

Brookfield

2022

Q1 INTERIM
REPORT

Brookfield Renewable Corporation

Management's Discussion and Analysis for the three months ended March 31, 2022

The following Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2022 is provided as of May 6, 2022. Unless the context indicates or requires otherwise, the terms, "we", "us", and "our company" mean BEPC and its controlled entities. BEPC is an indirect controlled subsidiary of Brookfield Renewable Partners L.P. ("BEP", or collectively with its subsidiaries, including our company, "Brookfield Renewable")(NYSE: BEP; TSX:BEP.UN). Unless the context indicates or requires otherwise, the "partnership" means Brookfield Renewable and its controlled subsidiaries, excluding our company. The ultimate parent of Brookfield Renewable and Brookfield Renewable Corporation is Brookfield Asset Management Inc. ("Brookfield Asset Management"). Brookfield Asset Management and its subsidiaries, other than Brookfield Renewable, are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis.

In addition to historical information, this MD&A contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. See "Cautionary Statements Regarding Forward-Looking Statements".

BEPC's unaudited interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

References to \$, C\$, €, R\$, and COP are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais and Colombian pesos, respectively. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

For a description on our operational and segmented information and for the non-IFRS financial measures we use to explain our financial results see "Part 8 – Presentation to Stakeholders and Performance Measurement". For a reconciliation of the non-IFRS financial measures to the most comparable IFRS financial measures, see "Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures". This Management's Discussion and Analysis contains forward-looking information within the meaning of U.S. and Canadian securities laws. Refer to – "Part 9 – Cautionary Statements" for cautionary statements regarding forward-looking statements and the use of non-IFRS measures. Our Annual Report and additional information filed with the Securities Exchange Commission ("SEC") and with securities regulators in Canada are available on our website (<https://bep.brookfield.com>), on the SEC's website (www.sec.gov/edgar.shtml), or on SEDAR (www.sedar.com).

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PART 1 – OVERVIEW

BUSINESS OVERVIEW

BEPC is a Canadian corporation incorporated on September 9, 2019 under the laws of British Columbia. Our company was established by Brookfield Renewable to be an alternative investment vehicle for investors who prefer owning securities through a corporate structure. While our operations are primarily located in the United States, Brazil, Colombia, and Europe, shareholders will, on economic terms, have exposure to all regions BEP operates in as a result of the exchange feature attaching to the Class A exchangeable subordinate voting shares ("BEPC exchangeable shares"), whereby BEPC will have the option to meet an exchange request by delivering cash or non-voting limited partnership units of BEP ("LP units").

The BEPC exchangeable shares of our company are structured with the intention of being economically equivalent to the LP units. We believe economic equivalence is achieved through identical dividends and distributions on the BEPC exchangeable shares and the LP units and each BEPC exchangeable share being exchangeable at the option of the holder for one LP unit at any time. Given the economic equivalence, we expect that the market price of the BEPC exchangeable shares will be significantly impacted by the market price of the LP units and the combined business performance of our company and Brookfield Renewable as a whole. In addition to carefully considering the disclosure made in this document, shareholders are strongly encouraged to carefully review the partnership's periodic reporting. The partnership is required to file reports, including annual reports on Form 20-F, and other information with the United States Securities and Exchange Commission (the "SEC"). The partnership's SEC filings are available to the public from the SEC's website at <http://www.sec.gov>. Copies of documents that have been filed with the Canadian securities authorities can be obtained at www.sedar.com. Information about the partnership, including its SEC filings, is also available on its website at <https://bep.brookfield.com>. The information found on, or accessible through, <https://bep.brookfield.com> is not incorporated into and does not form a part of this MD&A.

Our company, our subsidiaries and Brookfield Renewable, target a total return of 12% to 15% per annum on the renewable assets that it owns, measured over the long-term. Our group intends to generate this return from cash flows from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions and capital recycling initiatives. Brookfield Renewable determines its distributions based primarily on an assessment of its operating performance. Our group uses Funds From Operations ("FFO") to assess operating performance and can be used on a per unit basis as a proxy for future distribution growth over the long-term. For further details, see the "Performance Disclosures" section of this MD&A.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	Three months ended March 31	
	2022	2021
Revenues	\$ 929	\$ 839
Direct operating costs	(291)	(338)
Management service costs	(52)	(55)
Interest expense	(228)	(220)
Depreciation	(296)	(290)
Remeasurement of BEPC exchangeable and BEPC class B shares	(909)	94
Income tax recovery (expense)	(38)	4
Net loss	\$ (882)	\$ (62)
	Average FX rates to USD	
€	0.89	0.83
R\$	5.23	5.47
COP	3,914	3,553

Variance Analysis For The Three Months Ended March 31, 2022

Revenues totaling \$929 million represents an increase of \$90 million over the same period in the prior year. Recently acquired and commissioned facilities contributed 426 GWh of generation and \$32 million to revenue which was partly offset by recently completed asset sales that reduced generation by 203 GWh and revenue by \$20 million. On a same store, constant currency basis, revenue increased by \$98 million primarily as we benefited from higher realized prices across most markets on the back of inflation escalation and higher global power prices, partly offset by lower generation in high price markets.

The strengthening of the U.S. dollar relative to the same period in the prior year, primarily against the Euro and Colombian peso, decreased revenues by \$20 million, which was partly offset by \$13 million favorable foreign exchange impact on our operating and interest expenses.

Direct operating costs totaling \$291 million represents a decrease of \$47 million over the same period as the benefit from cost saving initiatives across our business, recently completed asset sales and the impact of the Texas winter storm in prior year was partly offset by additional costs from our recently acquired and commissioned facilities.

Management service costs totaling \$52 million is generally in-line with the same period in the prior year.

Interest expense totaling \$228 million represents an increase of \$8 million over the same period in the prior year due to growth in our portfolio.

Remeasurement of BEPC exchangeable shares resulted in a \$909 million loss due to the movement in the LP unit price during the period.

Depreciation expense totaling \$296 million represents an increase of \$6 million over the same period in the prior year due to the growth of our business.

Net loss totaling \$882 million represents a decrease of \$820 million over the same period in the prior year due to the above noted items.

PART 3 – ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table provides a summary of the key line items on the unaudited interim consolidated statements of financial position:

(MILLIONS)	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Assets held for sale	\$ 98	\$ —
Current assets	2,484	2,308
Equity-accounted investments	460	455
Property, plant and equipment, at fair value	38,654	37,915
Total assets	43,073	41,986
Non-recourse borrowings	13,745	13,512
Deferred income tax liabilities	5,232	5,020
BEPC exchangeable shares and class B shares	7,073	6,163
Total equity in net asset	13,880	14,225
Total liabilities and equity	43,073	41,986
	<u>Spot FX rates to USD</u>	
€	0.90	0.88
R\$	4.74	5.58
COP	3,748	3,981

Assets held for sale

Assets held for sale totaled \$98 million as at March 31, 2022 compared to nil as at December 31, 2021. The increase is entirely attributable to the classification of a 36 MW hydroelectric portfolio in Brazil as assets held for sale.

Property, plant and equipment

Property, plant and equipment totaled \$38.7 billion as at March 31, 2022 compared to \$37.9 billion as at December 31, 2021. The \$0.8 billion increase was primarily attributable to our continued investments in the development of power generating assets which increased property, plant and equipment by \$0.2 billion and the weakening of the U.S. dollar across most of the currencies which increased property, plant and equipment by \$1.0 billion. The increases were partly offset by depreciation expense associated with property, plant and equipment of \$0.3 billion and the transfer of \$0.1 billion of property, plant and equipment to assets held for sale relating to a 36 MW operating hydroelectric portfolio in Brazil.

RELATED PARTY TRANSACTIONS

Our company's related party transactions are in the normal course of business, are recorded at the exchange amount, and are primarily with the partnership and Brookfield.

Our company sells electricity to Brookfield through a single long-term PPA across our New York hydroelectric facilities.

Brookfield has provided a \$400 million committed unsecured revolving credit facility maturing in December 2022 and the draws bear interest at an applicable base interest rate plus up to 1.8%. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield. Brookfield may from time to time place funds on deposit with the company which are repayable on demand including any interest accrued. There were \$0 million funds placed on deposit with the company as at March 31, 2022 (December 31, 2021: nil). The interest expense on the Brookfield revolving credit facility and deposit for the three months ended March 31, 2022 totaled nil (2021: nil).

During the quarter, a subsidiary of the company transferred its power agency agreements related to certain of the partnership's Canadian assets to Evolgen Trading and Marketing LP ("ETMLP"), a subsidiary of the partnership.

In addition, our company has executed, amended, or terminated other agreements with the partnership and Brookfield that are described in Note 27 - Related party transactions in the company's December 31, 2021 audited consolidated financial statements.

The following table reflects the related party agreements and transactions in the unaudited interim consolidated statements of income (loss) for the three months ended March 31:

(MILLIONS)	Three months ended March 31	
	2022	2021
Revenues		
Power purchase and revenue agreements.....	\$ 39	\$ 73
Other income		
Interest income.....	\$ 2	\$ —
Direct operating costs		
Energy purchases ⁽¹⁾	\$ (4)	\$ (4)
Energy marketing fee & other services.....	(5)	(1)
Insurance services ⁽²⁾	—	(5)
	<u>\$ (9)</u>	<u>\$ (10)</u>
Interest expense		
Borrowings.....	\$ (4)	\$ —
Other related party services.....	\$ (1)	\$ (1)
Management service agreement.....	\$ (52)	\$ (55)

⁽¹⁾ Certain subsidiaries that the company controls, through a voting agreement, have entered into agreements to appoint the partnership as their agent in entering into certain derivative transactions with external counterparties to hedge against fluctuations in power purchase prices. The company recognized a gain of \$62 million in 2021 associated with agency arrangements which have been excluded from energy purchases. As of April 1, 2021, the agency arrangements were transferred from the partnership to the company.

⁽²⁾ Prior to November 2021, insurance services were paid to external insurance service providers through subsidiaries of Brookfield Asset Management. The fees paid to the subsidiaries of Brookfield Asset Management in 2021 were nil. As of November 2021, Brookfield, through a regulated subsidiary, began providing insurance coverage through third-party commercial insurers for the benefits of certain entities in North America. The premiums charged pursuant to these arrangements were at or lower than market rates.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that our company's chief operating decision maker, which we refer to as "CODM" manages our company, evaluates financial results, and makes key operating decisions. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for information on segments and an explanation on the calculation and relevance of proportionate information.

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED MARCH 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the three months ended March 31:

	(GWh)		(MILLIONS)					
	Actual Generation		Revenues		Adjusted EBITDA ⁽²⁾		Funds From Operations ⁽²⁾	
	2022	2021	2022	2021	2022	2021	2022	2021
Hydroelectric.....	3,911	3,787	\$ 266	\$ 235	\$ 179	\$ 159	\$ 131	\$ 118
Wind.....	521	605	52	66	40	45	33	35
Solar.....	147	128	39	37	38	27	26	13
Distributed generation, storage & other ⁽¹⁾ ...	158	132	30	31	20	20	15	15
Corporate.....	—	—	—	—	—	—	(52)	(55)
Total	4,737	4,652	\$ 387	\$ 369	\$ 277	\$ 251	\$ 153	\$ 126

⁽¹⁾ Actual generation includes 59 GWh (2021: 52 GWh) from facilities that do not have a corresponding long-term average. See Part 8 – Presentation to Stakeholders and Performance Measurement for why we do not consider long-term average for certain of our facilities.

⁽²⁾ Non-IFRS measures. For reconciliation to the most directly comparable IFRS measure see "Reconciliation of Non-IFRS Measures" in this Management's Discussion and Analysis

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for Hydroelectric operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 266	\$ 235
Other income	20	7
Direct operating costs	(107)	(83)
Adjusted EBITDA ⁽¹⁾	179	159
Interest expense	(38)	(36)
Current income taxes	(10)	(5)
Funds From Operations	\$ 131	\$ 118
<i>Generation (GWh) - actual</i>	<i>3,911</i>	<i>3,787</i>

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our Hydroelectric business was \$131 million versus \$118 million in the prior year primarily due to the benefits of higher generation and higher average revenue per MWh in Colombia due to the benefit of inflation indexation, recontracting initiatives, and higher market prices realized on our uncontracted generation. Our hydroelectric business also benefited from a positive ruling to recover historical profits on certain of our hydroelectric facilities in Brazil that operate under service concession arrangements.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for Wind operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 52	\$ 66
Other income	2	4
Direct operating costs	(14)	(25)
Adjusted EBITDA ⁽¹⁾	40	45
Interest expense	(7)	(10)
Funds From Operations	\$ 33	\$ 35
<i>Generation (GWh) - actual</i>	<i>521</i>	<i>605</i>

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our Wind business was \$33 million versus \$35 million in the prior year. Funds From Operations from assets in the United States that were sold in the third quarter of prior year contributed \$4 million and 96 GWh in the prior year. On a same store basis, Funds From Operations was higher than prior year primarily due to higher market prices in Spain partly offset by lower average revenue per MWh due primarily to higher market prices realized on generation from our Texas assets during the winter storm that benefited the prior year.

SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for Solar operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	<u>2022</u>	<u>2021</u>
Revenue	\$ 39	\$ 37
Other income	12	2
Direct operating costs	<u>(13)</u>	<u>(12)</u>
Adjusted EBITDA ⁽¹⁾	38	27
Interest expense	(11)	(14)
Current income taxes	(1)	—
Funds From Operations	<u>\$ 26</u>	<u>\$ 13</u>
<i>Generation (GWh) – actual</i>	<i>147</i>	<i>128</i>

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our Solar business was \$26 million versus \$13 million in the prior year. Contributions from our newly commissioned facilities were \$1 million and 36 GWh. On a same store basis, Funds From Operations were higher than prior year primarily due to higher market prices in Spain partly offset by lower resource.

DISTRIBUTED GENERATION, STORAGE & OTHER OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for Distributed generation, storage & other for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	<u>2022</u>	<u>2021</u>
Revenue	\$ 30	\$ 31
Other income	7	—
Direct operating costs	<u>(17)</u>	<u>(11)</u>
Adjusted EBITDA ⁽¹⁾	20	20
Interest expense	(5)	(5)
Funds From Operations	<u>\$ 15</u>	<u>\$ 15</u>
<i>Generation (GWh) – actual</i>	<i>158</i>	<i>132</i>

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

Funds From Operations at our Distributed generation, storage & other business was \$15 million in-line with the prior year.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended March 31, 2022:

(MILLIONS)	Attributable to the partnership						Total
	Hydroelectric	Wind	Solar	Distributed generation, storage & other	Corporate		
Net income (loss)	\$ 100	\$ (3)	\$ 17	\$ 22	\$ (1,018)	\$ (882)	
Add back or deduct the following:							
Depreciation	127	82	62	25	—	296	
Deferred income tax expense (recovery)	(7)	13	(6)	—	—	—	
Foreign exchange and financial instrument loss (gain)	52	(2)	(10)	(7)	—	33	
Other ⁽¹⁾	6	23	20	3	(2)	50	
Dividends on BEPC exchangeable shares ⁽²⁾	—	—	—	—	55	55	
Remeasurement of BEPC exchangeable and BEPC class B shares	—	—	—	—	909	909	
Management service costs	—	—	—	—	52	52	
Interest expense ⁽²⁾	94	29	37	9	4	173	
Current income tax expense	36	2	—	—	—	38	
Amount attributable to equity accounted investments and non-controlling interests ⁽³⁾	(229)	(104)	(82)	(32)	—	\$ (447)	
Adjusted EBITDA	\$ 179	\$ 40	\$ 38	\$ 20	\$ —	\$ 277	

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other balance includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Total interest expense of \$228 million is comprised of amounts on Interest expense and Dividends on BEPC exchangeable shares.

⁽³⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended March 31, 2021:

(MILLIONS)	Attributable to the partnership						Total
	Hydroelectric	Wind	Solar	Distributed generation, storage & other	Corporate		
Net income (loss)	\$ 141	\$ (54)	\$ (36)	\$ 11	\$ (124)	\$ (62)	
Add back or deduct the following:							
Depreciation	107	102	62	19	—	290	
Deferred income tax expense (recovery)	3	(6)	4	(2)	(16)	(17)	
Foreign exchange and financial instrument loss (gain)	(14)	6	(20)	(5)	(1)	(34)	
Other ⁽¹⁾	1	27	27	8	122	185	
Dividends on BEPC exchangeable shares ⁽²⁾	—	—	—	—	52	52	
Remeasurement of BEPC exchangeable and BEPC class B shares	—	—	—	—	(94)	(94)	
Management service costs	—	—	—	—	55	55	
Interest expense ⁽²⁾	76	34	41	11	6	168	
Current income tax expense	11	1	1	—	—	13	
Amount attributable to equity accounted investments and non-controlling interests ⁽³⁾	(166)	(65)	(52)	(22)	—	\$ (305)	
Adjusted EBITDA	<u>\$ 159</u>	<u>\$ 45</u>	<u>\$ 27</u>	<u>\$ 20</u>	<u>\$ —</u>	<u>\$ 251</u>	

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other balance includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Total interest expense of \$220 million is comprised of amounts on Interest expense and Dividends on BEPC exchangeable shares.

⁽³⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to the company that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our company is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our company.

The following table reconciles non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	<u>2022</u>	<u>2021</u>
Net loss	\$ (882)	\$ (62)
Add back or deduct the following:		
Depreciation	296	290
Foreign exchange and financial instruments loss (gain)	33	(34)
Deferred income tax recovery	—	(17)
Other ⁽¹⁾	50	185
Dividends on BEPC exchangeable shares	55	52
Remeasurement of BEPC exchangeable and BEPC class B shares	909	(94)
Amount attributable to equity accounted investments and non-controlling interest ⁽²⁾	<u>(308)</u>	<u>(194)</u>
Funds From Operations	<u>\$ 153</u>	<u>\$ 126</u>

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other balance includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and the company's economic share of foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Funds From Operations attributable to non-controlling interest, our company is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our company.

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

AVAILABLE LIQUIDITY

Our company assesses liquidity on a group-wide basis, consistent with the partnership, because shareholders have exposure to a broader base of renewable investments by virtue of the exchange feature of BEPC exchangeable shares. Our group-wide liquidity consisted of the following:

(MILLIONS)	March 31, 2022	December 31, 2021
Our company's share of cash and cash equivalents	\$ 172	\$ 136
Authorized credit facilities ⁽¹⁾	2,375	2,375
	<u>2,547</u>	<u>2,511</u>
Available portion of subsidiary credit facilities	177	189
Brookfield Renewable group liquidity on a proportionate basis	1,078	1,369
Available liquidity	<u>\$ 3,802</u>	<u>\$ 4,069</u>

⁽¹⁾ Includes the \$1,975 million Subordinated Credit Facilities with the partnership and a \$400 million revolving credit facility with Brookfield Asset Management.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions and withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation. We maintain a strong, investment grade balance sheet characterized by a conservative capital structure, access to multiple funding levers including a focus on capital recycling on an opportunistic basis, and diverse sources of capital. Principal sources of liquidity are cash flows from operations, our credit facilities, upfinancings on non-recourse borrowings and proceeds from the issuance of various securities through public markets.

DIVIDEND POLICY

The BEPC board may declare dividends at its discretion. However, the BEPC exchangeable shares have been structured with the intention of providing an economic return equivalent to the LP units and it is expected that dividends on the BEPC exchangeable shares will be declared at the same time and in the same amount as distributions made on the LP units. In the event dividends are not declared and paid concurrently with a distribution on the LP units, then the undeclared or unpaid amount of such BEPC exchangeable share dividend will accrue and accumulate. Pursuant to the equity commitment agreement, the partnership has also agreed not to declare or pay any distribution on the LP units if on such date our company does not have sufficient funds or other assets to enable the declaration and payment of an equivalent dividend on the BEPC exchangeable shares. See Item 7.B “Related Party Transactions – BEPC relationship with the partnership – Equity Commitment Agreement” of our Form 20-F for the annual period ending December 31, 2021. Brookfield Renewable’s distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. Brookfield Renewable’s objective is to pay a distribution that is sustainable on a long-term basis and has set its target payout ratio at approximately 70% of Brookfield Renewable’s Funds From Operations.

The board of directors of the general partner of Brookfield Renewable approved a 5% increase in its annual distribution to 1.28 per LP unit, or \$0.32 per LP unit quarterly, starting with the distribution paid in March 2022, an increase from \$1.22 per LP unit in 2021. This increase reflects the forecasted contribution from Brookfield Renewable's recently commissioned capital projects, as well as the expected cash yield on recent acquisitions. Brookfield Renewable targets a 5% to 9% annual distribution growth in light of growth it foresees in its operations.

BORROWINGS

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis is presented in the following table:

(MILLIONS EXCEPT AS NOTED)	March 31, 2022			December 31, 2021		
	Weighted-average		Total	Weighted-average		Total
	Interest rate (%)	Term (years)		Interest rate (%)	Term (years)	
Proportionate non-recourse borrowings ⁽¹⁾						
Hydroelectric	6.1	8	\$ 2,722	4.9	8	\$ 2,720
Wind	3.6	9	710	3.9	9	765
Solar	4.1	13	1,362	3.3	13	1,377
Distributed generation, storage & other	4.1	9	444	3.6	10	461
	5.1	10	5,238	4.2	10	5,323
Proportionate unamortized financing fees, net of unamortized premiums			(23)			(21)
			5,215			5,302
Equity-accounted borrowings			(161)			(161)
Non-controlling interests			8,691			8,371
As per IFRS Statements			<u>\$ 13,745</u>			<u>\$ 13,512</u>

⁽¹⁾ See “Part 8 – Presentation to Stakeholders and Performance Measurement” for information on proportionate debt.

The following table summarizes our undiscounted principal repayments and scheduled amortization on a proportionate basis as at March 31, 2022:

(MILLIONS)	2022	2023	2024	2025	2026	Thereafter	Total
Debt Principal repayments							
Non-recourse borrowings							
Credit facilities	\$ 1	\$ —	\$ 16	\$ —	\$ —	\$ —	\$ 17
Hydroelectric	37	21	77	272	216	1,293	1,916
Wind	—	67	—	—	—	208	275
Solar	17	67	—	—	—	187	271
Distributed generation, storage & other	—	25	—	152	—	71	248
	55	180	93	424	216	1,759	2,727
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	51	81	68	77	80	433	790
Wind	32	61	63	50	45	184	435
Solar	84	104	75	75	73	679	1,090
Distributed generation, storage & other	18	28	22	15	12	101	196
	185	274	228	217	210	1,397	2,511
Total	<u>\$ 240</u>	<u>\$ 454</u>	<u>\$ 321</u>	<u>\$ 641</u>	<u>\$ 426</u>	<u>\$ 3,156</u>	<u>\$ 5,238</u>

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in refinancing our borrowings through 2026 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

Proportionate debt is presented to assist investors in understanding the capital structure of the underlying investments of our company that are consolidated in its financial statements but are not wholly-owned. When used in conjunction with

Funds from Operations, proportionate debt is expected to provide useful information as to how our company has financed its businesses at the asset-level. The only difference between consolidated debt presented under IFRS and proportionate debt is the adjustment to remove the share of debt of consolidated investments not attributable to our company and the adjustment to include share of debt attributable to the equity-accounted investments of our company. Management utilizes proportionate debt in understanding the capital structure of the underlying investments that are consolidated in its financial statements but are not wholly-owned. Proportionate debt provides useful information as to how our company has financed its businesses at the asset-level and provides a view into the return on the capital that it invests at a given degree of leverage.

CAPITAL EXPENDITURES

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and that cash flows at the asset level can be remitted freely to our company. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, our company has \$2.38 billion of committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the unaudited interim consolidated statements of cash flows:

(MILLIONS)	Three months ended March 31	
	2022	2021
Cash flow provided by (used in):		
Operating activities before changes in due to or from related parties and net working capital change	\$ 368	\$ 148
Changes in due to or from related parties	4	24
Net change in working capital balances	(120)	120
	252	292
Financing activities	86	(57)
Investing activities	(191)	(277)
Foreign exchange gain (loss) on cash	1	(10)
Increase (decrease) in cash and cash equivalents	\$ 148	\$ (52)

Operating Activities

Cash flows provided by operating activities before changes in due to or from related parties and net working capital changes for the three months ended March 31, 2022 totaled \$368 million compared to \$148 million reflecting strong operating performance of our business during the period.

The net change in working capital balances shown in the unaudited interim consolidated statements of cash flows is comprised of the following:

(MILLIONS)	Three months ended March 31	
	2022	2021
Trade receivables and other current assets	\$ (104)	\$ (7)
Accounts payable and accrued liabilities	(20)	29
Other assets and liabilities	4	98
	<u>\$ (120)</u>	<u>\$ 120</u>

Financing Activities

Cash flows provided by financing activities totaled \$86 million for the three months ended March 31, 2022. The strength of our balance sheet and disciplined access to diverse sources of capital allowed us to fund our growth as discussed below and generate \$193 million of net proceeds from non-recourse upfinancings.

Distributions paid during the three months ended March 31, 2022 to the partnership and to participating non-controlling interest in operating subsidiaries were \$165 million (2021: \$136 million). Our non-controlling interest contributed capital of \$61 million in the three months ended March 31, 2022 (2021: \$27 million).

Cash flows used in financing activities totaled \$57 million for the three months ended March 31, 2021 as the proceeds raised from non-recourse financings to fund the growth of our business through the investing activities noted below were more than offset by the repayment of borrowings and distribution paid to the partnership and to participating non-controlling interest in operating subsidiaries.

Investing Activities

Cash flows used in investing activities totaled \$191 million for the three months ended March 31, 2022. Our continued investment in our property, plant and equipment, including the construction of 1,200 MW solar facility in Brazil, was \$168 million for the three months ended March 31, 2022.

Cash flows used in investing activities totaled \$277 million for the three months ended March 31, 2021. Our continued investment in our property, plant and equipment, including the construction of a 1,800 MW of shovel-ready solar development projects in Brazil, the purchase of two 20 MW hydroelectric assets in Colombia and the continuing initiative to repower existing wind power projects, was \$239 million for the three months ended March 31, 2021.

SHARES AND UNITS OUTSTANDING

Our company's equity interests include BEPC exchangeable shares held by the public shareholders and BEPC class B and BEPC class C shares held by the partnership. Dividends on each of our BEPC exchangeable shares are expected to be declared and paid at the same time and in the same amount per share as distributions on each LP unit of the partnership. Ownership of BEPC class C shares will entitle holders to receive dividends as and when declared by our board.

Our company's capital structure is comprised of the following shares:

(UNITS)	March 31, 2022
BEPC exchangeable shares	172,227,065
BEPC class B shares	165
BEPC class C shares	189,600,000

In the three months ended March 31, 2022, our company declared dividends of \$55 million (2021: \$52 million) on its outstanding BEPC exchangeable shares. Dividends on our BEPC exchangeable shares are presented as interest expense in the unaudited interim consolidated financial statements. No dividends were declared on BEPC class B shares or BEPC class C shares during the three months ended March 31, 2022.

Our company may from time-to-time, subject to applicable law, purchase shares for cancellation in the open market, provided that any necessary approval has been obtained.

In December 2021, the company renewed its normal course issuer bid for its outstanding BEPC exchangeable shares. The company is authorized to repurchase up to 8.6 million BEPC exchangeable shares, representing 5% of its issued and

outstanding BEPC exchangeable shares. The bids will expire on December 15, 2022, or earlier should the company complete its repurchases prior to such date. There were no BEPC exchangeable shares repurchased during the three months ended March 31, 2022.

As at the date of this report, Brookfield and its affiliates, including the partnership, through its ownership of BEPC exchangeable shares and BEPC class B shares, holds an approximate 81.5% voting interest in our company. Holders of BEPC exchangeable shares, excluding Brookfield and its affiliates, including the partnership, hold an approximate 18.5% aggregate voting interest in BEPC.

CONTRACTUAL OBLIGATIONS

Please see Note 15 – Commitments, contingencies and guarantees in the unaudited interim consolidated financial statements, for further details on the following:

- *Commitments* – Water, land, and dam usage agreements, and agreements and conditions on committed acquisitions of operating portfolios and development projects;
- *Contingencies* – Legal proceedings, arbitrations and actions arising in the normal course of business, and providing for letters of credit; and
- *Guarantees* – Nature of all the indemnification undertakings.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Our company does not have any off-statement of financial position arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Our company issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at March 31, 2022, letters of credit issued amounted to \$748 million (2021: \$698 million).

Two direct and indirect wholly-owned subsidiaries of our company fully and unconditionally guaranteed (i) any and all present and future unsecured debt securities issued by Brookfield Renewable Partners ULC, in each case as to payment of principal, premium (if any) and interest when and as the same will become due and payable under or in respect of the trust indenture under which such securities are issued, (ii) all present and future senior preferred shares of Brookfield Renewable Power Preferred Equity Inc. (“BRP Equity”) as to the payment of dividends when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BRP Equity, (iii) certain of BEP’s preferred units, as to payment of distributions when due, the payment of amounts due on redemption and the payment of amounts due on the liquidation, dissolution or winding up of BEP, (iv) the obligations of all present and future bilateral credit facilities established for the benefit of Brookfield Renewable, and (v) notes issued by Brookfield BRP Holdings (Canada) Inc. under its U.S. commercial paper program. BRP Bermuda Holdings I Limited (“BBHI”) and BEP Subco Inc. subsidiaries of the company have guaranteed the perpetual subordinated notes issued by Brookfield BRP Holdings (Canada) Inc. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

PART 6 – SELECTED QUARTERLY INFORMATION

HISTORICAL OPERATIONAL AND FINANCIAL INFORMATION RELATED TO THE PARTNERSHIP

As the market price of BEPC exchangeable shares is expected to be significantly impacted by the market price of the LP units and the combined business performance of Brookfield Renewable as a whole, we are providing the following historical operational and financial information regarding Brookfield Renewable. For further details please review the partnership's periodic reporting referenced in the introductory section of this MD&A.

(MILLIONS, EXCEPT AS NOTED)	2022		2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 1,136	\$ 1,091	\$ 966	\$ 1,019	\$ 1,020	\$ 952	\$ 867	\$ 942
Net loss to Unitholders	(78)	(57)	(115)	(63)	(133)	(120)	(162)	(42)
Basic and diluted loss per LP unit	(0.16)	(0.12)	(0.21)	(0.13)	(0.24)	(0.22)	(0.29)	(0.11)
Funds From Operations	243	214	210	268	242	201	157	232
Funds From Operations per Unit.....	0.38	0.33	0.33	0.42	0.38	0.31	0.25	0.40
Distribution per LP Unit.....	0.32	0.30	0.30	0.30	0.30	0.29	0.29	0.29

SUMMARY FINANCIAL INFORMATION

The following is a summary of unaudited quarterly financial information of our company for the last eight consecutive quarters:

(MILLIONS, EXCEPT AS NOTED)	2022		2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 929	\$ 905	\$ 806	\$ 817	\$ 839	\$ 746	\$ 724	\$ 764
Net income (loss)	(882)	180	153	659	(62)	(1,632)	(1,297)	15
Net income (loss) attributable to the partnership	(976)	130	214	611	(9)	(1,516)	(1,295)	11

PART 7 – CRITICAL ESTIMATES, JUDGEMENTS IN APPLYING ACCOUNTING POLICIES, AND INTERNAL CONTROLS

CRITICAL ESTIMATES AND CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The unaudited interim consolidated financial statements are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of presentation and significant accounting policies in the audited consolidated financial statements are considered critical accounting estimates with the exception of the estimates related to the valuation of property, plant and equipment, financial instruments, and the related deferred income tax liabilities. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year, the amount and timing of operating and capital costs, and the income tax rates of future income tax provisions. Estimates also include determination of accruals, purchase price allocations, useful lives, asset valuations, asset impairment testing, deferred tax liabilities, decommissioning retirement obligations and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this MD&A. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the “Risk Factors” section of our Form 20-F for the annual period ended December 31, 2021. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on our company’s financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

NEW ACCOUNTING STANDARDS

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments to IFRS 3 apply to annual reporting periods beginning on or after January 1, 2022.

The company has completed an assessment and implemented its transition plan to address the impact and effect changes as a result of amendments to the recognition principle of IFRS 3. The adoption did not have a significant impact on the company’s financial reporting.

FUTURE CHANGES IN ACCOUNTING POLICIES

Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2023. The company is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on the company.

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made in our internal control over financial reporting during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART 8 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Actual Generation

For assets acquired, disposed or reached commercial operation during the year, reported generation is calculated from the acquisition, disposition or commercial operation date and is not annualized. Generation on a same store basis refers to the generation of assets that were owned during both periods presented. As it relates to Colombia only, generation includes both hydroelectric and cogeneration facilities. Energy transition includes generation from our distributed generation, pumped storage, North America cogeneration and Brazil biomass assets.

Our risk of a generation shortfall in Brazil continues to be minimized by participation in a hydrological balancing pool administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, an assured energy amount, irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who generated an excess to those who generate less than their assured energy, up to the total generation within the pool. Periodically, low precipitation across the entire country's system could result in a temporary reduction of generation available for sale. During these periods, we expect that a higher proportion of thermal generation would be needed to balance supply and demand in the country, potentially leading to higher overall spot market prices.

Voting Agreements with Affiliates

Our company has entered into voting agreements with Brookfield and the partnership, whereby our company gained control of the entities that own certain renewable power generating facilities in the United States and Brazil, as well as TerraForm Power. Our company has also entered into a voting agreement with its consortium partners in respect of our Colombian business. The voting agreements provide our company the authority to direct the election of the boards of directors of the relevant entities, among other things, and therefore provide our company with control. Accordingly, our company consolidates the accounts of these entities.

For entities previously controlled by Brookfield Asset Management, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. Our company accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1((r))(ii) – Critical judgments in applying accounting policies – Common control transactions in our audited annual consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) solar, 4) distributed generation, storage & other (pumped storage, cogeneration and biomass), and 5) corporate. This best reflects the way in which the CODM reviews results, manages operations and allocates resources.

The reporting to the CODM was revised during the year to incorporate the energy transition business of our company. The energy transition business corresponds to a portfolio of multi-technology assets and investments that support the broader strategy of decarbonization of electricity grids around the world. The financial information of operating segments in the prior periods has been restated to present the corresponding results of the energy transition business.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 4 – Segmented information in our unaudited interim consolidated financial statements.

One of our primary business objectives is to generate stable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through three key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and iii) Funds From Operations.

It is important to highlight that Adjusted EBITDA and Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine Adjusted EBITDA and Funds From Operations. We also provide reconciliations to Net income (loss). See “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures”.

Proportionate Information

Reporting to the CODM on the measures utilized to assess performance and allocate resources has been provided on a proportionate basis. Information on a proportionate basis reflects our company’s share from facilities which it accounts for using consolidation and the equity method whereby our company either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a shareholder perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results that can be allocated to shareholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include our company’s proportionate share of earnings (loss) from equity-accounted investments attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Our company does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent our company’s legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish our company’s legal claims or exposures to such items.

Unless the context indicates or requires otherwise, information with respect to the MW attributable to our company’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby our company either controls or jointly controls the applicable facility.

Net Income (Loss)

Net income (loss) is calculated in accordance with IFRS.

Net income (loss) is an important measure of profitability, in particular because it has a standardized meaning under IFRS. The presentation of net income (loss) on an IFRS basis for our business will often lead to the recognition of a loss even though the underlying cash flows generated by the assets are supported by strong margins and stable, long-term power purchase agreements. The primary reason for this is that accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure used by investors to analyze the operating performance of companies.

Our company uses Adjusted EBITDA to assess performance before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash income or loss from equity-accounted investments and other typical non-recurring items. Our company adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. Our company includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within Adjusted EBITDA in order to provide additional insight regarding the

performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period Adjusted EBITDA.

Our company believes that presentation of this measure will enhance an investor's ability to evaluate our financial and operating performance on an allocable basis.

Funds From Operations

Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of the business.

Our company uses Funds From Operations to assess the performance of the business before the effects of certain cash items (e.g. acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g. deferred income taxes, depreciation, non-cash portion of non-controlling interests, gain or loss on financial instruments, non-cash income or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. In our audited annual consolidated financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over our long-term investment horizon.

Our company believes that analysis and presentation of Funds From Operations on this basis will enhance an investor's understanding of the performance of the business.

Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). Furthermore, this measure is not used by the CODM to assess our company's liquidity.

Proportionate Debt

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of our company in various portfolio businesses. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Proportionate debt measures are provided because management believes it assists investors and analysts in estimating the overall performance and understanding the leverage pertaining specifically to our company's share of its invested capital in a given investment. When used in conjunction with proportionate Adjusted EBITDA, proportionate debt is expected to provide useful information as to how our company has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with our company's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of our company are performing and capital is being managed.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- Proportionate debt amounts do not represent the consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, management may determine, in their discretion, to pay the shortfall through an equity injection to Brookfield Renewable Corporation to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate proportionate Adjusted EBITDA for all of the portfolio investments of our company and aggregate proportionate debt for all of the portfolio investments of our company; and
- Other companies may calculate proportionate debt differently.

Because of these limitations, the proportionate financial information of our company should not be considered in isolation or as a substitute for the financial statements of our company as reported under IFRS.

PART 9 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements and information, within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of the group. Forward-looking statements in this report include, but are not limited to, statements regarding the quality of our group’s assets and the resiliency of the cash flow they will generate, our anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, diversification of the group’s investor base, energy policies, economic growth, growth potential of the renewable asset class, our future growth prospects and distribution profile, our access to capital and future dividends and distributions made to holders of LP units and BEPC’s exchangeable shares. In some cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavors”, “pursues”, “strives”, “seeks” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this report are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, the following: changes to resource availability, as a result of climate change or otherwise, at any of our group’s facilities; volatility in supply and demand in the energy markets; our group’s inability to re-negotiate or replace expiring PPAs on similar terms; an increase in the amount of uncontracted generation in our group’s portfolio; availability and access to interconnection facilities and transmission systems; concessions and licenses expiring and not being renewed or replaced on similar terms; our group’s real property rights for wind and solar renewable energy facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to our group; increases in the cost of operating our group’s facilities; our group’s failure to comply with conditions in, or our group’s inability to maintain, governmental permits; equipment failures, including relating to wind turbines and solar panels; the unavailability of necessary equipment, including spare parts and components required for project development and significant cost increases relating thereto; dam failures and the costs and potential liabilities associated with such failures; the severity, duration and spread of the COVID-19 outbreak, as well as the direct and indirect impacts that the virus may have; uninsurable losses and higher insurance premiums; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; force majeure events; adverse changes in currency exchange rates and our group’s inability to effectively manage foreign currency exposure; health, safety, security and environmental risks; energy marketing risks; the termination of, or a change to, the MRE balancing pool in Brazil; involvement in litigation and other disputes, and governmental and regulatory investigations; counterparties to our group’s contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties and the uncertainty of success; foreign laws or regulation to which our group becomes subject as a result of future acquisitions in new markets; our group’s operations being affected by local communities; our group’s reliance on computerized business systems, which could expose our group to cyber-attacks; newly developed technologies in which our group invests not performing as anticipated; increases in water rental costs (or similar fees) or changes to the regulation of water supply; advances in technology that impair or eliminate the competitive advantage of our projects; labour disruptions and economically unfavorable collective bargaining agreements; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; our group’s inability to finance its operations due to the status of the capital markets; operating and financial restrictions imposed on our groups by its loan, debt and security agreements; changes to our group’s credit ratings; our group’s inability to identify sufficient investment opportunities and complete transactions; changes to our group’s current business, including through future energy transition investments; our group’s inability to complete all or some of its capital recycling initiatives; the growth of our group’s portfolio and our group’s inability to realize the expected benefits of its transactions or acquisitions; our group’s inability to develop

greenfield projects or find new sites suitable for the development of greenfield projects; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements our group enters into with communities and joint venture partners; Brookfield Asset Management's election not to source acquisition opportunities for our group and our group's lack of access to all renewable power acquisitions that Brookfield Asset Management identifies, including by reason of conflicts of interest; our group does not have control over all of its operations or investments; political instability or changes in government policy; some of our group's acquisitions may be of distressed companies, which may subject our group to increased risks, including the incurrence of legal or other expenses; a decline in the value of our group's investments in securities, including publicly traded securities of other companies; our group is not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our group's organizational structure; future sales and issuances of BEP units, preferred units or securities exchangeable for BEP units, including BEPC exchangeable shares, or the perception of such sales or issuances, could depress the trading price of the BEP units or BEPC exchangeable shares; the incurrence of debt at multiple levels within our group's organizational structure; being deemed an "investment company" under the Investment Company Act of 1940; the effectiveness of our group's internal controls over financial reporting; our group's dependence on Brookfield Asset Management and the partnership and Brookfield Asset Management's significant influence over our group; the departure of some or all of Brookfield Asset Management's key professionals; our group's lack of independent means of generating revenue; changes in how Brookfield Asset Management elects to hold its ownership interests in our group; Brookfield Asset Management acting in a way that is not in our group's best interests or our shareholders; broader impact of climate change; failure of our group's systems technology; any changes in the market price of the BEP units and BEPC exchangeable shares; the redemption of BEPC exchangeable shares by us at any time or upon notice from the holder of the BEPC class B shares; and other factors described in our most recent Annual Report on Form 20-F, including those set forth under Item 3.D "Risk Factors".

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this report and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see "Risk Factors" included in our most recent Annual Report on Form 20-F and other risks and factors that are described therein.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

We prepare our financial statements in accordance with IFRS. However, this report also contains references to Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit which are not generally accepted accounting measures standardized under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit used by other entities. In particular, our definition of Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit are useful supplemental measures that may assist investors in assessing our financial performance. None of Adjusted EBITDA, Funds From Operations or Funds From Operations per Unit should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the reader to better understand our business. For a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, see "Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures".

A reconciliation of net income to Adjusted EBITDA and Funds From Operations is presented in our Management's Discussion and Analysis. We have also provided a reconciliation of Funds From Operations to net income (loss) in Note 4 – Segmented information in the unaudited interim consolidated financial statements.

BROOKFIELD RENEWABLE CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED (MILLIONS)	Notes	March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	11	\$ 558	\$ 410
Restricted cash	12	172	146
Trade receivables and other current assets	13	1,237	1,146
Financial instrument assets	3	49	58
Due from related parties	16	370	548
Assets held for sale	2	98	—
		2,484	2,308
Financial instrument assets	3	101	58
Equity-accounted investments	10	460	455
Property, plant and equipment, at fair value	6	38,654	37,915
Intangible assets		220	218
Goodwill		887	849
Deferred income tax assets	5	129	86
Other long-term assets		138	97
Total Assets		\$ 43,073	\$ 41,986
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	14	\$ 431	\$ 452
Financial instrument liabilities	3	359	247
Due to related parties	16	648	649
Non-recourse borrowings	7	1,805	1,452
Provisions		15	12
BEPC exchangeable and class B shares	9	7,073	6,163
		10,331	8,975
Financial instrument liabilities	3	510	523
Non-recourse borrowings	7	11,940	12,060
Deferred income tax liabilities	5	5,232	5,020
Provisions		548	547
Other long-term liabilities		632	636
Equity			
Non-controlling interests			
Participating non-controlling interests – in operating subsidiaries	8	10,573	10,297
Participating non-controlling interests – in a holding subsidiary held by the partnership	8	293	261
The partnership	9	3,014	3,667
Total Equity		13,880	14,225
Total Liabilities and Equity		\$ 43,073	\$ 41,986

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

Approved on behalf of Brookfield Renewable Corporation:



Patricia Zuccotti
Director



David Mann
Director

BROOKFIELD RENEWABLE CORPORATION

CONSOLIDATED STATEMENTS OF LOSS

UNAUDITED (MILLIONS)	Notes	Three months ended March 31	
		2022	2021
Revenues	16	\$ 929	\$ 839
Other income		64	14
Direct operating costs ⁽¹⁾		(291)	(338)
Management service costs	16	(52)	(55)
Interest expense	7	(228)	(220)
Share of (loss) earnings from equity-accounted investments	10	(2)	2
Foreign exchange and financial instruments (loss) gain	3	(33)	34
Depreciation	6	(296)	(290)
Other		(26)	(146)
Remeasurement of BEPC exchangeable and class B shares	9	(909)	94
Income tax recovery (expense)			
Current	5	(38)	(13)
Deferred	5	—	17
		<u>(38)</u>	<u>4</u>
Net loss		<u>\$ (882)</u>	<u>\$ (62)</u>
Net loss attributable to:			
Non-controlling interests			
Participating non-controlling interests – in operating subsidiaries	8	\$ 90	\$ (56)
Participating non-controlling interests – in a holding subsidiary held by the partnership	8	4	3
The partnership		(976)	(9)
		<u>\$ (882)</u>	<u>\$ (62)</u>

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

⁽¹⁾ Direct operating costs exclude depreciation expense disclosed below.

BROOKFIELD RENEWABLE CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

UNAUDITED (MILLIONS)		Three months ended March 31	
	Notes	2022	2021
Net loss		\$ (882)	\$ (62)
Other comprehensive income (loss) that will not be reclassified to net income:			
Revaluations of property, plant and equipment	6	(2)	(272)
Actuarial gain on defined benefit plans		3	5
Deferred income taxes on above items		(2)	44
Total items that will not be reclassified to net income		(1)	(223)
Other comprehensive income (loss) that may be reclassified to net income:			
Foreign currency translation		689	(634)
Gains (losses) arising during the period on financial instruments designated as cash-flow hedges	3	(59)	95
Unrealized gain (loss) on foreign exchange swaps net investment hedge	3	(43)	21
Reclassification adjustments for amounts recognized in net income	3	55	(60)
Deferred income taxes on above items		(12)	(10)
Equity-accounted investments	10	3	—
Total items that may be reclassified subsequently to net income		633	(588)
Other comprehensive income (loss)		632	(811)
Comprehensive loss		\$ (250)	\$ (873)
Comprehensive loss attributable to:			
Non-controlling interests			
Participating non-controlling interests – in operating subsidiaries	8	\$ 380	\$ (507)
Participating non-controlling interests – in a holding subsidiary held by the partnership	8	32	(16)
The partnership		(662)	(350)
		\$ (250)	\$ (873)

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

BROOKFIELD RENEWABLE CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED THREE MONTHS ENDED MARCH 31 (MILLIONS)	Accumulated other comprehensive income					Non-controlling interests			Total equity
	The partnership	Foreign currency translation	Revaluation surplus	Other	Total	Participating non- controlling interests – in a holding subsidiary held by the partnership	Participating non- controlling interests – in operating subsidiaries		
Balance, as at December 31, 2021	\$ (4,834)	\$ (1,568)	\$ 10,125	\$ (56)	\$ 3,667	\$ 261	\$ 10,297	\$ 14,225	
Net income (loss)	(976)	—	—	—	(976)	4	90	(882)	
Other comprehensive loss	—	318	(2)	(2)	314	28	290	632	
Capital contributions	—	—	—	—	—	—	61	61	
Dividends declared	—	—	—	—	—	—	(165)	(165)	
Other	2	—	7	—	9	—	—	9	
Change in period	(974)	318	5	(2)	(653)	32	276	(345)	
Balance, as at March 31, 2022	<u>\$ (5,808)</u>	<u>\$ (1,250)</u>	<u>\$ 10,130</u>	<u>\$ (58)</u>	<u>\$ 3,014</u>	<u>\$ 293</u>	<u>\$ 10,573</u>	<u>\$ 13,880</u>	
Balance, as at December 31, 2020	\$ (5,826)	\$ (1,350)	\$ 8,381	\$ (28)	\$ 1,177	\$ 258	\$ 10,290	\$ 11,725	
Net income (loss)	(9)	—	—	—	(9)	3	(56)	(62)	
Other comprehensive income (loss)	—	(217)	(136)	12	(341)	(19)	(451)	(811)	
Capital contributions	—	—	—	—	—	—	27	27	
Dividends declared	—	—	—	—	—	—	(136)	(136)	
Other	(36)	—	23	—	(13)	(1)	9	(5)	
Change in period	(45)	(217)	(113)	12	(363)	(17)	(607)	(987)	
Balance, as at March 31, 2021	<u>\$ (5,871)</u>	<u>\$ (1,567)</u>	<u>\$ 8,268</u>	<u>\$ (16)</u>	<u>\$ 814</u>	<u>\$ 241</u>	<u>\$ 9,683</u>	<u>\$ 10,738</u>	

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

BROOKFIELD RENEWABLE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED (MILLIONS)	Notes	Three months ended March 31	
		2022	2021
Operating activities			
Net loss		\$ (882)	\$ (62)
Adjustments for the following non-cash items:			
Depreciation	6	296	290
Unrealized financial instruments (loss) gain	3	55	(17)
Share of earnings (loss) from equity-accounted investments	10	2	(2)
Deferred income tax (recovery) expense	5	—	(17)
Other non-cash items		(12)	50
Remeasurement of BEPC exchangeable shares and class B shares	9	909	(94)
		368	148
Changes in due to or from related parties		4	24
Net change in working capital balances		(120)	120
		252	292
Financing activities			
Proceeds from non-recourse borrowings	7	681	303
Repayment of non-recourse borrowings	7	(662)	(297)
Repayment of lease liabilities		(3)	(7)
Capital contributions from non-controlling interests	8	61	27
Distributions paid:			
To participating non-controlling interests	8	(165)	(136)
Related party borrowings, net		174	53
		86	(57)
Investing activities			
Investment in property, plant and equipment	6	(168)	(239)
Restricted cash and other	12	(23)	(38)
		(191)	(277)
Foreign exchange gain (loss) on cash		1	(10)
Cash and cash equivalents			
Increase (decrease)		148	(52)
Net change in cash classified within assets held for sale		—	(5)
Balance, beginning of period		410	355
Balance, end of period		\$ 558	\$ 298
Supplemental cash flow information:			
Interest paid		\$ 211	\$ 205
Interest received		\$ 5	\$ 5
Income taxes paid		\$ 6	\$ 7

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

BROOKFIELD RENEWABLE CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Brookfield Renewable Corporation (“BEPC” or the “company) and its subsidiaries, own and operate a portfolio of renewable energy power generating facilities primarily in North America, Europe, Colombia and Brazil. BEPC was formed as a corporation established under the British Columbia Business Corporation Act on September 9, 2019 and is a subsidiary of Brookfield Renewable Partners L.P. (“BEP”), or, collectively with its controlled subsidiaries, including BEPC (“Brookfield Renewable”), or, collectively with its controlled subsidiaries, excluding BEPC, (the “partnership”). Brookfield Asset Management Inc. (“Brookfield Asset Management” or together with its controlled subsidiaries, excluding Brookfield Renewable, “Brookfield”) is our company’s ultimate parent.

The class A exchangeable subordinate voting shares (“BEPC exchangeable shares”) of Brookfield Renewable Corporation are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “BEPC”.

The registered head office of Brookfield Renewable Corporation is 250 Vesey Street, New York, NY, United States.

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1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the company’s December 31, 2021 audited consolidated financial statements. The interim consolidated statements have been prepared on a basis consistent with the accounting policies disclosed in the December 31, 2021 audited consolidated financial statements.

The interim consolidated financial statements are unaudited and reflect adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to provide a fair statement of results for the interim periods in accordance with IFRS.

The results reported in these interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for an entire year. The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These interim financial statements were authorized for issuance by the Board of Directors of the company and authorized of issue on May 6, 2022.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

References to \$, €, R\$, and COP are to United States (“U.S.”) dollars, Euros, Brazilian reais, and Colombian pesos, respectively.

All figures are presented in millions of U.S. dollars unless otherwise noted.

(b) Basis of presentation

The interim consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of property, plant and equipment and certain assets and liabilities which have been measured at fair value. Cost is recorded based on the fair value of the consideration given in exchange for assets.

(c) Consolidation

These interim consolidated financial statements include the accounts of the company and its subsidiaries, which are the entities over which the company has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of the company’s subsidiaries are shown separately in equity in the interim consolidated statements of financial position.

(d) Recently adopted accounting standards

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments to IFRS 3 apply to annual reporting periods beginning on or after January 1, 2022.

The company has completed an assessment and implemented its transition plan to address the impact and effect changes as a result of amendments to the recognition principle of IFRS 3. The adoption did not have a significant impact on the company’s financial reporting.

(e) Future changes in accounting policies

Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2023. The company is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on the company.

2. ASSETS HELD FOR SALE

As at March 31, 2022, assets held for sale within the company's operating segments include hydroelectric facilities in Brazil.

Subsequent to quarter-end, the company, together with its institutional partners, entered into a binding agreement for the sale of its 100% interest in a 36 MW operating hydroelectric portfolio in Brazil ("Brazil Hydroelectric Portfolio") for proceeds of \$98 million (\$22 million net to the company). The company holds an approximately 23% economic interest in each of the project entities within the Brazil Hydroelectric Portfolio and a 100% voting interest. The transaction is subject to customary closing conditions.

The following is a summary of the major items of assets and liabilities classified as held for sale:

(MILLIONS)	<u>March 31, 2022</u>
Assets	
Restricted cash	1
Property, plant and equipment	<u>97</u>
Assets held for sale	<u>\$ 98</u>
Liabilities directly associated with assets held for sale	<u>\$ —</u>

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including market risk (i.e., commodity price risk, interest rate risk, and foreign currency risk), credit risk and liquidity risk. The company uses financial instruments primarily to manage these risks.

Fair value disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, management looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, commodity prices and, as applicable, credit spreads.

A fair value measurement of a non-financial asset is the consideration that would be received in an orderly transaction between market participants, considering the highest and best use of the asset.

Assets and liabilities measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 – inputs are based on unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents the company's assets and liabilities measured and disclosed at fair value classified by the fair value hierarchy:

(MILLIONS)	March 31, 2022				December 31, 2021
	Level 1	Level 2	Level 3	Total	Total
Assets measured at fair value:					
Cash and cash equivalents	\$ 558	\$ —	\$ —	\$ 558	\$ 410
Restricted cash ⁽¹⁾	227	—	—	227	197
Financial instrument assets ⁽¹⁾					
Energy derivative contracts	—	32	4	36	45
Interest rate swaps	—	114	—	114	40
Foreign exchange swaps	—	—	—	—	31
Property, plant and equipment	—	—	38,654	38,654	37,915
Liabilities measured at fair value:					
Financial instrument liabilities ⁽¹⁾					
Energy derivative contracts	—	(250)	(121)	(371)	(206)
Interest rate swaps	—	(46)	—	(46)	(103)
Foreign exchange swaps	—	(34)	—	(34)	(6)
Tax equity	—	—	(418)	(418)	(455)
Liabilities for which fair value is disclosed:					
BEPC exchangeable and class B shares ⁽²⁾	(7,073)	—	—	(7,073)	(6,163)
Non-recourse borrowing ⁽¹⁾	(1,928)	(12,172)	—	(14,100)	(14,397)
Total	\$ (8,216)	\$ (12,356)	\$ 38,119	\$ 17,547	\$ 17,308

⁽¹⁾ Includes both the current amount and long-term amounts

⁽²⁾ BEPC class C shares are also classified as financial liabilities due to their cash redemption feature. As discussed in Note 9 – BEPC Exchangeable shares, BEPC Class B shares and BEPC Class C shares, the BEPC class C shares meet certain qualifying criteria and are presented as equity.

There were no transfers between levels during the three months ended March 31, 2022.

Financial instruments disclosures

The aggregate amount of our company's net financial instrument positions are as follows:

(MILLIONS)	March 31, 2022			December 31, 2021
	Assets	Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
Energy derivative contracts	\$ 36	\$ 371	\$ (335)	\$ (161)
Interest rate swaps	114	46	68	(63)
Foreign exchange swaps	—	34	(34)	25
Tax equity	—	418	(418)	(455)
Total	150	869	(719)	(654)
Less: current portion	49	359	(310)	(189)
Long-term portion	\$ 101	\$ 510	\$ (409)	\$ (465)

(a) Tax equity

The company owns and operates certain projects in the United States under tax equity structures to finance the construction of solar and wind projects. In accordance with the substance of the contractual agreements, the amounts paid by the tax equity investors for their equity stakes are classified as financial instrument liabilities on the interim consolidated statements of financial position.

Gain or loss on the tax equity liabilities are recognized within foreign exchange and financial instruments (loss) gain in the interim consolidated statements of income (loss).

(b) Energy derivative contracts

The company has entered into energy derivative contracts primarily to stabilize or eliminate the price risk on the sale of certain future power generation. Certain energy contracts are recorded in the company's interim consolidated financial statements at an amount equal to fair value, using quoted market prices or, in their absence, a valuation model using both internal and third-party evidence and forecasts.

(c) Interest rate hedges

The company has entered into interest rate hedge contracts primarily to minimize exposure to interest rate fluctuations on its variable rate debt or to lock in interest rates on future debt refinancing. All interest rate hedge contracts are recorded in the interim consolidated financial statements at fair value.

(d) Foreign exchange swaps

The company has entered into foreign exchange swaps to minimize its exposure to currency fluctuations impacting its investments and earnings in foreign operations, and to fix the exchange rate on certain anticipated transactions denominated in foreign currencies.

The following table reflects the gains (losses) included in foreign exchange and financial instrument (loss) gain in the interim consolidated statements of income (loss) for the three months ended March 31:

(MILLIONS)	Three months ended March 31	
	2022	2021
Energy derivative contracts	\$ (87)	\$ (19)
Interest rate swaps	22	25
Foreign exchange swaps	8	45
Tax equity	30	14
Foreign exchange gain (loss)	(6)	(31)
	<u>\$ (33)</u>	<u>\$ 34</u>

The following table reflects the gains (losses) included in other comprehensive income (loss) in the interim consolidated statements of comprehensive income (loss) for the three months ended March 31:

(MILLIONS)	Three months ended March 31	
	2022	2021
Energy derivative contracts	\$ (149)	\$ 48
Interest rate swaps	100	40
Foreign exchange swaps	(10)	7
	(59)	95
Foreign exchange swaps - net investment	(43)	21
	<u>\$ (102)</u>	<u>\$ 116</u>

The following table reflects the reclassification adjustments recognized in net income (loss) in the interim consolidated statements of comprehensive income (loss) for the three months ended March 31:

(MILLIONS)	Three months ended March 31	
	2022	2021
Energy derivative contracts	\$ 53	\$ (62)
Interest rate swaps	2	2
	<u>\$ 55</u>	<u>\$ (60)</u>

4. SEGMENTED INFORMATION

The company's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") review the results of the operations, manage the operations, and allocate resources based on the type of technology, in conjunction with other segments of Brookfield Renewable.

The operations of the company are segmented by – 1) hydroelectric, 2) wind, 3) solar, 4) distributed generation, storage & other (pumped storage, cogeneration and biomass) and 5) corporate. This best reflects the way in which the CODM reviews the results of the company.

In accordance with IFRS 8, Operating Segments, the company discloses information about its reportable segments based upon the measures used by the CODM in assessing performance. The accounting policies of the reportable segments are the same as those described in Note 1 – Basis of presentation and significant accounting policies.

Reporting to the CODM on the measures utilized to assess performance and allocate resources is provided on a proportionate basis. Information on a proportionate basis reflects the company's share from facilities which it accounts for using consolidation and the equity method whereby the company either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides shareholders perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results allocable to the company's shareholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate consolidation basis have been disclosed below. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items include the company's proportionate share of earnings from equity-accounted investments attributable to each of the above-noted items, and exclude the proportionate share of earnings (loss) of consolidated investments not held by the company apportioned to each of the above-noted items.

The company does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its consolidated financial statements. The presentation of the assets and liabilities and revenues and expenses does not represent the company's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish the company's legal claims or exposures to such items.

The company reports its results in accordance with these segments and presents prior period segmented information in a consistent manner.

The company analyzes the performance of its operating segments based on Funds From Operations. Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT").

The company uses Funds From Operations to assess the performance of the company before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. The company includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within Funds From Operations in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period net income.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles the company's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended March 31, 2022:

(MILLIONS)	Attributable to the partnership					Total	Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric	Wind	Solar	Distributed generation, storage & other	Corporate				
Revenues	\$ 266	\$ 52	\$ 39	\$ 30	\$ —	\$ 387	\$ (13)	\$ 555	\$ 929
Other income	20	2	12	7	—	41	—	23	64
Direct operating costs	(107)	(14)	(13)	(17)	—	(151)	8	(148)	(291)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	5	—	5
	179	40	38	20	—	277	—	430	
Management service costs	—	—	—	—	(52)	(52)	—	—	(52)
Interest expense ⁽¹⁾	(38)	(7)	(11)	(5)	—	(61)	2	(114)	(173)
Current income taxes	(10)	—	(1)	—	—	(11)	—	(27)	(38)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	(2)	—	(2)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	(289)	(289)
Funds From Operations	131	33	26	15	(52)	153	—	—	
Depreciation						(132)	3	(167)	(296)
Foreign exchange and financial instrument gain (loss)						(23)	2	(12)	(33)
Deferred income tax recovery (expense)						16	—	(16)	—
Other						(26)	—	—	(26)
Dividends on BEPC exchangeable shares ⁽¹⁾						(55)	—	—	(55)
Remeasurement of BEPC exchangeable and BEPC class B shares						(909)	—	—	(909)
Share of earnings from equity-accounted investments						—	(5)	—	(5)
Net income attributable to non-controlling interests						—	—	195	195
Net income (loss) attributable to the partnership						<u>\$ (976)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (976)</u>

⁽¹⁾ Share of loss from equity-accounted investments of \$2 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings lines. Net income attributable to participating non-controlling interests of \$94 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests. Total interest expense of \$228 million is comprised of amounts on Interest expense and Dividends on BEPC exchangeable shares.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles the company's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended March 31, 2021:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric	Wind	Solar	Distributed generation, storage & other	Corporate	Total			
Revenues	\$ 235	\$ 66	\$ 37	\$ 31	\$ —	\$ 369	\$ (13)	\$ 483	\$ 839
Other income	7	4	2	—	—	13	—	1	14
Direct operating costs	(83)	(25)	(12)	(11)	—	(131)	5	(212)	(338)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	8	—	8
	159	45	27	20	—	251	—	272	
Management service costs	—	—	—	—	(55)	(55)	—	—	(55)
Interest expense ⁽¹⁾	(36)	(10)	(14)	(5)	—	(65)	2	(105)	(168)
Current income taxes	(5)	—	—	—	—	(5)	—	(8)	(13)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	(2)	—	(2)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	(159)	(159)
Funds From Operations	118	35	13	15	(55)	126	—	—	
Depreciation						(126)	3	(167)	(290)
Foreign exchange and financial instrument gain (loss)						(2)	1	35	34
Deferred income tax recovery (expense)						13	—	4	17
Other						(62)	—	(84)	(146)
Dividends on BEPC exchangeable shares ⁽¹⁾						(52)	—	—	(52)
Remeasurement of BEPC exchangeable and BEPC class B shares						94	—	—	94
Share of earnings from equity-accounted investments						—	(4)	—	(4)
Net income attributable to non-controlling interests						—	—	212	212
Net income (loss) attributable to the partnership						\$ (9)	\$ —	\$ —	\$ (9)

⁽¹⁾ Share of earnings from equity-accounted investments of \$2 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings lines. Net loss attributable to participating non-controlling interests of \$53 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests. Total interest expense of \$220 million is comprised of amounts on Interest expense and Dividends on BEPC exchangeable shares.

The following table presents information on a segmented basis about certain items in our company's statements of financial position and reconciles the company's proportionate results to the consolidated statements of financial position by aggregating the components comprising the company's investments in associates and reflecting the portion of each line item attributable to non-controlling interests:

(MILLIONS)	Attributable to the partnership						Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials
	Hydroelectric	Wind	Solar	Distributed generation, storage & other	Corporate	Total			
As at March 31, 2022									
Cash and cash equivalents	\$ 71	\$ 50	\$ 42	\$ 9	\$ —	\$ 172	\$ (2)	\$ 388	558
Property, plant and equipment, at fair value	13,901	1,494	1,604	1,223	—	18,222	(613)	21,045	38,654
Total assets	15,434	1,737	1,760	1,280	14	20,225	(174)	23,022	43,073
Total borrowings	2,722	710	1,362	444	—	5,238	(161)	8,668	13,745
Other liabilities	4,163	454	146	67	7,142	11,972	(13)	3,489	15,448
For the three months ended March 31, 2022:									
Additions to property, plant and equipment	19	11	25	—	—	55	(2)	127	180
As at December 31, 2021									
Cash and cash equivalents	\$ 41	\$ 35	\$ 43	\$ 13	\$ 4	\$ 136	\$ (2)	\$ 276	410
Property, plant and equipment, at fair value	13,577	1,478	1,585	1,232	—	17,872	(604)	20,647	37,915
Total assets	15,108	1,700	1,731	1,279	17	19,835	(176)	22,327	41,986
Total borrowings	2,720	765	1,377	461	—	5,323	(161)	8,350	13,512
Other liabilities	4,051	379	119	66	6,231	10,846	(15)	3,418	14,249
For the three months ended March 31, 2021:									
Additions to property, plant and equipment	57	12	18	—	—	87	(1)	179	265

Additional Segment Information

The following table presents consolidated revenue split by technology for the three months ended March 31:

(MILLIONS)	Three months ended March 31	
	2022	2021
Hydroelectric	\$ 569	\$ 478
Wind	183	202
Solar	128	108
Distributed generation, storage & other	49	51
Total	\$ 929	\$ 839

The following table presents consolidated property, plant and equipment and equity-accounted investments split by geographical region:

(MILLIONS)	March 31, 2022	December 31, 2021
North America	\$ 22,643	\$ 22,634
Colombia	9,006	8,497
Brazil	3,860	3,299
Europe	3,605	3,940
	\$ 39,114	\$ 38,370

5. INCOME TAXES

The company's effective income tax rate was 4.5% for the three months ended March 31, 2022 (2021: 6.1%). The effective tax rate is different than the statutory rate primarily due to rate differentials and non-controlling interests' income or loss not subject to tax.

6. PROPERTY, PLANT AND EQUIPMENT

The following table presents a reconciliation of property, plant and equipment at fair value:

(MILLIONS)	Hydroelectric	Wind	Solar	Other ⁽¹⁾	Total ⁽²⁾
Property, plant and equipment, at fair value					
As at December 31, 2021	\$ 25,496	\$ 4,998	\$ 6,457	\$ 188	\$ 37,139
Transfer from construction work-in-progress	4	—	—	—	4
Transfer to assets held for sale	(97)	—	—	—	(97)
Items recognized through OCI:					
Change in fair value	(2)	—	—	—	(2)
Foreign exchange	847	9	(31)	18	843
Items recognized through net income:					
Depreciation	(125)	(83)	(79)	(9)	(296)
As at March 31, 2022	\$ 26,123	\$ 4,924	\$ 6,347	\$ 197	\$ 37,591
Construction work-in-progress, at fair value					
As at December 31, 2021	\$ 224	\$ 114	\$ 433	\$ 5	\$ 776
Additions	22	48	109	1	180
Transfer to property, plant and equipment	(4)	—	—	—	(4)
Items recognized through OCI:					
Foreign exchange	18	8	85	—	111
As at March 31, 2022	\$ 260	\$ 170	\$ 627	\$ 6	\$ 1,063
Total property, plant and equipment, at fair value					
As at December 31, 2021 ⁽²⁾	\$ 25,720	\$ 5,112	\$ 6,890	\$ 193	\$ 37,915
As at March 31, 2022⁽²⁾	\$ 26,383	\$ 5,094	\$ 6,974	\$ 203	\$ 38,654

⁽¹⁾ Includes cogeneration and biomass.

⁽²⁾ Includes right-of-use assets not subject to revaluation of \$51 million (2021: \$52 million) in our hydroelectric segment, \$127 million (2021: \$130 million) in our wind segment, \$156 million (2021: \$157 million) in our solar segment, and \$2 million (2021: \$2 million) in other.

In the first quarter of 2022, the company, together with its institutional partners, completed the acquisition of a 248 MW development wind portfolio in Brazil. The investment is accounted for as asset acquisition as it does not constitute a business combinations under IFRS 3, with \$11 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. The company holds a 23% economic interest.

7. BORROWINGS

Non-recourse borrowings

Non-recourse borrowings are typically asset-specific, long-term, and non-recourse borrowings denominated in the domestic currency of the subsidiary. Non-recourse borrowings in the United States and Europe consist of both fixed and floating interest rate debt indexed to the London Interbank Offered Rate (“LIBOR”) and the Euro Interbank Offered Rate (“EURIBOR”). The company uses interest rate swap agreements in the United States and Colombia to minimize its exposure to floating interest rates. Non-recourse borrowings in Brazil consist of floating interest rates of Taxa de Juros de Longo Prazo (“TJLP”), the Brazil National Bank for Economic Development’s long-term interest rate, or Interbank Deposit Certificate rate (“CDI”), plus a margin. Non-recourse borrowings in Colombia include floating interest rates of Indicador Bancario de Referencia rate (“IBR”), the Banco Central de Colombia short-term interest rate, or Colombian Consumer Price Index (“IPC”), the Banco Central de Colombia inflation rate, plus a margin.

Effective January 1, 2022, Sterling Overnight Index Average (“SONIA”) will replace £ LIBOR, and Euro Short-term Rate (“€STR”) will replace € LIBOR. It is also currently expected that Secured Overnight Financing Rate (“SOFR”) will replace US\$ LIBOR prior to June 30, 2023. As at March 31, 2022, none of the company’s floating rate borrowings have been impacted by these reforms.

The composition of non-recourse borrowings is presented in the following table:

(MILLIONS EXCEPT AS NOTED)	March 31, 2022				December 31, 2021			
	Weighted-average				Weighted-average			
	Interest rate (%)	Term (years) ⁽²⁾	Carrying value	Estimated fair value	Interest rate (%)	Term (years)	Carrying value	Estimated fair value
Non-recourse borrowings ⁽¹⁾								
Hydroelectric	6.0	7	\$ 6,394	\$ 6,501	5.1	7	\$ 6,160	\$ 6,543
Wind	3.8	9	2,405	2,397	3.7	9	2,416	2,577
Solar	4.5	13	4,126	4,348	4.1	13	4,110	4,365
Distributed generation, storage & other	3.8	11	853	854	3.9	12	860	912
Total	<u>5.0</u>	<u>9</u>	<u>\$ 13,778</u>	<u>\$ 14,100</u>	<u>4.5</u>	<u>9</u>	<u>\$ 13,546</u>	<u>\$ 14,397</u>
Add: Unamortized premiums ⁽³⁾			46				57	
Less: Unamortized financing fees ⁽³⁾			(79)				(91)	
Less: Current portion			(1,805)				(1,452)	
			<u>\$ 11,940</u>				<u>\$ 12,060</u>	

(1) Includes \$26 million (2021: \$8 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

(2) Excluding non-permanent financings, total weighted-average term is 10 years.

(3) Unamortized premiums and unamortized financing fees are amortized over the terms of the borrowing.

In the first quarter of 2022, the company completed a financing of COP 200 billion (\$53 million) in Colombia. The loan bears a fixed interest of 8.66% and matures in 2032.

In the first quarter of 2022, the company completed a financing of COP 356 billion (\$95 million) in Colombia. The bond issued in two tranches bears variable interest at the applicable rate plus an average margin of 4.39% maturing in 2029 and 2037.

In the first quarter of 2022, the company completed a financing of COP 200 billion (\$53 million) in Colombia. The loan bears variable interest at the applicable base rate plus 3.25% maturing in 2032.

In the first quarter of 2022, the company completed a financing of R\$150 million (\$29 million) associated with a solar development project in Brazil. The loan bears a variable interest at the applicable rate plus 5.04% and matures February 2045.

In the first quarter of 2022, the company completed a refinancing totaling \$170 million associated with a hydroelectric portfolio in the United States. The debt drawn in two tranches bears an average fixed interest of 3.62% and matures in 2032.

In the first quarter of 2022, the company completed a refinancing totaling \$35 million associated with a hydroelectric portfolio in the United States. A portion of the debt bears a fixed rate of 4.98% and the remaining portion bears interest at the applicable interest rate plus 3.25% maturing in 2026.

8. NON-CONTROLLING INTERESTS

The company's non-controlling interests are comprised of the following:

(MILLIONS)	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Non-controlling interests		
Participating non-controlling interests – in operating subsidiaries	\$ 10,573	\$ 10,297
Participating non-controlling interests – in a holding subsidiary held by the partnership	293	261
	<u>\$ 10,866</u>	<u>\$ 10,558</u>

Participating non-controlling interests – in operating subsidiaries

The net change in participating non-controlling interests – in operating subsidiaries is as follows:

(MILLIONS)	Brookfield Americas Infrastructure Fund	Brookfield Infrastructure Fund II	Brookfield Infrastructure Fund III	Brookfield Infrastructure Fund IV	Isagen institutional investors	Isagen public non- controlling interests	The Catalyst Group	TerraForm Power	Other	Total
As at December 31, 2021	\$ 686	\$ 2,251	\$ 3,186	\$ 261	\$ 2,442	\$ 13	\$ 132	\$ 853	\$ 473	\$ 10,297
Net income (loss)	3	(31)	32	—	64	—	5	11	6	90
Other comprehensive income (loss)	1	42	70	52	159	1	—	6	(41)	290
Capital contributions	—	—	—	59	—	—	—	—	2	61
Dividends declared	(10)	(24)	(54)	—	(45)	—	(1)	(23)	(8)	(165)
Other ⁽¹⁾	(2)	1	9	—	(5)	—	—	9	(12)	—
As at March 31, 2022	<u>\$ 678</u>	<u>\$ 2,239</u>	<u>\$ 3,243</u>	<u>\$ 372</u>	<u>\$ 2,615</u>	<u>\$ 14</u>	<u>\$ 136</u>	<u>\$ 856</u>	<u>\$ 420</u>	<u>\$ 10,573</u>
Interests held by third parties	75% - 78%	43% - 60%	23% - 71%	75 %	53 %	0.3 %	25 %	33 %	0.3% - 30%	

⁽¹⁾ During the year, the company issued additional shares to a partly-owned subsidiary of Brookfield Renewable. Refer to Note 15 – Commitments, contingencies and guarantees in the unaudited interim consolidated financial statements for further details.

9. BEPC EXCHANGEABLE SHARES, BEPC CLASS B SHARES AND BEPC CLASS C SHARES

The BEPC exchangeable shares and class B shares are classified as liabilities due to their exchange and cash redemption features. As at March 31, 2022, the BEPC exchangeable shares and class B shares were remeasured to \$41.07 per share to reflect the NYSE closing price of a BEP unit. Remeasurement gains or losses associated with these shares are recorded in the interim consolidated statements of income (loss). During the three months ended March 31, 2022, our shareholders exchanged 3,341 BEPC exchangeable shares for an equal number of BEP units resulting in a decrease of less than \$1 million to our financial liability (2021: 3,609 shares resulting in a decrease of less than \$1 million). The company declared and paid dividends of \$55 million and \$55 million, respectively (2021: \$52 million and \$52 million, respectively) on its BEPC exchangeable shares outstanding during the three months ended March 31, 2022. Dividends on BEPC exchangeable shares are presented as interest expense in the interim consolidated statements of income (loss).

The following table provides a continuity schedule of outstanding BEPC exchangeable and class B shares along with the corresponding liability and remeasurement gains and losses.

	BEPC exchangeable shares outstanding (units)	BEPC class B shares outstanding (units)	BEPC exchangeable and BEPC class B shares (\$ million)
Balance, as at December 31, 2021	172,203,342	165	\$ 6,163
Share issuance	27,064	—	1
Share exchanges	(3,341)	—	—
Remeasurement of liability	—	—	909
Balance, as at March 31, 2022	172,227,065	165	\$ 7,073

Similar to BEPC exchangeable shares and BEPC class B shares, BEPC class C shares are classified as liabilities due to their cash redemption feature. However, BEPC class C shares, the most subordinated class of all common shares, meet certain qualifying criteria and are presented as equity instruments given the narrow scope presentation exceptions existing in IAS 32. There are 189.6 million BEPC class C shares issued and outstanding as at March 31, 2022.

In December 2021, the company renewed its normal course issuer bid for its outstanding BEPC exchangeable shares. The company is authorized to repurchase up to 8.6 million BEPC exchangeable shares, representing 5% of its issued and outstanding BEPC exchangeable shares. The bids will expire on December 15, 2022, or earlier should the company complete its repurchases prior to such date. There were no BEPC exchangeable shares repurchased during the three months ended March 31, 2022.

10. EQUITY-ACCOUNTED INVESTMENTS

The following are the company's equity-accounted investments for the three months ended March 31, 2022:

(MILLIONS)	March 31, 2022
Opening balance	\$ 455
Share of net loss	(2)
Share of other comprehensive income	3
Foreign exchange translation and other	4
Ending balance	\$ 460

11. CASH AND CASH EQUIVALENTS

The company's cash and cash equivalents are as follows:

(MILLIONS)	March 31, 2022	December 31, 2021
Cash	\$ 400	\$ 405
Short-term deposits	158	5
	\$ 558	\$ 410

12. RESTRICTED CASH

The company's restricted cash is as follows:

(MILLIONS)	March 31, 2022	December 31, 2021
Operations	\$ 84	\$ 80
Credit obligations	99	67
Development projects	44	50
Total	227	197
Less: non-current	(55)	(51)
Current	\$ 172	\$ 146

13. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

The company's trade receivables and other current assets are as follows:

(MILLIONS)	March 31, 2022	December 31, 2021
Trade receivables	\$ 502	\$ 502
Collateral deposits ⁽¹⁾	539	434
Prepays and other	89	83
Income tax receivables	10	30
Inventory	22	20
Other short-term receivables	75	77
	\$ 1,237	\$ 1,146

⁽¹⁾ Collateral deposits are related to energy derivative contracts the company enters into in order to mitigate the exposure to wholesale market electricity prices on the future sale of uncontracted generation, as part of the company's risk management strategy.

The company primarily receives payments monthly for invoiced PPA revenues and has no significant aged receivables as of the reporting date. Receivables from contracts with customers are reflected in Trade receivables.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The company's accounts payable and accrued liabilities are as follows:

(MILLIONS)	March 31, 2022	December 31, 2021
Operating accrued liabilities	\$ 156	\$ 195
Accounts payable	103	118
Interest payable on borrowings	78	71
BEPC exchangeable shares distributions payable ⁽¹⁾	14	16
Current portion of lease liabilities	25	25
Other	55	27
	\$ 431	\$ 452

⁽¹⁾ Includes amounts payable only to external shareholders. Amounts payable to Brookfield and the partnership are included in due to related parties.

15. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

In the course of its operations, the company has entered into agreements for the use of water, land and dams. Payment under those agreements varies with the amount of power generated. The various agreements can be renewed and are extendable up to 2089.

The company, together with institutional partners, entered into a commitment to invest COP 153 billion (\$40 million) to acquire a 38 MW portfolio of solar development projects in Colombia. The transaction is expected to close in the second quarter of 2022, subject to customary closing conditions, with the company expected to hold a 21.6% interest.

An integral part of the company's strategy is to participate with institutional investors in Brookfield-sponsored private equity funds that target acquisitions that suit the company's profile. In the normal course of business, the company has made commitments to Brookfield-sponsored private equity funds to participate in these target acquisitions in the future, if and when identified. From time to time, in order to facilitate investment activities in a timely and efficient manner, the company will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), the company, or by co-investors.

Contingencies

The company and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on the company's consolidated financial position or results of operations.

The company's subsidiaries themselves have provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

The company, along with institutional investors, has provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance as it relates to interests in the Brookfield Americas Infrastructure Fund, the Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV and Brookfield Global Transition Fund. The company's subsidiaries have similarly provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

Letters of credit issued by the company's subsidiaries as at March 31, 2022 were \$748 million (2021: \$698 million).

Guarantees

In the normal course of operations, the company executes agreements that provide for indemnification and guarantees to third-parties of transactions such as business dispositions, capital project purchases, business acquisitions, sales and purchases of assets and services, and the transfer of tax credits or renewable energy grants from tax equity partnerships. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings and guarantee agreements prevents the company from making a reasonable estimate of the maximum potential amount that the company could be required to pay third parties as the agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time.

Two subsidiaries of the company fully and unconditionally guaranteed (i) the medium term notes issued and payable by Brookfield Renewable Partners ULC, a finance subsidiary of Brookfield Renewable, (ii) the senior preferred shares of Brookfield Renewable Power Preferred Equity Inc., (iii) certain preferred units of Brookfield Renewable, (iv) the obligations of Brookfield Renewable under its bilateral credit facilities and (v) notes issued by Brookfield BRP Holdings (Canada) Inc. under its U.S. commercial paper program. BRP Bermuda Holdings I Limited ("BBHI") a subsidiary of the company have guaranteed the perpetual subordinated notes issued by Brookfield BRP Holdings (Canada) Inc. These arrangements do not have or are not reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

16. RELATED PARTY TRANSACTIONS

The company's related party transactions are recorded at the exchange amount. The company's related party transactions are primarily with the partnership and Brookfield.

Brookfield has provided a \$400 million committed unsecured revolving credit facility maturing in December 2022 and the draws bear interest at an applicable base interest rate plus up to 1.8%. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield. Brookfield may from time to time place funds on deposit with the company which are repayable on demand including any interest accrued. There were nil funds placed

on deposit with the company as at March 31, 2022 (December 31, 2021: nil). The interest expense on the Brookfield revolving credit facility and deposit for the three months ended March 31, 2022 totaled nil (2021: nil).

Other Amendments

During the quarter, a subsidiary of the company transferred its power agency agreements related to certain of the partnership's Canadian assets to Evolgen Trading and Marketing LP ("ETMLP"), a subsidiary of the partnership.

The following table reflects the related party agreements and transactions for the three months ended March 31 in the interim consolidated statements of income:

(MILLIONS)	Three months ended March 31	
	2022	2021
Revenues		
Power purchase and revenue agreements.....	\$ 39	\$ 73
Other income		
Interest income.....	\$ 2	\$ —
Direct operating costs		
Energy purchases ⁽¹⁾	\$ (4)	\$ (4)
Energy marketing fee & other services.....	(5)	(1)
Insurance services ⁽²⁾	—	(5)
	\$ (9)	\$ (10)
Interest expense		
Borrowings.....	\$ (4)	\$ —
Other related party services.....	\$ (1)	\$ (1)
Management service agreement.....	\$ (52)	\$ (55)

⁽¹⁾ Certain subsidiaries that the company controls, through a voting agreement, have entered into agreements to appoint the partnership as their agent in entering into certain derivative transactions with external counterparties to hedge against fluctuations in power purchase prices. The company recognized a gain of \$62 million in 2021 associated with agency arrangement which have been excluded from energy purchases. As of April 1, 2021, the agency arrangements were transferred from the partnership to the company.

⁽²⁾ Prior to November 2021, insurance services were paid to external insurance service providers through subsidiaries of Brookfield Asset Management. The fees paid to the subsidiaries of Brookfield Asset Management in 2021 were nil. As of November 2021, Brookfield, through a regulated subsidiary, began providing insurance coverage through third-party commercial insurers for the benefits of certain entities in North America. The premiums charged pursuant to these arrangements were at or lower than market rates.

GENERAL INFORMATION

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Exchange Listing

NYSE: BEPC (share unit)
TSX: BEPC (share unit)

Investor Information

Visit Brookfield Renewable Corporation online at <https://bep.brookfield.com/bepc> for more information. For detailed and up-to-date news and information, please visit the News Release section.

Additional financial information is filed electronically with various securities regulators in United States and Canada through EDGAR at www.sec.gov and through SEDAR at www.sedar.com.

Shareholder enquiries should be directed to the Investor Relations Department at (416) 649-8172 or enquiries@brookfieldrenewable.com

Brookfield Renewable Corporation

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NYSE: BEPC

TSX: BEPC.UN