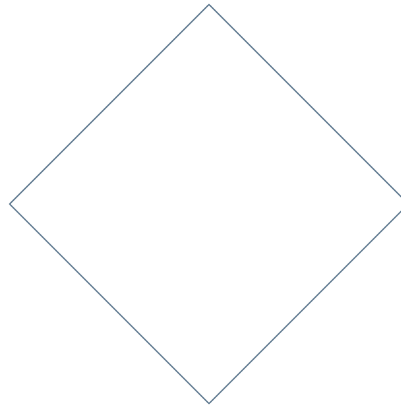


Brookfield



2023

Q2 INTERIM
REPORT

Brookfield Renewable
Partners L.P.

OUR OPERATIONS

We invest in renewable power and sustainable solutions assets directly, as well as with institutional partners, joint venture partners and through other arrangements. Across our business, we leverage our extensive operating experience to maintain and enhance the value of assets, grow cash flows on an annual basis and cultivate positive relations with local stakeholders. We include assets for which we have access to a priority growth pipeline that if funded would provide us the opportunity to own a near-majority share of the business.

Our global diversified portfolio of renewable power assets, which makes up over 96% of our business, has approximately 25,900 MW of operating capacity and annualized LTA generation of approximately 71,400 GWh and a development pipeline of approximately 134,400 MW.

The table below outlines our portfolio as at June 30, 2023:

	River Systems	Facilities	Capacity (MW)	LTA ⁽¹⁾ (GWh)	Storage Capacity (GWh)
Hydroelectric					
North America					
United States ⁽²⁾	30	139	2,921	11,963	2,559
Canada	19	33	1,361	5,178	1,261
	49	172	4,282	17,141	3,820
Colombia ⁽³⁾	11	17	2,953	15,891	3,703
Brazil	27	43	940	4,811	—
	87	232	8,175	37,843	7,523
Wind					
North America					
United States ⁽⁴⁾⁽⁵⁾	—	38	3,472	11,255	—
Canada	—	4	483	1,438	—
	—	42	3,955	12,693	—
Europe	—	42	1,118	2,551	—
Brazil	—	24	582	2,390	—
Asia	—	23	1,401	3,855	—
	—	131	7,056	21,489	—
Utility-scale solar ⁽⁶⁾	—	158	4,442	9,271	—
Distributed energy & sustainable solutions					
Distributed generation ⁽⁷⁾	—	6,285	2,182	2,772	—
Storage & other ⁽⁸⁾	2	23	4,004	—	5,220
	2	6,308	6,186	2,772	5,220
	89	6,829	25,859	71,375	12,743

⁽¹⁾ LTA is calculated based on our portfolio as at June 30, 2023, reflecting all facilities on a consolidated and an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes a battery storage facility in North America (20 MW).

⁽³⁾ Includes two wind plants in Colombia (32 MW).

⁽⁴⁾ Includes a battery storage facility in North America (10 MW).

⁽⁵⁾ Includes two wind facilities (96 MW) in Uruguay that have been presented as Assets held for sale.

⁽⁶⁾ Includes a solar facility (25 MW) in Uruguay that has been presented as Assets held for sale.

⁽⁷⁾ Includes nine fuel cell facilities in North America (10 MW).

⁽⁸⁾ Includes pumped storage in North America (667 MW) and Europe (2,088 MW), four biomass facilities in Brazil (175 MW), 12 cogeneration plants in Latin America (846 MW), one cogeneration plant in North America (105 MW) and two cogeneration plants in Europe (124 MW).

Recently, we have also made structured investments to grow our sustainable solutions portfolio, which is comprised of renewable power and emerging transition asset classes where our initial investments position us for potential future large-scale decarbonization investments. This portfolio includes investments in businesses that have an operating portfolio of 47 thousand metric tonnes per annum (“MTPA”) of carbon capture and storage (“CCS”), 3 million Metric Million British thermal units (“MMBtu”) of agricultural renewable natural gas (“RNG”) operating production capacity annually, over 1 million tons of recycled materials and 4 GW of operating renewable power assets. Our sustainable solutions development pipeline includes opportunities to invest in additional projects with up to 13 million metric tonnes per annum (“MMTPA”) of CCS, 19 materials recovery facilities (“MRFs”) that would result in 3 million tons of recycled materials, 70 digesters that would produce more than 4 million MMBtu of RNG production capacity annually, a solar manufacturing facility capable of producing 5,000 MW of panels annually and a 1 MMTPA green ammonia facility powered entirely by renewable energy.

The following table presents the annualized long-term average generation of our portfolio as at June 30, 2023 on a **consolidated** and quarterly basis:

GENERATION (GWh)⁽¹⁾	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	3,402	3,469	2,171	2,921	11,963
Canada	1,235	1,489	1,236	1,218	5,178
	4,637	4,958	3,407	4,139	17,141
Colombia ⁽²⁾	3,632	3,985	3,881	4,393	15,891
Brazil	1,183	1,198	1,214	1,216	4,811
	9,452	10,141	8,502	9,748	37,843
Wind					
North America					
United States ⁽³⁾	3,030	2,991	2,508	2,726	11,255
Canada	400	345	273	420	1,438
	3,430	3,336	2,781	3,146	12,693
Europe	772	553	496	730	2,551
Brazil	438	549	756	647	2,390
Asia	946	972	913	1,024	3,855
	5,586	5,410	4,946	5,547	21,489
Utility-scale solar ⁽⁴⁾	2,054	2,545	2,689	1,983	9,271
Distributed generation	598	828	795	551	2,772
Total	17,690	18,924	16,932	17,829	71,375

⁽¹⁾ LTA is calculated based on our portfolio as at June 30, 2023 reflecting all facilities on an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes two wind plants in Colombia (174 MW).

⁽³⁾ Includes two wind facilities (360 MW) in Uruguay that have been presented as Assets held for sale.

⁽⁴⁾ Includes a solar facility (40 MW) in Uruguay that has been presented as Assets held for sale.

The following table presents the annualized long-term average generation of our portfolio as at June 30, 2023 on a **proportionate** and quarterly basis:

GENERATION (GWh)⁽¹⁾	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	2,225	2,357	1,466	1,951	7,999
Canada	1,010	1,210	980	959	4,159
	3,235	3,567	2,446	2,910	12,158
Colombia ⁽²⁾	822	902	879	995	3,598
Brazil	1,008	1,020	1,034	1,035	4,097
	5,065	5,489	4,359	4,940	19,853
Wind					
North America					
United States ⁽³⁾	952	946	788	909	3,595
Canada	313	273	217	328	1,131
	1,265	1,219	1,005	1,237	4,726
Europe	271	204	170	247	892
Brazil	143	182	248	207	780
Asia	231	241	225	250	947
	1,910	1,846	1,648	1,941	7,345
Utility-scale solar ⁽⁴⁾	617	854	891	586	2,948
Distributed generation	198	292	280	180	950
Total	7,790	8,481	7,178	7,647	31,096

⁽¹⁾ LTA is calculated based on our portfolio as at June 30, 2023 reflecting all facilities on an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes two wind plants in Colombia (41 MW).

⁽³⁾ Includes two wind facilities (214 MW) in Uruguay that have been presented as Assets held for sale.

⁽⁴⁾ Includes a solar facility (12 MW) in Uruguay that has been presented as Assets held for sale.

Statement Regarding Forward-Looking Statements and Use of Non-IFRS Measures

This Interim Report contains forward-looking information within the meaning of U.S. and Canadian securities laws. We may make such statements in this Interim Report and in other filings with the U.S. Securities and Exchange Commission ("SEC") and with securities regulators in Canada – see "Part 8 – Presentation to Stakeholders and Performance Measurement". We make use of non-IFRS measures in this Interim Report – see "Part 8 – Presentation to Stakeholders and Performance Measurement". This Interim Report, our Form 20-F and additional information filed with the SEC and with securities regulators in Canada are available on our website at <https://bep.brookfield.com>, on the SEC's website at www.sec.gov or on SEDAR's website at www.sedar.com.

Letter to Unitholders



Our business performed well this quarter, building on our strong start to the year, with double digit annual FFO per unit growth year-to-date. We also advanced our development program, commissioning an additional 800 megawatts of capacity and setting up organic growth of cash flows of \$9 million on an annualized basis. We also signed transactions for almost \$1.3 billion of equity investment (~\$300 million net to Brookfield Renewable) alongside our institutional partners.

With several previously announced large acquisitions expected to close in the second half of the year, we continue to be well positioned to outperform our 10% FFO per unit growth target for 2023.

Additional highlights for the quarter:

- Generated FFO of \$312 million in the quarter, reflecting strong realized power pricing and contributions from growth;
- Advanced key commercial priorities this quarter including signing contracts to deliver an incremental 2,000 gigawatt hours per year of generation, including 900 gigawatt hours to corporate offtakers;
- Continued to advance development activities, commissioning the final phase of the 1.2-gigawatt Janaúba solar complex in Brazil, one of the largest solar projects in the Americas, which we successfully developed from the permitting phase through to generation;
- Moved forward the regulatory approval processes for recently announced acquisitions and expect to close the Westinghouse, Duke Energy Renewables, and X-Elio acquisitions in the second half of this year. We also expect to close the Origin acquisition early next year, if not sooner; and
- To date we have executed asset recycling activities generating proceeds of approximately \$600 million (~\$400 million net to Brookfield Renewable) and advanced other processes which when completed, we expect to generate significant additional capital.

The Benefit of a Diverse and Global Franchise

We continue to see increasing corporate demand for renewable energy contracted at attractive prices. As an example, we are expecting demand from select large technology companies to increase by more than three times by the mid-to-latter part of this decade on the back of growth in expected generative AI computing demand. These companies are already the largest corporate procurers of green power globally, so to put this growth into context, this could see the energy load of one of these large global technology companies with a 100% renewable power target equal the current load demand of the United Kingdom.

We have long standing global relationships with firms facing these needs and are currently engaged with a number of them around strategic partnerships. We are well positioned to be a trusted partner given our capability and credibility in providing large scale clean energy solutions on a global basis.

This shift in demand for clean energy started with a 'government push' but is now primarily driven by a 'corporate pull'. This is a meaningful evolution that we expect to help drive higher returns through the sector. Further, this dynamic, which will continue to accelerate, will increasingly differentiate market participants and favors businesses like ours that have the ability to provide a wide set of scale green power and decarbonization solutions, with the ability to execute across the development spectrum and across all major power markets. With the growth in the sector, continuing to scale in-line with the growing market demand remains a competitive advantage.

As an example, in June, we agreed to acquire Duke Energy Renewables for \$1.05 billion in equity (\$265 million net to Brookfield Renewable), a fully integrated developer and operator of renewable power assets in the U.S. with 5,900 megawatts of operating and under construction assets, and a 6,100-megawatt development pipeline. With this acquisition, we are adding a scale operating renewable platform generating strong contracted cash flows which are immediately accretive, with significant upside from potential asset development, repowering, and synergies. Our financial strength, credibility as a counterparty, and capacity to review, underwrite and execute a scale investment quickly were integral to reaching an agreement with Duke; in addition to our ability to carve out a large renewable power platform spread across multiple markets in the U.S.

We also continue to identify and successfully execute repowering projects where we enhance the productivity and extend the life of assets located at sites with strong renewable resources. The majority of our repowering activity is in the U.S. where we have our largest operating fleet of wind and solar assets, and we benefit from investment or production tax credits. This quarter, we advanced the repowering of our 200-megawatt Bishop Hill wind farm in Illinois, which we expect to complete in 2024 and will increase generation by ~15%; in 2021, we completed the first wind repowering project in the state of New York, boosting generation across the repowered assets by nearly 30%; and, at the end of 2022, we completed the largest wind repowering project in the world at our Shepherds Flat asset, where we have seen excellent results thus far.

Our differentiated development competencies, flexibility to underwrite deals quickly and our ability to leverage additional access to capital from our private investor relationships continue to be key advantages for us. It has allowed us to continue to grow across market environments, opportunistically executing transactions and taking on larger-scale investments where there is less competition, while continuing to target accretive transactions at attractive risk-adjusted returns. Recent successes in Brookfield's co-investment process are highlighted by our X-Elio and Westinghouse investments which have been oversubscribed by our partners.

The success we have had in sourcing highly attractive investments and the opportunities we continue to see in the market has positioned us well to outperform our \$6-7 billion capital deployment target over the next five years.

Operating Results

We generated FFO of \$312 million, or \$0.91 per Unit thus far this year, representing a 10% increase versus the prior year. Our business continues to deliver strong results as we see the benefits of our large, geographically and technologically diverse operating platform, our consistent and growing organic development activities and increasing demand from corporates translating into favorable pricing and long-term PPAs.

During the quarter, our hydroelectric segment delivered FFO of \$171 million as we benefited from our large portfolio, with weaker hydrology in some regions partially offset by stronger resources in others. After dry weather for most of June in North America, we have seen meaningful precipitation through July, meaning reservoirs across our fleet are in good shape, setting us up well to capture strong summer pricing in the third quarter.

Our wind and solar segment continued to perform well generating a combined \$184 million of FFO, as we continue to benefit from contributions from acquisitions and repowering projects, and the diversification and contracted nature of our fleet. All of this helped offset the impact of an adjustment to the regulated price earned by our Spanish assets, which will reduce the revenue generated by these assets this year but, given their regulated nature, has a very positive impact on cashflows in the future and is therefore slightly net positive overall. Our distributed energy and sustainable solutions segment generated \$54 million of FFO as we continue to grow our portfolio to meet increasing demand from diverse customers.

Our renewable power development pipeline is now 134,400 megawatts, with approximately 5,000 megawatts on track for commissioning this year and another approximately 19,000 megawatts in our

advanced stage pipeline. So far this year, we have commissioned approximately 1,500 megawatts, including battery storage projects at our existing assets helping to improve our realized power pricing and grid reliability.

Our approach to development is predicated on matching our cash flows and costs to materially de-risk projects. As a result, we have mitigated the impact of cost escalation that many renewable power developers are experiencing in the current market and positioned ourselves to realize the forecasted benefits of our projects. Once completed, we expect new capacity commissioned this year will add approximately \$70 million of incremental FFO to Brookfield Renewable and including our sustainable solutions pipeline, we expect our advanced stage pipeline to contribute an additional approximately \$245 million of run-rate FFO once commissioned.

Balance Sheet & Liquidity

Our financial position remains strong with over \$4.5 billion of available liquidity providing significant flexibility to fund our growth.

Coinciding with the agreement to acquire Duke Energy Renewables, we executed our first equity financing in seven years. On the back of significant outperformance of our growth targets, where over the last 18 months we have closed or agreed to invest up to \$21 billion (\$4 billion net to Brookfield Renewable), we raised gross proceeds of \$650 million via a bought deal and concurrent private placement.

We have always focused on financing our growth via asset recycling, upfinancings and with a measured amount corporate debt or preferred equity. However, given our step-change in terms of run-rate growth, which we expect to continue, and our recent ability to acquire assets at attractive valuations, we issued equity capital to supplement these sources of financing. Following the offering, we are well positioned to continue to fund our long-term growth targets through a mix of our normal course funding sources.

During the quarter, we advanced non-recourse financing initiatives and our asset recycling program, where we continue to see strong demand for renewable energy assets globally with long term sector tailwinds offsetting the near-term effects from inflation and higher interest rates.

Thus far in 2023, we have generated approximately \$600 million (~\$400 million net to Brookfield Renewable) of proceeds from our asset recycling program, more than doubling our invested capital on these asset sales. Our capital recycling program is a key component of our overall source of funds and a means of generating value above our underwriting targets for investors.

During the quarter, our asset recycling activities were highlighted by an agreement to sell a ~120-megawatt wind and solar portfolio in Uruguay for gross equity proceeds of ~\$150 million (~\$80 million net to Brookfield Renewable), which more than doubled our capital and generated returns on the investment of over 20% annualized. We acquired this portfolio six years ago and were able to add value by integrating discrete assets and internalizing the O&M activities. In addition, we optimized the capital structure before selling to a new buyer as the country is not strategic to us. The agreement to sell this portfolio is a notable example of how we can achieve our dual goals of generating strong risk adjusted returns for our investors and fund our growth internally through the de-risking and sale of assets.

We are advancing additional capital recycling opportunities across our business that together with year-to-date agreements could generate significant additional capital when closed.

Outlook

The outlook for our business is as strong as ever and we are positioned to benefit in the current environment with a significantly de-risked development pipeline, a resilient and diversified global operating business and our differentiated growth capabilities. We remain focused on our goal of delivering

12-15% long-term total returns for investors while remaining disciplined in our approach and playing to our strengths.

On behalf of the Board and management of Brookfield Renewable, we thank all our unitholders and shareholders for their ongoing support.

Sincerely,



Connor Teskey
Chief Executive Officer
August 4, 2023

OUR COMPETITIVE STRENGTHS

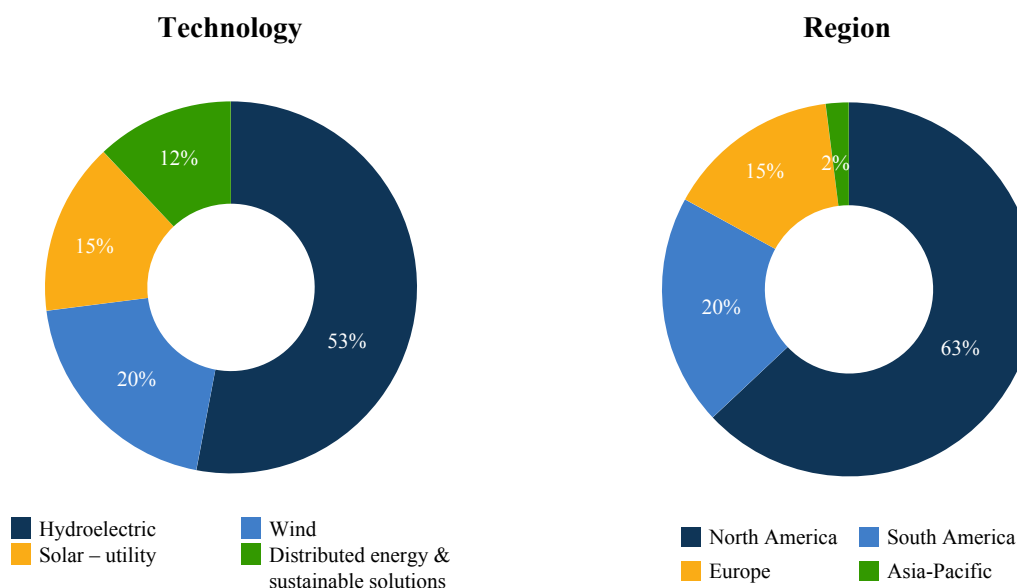
Brookfield Renewable Partners L.P. (together with its controlled entities, "Brookfield Renewable") is a globally diversified, multi-technology, owner and operator of renewable power and sustainable solutions assets.

Our business model is to utilize our global reach to acquire and develop high quality renewable power asset below intrinsic value, finance them on a long-term, low-risk and investment grade basis through a conservative financing strategy and then optimize cash flows by applying our operating expertise to enhance value. For our sustainable solutions portfolio, our strategy is to make small upfront investments with experienced partners that are structured with downside protection, discretion over future investment and significant potential upside returns on our capital.

One of the largest, public decarbonization businesses globally. Brookfield Renewable has a 23-year track record as a publicly traded operator and investor in renewable power and sustainable solution assets. Today we have a large, multi-technology and globally diversified portfolio that is supported by approximately 3,500 experienced employees. Brookfield Renewable invests in assets directly, as well as with institutional partners, joint venture partners and through other arrangements. We have also made investments in our sustainable solutions portfolio which is comprised of emerging transition asset classes where our initial investment positions us for future large-scale decarbonization investments.

Our portfolio of renewable power assets consists of approximately 25,900 MW of installed capacity largely across four continents that produces annualized long-term average generation on a proportionate basis of approximately 31,100 GWh, and a development pipeline of approximately 134,400 MW. Our portfolio of sustainable solutions includes investment in businesses with an operating portfolio of 47 thousand metric tons per annum ("TMTPA") of carbon capture and storage ("CCS"), 3 million Metric Million British thermal units ("MMBtu") of agricultural renewable natural gas ("RNG") annual production capacity, over 1 million tons of recycled materials.

The following charts illustrate revenue on a proportionate basis⁽¹⁾:



(1) Figures based on normalized revenue for the last twelve months, proportionate to Brookfield Renewable.

Helping to accelerate the decarbonization and stability of the electricity grids. Climate change and energy security are viewed as two of the most significant and urgent issues facing the global economy, posing immense risks to the safety and security of communities and to our collective and economic prosperity. In response, governments and businesses have adopted ambitious plans to support a transition to a decarbonized economy. We believe that our scale and global operating, development and investing capabilities make us well positioned to partner with governments and businesses to help them achieve their decarbonization goals.

Diverse and high-quality portfolio of renewable power and sustainable solutions assets. Brookfield Renewable has a complementary portfolio of hydroelectric, wind, utility-scale solar, and other sustainable solutions assets, including distributed generation solar and storage:

- **Hydroelectric Power.** Today, hydroelectric power is the largest segment in our portfolio and continues to be a premium technology as one of the longest life, lowest-cost and cleanest most environmentally-preferred forms of power generation. Hydroelectric plants have high cash margins, storage capacity with the ability to dispatch power at all hours of the day.
- **Wind & Solar Power.** Our wind, utility-scale solar, and distributed generation facilities provide exposure to two of the fastest growing renewable power sectors, with high cash margins, zero fuel input cost, and diverse and scalable applications including distributed generation. Wind and solar are now among the lowest cost forms of power generation available.
- **Energy Storage & Sustainability Solutions.** Our storage facilities provide the markets in which they are located with critical services to the grid and dispatchable generation. Our other sustainable solutions assets, such as carbon capture, are helping businesses and countries achieve their net-zero goals.

With our scale, diversity and the quality of our assets, we are competitively positioned relative to other renewable power and transition companies, providing significant scarcity value to our investors.

Strong financial profile and conservative financing strategy. Brookfield Renewable maintains a robust balance sheet, strong investment grade rating, and access to global capital markets to ensure cash flow resiliency through the cycle. Our approach to financing is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment grade basis with no financial maintenance covenants. Approximately 90% of our debt is either investment grade rated or sized to investment grade metrics. Our corporate debt to total capitalization is approximately 11%, and approximately 89% of our borrowings are non-recourse. Corporate borrowings and proportionate non-recourse borrowings each have weighted-average terms of approximately 11 years and 12 years, respectively, with no material maturities over the next five years. Approximately 90% of our financings are effectively fixed rate and only 7% of our debt outside North America and Europe is exposed to changes in interest rates. Our available liquidity as at June 30, 2023 was over \$4.5 billion of cash and cash equivalents, investments in marketable securities and the available portion of credit facilities.

Best-in class operators and developers. Brookfield Renewable has approximately 3,500 experienced operators and approximately 130 power marketing experts that are located across the globe to help optimize the performance and maximize the returns of all our assets. Our experience operating, developing, and managing power generation facilities span over 120 years. We continue to accelerate our development activities as we build out our approximately 134,400 MW renewable power pipeline, and further enhance our decarbonization offering to our customers through the build out of our sustainable solutions assets, which includes opportunities to invest in projects with up to 8 MMTPA of CCS, 19 materials recovery facilities MRFs that would result in 2 million tonnes of recycled materials, 70 digesters that would produce more than 3 million MMBtu of RNG of production capacity annually, a solar manufacturing facility capable of producing 5 GW of panels annually, and 1 MMTPA green ammonia facility powered entirely by renewable energy.

Well positioned for cash flow growth and an attractive long term distribution profile. We are focused on delivering resilient, stable distributions with meaningful growth of 5% to 9% annually through all market cycles from existing operations and new investment. We are primarily funded by internally generated cash flows, with inflation escalations in the vast majority of our contracts, potential margin expansion through revenue growth and cost reduction initiatives, and the building out our development pipeline at premium returns. While we do not rely on acquisitions to achieve our growth targets, our business seeks upside through mergers and acquisitions on an opportunistic basis.

Disciplined and contrarian investment strategy. Our global scale and multi-technology capabilities allow us to rotate capital where it is scarce in order to earn strong risk-adjusted returns. We take a disciplined approach to allocating capital into development and acquisitions with a focus on downside protection and preservation of capital. Our ability to develop and acquire assets is strengthened by our operating and project development teams across the globe, strategic relationship with Brookfield, and our liquidity and capitalization profile.

Management's Discussion and Analysis

For the three and six months ended June 30, 2023

This Management's Discussion and Analysis for the three and six months ended June 30, 2023 is provided as of August 4, 2023. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our company" mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Corporation ("Brookfield Corporation"). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Asset Management Ltd ("Brookfield Asset Management"), are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis.

Brookfield Renewable's consolidated equity interests include the non-voting publicly traded limited partnership units ("LP units") held by public unitholders and Brookfield, class A BEPC exchangeable subordinate voting shares ("BEPC exchangeable shares") of Brookfield Renewable Corporation ("BEPC") held by public shareholders and Brookfield, redeemable/exchangeable partnership units ("Redeemable/Exchangeable partnership units") in Brookfield Renewable Energy L.P. ("BRELP"), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest ("GP interest") in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Unitholders" unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Units", or as "per Unit", unless the context indicates or requires otherwise. The LP units, BEPC exchangeable shares and Redeemable/Exchangeable partnership units have the same economic attributes in all respects. See – "Part 8 – Presentation to Stakeholders and Performance Measurement".

Brookfield Renewable's 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.

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

References to \$, C\$, €, R\$, £, and COP are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais, British pounds sterling, 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 – Q2 2023 HIGHLIGHTS

(MILLIONS, EXCEPT AS NOTED)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Select financial information				
Revenues.....	\$ 1,205	\$ 1,274	\$ 2,536	\$ 2,410
Net income (loss) attributable to Unitholders.....	(39)	1	(71)	(77)
Basic and diluted loss per LP unit ⁽¹⁾	(0.10)	(0.03)	(0.20)	(0.19)
Proportionate Adjusted EBITDA ⁽²⁾	586	547	1,145	1,046
Funds From Operations ⁽²⁾	312	294	587	537
Funds From Operations per Unit ⁽²⁾⁽³⁾	0.48	0.46	0.91	0.83
Distribution per LP unit.....	0.34	0.32	0.68	0.64

Operational information

Capacity (MW).....	25,859	22,680	25,859	22,680
Total generation (GWh)				
Long-term average generation.....	18,622	16,280	36,258	31,377
Actual generation.....	17,798	16,488	36,828	31,684
Proportionate generation (GWh)				
Long-term average generation.....	8,403	8,152	16,277	15,566
Actual generation.....	7,543	7,978	15,783	15,403
Average revenue (\$ per MWh).....	90	86	88	85

⁽¹⁾ For the three and six months ended June 30, 2023, average LP units totaled 277.6 million and 276.5 million, respectively (2022: 275.2 million and 275.1 million, respectively).

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, See “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures” and “Part 9 – Cautionary Statements”.

⁽³⁾ Average Units outstanding for the three and six months ended June 30, 2023 were 649.6 million and 647.8 million, respectively (2022: 645.9 million and 645.8 million, respectively), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

(MILLIONS, EXCEPT AS NOTED)	June 30, 2023	December 31, 2022
Liquidity and Capital Resources		
Available liquidity.....	\$ 4,546	\$ 3,695
Debt to capitalization – Corporate.....	11 %	11 %
Debt to capitalization – Consolidated.....	35 %	39 %
Non-recourse borrowings – Consolidated.....	89 %	91 %
Fixed rate debt exposure on a proportionate basis ⁽¹⁾	98 %	97 %
Corporate borrowings.....		
Average debt term to maturity.....	11 years	11 years
Average interest rate.....	4.3 %	4.1 %
Non-recourse borrowings on a proportionate basis.....		
Average debt term to maturity.....	12 years	12 years
Average interest rate.....	5.3 %	4.9 %

⁽¹⁾ Total floating rate exposure is 9% (2022: 10%) of which 7% (2022: 7%) is related to floating rate debt exposure of certain regions outside of North America and Europe due to the high cost of hedging associated with those regions.

Operations

Funds From Operations of \$312 million or \$0.48 on a per Unit basis is higher than the prior year driven by:

- Higher realized prices across most markets on the back of inflation escalation and commercial initiatives;
- Strong asset availability across our fleet; and
- Contributions from growth, both from acquisitions and 3,400 MW of new development projects reaching commercial operation in the past 12 months;

After deducting non-cash depreciation, foreign exchange and derivative gains or loss and other, net loss attributable to Unitholders for the three months ended June 30, 2023 was \$39 million.

We continued to focus on being the partner of choice to procure power

- Secured contracts to deliver approximately 2,000 GWh of clean energy annually including approximately 900 GWh to corporate offtakers

Liquidity and Capital Resources

Our access to diverse pools of capital, including private institutional capital, backed by our investment grade balance sheet, continues to provide resiliency and a strategic advantage particularly during market volatility

- Liquidity position remains robust, with over \$4.5 billion of total available liquidity, providing significant flexibility to fund growth, and no meaningful near-term maturities
- On the back of significant outperformance of our growth targets, we executed on \$650 million equity financing this quarter through a bought deal of both LP units and BEPC exchangeable shares, and a concurrent private placement of LP units
- To date we have executed asset recycling activities generating proceeds of approximately \$600 million (approximately \$400 million net to Brookfield Renewable) and advanced other processes which when completed, we expect to generate significant additional capital

Growth and Development

During the quarter, together with our institutional partners, we have committed to invest approximately \$1.3 billion (approximately \$300 million net to Brookfield Renewable) of capital across various investments, including:

- Signed a definitive agreement to acquire 100% of Duke Energy Renewables, a fully integrated developer and operator of renewable power assets in the United States with 5,900 MW of operating and under construction assets, and a 6,100 MW of development pipeline for approximately \$1.05 billion (approximately \$265 million net to Brookfield Renewable);
- Agreed to invest up to \$360 million (\$72 million net to Brookfield Renewable) to acquire a 55% stake in a leading C&I renewable platform based in India with 4,500 megawatts of operating and development pipeline;
- Completed the acquisition of a distributed generation platform with approximately 730 MW of development pipeline in Brazil for approximately \$150 million (approximately \$30 million net to Brookfield Renewable); and
- Completed the acquisition of a 240 MW solar development project in China for approximately \$42 million (approximately \$8 million net to Brookfield Renewable)

We continued to accelerate our development activities

- Commissioned 1,500 MW of development thus far this year, including completing the final phase of our 1,200 MW solar complex in Brazil (commissioned 800 MW this quarter) and are on track to deliver 5,000 MW for the year. We also continue to advance the construction of approximately 22,500 MW of development projects that, together with our commissioned projects in the last twelve months, are expected to generate FFO of approximately \$339 million once completed.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the three and six months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Revenues.....	\$ 1,205	\$ 1,274	\$ 2,536	\$ 2,410
Direct operating costs.....	(425)	(366)	(826)	(716)
Management service costs.....	(55)	(65)	(112)	(141)
Interest expense.....	(402)	(294)	(796)	(560)
Depreciation.....	(458)	(389)	(887)	(790)
Income tax expense.....	(19)	(62)	(43)	(78)
Net income.....	\$ 151	\$ 122	\$ 328	\$ 155
Average FX rates to USD				
C\$.....	1.34	1.28	1.35	1.27
€.....	0.92	0.94	0.93	0.92
R\$.....	4.95	4.92	5.07	5.08
COP.....	4,431	3,914	4,596	3,914

Variance Analysis For The Three Months Ended June 30, 2023

Revenues totaling \$1,205 million represents a decrease of \$69 million over the same period in the prior year as the benefit from growth of our business and higher realized pricing was more than offset by unfavorable generation. Recently acquired and commissioned facilities contributed 1,371 GWh of generation and \$54 million to revenues, which was partly offset by our recently completed asset sales that reduced generation by 315 GWh and revenues by \$23 million. On a same store, constant currency basis, revenue decreased by \$54 million as the benefit from higher realized prices across most markets on the back of inflation escalation and commercial initiatives was more than offset by lower hydrology at our hydroelectric assets and lower generation at our wind assets in Europe and Canada.

The strengthening of the U.S. dollar relative to the same period in the prior year across most currencies decreased revenues by \$46 million, which was partly offset by \$28 million favorable foreign exchange impact on our operating and interest expense for the quarter.

Direct operating costs totaling \$425 million represents an increase of \$59 million over the same period in the prior year primarily due to additional costs from our recently acquired and commissioned facilities, partly offset by our recently completed asset sales and the above noted strengthening of the U.S. dollar.

Management service costs totaling \$55 million represents a decrease of \$10 million over the same period in the prior year.

Interest expense totaling \$402 million represents an increase of \$108 million over the same period in the prior year due to growth in our portfolio, upfinancing completed across our North American hydroelectric fleet in the prior year and accelerated financing activities in South America completed in the prior year to fund the growth of our business.

Depreciation expense totaling \$458 million represents an increase of \$69 million over the same period in the prior year due to the growth of our business.

Net income totaling \$151 million increased by \$29 million over the same period in the prior year due to the above noted items.

Variance Analysis For The Six Months Ended June 30, 2023

Revenues totaling \$2,536 million represents an increase of \$126 million over the same period in the prior year due to the growth of our business and higher realized prices. Recently acquired and commissioned facilities contributed 3,194 GWh of generation and \$108 million to revenue, which was partly offset by recently completed asset sales that reduced generation by 387 GWh and revenue by \$26 million. On a same store, constant currency basis, revenues increased by \$152 million primarily due to higher average realized revenue per MWh from inflation indexation and commercial initiatives, partly offset by unfavorable generation at our North American hydroelectric assets and wind assets in Europe.

The strengthening of the U.S. dollar relative to the same period in the prior year across most of the currencies decreased revenues by \$108 million, which was partly offset by a \$62 million favorable foreign exchange impact on our operating and interest expense for the year.

Direct operating costs totaling \$826 million represents an increase of \$110 million over the same period in the prior due to additional costs from our recently acquired and commissioned facilities, partly offset by our recently completed asset sales and the above noted strengthening of the U.S. dollar.

Management service costs totaling \$112 million represents a decrease of \$29 million over the same period in the prior year.

Interest expense totaling \$796 million represents an increase of \$236 million over the same period in the prior year due to growth in our portfolio, upfinancing completed in the prior year at our North America hydroelectric assets and accelerated financing activities in South America completed in the prior year to fund the growth of our business.

Depreciation expense totaling \$887 million represents an increase of \$97 million over the same period in the prior year due to the growth of our business.

Net income was \$328 million compared to net income of \$155 million in 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)	June 30, 2023	December 31, 2022
Assets held for sale	\$ 263	\$ 938
Current assets	3,618	4,183
Equity-accounted investments	1,644	1,392
Property, plant and equipment, at fair value	56,262	54,283
Total assets	65,901	64,111
Liabilities directly associated with assets held for sale	195	351
Corporate borrowings	2,651	2,548
Non-recourse borrowings	21,764	22,302
Deferred income tax liabilities	6,876	6,507
Total liabilities and equity	65,901	64,111
	Spot FX rates to USD	
C\$	1.32	1.35
€	0.92	0.93
R\$	4.82	5.22
COP	4,191	4,810

Property, plant and equipment

Property, plant and equipment totaled \$56.3 billion as at June 30, 2023 compared to \$54.3 billion as at December 31, 2022, representing an increase of \$2.0 billion. The acquisition of a 136 MW portfolio of operating wind assets in Brazil in the first quarter of 2023 and our continued investments in the development of power generating assets increased property, plant and equipment by \$1.2 billion. The weakening of the U.S. dollar versus the Colombian Peso and Brazilian Reals increased property, plant and equipment by \$1.7 billion. The increase was partly offset by depreciation expense associated with property, plant and equipment of \$0.9 billion.

Assets held for sale and Liabilities directly associated with assets held for sale

Assets held for sale and Liabilities directly associated with assets held for sale totaled \$263 million and \$195 million, respectively, as at June 30, 2023 compared to \$938 million and \$351 million, respectively, as at December 31, 2022.

In the first quarter of 2023, Brookfield Renewable's institutional partners completed the sale of a 78% interest in a 378 MW operating hydroelectric portfolio in the U.S., of which 28% was sold to affiliates of Brookfield Corporation. Brookfield Renewable retained its 22% interest in the investment and accordingly, did not receive any proceeds from the sale. Subsequent to the completion of the sale, Brookfield Renewable no longer consolidates this investment and recognized its interest as an equity-accounted investment.

During the quarter, Brookfield Renewable, together with its institutional partners, completed the sale of wind assets in the U.S. that were acquired in 2022..

As at June 30, 2023, Assets held for sale and Liabilities directly associated with asset held for sale includes a 95 MW portfolio of wind assets and a 26 MW solar asset located in Uruguay.

RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are in the normal course of business and are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield Corporation and its subsidiaries.

Brookfield Renewable sells electricity to Brookfield through a single long-term PPA across Brookfield Renewable's New York hydroelectric facilities.

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control of the entities that own certain renewable power generating facilities. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

Brookfield Renewable participates with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Income Fund, Brookfield Global Transition Fund I, Brookfield Global Transition Fund II and Brookfield Infrastructure Debt Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith, Brookfield Renewable, together with our institutional partners, has access to financing using the Private Funds' credit facilities.

From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield Renewable 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), Brookfield Renewable, or by co-investors.

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 class A exchangeable subordinated voting shares of BEPC ("Exchangeable shares") on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

Brookfield Corporation has provided a \$400 million committed unsecured revolving credit facility maturing in December 2023 and the draws bear interest at the Secured Overnight Financing Rate ("SOFR") plus a margin. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Corporation. Brookfield Corporation may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were nil funds placed on deposit with Brookfield Renewable as at June 30, 2023 (December 31, 2022: nil). The interest expense on the Brookfield Corporation revolving credit facility and deposit for the three and six months ended June 30, 2023, totaled nil (2022: less than \$1 million).

In addition, our company has executed, amended, or terminated other agreements with Brookfield that are described in Note 30 - Related party transactions in Brookfield Renewable's December 31, 2022 audited consolidated financial statements.

The following table reflects the related party agreements and transactions in the unaudited interim consolidated statements of income for the three and six months ended June 30:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Revenues				
Power purchase and revenue agreements	\$ 8	\$ 9	\$ 52	\$ 22
Direct operating costs				
Energy marketing fee and other services	(4)	(1)	(5)	(4)
	\$ (4)	\$ (1)	\$ (5)	\$ (4)
Interest expense				
Borrowings	\$ (5)	\$ —	\$ (10)	\$ —
Contract balance accretion	(7)	(6)	(15)	(12)
	\$ (12)	\$ (6)	\$ (25)	\$ (12)
Other				
Distribution income	\$ 4	\$ —	\$ 5	\$ —
Other related party cost	\$ 6	\$ (1)	\$ 6	\$ (2)
Management service costs	\$ (55)	\$ (65)	\$ (112)	\$ (141)

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position:

(MILLIONS)	Related party	June 30, 2023	December 31, 2022
Current assets			
Trade receivables and other current assets			
Contract asset	Brookfield.....	\$ 57	\$ 54
Due from related parties			
Amounts due from	Brookfield.....	155	105
	Equity-accounted investments and other.....	56	18
		<u>211</u>	<u>123</u>
Financial instrument assets	Brookfield.....	197	395
Non-current assets			
Other long-term assets			
Contract asset	Brookfield.....	330	341
Amounts due from	Equity-accounted investments and other.....	135	128
Current liabilities			
Contract liability	Brookfield.....	30	24
Financial instrument liabilities	Brookfield Reinsurance.....	10	3
Due to related parties			
Amounts due to	Brookfield.....	236	166
	Equity-accounted investments and other.....	95	62
	Brookfield Reinsurance.....	309	321
Accrued distributions payable on LP units, BEPC exchangeable shares, Redeemable/Exchangeable partnership units and GP interest	Brookfield.....	42	38
		<u>682</u>	<u>587</u>
Non-recourse borrowings	Brookfield.....	10	18
Non-current liabilities			
Financial instrument liabilities	Brookfield Reinsurance.....	15	3
Corporate borrowings	Brookfield Reinsurance.....	8	7
Non-recourse borrowings	Brookfield Reinsurance and associates ...	115	93
Other long-term liabilities			
	Equity-accounted investments, Brookfield Reinsurance and associates and other	1	1
Amounts due to	Brookfield.....	670	662
Contract liability		<u>\$ 671</u>	<u>\$ 663</u>
Equity			
Preferred limited partners equity	Brookfield Reinsurance and associates ...	\$ 12	\$ 12

EQUITY

General partnership interest in a holding subsidiary held by Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly LP unit distributions exceed specified target levels. As at June 30, 2023, to the extent that LP unit distributions exceed \$0.20 per LP unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed \$0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of \$28 million and \$55 million were declared during the three and six months ended June 30, 2023 (2022: \$23 million and \$47 million, respectively).

Preferred equity

The Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") do not have a fixed maturity date and are not redeemable at the option of the holders. As at June 30, 2023, none of the issued Class A, Series 5 and 6 Preference Shares have been redeemed by BRP Equity.

In December 2022, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to December 15, 2023, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, BRP Equity is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during the three and six months ended June 30, 2023 and 2022.

Perpetual subordinated notes

The perpetual subordinated notes are classified as a separate class of non-controlling interest on Brookfield Renewable's consolidated statements of financial position. Brookfield Renewable incurred interest of \$7 million and \$14 million (2022: \$7 million and \$14 million, respectively) on the perpetual subordinated notes during the three and six months ended June 30, 2023. Interest incurred on the perpetual subordinated notes are presented as distributions in the consolidated statements of changes in equity.

Preferred limited partners' equity

The Class A Preferred Limited Partnership Units ("Preferred units") of Brookfield Renewable do not have a fixed maturity date and are not redeemable at the option of the holders.

In December 2022, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units for another year to December 15, 2023, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preferred Limited Partnership Units. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares were repurchased during the three and six months ended June 30, 2023 and 2022.

Limited partners' equity, Redeemable/Exchangeable partnership units, and exchangeable shares

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 class A exchangeable subordinated voting shares of BEPC ("Exchangeable shares") on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

As at June 30, 2023, Brookfield Corporation owns, directly and indirectly, 313,199,460 LP units inclusive of 5,148,270 LP units owned by a subsidiary of Brookfield Reinsurance Limited, Redeemable/Exchangeable partnership units and BEPC exchangeable shares, on a combined basis, representing approximately 47% of Brookfield Renewable on a fully-exchanged basis (assuming the exchange of Redeemable/Exchangeable partnership units and BEPC exchangeable shares) and the remaining approximately 53% is held by public investors.

During the three and six months ended June 30, 2023, Brookfield Renewable issued 65,160 and 137,279 LP units, respectively (2022: 78,327 and 147,192 LP units, respectively) under the distribution reinvestment plan at a total value of \$4 million and \$4 million, respectively (2022: \$3 million and \$6 million, respectively).

During the three and six months ended June 30, 2023, holders of BEPC exchangeable shares exchanged 833 and 2,575 exchangeable shares, respectively (2022: 4,743 and 8,084 exchangeable shares, respectively) for an equivalent number of LP units amounting to less than \$1 million LP units (2022: less than \$1 million).

In December 2022, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 13,764,352 LP units and 8,610,905 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 15, 2023, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units or BEPC exchangeable shares repurchased during the three and six months ended June 30, 2023 and 2022.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that Brookfield Renewable's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") manages the business, 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, Adjusted EBITDA and Funds From Operations which are non-IFRS measures.

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED JUNE 30

The following chart reflects the generation and summary financial figures on a **proportionate** basis for the three months ended June 30:

	(GWh)				(MILLIONS)					
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hydroelectric										
North America	3,028	3,478	3,569	3,569	\$ 274	\$ 297	\$ 181	\$ 204	\$ 114	\$ 155
Brazil	1,062	938	1,020	1,017	58	45	42	34	36	24
Colombia	904	1,125	907	949	66	67	47	45	21	26
	4,994	5,541	5,496	5,535	398	409	270	283	171	205
Wind										
North America	921	1,055	1,148	1,163	73	85	84	54	68	38
Europe	173	210	204	215	35	32	32	33	27	28
Brazil	149	126	181	167	9	7	7	6	5	4
Asia	198	154	240	139	13	10	10	9	7	6
	1,441	1,545	1,773	1,684	130	134	133	102	107	76
Utility-scale solar	661	541	843	663	110	112	107	104	77	74
Distributed energy & sustainable solutions⁽¹⁾	447	351	291	270	81	68	63	47	54	38
Corporate	—	—	—	—	—	—	13	11	(97)	(99)
Total	7,543	7,978	8,403	8,152	\$ 719	\$ 723	\$ 586	\$ 547	\$ 312	\$ 294

⁽¹⁾ Actual generation includes 172 GWh (2022: 98 GWh) from facilities that do not have a corresponding LTA. See 'Presentation to Stakeholders' for why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ 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.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 398	\$ 409
Other income	10	\$ 2
Direct operating costs	(138)	(128)
Adjusted EBITDA ⁽¹⁾	270	283
Interest expense	(89)	(67)
Current income taxes	(10)	(11)
Funds From Operations	<u>\$ 171</u>	<u>\$ 205</u>
 <i>Generation (GWh) – LTA</i>	 5,496	 5,535
<i>Generation (GWh) – actual</i>	4,994	5,541

⁽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.

The following table presents our proportionate results by geography for hydroelectric operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022
North America								
United States	1,931	2,104	\$ 88	\$ 84	\$ 109	\$ 125	\$ 71	\$ 100
Canada	1,097	1,374	68	66	72	79	43	55
	3,028	3,478	81	77	181	204	114	155
Brazil	1,062	938	55	48	42	34	36	24
Colombia	904	1,125	73	60	47	45	21	26
Total	<u>4,994</u>	<u>5,541</u>	<u>\$ 74</u>	<u>\$ 69</u>	<u>\$ 270</u>	<u>\$ 283</u>	<u>\$ 171</u>	<u>\$ 205</u>

⁽¹⁾ Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

⁽²⁾ 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.

North America

Funds From Operations at our North American business was \$114 million versus \$155 million in the prior year as the benefit from higher average revenue per MWh due to inflation indexation on our contracted generation and commercial initiatives was more than offset by lower resources across our hydroelectric portfolio and higher interest expense due to the financing initiatives completed to fund growth.

Brazil

Funds From Operations at our Brazilian business was \$36 million versus \$24 million in the prior year primarily due to favorable generation (13% above prior year and 4% above long-term average) and higher average revenue per MWh due to inflation indexation on our contracted generation.

Colombia

Funds From Operations at our Colombian business was \$21 million versus \$26 million in the prior year as the benefit from higher average revenue per MWh due to inflation indexation on contracted generation was more than offset by lower resources as the prior year benefited from well above LTA conditions, higher interest expense as a result of accelerated refinancing initiatives completed in the prior year and the weakening of the Colombian peso versus the U.S. dollar.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 130	\$ 134
Other income	42	8
Direct operating costs	(39)	(40)
Adjusted EBITDA ⁽¹⁾	133	102
Interest expense	(24)	(26)
Current income taxes	(2)	—
Funds From Operations	<u>\$ 107</u>	<u>\$ 76</u>
 <i>Generation (GWh) – LTA</i>	 <i>1,773</i>	 <i>1,684</i>
<i>Generation (GWh) – actual</i>	<i>1,441</i>	<i>1,545</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.

The following table presents our proportionate results by geography for wind operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA ⁽³⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022
North America								
United States	729	767	\$ 71	\$ 60	\$ 39	\$ 32	\$ 27	\$ 21
Canada	192	288	89	94	45	22	41	17
	<u>921</u>	<u>1,055</u>	<u>75</u>	<u>69</u>	<u>84</u>	<u>54</u>	<u>68</u>	<u>38</u>
Europe ⁽²⁾	173	210	137	146	32	33	27	28
Brazil	149	126	60	56	7	6	5	4
Asia	198	154	66	65	10	9	7	6
Total	<u>1,441</u>	<u>1,545</u>	<u>\$ 79</u>	<u>\$ 78</u>	<u>\$ 133</u>	<u>\$ 102</u>	<u>\$ 107</u>	<u>\$ 76</u>

⁽¹⁾ Average revenue per MWh adjusted to net the impact of power purchases.

⁽²⁾ Average revenue per MWh was adjusted to normalize the quarterly impact of the market pricing on our regulated assets in Spain.

⁽³⁾ 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.

North America

Funds From Operations at our North American business was \$68 million versus \$38 million in the prior year as the benefit from growth, including the completion of our 850-megawatt repowering project in the U.S and a gain on the partial sale of certain North American development assets. On a same store basis, higher average revenue per MWh due to inflation indexation, commercial initiatives and generation mix was offset by lower resources.

Europe

Funds From Operations at our European business was \$27 million versus \$28 million in the prior year as lower resources and lower average revenue per MWh due to adjustments to the regulated price earned by our Spanish assets was partly offset by commercial hedging initiatives.

Brazil

Funds From Operations at our Brazilian business of \$5 million versus \$4 million in the prior year as primarily due to stronger resources and higher average per MWh due to inflation indexation on our contracts.

Asia

Funds From Operations at our Asian business was \$7 million versus \$6 million in the prior year primarily due to growth from our newly acquired and commissioned facilities in China (\$1 million and 44 GWh).

UTILITY-SCALE SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 110	\$ 112
Other income	15	19
Direct operating costs	(18)	(27)
Adjusted EBITDA ⁽¹⁾	107	104
Interest expense	(28)	(28)
Current income taxes	(2)	(2)
Funds From Operations	<u>\$ 77</u>	<u>\$ 74</u>
 <i>Generation (GWh) – LTA</i>	 <i>843</i>	 <i>663</i>
<i>Generation (GWh) – actual</i>	<i>661</i>	<i>541</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 utility-scale solar business was \$77 million versus \$74 million in the prior year as the benefit from newly commissioned facilities (\$6 million and 137 GWh) and the benefit from commercial hedging initiatives was partly offset by lower resources and lower average revenue per MWh due to adjustments to the regulated price earned by our Spanish assets.

DISTRIBUTED ENERGY & SUSTAINABLE SOLUTIONS OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & sustainable solutions business for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 81	\$ 68
Other income	9	3
Direct operating costs	(27)	(24)
Adjusted EBITDA ⁽¹⁾	63	47
Interest expense	(9)	(12)
Current income taxes	—	3
Funds From Operations	<u>\$ 54</u>	<u>\$ 38</u>
 <i>Generation (GWh) – LTA</i>	 291	 270
<i>Generation (GWh) – actual⁽²⁾</i>	 447	 351

⁽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.

⁽²⁾ Actual generation includes 172 GWh (2022: 98 GWh) from facilities that do not have a corresponding LTA. See ‘Presentation to Stakeholders’ for why we do not consider LTA for our pumped storage and certain of our other facilities.

Funds From Operations at our distributed energy & sustainable solutions business was \$54 million versus \$38 million in the prior year as the benefit of growth from recent acquisitions and development activities and higher resources was partly offset by lower results from our pumped storage facilities due to the timing of maintenance activities.

CORPORATE

The following table presents our results for Corporate for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Other income	\$ 22	\$ 19
Direct operating costs	(9)	(8)
Adjusted EBITDA ⁽¹⁾	13	11
Management service costs	(55)	(65)
Interest expense	(32)	(20)
Distributions on Preferred LP units, Preferred Shares and Perpetual Subordinated Notes	(23)	(25)
Funds From Operations	<u>\$ (97)</u>	<u>\$ (99)</u>

⁽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.

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 June 30, 2023:

(MILLIONS)	Attributable to Unitholders										
	Hydroelectric			Wind				Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia				
Net income (loss)	\$ 28	\$ 9	\$ 56	\$ 60	\$ (10)	\$ (5)	\$ 14	\$ 39	\$ 45	\$ (85)	\$ 151
Add back or deduct the following:											
Depreciation	106	26	31	115	28	13	19	84	35	1	458
Deferred income tax expense (recovery)	(27)	(1)	2	15	(6)	1	(1)	6	(8)	1	(18)
Foreign exchange and financial instrument loss (gain)	4	(1)	(9)	(80)	7	—	(2)	(28)	(41)	(3)	(153)
Other ⁽¹⁾	(8)	1	—	(19)	31	2	—	(11)	21	—	17
Management service costs	—	—	—	—	—	—	—	—	—	55	55
Interest expense	89	13	91	56	2	9	14	67	36	25	402
Current income tax expense	—	2	23	1	1	2	2	6	—	—	37
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(11)	(7)	(147)	(64)	(21)	(15)	(36)	(56)	(25)	19	(363)
Adjusted EBITDA	<u>\$ 181</u>	<u>\$ 42</u>	<u>\$ 47</u>	<u>\$ 84</u>	<u>\$ 32</u>	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ 107</u>	<u>\$ 63</u>	<u>\$ 13</u>	<u>\$ 586</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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included within Adjusted EBITDA.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable 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 partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

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 June 30, 2022:

(MILLIONS)	Attributable to Unitholders										
	Hydroelectric			Wind				Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia				
Net income (loss)	\$ 49	\$ 3	\$ 80	\$ (8)	\$ 16	\$ (3)	\$ 8	\$ 1	\$ 25	\$ (49)	\$ 122
Add back or deduct the following:											
Depreciation	102	23	29	95	12	11	16	68	31	2	389
Deferred income tax expense (recovery)	6	(1)	16	9	10	1	1	4	3	(18)	31
Foreign exchange and financial instrument loss (gain)	32	(1)	(6)	(22)	1	1	—	10	(2)	(1)	12
Other ⁽¹⁾	6	3	(12)	(1)	6	4	—	33	—	(3)	36
Management service costs	—	—	—	—	—	—	—	—	—	65	65
Interest expense	75	13	56	40	2	6	12	46	19	25	294
Current income tax expense	1	2	24	—	1	1	—	2	—	—	31
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(67)	(8)	(142)	(59)	(15)	(15)	(28)	(60)	(29)	(10)	(433)
Adjusted EBITDA	<u>\$ 204</u>	<u>\$ 34</u>	<u>\$ 45</u>	<u>\$ 54</u>	<u>\$ 33</u>	<u>\$ 6</u>	<u>\$ 9</u>	<u>\$ 104</u>	<u>\$ 47</u>	<u>\$ 11</u>	<u>\$ 547</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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included within Adjusted EBITDA.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable 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 partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the 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 June 30:

(MILLIONS)	2023	2022
Net income	\$ 151	\$ 122
Add back or deduct the following:		
Depreciation	458	389
Deferred income tax recovery	(18)	31
Foreign exchange and financial instruments (gain) loss	(153)	12
Other ⁽¹⁾	17	36
Amount attributable to equity accounted investments and non-controlling interest ⁽²⁾	(143)	(296)
Funds From Operations	<u>\$ 312</u>	<u>\$ 294</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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included in Funds From Operations.

⁽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 partnership is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings (loss) per LP unit is reconciled to Funds From Operations per Unit, for the three months ended June 30:

	2023	2022
Basic loss per LP unit ⁽¹⁾	\$ (0.10)	\$ (0.03)
Depreciation	0.38	0.36
Foreign exchange and financial instruments (gain) loss	(0.05)	0.02
Deferred income tax (recovery) expense	(0.05)	0.01
Other	0.30	0.10
Funds From Operations per Unit ⁽²⁾	<u>\$ 0.48</u>	<u>\$ 0.46</u>

⁽¹⁾ During the three months ended June 30, 2023, on average there were 277.6 million LP units outstanding (2022: 275.2 million).

⁽²⁾ Average units outstanding, for the three months ended June 30, 2023, were 649.6 million (2022: 645.9 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units.

CONTRACT PROFILE

We operate the business on a largely contracted basis to provide a high degree of predictability in Funds From Operations. We maintain a long-term view that electricity prices and the demand for electricity from renewable sources will rise due to a growing level of acceptance around climate change, the legislated requirements in some areas to diversify away from fossil fuel based generation and because they are becoming increasingly cost competitive.

In Brazil and Colombia, we also expect power prices will continue to be supported by the need to build new supply over the medium-to-long term to serve growing demand. In these markets, contracting for power is the only current mechanism to buy and sell power, and therefore we would expect to capture rising prices as we re-contract our power over the medium-term.

The following table sets out our contracts over the next five years for generation output in North America, Brazil, Europe and certain other countries, assuming long-term average on a proportionate basis. The table excludes Brazil and Colombia hydroelectric portfolios, where we would expect the energy associated with maturing contracts to be re-contracted in the normal course given the construct of the respective power markets. In these countries, we currently have a contracted profile of approximately 90% and 73%, respectively, of the long-term average and we would expect to maintain this going forward. Overall, our portfolio has a weighted-average remaining contract duration of 13 years on a proportionate basis.

(GWh, except as noted)	Balance of 2023	2024	2025	2026	2027
Hydroelectric					
North America					
United States ⁽¹⁾	3,034	7,004	6,692	5,826	5,377
Canada	1,678	3,620	3,620	3,620	3,620
	4,712	10,624	10,312	9,446	8,997
Wind					
North America					
United States	1,494	3,158	3,160	3,114	2,987
Canada	529	1,097	1,097	1,027	884
	2,023	4,255	4,257	4,141	3,871
Brazil	363	758	821	821	821
Europe	431	896	895	888	880
Asia	416	634	634	634	642
	3,233	6,543	6,607	6,484	6,214
Utility-scale solar	1,295	2,663	2,657	2,655	2,649
Distributed energy & sustainable solutions	458	931	925	913	895
Contracted on a proportionate basis	9,698	20,761	20,501	19,498	18,755
Uncontracted on a proportionate basis	1,150	2,515	2,775	3,778	4,521
Long-term average on a proportionate basis	10,848	23,276	23,276	23,276	23,276
Non-controlling interests	13,247	27,410	27,410	27,410	27,410
Total long-term average	24,095	50,686	50,686	50,686	50,686
Contracted generation as a % of total generation on a proportionate basis	89 %	89 %	88 %	84 %	81 %
Price per MWh – total generation on a proportionate basis	\$ 83	\$ 83	\$ 84	\$ 86	\$ 87

⁽¹⁾ Includes generation of 696 GWh for 2023, 1,520 GWh for 2024, and 1,510 GWh for 2025, 1,171 GWh for 2026, and 699 GWh for 2027 secured under financial contracts.

Weighted-average remaining contract durations on a proportionate basis are 15 years in North America, 12 years in Europe, 10 years in Brazil, 4 years in Colombia, and 15 years across our remaining jurisdictions.

In North America, over the next five years, a number of contracts will expire at our hydroelectric facilities. Based on current market prices for energy and ancillary products, we expect a net positive impact to cash flows.

In our Colombian portfolio, we continue to focus on securing long-term contracts while maintaining a certain percentage of uncontracted generation to mitigate hydrology risk.

The majority of Brookfield Renewable's long-term power purchase agreements within our North American and European businesses are with investment-grade rated or creditworthy counterparties. The economic exposure of our contracted generation on a proportionate basis is distributed as follows: power authorities (41%), distribution companies (22%), commercial & industrial users (22%) and Brookfield (15%).

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis with no maintenance covenants. Substantially all of our debt is either investment grade rated or sized to investment grade and approximately 89% of debt is non-recourse.

The following table summarizes our capitalization:

(MILLIONS, EXCEPT AS NOTED)	Corporate		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Commercial paper ⁽¹⁾	—	249	—	249
Debt				
Medium term notes ⁽²⁾	2,661	2,307	2,661	2,307
Non-recourse borrowings ⁽³⁾	—	—	21,798	22,321
	2,661	2,307	24,459	24,628
Deferred income tax liabilities, net ⁽⁴⁾	—	—	6,665	6,331
Equity				
Non-controlling interest	—	—	16,604	14,755
Preferred equity	584	571	584	571
Perpetual subordinated notes	592	592	592	592
Preferred limited partners' equity	760	760	760	760
Unitholders' equity	9,972	9,608	9,972	9,608
Total capitalization	<u>\$ 14,569</u>	<u>\$ 13,838</u>	<u>\$ 59,636</u>	<u>\$ 57,245</u>
Debt-to-total capitalization ⁽¹⁾	18 %	17 %	41 %	43 %
Debt-to-total capitalization (market value) ⁽¹⁾⁽⁵⁾	11 %	11 %	35 %	39 %

⁽¹⁾ Draws on corporate credit facilities and commercial paper issuances are excluded from the debt to total capitalization ratios as they are not permanent sources of capital.

⁽²⁾ Medium term notes are unsecured and guaranteed by Brookfield Renewable and exclude \$10 million (2022: \$8 million) of deferred financing fees, net of unamortized premiums.

⁽³⁾ Consolidated non-recourse borrowings include \$923 million (2022: \$1,838 million) borrowed under a subscription facility of a Brookfield sponsored private fund and exclude \$128 million (2022: \$124 million) of deferred financing fees and \$94 million (2022: \$105 million) of unamortized premiums.

⁽⁴⁾ Deferred income tax liabilities less deferred income tax assets.

⁽⁵⁾ Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity:

(MILLIONS)	June 30, 2023	December 31, 2022
Brookfield Renewable's share of cash and cash equivalents	\$ 518	\$ 444
Investments in marketable securities	338	211
Corporate credit facilities		
Authorized credit facilities	2,375	2,375
Authorized letter of credit facility	500	500
Issued letters of credit	(325)	(344)
Available portion of corporate credit facilities	2,550	2,531
Available portion of subsidiary credit facilities on a proportionate basis	1,140	509
Available liquidity	<u>\$ 4,546</u>	<u>\$ 3,695</u>

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.

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)	June 30, 2023			December 31, 2022		
	Weighted-average		Total	Weighted-average		Total
	Interest rate (%) ⁽¹⁾	Term (years)		Interest rate (%) ⁽¹⁾	Term (years)	
Corporate borrowings						
Credit facilities	N/A	5	—	N/A	5	—
Commercial paper	N/A	N/A	—	5.1	<1	249
Medium term notes	4.3	11	\$ 2,661	4.1	11	\$ 2,307
Proportionate non-recourse borrowings ⁽²⁾						
Hydroelectric	5.9	13	5,025	5.7	13	5,150
Wind	5.0	8	1,958	4.6	9	1,935
Utility-scale solar	4.7	13	2,357	3.6	13	2,367
Distributed energy & sustainable solutions	4.6	9	928	4.3	9	897
	5.3	12	10,268	4.9	12	10,349
			12,929			12,905
Proportionate unamortized financing fees, net of unamortized premiums			(62)			(64)
			12,867			12,841
Equity-accounted borrowings			(557)			(373)
Non-controlling interests and other ⁽³⁾			12,105			12,382
As per IFRS Statements			<u>\$ 24,415</u>			<u>\$ 24,850</u>

⁽¹⁾ Includes cash yields on tax equity.

⁽²⁾ See "Part 8 – Presentation to Stakeholders and Performance Measurement" for information on proportionate debt.

⁽³⁾ Includes tax equity adjustments.

The following table summarizes our undiscounted principal repayments and scheduled amortization on a proportionate basis as at June 30, 2023:

(MILLIONS)	Balance of 2023	2024	2025	2026	2027	Thereafter	Total
Debt Principal repayments⁽¹⁾⁽²⁾							
Medium term notes ⁽³⁾	\$ —	\$ —	\$ 302	\$ —	\$ 378	\$ 1,981	\$ 2,661
Non-recourse borrowings							
Hydroelectric	11	116	345	324	169	1,317	2,282
Wind	19	55	—	76	—	506	656
Utility-scale solar	15	3	—	45	—	438	501
Distributed energy & sustainable solutions	—	—	153	—	—	261	414
	45	174	498	445	169	2,522	3,853
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	60	158	161	176	146	2,042	2,743
Wind	67	133	139	134	133	696	1,302
Utility-scale solar	69	130	139	132	135	1,251	1,856
Distributed energy & sustainable solutions	29	39	37	29	33	347	514
	225	460	476	471	447	4,336	6,415
Total	\$ 270	\$ 634	\$ 1,276	\$ 916	\$ 994	\$ 8,839	\$ 12,929

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.

(2) Includes adjustments for project-level refinancing subsequent to June 30, 2023.

(3) Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$10 million (2022: \$8 million) of deferred financing fees, net of unamortized premiums.

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 2027 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

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, we have \$2.38 billion 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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Cash flow provided by (used in):				
Operating activities before changes in due to or from related parties and net working capital change	\$ 421	\$ 599	\$ 901	\$ 1,057
Changes in due to or from related parties	7	(21)	39	2
Net change in working capital balances	(46)	(140)	105	(318)
	382	438	1,045	741
Financing activities	(130)	267	510	1,177
Investing activities	(200)	(536)	(1,376)	(1,739)
Foreign exchange gain (loss) on cash	16	(19)	30	(20)
Increase in cash and cash equivalents	\$ 68	\$ 150	\$ 209	\$ 159

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 and six months ended June 30, 2023 totaled \$421 million and \$901 million, respectively, compared to \$599 million and \$1,057 million in 2022, respectively, reflecting the 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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Trade receivables and other current assets	\$ (4)	\$ (205)	\$ 285	\$ (308)
Accounts payable and accrued liabilities	(81)	64	(152)	(19)
Other assets and liabilities	39	1	(28)	9
	\$ (46)	\$ (140)	\$ 105	\$ (318)

Financing Activities

Cash flows used in and provided by financing activities totaled \$130 million and \$510 million for the three and six months ended June 30, 2023, respectively. The strength of our balance sheet and disciplined access to diverse sources of capital allowed us to generate proceeds from the issuance of C\$400 million (\$293 million) of medium term notes and \$630 million of equity financing net of transaction fees through a bought deal of both LP units and BEPC exchangeable shares, and a concurrent private placement of LP units.

Net proceeds of \$794 million and \$763 million for the three and six months ended June 30, 2023, respectively, from commercial paper, non-recourse financings and related party borrowings were used to fund our growth as discussed below.

Distributions paid during the three and six months ended June 30, 2023 to Unitholders were \$246 million and \$489 million, respectively (2022: \$228 million and \$458 million, respectively). We increased our distributions to \$1.35 per LP unit in 2023 on an annualized basis (2022: \$1.28), representing a 5.5% increase per LP unit, which took effect in the first quarter of 2023. The distributions paid during the three and six months ended June 30, 2023, to preferred shareholders, preferred limited partners' unitholders, perpetual subordinate notes, and participating non-controlling interests in operating subsidiaries totaled \$307 million and \$449 million, respectively (2022: \$666 million and \$857 million). Our non-controlling interest contributed capital were \$587 million and \$1,581 million in the three and six months ended June 30, 2023, respectively (2022: \$168 million and \$274 million).

Cash flows provided by financing activities totaled \$267 million and \$1,177 million for the three and six months ended June 30, 2022, respectively. 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 \$1,087 million and \$2,366 million of net proceeds from corporate, non-recourse upfinancings and related party borrowings for the three and six months ended June 30, 2022, as well as issue \$115 million of fixed rate green perpetual Class A preferred limited partnership units during the second quarter of 2022.

Investing Activities

Cash flows used in investing activities totaled \$200 million and \$1,376 million for the three and six months ended June 30, 2023, respectively. During the year, we invested \$684 million (net of asset sales) into growth including investments in a renewable platforms in India with 14,500 megawatts of operating and development assets, a 136 MW portfolio of operating wind assets in Brazil, a distributed generation platform with approximately 730 MW of development pipeline in Brazil, and a 200 MW solar development project in China. Our continued investment in our property, plant and equipment, including the construction of over 200 MW of our utility-scale solar facility in Brazil, 100 MW of our utility-scale solar facility in Colombia, 148 MW of wind assets in China, as well as the continued advancement of over 100 MW of distributed energy portfolio in the United States and 400 MW of wind assets in Brazil and United States was \$484 million and 1,056 million for the three and six months ended June 30, 2023, respectively, were partially offset by proceeds of \$376 million and \$379 million generated from the sale of equity and debt securities for the three and six months ended June 30, 2023, respectively.

Cash flows used in investing activities totaled \$536 million and \$1,739 million for the three and six months ended June 30, 2022. During the quarter, we invested \$779 million into growth, including a 20 GW portfolio of utility solar and energy storage development platform in the United States, a 1.7 GW portfolio of utility-scale solar development assets in Germany and an 83% interest in a 437 MW distributed generation portfolio of high quality operating and development assets in Chile. Our continued investment in our property, plant and equipment, including the acquisitions of over 400 MW of operating and development wind portfolios in Brazil and China, as well as the construction of 1,200 MW solar facility in Brazil and the repowering of an 845 MW wind farm in Oregon, was \$449 million and \$901 million for the three and six months ended June 30, 2022, respectively.

SHARES, UNITS AND NOTES OUTSTANDING

Shares, units and notes outstanding are as follows:

	June 30, 2023	December 31, 2022
Class A Preference Shares⁽¹⁾	31,035,967	31,035,967
Perpetual Subordinated Notes	24,400,000	24,400,000
Preferred Units⁽²⁾⁽³⁾	38,000,000	38,000,000
GP interest	3,977,260	3,977,260
Redeemable/Exchangeable partnership units	194,487,939	194,487,939
BEPC exchangeable shares		
Balance, beginning of year	172,218,098	172,203,342
Issuance	7,441,893	27,064
Exchanged for BEP LP units	(2,575)	(12,308)
Balance, end of period	179,657,416	172,218,098
LP units		
Balance, beginning of year	275,358,750	275,084,265
Issuance	13,348,270	—
Distribution reinvestment plan	137,279	262,177
Issued in exchange for BEPC exchangeable shares	2,575	12,308
Balance, end of period	288,846,874	275,358,750
Total LP units on a fully-exchanged basis ⁽³⁾	662,992,229	642,064,787

(1) Class A Preference Shares are broken down by series as follows: 6,849,533 Series 1 Class A Preference Shares are outstanding; 3,110,531 Series 2 Class A Preference Shares are outstanding; 9,961,399 Series 3 Class A Preference Shares are outstanding; 4,114,504 Series 5 Class A Preference Shares are outstanding; and 7,000,000 Series 6 Class A Preference Shares are outstanding.

(2) Preferred Units are broken down by series and certain series are convertible on a one for one basis at the option of the holder as follows: 7,000,000 Series 7 Preferred Units are outstanding (convertible for Series 8 Preferred Units beginning on January 31, 2026); 10,000,000 Series 13 Preferred Units are outstanding (convertible for Series 14 Preferred Units beginning on April 30, 2028); 7,000,000 Series 15 Preferred Units are outstanding (convertible for Series 16 Preferred Units beginning on April 30, 2024); 8,000,000 Series 17 Preferred Units are outstanding; and 6,000,000 Series 18 Preferred Units are outstanding.

(3) The fully-exchange amounts assume the exchange of all Redeemable/Exchangeable partnership units and BEPC exchangeable shares for LP Units

DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the dividends and distributions declared and paid for the three and six months ended June 30:

	Three months ended June 30, 2023				Six months ended June 30			
	Declared		Paid		Declared		Paid	
	2023	2022	2023	2022	2023	2022	2023	2022
(MILLIONS)								
Class A Preference Shares	\$ 6	\$ 6	\$ 6	\$ 6	\$ 13	\$ 13	\$ 13	\$ 13
Perpetual Subordinated Notes	7	7	7	9	14	14	14	13
Class A Preferred LP units	10	12	10	12	20	23	20	23
Participating non-controlling interests – in operating subsidiaries	243	639	284	639	401	808	402	808
GP interest and incentive distributions	29	25	29	25	57	50	57	49
Redeemable/Exchangeable partnership units	66	63	65	62	133	126	131	124
BEPC Exchangeable shares	61	55	61	56	119	110	119	111
LP units	92	88	91	85	189	179	182	174

CONTRACTUAL OBLIGATIONS

Please see Note 19 – 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 and guarantees to third-parties for certain transactions.

SUPPLEMENTAL FINANCIAL INFORMATION

In April 2021 and December 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued \$350 million and \$260 million, respectively, of perpetual subordinated notes at a fixed rate of 4.625% and 4.875%, respectively.

These notes are fully and unconditionally guaranteed, on a subordinated basis by each of Brookfield Renewable Partners L.P., BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Europe Holdings Limited, Brookfield Renewable Investments Limited and BEP Subco Inc (together, the "guarantor subsidiaries"). The other subsidiaries of Brookfield Renewable do not guarantee the securities and are referred to below as the "non-guarantor subsidiaries".

Pursuant to Rule 13-01 of the SEC's Regulation S-X, the following table provides combined summarized financial information of Brookfield BRP Holdings (Canada) Inc. and the guarantor subsidiaries:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Revenues ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Gross profit	—	—	—	—
Dividend income from non-guarantor subsidiaries	122	322	140	382
Net income	92	305	80	356

⁽¹⁾ Brookfield Renewable's total revenues for the three and six months ended June 30, 2023 were \$1,205 million and \$2,536 million, respectively (2022: \$1,274 million and \$2,410 million, respectively).

(MILLIONS)	June 30, 2023	December 31, 2022
Current assets ⁽¹⁾	\$ 893	\$ 820
Total assets ⁽²⁾⁽³⁾	2,398	2,253
Current liabilities ⁽⁴⁾	8,246	7,862
Total liabilities ⁽⁴⁾	8,261	7,877

⁽¹⁾ Amount due from non-guarantor subsidiaries was \$881 million (2022: \$809 million).

⁽²⁾ Brookfield Renewable's total assets as at June 30, 2023 and December 31, 2022 were \$65,901 million and \$64,111 million.

⁽³⁾ Amount due from non-guarantor subsidiaries was \$2,304 million (2022: \$2,167 million).

⁽⁴⁾ Amount due to non-guarantor subsidiaries was \$8,037 million (2022: \$7,408 million).

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Brookfield Renewable 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.

Brookfield Renewable 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 June 30, 2023, letters of credit issued amounted to \$1,537 million (2022: \$1,609 million).

PART 6 – SELECTED QUARTERLY INFORMATION

SUMMARY OF HISTORICAL QUARTERLY RESULTS

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

	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
(MILLIONS, EXCEPT AS NOTED)								
<i>Total Generation (GWh) – LTA</i>	18,622	17,636	17,692	15,097	16,280	15,097	14,946	13,776
<i>Total Generation (GWh) – actual</i>	17,798	18,875	16,450	14,906	16,488	15,196	14,585	13,533
<i>Proportionate Generation (GWh) – LTA</i>	8,403	7,899	7,655	6,905	8,152	7,414	7,197	6,697
<i>Proportionate Generation (GWh) – actual</i>	7,543	8,243	6,826	6,440	7,978	7,425	6,637	6,125
Revenues	\$ 1,205	\$ 1,331	\$ 1,196	\$ 1,105	\$ 1,274	\$ 1,136	\$ 1,091	\$ 966
Net income (loss) to Unitholders	(39)	(32)	(82)	(136)	1	(78)	(57)	(115)
Basic and diluted loss per LP unit	(0.10)	(0.09)	(0.16)	(0.25)	(0.03)	(0.16)	(0.12)	(0.21)
Funds From Operations	312	275	225	243	294	243	214	210
Funds From Operations per Unit	0.48	0.43	0.35	0.38	0.46	0.38	0.33	0.33
Distribution per LP Unit	0.34	0.34	0.32	0.32	0.32	0.32	0.30	0.30

PROPORTIONATE RESULTS FOR THE SIX MONTHS ENDED JUNE 30

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the six months ended June 30:

	(GWh)				(MILLIONS)					
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hydroelectric										
North America	6,604	6,622	6,806	6,806	\$ 609	\$ 533	\$ 411	\$ 345	\$ 272	\$ 249
Brazil	2,269	2,019	2,028	2,005	119	93	87	87	74	69
Colombia	1,914	2,097	1,760	1,814	132	140	95	98	44	61
	10,787	10,738	10,594	10,625	860	766	593	530	390	379
Wind										
North America	2,051	2,202	2,527	2,356	158	171	145	114	111	82
Europe	426	454	481	492	75	83	64	79	53	69
Brazil	282	227	314	293	17	13	13	10	10	7
Asia	373	288	463	272	23	19	19	16	12	10
	3,132	3,171	3,785	3,413	273	286	241	219	186	168
Utility-scale solar	1,147	895	1,414	1,086	198	193	176	194	117	138
Distributed energy & sustainable solutions⁽¹⁾	717	599	484	442	160	127	119	95	97	75
Corporate	—	—	—	—	—	—	16	8	(203)	(223)
Total	15,783	15,403	16,277	15,566	\$ 1,491	\$ 1,372	\$ 1,145	\$ 1,046	\$ 587	\$ 537

(1) Actual generation includes 293 GWh (2022: 203 GWh) from facilities that do not have a corresponding LTA. See 'Presentation to Stakeholders' for why we do not consider LTA for our pumped storage and certain of our other facilities.

(2) 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.

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 six months ended June 30, 2023:

(MILLIONS)	Attributable to Unitholders										
	Hydroelectric			Wind				Utility -scale solar	Distributed energy & sustainable solutions	Corporate	Total
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia				
Net income (loss)	\$ 189	\$ 19	\$ 123	\$ 73	\$ 5	\$ 1	\$ 26	\$ (7)	\$ 79	\$ (180)	\$ 328
Add back or deduct the following:											
Depreciation	209	49	59	231	38	24	37	167	72	1	887
Deferred income tax expense (recovery)	(4)	(1)	4	11	5	(2)	(4)	5	(22)	(29)	(37)
Foreign exchange and financial instrument loss (gain)	(89)	(2)	(9)	(119)	6	—	(2)	(26)	(50)	(4)	(295)
Other ⁽¹⁾	11	5	2	(26)	39	6	—	1	24	25	87
Management service costs	—	—	—	—	—	—	—	—	—	112	112
Interest expense	181	25	170	101	5	15	27	133	64	75	796
Current income tax expense	1	4	54	1	2	3	4	11	—	—	80
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(87)	(12)	(308)	(127)	(36)	(34)	(69)	(108)	(48)	16	(813)
Adjusted EBITDA	\$ 411	\$ 87	\$ 95	\$ 145	\$ 64	\$ 13	\$ 19	\$ 176	\$ 119	\$ 16	\$ 1,145

⁽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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included within Adjusted EBITDA.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable 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 partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reflects Adjusted EBITDA and Funds From Operations and provides a reconciliation to net income (loss) for the six months ended June 30, 2022:

(MILLIONS)	Attributable to Unitholders										
	Hydroelectric			Wind				Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia				
Net income (loss)	\$ (8)	\$ 25	\$ 201	\$ (46)	\$ 42	\$ (9)	\$ 12	\$ 9	\$ 62	\$ (133)	\$ 155
Add back or deduct the following:											
Depreciation	208	45	58	195	34	22	31	134	61	2	790
Deferred income tax expense (recovery)	(15)	(1)	31	7	23	3	(1)	(7)	—	(35)	5
Foreign exchange and financial instrument loss (gain)	112	(2)	(25)	(27)	1	2	—	17	(9)	(20)	49
Other ⁽¹⁾	11	6	(12)	12	12	8	—	54	7	14	112
Management service costs	—	—	—	—	—	—	—	—	—	141	141
Interest expense	147	23	98	79	6	12	25	86	35	49	560
Current income tax expense	2	6	56	—	2	2	2	3	—	—	73
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(112)	(15)	(309)	(106)	(41)	(30)	(53)	(102)	(61)	(10)	(839)
Adjusted EBITDA	\$ 345	\$ 87	\$ 98	\$ 114	\$ 79	\$ 10	\$ 16	\$ 194	\$ 95	\$ 8	\$ 1,046

⁽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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included within Adjusted EBITDA.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable 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 partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the for the six months ended June 30:

(MILLIONS)	2023	2022
Net income	\$ 328	\$ 155
Add back or deduct the following:		
Depreciation	887	790
Deferred income tax (recovery) expense	(37)	5
Foreign exchange and financial instruments loss (gain)	(295)	49
Other ⁽¹⁾	87	112
Amount attributable to equity accounted investments and non-controlling interest ⁽²⁾	(383)	(574)
Funds From Operations	<u>\$ 587</u>	<u>\$ 537</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 also includes derivative and other revaluations and settlements, gains or losses on debt extinguishment/modification, transaction costs, legal, provisions, amortization of concession assets and Brookfield Renewable'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 that are included in Funds From Operations.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Adjusted EBITDA to Brookfield Renewable 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 partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic loss per LP unit is reconciled to Funds From Operations per Unit, for the six months ended June 30:

	Six months ended June 30	
	2023	2022
Basic loss per LP unit ⁽¹⁾	\$ (0.20)	\$ (0.19)
Depreciation	0.75	0.74
Foreign exchange and financial instruments loss (gain)	(0.11)	0.06
Deferred income tax recovery	(0.05)	(0.04)
Other	0.52	0.26
Funds From Operations per Unit ⁽²⁾	<u>\$ 0.91</u>	<u>\$ 0.83</u>

⁽¹⁾ During the six months ended June 30, 2023, on average there were 276.5 million (2022: 275.1 million).

⁽²⁾ Average units outstanding for the six months ended June 30, 2023 were 647.8 million (2022: 645.8 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units.

PART 7 – CRITICAL ESTIMATES, 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 preparation and significant accounting policies in our audited consolidated financial statements are considered critical accounting estimates as defined in Canadian National Instrument 51-102 – Continuous Disclosure Obligations with the exception of the estimates related to the valuation of property, plant and equipment, financial instruments, deferred income tax liabilities, decommissioning liabilities and impairment of goodwill. 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, provisions, purchase price allocations, useful lives, asset valuations, asset impairment testing 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 report. 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. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on Brookfield Renewable’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

IFRS Interpretations Committee Agenda Decision - Demand Deposits with Restriction on Use Arising from a Contract with a Third Party (IAS 7 Statement of Cash Flows)

In April 2022, the IFRS Interpretations Committee (“IFRS IC”) concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7 Statement of Cash Flows. In the fact pattern described in the request, the contractual restrictions on the use of the amounts held in the demand deposit did not change the nature of the deposit — the entity can access those amounts on demand. Therefore, the entity should include the demand deposit as a component of “cash and cash equivalents” in its statement of financial position and in its statement of cash flows. Brookfield Renewable has completed the assessment and implemented its transition plan that addresses the impact of this IFRS IC agenda decision. The effect on the consolidated statements of cash flows is an increase to Cash and cash equivalents of \$176 million and \$236 million, and a decrease of \$60 million and \$100 million to cash used in investing activities, respectively, for the three months and six months ended June 30, 2022.

Deferred Tax related to Assets and Liabilities arising from a Single transaction - Amendments to IAS 12- Pillar Two model rules

In May 2023, the IASB issued amendments to IAS 12 “Income Taxes” to give entities temporary mandatory relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development (“OECD”) international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” except for some targeted disclosure requirements which become effective for annual reporting periods on or after January 1, 2023. Brookfield Renewable has applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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, 2024. Brookfield Renewable is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on Brookfield Renewable.

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made in our internal control over financial reporting during the six months ended June 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SUBSEQUENT EVENTS

Subsequent to the quarter, Brookfield Renewable, together with institutional partners, completed the subscription of additional shares in Powen for €25 million (\$28 million and \$6 million net to Brookfield Renewable) which increased the total interest in Powen to 44% (8.8% net to Brookfield Renewable).

PART 8 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

Brookfield Renewable's consolidated equity interests include (i) non-voting publicly traded LP units, held by public unitholders and Brookfield, (ii) BEPC exchangeable shares, held by public shareholders and Brookfield, (iii) Redeemable/Exchangeable Limited partnership units in BRELP, a holding subsidiary of Brookfield Renewable, held by Brookfield, and (iv) the GP interest in BRELP, held by Brookfield.

The LP units, the BEPC exchangeable shares and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the BEPC exchangeable shares provide the holder, and the Redeemable/Exchangeable partnership units provide Brookfield, the right to request that all or a portion of such shares or units be redeemed for cash consideration. Brookfield Renewable, however, has the right, at its sole discretion, to satisfy any such redemption request with LP units, rather than cash, on a one-for-one basis. The public holders of BEPC exchangeable shares, and Brookfield, as holder of BEPC exchangeable shares and Redeemable/Exchangeable partnership units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units. Because Brookfield Renewable, at its sole discretion, has the right to settle any redemption request in respect of BEPC exchangeable shares and Redeemable/Exchangeable partnership units with LP units, the BEPC exchangeable shares and Redeemable/Exchangeable partnership units are classified under equity, and not as a liability.

Given the exchange feature referenced above, we are presenting LP units, BEPC exchangeable shares, Redeemable/Exchangeable partnership units, and GP Interest as separate components of consolidated equity. This presentation does not impact the total income (loss), per unit or share information, or total consolidated equity.

Actual and Long-term Average 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. Distributed energy & sustainable solutions includes generation from our distributed generation, pumped storage, North America cogeneration and Brazil biomass assets.

North America hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 30 years. Colombia hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 20 years. For substantially all of our hydroelectric assets in Brazil the long-term average is based on the reference amount of electricity allocated to our facilities under the market framework which levelizes generation risk across producers. Wind long-term average is the expected average level of generation based on the results of simulated historical wind speed data performed over a period of typically 10 years. Utility-scale solar long-term average is the expected average level of generation based on the results of a simulation using historical irradiance levels in the locations of our projects from the last 14 to 20 years combined with actual generation data during the operational period.

We compare actual generation levels against the long-term average to highlight the impact of an important factor that affects the variability of our business results. In the short-term, we recognize that hydrology, wind and irradiance conditions will vary from one period to the next; over time however, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance.

Our risk of a generation shortfall in Brazil continues to be minimized by participation in the MRE 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.

Generation from our pumped storage and cogeneration facilities in North America is highly dependent on market price conditions rather than the generating capacity of the facilities. Our pumped storage facility in Europe generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities in Brazil is dependent on the amount of sugar cane harvested in a given year. For these reasons, we do not consider a long-term average for these facilities.

Voting Agreements with Affiliates

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control or have significant influence over the entities that own certain renewable power and sustainable solution investments. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

For entities previously controlled by Brookfield Corporation, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Corporation both before and after the transactions were completed. Brookfield Renewable 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(s)(ii) – Critical judgments in applying accounting policies – Common control transactions in our December 31, 2022 audited 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) utility-scale solar, 4) distributed energy & sustainable solutions (distributed generation, pumped storage, renewable natural gas, carbon capture and storage, recycling, cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e., North America, Colombia, Brazil, Europe and Asia). This best reflects the way in which the CODM reviews results of our company..

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 6 – 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” and “Part 6 – Selected Quarterly 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 Brookfield Renewable’s share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder 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 Unitholders.

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 Brookfield Renewable’s proportionate share of

earnings 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.

Brookfield Renewable 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 Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

Unless the context indicates or requires otherwise, information with respect to the megawatts ("MW") attributable to Brookfield Renewable's facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby Brookfield Renewable 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.

Brookfield Renewable uses Adjusted EBITDA to assess the performance of Brookfield Renewable 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, distributions to preferred shareholders, preferred limited partnership unit holders, perpetual subordinated noteholders and other typical non-recurring items. Brookfield Renewable 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. Brookfield Renewable 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.

Brookfield Renewable believes that presentation of this measure will enhance an investor's ability to evaluate its 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 Brookfield Renewable.

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable 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. In the unaudited interim consolidated financial statements of Brookfield

Renewable, the revaluation approach is used in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with 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. Management adds back deferred income taxes on the basis that they do not believe this item reflects the present value of the actual tax obligations that they expect Brookfield Renewable to incur over the long-term investment horizon of Brookfield Renewable.

Brookfield Renewable believes that analysis and presentation of Funds From Operations on this basis will enhance an investor's understanding of the performance of Brookfield Renewable. Funds From Operations is not a substitute measure of performance for earnings per share and does not represent amounts available for distribution.

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 Brookfield Renewable's liquidity.

Proportionate Debt

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of Brookfield Renewable 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 Brookfield Renewable'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 Brookfield Renewable has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with Brookfield Renewable's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of Brookfield Renewable 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 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 Brookfield Renewable and aggregate proportionate debt for all of the portfolio investments of Brookfield Renewable; and
- Other companies may calculate proportionate debt differently.

Because of these limitations, the proportionate financial information of Brookfield Renewable should not be considered in isolation or as a substitute for the financial statements of Brookfield Renewable 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 Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this report include, but are not limited to, statements regarding the quality of Brookfield Renewable’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 and dispositions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, 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”, “targets”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “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 achievements 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: general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation and volatility in the financial markets; changes to resource availability, as a result of climate change or otherwise, at any of our facilities; supply, demand, volatility and marketing in the energy markets; our inability to re-negotiate or replace expiring power purchase agreements on similar terms; an increase in the amount of uncontracted generation in our portfolio or adverse changes to the hydrological balancing pool administered by the government of Brazil (“MRE”); availability and access to interconnection facilities and transmission systems; our ability to comply with, secure, replace or renew concessions, licenses, permits and other governmental approvals needed for our operating and development projects; our real property rights for our facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our existing facilities and of developing new projects; equipment failures and procurement challenges; dam failures and the costs and potential liabilities associated with such failures; 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 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 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 we become subject as a result of future acquisitions in new markets; our operations being affected by local communities; our reliance on computerized business systems, which could expose us to cyber-attacks; newly developed technologies in which we invest not performing as anticipated; advances in technology that impair or eliminate the competitive advantage of our projects; increases in water rental costs (or similar fees) or changes to the regulation of water supply; labor disruptions and economically unfavorable collective bargaining agreements; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; the COVID-19 pandemic, as well as the direct and indirect impacts that a pandemic may have, or any other pandemic; our inability to finance our operations and fund growth due to the status of the capital markets or our ability to complete capital recycling initiatives; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; the incurrence of debt at multiple levels within our organizational structure; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure through our hedging strategy or otherwise; our inability to identify sufficient investment opportunities and complete transactions; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; changes to our current business, including through future sustainable solutions investments; our inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; Brookfield’s election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield identifies, including by reason of conflicts of interest; we do not have control over all of our operations or investments, including certain investments made through joint ventures, partnerships, consortiums or structured arrangements; political instability or changes in government policy negatively impacting our business or assets; some of our acquisitions may be of distressed companies, which may subject us to increased risks; a decline in the value of our investments in securities, including publicly traded securities of other companies; we are not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; future sales and issuances of LP Units, preferred limited partnership units in the capital of Brookfield Renewable or securities exchangeable for LP Units, including BEPC exchangeable shares, or the perception of such sales or issuances, could depress the trading price of the LP Units or BEPC exchangeable shares; our dependence on Brookfield and Brookfield’s significant influence over us; the departure of some or all of Brookfield’s key professionals; our lack of independent means of generating revenue; changes in how Brookfield elects to hold its ownership interests in Brookfield Renewable; Brookfield acting in a way that is not in our best interests or our shareholders or our unitholders; being deemed an “investment company” under the Investment Company Act; the effectiveness of our internal controls over financial reporting; failure of our systems technology; any changes in the market price of the LP Units and BEPC exchangeable shares; and the redemption of BEPC

exchangeable shares by us at any time or upon notice from the holders 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 date subsequent to the date of this report. 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

This report contains references to Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit which are not generally accepted accounting measures 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 and the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”). 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.

Reconciliations of each of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit to net income (loss) are presented in our Management’s Discussion and Analysis. We have also provided a reconciliation of Adjusted EBITDA and Funds From Operations to net income in Note 6 – Segmented information in the audited annual consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED
(MILLIONS)

	Notes	June 30, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents	15	\$ 1,202	\$ 998
Restricted cash	16	136	139
Trade receivables and other current assets	17	1,633	1,860
Financial instrument assets	5	173	125
Due from related parties	20	211	123
Assets held for sale	4	263	938
		<u>3,618</u>	<u>4,183</u>
Financial instrument assets	5	1,732	1,500
Equity-accounted investments	14	1,644	1,392
Property, plant and equipment, at fair value	8	56,262	54,283
Intangible assets	4	8	209
Goodwill	13	1,603	1,526
Deferred income tax assets	7	211	176
Other long-term assets		823	842
Total Assets		<u>\$ 65,901</u>	<u>\$ 64,111</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	18	\$ 1,020	\$ 1,086
Financial instrument liabilities	5	567	559
Due to related parties	20	686	588
Corporate borrowings	9	—	249
Non-recourse borrowings	9	1,457	2,027
Provisions		31	83
Liabilities directly associated with assets held for sale	4	195	351
		<u>3,956</u>	<u>4,943</u>
Financial instrument liabilities	5	1,434	1,670
Corporate borrowings	9	2,651	2,299
Non-recourse borrowings	9	20,307	20,275
Deferred income tax liabilities	7	6,876	6,507
Provisions		625	600
Other long-term liabilities		1,540	1,531
Equity			
Non-controlling interests			
Participating non-controlling interests – in operating subsidiaries	10	16,604	14,755
General partnership interest in a holding subsidiary held by Brookfield	10	59	59
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	10	2,908	2,892
BEPC exchangeable shares	10	2,686	2,561
Preferred equity	10	584	571
Perpetual subordinated notes	10	592	592
Preferred limited partners' equity	11	760	760
Limited partners' equity	12	4,319	4,096
Total Equity		<u>28,512</u>	<u>26,286</u>
Total Liabilities and Equity		<u>\$ 65,901</u>	<u>\$ 64,111</u>

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

Approved on behalf of Brookfield Renewable Partners L.P.:



Patricia Zuccotti
Director



David Mann
Director

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

UNAUDITED (MILLIONS, EXCEPT PER UNIT INFORMATION)	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
Revenues	20	\$ 1,205	\$ 1,274	\$ 2,536	\$ 2,410
Other income		61	14	87	85
Direct operating costs ⁽¹⁾		(425)	(366)	(826)	(716)
Management service costs	20	(55)	(65)	(112)	(141)
Interest expense	9	(402)	(294)	(796)	(560)
Share of earnings from equity-accounted investments	14	13	29	46	48
Foreign exchange and financial instruments gain (loss)	5	153	(12)	295	(49)
Depreciation	8	(458)	(389)	(887)	(790)
Other		78	(7)	28	(54)
Income tax (expense) recovery					
Current	7	(37)	(31)	(80)	(73)
Deferred	7	18	(31)	37	(5)
		(19)	(62)	(43)	(78)
Net income		\$ 151	\$ 122	\$ 328	\$ 155
Net income attributable to:					
Non-controlling interests					
Participating non-controlling interests – in operating subsidiaries	10	\$ 167	\$ 96	\$ 352	\$ 182
General partnership interest in a holding subsidiary held by Brookfield	10	27	23	55	47
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	10	(20)	(7)	(38)	(38)
BEPC exchangeable shares	10	(18)	(6)	(34)	(33)
Preferred equity	10	6	6	13	13
Perpetual subordinated notes	10	7	7	14	14
Preferred limited partners' equity	11	10	12	20	23
Limited partners' equity	12	(28)	(9)	(54)	(53)
		\$ 151	\$ 122	\$ 328	\$ 155
Basic and diluted loss per LP unit		\$ (0.10)	\$ (0.03)	\$ (0.20)	\$ (0.19)

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

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

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

UNAUDITED (MILLIONS)	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
Net income		\$ 151	\$ 122	\$ 328	\$ 155
Other comprehensive income (loss) that will not be reclassified to net income (loss)					
Revaluations of property, plant and equipment		(2)	19	(44)	17
Actuarial gain (loss) on defined benefit plans		(5)	15	(6)	20
Deferred tax recovery (expense) on above item		10	(8)	10	(12)
Unrealized gain (loss) on investments in equity securities	5	2	(4)	2	(9)
Equity-accounted investments	14	(4)	4	6	4
Total items that will not be reclassified to net income		1	26	(32)	20
Other comprehensive income (loss) that may be reclassified to net income					
Foreign currency translation		599	(890)	871	(106)
Gain (loss) arising during the period on financial instruments designated as cash-flow hedges	5	50	27	178	(6)
Gain on foreign exchange swaps net investment hedge	5	—	97	(19)	52
Reclassification adjustments for amounts recognized in net income (loss)	5	(23)	36	(72)	92
Deferred income taxes on above items		(3)	(30)	(14)	(46)
Equity-accounted investments	14	(17)	(26)	(24)	(4)
Total items that may be reclassified subsequently to net income (loss)		606	(786)	920	(18)
Other comprehensive income (loss)		607	(760)	888	2
Comprehensive income (loss)		\$ 758	\$ (638)	\$ 1,216	\$ 157
Comprehensive income (loss) attributable to:					
Non-controlling interests					
Participating non-controlling interests – in operating subsidiaries	10	\$ 600	\$ (381)	\$ 954	\$ 77
General partnership interest in a holding subsidiary held by Brookfield	10	28	22	57	48
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	10	29	(87)	44	(2)
BEPC exchangeable shares	10	26	(77)	39	(2)
Preferred equity	10	17	(11)	26	2
Perpetual subordinated notes	10	7	7	14	14
Preferred limited partners' equity	11	10	12	20	23
Limited partners' equity	12	41	(123)	62	(3)
		\$ 758	\$ (638)	\$ 1,216	\$ 157

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

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED THREE MONTHS ENDED JUNE 30 (MILLIONS)	Accumulated other comprehensive income							Non-controlling interests							
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Investments in equity securities	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Perpetual subordinated notes	BEPC exchangeable shares	Participating non- controlling interests – in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	Total equity
Balance, as at March 31, 2023	\$ (2,008)	\$ (796)	\$ 6,801	\$ 5	\$ 30	\$ 1	\$ 4,033	\$ 760	\$ 573	\$ 592	\$ 2,522	\$ 15,526	\$ 58	\$ 2,848	\$ 26,912
Net income (loss)	(28)	—	—	—	—	—	(28)	10	6	7	(18)	167	27	(20)	151
Other comprehensive income (loss)	—	65	4	(1)	1	—	69	—	11	—	44	433	1	49	607
Equity issuance (Note 12, 20)	389	—	—	—	—	—	389	—	—	—	241	—	—	—	630
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	587	—	—	587
Disposals (Note 3)	—	—	—	—	—	—	—	—	—	—	—	(26)	—	—	(26)
Distributions or dividends declared	(92)	—	—	—	—	—	(92)	(10)	(6)	(7)	(61)	(243)	(29)	(66)	(514)
Distribution reinvestment plan	2	—	—	—	—	—	2	—	—	—	—	—	—	—	2
Ownership changes	113	16	(107)	—	(1)	—	21	—	—	—	(21)	—	—	—	—
Other	(256)	(31)	211	1	—	—	(75)	—	—	—	(21)	160	2	97	163
Change in period	128	50	108	—	—	—	286	—	11	—	164	1,078	1	60	1,600
Balance, as at June 30, 2023	<u>\$ (1,880)</u>	<u>\$ (746)</u>	<u>\$ 6,909</u>	<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ 1</u>	<u>\$ 4,319</u>	<u>\$ 760</u>	<u>\$ 584</u>	<u>\$ 592</u>	<u>\$ 2,686</u>	<u>\$ 16,604</u>	<u>\$ 59</u>	<u>\$ 2,908</u>	<u>\$ 28,512</u>
Balance, as at March 31, 2022	\$ (1,641)	\$ (690)	\$ 6,498	\$ 1	\$ (34)	\$ 2	\$ 4,136	\$ 832	\$ 619	\$ 592	\$ 2,588	\$ 12,708	\$ 60	\$ 2,923	24,458
Net income (loss)	(9)	—	—	—	—	—	(9)	12	6	7	(6)	96	23	(7)	122
Other comprehensive income (loss)	—	(133)	2	2	16	(1)	(114)	—	(17)	—	(71)	(477)	(1)	(80)	(760)
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	188	—	—	188
Redemption of Preferred LP Units	—	—	—	—	—	—	—	(187)	—	—	—	—	—	—	(187)
Preferred LP Units issued	—	—	—	—	—	—	—	115	—	—	—	—	—	—	115
Disposal	14	—	(14)	—	—	—	—	—	—	—	—	(21)	—	—	(21)
Distributions or dividends declared	(88)	—	—	—	—	—	(88)	(12)	(6)	(7)	(55)	(639)	(25)	(63)	(895)
Distribution reinvestment plan	3	—	—	—	—	—	3	—	—	—	—	—	—	—	3
Other	(7)	—	—	1	(1)	—	(7)	—	(1)	—	(2)	(10)	—	(2)	(22)
Change in period	(87)	(133)	(12)	3	15	(1)	(215)	(72)	(18)	—	(134)	(863)	(3)	(152)	(1,457)
Balance, as at June 30, 2022	<u>\$ (1,728)</u>	<u>\$ (823)</u>	<u>\$ 6,486</u>	<u>\$ 4</u>	<u>\$ (19)</u>	<u>\$ 1</u>	<u>\$ 3,921</u>	<u>\$ 760</u>	<u>\$ 601</u>	<u>\$ 592</u>	<u>\$ 2,454</u>	<u>\$ 11,845</u>	<u>\$ 57</u>	<u>\$ 2,771</u>	<u>\$ 23,001</u>

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

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED SIX MONTHS ENDED JUNE 30 (MILLIONS)	Accumulated other comprehensive income							Non-controlling interests							
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Investments in equity securities	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Perpetual subordinated notes	BEPC exchangeable shares	Participating non- controlling interests – in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non- controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	Total equity
Balance, as at December 31, 2022	\$ (1,898)	\$ (845)	\$ 6,817	\$ 4	\$ 17	\$ 1	\$ 4,096	\$ 760	\$ 571	\$ 592	\$ 2,561	\$ 14,755	\$ 59	\$ 2,892	\$ 26,286
Net income (loss)	(54)	—	—	—	—	—	(54)	20	13	14	(34)	352	55	(38)	328
Other comprehensive income	—	103	—	—	13	—	116	—	13	—	73	602	2	82	888
Equity issuance (Note 12, 20)	389	—	—	—	—	—	389	—	—	—	241	—	—	—	630
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	1,581	—	—	1,581
Disposals (Note 3)	14	—	(14)	—	—	—	—	—	—	—	—	(414)	—	—	(414)
Distributions or dividends declared	(189)	—	—	—	—	—	(189)	(20)	(13)	(14)	(119)	(401)	(57)	(133)	(946)
Distribution reinvestment plan	4	—	—	—	—	—	4	—	—	—	—	—	—	—	4
Ownership changes	113	16	(107)	—	(1)	—	21	—	—	—	(21)	—	—	—	—
Other	(259)	(20)	213	1	1	—	(64)	—	—	—	(15)	129	—	105	155
Change in period	18	99	92	1	13	—	223	—	13	—	125	1,849	—	16	2,226
Balance, as at June 30, 2023	<u>\$ (1,880)</u>	<u>\$ (746)</u>	<u>\$ 6,909</u>	<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ 1</u>	<u>\$ 4,319</u>	<u>\$ 760</u>	<u>\$ 584</u>	<u>\$ 592</u>	<u>\$ 2,686</u>	<u>\$ 16,604</u>	<u>\$ 59</u>	<u>\$ 2,908</u>	<u>\$ 28,512</u>
Balance, as at December 31, 2021	\$ (1,516)	\$ (842)	\$ 6,494	\$ —	\$ (48)	\$ 4	\$ 4,092	\$ 881	\$ 613	\$ 592	\$ 2,562	\$ 12,303	\$ 59	\$ 2,894	23,996
Net income (loss)	(53)	—	—	—	—	—	(53)	23	13	14	(33)	182	47	(38)	155
Other comprehensive income (loss)	—	19	1	3	30	(3)	50	—	(11)	—	31	(105)	1	36	2
Issuance of Preferred LP Units	—	—	—	—	—	—	—	115	—	—	—	—	—	—	115
Redemption of Preferred LP Units	—	—	—	—	—	—	—	(236)	—	—	—	—	—	—	(236)
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	294	—	—	294
Disposal	14	—	(14)	—	—	—	—	—	—	—	—	(21)	—	—	(21)
Distributions or dividends declared	(179)	—	—	—	—	—	(179)	(23)	(13)	(14)	(110)	(808)	(50)	(126)	(1,323)
Distribution reinvestment plan	6	—	—	—	—	—	6	—	—	—	—	—	—	—	6
Other	—	—	5	1	(1)	—	5	—	(1)	—	4	—	—	5	13
Change in period	(212)	19	(8)	4	29	(3)	(171)	(121)	(12)	—	(108)	(458)	(2)	(123)	(995)
Balance, as at June 30, 2022	<u>\$ (1,728)</u>	<u>\$ (823)</u>	<u>\$ 6,486</u>	<u>\$ 4</u>	<u>\$ (19)</u>	<u>\$ 1</u>	<u>\$ 3,921</u>	<u>\$ 760</u>	<u>\$ 601</u>	<u>\$ 592</u>	<u>\$ 2,454</u>	<u>\$ 11,845</u>	<u>\$ 57</u>	<u>\$ 2,771</u>	<u>\$ 23,001</u>

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

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED (MILLIONS)	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
Operating activities					
Net income		\$ 151	\$ 122	\$ 328	\$ 155
Adjustments for the following non-cash items:					
Depreciation	8	458	389	887	790
Unrealized foreign exchange and financial instruments (gain) losses	5	(144)	56	(274)	106
Share of earnings from equity-accounted investments	14	(13)	(29)	(46)	(48)
Deferred income tax (recovery) expense	7	(18)	31	(37)	5
Other non-cash items		(15)	12	22	12
Dividends received from equity-accounted investments	14	2	18	21	37
		421	599	901	1,057
Changes in due to or from related parties		7	(21)	39	2
Net change in working capital balances		(46)	(140)	105	(318)
		382	438	1,045	741
Financing activities					
Proceeds from medium term notes	9	—	—	293	—
Commercial paper, net	9	(180)	320	(249)	440
Proceeds from non-recourse borrowings	9,20	901	2,313	2,429	3,426
Repayment of non-recourse borrowings	9,20	(1,577)	(1,538)	(3,199)	(2,437)
Capital contributions from participating non-controlling interests – in operating subsidiaries	10	587	168	1,581	274
Issuance of equity instruments and related costs	10,12	630	115	630	115
Redemption and repurchase of equity instruments	11	—	(203)	—	(252)
Distributions paid:					
To participating non-controlling interests – in operating subsidiaries, preferred shareholders, preferred limited partners unitholders, and perpetual subordinate notes	10,11	(307)	(666)	(449)	(857)
To unitholders of Brookfield Renewable or BRELP and shareholders of Brookfield Renewable Corporation	10,12	(246)	(228)	(489)	(458)
Borrowings from related party		102	136	102	1,076
Repayments to related party		(40)	(150)	(139)	(150)
		(130)	267	510	1,177
Investing activities					
Acquisitions, net of cash and cash equivalents, in acquired entity	2	(6)	1	(87)	(779)
Investment in property, plant and equipment	8	(484)	(449)	(1,056)	(901)
Investment in equity-accounted investments		(31)	(54)	(124)	(74)
Proceeds from disposal of assets, net of cash and cash equivalents disposed	3	69	118	72	118
Purchases of financial assets	5	(93)	(166)	(545)	(166)
Proceeds from financial assets	5	376	4	379	63
Restricted cash and other		(31)	10	(15)	—
		(200)	(536)	(1,376)	(1,739)
Foreign exchange (gain) loss on cash		16	(19)	30	(20)
Cash and cash equivalents					
Increase		68	150	209	159
Net change in cash classified within assets held for sale		(6)	(1)	(5)	—
Balance, beginning of period		1,140	910	998	900
Balance, end of period		\$ 1,202	\$ 1,059	\$ 1,202	\$ 1,059
Supplemental cash flow information:					
Interest paid		\$ 356	\$ 262	\$ 651	\$ 499
Interest received		\$ 14	\$ 5	\$ 30	\$ 11
Income taxes paid		\$ 97	\$ 32	\$ 128	\$ 44

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

BROOKFIELD RENEWABLE PARTNERS L.P.

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The business activities of Brookfield Renewable Partners L.P. (“Brookfield Renewable”) consist of owning a portfolio of renewable power and sustainable solution assets primarily in North America, South America, Europe and Asia.

Unless the context indicates or requires otherwise, the term “Brookfield Renewable” means Brookfield Renewable Partners L.P. and its controlled entities, including Brookfield Renewable Corporation (“BEPC”). Unless the context indicates or requires otherwise, the term “the partnership” means Brookfield Renewable Partners L.P. and its controlled entities, excluding BEPC.

Brookfield Renewable’s consolidated equity interests include the non-voting publicly traded limited partnership units (“LP units”) held by public unitholders and Brookfield, class A exchangeable subordinate voting shares (“BEPC exchangeable shares”) of BEPC held by public shareholders and Brookfield, redeemable/exchangeable partnership units (“Redeemable/Exchangeable partnership units”) in Brookfield Renewable Energy L.P. (“BRELP”), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest (“GP interest”) in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as “Unitholders” unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as “Units”, or as “per Unit”, unless the context indicates or requires otherwise.

Brookfield Renewable is a publicly traded limited partnership established under the laws of Bermuda pursuant to an amended and restated limited partnership agreement dated November 20, 2011 as thereafter amended from time to time.

The registered office of Brookfield Renewable is 73 Front Street, Fifth Floor, Hamilton HM12, Bermuda.

The immediate parent of Brookfield Renewable is its general partner, Brookfield Renewable Partners Limited (“BRPL”). The ultimate parent of Brookfield Renewable is Brookfield Corporation (“Brookfield Corporation”). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Asset Management Ltd (“Brookfield Asset Management”), are also individually and collectively referred to as “Brookfield” in these financial statements.

The BEPC exchangeable shares are traded under the symbol “BEPC” on the New York Stock Exchange and the Toronto Stock Exchange.

The LP units are traded under the symbol “BEP” on the New York Stock Exchange and under the symbol “BEP.UN” on the Toronto Stock Exchange. Brookfield Renewable’s Class A Series 7, Series 13, Series 15, and Series 18 preferred limited partners’ equity are traded under the symbols “BEP.PR.E”, “BEP.PR.G”, “BEP.PR.I”, “BEP.PR.K”, “BEP.PR.M”, “BEP.PR.O”, and “BEP.PR.R”, respectively, on the Toronto Stock Exchange. Brookfield Renewable’s Class A Series 17 preferred limited partners’ equity is traded under the symbol “BEP.PRA” on the New York Stock Exchange. The perpetual subordinated notes are traded under the symbol “BEPH” and “BEPI” on the New York Stock Exchange.

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1. BASIS OF PREPARATION 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 Brookfield Renewable’s December 31, 2022 audited consolidated financial statements. The interim consolidated statements have been prepared on a basis consistent with the accounting policies disclosed in the December 31, 2022 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 consolidated financial statements have been authorized for issuance by the Board of Directors of Brookfield Renewable’s general partner, BRPL, on August 4, 2023.

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

References to \$, C\$, €, £, R\$, COP, INR, and CNY are to United States (“U.S.”) dollars, Canadian dollars, Euros, British pound, Brazilian reais, Colombian pesos, Indian rupees, and Chinese yuan, respectively.

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

(b) Basis of preparation

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 consolidated financial statements include the accounts of Brookfield Renewable and its subsidiaries, which are the entities over which Brookfield Renewable 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 Brookfield Renewable’s subsidiaries are shown separately in equity in the combined statements of financial position.

(d) Recently adopted accounting standards

IFRS Interpretations Committee Agenda Decision - Demand Deposits with Restriction on Use Arising from a Contract with a Third Party (IAS 7 Statement of Cash Flows)

In April 2022, the IFRS Interpretations Committee (“IFRS IC”) concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7 Statement of Cash Flows. In the fact pattern described in the request, the contractual restrictions on the use of the amounts held in the demand deposit did not change the nature of the deposit — the entity can access those amounts on demand. Therefore, the entity should include the demand deposit as a component of “cash and cash equivalents” in its statement of financial position and in its statement of cash flows. Brookfield Renewable has completed the assessment and implemented its transition plan that addresses the impact of this IFRS IC agenda decision. The effect on the consolidated statements of cash flows is an increase to Cash and cash equivalents of \$176 million and \$236 million, and a decrease of \$60 million and \$100 million to cash used in investing activities, respectively, for the three months and six months ended June 30, 2022

Deferred Tax related to Assets and Liabilities arising from a Single transaction - Amendments to IAS 12- Pillar Two model rules

In May 2023, the IASB issued amendments to IAS 12 “Income Taxes” to give entities temporary mandatory relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Developments (“OECD”) international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” except for some targeted disclosure requirements which become effective for annual reporting periods on or after January 1, 2023. Brookfield Renewable has applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(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, 2024. Brookfield Renewable is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on Brookfield Renewable.

2. ACQUISITIONS

Brazil Wind Portfolio

On March 3, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of 100% interest in a 136 MW portfolio of operating wind assets in Brazil. The purchase price of this acquisition, including working capital and closing adjustments was \$95 million. Brookfield Renewable holds an approximately 25% economic interest.

The preliminary purchase price allocations, at fair value, as at June 30, 2023, with respect to the acquisitions are as follows:

(MILLIONS)		Brazil Wind Portfolio
Cash and cash equivalents	\$	10
Trade receivables and other current assets		9
Property, plant and equipment, at fair value		125
Other non-current assets		19
Accounts payable and accrued liabilities		(16)
Current portion of non-recourse borrowings		(4)
Non-recourse borrowings		(46)
Provisions		(2)
Fair value of net assets acquired		95
Purchase price	\$	95

On May 4, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of a 90% interest in a distributed generation platform with approximately 730 MW of development pipeline in Brazil. The purchase price of this acquisition was \$4 million with fair value of assets acquired of \$5 million and liabilities assumed of \$1 million. Brookfield Renewable holds an approximately 20% economic interest.

3. DISPOSAL OF ASSETS

On March 17, 2023, Brookfield Renewable’s institutional partners completed the sale of a 78% interest in a 378 MW operating hydroelectric portfolio in the U.S., of which 28% was sold to affiliates of Brookfield Corporation. Brookfield Renewable retained its 22% interest in the investment and accordingly, did not receive any proceeds from the sale. Subsequent to the completion of the sale, Brookfield Renewable no longer consolidates this investment and recognized its interest as an equity-accounted investment. As a result of the disposition, Brookfield Renewable derecognized \$667 million of total assets and \$191 million of total liabilities from the consolidated statements of financial positions. Brookfield Renewable’s post-tax portion of the accumulated revaluation surplus of \$34 million was reclassified from accumulated other comprehensive income directly to equity and presented as a Disposals item in the consolidated statements of changes in equity.

On May 17, 2023, Brookfield Renewable, together with its institutional partners, completed the sale of wind assets in the U.S that were acquired in 2022. There was no gain or loss on disposition recognized in the consolidated statements of income (loss) as a result of the disposition. Brookfield Renewable derecognized \$254 million of total assets, \$164 million of total liabilities, and non-controlling interest of \$26 million from the consolidated statements of financial position.

4. ASSETS HELD FOR SALE

As at June 30, 2023, assets held for sale includes a 95 MW portfolio of wind assets and a 26 MW solar asset located in Uruguay.

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

(MILLIONS)	June 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 5	\$ 9
Restricted cash	2	5
Trade receivables and other current assets	8	4
Financial instrument assets	2	3
Property, plant and equipment, at fair value	30	911
Intangible assets	198	—
Goodwill	18	—
Other long-term assets	—	6
Assets held for sale	\$ 263	\$ 938
Liabilities		
Current liabilities	\$ 4	\$ 9
Non-recourse borrowings	168	171
Financial instrument liabilities	—	167
Other long-term liabilities	6	1
Deferred tax liability	17	\$ —
Provisions	—	\$ 3
Liabilities directly associated with assets held for sale	\$ 195	\$ 351

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

Brookfield Renewable'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. Brookfield Renewable uses financial instruments primarily to manage these risks.

There have been no other material changes in exposure to the risks Brookfield Renewable is exposed to since the December 31, 2022 audited consolidated financial statements.

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 Brookfield Renewable's assets and liabilities including energy derivative contracts, power purchase agreements accounted for under IFRS 9 ("IFRS 9 PPAs"), interest rate swaps, foreign exchange swaps and tax equity measured and disclosed at fair value classified by the fair value hierarchy:

(MILLIONS)	June 30, 2023				December 31, 2022
	Level 1	Level 2	Level 3	Total	Total
Assets measured at fair value:					
Cash and cash equivalents	\$ 1,202	\$ —	\$ —	\$ 1,202	\$ 998
Restricted cash ⁽¹⁾	196	—	—	196	191
Financial instrument assets ⁽¹⁾					
IFRS 9 PPAs	—	—	10	10	2
Energy derivative contracts	—	56	—	56	37
Interest rate swaps	—	313	—	313	335
Foreign exchange swaps	—	39	—	39	16
Investments in debt and equity securities ⁽²⁾	—	43	1,414	1,457	1,235
Property, plant and equipment	—	—	56,262	56,262	54,283
Liabilities measured at fair value:					
Financial instrument liabilities ⁽¹⁾					
IFRS 9 PPAs	—	—	(540)	(540)	(670)
Energy derivative contracts	—	(120)	—	(120)	(236)
Interest rate swaps	—	(86)	—	(86)	(82)
Foreign exchange swaps	—	(168)	—	(168)	(110)
Tax equity	—	—	(1,087)	(1,087)	(1,131)
Contingent consideration ⁽¹⁾⁽³⁾	—	—	(76)	(76)	(68)
Liabilities for which fair value is disclosed:					
Corporate borrowings ⁽¹⁾	(2,471)	—	—	(2,471)	(2,362)
Non-recourse borrowing ⁽¹⁾	(2,109)	(19,166)	—	(21,275)	(21,117)
Total	<u>\$ (3,182)</u>	<u>\$ (19,089)</u>	<u>\$ 55,983</u>	<u>\$ 33,712</u>	<u>\$ 31,321</u>

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

⁽²⁾ Excludes \$30 million (2022: nil) of investments in debt securities that are measured at amortized cost.

⁽³⁾ Amount relates to business combinations completed in 2022 with obligations lapsing from 2023 to 2027.

There were no transfers between levels during the six months ended June 30, 2023.

Financial instruments disclosures

The aggregate amount of Brookfield Renewable's net financial instrument positions are as follows:

(MILLIONS)	June 30, 2023			December 31, 2022
	Assets	Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
IFRS 9 PPAs	10	540	(530)	(668)
Energy derivative contracts	\$ 56	\$ 120	\$ (64)	\$ (199)
Interest rate swaps	313	86	227	253
Foreign exchange swaps	39	168	(129)	(94)
Investments in debt and equity securities	1,487	—	1,487	1,235
Tax equity	—	1,087	(1,087)	(1,131)
Total	1,905	2,001	(96)	(604)
Less: current portion	173	567	(394)	(434)
Long-term portion	\$ 1,732	\$ 1,434	\$ 298	\$ (170)

(a) Energy derivative contracts and IFRS 9 PPAs

Brookfield Renewable has entered into long-term 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 Brookfield Renewable'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.

(b) Interest rate hedges

Brookfield Renewable 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.

(c) Foreign exchange swaps

Brookfield Renewable 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.

(d) Tax equity

Brookfield Renewable owns and operates certain projects in the United States under tax equity structures to finance the construction of utility-scale 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 consolidated statements of financial position.

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

(e) Investments in debt and equity securities

Brookfield Renewable's investments in debt and equity securities consist of investments in securities which are recorded on the statement of financial position at fair value.

The following table reflects the gains (losses) included in Foreign exchange and financial instrument gain (loss) in the interim consolidated statements of income (loss) for the three and six months ended June 30:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Energy derivative contracts	\$ 10	\$ (23)	\$ 76	\$ (61)
IFRS 9 PPAs	14	(25)	71	(103)
Investment in debt and equity securities	46	(6)	46	(6)
Interest rate swaps	15	15	9	65
Foreign exchange swaps	(1)	28	(6)	36
Tax equity	44	32	61	62
Foreign exchange (loss) gain	25	(33)	38	(42)
	<u>\$ 153</u>	<u>\$ (12)</u>	<u>\$ 295</u>	<u>\$ (49)</u>

For the three and six months ended June 30, 2023, the gains associated with debt and equity securities of \$8 million (2022: \$2 million) was recorded in Other income on the interim consolidated statements of income (loss).

The following table reflects the gains (losses) included in other comprehensive income in the interim consolidated statements of comprehensive income (loss) for the three and six months ended June 30:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Energy derivative contracts	\$ 18	\$ (61)	\$ 184	\$ (173)
IFRS 9 PPAs	25	(16)	37	(53)
Interest rate swaps	29	95	(17)	222
Foreign exchange swaps	(22)	9	(26)	(2)
	<u>50</u>	<u>27</u>	<u>178</u>	<u>(6)</u>
Foreign exchange swaps – net investment	—	97	(19)	52
Investments in debt and equity securities	2	(4)	2	(9)
	<u>\$ 52</u>	<u>\$ 120</u>	<u>\$ 161</u>	<u>\$ 37</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 and six months ended June 30:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Energy derivative contracts	\$ (34)	\$ 35	\$ (82)	\$ 86
IFRS 9 PPAs	—	—	—	2
Interest rate swaps	2	1	1	4
	<u>\$ (23)</u>	<u>\$ 36</u>	<u>\$ (72)</u>	<u>\$ 92</u>

6. SEGMENTED INFORMATION

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

Brookfield Renewable's operations are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy & sustainable solutions (distributed generation, pumped storage, renewable natural gas, carbon capture and storage, recycling, cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e. North America, Colombia, Brazil, Europe and Asia). This best reflects the way in which the CODM reviews results of our company.

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 Brookfield Renewable's share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder (holders of the GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units) 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 Brookfield Renewable's Unitholders.

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. 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 Brookfield Renewable'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 us apportioned to each of the above-noted items.

Brookfield Renewable does not consolidate entities it does not control or exercises significant influence, as such, these entities 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 Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

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

The accounting policies of the reportable segments are the same as those described in Note 1 – Basis of preparation and significant accounting policies. Brookfield Renewable 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").

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable 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. Brookfield Renewable 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 Brookfield Renewable's proportionate results to the consolidated statements of income (loss) on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended June 30, 2023:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Utility -scale solar	Distributed energy & sustainable solutions	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 274	\$ 58	\$ 66	\$ 73	\$ 35	\$ 9	\$ 13	\$ 110	\$ 81	\$ —	\$ 719	\$ (50)	\$ 536	\$ 1,205
Other income	4	2	4	35	5	1	1	15	9	22	98	(2)	(35)	61
Direct operating costs	(97)	(18)	(23)	(24)	(8)	(3)	(4)	(18)	(27)	(9)	(231)	26	(220)	(425)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	26	—	26
	181	42	47	84	32	7	10	107	63	13	586	—	281	
Management service costs	—	—	—	—	—	—	—	—	—	(55)	(55)	—	—	(55)
Interest expense	(64)	(4)	(21)	(15)	(4)	(2)	(3)	(28)	(9)	(32)	(182)	6	(226)	(402)
Current income taxes	(3)	(2)	(5)	(1)	(1)	—	—	(2)	—	—	(14)	2	(25)	(37)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(10)	(10)	—	—	(10)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Perpetual subordinated notes	—	—	—	—	—	—	—	—	—	(7)	(7)	—	—	(7)
Share of interest and cash taxes from equity accounted investments	—	—	—	—	—	—	—	—	—	—	—	(8)	—	(8)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(30)	(30)
Funds From Operations	114	36	21	68	27	5	7	77	54	(97)	312	—	—	
Depreciation											(248)	11	(221)	(458)
Foreign exchange and financial instrument gain (loss)											31	(3)	125	153
Deferred income tax expense											31	1	(14)	18
Other											(165)	(4)	247	78
Share of earnings from equity-accounted investments											—	(5)	—	(5)
Net income attributable to non-controlling interests											—	—	(137)	(137)
Net income (loss) attributable to Unitholders ⁽²⁾											\$ (39)	\$ —	\$ —	\$ (39)

⁽¹⁾ Share of earnings from equity-accounted investments of \$13 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 – in operating subsidiaries of \$167 million is comprised of amounts found on share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity and perpetual subordinated notes.

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 Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended June 30, 2022:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Utility -scale solar	Distributed energy & sustainable solutions	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 297	\$ 45	\$ 67	\$ 85	\$ 32	\$ 7	\$ 10	\$ 112	\$ 68	\$ —	\$ 723	\$ (47)	\$ 598	\$ 1,274
Other income	—	2	—	—	7	—	1	19	3	19	51	(1)	(36)	14
Direct operating costs	(93)	(13)	(22)	(31)	(6)	(1)	(2)	(27)	(24)	(8)	(227)	18	(157)	(366)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	30	2	32
	204	34	45	54	33	6	9	104	47	11	547	—	407	
Management service costs	—	—	—	—	—	—	—	—	—	(65)	(65)	—	—	(65)
Interest expense	(46)	(7)	(14)	(16)	(5)	(2)	(3)	(28)	(12)	(20)	(153)	4	(145)	(294)
Current income taxes	(3)	(3)	(5)	—	—	—	—	(2)	3	—	(10)	4	(25)	(31)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(12)	(12)	—	—	(12)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Perpetual subordinated notes	—	—	—	—	—	—	—	—	—	(7)	(7)	—	—	(7)
Share of interest and cash taxes from equity accounted investments	—	—	—	—	—	—	—	—	—	—	—	(8)	(2)	(10)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(235)	(235)
Funds From Operations	155	24	26	38	28	4	6	74	38	(99)	294	—	—	
Depreciation											(233)	10	(166)	(389)
Foreign exchange and financial instrument gain (loss)											(12)	—	—	(12)
Deferred income tax expense											(4)	(2)	(25)	(31)
Other											(44)	(15)	52	(7)
Share of loss from equity-accounted investments ..											—	7	—	7
Net income attributable to non-controlling interests											—	—	139	139
Net income attributable to Unitholders ⁽²⁾											\$ 1	\$ —	\$ —	\$ 1

⁽¹⁾ Share of loss from equity-accounted investments of \$29 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 – in operating subsidiaries of \$96 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity and perpetual subordinated notes.

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 Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the six months ended June 30, 2023:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Utility-scale solar	Distributed generation, storage & other	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	609	119	132	158	75	17	23	198	160	—	1,491	(129)	1,174	2,536
Other income	8	3	5	36	5	1	1	23	14	34	130	(7)	(36)	87
Direct operating costs	(206)	(35)	(42)	(49)	(16)	(5)	(5)	(45)	(55)	(18)	(476)	60	(410)	(826)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	76	—	76
	411	87	95	145	64	13	19	176	119	16	1,145	—	728	
Management service costs	—	—	—	—	—	—	—	—	—	(112)	(112)	—	—	(112)
Interest expense	(135)	(9)	(39)	(33)	(8)	(3)	(6)	(55)	(21)	(60)	(369)	16	(443)	(796)
Current income taxes	(4)	(4)	(12)	(1)	(3)	—	(1)	(4)	(1)	—	(30)	5	(55)	(80)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(20)	(20)	—	—	(20)
Preferred equity	—	—	—	—	—	—	—	—	—	(13)	(13)	—	—	(13)
Perpetual subordinated notes	—	—	—	—	—	—	—	—	—	(14)	(14)	—	—	(14)
Share of interest and cash taxes from equity accounted investments	—	—	—	—	—	—	—	—	—	—	—	(21)	—	(21)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(230)	(230)
Funds From Operations	272	74	44	111	53	10	12	117	97	(203)	587	—	—	
Depreciation											(489)	24	(422)	(887)
Foreign exchange and financial instrument gain (loss)											69	15	211	295
Deferred income tax expense											34	4	(1)	37
Other											(272)	(34)	334	28
Share of loss from equity-accounted investments											—	(9)	—	(9)
Net loss attributable to non-controlling interests											—	—	(122)	(122)
Net loss attributable to Unitholders ⁽²⁾											(71)	—	—	(71)

⁽¹⁾ Share of earnings from equity-accounted investments of \$46 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of \$352 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.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity and perpetual subordinated notes.

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 Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the six months ended June 30, 2022:

(MILLIONS)	Attributable to Unitholders											Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Utility -scale solar	Distributed energy & sustainable solutions	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	533	93	140	171	83	13	19	193	127	—	1,372	(96)	1,134	2,410
Other income	2	20	—	—	11	—	1	55	16	24	129	(13)	(31)	85
Direct operating costs	(190)	(26)	(42)	(57)	(15)	(3)	(4)	(54)	(48)	(16)	(455)	39	(300)	(716)
Share of revenue, other income and direct operating costs from equity-accounted investments											—	70	4	74
	345	87	98	114	79	10	16	194	95	8	1,046	—	807	—
Management service costs	—	—	—	—	—	—	—	—	—	(141)	(141)	—	—	(141)
Interest expense	(91)	(12)	(24)	(32)	(9)	(3)	(6)	(54)	(22)	(40)	(293)	10	(277)	(560)
Current income taxes	(5)	(6)	(13)	—	(1)	—	—	(2)	2	—	(25)	7	(55)	(73)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(23)	(23)	—	—	(23)
Preferred equity	—	—	—	—	—	—	—	—	—	(13)	(13)	—	—	(13)
Perpetual subordinated notes										(14)	(14)	—	—	(14)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(17)	(4)	(21)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(471)	(471)
Funds From Operations	249	69	61	82	69	7	10	138	75	(223)	537	—	—	
Depreciation											(479)	19	(330)	(790)
Foreign exchange and financial instrument gain (loss)											(36)	1	(14)	(49)
Deferred income tax expense											26	(2)	(29)	(5)
Other											(125)	(13)	84	(54)
Share of loss from equity-accounted investments ..											—	(5)	—	(5)
Net income attributable to non-controlling interests											—	—	289	289
Net loss attributable to Unitholders ⁽²⁾											(77)	—	—	(77)

⁽¹⁾ Share of earnings from equity-accounted investments of \$48 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests— in operating subsidiaries of \$182 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.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity and perpetual subordinated notes.

The following table provides information on each segment's statement of financial position in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of financial position by aggregating the components comprising from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials	
	Hydroelectric			Wind				Utility-scale solar	Distributed energy & sustainable solutions	Corporate	Total				
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia								
As at June 30, 2023															
Cash and cash equivalents	\$ 122	\$ 30	\$ 22	\$ 61	\$ 48	\$ 34	\$ 16	\$ 93	\$ 74	\$ 18	\$ 518	\$ (56)	\$ 740	\$ 1,202	
Property, plant and equipment	15,452	1,843	2,121	3,598	670	425	299	3,006	2,387	3	29,804	(1,287)	27,745	56,262	
Total assets	16,698	2,012	2,362	3,964	841	484	397	3,612	3,063	289	33,722	(793)	32,972	65,901	
Total borrowings	4,150	267	608	1,259	359	121	219	2,357	928	2,661	12,929	(557)	12,043	24,415	
Other liabilities	5,009	118	748	1,111	210	31	43	622	688	307	8,887	(236)	4,323	12,974	
As at December 31, 2022															
Cash and cash equivalents	\$ 55	\$ 15	\$ 14	\$ 48	\$ 56	\$ 22	\$ 24	\$ 139	\$ 72	\$ —	\$ 445	\$ (43)	\$ 596	\$ 998	
Property, plant and equipment	15,331	1,743	1,826	3,563	650	346	294	3,046	2,337	—	29,136	(1,165)	26,312	54,283	
Total assets	16,971	1,880	2,036	3,969	816	381	399	3,520	2,794	581	33,347	(587)	31,351	64,111	
Total borrowings	4,206	258	526	1,356	358	83	238	2,382	928	2,556	12,891	(373)	12,332	24,850	
Other liabilities	5,250	99	634	1,344	244	15	71	492	507	271	8,927	(204)	4,252	12,975	

Geographical Information

The following table presents consolidated revenue split by reportable segment for the three and six months ended June 30:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Hydroelectric				
North America	\$ 286	\$ 371	\$ 708	\$ 656
Brazil	66	46	133	93
Colombia	292	274	575	579
	<u>644</u>	<u>691</u>	<u>1,416</u>	<u>1,328</u>
Wind				
North America	172	175	358	339
Europe	30	47	91	124
Brazil	31	21	54	38
Asia	56	44	105	82
	<u>289</u>	<u>287</u>	<u>608</u>	<u>583</u>
Utility-scale solar	174	207	338	349
Distributed energy & sustainable solutions	98	89	174	150
Total	<u>\$ 1,205</u>	<u>\$ 1,274</u>	<u>\$ 2,536</u>	<u>\$ 2,410</u>

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

(MILLIONS)	June 30, 2023	December 31, 2022
United States	\$ 29,394	\$ 29,056
Colombia	9,460	8,264
Canada	7,636	7,560
Brazil	5,222	4,754
Europe	3,976	3,963
Asia	2,057	1,932
Other	161	146
	<u>\$ 57,906</u>	<u>\$ 55,675</u>

7. INCOME TAXES

Brookfield Renewable's effective income tax rate was 12% for the six months ended June 30, 2023 (2022: 33%). 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.

8. 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
Property, plant and equipment, at fair value					
As at December 31, 2022	\$ 31,168	\$ 11,302	\$ 8,239	\$ 242	\$ 50,951
Additions, net	2	47	(13)	3	39
Transfer from construction work-in-progress	13	149	441	—	603
Acquisitions through business combinations	—	125	—	—	125
Disposals	—	—	—	(5)	(5)
Transfer to assets held for sale	—	—	(30)	—	(30)
Items recognized through OCI:					
Change in fair value	—	—	(2)	—	(2)
Foreign exchange	1,478	68	145	9	1,700
Items recognized through net income:					
Depreciation	(314)	(331)	(224)	(18)	(887)
As at June 30, 2023	\$ 32,347	\$ 11,360	\$ 8,556	\$ 231	\$ 52,494
Construction work-in-progress					
As at December 31, 2022	\$ 299	\$ 1,132	\$ 1,897	\$ 4	\$ 3,332
Additions	43	390	542	1	976
Transfer to property, plant and equipment	(13)	(149)	(441)	—	(603)
Acquisitions through business combinations	—	—	8	—	8
Items recognized through OCI:					
Change in fair value	—	—	7	—	7
Foreign exchange	8	20	20	—	48
As at June 30, 2023	\$ 337	\$ 1,393	\$ 2,033	\$ 5	\$ 3,768
Total property, plant and equipment, at fair value					
As at December 31, 2022 ⁽²⁾	\$ 31,467	\$ 12,434	\$ 10,136	\$ 246	\$ 54,283
As at June 30, 2023⁽²⁾	\$ 32,684	\$ 12,753	\$ 10,589	\$ 236	\$ 56,262

⁽¹⁾ Includes biomass and cogeneration.

⁽²⁾ Includes right-of-use assets not subject to revaluation of \$62 million (2022: \$64 million) in hydroelectric, \$229 million (2022: \$242 million) in wind, \$239 million (2022: \$215 million) in solar, and nil (2022: nil) in other.

During the year, Brookfield Renewable, together with its institutional partners, completed the acquisitions of the following investments. They are accounted for as asset acquisitions as they do not constitute business combinations under IFRS 3:

- A 19 MW portfolio of distributed generation assets in the U.S., with \$75 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 25% economic interest.
- A 48 MW portfolio of wind assets in China, with \$53 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 25% economic interest.

9. BORROWINGS

Corporate Borrowings

The composition of corporate borrowings is presented in the following table:

(MILLIONS EXCEPT AS NOTED)	June 30, 2023				December 31, 2022			
	Weighted-average		Carrying value	Estimated fair value	Weighted- average		Carrying value	Estimated fair value
	Interest rate (%)	Term (years)			Interest rate (%)	Term (years)		
Credit facilities	N/A	5	\$ —	—	N/A	5	\$ —	\$ —
Commercial paper	N/A	N/A	—	—	5.1	<1	249	249
Medium Term Notes:								
Series 4 (C\$150)	5.8	13	113	118	5.8	14	111	114
Series 9 (C\$400)	3.8	2	302	292	3.8	2	295	286
Series 10 (C\$500)	3.6	4	378	357	3.6	4	369	350
Series 11 (C\$475)	4.3	6	359	343	4.3	6	351	338
Series 12 (C\$475)	3.4	7	359	324	3.4	7	351	316
Series 13 (C\$300)	4.3	26	227	193	4.3	27	221	184
Series 14 (C\$425)	3.3	27	321	229	3.3	28	314	218
Series 15 (C\$400) ⁽¹⁾	5.9	9	301	314	5.9	10	295	307
Series 16 (C\$400)	5.3	10	301	301	—	—	—	—
	4.3	11	2,661	2,471	4.1 %	11	2,307	2,113
Total corporate borrowings			2,661	\$ 2,471			2,556	\$ 2,362
Add: Unamortized premiums ⁽²⁾			2				2	
Less: Unamortized financing fees ⁽²⁾			(12)				(10)	
Less: Current portion			—				(249)	
			<u>\$ 2,651</u>				<u>\$ 2,299</u>	

⁽¹⁾ Includes \$8 million (2022: \$7 million) outstanding to an associate of Brookfield. Refer to Note 20 - Related party transactions for more details.

⁽²⁾ Unamortized premiums and unamortized financing fees are amortized over the terms of the borrowing.

Credit facilities and commercial paper

Brookfield Renewable had nil commercial paper outstanding as at June 30, 2023 (2022: \$249 million).

Brookfield Renewable 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 debt service reserve accounts. See Note 19 – Commitments, contingencies and guarantees for letters of credit issued by subsidiaries.

The following table summarizes the available portion of corporate credit facilities:

(MILLIONS)	June 30, 2023	December 31, 2022
Authorized corporate credit facilities and related party credit facilities ⁽¹⁾	\$ 2,375	\$ 2,375
Authorized letter of credit facility	500	500
Issued letters of credit	(325)	(344)
Available portion of corporate credit facilities ⁽³⁾	<u>\$ 2,550</u>	<u>\$ 2,531</u>

⁽¹⁾ Amounts are guaranteed by Brookfield Renewable.

Medium term notes

Corporate borrowings are obligations of a finance subsidiary of Brookfield Renewable, Brookfield Renewable Partners ULC (“Canadian Finco”) (Note 21 – Subsidiary public issuers). Canadian Finco may redeem some or all of the borrowings from time to time, pursuant to the terms of the indenture. The balance is payable upon maturity, and interest on corporate borrowings is paid semi-annually. The term notes payable by Canadian Finco are unconditionally guaranteed by Brookfield Renewable, Brookfield Renewable Energy L.P. (“BRELP”) and certain other subsidiaries.

During the first quarter of 2023, Brookfield Renewable issued C\$400 million of Series 16 medium-term notes. The medium-term notes have a fixed interest rate of 5.29% and a maturity date of October 28, 2033. The Series 16 medium-term notes are corporate-level green bonds.

Non-recourse borrowings

Non-recourse borrowings are typically asset-specific, long-term, non-recourse borrowings denominated in the domestic currency of the subsidiary. Non-recourse borrowings in North America and Europe consist of both fixed and floating interest rate debt indexed to the Secured Overnight Financing Rate (“SOFR”), the Sterling Overnight Index Average (“SONIA”), the Euro Interbank Offered Rate (“EURIBOR”) and the Canadian Dollar Offered Rate (“CDOR”). Brookfield Renewable uses interest rate swap agreements in North America and Europe 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 consist of both fixed and floating interest rates indexed to Indicador Bancario de Referencia rate (IBR), the Banco Central de Colombia short-term interest rate, and Colombian Consumer Price Index (IPC), Colombia inflation rate, plus a margin. Non-Recourse borrowings in India consist of both fixed and floating interest indexed to Prime lending rate of lender (“MCLR”). Non-recourse borrowings in China consist of floating interest rates of People's Bank of China (“PBOC”).

Effective January 1, 2022, SONIA replaced the £ London Interbank Offered Rate (“LIBOR”), and Euro Short-term Rate (“€STR”) replaced € LIBOR. The Canadian Overnight Repo Rate Average (“CORRA”) is expected to replace CDOR after June 28, 2024.

As at June 30, 2023, Brookfield Renewable’s floating rate borrowings have not been materially impacted by SONIA and €STR reforms. Brookfield Renewable has completed an assessment and implemented its transition plan to address the impact and effect changes as a result of amendments to the contractual terms for the replacement of US\$ LIBOR with the Secured Overnight Financing Rate (“SOFR”) referenced floating-rate borrowings, interest rate swaps, and updating hedge designations. The adoption did not have a significant impact on Brookfield Renewable’s financial reporting.

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

	June 30, 2023				December 31, 2022			
	Weighted-average		Carrying value	Estimated fair value	Weighted-average		Carrying value	Estimated fair value
(MILLIONS EXCEPT AS NOTED)	Interest rate (%)	Term (years)			Interest rate (%)	Term (years)		
Non-recourse borrowings ⁽¹⁾⁽²⁾								
Hydroelectric	7.8	11	\$ 8,739	\$ 8,568	7.2	10	\$ 8,813	\$ 8,104
Wind	5.8	8	5,065	\$ 4,997	5.4	8	5,943	5,824
Utility-scale solar	6.0	13	4,668	\$ 4,592	5.6	13	4,625	4,502
Distributed energy & sustainable solutions	6.0	6	3,326	3,118	5.1	7	2,940	2,687
Total	6.7	10	\$ 21,798	\$ 21,275	6.1	10	\$ 22,321	\$ 21,117
Add: Unamortized premiums ⁽³⁾			94				105	
Less: Unamortized financing fees ⁽³⁾			(128)				(124)	
Less: Current portion			(1,457)				(2,027)	
			\$ 20,307				\$ 20,275	

(1) Includes \$923 million (2022: 1,838 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

(2) Includes \$115 million (2022: \$93 million) outstanding to an associate of Brookfield. Refer to Note 20 - Related party transactions for more details.

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

Brookfield Renewable's financing and refinancing completed for the six months ended June 30, 2023 are as follows:

Period Closed	Region	Technology	Average Interest rate ¹		Maturity	Carrying Value
Q1 2023	US	Distributed generation	7.03%	Financing	2026	\$100 million
Q1 2023	China	Wind	4.4%	Financing	2040	CNY 971 million (\$141 million)
Q1 2023	China	Wind	4.6%	Financing	2030	CNY 200 million (\$29 million)
Q1 2023	China	Wind	4.6%	Financing	2039	CNY 70 million (\$10 million)
Q1 2023	China	Wind	4.4%	Financing	2039	CNY 97 million (\$14 million)
Q2 2023	India	Solar	MCLR	Financing	2043	INR 10 billion (\$123 million)
Q2 2023	Brazil	Wind	CDI	Financing	2024	BRL \$450 million (\$93 million)
Q2 2023	Canada	Hydroelectric	6.19%	Financing	2045	CAD \$30 million (\$22 million)
Q2 2023	US	Solar	6.62%	Financing	2058 - 2060	\$45 million
Q2 2023	US	Wind	SOFR	Refinancing	2033	\$311 million

⁽¹⁾ Benchmarked financings bear a variable interest at the applicable rate plus a margin.

In the second quarter of 2023, the Company extended the maturity of its \$650 million credit facility associated with the United States business to mature in 2026.

10. NON-CONTROLLING INTERESTS

Brookfield Renewable's non-controlling interests are comprised of the following:

(MILLIONS)	June 30, 2023	December 31, 2022
Participating non-controlling interests – in operating subsidiaries	\$ 16,604	\$ 14,755
General partnership interest in a holding subsidiary held by Brookfield	59	59
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	2,908	2,892
BEPC exchangeable shares	2,686	2,561
Preferred equity	584	571
Perpetual subordinated notes	592	592
	<u>\$ 23,433</u>	<u>\$ 21,430</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	Brookfield Global Transition Fund I	Canadian Hydroelectric Portfolio	The Catalyst Group	Isagen institutional investors	Isagen public non- controlling interests	Other	Total
As at December 31, 2022	\$ 477	\$ 2,617	\$ 3,490	\$ 2,134	\$ 1,461	\$ 1,148	\$ 115	\$ 2,159	\$ 14	\$ 1,140	\$ 14,755
Net income	30	44	90	24	54	14	9	63	—	24	352
Other comprehensive income (loss)	(30)	50	201	67	12	25	—	308	2	(33)	602
Capital contributions	—	—	—	86	1,437	—	—	—	—	58	1,581
Disposal	(388)	—	—	—	(26)	—	—	—	—	—	(414)
Distributions	(21)	(44)	(119)	(63)	(2)	(28)	(3)	(86)	(1)	(34)	(401)
Other	27	1	(22)	—	(19)	166	—	—	—	(24)	129
As at June 30, 2023	<u>\$ 95</u>	<u>\$ 2,668</u>	<u>\$ 3,640</u>	<u>\$ 2,248</u>	<u>\$ 2,917</u>	<u>\$ 1,325</u>	<u>\$ 121</u>	<u>\$ 2,444</u>	<u>\$ 15</u>	<u>\$ 1,131</u>	<u>\$ 16,604</u>
Interests held by third parties	75% - 78%	43% - 60%	23% - 71%	75 %	77% - 80%	50 %	25 %	53 %	0.3 %	0.3% - 71%	

General partnership interest in a holding subsidiary held by Brookfield, Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield and BEPC Class A exchangeable shares of Brookfield Renewable Corporation held by public shareholders and Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly distributions exceed specified target levels. As at June 30, 2023, to the extent that LP unit distributions exceed \$0.20 per LP unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed \$0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of \$28 million and \$55 million were declared during the three and six months ended June 30, 2023, respectively (2022: \$23 million and \$47 million, respectively).

Consolidated equity includes Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest. The Redeemable/Exchangeable partnership units and the GP interest are held 100% by Brookfield and the BEPC exchangeable shares are held 25% by Brookfield with the remainder held by public shareholders. The Redeemable/Exchangeable partnership units and BEPC exchangeable shares provide the holder, at its discretion, with the right to redeem these units or shares, respectively, for cash consideration. Since this redemption right is subject to Brookfield Renewable's right, at its sole discretion, to satisfy the redemption request with LP units of Brookfield Renewable on a one-for-one basis, the Redeemable/Exchangeable partnership units and BEPC exchangeable shares are classified as equity in accordance with IAS 32, Financial Instruments: Presentation.

The Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest are presented as non-controlling interests since they relate to equity in a subsidiary that is not attributable, directly or indirectly, to Brookfield Renewable. During the three and six months ended June 30, 2023, exchangeable shareholders of BEPC exchanged 833 and 2,575 BEPC exchangeable shares (2022: 4,743 and 8,084 shares during the same periods) for an equivalent number of LP units amounting to less than \$1 million (2022: less than \$1 million). No Redeemable/Exchangeable partnership units have been redeemed.

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 BEPC exchangeable shares on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per BEPC exchangeable Share for gross proceeds of \$500 million.

The Redeemable/Exchangeable partnership units issued by BRELP and the BEPC exchangeable shares issued by BEPC have the same economic attributes in all respects to the LP units issued by Brookfield Renewable, except for the redemption rights described above. The Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest, excluding incentive distributions, participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units of Brookfield Renewable.

As at June 30, 2023, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and units of GP interest outstanding were 194,487,939 units (December 31, 2022: 194,487,939 units), 179,657,416 shares (December 31, 2022: 172,218,098 shares), and 3,977,260 units (December 31, 2022: 3,977,260 units), respectively.

In December 2022, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and entered into a normal course issuer bid for its outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 13,764,352 LP units and 8,610,905 BEPC exchangeable shares, representing 5% of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 15, 2023, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units or BEPC exchangeable shares repurchased during the three and six months ended June 30, 2023 and 2022.

Distributions

The composition of the distributions for the three and six months ended June 30 is presented in the following table:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
General partnership interest in a holding subsidiary held by Brookfield	\$ 1	\$ 2	\$ 2	\$ 3
Incentive distribution	28	23	55	47
	29	25	57	50
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	66	63	133	126
BEPC exchangeable shares held by				
Brookfield	15	15	31	30
External shareholders	46	40	88	80
Total BEPC exchangeable shares	61	55	119	110
	<u>\$ 156</u>	<u>\$ 143</u>	<u>\$ 309</u>	<u>\$ 286</u>

Preferred equity

Brookfield Renewable's preferred equity consists of Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") as follows:

(MILLIONS EXCEPT AS NOTED)	Shares outstanding	Cumulative distribution rate (%)	Earliest permitted redemption date	Distributions declared for the six months ended June 30		Carrying value as at	
				2023	2022	June 30, 2023	December 31, 2022
Series 1 (C\$136)	6.85	3.1	April 2025	\$ 2	\$ 2	\$ 129	\$ 126
Series 2 (C\$113) ⁽¹⁾ ..	3.11	7.0	April 2025	2	2	59	57
Series 3 (C\$249)	9.96	4.4	July 2024	4	4	186	183
Series 5 (C\$103)	4.11	5.0	April 2018	2	2	77	76
Series 6 (C\$175)	7.00	5.0	July 2018	3	3	134	129
	<u>31.03</u>			<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 584</u>	<u>\$ 571</u>

⁽¹⁾Dividend rate represents annualized distribution based on the most recent quarterly floating rate.

Distributions paid during the three and six months ended June 30, 2023, totaled \$6 million and \$13 million, respectively (2022: \$6 million and \$13 million, respectively).

The Class A Preference Shares do not have a fixed maturity date and are not redeemable at the option of the holders. As at June 30, 2023, none of the issued Class A, Series 5 and 6 Preference Shares have been redeemed by BRP Equity.

In December 2022, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to December 15, 2023, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, BRP Equity is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during the three and six months ended June 30, 2023 and 2022.

Perpetual subordinated notes

In April 2021 and December 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued \$350 million and \$260 million, respectively, of perpetual subordinated notes at a fixed rate of 4.625% and 4.875%, respectively.

The interest expense on the perpetual subordinated notes during the three and six months ended June 30, 2023 of \$7 million and \$14 million, respectively (2022: \$7 million and \$14 million, respectively) are presented as distributions in the consolidated statements of changes in equity. The carrying value of the perpetual subordinated notes, net of transaction cost, is \$592 million as at June 30, 2023 (December 31, 2022: \$592 million).

Distributions paid during the three and six months ended June 30, 2023, totaled \$7 million and \$14 million, respectively (2022: \$9 million and \$13 million, respectively).

11. PREFERRED LIMITED PARTNERS' EQUITY

Brookfield Renewable's preferred limited partners' equity comprises of Class A Preferred units as follows:

(MILLIONS, EXCEPT AS NOTED)	Shares outstanding	Cumulative distribution rate (%)	Earliest permitted redemption date	Distributions declared for the six months ended June 30		Carrying value as at	
				2023	2022	June 30, 2023	December 31, 2022
Series 7 (C\$175)	7.00	5.50	January 2026	4	4	128	128
Series 11 (C\$250) ⁽¹⁾	—	5.00	April 2022	—	3	—	—
Series 13 (C\$250)	10.00	6.05	April 2028	5	5	196	196
Series 15 (C\$175)	7.00	5.75	April 2024	4	4	126	126
Series 17 (\$200)	8.00	5.25	March 2025	5	5	195	195
Series 18 (C\$150)	6.00	5.50	April 2027	2	2	115	115
	<u>38.00</u>			<u>\$ 20</u>	<u>\$ 23</u>	<u>\$ 760</u>	<u>\$ 760</u>

⁽¹⁾ In the second quarter of 2022, Brookfield Renewable redeemed all of the outstanding units of Series 11 Preferred Limited Partnership units.

Distributions paid during the three and six months ended June 30, 2023, totaled \$10 million and \$20 million, respectively (2022: \$12 million and \$23 million, respectively).

During the quarter, Brookfield Renewable declared the fixed quarterly distributions on the Class A Preferred Limited Partnership Series 13 Units during the five years commencing May 1, 2023 will be paid at an annual rate of 6.05%.

Class A Preferred LP Units - Normal Course Issuer Bid

In December 2022, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units for another year to December 15, 2023, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preferred Limited Partnership Units. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares were repurchased during the three and six months ended June 30, 2023 and 2022.

12. LIMITED PARTNERS' EQUITY

Limited partners' equity

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 BEPC Exchangeable shares on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per BEPC Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

As at June 30, 2023, 288,846,874 LP units were outstanding (December 31, 2022: 275,358,750 LP units) including 73,897,686 LP units (December 31, 2022: 68,749,416 LP units) held by Brookfield. Brookfield owns all general partnership interests in Brookfield Renewable representing a 0.01% interest.

During the three and six months ended June 30, 2023, 65,160 and 137,279 LP units, respectively (2022: 78,327 and 147,192 LP units, respectively) were issued under the distribution reinvestment plan at a total cost of \$2 million and \$4 million, respectively (2022: \$3 million and \$6 million, respectively).

During the three and six months ended June 30, 2023, shareholders of BEPC exchangeable shares exchanged 833 and 2,575 exchangeable shares, respectively (2022: 4,743 and 8,084 exchangeable shares, respectively) for an equivalent number of LP units amounting to less than \$1 million (2022: less than \$1 million).

As at June 30, 2023, Brookfield Corporation's direct and indirect interest of 313,199,460 LP units, 5,148,270 LP units owned by a subsidiary of Brookfield Reinsurance Limited, Redeemable/Exchangeable partnership units and BEPC exchangeable shares represents approximately 47% of Brookfield Renewable on a fully-exchanged basis and the remaining approximate 53% is held by public investors.

On an unexchanged basis, Brookfield Corporation holds a 26% direct limited partnership interest in Brookfield Renewable, a 40% direct interest in BRELP through the ownership of Redeemable/Exchangeable partnership units, a 1% direct GP interest in BRELP and a 25% direct interest in the exchangeable shares of BEPC as at June 30, 2023.

In December 2022, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 13,764,352 LP units and 8,610,905 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 15, 2023, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units or BEPC exchangeable shares repurchased during the three and six months ended June 30, 2023 and 2022.

Distributions

The composition of distributions for the three and six months ended June 30 are presented in the following table:

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Brookfield.....	\$ 23	\$ 22	\$ 47	\$ 45
External LP unitholders.....	69	66	142	134
	<u>\$ 92</u>	<u>\$ 88</u>	<u>\$ 189</u>	<u>\$ 179</u>

In February 2023, Unitholder distributions were increased to \$1.35 per LP unit on an annualized basis, an increase of \$0.07 per LP unit, which took effect with the distribution paid in March 2023.

Distributions paid during the three and six months ended June 30, 2023 totaled \$91 million and \$182 million (2022: \$85 million and \$174 million).

13. GOODWILL

The following table provides a reconciliation of goodwill:

(MILLIONS)	Total
Balance, as at December 31, 2022.....	1,526
Transfer to Assets held for sale	(18)
Foreign exchange and other	95
Balance, as at June 30, 2023	<u>\$ 1,603</u>

14. EQUITY-ACCOUNTED INVESTMENTS

The following are Brookfield Renewable's equity-accounted investments for the six months ended June 30, 2023:

(MILLIONS)	June 30, 2023
Balance, beginning of year	\$ 1,392
Investment	222
Share of net income	46
Share of other comprehensive income	(18)
Dividends received	(21)
Foreign exchange translation and other	23
Balance as at June 30, 2023	<u>\$ 1,644</u>

On March 17, 2023, Brookfield Renewable's institutional partners completed the sale of a 78% interest in a 378 MW operating hydroelectric portfolio in the U.S., of which 28% was sold to affiliates of Brookfield Corporation. Brookfield Renewable retained its 22% interest in the investment and accordingly, did not receive any proceeds from the sale. Subsequent to the completion of the sale, Brookfield Renewable no longer consolidates this investment and recognized \$105 million as an equity-accounted investment for its interest.

During the first quarter of 2023, Brookfield Renewable, together with institutional partners, acquired an approximately 4% equity interest in a sustainable agricultural solutions company in India for INR 7 billion (\$86 million) (approximately INR 1.4 billion (\$17 million) net to Brookfield Renewable).

During the second quarter of 2023, Brookfield Renewable, together with its institutional partner, subscribed for additional shares in Powen. This subscription increased the total interest in Powen to 38% (8% net to Brookfield Renewable).

15. CASH AND CASH EQUIVALENTS

Brookfield Renewable's cash and cash equivalents are as follows:

(MILLIONS)	June 30, 2023	December 31, 2022
Cash	\$ 863	\$ 728
Cash subject to restriction	281	268
Short-term deposits	58	2
	<u>\$ 1,202</u>	<u>\$ 998</u>

16. RESTRICTED CASH

Brookfield Renewable's restricted cash is as follows:

(MILLIONS)	June 30, 2023	December 31, 2022
Operations	\$ 139	\$ 93
Credit obligations	47	56
Capital expenditures and development projects	10	42
Total	196	191
Less: non-current	(60)	(52)
Current	<u>\$ 136</u>	<u>\$ 139</u>

17. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Brookfield Renewable's trade receivables and other current assets are as follows:

(MILLIONS)	June 30, 2023	December 31, 2022
Trade receivables	\$ 652	\$ 672
Collateral deposits ⁽¹⁾	335	609
Short-term deposits and advances	140	113
Prepays and other	113	86
Income tax receivable	74	74
Sales taxes receivable	73	73
Current portion of contract asset	61	54
Inventory	40	42
Other short-term receivables	145	137
	<u>\$ 1,633</u>	<u>\$ 1,860</u>

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

Brookfield Renewable primarily receives monthly payments for invoiced power purchase agreement revenues and has no significant aged receivables as of the reporting date. Receivables from contracts with customers are reflected in Trade receivables.

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Brookfield Renewable's accounts payable and accrued liabilities are as follows:

(MILLIONS)	June 30, 2023	December 31, 2022
Operating accrued liabilities	\$ 398	\$ 440
Accounts payable	219	276
Interest payable on borrowings	191	153
Income tax payable	44	78
LP Unitholders distributions, preferred limited partnership unit distributions, preferred dividends payable, perpetual subordinate notes distributions and exchange shares dividends ⁽¹⁾	58	53
Current portion of lease liabilities	34	33
Current portion of contract liability	30	24
Other	46	29
	<u>\$ 1,020</u>	<u>\$ 1,086</u>

⁽¹⁾ Includes amounts payable only to external LP unitholders and BEPC exchangeable shareholders. Amounts payable to Brookfield are included in due to related parties.

19. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

In the course of its operations, Brookfield Renewable and its subsidiaries have 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.

In the normal course of business, Brookfield Renewable will enter into capital expenditure commitments which primarily relate to contracted project costs for various growth initiatives. As at June 30, 2023, Brookfield Renewable had \$1.4 billion (2022: \$1 billion) of capital expenditure commitments outstanding of which \$1,003 million is payable in 2023, \$425 million is payable in 2024, \$11 million is payable in 2025 to 2027, and \$6 million thereafter.

The following table lists the assets and portfolio of assets that Brookfield Renewable, together with institutional partners have agreed to acquire which are subject to customary closing conditions as at June 30, 2023:

Region	Technology	Capacity	Consideration	Brookfield Renewable	
				Economic Interest	Expected Close
China	Wind	102 MW development	CNY \$255 million (\$38 million)	20 %	Q4 2023
U.S.	Nuclear Services	N/A	\$4.5 billion	Approximately \$450 million	Second half of 2023
U.S.	Utility-scale solar	473 MW operating	\$135 million	20 %	First of three projects in Q4 2023
China	Wind	350 MW development	CNY \$853 million (\$125 million)	20 %	First of two projects in Q4 2023
Europe	Utility-scale solar	649 MW operating 531 MW development	\$900 million	17 %	Second half of 2023
Australia	Integrated power generator and energy retailer	7 GW of operating and contracted assets with \$4.5 million customer accounts	A\$8.91 per share, implying an enterprise value of A\$18.7 billion for entire Origin	Up to \$750 million	Q1 2024
U.S.	Distributed energy & sustainable solutions	220 MW development	\$14 million	20 %	Q3 2023
U.S.	Integrated developer and operator of renewable power	5,900 MW of operating and under construction 6,100 MW development	\$1.05 billion	25 %	Second half of 2023
U.S.	Distributed energy & sustainable solutions	14 MW development	\$30 million	25 %	Q3 2023
India	C&I renewable platform	4,500 megawatts of operating and development pipeline;	INR \$15.4 billion (\$188 million)	20 %	Second half of 2023
Brazil	Distributed energy & sustainable solutions	730 MW development	BRL \$430 million (\$83 million)	20 %	2023-2026
Brazil	Wind	60 MW operating	BRL \$112 million (\$20 million)	25 %	Q3 2023

An integral part of Brookfield Renewable's strategy is to participate with institutional partners in Brookfield-sponsored private equity funds that target acquisitions that suit Brookfield Renewable's profile. In the normal course of business, Brookfield Renewable 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, Brookfield Renewable 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), Brookfield Renewable, or by co-investors.

Contingencies

Brookfield Renewable 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 Brookfield Renewable's consolidated financial position or results of operations.

Brookfield Renewable, on behalf of Brookfield Renewable's subsidiaries, and the 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 activity on the issued letters of credit by Brookfield Renewable can be found in Note 9 – Borrowings.

Brookfield Renewable, along with institutional partners, 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, Brookfield Infrastructure Fund V, Brookfield Infrastructure Income Fund, Brookfield Global Transition Fund I and Brookfield Global Transition Fund II. Brookfield Renewable'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 Brookfield Renewable along with institutional partners and its subsidiaries were as at the following dates:

(MILLIONS)	June 30, 2023	December 31, 2022
Brookfield Renewable along with institutional partners	\$ 99	\$ 99
Brookfield Renewable's subsidiaries	1,438	1,510
	<u>\$ 1,537</u>	<u>\$ 1,609</u>

Guarantees

In the normal course of operations, Brookfield Renewable and its subsidiaries execute agreements that provide for indemnification and guarantees to third-parties of transactions such as business dispositions, capital project purchases, business acquisitions, power marketing activities such as purchase and sale agreements, swap agreements, credit facilities of certain Brookfield private funds and that are also secured by committed capital of our third-party institutional partners, and sales and purchases of assets and services. Brookfield Renewable has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents Brookfield Renewable from making a reasonable estimate of the maximum potential amount that Brookfield Renewable 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. Historically, neither Brookfield Renewable nor its subsidiaries have made material payments under such indemnification agreements.

20. RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield and Brookfield Reinsurance Ltd ("Brookfield Reinsurance").

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 BEPC exchangeable shares on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per BEPC exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

Brookfield Corporation has provided a \$400 million committed unsecured revolving credit facility maturing in December 2023 and the draws bear interest at Secured Overnight Financing Rate plus a margin. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Corporation. Brookfield Corporation may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were nil funds placed on deposit with Brookfield Renewable as at June 30, 2023 (December 31, 2022: nil). The interest expense on the Brookfield Corporation revolving credit facility and deposit for the three and six months ended June 30, 2023 totaled nil (2022: less than \$1 million).

The following table reflects the related party agreements and transactions for the three and six months ended June 30 in the interim consolidated statements of income (loss):

(MILLIONS)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Revenues				
Power purchase and revenue agreements	\$ 8	\$ 9	\$ 52	\$ 22
Direct operating costs				
Energy marketing fee & other services	(4)	(1)	(5)	(4)
	\$ (4)	\$ (1)	\$ (5)	\$ (4)
Interest expense				
Borrowings	\$ (5)	\$ —	\$ (10)	\$ —
Contract balance accretion	(7)	(6)	(15)	(12)
	\$ (12)	\$ (6)	\$ (25)	\$ (12)
Other				
Distribution income	\$ 4	\$ —	\$ 5	\$ —
Related party services	\$ 6	\$ (1)	\$ 6	\$ (2)
Management service costs	\$ (55)	\$ (65)	\$ (112)	\$ (141)

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position:

(MILLIONS)	Related party	June 30, 2023	December 31, 2022
Current assets			
Trade receivables and other current assets			
Contract asset	Brookfield.....	\$ 57	\$ 54
Due from related parties			
Amounts due from	Brookfield.....	155	105
	Equity-accounted investments and other	56	18
		<u>211</u>	<u>123</u>
Financial instrument assets	Brookfield.....	197	395
Non-current assets			
Other long-term assets			
Contract asset	Brookfield.....	330	341
Amounts due from	Brookfield.....	—	—
Amounts due from	Equity-accounted investments and other	135	128
Current liabilities			
Contract liability	Brookfield.....	30	24
Financial instrument liabilities	Brookfield Reinsurance.....	10	3
Due to related parties			
Amounts due to	Brookfield.....	236	166
	Equity-accounted investments and other	95	62
	Brookfield Reinsurance.....	309	321
Accrued distributions payable on LP units, BEPC exchangeable shares, Redeemable/Exchangeable partnership units and GP interest	Brookfield.....	42	38
		<u>682</u>	<u>587</u>
Non-recourse borrowings	Brookfield.....	10	18
Non-current liabilities			
Financial instrument liabilities	Brookfield Reinsurance.....	15	3
Corporate borrowings	Brookfield Reinsurance.....	8	7
Non-recourse borrowings	Brookfield Reinsurance and associates ..	115	93
	Brookfield	923	1,750
Other long-term liabilities			
Amounts due to	Equity-accounted investments, Brookfield Reinsurance and associates and other	1	1
Contract liability	Brookfield.....	670	662
		<u>\$ 671</u>	<u>\$ 663</u>
Equity			
Preferred limited partners equity	Brookfield Reinsurance and associates ..	\$ 12	\$ 12

21. SUBSIDIARY PUBLIC ISSUERS

The following tables provide consolidated summary financial information for Brookfield Renewable, BRP Equity, and Canadian Finco:

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Canadian Finco	Subsidiary Credit Supporters ⁽²⁾	Other Subsidiaries ⁽¹⁾⁽³⁾	Consolidating adjustments ⁽⁴⁾	Brookfield Renewable consolidated
As at June 30, 2023							
Current assets	\$ 65	\$ 400	\$ 2,723	\$ 902	\$ 3,608	\$ (4,080)	\$ 3,618
Long-term assets	5,086	246	3	46,078	62,208	(51,337)	62,283
Current liabilities	67	7	61	8,254	3,710	(8,143)	3,956
Long-term liabilities	—	—	2,651	15	30,767	—	33,433
Participating non-controlling interests – in operating subsidiaries	—	—	—	—	16,604	—	16,604
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	—	—	—	2,908	—	—	2,908
BEPC exchangeable shares	—	—	—	—	2,686	—	2,686
Preferred equity	—	584	—	—	—	—	584
Perpetual subordinated notes	—	—	—	592	—	—	592
Preferred limited partners' equity	761	—	—	765	—	(766)	760
As at December 31, 2022							
Current assets	\$ 61	\$ 391	\$ 2,336	\$ 834	\$ 4,172	\$ (3,611)	\$ 4,183
Long-term assets	4,860	241	3	33,830	59,860	(38,866)	59,928
Current liabilities	60	7	30	7,877	4,455	(7,486)	4,943
Long-term liabilities	—	—	2,299	16	30,567	—	32,882
Participating non-controlling interests – in operating subsidiaries	—	—	—	—	14,755	—	14,755
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	—	—	—	2,892	—	—	2,892
BEPC exchangeable shares	—	—	—	—	2,561	—	2,561
Preferred equity	—	571	—	—	—	—	571
Perpetual subordinated notes	—	—	—	592	—	—	592
Preferred limited partners' equity	761	—	—	765	—	(766)	760

(1) Includes investments in subsidiaries under the equity method.

(2) Includes BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Holdings (Canada) Inc., Brookfield BRP Europe Holdings Limited, Brookfield Renewable Investments Limited and BEP Subco Inc., collectively the "Subsidiary Credit Supporters".

(3) Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Canadian Finco and the Subsidiary Credit Supporters.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Canadi an Finco	Subsidiary Credit Supporters ⁽²⁾	Other Subsidiaries ⁽¹⁾⁽³⁾	Consolidating adjustments ⁽⁴⁾	Brookfield Renewable consolidated
Three months ended June 30, 2023							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 1,205	\$ —	\$ 1,205
Net income (loss)	(18)	—	1	(275)	424	19	151
Three months ended June 30, 2022							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 1,274	\$ —	\$ 1,274
Net income (loss)	3	—	—	(124)	188	55	122
Six months ended June 30, 2023							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 2,536	\$ —	\$ 2,536
Net income (loss)	(34)	—	2	(461)	777	44	328
Six months ended June 30, 2022							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 2,410	\$ —	\$ 2,410
Net income (loss)	(30)	—	(3)	(407)	363	232	155

(1) Includes investments in subsidiaries under the equity method.

(2) Includes BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Holdings (Canada) Inc., Brookfield BRP Europe Holdings Limited, Brookfield Renewable Investments Limited and BEP Subco Inc., collectively the "Subsidiary Credit Supporters".

(3) Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Canadian Finco, and the Subsidiary Credit Supporters.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

See Note 9 – Borrowings for additional details regarding the medium-term borrowings issued by Canadian Finco. See Note 10 – Non-controlling interests for additional details regarding Class A Preference Shares issued by BRP Equity.

22. SUBSEQUENT EVENTS

Subsequent to the quarter, Brookfield Renewable, together with institutional partners, completed the subscription of additional shares in Powen for €25 million (\$28 million and \$6 million net to Brookfield Renewable) which increased the total interest in Powen to 44% (8.8% net to Brookfield Renewable).

GENERAL INFORMATION

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Patricia Zuccotti
Dr. Sarah Deasley

Exchange Listing

NYSE: BEP (LP units)
TSX: BEP.UN (LP units)
NYSE: BEPC (exchangeable shares)
TSX: BEPC (exchangeable shares)
TSX: BEP.PR.G (Preferred LP Units - Series 7)
TSX: BEP.PR.M (Preferred LP Units - Series 13)
TSX: BEP.PR.O (Preferred LP Units - Series 15)
NYSE: BEP.PR.A (Preferred LP Units - Series 17)
TSX: BEP.PR.R (Preferred LP Units - Series 18)
TSX: BRF.PR.A (Preferred shares - Series 1)
TSX: BRF.PR.B (Preferred shares - Series 2)
TSX: BRF.PR.C (Preferred shares - Series 3)
TSX: BRF.PR.E (Preferred shares - Series 5)
TSX: BRF.PR.F (Preferred shares - Series 6)
NYSE: BEPH (Perpetual subordinated notes)
NYSE: BEPI (Perpetual subordinated notes)

Investor Information

Visit Brookfield Renewable online at <https://bep.brookfield.com> for more information. The 2022 Annual Report and Form 20-F are also available online. 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 Partners L.P.

bep.brookfield.com

NYSE: BEP

TSX: BEP.UN