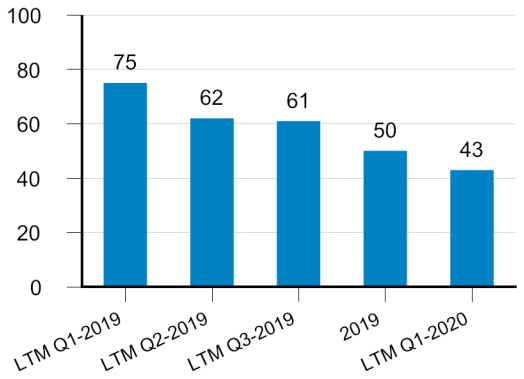
* See the *Non-IFRS measures* section.

2. Dividend

The dividends paid to shareholders during the past 12-month period ended March 31, 2020 represented a payout ratio of 43%, which falls within the target payout ratio range of 40% to 60% set in the Corporation's financial objectives for 2023. The decrease in the ratio resulted from a sharp rise in discretionary cash flows during the past year.

Dividend payout ratio*

(as a %)



* See the *Non-IFRS measures* section.

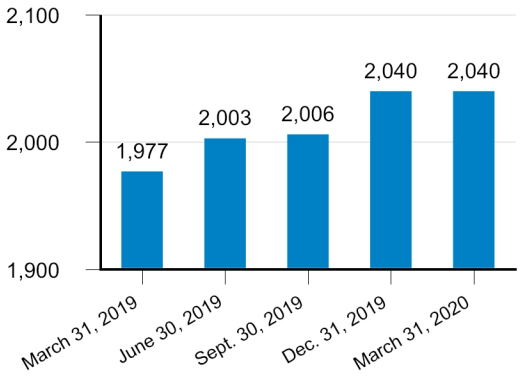
3. Net installed capacity

As at March 31, 2020, Boralex had a net installed capacity totalling 2,040 MW, a comparable level to the end of fiscal 2019.

In addition, for the three-month period ended March 31, 2020, the Corporation reported an additional net installed capacity of 65 MW year over year, as a result of assets commissioned in 2019. These facilities contributed to the Corporation's results for the full three-month period ended March 31, 2020.

Net installed capacity

(in MW)



Financial highlights

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended March 31 2020	2019	Change $	%
POWER PRODUCTION (GWh)				
Wind power stations	1,235	1,038	197	19
NRWF compensation	31	10	21	>100
	1,266	1,048	218	21
Hydroelectric power stations	198	159	39	25
Thermal power stations	65	72	(7)	(9)
Solar power stations	4	5	(1)	(17)
	1,533	1,284	249	19
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM				
Wind power stations	172	146	26	18
Hydroelectric power stations	16	12	4	29
Thermal power stations	11	13	(2)	(16)
Solar power stations	1	1	—	(17)
	200	172	28	16
EBITDA(A)[1]				
Wind power stations	150	130	20	15
Hydroelectric power stations	12	8	4	42
Thermal power stations	4	6	(2)	(35)
Solar power stations	—	1	(1)	(55)
	166	145	21	15
Corporate and eliminations	(17)	(14)	(3)	(26)
	149	131	18	13
NET EARNINGS	44	31	13	43
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	41	29	12	46
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC	$0.43	$0.32	$0.11	35
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – DILUTED	$0.43	$0.31	$0.12	39
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	133	65	68	>100
CASH FLOWS FROM OPERATIONS[1]	124	101	23	22
DIVIDENDS PAID ON COMMON SHARES	16	15	1	8
DIVIDENDS PAID PER COMMON SHARE	$0.1650	$0.1650		
Weighted average number of shares outstanding – basic	96,464,534	89,184,932		

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at March 31, 2020	As at December 31, 2019
Total cash, including restricted cash	283	168
Property, plant and equipment	2,769	2,715
Total assets	4,724	4,557
Debt, including non-current debt and current portion of debt	3,170	3,067
Total liabilities	3,872	3,682
Total equity	852	875
Net debt to market capitalization ratio[1] (%)	55%	56%

[1] See the *Non-IFRS measures* section.

Commissioning

Project name	Total capacity (MW)	Commissioning	Segment / Country	Energy contract term / Client	Ownership (%)
Basse Thiérache Nord	20	February 1 and March 1	Wind/France	15 years/EDF/FiP	100
Yellow Falls	16	March 6[1]	Hydro/Canada	40 years/IESO	100
Moose Lake	15	April 4[2]	Wind/Canada	40 years/BC Hydro	70
Catésis	10	June 1	Wind/France	20 years/EDF/FiP	100
Buckingham[3]	10	October 17	Hydro/Canada	25 years/HQ	100
Seuil du Cambrésis	24	December 1	Wind/France	15 years/EDF/FiP	100
2019	**+ 95 MW**			Net installed capacity: **2,040 MW**	

(1) Commercial commissioning was confirmed with the IESO on November 14, 2019. Boralex received retroactive compensation to make up for the difference between the contract price and the market price for electricity sold by the power station since it was commissioned on March 6, 2019.

(2) Owing to administrative restrictions, the energy sales contract became effective on April 4, 2019. However, since the facility was already operational, it is therefore considered as having been commissioned in the first quarter of 2019.

(3) This 10 MW capacity increase will result in an additional $5 million in annual EBITDA for total pro forma EBITDA of $8 million for the project and installed capacity of 20 MW.

Analysis of consolidated operating results for the three-month period ended March 31, 2020

Revenues from energy sales and feed-in premium up 16%, driven by facilities commissioned in fiscal 2019 and more favourable weather conditions in the wind power segment in France.

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

Total power production

(GWh)	Q1 2020				Q1 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	In GWh	%
Wind										
Comparable assets[1]	363	824	—	1,187	406	633	—	1,039	148	14
Commissioning[2]	17	62	—	79	—	9	—	9	70	>100
Wind - total	380	886	—	1,266	406	642	—	1,048	218	21
Hydroelectric										
Comparable assets	23	—	128	151	25	—	134	159	(8)	(5)
Commissioning - Yellow Falls	15	—	—	15	—	—	—	—	15	—
Temporary shutdown - Buckingham	32	—	—	32	—	—	—	—	32	—
Hydroelectric - total	70	—	128	198	25	—	134	159	39	25
Thermal	46	19	—	65	53	19	—	72	(7)	(9)
Solar	—	4	—	4	—	5	—	5	(1)	(17)
Total[1]	496	909	128	1,533	484	666	134	1,284	249	19

(1) Includes compensation of 31 GWh for the first quarter of 2020 in light of the power limitation imposed on the NRWF facility (10 GWh for the fist quarter of 2019).

(2) See the *Commissioning* table this section.

Boralex produced 1,502 GWh of electricity in the first quarter of 2020 and received compensation for the equivalent of 31 GWh, bringing total production to 1,533 GWh, up 19% from 1,284 GWh for the same quarter of 2019, comprising production of 1,274 GWh and compensation for the equivalent of 10 GWh. Excluding the contribution of facilities commissioned over the past year, production of comparable assets increased by 10%, stemming from improved performance in the wind power segment as discussed below.

Wind

Total production of wind farms for the first quarter of 2020 amounted to 1,266 GWh, up 21% from 1,048 GWh for the corresponding quarter of 2019. This increase resulted from better wind conditions in France as well as contributions for the entire fourth quarter from wind farms commissioned since February 1, 2019 (for greater detail, see the *Commissioning* table at the beginning of this section). Production volume of comparable assets for the first quarter of 2020 was up 14% from the same period of 2019.

- Weather conditions in **France** during the first quarter of 2020 were much more favourable. As a result, production volume at comparable wind farms was 30% higher compared with the same period of 2019. Including the contribution of wind farms commissioned, the wind power segment in France recorded a 38% increase in production from the first quarter of 2019 to total 886 GWh.
- In **Canada**, facilities were affected by icing and less favourable wind conditions than a year ago, which resulted in an 11% decline in production volume of comparable assets compared with the first quarter of 2019. As the contribution of the **Moose Lake** wind farm mitigated this decline, the Canadian wind power segment reported production volume of 380 GWh in the first quarter of 2020, down 7% from the same period of last year.

Hydroelectric

The Corporation's hydroelectric power stations produced 198 GWh for the first quarter of 2020, up 25% from 159 GWh for the corresponding quarter of 2019, driven by the contributions of new Canadian facilities, which more than offset the decline of comparable assets due to less favourable water flow conditions.

- In **Canada**, comparable power stations generated 23 GWh for the first quarter of 2020, slightly below the 25 GWh produced during the first quarter of 2019. The increase in production volume stemmed from the contributions of the new **Yellow Falls** power station and recommissioning of the **Buckingham** power station following capacity upgrade work. Accordingly, the Canadian hydroelectric segment recorded increased production volume of 70 GWh compared with 25 GWh a year earlier.
- In the **United States**, water flow conditions were slightly less favourable than a year ago. The U.S. power stations generated a production volume of 128 GWh in the first quarter of 2020, down 4% compared with 134 GWh a year earlier.

Overall, better wind conditions in France largely offset less favourable weather conditions for comparable **wind** power assets in Canada and other segments.

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	Other segments	**Consolidated**
THREE-MONTH PERIOD ENDED MARCH 31, 2019	146	12	14	**172**
Segment breakdown	84%	7%	9%	**100%**
Acquisitions/commissioning[1]	7	2	—	**9**
Volume - Excl. Buckingham	19	—	(1)	**18**
Temporary shutdown - Buckingham	—	3	—	**3**
Other	—	(1)	(1)	**(2)**
Change	26	4	(2)	**28**
THREE-MONTH PERIOD ENDED MARCH 31, 2020	172	16	12	**200**
Segment breakdown	86%	8%	6%	**100%**

[1] See the *Commissioning* table this section.

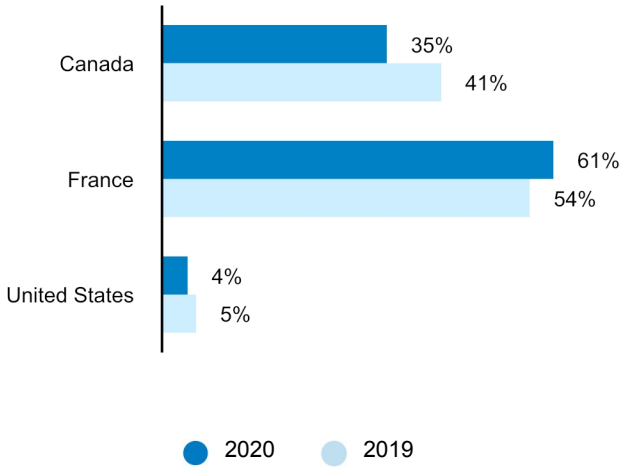
For the three-month period ended March 31, 2020, revenues from energy sales totalled $200 million, up $28 million or 16% compared with the results of the corresponding quarter of 2019. This increase was driven by higher production at French wind farms stemming from more favourable weather conditions as well as the expansion of the Corporation's operating base (see the *Commissioning* table at the beginning of this section).

The sound performance at comparable wind farms in France resulted in a $18 million increase in revenues from energy sales and feed-in premium while the commissioning of new facilities and repowering of the **Buckingham** power station following capacity upgrade work gave rise to favourable differences of $9 million and $3 million, respectively.

Broken down geographically, for the first quarter of 2020, 35% of revenues were generated in Canada and 61% in France, compared with 41% and 54%, respectively, for the first quarter of 2019. This year-over-year change was driven mainly by the more favourable wind conditions for the French wind power segment during the first quarter of 2020.

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

(Three-month periods ended March 31)



- The **wind** power segment recorded revenues of $172 million for the first quarter of 2020, an 18% increase over last year, driven by better wind conditions at comparable wind farms in France and the contribution of facilities commissioned. Volume effect amounted to $19 million while expansion of the operating base resulted in a $7 million improvement.

  Overall, the French **wind** power segment recorded a 36% increase in revenues, which largely offset the 7% decline at Canadian wind farms.

- For the first quarter of 2020, the **hydroelectric** power segment generated revenues of $16 million, up 29% from $12 million for the same quarter of 2019. Commissioning of the **Yellow Falls** power station gave rise to a favourable difference of $2 million while the repowering of the **Buckingham** power station resulted in a further contribution of $3 million, which largely offset the slightly lower revenues of comparable power stations in the United States and Canada compared with a year earlier.

EBITDA(A)[1]

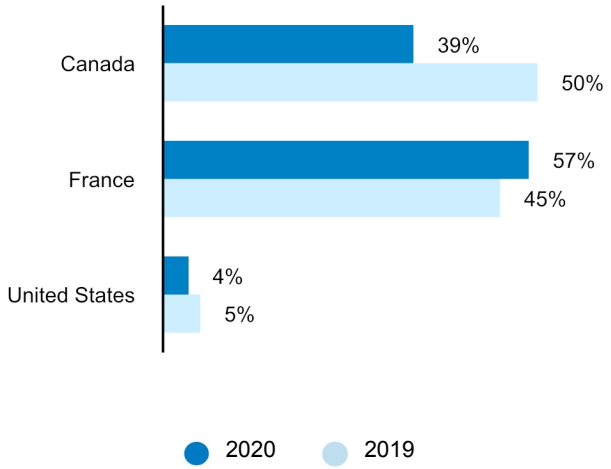
Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	**Consolidated**
THREE-MONTH PERIOD ENDED MARCH 31, 2019	130	8	7	(14)	**131**
Segment breakdown[2]	89 %	6 %	5 %		**100%**
Acquisitions/commissioning[3]	6	2	—	—	**8**
Volume - Excl. Buckingham	19	—	(1)	—	**18**
Temporary shutdown - Buckingham	—	2	—	—	**2**
Share of the Interests - Other	(7)	—	—	—	**(7)**
Other[4]	2	—	(2)	(3)	**(3)**
Change	20	4	(3)	(3)	**18**
THREE-MONTH PERIOD ENDED MARCH 31, 2020	**150**	**12**	**4**	**(17)**	**149**
Segment breakdown[2]	91 %	7 %	2 %		**100%**

(1) See the *Non-IFRS measures* section.
(2) Excluding corporate segment and eliminations.
(3) See the *Commissioning* table this section.
(4) Includes differences related to salaries, prices and development costs.

Geographic breakdown of EBITDA(A)[1]

(Three-month periods ended March 31)



[1] Excluding corporate segment and eliminations.

For the first quarter of 2020, the Corporation recorded consolidated EBITDA(A) of $149 million, up $18 million or 13% from the corresponding quarter of 2019. As discussed previously, this increase resulted from favourable differences totalling $28 million driven by growth in production volumes at comparable French wind farms year over year as well as the contribution of assets commissioned over the past year, and the repowering of the **Buckingham** power station. These favourable differences largely offset the $7 million decrease in the share of the Interests due to less favourable weather conditions for the wind farms of the Joint Ventures and associates in the first quarter of 2020 compared with a year earlier.

Broken down geographically, for the first quarter of 2020, 39% of EBITDA(A) was generated in Canada and 57% in France, compared with 50% and 45%, respectively, for the first quarter of 2019. Like the change in revenues, this change resulted primarily from the more favourable wind conditions in France during the first quarter of 2020 compared with Canada.

- The **wind** power segment recorded EBITDA(A) of $150 million for the first quarter of 2020, up $20 million or 16% from the corresponding quarter of 2019. The sound performance at comparable French wind farms generated additional EBITDA(A) of $19 million. In addition, the contribution of wind farms commissioned over the past year generated a favourable difference of $6 million. As discussed earlier, a decrease in the share of the Interests resulted in an unfavourable difference of $7 million.

  The EBITDA(A) of French wind farms increased $31 million or 50% driven mainly by power stations commissioned and, to a greater extent, better wind conditions. In Canada, less favourable weather conditions resulted in a 15% decrease in EBITDA(A), as the commissioning of the **Moose Lake** wind farm only partially offset the decline at comparable assets.

- The **hydroelectric** power segment recorded EBITDA(A) of $12 million for the first quarter of 2020, up $4 million or 42% compared with the corresponding quarter of 2019. The increase resulted entirely from the contributions of the **Yellow Falls** and **Buckingham** power stations.

Excluding power stations commissioned, revenues from energy sales and feed-in premium were up 9% in the first quarter of 2020 as compared with the prior year, while operating expenses rose 2%.

Main differences in net earnings attributable to shareholders of Boralex

(in millions of Canadian dollars) (unaudited)

THREE-MONTH PERIOD ENDED 31 MARCH 2019	29
EBITDA(A)[1]	18
Excess of distributions received over the share in net earnings of Joint Venture SDB I	10
Amortization	3
Impairment	2
Financing costs	1
Income taxes	(9)
Non-controlling shareholders	(1)
Other	(12)
Change	12
THREE-MONTH PERIOD ENDED 31 MARCH 2020	41

[1] See the *Non-IFRS measures* section.

Excess of distributions received over the share in net earnings of Joint Venture SDB I

The Corporation recognized an excess of distributions received over the share in net earnings of Joint Venture SDB I during the first quarter of 2020, which resulted in a $10 million favourable 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 distributions received over the share in net earnings of Joint Venture SDB I*. If the carrying amount of the interest becomes positive again, such adjustment will be reversed up to the accumulated amount previously recorded as an excess amount. The significant decrease in the value of the shares is mainly related to the reduction of fair value of the Joint Ventures' interest rate swaps given the significant drop in rates since the beginning of the COVID-19 crisis.

Amortization

Amortization expense for the first quarter of 2020 was down $3 million to $58 million, owing mainly to a $7 million reduction in amortization expense following changes made to the useful lives of certain components of wind farms as of October 1, 2019. This item was partially offset by facilities commissioned and by accelerated amortization for sites where repowering will be carried out and which were added to the *Growth path* as secured projects.

Financing costs

During the first quarter of 2020, interest expense decreased $1 million to $33 million. Following the redemption of convertible debentures and the refinancing of French debt in the fourth quarter of 2019, interest expense decreased $6 million, while amortization of financing costs and unrealized losses on interest rate swaps of the refinanced French debt increased by $5 million.

Income taxes

Income tax expense increased $9 million compared to the corresponding quarter of last year. The increase stemmed primarily from a $6 million increase in earnings before income taxes and, to a lesser extent, the effect of a non-deductible, non-recurring expense and the waiver of tax benefits as a result of tax policy changes in Europe and the United States.

Other

The $12 million unfavourable difference over the first quarter of 2019 is mainly due to an $8 million change in the loss (gain) on financial instruments and a $3 million foreign exchange effect. The higher net loss on financial instruments stemmed primarily from recognition of a $6 million loss following the settlement of a dispute concerning the calculation of a contingent consideration related to a past acquisition.

Net earnings

Overall, for the three-month period ended March 31, 2020, Boralex recognized net earnings of $44 million, compared with net earnings of $31 million for the same period of 2019. Net earnings attributable to non-controlling shareholders of Boralex for the first quarter of 2020 totalled $3 million, a difference of $1 million compared with net earnings of $2 million for the same quarter of 2019.

As shown in the previous table , the Corporation recognized net earnings attributable to shareholders of Boralex of $41 million or $0.43 per share (basic and diluted), compared with net earnings attributable to shareholders of Boralex of $29 million or $0.32 per share (basic) and $0.31 per share (diluted) for the corresponding period of 2019.

Cash flows

The expansion of the operating asset base over the past fiscal year and better weather conditions in France during the last quarter were the driving factors for the changes in cash flows, which contributed in particular to the increase in cash flows from operations for the three-month period ended March 31, 2020 compared with the same period last year.

(in millions of Canadian dollars) (unaudited)	Three-month periods ended March 31 2020	2019
Cash flows from operations[1]	124	101
Change in non-cash items related to operating activities	9	(36)
Net cash flows related to operating activities	133	65
Net cash flows related to investing activities	(6)	(25)
Net cash flows related to financing activities	(7)	(31)
Translation adjustment on cash and cash equivalents	8	(4)
NET CHANGE IN CASH AND CASH EQUIVALENTS	128	5
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	153	157
CASH AND CASH EQUIVALENTS – END OF PERIOD	281	162

[1] See the *Non-IFRS measures* section.

Operating activities

For the three-month period ended March 31, 2020, Boralex reported $124 million in cash flows from operations, up $23 million or 22% from $101 million for the corresponding period last year. Excluding non-cash items in net earnings for both periods, this increase resulted largely from the $18 million growth in EBITDA(A) as discussed previously, plus a $5 million decline in *Interest paid*. This was partially offset by a $2 million decrease in *Distributions received from the Joint Ventures and associates* due to lower production volume as a result of less favourable weather conditions in Québec compared with last year.

Distributions received from the Joint Ventures and associates

(in millions of Canadian dollars) (unaudited)	Three-month periods ended March 31 2020	2019	Change $
SDB I and II	5	7	(2)
DM I, II, LP I, LP II and Roncevaux	2	2	—
	7	9	(2)

Cash flows generated in the first quarter of 2020 totalling $9 million resulted primarily from a $10 million increase in *Trade and other receivables* related to favourable wind conditions and also to the fact that the main client in France made its payments at the beginning of April 2020 instead of at the end of March 2020 owing to administrative delays.

Operating activities generated net cash flows totalling $133 million in the first quarter of 2020, compared with $65 million for the same period a year earlier.

Investing activities

Investing activities during the three-month period ended March 31, 2020 used cash in the amount of $6 million compared with $25 million for the same period of 2019. Boralex invested $19 million in *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	**Total**
Wind			
Construction[1]	—	9	**9**
Wind - total	**—**	**9**	**9**
Hydroelectric			
Construction[1]	9	—	**9**
Hydroelectric - total	**9**	**—**	**9**
Corporate	**1**	**—**	**1**
Total	**10**	**9**	**19**

[1] See the *Commissioning* table this section.

Restricted cash decreased by $12 million during the first quarter of 2020 due to the release of restricted cash amounts subsequent to the refinancing in France.

Financing activities

Financing activities for the three-month period ended March 31, 2020 used total net cash flows of $7 million.

New financing arrangements and repayments on existing debt

During the three-month period ended March 31, 2020, new non-current debt contracted by Boralex totalled $51 million comprising:

- A $46 million amount drawn down from the revolving credit facility;
- A $5 million amount drawn down with regard to the Sainte-Christine portfolio.

In response to potential liquidity issues that could affect the banking system during the COVID-19 crisis, the Corporation decided to draw down $40 million from its revolving credit facility in order to secure an emergency cushion. The Corporation continues to have confidence in the financial institutions which make up its banking syndicate and does not intend to make use of these funds which will be repaid at the end of the health crisis.

The Corporation repaid a total of $35 million on its debt related to various assets in operation and $3 million in respect of lease liabilities.

Dividends and other items

During the three-month period ended March 31, 2020, the Corporation paid dividends to shareholders totalling $16 million ($0.1650 per common share) compared with $15 million ($0.1650 per common share) for the same period of 2019.

Net change in cash and cash equivalents

Total cash movements in the three-month period ended March 31, 2020 resulted in a $128 million increase, bringing *Cash and cash equivalents* to $281 million as at March 31, 2020 compared with $153 million as at December 31, 2019.

Discretionary cash flows and payout ratio[1]

Discretionary cash flows amounted to $68 million for the three-month period ended March 31, 2020 compared with $44 million for the corresponding period of fiscal 2019. This $24 million increase in discretionary cash flows resulted essentially from the increase in cash flows from operations stemming from improved results of the French wind power segment during the period and the contribution of facilities commissioned over the last year. In order to take into account the refinancing carried out in France during the fourth quarter of 2019 and its impact on the reimbursement of project debts, discretionary cash flows were adjusted by $22 million.

Discretionary cash flows per share amounted to $0.71 for the three-month period ended March 31, 2020 compared with $0.47 as at March 31, 2019.

Discretionary cash flows amounted to $144 million for the twelve-month period ended March 31, 2020 compared with $120 million for the twelve-month period ended December 31, 2019. This increase in discretionary cash flows was driven by the above-mentioned items in connection with results for the first quarter of fiscal 2020.

Discretionary cash flows per share for the twelve-month period ended March 31, 2020 amounted to $1.51 compared with $1.33 as at December 31, 2019 and the payout ratio stood at 43%, in line with the financial objective of the strategic plan.

[1] See the *Non-IFRS measures* section.

Financial position

Overview of the consolidated condensed statements of financial position

(in millions of Canadian dollars) (unaudited)	As at March 31, 2020	As at December 31, 2019	Change ($)
ASSETS			
Cash and cash equivalents	281	153	128
Restricted cash	2	15	(13)
Other current assets	187	195	(8)
CURRENT ASSETS	470	363	107
Property, plant and equipment	2,769	2,715	54
Right-of-use assets	268	260	8
Intangible assets	714	700	14
Goodwill	194	188	6
Interests in the Joint Ventures and associates	226	236	(10)
Other non-current assets	83	95	(12)
NON-CURRENT ASSETS	4,254	4,194	60
TOTAL ASSETS	4,724	4,557	167
LIABILITIES			
CURRENT LIABILITIES	367	304	63
Non-current debt	2,970	2,895	75
Lease liabilities	204	197	7
Other non-current liabilities	331	286	45
NON-CURRENT LIABILITIES	3,505	3,378	127
TOTAL LIABILITIES	3,872	3,682	190
EQUITY			
TOTAL EQUITY	852	875	(23)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,724	4,557	167

Summary of significant changes

Assets

As at March 31, 2020, Boralex's total assets amounted to $4,724 million, up $167 million from total assets of $4,557 million as at December 31, 2019. This increase was due to the $107 million and $60 million increases in *Current assets* and *Non-current assets*, respectively.

The increase in *Current assets* was primarily attributable to the $128 million increase in *Cash and cash equivalents* and the $13 million decrease in *Restricted cash* following the sound results in the first quarter of 2020 and the release of restricted cash amounts subsequent to the refinancing in France.

Non-current assets were down $60 million in total, owing primarily to:

- The $54 million increase in the value of *Property, plant and equipment* (net of amortization for the period) which breaks down as follows:
  - An $83 million increase related to exchange rate fluctuations and a $39 million decrease related to amortization of assets in operation;
  - A $19 million increase related to projects under construction (see the Cash flows section);
- An $8 million increase in *Right-of-use assets* primarily due to exchange rate fluctuations;
- A $14 million increase in the value of *Intangible assets*, related in large part to exchange rate fluctuations and amortization of wind farms in operation;
- A $10 million decrease in *Interests in the Joint Ventures and associates* related to distributions received in the amount of $7 million;
- A $12 million decrease in *Non-current assets*, owing in large part to changes in *Other non-current financial assets* resulting from changes in the fair value of financial instruments.

Current liabilities

Current liabilities as at March 31, 2020 amounted to $367 million, up $63 million compared with $304 million recognized as at December 31, 2019. The increase is mainly due to:

- A $28 million increase in *Current portion of debt* due to exchange rate fluctuations and the refinancing of debt in France;
- A $23 million increase in *Trade and other payables* due to exchange rate fluctuations, a lag in property tax payments as compared with December 31, 2019 and interest payable;
- An $11 million increase in *Other current financial liabilities* related to changes in the fair value of financial instruments related more specifically to appreciation of the euro against the Canadian dollar.

Working capital

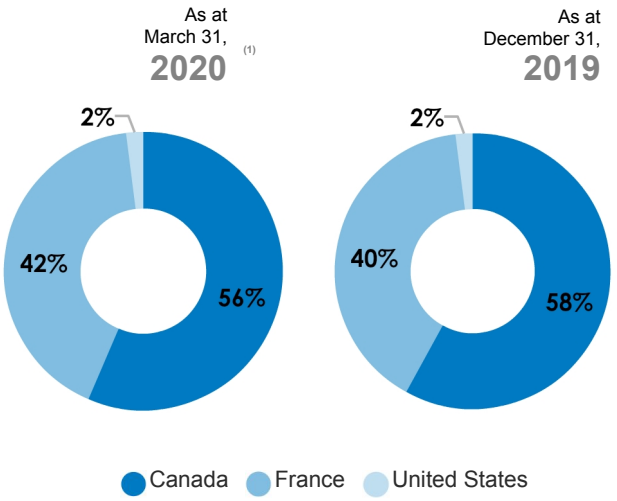
As at March 31, 2020, the Corporation had working capital of $103 million for a ratio of 1.28:1, compared with working capital of $59 million and a ratio of 1.19:1 as at December 31, 2019. The improvement in working capital is mainly due to the substantial increase in *Cash and cash equivalents* and *Trade and other receivables* during the most recent quarter, offset by increases in *Trade and other payables* and *Current portion of debt* as discussed previously.

Non-current liabilities

Total *Non-current liabilities* grew $127 million. This increase was mainly due to the $75 million increase in *Non-current debt* of which $81 million results from fluctuations in exchange rates, and a $43 million increase in *Other non-current financial liabilities*. The increase in *Current portion of debt* is due to fluctuations in exchange rates and to debt refinancing in France.

As at March 31, 2020, Boralex had $388 million in debt contracted for its construction projects that remained undrawn. Boralex could still draw on the $50 million revolving credit accordion feature, an amount of $152 million available on the revolving credit facility and $102 million on the letter of guarantee facility.

Geographic breakdown of debt



(1) The change in breakdown stemmed mainly from decreases in foreign exchange rates on French debt.

Equity

During the first quarter of 2020, total *Equity* decreased by $23 million to $852 million as at March 31, 2020. This decrease resulted from a $45 million decrease in *Other comprehensive income* related to the translation of financial statements and to lower interest rates and $16 million in dividends paid to shareholders of Boralex, which was partially offset by net earnings of $44 million.

Debt ratios

Net debt, as defined under the *Non-IFRS measures* section, amounted to $2,969 million as at March 31, 2020 compared with $2,981 million as at December 31, 2019.

As a result, the net debt ratio, based on market capitalization, as defined under *Non-IFRS measures*, declined to 55% as at March 31, 2020 from 56% as at December 31, 2019.

The share price was $25.00 per share as at March 31, 2020 compared with $24.46 per share as at December 31, 2019.

Information about the Corporation's equity

As at March 31, 2020, Boralex's capital stock consisted of 96,464,691 Class A shares issued and outstanding (96,464,460 as at December 31, 2019). There were 311,982 outstanding stock options, of which 195,472 were exercisable.

From April 1 to May 5, 2020, no new shares were issued on exercise of stock options.

Related party transactions

The Corporation has entered into a management agreement with R.S.P. Énergie Inc., an entity of which Patrick Lemaire, President, Chief Executive Officer and a director of the Corporation, is one of three shareholders. For the three-month period ended March 31, 2020, revenues from this agreement were not material.

The Corporation has an office lease contract with Ivanhoé Cambridge, an entity in which the Caisse holds an interest as well. As at March 31, 2020, the lease liability related to rent amounted to $11 million.

In addition, the Corporation holds a $250 million financing arrangement with the Caisse in the form of unsecured subordinated debt with a 10-year maturity as well as a $62 million (€40 million) term loan for which the credit agreement stipulates a maturity date in five years with repayment of the full amount of the loan on maturity date. For the three-month period ended March 31, 2020, the interest related to these transactions amounted to $5 million ($4 million in 2019).

The Six Nations' equity interest in FWRN LP was financed 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 feed-in tariff contract. For the three-month period ended March 31, 2020, the advance including interest totalled $38 million ($37 million as at December 31, 2019).

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 the project to finance construction of the facility. For the three-month period ended March 31, 2020, interest related to this amount owing to a non-controlling shareholder was not material.

Seasonal factors

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended							
	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020
POWER PRODUCTION (GWh)								
Wind power stations	490	415	852	1,038	636	546	1,038	1,235
NRWF compensation	28	42	41	10	73	28	64	31
	518	457	893	1,048	709	574	1,102	1,266
Hydroelectric power stations	194	118	170	159	255	131	211	198
Thermal power stations	57	8	40	72	38	—	48	65
Solar power stations	6	7	3	5	7	7	3	4
	775	590	1,106	1,284	1,009	712	1,364	1,533
REVENUES FROM ENERGY SALES AND FEED-IN PREMIUM								
Wind power stations	73	64	123	146	99	78	149	172
Hydroelectric power stations	14	10	11	12	16	11	22	16
Thermal power stations	7	3	9	13	5	1	7	11
Solar power stations	1	2	2	1	1	2	1	1
	95	79	145	172	121	92	179	200
EBITDA(A)[1]								
Wind power stations	58	46	105	130	84	52	145	150
Hydroelectric power stations	10	5	8	8	12	6	17	12
Thermal power stations	1	—	2	6	1	(1)	1	4
Solar power stations	1	2	1	1	1	2	1	—
	70	53	116	145	98	59	164	166
Corporate and eliminations	(13)	(14)	(18)	(14)	(15)	(14)	(21)	(17)
	57	39	98	131	83	45	143	149
CASH FLOWS FROM OPERATIONS[1]	21	23	71	101	55	35	119	124

[1] See the *Non-IFRS measures* section.

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 facilities have 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 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.
- 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 in Canada and France with power generation limitation periods for Boralex. Thermal energy is generated in Canada from mid-October to mid-June and in Europe from November to March.
- For solar power, sunlight conditions are typically more favourable in the spring and summer.

	Net installed capacity (MW)	**Power production average of the past five years[1]**			
		Q1	Q2	Q3	Q4
Wind	1,795	31%	21%	17%	31%
Hydroelectric	182	23%	32%	20%	25%
Thermal	47	41%	17%	19%	23%
Solar	16	18%	30%	31%	21%
Total power production	2,040	30%	23%	18%	29%

[1] The historical average of power production is based on the last five full fiscal years of the Corporation, from 2015 to 2019.

Financial instruments

Foreign exchange risk

The Corporation generates foreign currency liquidity through the operation of its power stations in France and the United States. The Corporation benefits from partial natural coverage from this risk exposure, as revenues, expenses and financing are in the local currency. Accordingly, foreign exchange risk arises particularly from the residual liquidity that can be distributed to the parent company.

In France, given the above, the Corporation entered into foreign exchange forward contracts to hedge the exchange rate on a portion of the distributions it expects to repatriate from Europe up to 2025. Similar purchases could be made based on the growth in cash to be generated in France. The Corporation also entered into cross-currency swaps. These derivatives 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 interest rates lower than those prevailing in Europe. The Corporation also entered into similar transactions pertaining to US dollars. These short-term transactions provide 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.

Management considers that the cash flows generated in the United States do not represent a significant risk at present. A hedging strategy could be developed in due course.

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

Price risk

In the Northeastern United States, a portion of the Corporation's power production is sold at market prices or under short-term contracts and is accordingly subject to fluctuations in energy prices. Energy prices vary according to supply, demand and certain external factors, including weather conditions, and the price of other sources of power. As a result, prices may fall too low for the power stations to yield an operating profit.

As at March 31, 2020, substantially all of the French and Canadian power stations and two power stations in the United States have long-term energy sales contracts, the vast majority of which are subject to partial or full indexation clauses tied to inflation. Consequently, only 3% of Boralex's net installed capacity is exposed to price risk at present.

Interest rate risk

As at March 31, 2020, approximately 80% of non-current debt issued bore interest at variable rates, excluding the revolving credit facility and subordinated debt. To protect itself against rate increases, the Corporation uses interest rate swaps. With these instruments, the Corporation's actual exposure to interest rate fluctuations is limited to only 10% of total debt under IFRS.

The following table summarizes the Corporation's derivative financial instruments as at March 31, 2020:

As at March 31,

2020

		Current notional		Fair value	
(in millions of Canadian dollars) (unaudited)	Currency	(currency of origin)	(CAD)	(currency of origin)	(CAD)
Interest rate swaps	EUR	734	1,139	(20)	(32)
Interest rate swaps	CAD	739	739	(41)	(41)
Foreign exchange forward contracts	EUR vs. CAD	55	85	(2)	(2)
Cross-currency swaps	EUR vs. CAD	318	479	(14)	(14)
					(89)

The Corporation does not plan to trade these instruments, since they were entered into to reduce the Corporation's risk related to interest rate and exchange rate fluctuations, and to protect the anticipated return on its projects. As a result, the fact that fair value is unfavourable only indicates that forward interest rates have fallen or exchange rates have risen and has no bearing on the effectiveness of the instrument as part of the Corporation's risk management strategy.

Combined

The combined information ("Combined") presented above and elsewhere in this management's discussion and analysis results from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS and the share of the financial information of the Interests. The Interests represent 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. 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 statement of the Interests (revenues, expenses, assets, liabilities, etc.). For more details, see the *Interests in the Joint Ventures and associates* note in the audited annual consolidated financial statements for the year ended December 31, 2019.

Interests in the Joint Ventures and associates

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

	Boralex % of interests
SDB I and II	50.00%
DM I and DM II	51.00%
LP I	51.00%
LP II	59.96%
Roncevaux	50.00%

Highlights of the Joint Ventures and associates

	2020			**2019**			
	SDB I and II	DM I, II , LP I, II and Roncevaux[1]	Total	SDB I and II	DM I, II , LP I, II and Roncevaux[1]	Total	Change (%)
Three-month periods ended March 31:							
Wind power production (GWh)	148	156	304	191	204	395	(23)
Revenues from energy sales	16	16	32	21	21	42	(22)
EBITDA(A)	14	13	27	19	18	37	(26)
Net earnings	6	1	7	10	5	15	(50)
Net cash flows related to operating activities	3	6	9	5	11	16	(47)
Cash flows from operations	11	9	20	15	14	29	(32)
Shares in the assets[2]	357	491	848	359	498	857	(1)
Shares of borrowings[2]	286	303	589	286	307	593	—

[1] The Corporation acquired Invenergy's interests in the DM I and II, LP I and II, and Roncevaux wind farms on September 14, 2018.
[2] As at December 31, 2019 for the comparative amounts.

Analysis of consolidated operating results for the three-month period ended March 31, 2020 - Combined

Total power production

(GWh)	Q1 2020				Q1 2019				Change	
	Canada	France	United States	Total	Canada	France	United States	Total	in GWh	%
Wind										
Comparable assets[1]	667	824	—	1,491	801	633	—	1,434	57	4
Commissioning[2]	17	62	—	79	—	9	—	9	70	>100
Wind - total	684	886	—	1,570	801	642	—	1,443	127	9
Hydroelectric										
Comparable assets	23	—	128	151	25	—	134	159	(8)	(5)
Commissioning - Yellow Falls	15	—	—	15	—	—	—	—	15	—
Temporary shutdown - Buckingham	32	—	—	32	—	—	—	—	32	—
Hydroelectric - total	70	—	128	198	25	—	134	159	39	25
Thermal	46	19	—	65	53	19	—	72	(7)	(9)
Solar	—	4	—	4	—	5	—	5	(1)	(17)
Total power production	800	909	128	1,837	879	666	134	1,679	158	9

[1] Includes compensation of 31 GWh for the first quarter of 2020 in light of the power limitation imposed on the NRWF facility (10 GWh for the first quarter of 2019).
[2] See the *Commissioning* table in section *II - Analysis of results, cash flows and financial position - IFRS*.

On a Combined basis, power production amounted to 1,837 GWh for the first quarter 2020, up 158 GWh or 9% compared with the corresponding period of 2019. As the facilities of the Joint Ventures and associates experienced less favourable weather conditions than a year earlier, this increase was driven mainly by better performance at comparable wind power assets in France and the commissioning of new wind and hydroelectric power facilities.

Revenues from energy sales and feed-in premium

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

(in millions of Canadian dollars)	Wind	Hydro	Other segments	**Consolidated**
THREE-MONTH PERIOD ENDED MARCH 31, 2019	188	12	14	**214**
Segment breakdown	87%	6%	7%	**100%**
Acquisitions/commissioning[1]	7	2	—	**9**
Volume - Excl. Buckingham	9	—	(1)	**8**
Temporary shutdown - Buckingham	—	3	—	**3**
Other	—	(1)	(1)	**(2)**
Change	16	4	(2)	**18**
THREE-MONTH PERIOD ENDED MARCH 31, 2020	204	16	12	**232**
Segment breakdown	88%	7%	5%	**100%**

[1] See the *Commissioning* table in section *II - Analysis of results, cash flows and financial position - IFRS*.

The contributions to revenues from energy sales by the wind farms of the Joint Ventures and associates declined $10 million or 22% in the first quarter of 2020 compared with the corresponding quarter of 2019. Accordingly, the 9% growth in revenues on a Combined basis resulted from favourable differences owing to better conditions enjoyed by French wind farms and to an expanded operating asset base in the wind and hydroelectric power segments.

EBITDA(A)[1]

Main differences in EBITDA(A)

(in millions of Canadian dollars) (unaudited)	Wind	Hydro	Other segments	Corporate and eliminations	**Consolidated**
THREE-MONTH PERIOD ENDED MARCH 31, 2019	152	8	7	(13)	**154**
Segment breakdown[2]	91%	6%	3%		**100%**
Acquisitions/commissioning[3]	6	2	—	—	**8**
Volume - Excl. Buckingham	9	—	(1)	—	**8**
Temporary shutdown - Buckingham	—	2	—	—	**2**
Other[4]	3	—	(2)	(4)	**(3)**
Change	18	4	(3)	(4)	**15**
THREE-MONTH PERIOD ENDED MARCH 31, 2020	**170**	**12**	**4**	**(17)**	**169**
Segment breakdown[2]	92%	6%	2%		**100%**

(1) See the *Non-IFRS measures* section.
(2) Excluding corporate segment and eliminations.
(3) See the *Commissioning* table in section *II - Analysis of results, cash flows and financial position - IFRS*.
(4) Includes the differences related to salaries, prices, development costs and professional fees.

The contribution to EBITDA(A) of the Joint Ventures and associates declined by $10 million or 26% compared with the same quarter of last year. The 10% growth in EBITDA(A) on a Combined basis, was therefore attributable to the same growth drivers as under IFRS.

Non-IFRS measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA, EBITDA(A), cash flows from operations, ratio of net debt, discretionary cash flows and payout 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 measures also provide investors with insight into the Corporation's decision making as the Corporation uses these non-IFRS measures to make financial, strategic and operating decisions.

These non-IFRS 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 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.

Reconciliation between IFRS and Combined information

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

Consolidated

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation[1]	Combined	IFRS	Reconciliation[1]	Combined
Three-month periods ended March 31:						
Power production (GWh)	1,533	304	1,837	1,284	395	1,679
Revenues from energy sales and feed-in premium	200	32	232	172	42	214
EBITDA(A)	149	20	169	131	23	154
Net earnings	44	(7)	37	31	—	31
Net cash flows related to operating activities	133	3	136	65	7	72
Cash flows from operations	124	13	137	101	20	121
As at March 31:						
Total assets[3]	4,724	696	5,420	4,557	689	5,246
Debt[2][3]	3,170	589	3,759	3,067	593	3,660

[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 *Debt* and *Current portion of debt*.
[3] As at December 31, 2019 for comparative amounts.

Wind

	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation[1]	Combined	IFRS	Reconciliation[1]	Combined
Three-month periods ended March 31:						
Power production (GWh)	1,235	304	1,539	1,038	395	1,433
NRWF compensation	31	—	31	10	—	10
	1,266	304	1,570	1,048	395	1,443
Revenues from energy sales and feed-in premium	172	32	204	146	42	188
EBITDA(A)	150	20	170	130	22	152

[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.

EBITDA(A)

EBITDA(A) represents earnings before interest, taxes, depreciation and amortization, adjusted to include other items such as 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, or as a measure of operating results, which are IFRS measures.

EBITDA and EBITDA(A) are reconciled to the most comparable IFRS measure, namely net earnings, in the following table.

	Three-month periods ended March 31					
	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation[1]	Combined	IFRS	Reconciliation[1]	Combined
Net earnings	44	(7)	37	31	—	31
Income tax expense	17	(3)	14	8	—	8
Financing costs	33	9	42	34	10	44
Amortization	58	12	70	61	14	75
Impairment	—	—	—	2	—	2
EBITDA	152	11	163	136	24	160
Adjustments:						
Other gains	—	(1)	(1)	—	(1)	(1)
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(10)	10	—	—	—	—
Other	7	—	7	(5)	—	(5)
EBITDA(A)	149	20	169	131	23	154

[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 flows from operations

Cash flows from operations under IFRS and on a Combined basis 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 cash flows relating 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:

	Three-month periods ended March 31					
	2020			2019		
(in millions of Canadian dollars) (unaudited)	IFRS	Reconciliation[1]	Combined	IFRS	Reconciliation[1]	Combined
Three-month period ended March 31:						
Net cash flows related to operating activities	133	3	136	65	7	72
Change in non-cash items related to operating activities	(9)	10	1	36	13	49
CASH FLOWS FROM OPERATIONS	124	13	137	101	20	121

[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 defines net debt as follows:

	IFRS		Combined	
(in millions of Canadian dollars) (unaudited)	As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019
Debt	2,970	2,895	3,531	3,460
Current portion of debt	200	172	228	200
Transaction costs, net of accumulated amortization	82	82	97	97
Less:				
Cash and cash equivalents	281	153	293	167
Restricted cash	2	15	9	22
Net debt	2,969	2,981	3,554	3,568

The Corporation defines total market capitalization as follows:

	IFRS		Combined	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019
Number of outstanding shares (in thousands)	96,465	96,464	96,465	96,464
Share market price (in $ per share)	25.00	24.46	25.00	24.46
Market value of equity attributable to shareholders	2,412	2,360	2,412	2,360
Non-controlling shareholders	12	15	12	15
Net debt	2,969	2,981	3,554	3,568
Total market capitalization	5,393	5,356	5,978	5,943

The Corporation computes the net debt ratio as follows:

	IFRS		Combined	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019
Net debt	2,969	2,981	3,554	3,568
Total market capitalization	5,393	5,356	5,978	5,943
NET DEBT RATIO (market capitalization)	55%	56%	59%	60%

Discretionary cash flows and payout ratio

Discretionary cash flows

When evaluating its operating results, discretionary cash flows is a key performance indicator for the Corporation.

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.

It is important to note that discretionary cash flows are calculated using data derived from the financial statements in accordance with IFRS. The Corporation does not provide information on a Combined basis as there is no significant difference between the two methods.

Investors should not consider discretionary cash flows as an alternative measure to "net cash flows related to operating activities," which is an IFRS measure. 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), and (iii) repayments on non-current debt (projects); plus (iv) development costs (from the statement of earnings).

Payout ratio

The payout ratio is defined as dividends paid to shareholders of Boralex divided by discretionary cash flows. Boralex believes it is a 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-recurring 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 40% to 60% of its discretionary cash flows. For the three-month period ended March 31, 2020, the dividends paid to shareholders by the Corporation corresponded to 43% 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 discretionary cash flows and payout ratio as follows:

	IFRS			
	Three-month periods ended		Twelve-month periods ended	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019
Cash flows from operations	124	101	333	310
Repayments on non-current debt (projects)[1]	(35)	(58)	(153)	(176)
Adjustment for non-recurring items[2]	(22)	—	(36)	(14)
	67	43	144	120
Principal payments related to lease liabilities	(3)	(3)	(10)	(10)
Distributions paid to non-controlling shareholders	(1)	—	(8)	(7)
Additions to property, plant and equipment (maintenance of operations)	—	(2)	(5)	(7)
Development costs (from statement of earnings)	5	6	23	24
Discretionary cash flows	68	44	144	120
Dividends paid to shareholders	16	15	61	60
Weighted average number of outstanding shares – basic (in thousands)	96,465	89,185	92,411	90,605
Discretionary cash flows - per share	$0.71	$0.47	$1.51	$1.33
Dividends paid to shareholders – per share	$0.165	$0.165	$0.66	$0.66
Payout ratio			43%	50%

(1) Excludes the bridge financing, the VAT bridge financing and the early debt repayments

(2) 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.

Commitments

	Commitments entered into during 2020	Commitments as at March 31, 2020
Purchase and construction contracts	9	98
Maintenance contracts	—	223
Contingent consideration	—	32
Other	—	27
	9	380

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, 2019.

The COVID-19 epidemic has resulted in governments worldwide enacting emergency measures to combat the spread of the coronavirus, including confinement, mandatory closure of various businesses considered non-essential under the circumstances and implementation of travel restrictions. These measures have caused material disruption to many businesses globally resulting in a foreseeable economic slowdown.

The Corporation continues to monitor the evolution of COVID-19. The governmental restrictions and measures have not impacted the Corporation in a material way to date as its production has been maintained as an essential service and is generally under contract at fixed and indexed prices with major government corporations. Current or future governmental restrictions and measures, and their impact on the financial stability of the Corporation's suppliers and other counterparties, could have an adverse effect on the Corporation's operating results and financial position. The procurement of equipment and spare parts, issuance of permits and other authorizations, launch of requests for proposals, negotiation and finalization of agreements with stakeholders or partners and the construction of assets under development could be delayed or suspended, which could adversely affect the Corporation's development opportunities, operating results and financial position.

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, 2019.

Accounting policies

Changes in accounting policies

IFRS 3, *Business Combinations*

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3, *Business Combinations*. The amendments are intended to assist entities in determining whether a transaction should be accounted for as a business combination or as a group of assets. The amendments apply prospectively to acquisitions made during annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation's consolidated financial statements.

IAS 1, *Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies*, *Changes in Accounting Estimates and Errors*, to align the definition of "material" across the standards and to clarify certain aspects of the definition. The amendments are intended to improve financial reporting by promoting a better understanding of the existing requirements and should not significantly impact an entity's materiality judgments. The amendments apply prospectively to annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation's consolidated financial statements.

Conceptual Framework for Financial Reporting

In March 2018, the IASB issued a comprehensive set of concepts for financial reporting: the revised *Conceptual Framework for Financial Reporting* ("*Conceptual Framework*"), which replaces its previous version. It assists companies in developing accounting policies when no IFRS standard applies to a particular transaction and it more broadly helps stakeholders to better understand the standards. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this new framework, and this change had no material impact on the Corporation's consolidated financial statements.

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 March 31, 2020, no changes were made to ICFR that have materially affected, or are reasonably likely to affect, ICFR.

Unaudited interim

Consolidated financial statements

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Consolidated statements of financial position

(in millions of Canadian dollars) (unaudited)	Note	As at March 31, 2020	As at December 31, 2019
ASSETS			
Cash and cash equivalents		281	153
Restricted cash		2	15
Trade and other receivables		163	153
Other current financial assets	6	—	17
Other current assets		24	25
CURRENT ASSETS		470	363
Property, plant and equipment		2,769	2,715
Right-of-use assets		268	260
Intangible assets		714	700
Goodwill		194	188
Interests in the Joint Ventures and associates		226	236
Other non-current financial assets	6	62	76
Other non-current assets		21	19
NON-CURRENT ASSETS		4,254	4,194
TOTAL ASSETS		4,724	4,557
LIABILITIES			
Trade and other payables		141	118
Current portion of debt	4	200	172
Current portion of lease liabilities		12	11
Other current financial liabilities	6	14	3
CURRENT LIABILITIES		367	304
Debt	4	2,970	2,895
Lease liabilities		204	197
Deferred income tax liability		134	136
Decommissioning liability		94	90
Other non-current financial liabilities	6	81	38
Other non-current liabilities		22	22
NON-CURRENT LIABILITIES		3,505	3,378
TOTAL LIABILITIES		3,872	3,682
EQUITY			
Equity attributable to shareholders		840	860
Non-controlling shareholders		12	15
TOTAL EQUITY		852	875
TOTAL LIABILITIES AND EQUITY		4,724	4,557

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

Consolidated statements of earnings

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Note	Three-month periods ended March 31 2020	2019
REVENUES			
Revenues from energy sales		193	169
Feed-in premium		7	3
Revenues from energy sales and feed-in premium		200	172
Other income		3	2
		203	174
COSTS AND OTHER			
Operating		46	43
Administrative		10	8
Development		5	6
Amortization		58	61
Impairment		—	2
		119	120
OPERATING INCOME		84	54
Financing costs		33	34
Share in earnings of the Joint Ventures and associates		(17)	(14)
Other		7	(5)
EARNINGS BEFORE INCOME TAXES		61	39
Income tax expense		17	8
NET EARNINGS		44	31
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex		41	29
Non-controlling shareholders		3	2
NET EARNINGS		44	31
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – BASIC	5	0.43 $	0.32 $
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX – DILUTED	5	0.43 $	0.31 $

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

Consolidated statements of comprehensive loss

(in millions of Canadian dollars) (unaudited)	Three-month periods ended March 31 2020	2019
NET EARNINGS	44	31
Other comprehensive loss to be subsequently reclassified to net earnings when certain conditions are met		
Translation adjustments:		
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	37	(28)
Net investment hedge:		
Change in fair value	(30)	13
Cash flow hedges:		
Change in fair value	(59)	(35)
Hedging items realized and recognized in net earnings	5	2
Income taxes	13	8
Cash flow hedges – Interests:		
Change in fair value	(22)	(9)
Hedging items realized and recognized in net earnings	1	1
Income taxes	6	2
Total other comprehensive loss	(49)	(46)
COMPREHENSIVE LOSS	(5)	(15)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Shareholders of Boralex	(4)	(15)
Non-controlling shareholders	(1)	—
COMPREHENSIVE LOSS	(5)	(15)

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

Consolidated statements of changes in equity

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders						Three-month period ended March 31 2020
	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	—	—	41	—	41	3	44
Other comprehensive loss	—	—	—	(45)	(45)	(4)	(49)
COMPREHENSIVE INCOME (LOSS)	—	—	41	(45)	(4)	(1)	(5)
Dividends (note 5)	—	—	(16)	—	(16)	—	(16)
Repurchase of a non-controlling shareholder	—	—	—	—	—	(1)	(1)
Distributions paid to non-controlling shareholders	—	—	—	—	—	(1)	(1)
BALANCE AS AT MARCH 31, 2020	1,125	9	(208)	(86)	840	12	852

(in millions of Canadian dollars) (unaudited)	Equity attributable to shareholders							Three-month period ended March 31 2019
	Capital stock	Equity component of convertible debentures	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2019	984	4	9	(123)	2	876	31	907
Impact of adopting IFRS 16 – net of taxes	—	—	—	(9)	—	(9)	(4)	(13)
BALANCE AS AT JANUARY 1, 2019 – RESTATED	984	4	9	(132)	2	867	27	894
Net earnings	—	—	—	29	—	29	2	31
Other comprehensive loss	—	—	—	—	(44)	(44)	(2)	(46)
COMPREHENSIVE INCOME (LOSS)	—	—	—	29	(44)	(15)	—	(15)
Dividends (note 5)	—	—	—	(15)	—	(15)	—	(15)
Other	—	—	—	(1)	—	(1)	—	(1)
BALANCE AS AT MARCH 31, 2019	984	4	9	(119)	(42)	836	27	863

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 March 31 2020	2019
Net earnings		44	31
Distributions received from the Joint Ventures and associates		7	9
Financing costs		33	34
Interest paid		(22)	(27)
Income tax expense		17	8
Non-cash items in earnings:			
Amortization		58	61
Share in earnings of the Joint Ventures and associates		(17)	(14)
Impairment		—	2
Other		4	(3)
Change in non-cash items related to operating activities		9	(36)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		133	65
Additions to property, plant and equipment		(19)	(36)
Change in restricted cash		12	21
Change in reserve funds		2	(9)
Other		(1)	(1)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(6)	(25)
Increase in debt		51	63
Repayments on debt		(35)	(119)
Principal payments relating to lease liabilities		(3)	(3)
Distributions paid to non-controlling shareholders		(1)	—
Change in restricted cash - Lanouée forest		—	43
Dividends paid to shareholders	5	(16)	(15)
Other		(3)	—
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(7)	(31)
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		8	(4)
NET CHANGE IN CASH AND CASH EQUIVALENTS		128	5
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD		153	157
CASH AND CASH EQUIVALENTS – END OF PERIOD		281	162

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

Notes to consolidated financial statements

As at March 31, 2020

(Tabular amounts are 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 March 31, 2020, the Corporation had interests in 85 wind farms, 16 hydroelectric power stations, two thermal power stations and three solar power stations, representing an asset base with a net installed capacity under its control and Boralex's share in entities over which it does not have control totalling 2,040 megawatts (“MW”). In addition, Boralex currently has new projects under development, representing an additional 61 MW of power and a portfolio of secured projects amounting to 251 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 Patrick Lemaire, President, Chief Executive Officer and 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, 2019, 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 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, 2019. 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 - IFRS*.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on May 5, 2020.

Note 3. Changes in accounting policies

IFRS 3, *Business Combinations*

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3, *Business Combinations*. The amendments are intended to assist entities in determining whether a transaction should be accounted for as a business combination or as a group of assets. The amendments apply prospectively to acquisitions made during annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation's consolidated financial statements.

IAS 1, *Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies*, *Changes in Accounting Estimates and Errors*, to align the definition of "material" across the standards and to clarify certain aspects of the definition. The amendments are intended to improve financial reporting by promoting a better understanding of the existing requirements and should not significantly impact an entity's materiality judgments. The amendments apply prospectively to annual periods beginning on or after its implementation. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this standard, and this change had no material impact on the Corporation's consolidated financial statements.

Conceptual Framework for Financial Reporting

In March 2018, the IASB issued a comprehensive set of concepts for financial reporting: the revised *Conceptual Framework for Financial Reporting* ("*Conceptual Framework*"), which replaces its previous version. It assists companies in developing accounting policies when no IFRS standard applies to a particular transaction and it more broadly helps stakeholders to better understand the standards. The amendments are effective for annual periods beginning on or after January 1, 2020, the date at which the Corporation adopted this new framework, and this change had no material impact on the Corporation's consolidated financial statements.

Note 4. Debt

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Maturity	Rate[1]	Currency of origin[2]	As at March 31, 2020	As at December 31, 2019
Revolving credit facility	2023	3.23		288	242
Subordinated debt[3]	2028	5.64		300	300
Term loan payable:					
Ocean Falls hydroelectric power station	2024	6.55		5	5
Yellow Falls hydroelectric power station	2056	4.87		73	73
Thames River wind farms	2031	7.05		118	120
Témiscouata I wind farm	2032	5.30		41	41
Témiscouata II wind farm	2033	5.65		106	106
Niagara Region Wind Farm (“NRWF”)	2034	3.61		671	685
Port Ryerse wind farm	2034	3.95		27	27
Frampton wind farm	2035	4.19		62	63
Côte-de-Beaupré wind farm	2035	4.25		52	52
Moose Lake wind farm	2043	4.75		48	49
Jamie Creek hydroelectric power station	2054	5.42		55	55
Other debt	—	—		3	4
CANADA				**1,849**	**1,822**
Term loan payable:					
CDPQ Fixed Income Inc. ("Caisse")	2024	4.00	40	62	58
Sainte-Christine portfolio of wind farms and projects	2039	1.64	428	663	623
Val aux Moines wind farm	2034	1.33	15	24	23
Boralex Production portfolio of wind farms	2030	0.92	160	248	237
Boralex Énergie France portfolio of wind farms	2036	1.53	225	349	330
Other debt	—	—	3	4	4
FRANCE			**871**	**1,350**	**1,275**
Senior secured U.S. note	2026	3.51	38	53	52
UNITED STATES			**38**	**53**	**52**
		3.24		3,252	3,149
Current portion of debt				(200)	(172)
Transaction costs, net of accumulated amortization				(82)	(82)
				2,970	**2,895**

(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).
(3) Lenders are CDPQ Fixed Income Inc., a subsidiary of a shareholder of the Corporation, and the Fonds de solidarité FTQ.

Revolving credit facility

On January 29, 2020, Boralex closed a revolving credit facility amounting to $182 million (€125 million) to finance the construction of future wind and solar power projects in France. This credit facility was undrawn as at March 31, 2020.

Current portion of debt

(in millions of Canadian dollars) (unaudited)	As at March 31, 2020	As at December 31, 2019
Term loan payable – projects	195	167
Value added tax bridge financing facility	5	5
	200	172

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.

On March 31, 2020 and December 31, 2019, the Corporation considers that Boralex and its subsidiaries are in compliance with all their ratios and financial commitments.

Note 5. Net earnings per share

(a) Net earnings per share – basic

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended March 31	
	2020	2019
Net earnings attributable to shareholders of Boralex	41	29
Weighted average number of shares - basic	96,464,534	89,184,932
Net earnings per share attributable to shareholders of Boralex - basic	$0.43	$0.32

(b) Net earnings per share – diluted

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Three-month periods ended March 31	
	2020	2019
Net earnings attributable to shareholders of Boralex	41	29
Interest on convertible debentures, net of taxes	—	1
Net earnings attributable to shareholders of Boralex - diluted	41	30
Weighted average number of shares - basic	96,464,534	89,184,932
Dilutive effect of stock options	124,607	198,976
Dilutive effect of convertible debentures	—	7,331,990
Weighted average number of shares - diluted	96,589,141	96,715,898
Net earnings per share attributable to shareholders of Boralex - diluted	$0.43	$0.31

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

	Three-month periods ended March 31	
	2020	2019
Stock options excluded due to their anti-dilutive effect	—	73,424

(c) Dividends paid

On March 16, 2020, the Corporation paid a dividend of $0.1650 per common share for a total amount of $16 million ($15 million in 2019).

On May 5, 2020, a dividend of $0.1650 per common share was declared, to be paid on June 15, 2020 to holders of record at the close of business on May 29, 2020.

Note 6. Financial instruments

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

	As at March 31, 2020		As at December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER CURRENT FINANCIAL ASSETS				
Cross-currency swaps (EUR for CAD)	—	—	16	16
Foreign exchange forward contracts	—	—	1	1
	—	—	17	17
OTHER NON-CURRENT FINANCIAL ASSETS				
Advance to a non-controlling shareholder	38	38	37	39
Reserve funds	15	15	15	15
Interest rate swaps	—	—	15	15
Options to purchase a partner's interests	9	9	9	9
	62	62	76	78
OTHER CURRENT FINANCIAL LIABILITIES				
Cross-currency swaps (USD for CAD)	—	—	3	3
Cross-currency swaps (EUR for CAD)	14	14	—	—
	14	14	3	3
DEBT[1]	3,170	3,313	3,067	3,264
OTHER NON-CURRENT FINANCIAL LIABILITIES				
Interest rate swaps	73	73	31	31
Due to a non-controlling shareholder	6	7	6	6
Foreign exchange forward contracts	2	2	1	1
	81	82	38	38

[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, options to purchase a partner's interests, debt and the due to a non-controlling shareholder are essentially based on discounted cash flows. Discount rates, ranging from 1.70% to 8.00% (1.10% to 8.00% as at December 31, 2019), were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions.

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 March 31,

2020	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Interest rate swaps	Euro	-0.16% to 1.79%	3-month EURIBOR	2030-2039	1,139	(32)
Interest rate swaps	CAD	1.81% to 2.68%	3-month CDOR	2034-2043	739	(41)

As at December 31,

2019	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%	3-6 month EURIBOR	2030-2039	1,069	(27)
Interest rate swaps	CAD	1.81% to 2.68%	3-month CDOR	2034-2043	753	11

Foreign exchange forward contracts

The fair values of foreign exchange forward contracts are determined using a generally accepted technique, namely the discounted value of the difference between the value of the contract at expiry calculated using the contracted exchange rate and the value determined using the exchange rate the financial institution would use if it renegotiated the same contract under the same conditions as at the statement of financial position date. Discount rates are adjusted for the credit risk of the Corporation or of the counterparty, as applicable. When determining credit risk adjustments, the Corporation considers offsetting agreements, if any.

As at March 31,

2020	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.5475	2020-2025	85	(2)

As at December 31,

2019	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.5475	2020-2025	93	—

Cross-currency swaps

The Corporation also entered into cross-currency swaps. These derivatives 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 interest rates lower than those prevailing in Europe. The Corporation also entered into similar transactions pertaining to US dollars. These short-term transactions provide 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 March 31,

2020	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5071	2020	479	(14)

As at December 31,

2019	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Cross-currency swaps (EUR for CAD)	1.5071	2020	479	16
Cross-currency swaps (EUR for CAD)	1.3171	2020	245	(3)

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, foreign exchange forward contracts and 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 and the due to a non-controlling shareholder, 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.

For the options to purchase a partner's interests, the Corporation classified fair value measurements as Level 3 because they are primarily based on power production and selling prices upon expiry of the energy sales contract and other unobservable market data. The fair value of these options was determined based on the future cash flows generated by the projects to which a Monte Carlo simulation was applied to factor in the uncertainty pertaining to production.

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

		Fair value hierarchy levels		
	As at March 31, **2020**	Level 1	Level 2	Level 3
NON-DERIVATIVE FINANCIAL ASSETS				
Advance to a non-controlling shareholder	38	—	—	38
	38	—	—	38
DERIVATIVE FINANCIAL ASSETS				
Options to purchase a partner's interests	9	—	—	9
	9	—	—	9
NON-DERIVATIVE FINANCIAL LIABILITIES				
Debt[1]	3,313	—	3,313	—
Due to a non-controlling shareholder	7	—	—	7
	3,320	—	3,313	7
DERIVATIVE FINANCIAL LIABILITIES				
Interest rate swaps	73	—	73	—
Cross-currency swaps (EUR for CAD)	14	—	14	—
Foreign exchange forward contracts	2	—	2	—
	89	—	89	—

[1] Includes *Debt* and *Current portion of debt*.

	As at December 31, 2019	Fair value hierarchy levels		
		Level 1	Level 2	Level 3
NON-DERIVATIVE FINANCIAL ASSETS				
Advance to a non-controlling shareholder	39	—	—	39
	39	—	—	39
DERIVATIVE FINANCIAL ASSETS				
Cross-currency swaps (EUR for CAD)	16	—	16	—
Interest rate swaps	15	—	15	—
Options to purchase a partner's interests	9	—	—	9
Foreign exchange forward contracts	1	—	1	—
	41	—	32	9
NON-DERIVATIVE FINANCIAL LIABILITIES				
Debt[1]	3,264	—	3,264	—
Due to a non-controlling shareholder	6	—	—	6
	3,270	—	3,264	6
DERIVATIVE FINANCIAL LIABILITIES				
Interest rate swaps	31	—	31	—
Cross-currency swaps (USD for CAD)	3	—	3	—
Foreign exchange forward contracts	1	—	1	—
	35	—	35	—

[1] Includes *Debt* and *Current portion of debt.*

The financial instrument classified as Level 3 which is measured at fair value through profit or loss has changed as follows:

	Options to purchase a partner's interests
Balance as at January 1, 2019	15
Changes in fair value	(6)
Balance as at December 31, 2019	9
Balance as at March 31, 2020	9

Note 7. Commitments and contingencies

	Commitments entered into during 2020	Commitments as at March 31, 2020
Purchase and construction contracts	9	98
Maintenance contracts	—	223
Contingent consideration	—	32
Other	—	27
	9	380

COVID-19 outbreak

The COVID-19 epidemic has resulted in governments worldwide enacting emergency measures to combat the spread of the coronavirus, including confinement, mandatory closure of various businesses considered non-essential under the circumstances and implementation of travel restrictions. These measures have caused material disruption to many businesses globally resulting in a foreseeable economic slowdown.

The Corporation continues to monitor the evolution of COVID-19. The governmental restrictions and measures have not impacted the Corporation in a material way to date as its production has been maintained as an essential service and is generally under contract at fixed and indexed prices with major government corporations. Current or future governmental restrictions and measures, and their impact on the financial stability of the Corporation's suppliers and other counterparties, could have an adverse effect on the Corporation's operating results and financial position. The procurement of equipment and spare parts, issuance of permits and other authorizations, launch of requests for proposals, negotiation and finalization of agreements with stakeholders or partners and the construction of assets under development could be delayed or suspended, which could adversely affect the Corporation's development opportunities, operating results and financial position.

Note 8. Segmented information

The Corporation's operations are grouped into four distinct operating segments – wind, hydroelectric, thermal and solar 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, depreciation and amortization, adjusted to exclude other items such as other gain, 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 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* note in the audited annual consolidated financial statements for the year ended December 31, 2019.

EBITDA and EBITDA(A) are reconciled to the most comparable IFRS measure, namely net earnings, in the following table.

	Three-month periods ended March 31					
	2020			**2019**		
	IFRS	**Reconciliation[1]**	**Combined**	**IFRS**	**Reconciliation[1]**	**Combined**
Net earnings	44	(7)	37	31	—	31
Income tax expense	17	(3)	14	8	—	8
Financing costs	33	9	42	34	10	44
Amortization	58	12	70	61	14	75
Impairment	—	—	—	2	—	2
EBITDA	152	11	163	136	24	160
Adjustments:						
Other gains	—	(1)	(1)	—	(1)	(1)
Excess of distributions received over the share in net earnings of Joint Venture SDB I	(10)	10	—	—	—	—
Other	7	—	7	(5)	—	(5)
EBITDA(A)	149	20	169	131	23	154

[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 March 31							
	2020				2019			
	Canada	France and other[1]	United States	Total	Canada	France and other[1]	United States	Total
Power production (GWh)								
Wind power stations	349	886	—	1,235	396	642	—	1,038
NRWF compensation	31	—	—	31	10	—	—	10
	380	886	—	1,266	406	642	—	1,048
Hydroelectric power stations	70	—	128	198	25	—	134	159
Thermal power stations	46	19	—	65	53	19	—	72
Solar power stations	—	4	—	4	—	5	—	5
	496	909	128	1,533	484	666	134	1,284
Revenues from energy sales and feed-in premium								
Wind power stations	56	116	—	172	60	86	—	146
Hydroelectric power stations	7	—	9	16	3	—	9	12
Thermal power stations	6	5	—	11	7	6	—	13
Solar power stations	—	1	—	1	—	1	—	1
	69	122	9	200	70	93	9	172
EBITDA(A)								
Wind power stations	58	92	—	150	69	61	—	130
Hydroelectric power stations	5	—	7	12	1	—	7	8
Thermal power stations	2	2	—	4	4	2	—	6
Solar power stations	—	—	—	—	—	1	—	1
Corporate and eliminations	(7)	(9)	(1)	(17)	(7)	(7)	—	(14)
	58	85	6	149	67	57	7	131
Additions to property, plant and equipment								
Wind power stations	—	9	—	9	3	25	—	28
Hydroelectric power stations	9	—	—	9	6	—	—	6
Thermal power stations	—	—	—	—	1	—	—	1
Corporate	1	—	—	1	1	—	—	1
	10	9	—	19	11	25	—	36

[1] United Kingdom and Denmark.

For the three-month period ended March 31, 2020, revenues from energy sales for facilities not covered by energy sales contracts amounted to $2 million ($2 million for the same period of 2019).

	As at March 31 2020				As at December 31 2019			
	Canada	France and other[1]	United States	Total	Canada	France and other[1]	United States	Total
Total assets								
Wind power stations	1,842	2,020	—	3,862	1,878	1,854	—	3,732
Hydroelectric power stations	432	—	178	610	437	—	168	605
Thermal power stations	16	18	—	34	18	15	—	33
Solar power stations	2	32	13	47	2	30	11	43
Corporate	87	55	29	171	54	53	37	144
	2,379	2,125	220	4,724	2,389	1,952	216	4,557
Non-current assets[2]								
Wind power stations	1,535	1,782	—	3,317	1,568	1,685	—	3,253
Hydroelectric power stations	413	—	172	585	417	—	163	580
Thermal power stations	9	11	—	20	10	10	—	20
Solar power stations	1	29	8	38	1	28	4	33
Corporate	29	23	16	68	29	28	15	72
	1,987	1,845	196	4,028	2,025	1,751	182	3,958
Total liabilities								
Wind power stations	1,438	1,528	—	2,966	1,424	1,401	—	2,825
Hydroelectric power stations	143	—	110	253	151	—	105	256
Thermal power stations	4	4	—	8	4	3	—	7
Solar power stations	—	4	—	4	—	4	—	4
Corporate	562	75	4	641	511	73	6	590
	2,147	1,611	114	3,872	2,090	1,481	111	3,682

(1) United Kingdom and Denmark.
(2) Excludes *Interests in the Joint Ventures and associates.*

Reconciliation

	Three-month periods ended March 31					
	2020			2019		
	IFRS	Reconciliation[1]	Combined	IFRS	Reconciliation[1]	Combined
		Canada	Total		Canada	Total
Power production (GWh)[2]	1,533	304	1,837	1,284	395	1,679
Wind power stations[2]	1,266	304	1,570	1,048	395	1,443
Revenues from energy sales and feed-in premium	200	32	232	172	42	214
Wind power stations	172	32	204	146	42	188
EBITDA(A)	149	20	169	131	23	154
Wind power stations	150	20	170	130	22	152
Additions to property, plant and equipment	16	—	16	36	—	36
Wind power stations	7	—	7	28	—	28

(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 of 31 GWh for the first quarter of 2020 in light of the power limitation imposed on the NRWF facility (10 GWh for the first quarter of 2019).

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

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

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SHAREHOLDER INFORMATION

The **Annual Meeting of Shareholders** will be held on Wednesday, May 6, 2020, at 11 a.m. in the form of a virtual presentation:

For further information, please visit our website.

INVESTORS RELATIONS

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

Our thanks to our employees who accepted
to be on the cover:
Raquel Amorim (Montréal, Québec)
Bastien Albenque (Lyon, France)