

**News Release**  
**For Immediate Distribution****INNERGEX ACQUIRES TWO WIND PROJECTS IN FRANCE**

- Two wind facilities with an aggregate installed capacity of 43 MW
  - Projected increase to revenues and Adjusted EBITDA of C\$14.5M and C\$12.0M, respectively and Free Cash Flow to Innergex of C\$2.0M for the twelve months of operations
  - Total enterprise value acquired of C\$145.6M
- 

**LONGUEUIL, Quebec, July 5, 2017** – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex”) is pleased to announce that a final agreement has been signed with BayWa r.e. to purchase two wind projects in France with a total aggregate installed capacity of 43 MW. The acquisition, subject to customary closing conditions, is expected to be concluded following the mechanical completion of the projects for which the commissioning is scheduled in the third quarter of 2017. Innergex will have a 69.55% interest in the wind farms and Desjardins Group Pension Plan will own the remaining 30.45%.

“With this acquisition, Innergex will then own 15 wind facilities in France for a total installed capacity of 317 MW,” said Michel Letellier, President and Chief Executive Officer of Innergex. “Our expansion into France has been very successful. We have established an ecosystem made up of solid relationships with key developers in France, such as BayWa r.e., and we intend to continue to build on this momentum and to develop our own projects to pursue growth. Our assets are young and supported by long-term power purchase agreements which guarantee a low-risk and prosperous future.”

The purchase price of the equity is approximately €27.2 million (or C\$39.9 million), subject to certain adjustments. Innergex’s net share of the purchase price will amount to about €16.5 million (or C\$24.2 million) and will be paid through available funds under its corporate revolving credit facility. Non-recourse debts related to the projects, which are already in place, will amount to €72.0 million (or C\$105.7 million) and will remain at the project level.

The Corporation will reduce its exposure to exchange rate fluctuations by entering into long-term currency hedging instruments.

**DESCRIPTION OF THE ACQUIRED ASSETS**

The two wind farms are located in the Champagne-Ardenne region of France. The aggregated installed capacity is 43 MW and the average annual power generation is expected to reach 118,000 MWh, enough to power about 24,775 French households. All the electricity produced by these wind farms will be sold under power purchase agreements (PPAs) at fixed prices of which a portion is adjusted according to inflation indexes, for an initial term of 15 years, with Electricité de France (EDF).

Innergex is expecting revenues of approximately €9.9 million (or C\$14.5 million) and Adjusted EBITDA of approximately €8.2 million (or C\$12.0 million) for the first 12 months of operations.

The projects consist of 18 Vestas wind turbines (with an individual gross capacity of 2 and 3 MW) that will be operated by the wind turbine manufacturer under a 15-year operation and maintenance contract.

Project name	Gross capacity (MW)	COD (100%)	PPA expiry
Plan Fleury	22.0	Q3 2017	2032
Les Renardières	21.0	Q3 2017	2032
Total	43.0		

### **BENEFITS OF THE TRANSACTION**

- Strengthens Innergex's portfolio of young wind projects in France by increasing geographical and technological diversification of assets
- Consolidates Innergex's position as a long-term committed renewable energy developer in France

### **About Desjardins Group Pension Plan**

The mission of the Desjardins Group Pension Plan, acting through its Retirement Committee, is to provide a defined benefit pension plan to more than 50,000 beneficiaries. With \$11.4 billion in net assets under management, it is the 7th largest private pension plan in Canada. As at the end of December 2016, the equity value of Desjardins Group Pension Plan's infrastructure portfolio was close to \$1.5 billion. About half of its investments are in the renewable energy infrastructure sector with interests in 43 operating facilities and an aggregate installed capacity of 2,345 MW, including 9 hydroelectric facilities, 25 wind farms and 9 solar farms.

### **About Innergex Renewable Energy Inc.**

The Corporation develops, owns and operates run-of-river hydroelectric facilities, wind farms and solar photovoltaic farms and carries out its operations in Quebec, Ontario and British Columbia, Canada, France and Idaho, USA. Its portfolio of assets currently consists of: (i) interests in 51 operating facilities with an aggregate net installed capacity of 1,063 MW (gross 1,758 MW), including 31 hydroelectric facilities, 19 wind farms and one solar farm; (ii) interests in one project under construction with a net installed capacity of 31 MW (gross 45 MW), for which a power purchase agreement has been secured; and (iii) prospective projects with an aggregate net capacity totalling 3,560 MW (gross 3,940 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P.

The Corporation's strategy for building shareholder value is to develop or acquire high-quality facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

### **Non-IFRS measures disclaimer.**

Readers are cautioned that Adjusted EBITDA and Free Cash Flows are not measures recognized by IFRS and have no standardized meaning prescribed by it, and therefore may not be comparable to those presented by other issuers. Innergex believes that these indicators are important, as they provide management and the reader with additional information about its cash generation capabilities and facilitates the comparison of results over different periods. References in this press release to "Adjusted EBITDA" are to revenues less operating expenses, general and administrative expenses and prospective project expenses. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings as determined in accordance with IFRS. References to "Free Cash Flow" are to cash flows from operating activities before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus cash receipts by the Harrison Hydro L. P. for the wheeling services to be provided to other facilities owned by the Corporation over the course of their power purchase agreement, plus or minus other elements that are not representative of the Corporation's long-term cash generating capacity, such as transaction costs related to realized

acquisitions (which are financed at the time of the acquisition), realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt or the exchange rate on equipment purchases.

#### **Forward-Looking Information Disclaimer**

In order to inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "projected", "potential", "expect", "will", "should", "estimate", "forecasts", "intends", or other comparable terminology that states that certain events will or will not occur. It represents the estimates and expectations of the Corporation relating to future results and developments as of the date of this press release. It includes future-oriented financial information, such as expected production, revenues, Adjusted EBITDA and projected Free Cash Flow, to inform readers of the potential financial impact of the acquisition. Such information may not be appropriate for other purposes.

Forward-Looking Information in this press release is based on certain key expectations and assumptions made by the Corporation. The following table outlines Forward-Looking Information contained in this press release, the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
<b>Expected production</b> For each facility, the Corporation determines a long-term average annual level of electricity production ("LTA") over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for wind energy, the historical wind and meteorological conditions and turbine technology. Other factors taken into account include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average.	Improper assessment of wind resources and associated electricity production Variability in wind regime Equipment failure or unexpected operations and maintenance activity Natural disaster
<b>Projected Revenues</b> For each facility, expected annual revenues are estimated by multiplying the LTA by a price for electricity stipulated in the power purchase agreement secured with a public utility or other creditworthy counterparty. These agreements stipulate a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index.	Production levels below the LTA caused mainly by the risks and uncertainties mentioned above Unexpected seasonal variability in the production and delivery of electricity Lower-than-expected inflation rate
<b>Projected Adjusted EBITDA</b> For each facility, the Corporation estimates annual operating earnings by subtracting from the estimated revenues the budgeted annual operating costs, which consist primarily of operators' salaries, insurance premiums, operations and maintenance expenditures, property taxes and royalties; these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures).	Variability of facility performance and related penalties Unexpected maintenance expenditures Changes in the purchase price of electricity upon renewal of a PPA
<b>Projected Free Cash Flow</b> The Corporation estimates Projected Free Cash Flow as projected cash flows from operating activities before changes in non-cash operating working capital items, less estimated maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus cash receipts by the Harrison Hydro L.P. for the wheeling services to be provided to other facilities owned by the Corporation over the course of their power purchase agreement, plus or minus other elements that are not representative of the Corporation's long-term cash generating capacity, such as transaction costs related to realized acquisitions (which are financed at the time of the acquisition), realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt or the exchange rate on equipment purchases.	Adjusted EBITDA below expectations caused mainly by the risks and uncertainties mentioned above and by higher prospective project expenses Projects costs above expectations caused mainly by the performance of counterparties and delays and cost overruns in the design and construction of projects Regulatory and political risk Interest rate fluctuations and financing risk Financial leverage and restrictive covenants governing current and future indebtedness Unexpected maintenance capital expenditures Possibility that the Corporation may not declare or pay a dividend

<p><b>Estimated project start of commercial operation for Development Projects or Prospective Projects</b></p> <p>For each development project, the Corporation provides indications regarding scheduling and construction progress for its Development Projects and indications regarding its Prospective Projects, based on its extensive experience as a developer.</p>	<p>Performance of counterparties, such as the EPC contractors</p> <p>Delays and cost overruns in the design and construction of projects</p> <p>Relationships with stakeholders</p> <p>Regulatory and political risks</p> <p>Natural disaster</p>
<p><b>Expected Closing of the Acquisition and of the Investments by a Desjardins Group Pension Plan</b></p> <p>The Corporation reasonably expects that the closing conditions will be completed within the deadlines.</p>	<p>Availability of the capital</p> <p>Regulatory and political risks</p> <p>Performance of the counterparties</p>

### ***Material risks and uncertainties***

The material risks and uncertainties that may cause actual results and developments to be materially different from current expressed Forward-Looking Information are referred to in the Corporation's Annual Information Form in the "Risk Factors" section and include, without limitation: failure to complete the transactions; the ability of the Corporation to implement its strategy; its ability to access sufficient capital resources; liquidity risks related to derivative financial instruments; the exchange rate fluctuations; the growth and development of foreign markets; changes in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; the ability to develop new facilities; variability of facilities performance and related penalties; failure to perform from main counterparties; potential undisclosed liabilities associated with the acquisition; the ability to integrate the acquired facilities; and failure to realize the benefits of this acquisition.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this press release are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that they will prove to be correct. The Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date of this press release, unless so required by legislation.

- 30 -

### **For information**

Karine Vachon  
 Director – Communications  
 450 928-2550, ext. 1222  
[kvachon@innergex.com](mailto:kvachon@innergex.com)  
[innergex.com](http://innergex.com)