



BORALEX     

2025 Strategic Plan

Investor Day – June 17, 2021

LA CITADELLE
FRANCE



AVIGNONET-LAURAGAIS
FRANCE



SOUTH GLENS FALLS
ÉTATS-UNIS / US



VALLÉE DE L'ARCE
FRANCE

Agenda



A. Introduction *by Patrick Decostre*

B. North American Development *by Hugues Girardin*

C. European Development *by Nicolas Wolff*

D. Optimization *by Alain Pouliot*

E. ESG Update *by Julie Cusson, Marie-Josée Arsenault and Pascal Hurtubise*

F. 2025 Targets and Financial Strategy *by Bruno Guilmette*

G. Closing Remarks *by Patrick Decostre*

Boralex's Leadership Team



Patrick Decostre
President and Chief
Executive Officer



Marie-Josée Arsenault
Vice President Talent
and Culture



Julie Cusson
Vice President Public
and Corporate Affairs



Hugues Girardin
Vice President
Development



Bruno Guilmette
Vice President and
Chief Financial Officer



Pascal Hurtubise
Vice President
Chief Legal Officer



Alain Pouliot
Vice President
Operations, North
America



Nicolas Wolff
Vice President and
General Manager
Boralex Europe

Successful execution of our 2019 strategic plan triggers this strategic update



Highlights of what we've delivered since the launch of our 2019-2023 Strategic Plan:

GROWTH

- Commissioned 8 wind farms and 2 hydro plants totaling **170 MW**
- Acquired CDPQ's 49% interest in 3 wind farms for a net installed capacity of **145 MW**
- Signed an agreement for the **200 MW (net 100 MW)** Apuiat wind farm in partnership with the Innu Nation
- **Developed 382 MW** of wind projects in our *Growth Path*
- **Developing 1,906 MW** of wind projects in our *Pipeline*

DIVERSIFICATION

- Signed Indexed RECs for 5 solar power projects totaling **200 MW** in the State of New York
- Acquired majority interests in 7 solar farms in the U.S. with an installed capacity of **209 MW**
- **Developed 221 MW** of solar projects in our *Growth Path*
- **Developing 708 MW** of solar projects in our *Pipeline*
- Been an active member in Tier 1 RFPs in NY State

CUSTOMERS

- Signed a **3-year contract with Orange**
- Signed a **5-year contract with Auchan**
- Signed a **5-year contract with IBM France**

OPTIMIZATION

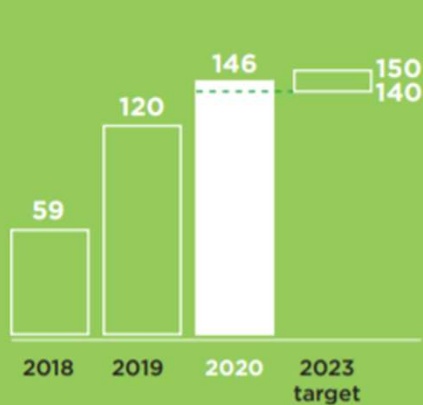
- Refinanced a total of **\$2.7B** and converted **\$144M** debentures
- Optimized service and maintenance for wind farms totaling **623 MW** of capacity
- Upgraded Buckingham hydropower station and repowered Cham Longe wind farm

We currently have a clear path to deliver in advance on all of our 2023 objectives

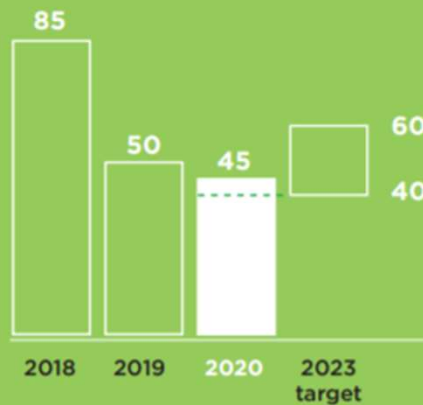


2023 Financial Objectives Update

DISCRETIONARY CASH FLOWS (AFFO)*
In CAD\$M



DIVIDEND PAYOUT RATIO*
In %



NET INSTALLED CAPACITY
In MW



* See the Non-IFRS measures section.

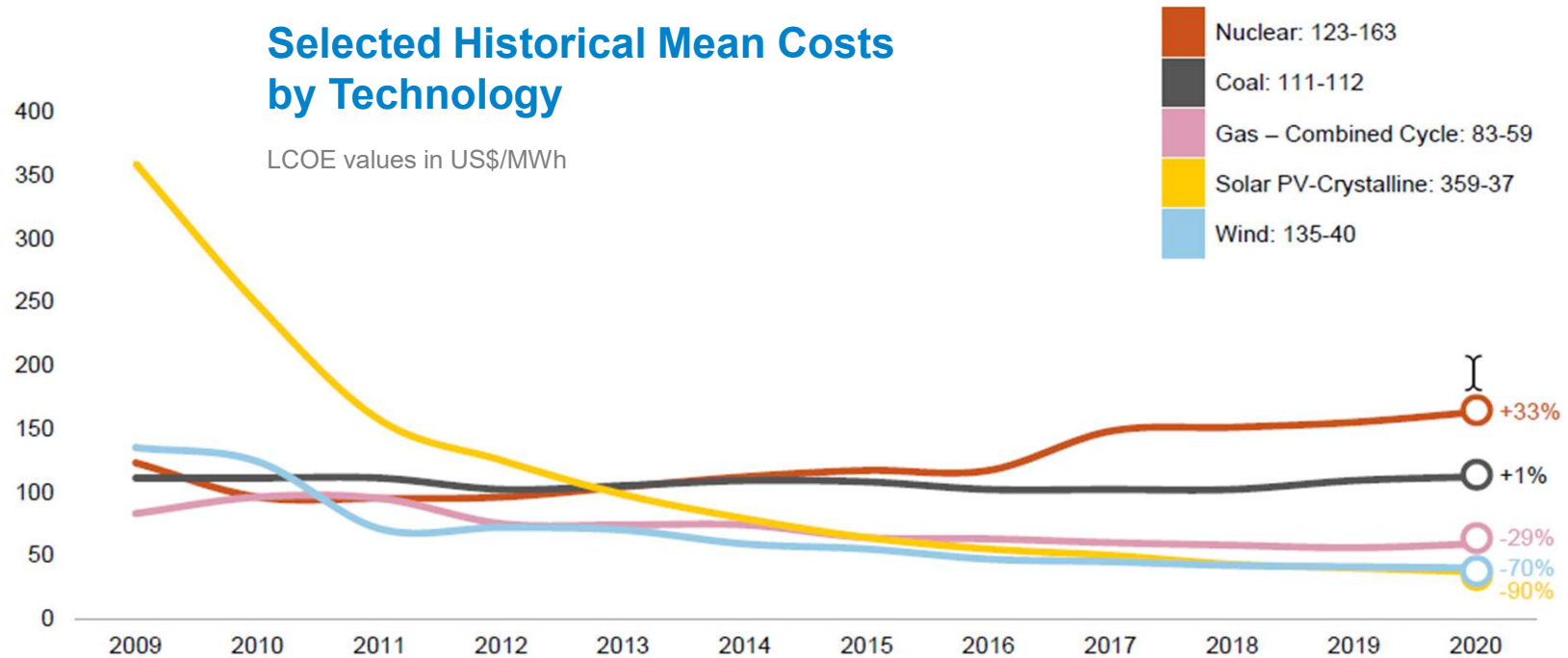
**Some projects will be commissioned after 2023



Main trends in the industry

- 1. Green recovery plans, more aggressive targets and action plans by governments favouring accelerated demand for renewable energy, interconnections, and grid resiliency**
- 2. Growing interest from consumers for responsible corporations**
- 3. Solar and wind are now the least expensive energy sources**
- 4. Market is attracting larger players and significant investments**
- 5. The increase of renewable energy in the energy mix creates needs to further integrate grids**
- 6. Europe is a more advanced market than North America**
- 7. More dynamic market with rapid pace of changes**

Costs of renewable technologies continue to decline, making them more attractive compared to all other production means



Source: Lazard's Levelized Cost of Energy Analysis - Version 14.0

Renewable Energy is now more economical than legacy power sources

Our key competitive strengths in this accelerating market





To deliver on Boralex’s new objectives, we have updated our 4 strategic directions and integrated our ESG strategy

STRATEGIC DIRECTIONS

GROWTH

Accelerate our organic growth to maximize future value creation across our markets

Make the US our priority market and extend our European presence by targeting a few additional growth markets

Take charge of our growth through M&A and structure our activities to achieve it

DIVERSIFICATION

Grow our presence in the solar energy sector and take part in the development of the storage market

Anticipate market / technology developments and accelerate the development of our energy marketing skills in order to optimize our contract portfolio

CUSTOMERS

Develop and expand our current customer base in order to directly supply **electricity-consuming industries** interested in improving their climate footprint

Modify our business practices to focus on customer needs, which vary by territory

OPTIMIZATION

Optimize our assets and develop the sustainable performance culture of our organization

Increase the efficiency of corporate services through simplification, digitization, and automation

Use corporate financing and asset management as integral tools of our growth



CORPORATE SOCIAL RESPONSIBILITY



Our corporate social responsibility weaves through all of our strategic directions. It aligns our non-financial performance with ESG criteria and guides our everyday business decisions. It is a true strategic differentiator to:

- Strengthen trust with our stakeholders
- Promote the well-being of our employees and partners
- Consolidate our social license to operate
- Access new markets and clients
- Strengthen the resilience of our business model in the face of non-financial risks
- Capitalize on opportunities arising from the energy transition
- Enhance our corporate reputation

Ultimately, it allows us to have a strategic plan that goes **beyond renewable energy**.

Significant growth in both America and Europe



GROWTH



Accelerate our organic growth to maximize future value creation across our markets

Make the US our priority market and extend our European presence by targeting a few additional growth markets

Take charge of our growth through M&A and structure our activities to achieve it

Diversification through more solar and energy solutions



DIVERSIFICATION



Grow our presence in the **solar energy sector** and take part in the development of the storage market

Anticipate market / technology developments and accelerate the development of our energy marketing skills in order to optimize our contract portfolio

Evolve toward serving more clients, more directly



CUSTOMERS



Develop and expand our current customer base in order to directly supply **electricity-consuming industries** interested in improving their climate footprint

Modify our business practices to focus on customer needs, which vary by territory

Get the best out of our business



OPTIMIZATION



Optimize our assets and develop the sustainable performance culture of our organization

Increase the efficiency of corporate services through simplification, digitization, and automation

Use corporate financing and asset management as integral tools of our growth

This strategic update also triggered a refresh of our corporate statements integrating ESG in our purpose



BORALEX'S PURPOSE

On our **planet** where electricity is central to fighting climate change, we have a **responsibility** to produce it **sustainably** for future generations.

Mission, Vision and Values



Mission

At Boralex, we provide **renewable** and affordable energy for all, **creating value** to share with our **partners**.

Vision

To achieve our mission, we rely on the best of our **strengths**.

Thanks to our **fearlessness**, our **discipline**, our **expertise**, and our **diversity**, we continue to be an **industry leader**.

And we do it with **pleasure**.

We act in a socially responsible manner and we remain true to our **values**:

Team Spirit

Build on each other's **differences** to succeed together

Respect

Act **ethically** and with a **sense of duty**

Entrepreneurship

Decide with **agility** and **courage**

Creativity

Go further with resourcefulness and **ingenuity**

Communication

Cultivate the exchange of ideas to create an open and lasting **dialogue**



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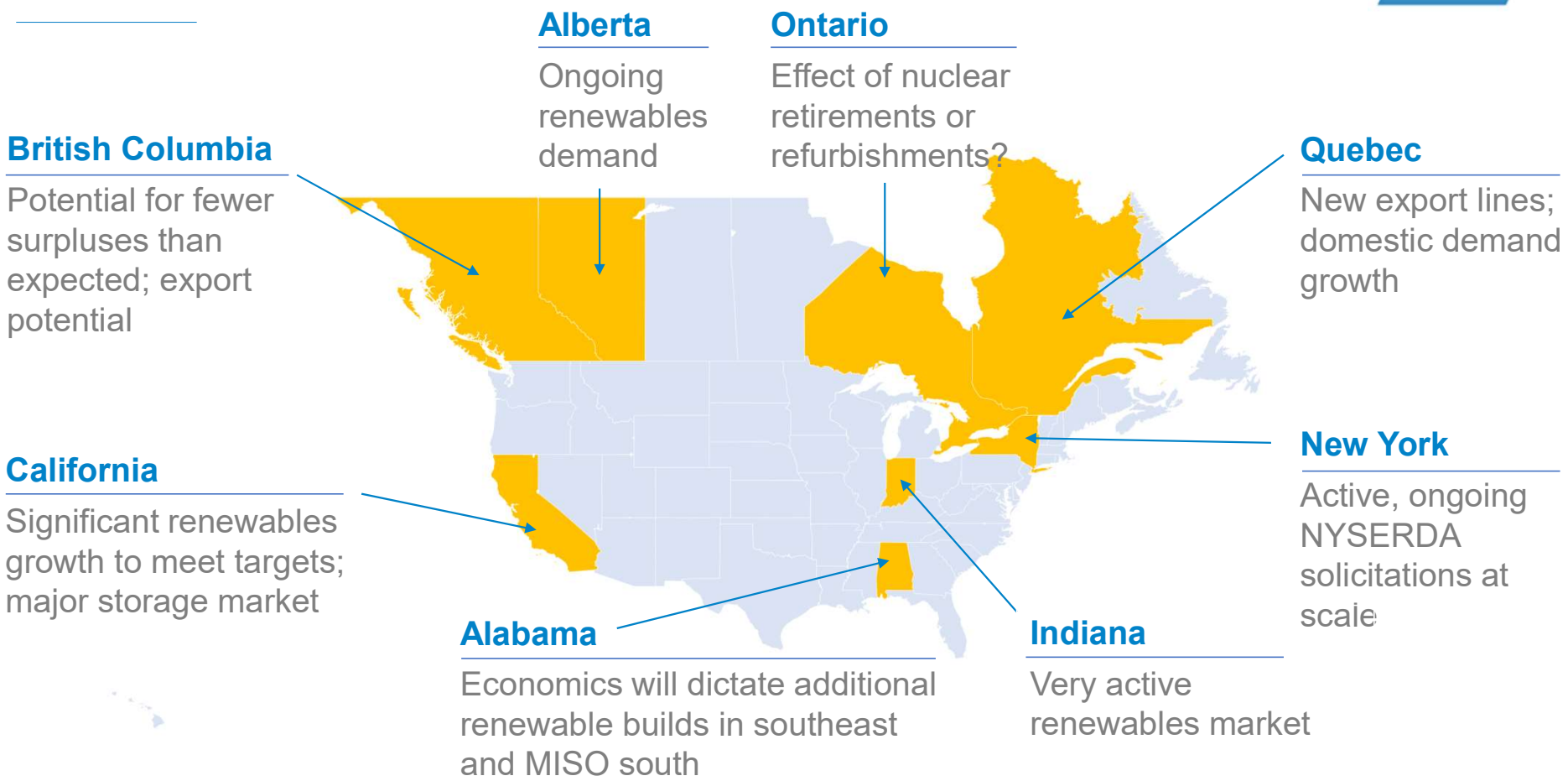
E. ESG Update *by Julie Cusson, Marie-Josée Arsenault and Pascal Hurtubise*

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Boralex North American 2021 market presence





New York development portfolio – June 17, 2021

Addition of 700 MW to our Pipeline vs Q1-2021

1,020 MW of solar with 200 MW contracted and 820 MW bid ready

NY 38a
Capacity 120 MW _{AC}
Status 2019 Contracted

NY 125a
Capacity 250 MW _{AC}
Status Bid ready

NY 128
Capacity 20 MW _{AC}
Status Bid ready

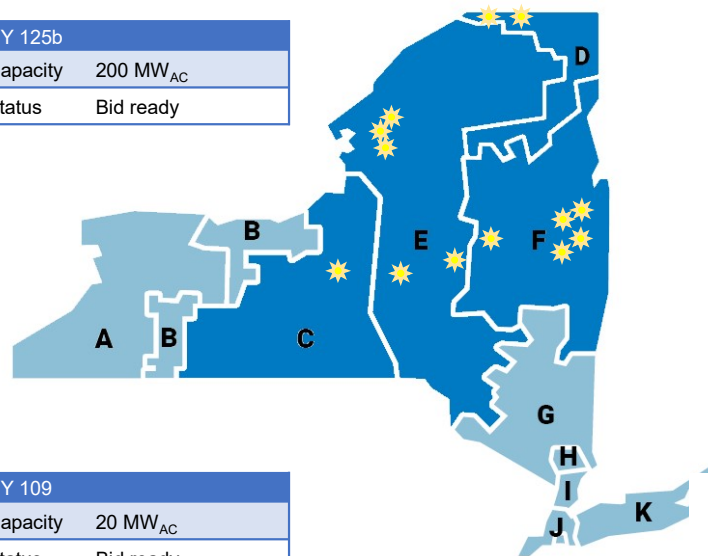
NY 48
Capacity 60 MW _{AC}
Status Bid ready

NY 38b
Capacity 20 MW _{AC}
Status Bid ready

NY 125b
Capacity 200 MW _{AC}
Status Bid ready

NY 16
Capacity 20 MW _{AC}
Status 2019 Contracted

NY 37
Capacity 20 MW _{AC}
Status 2019 Contracted



NY 53
Capacity 100 MW _{AC}
Status Bid ready

Sky High
Capacity 20 MW _{AC}
Status 2018 Contracted

NY 13
Capacity 20 MW _{AC}
Status 2019 Contracted

NY 115
Capacity 130 MW _{AC}
Status Bid ready

NY 109
Capacity 20 MW _{AC}
Status Bid ready

NY 08
Capacity 20 MW _{AC}
Status Bid ready

US market fundamentals



Federal Policy



Tax Credits



Decarbonization &
Clean Energy
Standard



Infrastructure
Program

State Policy



Renewable Portfolio
Standards



Reliability



Energy Market
Structures

Economics



Cost Competitiveness



Fossil and Nuclear
Retirements



ESG / Stakeholders
Interests

North American development strategy



Increase significantly
greenfield origination / Early stage
development



Increase quality of development
pipeline by systematically selecting
only the best opportunities



Grow portfolio of projects in Canada



Ramp-up a more structured and
targeted M&A machine

Key Takeaways



- 1. Strong growth potential spread across multiple potential states / ISOs**
- 2. Accelerating pace of greenfield development, and becoming more selective in what we bring to the finish line by ourself**
- 3. Experienced and agile team ready for more growth**



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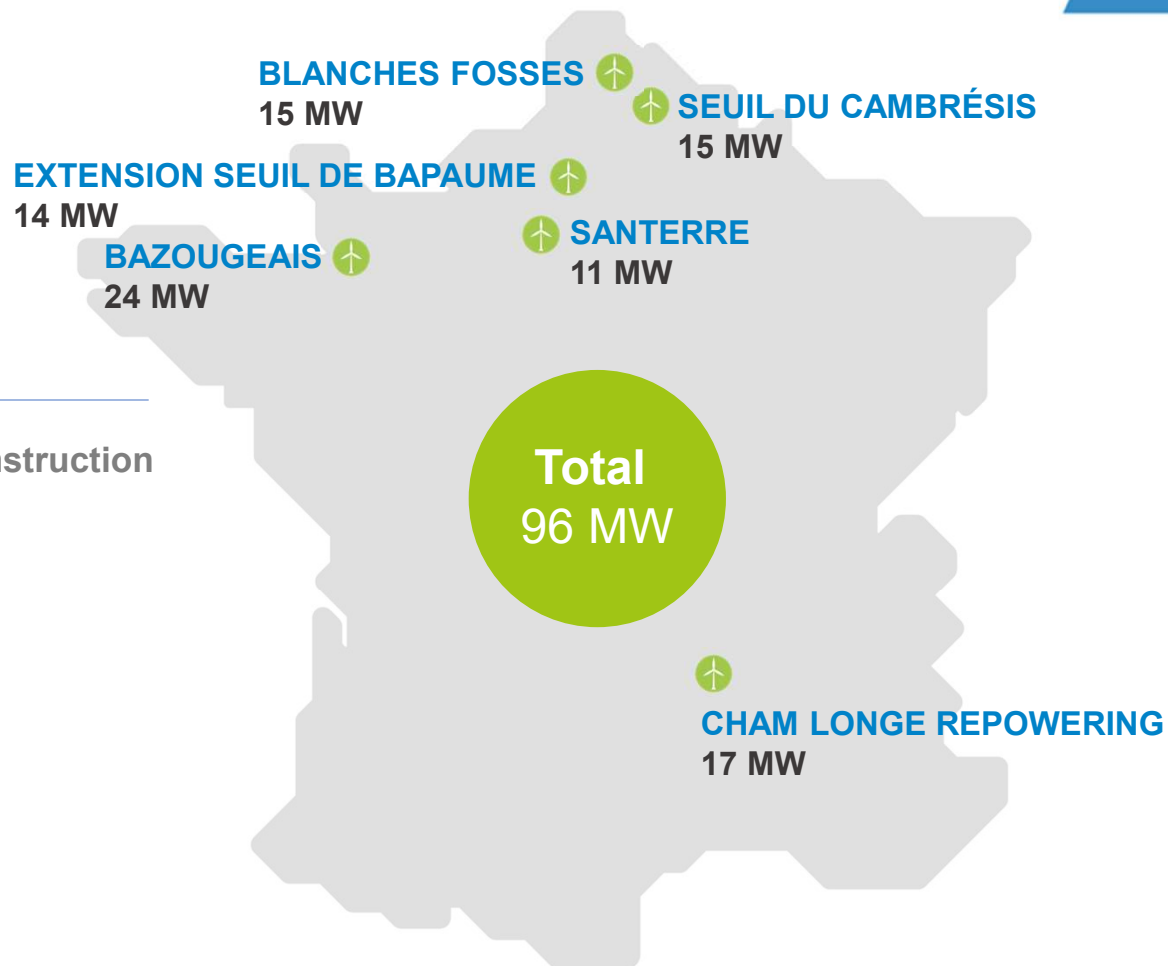


Key achievements since 2019



June 2019 – June 2021 commissionings

- 2 new solar projects under construction
- 3 Corporate PPAs signed





Key achievements since 2019

Project Pipeline	June 2019	June 2021
Early stage	500 MW	406 MW
Mid stage	450 MW	692 MW
Advanced stage	300 MW	191 MW
Growth Path	June 2019	June 2021
Secured stage	-	242 MW
Under construction	82 MW	61 MW
Total	June 2019	June 2021
	1,332 MW	1,592 MW

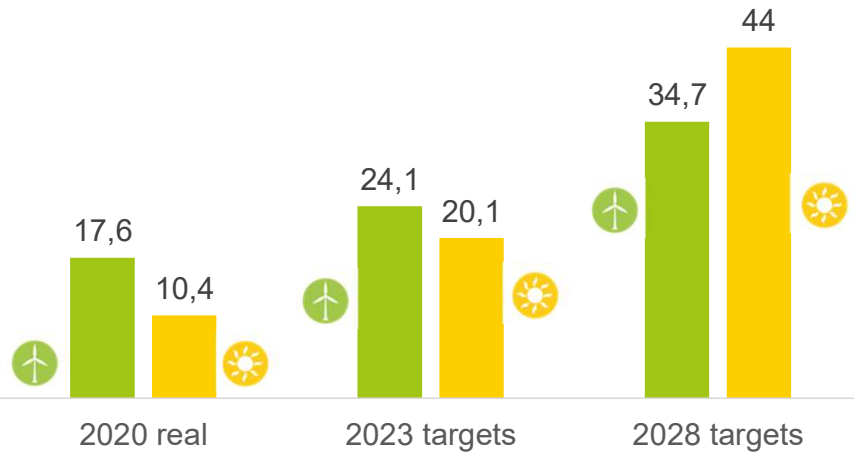
| + 260 MW |

1,040 MW installed capacity and 1,592 MW under development

Update on existing markets and opportunities: France | An attractive market

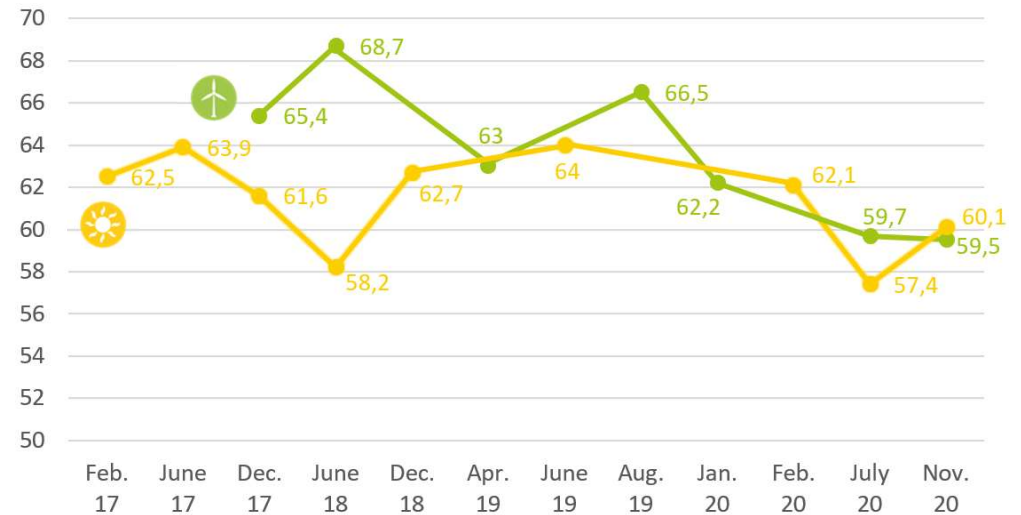


Targets of French renewables energy program
(in GW)



Source: PPE 2021

Auction average prices wind and ground-mounted PV (€/MWh)



Source: CRE

- Tariff backed up by the State, still at attractive levels
- 59,5€/MWh onshore wind, 60,1€/MWh ground PV solar (average price at the last CRE tender (02/2021))



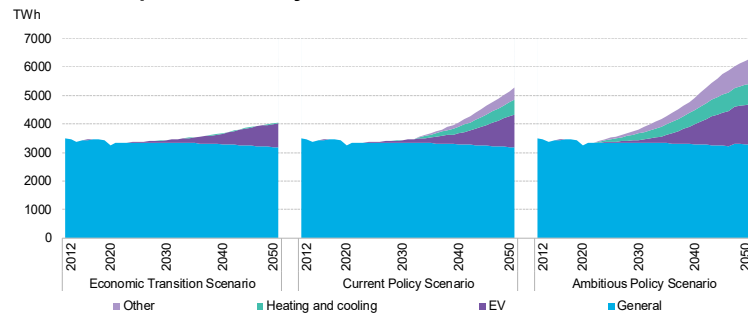
Europe | A favorable context linked to the Green deal



A growing demand for electricity

A political will to massively electrify the economy (*more specifically the three most energy-intensive sectors, i.e. transport, buildings and industry*) in order to achieve carbon neutrality by 2050.

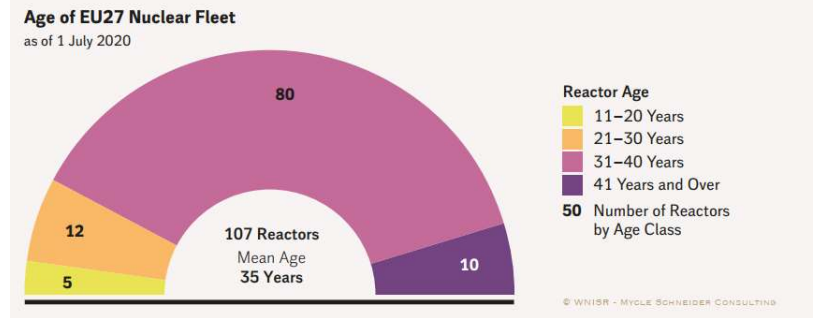
Evolution of European electricity demand in different decarbonisation scenarios



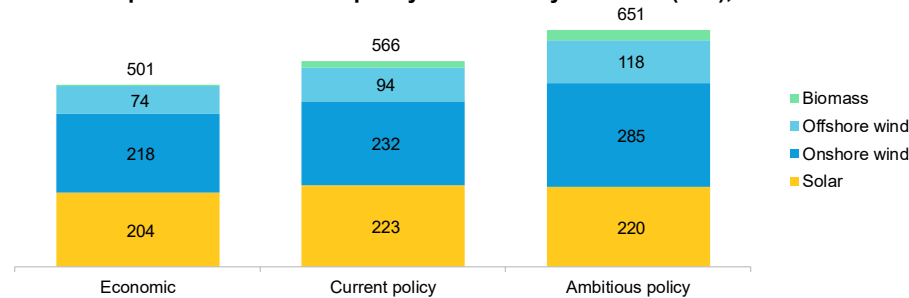
...combined with an anticipated decrease in conventional thermal generation capacity and uncertainties for nuclear power

Phase-out of coal by 2025 in most European countries.

Strong political division over the future of nuclear power in Europe combined with an aging fleet that raises safety concerns.



European Renewables capacity additions by scenario (GW), 2021-30





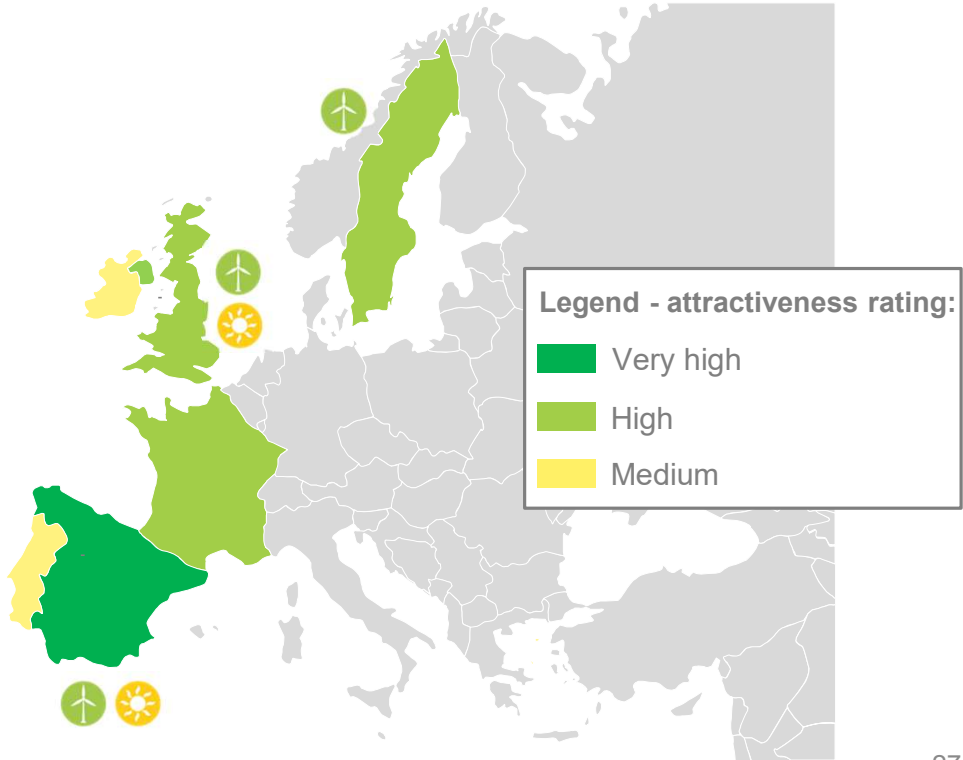
Europe + UK | Selected countries based on their attractiveness to Boralex



Pre-selected markets for the analysis

		
France	✓	✓
Ireland		✓
Portugal	✓	✓
Spain	✓	✓
Sweden		✓
United Kingdom	✓	✓

Attractiveness assessment results based on multi-criteria analysis

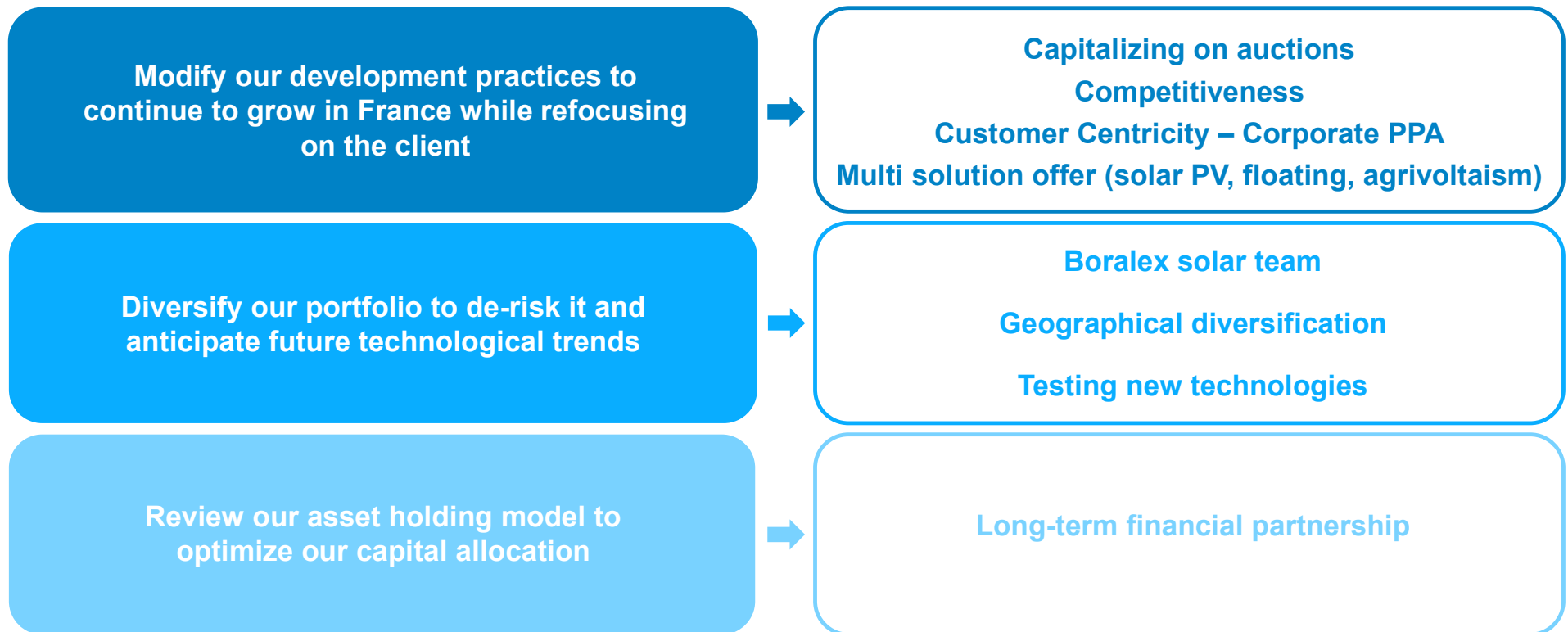




Our revised strategy for Boralex Europe: Strategic directions | Growth and diversification



Adapt our development strategy in France and continue to diversify our portfolio



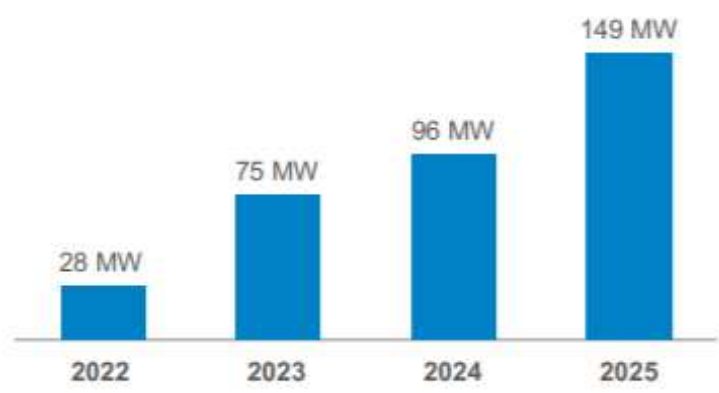


Dynamic repowering strategy & PPA opportunities

Borex fleet - Europe

- About 350 MW reaching end of their tariff period by 2025

Annual volume of contracts maturing by December 31, 2025



BREAKDOWN BY STRATEGY

60%
Repowering projects

40%
TBD:
Repowering, Corporate PPA or market/hedging

Corporate PPAs signed in France:



5-year term with Orange for Ally wind farm (2020)



3-year term with Auchan for Chépy and Nibas wind farms (2020)



5-year term with IBM for a portfolio of 4 wind farms (2021)

Key takeaways



- 1. Boralex operates in attractive European markets, supported by the EU Green deal initiative**
- 2. 20 years of experience allow us, with the skills, to speed up our organic growth in Europe**
- 3. Our journey towards customer centricity has started, with our first PPA's and our new commercial structure**
- 4. Combined to our organic growth, acquisitions will help us secure more business opportunities**
- 5. Our diversification strategy will lead us to a balanced technological mix towards 50/50 solar and wind by 2030. The opening of new territories will spread our commercial and regulatory risks over various and diversified markets**



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Recent achievements



Optimization

- Optimized service and maintenance for wind farms totaling **623 MW** of capacity in Europe and North America
- Upgraded Buckingham hydropower station
- Repowered Cham Longe wind farm
- 3 repowering projects in *Growth Path*

Market trends



Consolidation of suppliers

ESG issues with strong focus on procurement

Remote work (post-pandemic)



Assets Optimisation



Increase the technical and financial performance of our assets



Introduce a portfolio approach for the management of our assets leading to potential partial sales to finance growth projects

Corporate Expenses Optimization



**Simplify and
automate
processes**



**Increase
costs
variability
and controls**



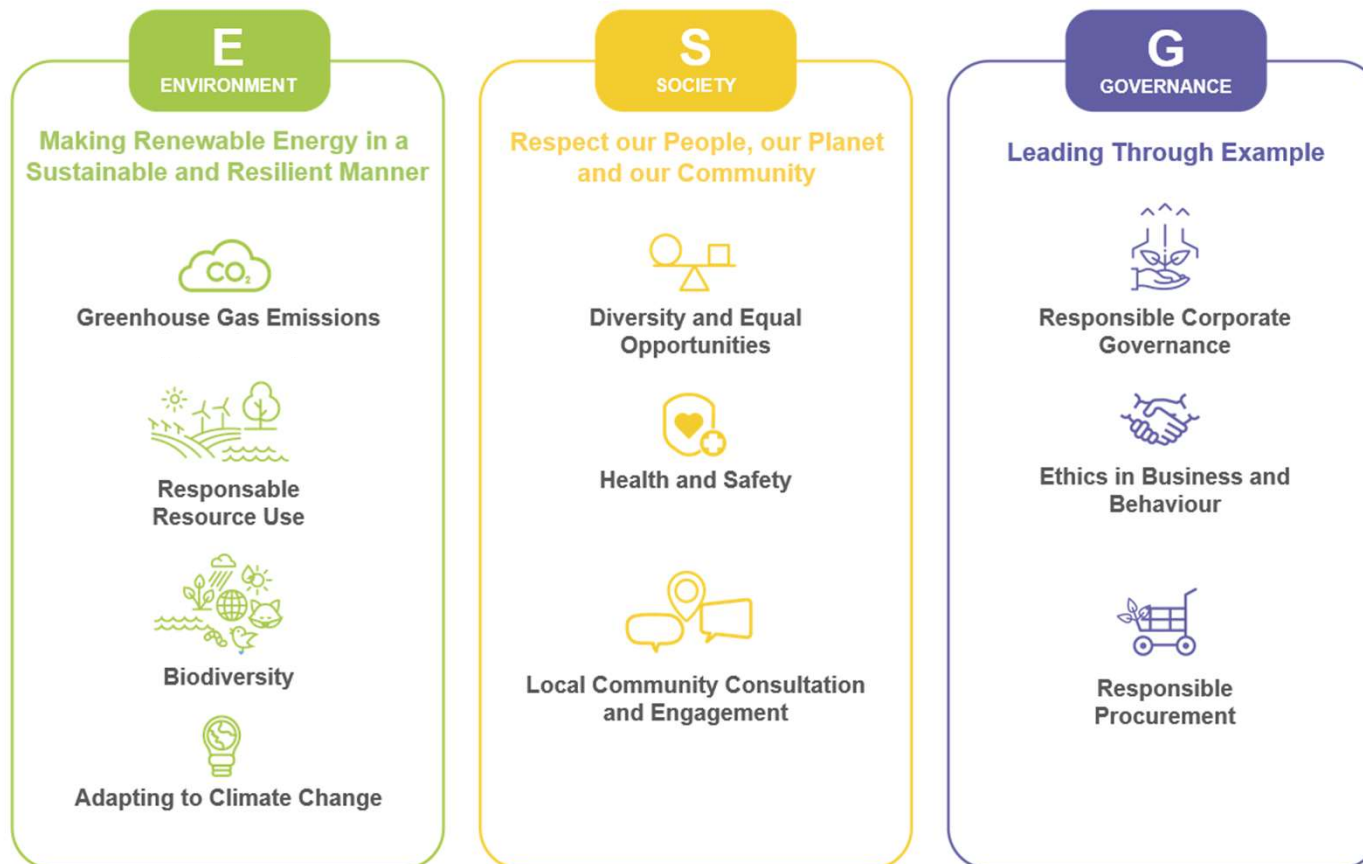
**Improve the
efficiency of our
organizational
structure**



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Our Approach: Execution along three commitment pillars



Environment

Recent developments

- Currently, quantification of our carbon footprint (Scope 1-2-3)
- Testing of new technology to detect and reduce collision risk of the Royal Milan, endangered bird species with wind turbines in France
- Sale of Blendecques cogeneration plant

Next steps

- Pursue diversification strategy to reduce impact of climate change
- Analysis of TCFD recommendations



Social

Recent developments

- Mental health webcast
- Training on unconscious bias
- Specific diversity commitments in France and Canada
- Historical partnership with the Innu Nation – Apuiat 200 MW wind project

Next steps

- Firm up culture of sustainable performance
- Attract / retain talent and development of skills / career
- Diversity targets with more training and disclosure



Talent



The engagement of our workforce is great and continues to improve.

Several indicators lead us to believe that the **organization is ready for ambitious plans.**

Overall engagement
index **71%**

Vs 65% in 2020
and 58% 4 years ago

*Kincentric's "Employer of Choice" 2021
engagement rate is 75%*

Best in class
response rate
97%

90%
Managers'
engagement index

Governance

Recent developments

- Enhanced and more transparent disclosure regarding NEOs compensation
- More stringent share ownership requirements
- LTIP grants mix favors PSUs over stock options.
- Signature of the *Solar Energy Industry Association Pledge*

Next steps

- Diversity at both the management and board levels to remain a priority
- Formalize procurement practices guidelines



Key takeaways



- 1. Hiring of a Director for CSR (April 2021) and new dedicated committee will enable us to accelerate the execution of our plan**
- 2. Establish robust baseline and establish (and disclose) ambitious objectives a priority to create value**
- 3. Part of compensation for executives based on ESG achievements**
- 4. Tone at the top and include in risk framework**



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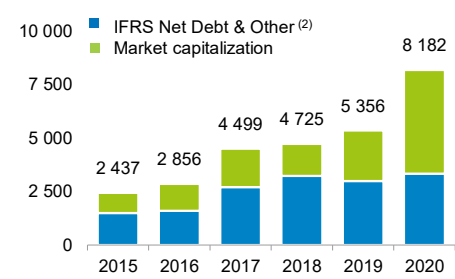


Profitable and Sustainable Growth

Total Capitalization⁽¹⁾

(in millions of Canadian dollars)

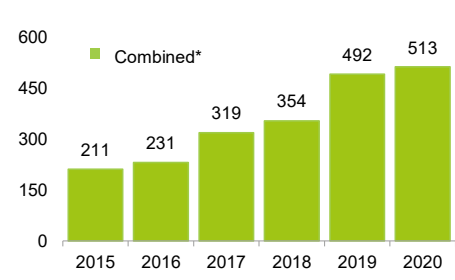
Compound annual growth rate: 27%



EBITDA(A)*

(in millions of Canadian dollars)

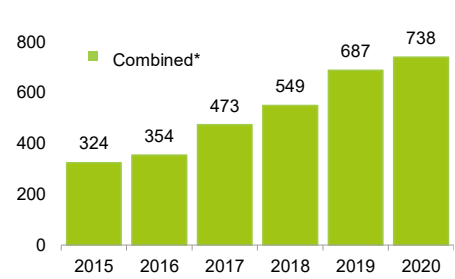
Compound annual growth rate 19%



Revenues From Energy Sales & Feed-In Premium

(in millions of Canadian dollars)

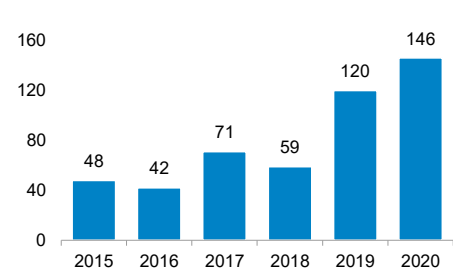
Compound annual growth rate 18%



Discretionary Cash Flows*

(in millions of Canadian dollars)

Compound annual growth rate: 25%



Contracted Cash Flows

98% contracted

Average Remaining PPA

13 years

*See the Non-IFRS measures section in the 2020 Annual Report

Note: CAGRs calculated from 2015 Y/E to 2020 Y/E

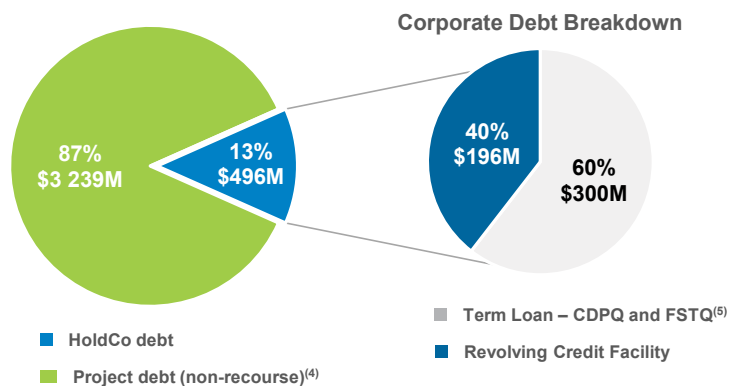
(1) Market value of equity (calculated based on share price and share count as at Dec. 31st of each applicable year-end) plus IFRS net debt and other

(2) Other includes non-controlling interest as well as \$144M of convertible debentures from 2015 to 2018 (up until conversion)

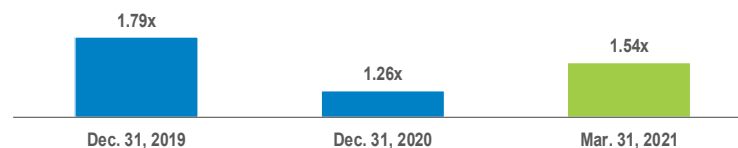


Solid financial position and strong credit metrics

**Total Debt Breakdown - \$3.7B⁽¹⁾
As at March 31, 2021**



HoldCo Debt⁽²⁾ / LTM FFO⁽³⁾



- **\$204M available on corporate credit facility**
- **\$182M revolving facility dedicated to the construction of projects in France**
 - \$158M is currently available for new projects
- **Project debt are tied to specific assets with maturity dates that are generally in line with the power sales contracts and are non-recourse to the Corporation**

(1) IFRS debt figures; excludes transaction costs

(2) IFRS debt figure; comprised of the Revolving Credit Facility and CPDQ and FTSQ Term Loan

(3) Calculated as IFRS net cash flows related to operating activities before changes in non-cash items related to operating activities, less distributions to non-controlling shareholders

(4) Includes CPDQ Fixed Income Term Loan Payable, Project debt, other debts, and adjusted to exclude transaction costs

(5) Lenders are CDPQ Fixed Income Inc. (85%) and Fonds de Solidarité FSTQ (15%)



Financial optimization

More than \$2.7 billion in refinancing carried out in the past 18 months providing greater financial flexibility and savings of \$22 million

\$1.7B Refinancing in France

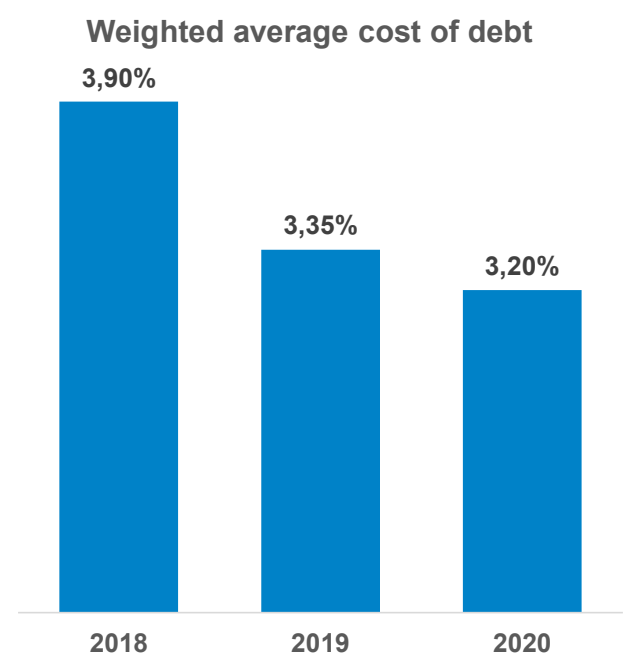
- Frees up \$178M to reduce corporate credit facility
- \$15M in annual interest expense savings

\$806M Refinancing in Ontario

- Refinancing for NRWF 230 MW wind farm in Ontario. Frees up \$70M to reduce corporate credit facility
- \$5M in annual interest expense savings

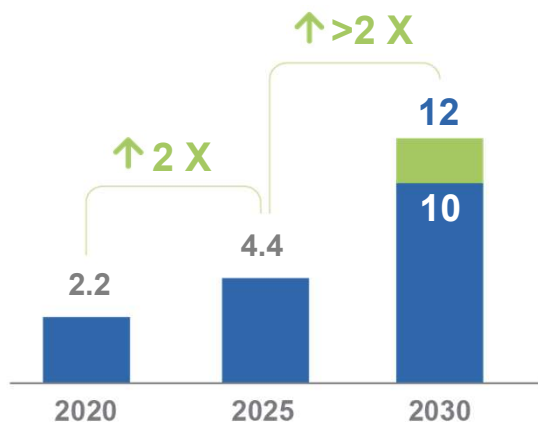
\$209M Refinancing in Quebec

- Frees up \$15M to reduce corporate credit facility
- \$2M in annual interest expense savings



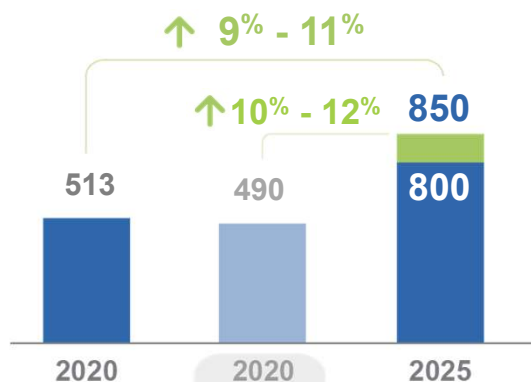
2025 Targets

Installed Capacity¹ (GW)



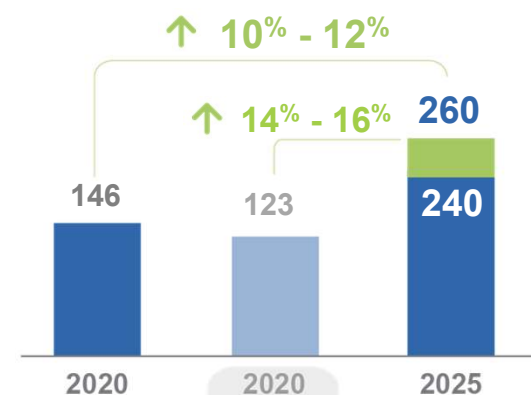
¹ Installed capacity under management

Combined EBITDA(A) (\$M)



Normalized for strong wind

Discretionary Cash Flows (AFFO) (\$M)



Normalized for strong wind



**To be a CSR reference
for our partners**
by going beyond renewable energy



Increase the proportion of corporate financing, including sustainable financing and obtain an **Investment Grade²** credit rating

² Minimal credit rating of BBB-



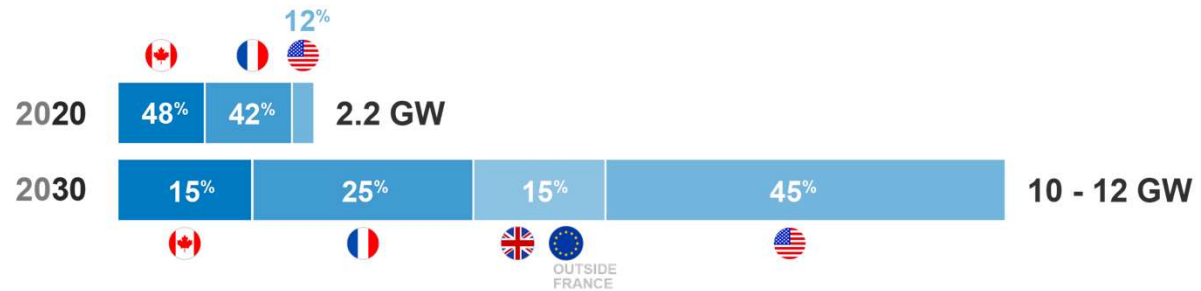
Reinvest 50 to 70%
of discretionary cash flows
towards our growth

Improved diversification by region and technology

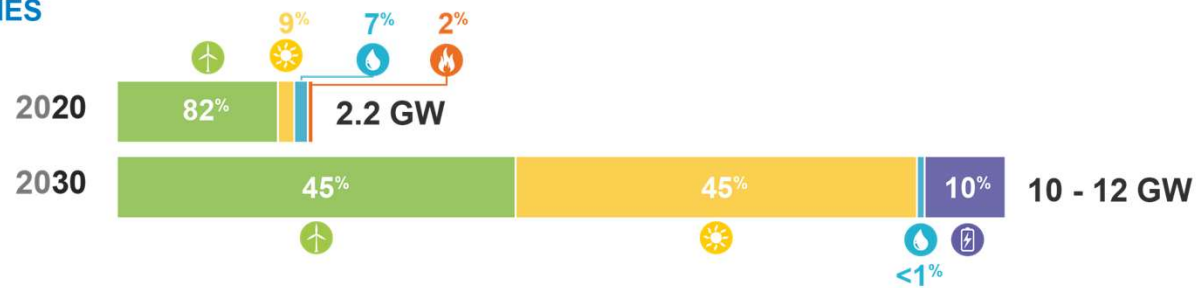
Contracted business remains a priority



REGIONS



TECHNOLOGIES



CONTRACT TYPES



Expected investments and funding



**Expected
investments
2021-2025**

\$6B

Sources of financing

- AFFO
- Project Debt
- Corporate Debt
- Sustainable Financing
- Equity from Partnerships
- Equity issue

Disciplined financial strategy



1. Build a flexible and proactive strategy including additional corporate financing and sustainable financing



2. Focus on projects delivering targeted risk-adjusted returns



3. Continue to reinvest significant cash flows in the growth of the Corporation while paying a good dividend



4. Explore financial partnership opportunities (equity) to support rapid growth in coming years





Targeted M&A transactions



Projects or operating assets providing significant synergies with our existing footprint or a strong growth potential



Portfolio of projects in development or operating assets representing a geographic or technological expansion



Development team specialized in a new geography or new technology

Partnerships



Financial partners

(equity/debt for future projects but also to optimize our existing portfolio of assets)



Developer or supplier specialized in a specific new market or technology



Local communities / First Nations



Key takeaways

All lights are green

- 1. Experienced team with good track record**
- 2. High visibility on contracted cashflows**
- 3. Strong project development backlog**
- 4. Solid financial position to fund growth**



Agenda

- A. **Introduction** *by Patrick Decostre*
- B. **North American Development** *by Hugues Girardin*
- C. **European Development** *by Nicolas Wolff*
- D. **Optimization** *by Alain Pouliot*
- E. **ESG Update** *by Julie Cusson, Marie-Josée Arsenault and Pascal Hurtubise*
- F. **2025 Targets and Financial Strategy** *by Bruno Guilmette*
- G. **Closing Remarks** *by Patrick Decostre*

Main changes to our strategy



1. **Accelerate our growth** and define **more ambitious objectives**
2. **Take charge of our growth through M&A** and structure our activities to achieve it
3. **Prepare for a future of more organic growth** by investing in development today
4. **Continue to increase solar energy's share** of our portfolio composed mainly of wind assets
5. **Diversify our geographic presence** in Europe, and **position the United States as our main market**
6. **Optimize** our debt structure with **more corporate financing including sustainable financing**
7. **Optimize and significantly improve our operational and administrative activities**
8. **Integration of our CSR strategy into all our strategic directions**

Q&A

