

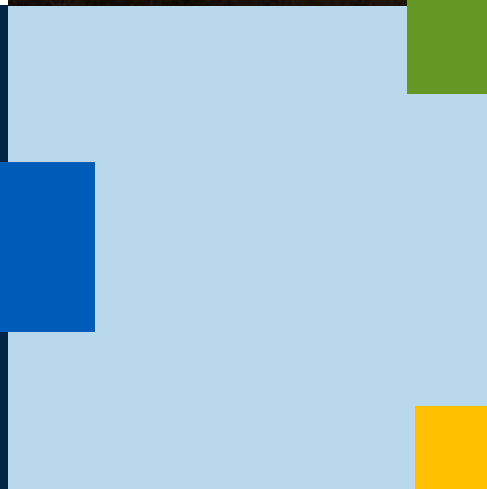
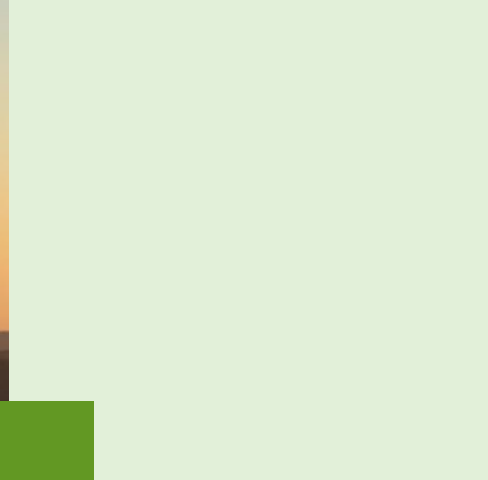


Renewable Energy.  
Sustainable Development.

# FOURTH QUARTER AND YEAR-END 2018

## Conference call & Webcast

February 28, 2019





# FORWARD-LOOKING INFORMATION

## FORWARD-LOOKING INFORMATION

To inform readers of the Corporation's future prospects, this document 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 "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "would", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terminology that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this document.

Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production, projected revenues, projected Adjusted EBITDA and projected Adjusted EBITDA Proportionate, to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of completed and future acquisitions and of the Corporation's ability to sustain current dividends and to fund its growth. Such information may not be appropriate for other purposes.

Forward-looking Information is based on certain key assumptions made by Innergex, including, without restrictions, assumptions concerning project performance, economic, financial and financial market conditions, expectations and assumptions concerning availability of capital resources and timely performance by third-parties of contractual obligations, receipt of regulatory approvals and the divestiture of select assets. Although Innergex believes that the expectations and assumptions on which such forward-looking information is based are reasonable, under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that they will prove to be correct. The forward-looking information contained in this document is made as of the date hereof and Innergex 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 hereof, unless so required by law.

Since forward-looking information addresses future events and conditions, it is by its very nature subject to inherent risks and uncertainties. Forward-looking information involves risks and uncertainties that may cause actual results or performance to be materially different from those expressed, implied or presented by the forward-looking information. These include, but are not limited to, the risks associated with the ability of Innergex to execute its strategy for building shareholder value (including through the potential divestiture of selected assets), its ability to raise additional capital and the state of the capital markets, liquidity risks related to derivative financial instruments, variability in hydrology, geothermal resources, wind regimes and solar irradiation, uncertainties surrounding the development of new facilities, interest rate fluctuations and refinancing risks, financial leverage and restrictive covenants governing current and future indebtedness, failure to realize the anticipated benefits of such acquisitions (including the acquisition of the Cartier Wind Farms), variability of installations performance and related penalties, foreign exchange fluctuations and the fact that revenues from certain facilities will vary based on the market (or spot) price of electricity.

The following table outlines Forward-looking information contained in this document, 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
<p><b>EXPECTED PRODUCTION</b></p> <p>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 hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for wind energy, the historical wind and meteorological conditions and turbine technology; for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation and for geothermal power facilities, the historical geothermal resources natural depletion of geothermal resources over time, the technology used and the potential of energy loss to occur before delivery. 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 LTA. On a consolidated basis, the Corporation estimates its LTA by adding together the expected LTAs of all the facilities in operation, for the facilities that it consolidates. This consolidation excludes however the facilities which are accounted for using the equity method (Dokie, East Toba, Flat Top, Guayacan, Jimmie Creek, Mampil, Montrose Creek, Pampa Elvira, Peuchén, Shannon, Umbata Falls and Viger-Denonville).</p>	<ul style="list-style-type: none"> <li>Improper assessment of water, wind, solar and geothermal resources and associated electricity production</li> <li>Variability in hydrology, wind regimes, solar irradiation and geothermal resources</li> <li>Risks inherent in geothermal resource</li> <li>Equipment supply risk, including failure or unexpected operations and maintenance activity</li> <li>Natural disasters and force majeure</li> <li>Regulatory and political risks affecting production</li> <li>Health, safety and environmental risks affecting production</li> <li>Variability of installation performance and related penalties</li> <li>Availability and reliability of transmission systems</li> <li>Litigation</li> </ul>



# FORWARD-LOOKING INFORMATION

## Principal Assumptions

## Principal Risks and Uncertainties

### PROJECTED REVENUES

For each facility, expected annual revenues are estimated by multiplying the LTA by a price for electricity stipulated in the PPA secured with a public utility or other creditworthy counterparty mainly. In most cases these PPAs stipulate a base price for electricity produced and, in some cases, a price adjustment depending on the month, day and hour of its delivery. This excludes facilities, which receive revenues, based on the market (or spot) price for electricity, including the Miller Creek hydroelectric facility, which receives a price based on a formula using the Platts Mid-C pricing indices, the Horseshoe Bend hydroelectric facility, for which 85% of the price is fixed and 15% is adjusted annually as determined by the Idaho Public Utility Commission. Revenues at the HS Orka facilities also fluctuate with the price of aluminum, as certain of those PPAs are linked to such price. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index. On a consolidated basis, the Corporation estimates annual revenues by adding together the projected revenues of all the facilities in operation that it consolidates. This consolidation excludes however the facilities which are accounted for using the equity method (Dokie, East Toba, Flat Top, Guayacan, Jimmie Creek, Mampil, Montrose Creek, Pampa Elvira, Peuchén, Shannon, Umbata Falls and Viger-Denonville).

See principal assumptions, risks and uncertainties identified under “Expected Production”  
 Reliance on various forms of PPAs  
 Revenues from certain facilities will vary based on the market (or spot) price of electricity  
 Fluctuations affecting prospective power prices  
 Changes in general economic conditions  
 Ability to secure new Power Purchase Agreements or renew any Power Purchase Agreement

### PROJECTED ADJUSTED EBITDA

For each facility, the Corporation estimates annual operating earnings by subtracting from the projected revenues the budgeted annual operating costs, which consist primarily of operators’ salaries, insurance premiums, operations and maintenance expenditures, property taxes, royalties and cost of power (if applicable); these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures and cost of power). On a consolidated basis, the Corporation estimates annual Adjusted EBITDA by adding together the projected operating earnings of all the facilities in operation that it consolidates, from which it subtracts budgeted general and administrative expenses, comprised essentially of salaries and office expenses, and budgeted prospective project expenses, which are determined based on the number of prospective projects the Corporation chooses to develop and the resources required to do so. This consolidation excludes however the facilities which are accounted for using the equity method (Dokie, East Toba, Flat Top, Guayacan, Jimmie Creek, Mampil, Montrose Creek, Pampa Elvira, Peuchén, Shannon, Umbata Falls and Viger-Denonville). Innergex believes that the presentation of this measure enhances the understanding of the Corporation’s operating performance. Readers are cautioned that Projected Adjusted EBITDA should not be construed as an alternative to net earnings, as determined in accordance with IFRS.

See principal assumptions, risks and uncertainties identified under “Expected Production” and “Projected Revenues”

### PROJECTED ADJUSTED EBITDA PROPORTIONATE

On a consolidated basis, the Company estimates annual Adjusted EBITDA Proportionate by adding to the projected Adjusted EBITDA Innergex’s share of Adjusted EBITDA of the joint ventures (Dokie, East Toba, Flat Top, Guayacan, Jimmie Creek, Mampil, Montrose Creek, Pampa Elvira, Peuchén, Shannon, Umbata Falls and Viger-Denonville).

See principal assumptions, risks and uncertainties identified under “Expected Production” and “Projected Revenues”

### PROJECTED FREE CASH FLOW AND INTENTION TO PAY DIVIDEND QUARTERLY

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. The Corporation estimates the annual dividend it intends to distribute based on the Corporation operating results, cash flows, financial conditions, debt covenants, long-term growth prospects, solvency, test imposed under corporate law for declaration of dividends and other relevant factors.

See principal assumptions, risks and uncertainties identified under “Expected Production” and “Projected Revenues”  
 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



# FORWARD-LOOKING INFORMATION

## Principal Assumptions

### ESTIMATED PROJECT COSTS, EXPECTED OBTAINMENT OF PERMITS, START OF CONSTRUCTION, WORK CONDUCTED AND START OF COMMERCIAL OPERATION FOR DEVELOPMENT PROJECTS OR PROSPECTIVE PROJECTS

For each Development Project and Prospective Project, the Corporation may provide (where available) an estimate of potential installed capacity, estimated project costs, project financing terms and each project's development and construction schedule, based on its extensive experience as a developer, in addition to information directly related incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for the projected costs and construction schedule provided by the engineering, procurement and construction ("EPC") contractor retained for the project.

The Corporation provides indications based on assumptions regarding its current strategic positioning and competitive outlook, as well as scheduling and construction progress, for its Development Projects and its Prospective Projects, which the Corporation evaluates based on its experience as a developer.

## Principal Risks and Uncertainties

Uncertainties surrounding development of new facilities  
 Performance of major counterparties, such as suppliers or contractors  
 Delays and cost overruns in the design and construction of projects  
 Ability to secure appropriate land  
 Obtainment of permits  
 Health, safety and environmental risks  
 Social acceptance of renewable energy projects  
 Ability to secure new Power Purchase Agreements or renew any Power Purchase Agreement  
 Relationships with stakeholders  
 Equipment supply  
 Interest rate fluctuations and financing risk  
 Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing  
 Relationships with stakeholders  
 Regulatory and political risks Higher-than-expected inflation Natural disaster  
 Ability of the Corporation to execute its strategy for building shareholder value  
 Failure to realize the anticipated benefits of completed and future acquisitions  
 Changes in governmental support to increase electricity to be generated from renewable sources by independent power producers  
 Regulatory and political risks  
 Foreign market growth and development risks  
 Outcome of insurance claims

### POTENTIAL DIVESTITURE OF SELECTED ASSETS

The Corporation ability to successfully identify potential purchasers for some of the Corporation's assets and its ability to assess and realize the value of such assessment in a successful divestiture and the timing of the completion of the transaction.

Ability of the Corporation to execute its strategy for building shareholder value  
 Regulatory and political risks  
 Performance of counterparties  
 Financial leverage and restrictive covenants governing current and future indebtedness  
 Fluctuations affecting prospective power Prices  
 Variability in hydrology, geothermal resources, wind regimes and solar irradiation  
 Failure to realize the anticipated benefits of completed and future acquisitions (including the acquisition of the Cartier Wind Farms)  
 Ability to raise additional capital and the state of the capital market  
 Interest rate fluctuations and refinancing risk



1. Q4 Financial Highlights
  2. Year-End Results
  3. 2018 Financial Performance
  4. 2018 Financing Activities
  5. Q4 Operational Highlights
  6. 2018 Achievements
  7. 2019 Focus
  8. 2019 Projected Financial Performance
  9. Question Period
- Appendix: non-IFRS measures

Note: All amounts in this presentation are in Canadian dollars, unless otherwise indicated





# JEAN-FRANÇOIS NEAULT, CPA, CMA, MBA

CHIEF FINANCIAL OFFICER







# 1. Q4 FINANCIAL HIGHLIGHTS

	Three-Month Period Ended December 31			Year Ended December 31		
	2018	2017 Restated <sup>1</sup>	Change	2018	2017 Restated <sup>1</sup>	Change
In millions of Canadian dollars						
Production (GWh)	1,748	1,106	+58%	6,283	4,394	+43%
Revenues	166.2	108.0	+54%	576.6	400.3	+44%
Adjusted EBITDA <sup>2</sup>	113.2	80.1	+41%	385.1	298.7	+29%
Adjusted EBITDA Margin <sup>2</sup>	68.1%	74.1%		66.8%	74.6%	
Adjusted EBITDA Proportionate <sup>2</sup>	133.0	83.2	+60%	459.1	308.3	+49%
Net Earnings	14.0	3.5	+297%	25.7	19.1	+34%
Adjusted Net Earnings <sup>2</sup>	13.0	3.9	+239%	27.0	15.7	+72%

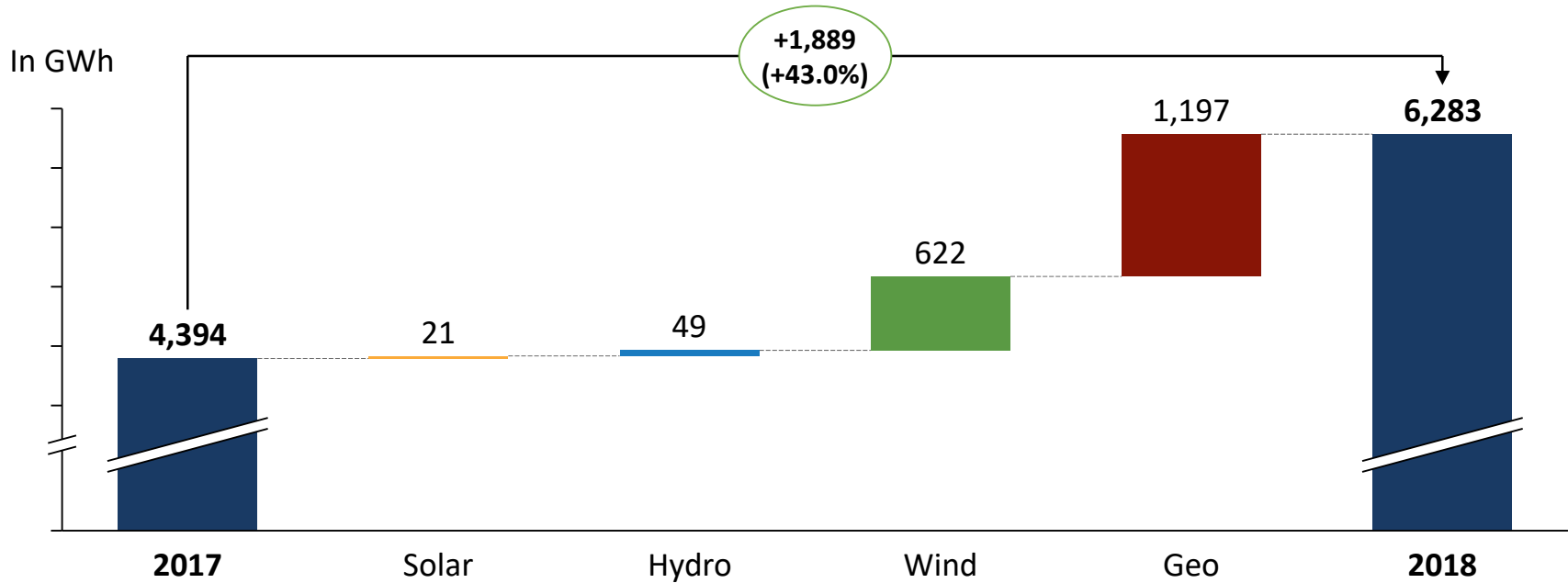
1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis for the fourth quarter and year-end 2018.

2. Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Proportionate and Adjusted Net Earnings are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.





## 2. YEAR-END RESULTS | PRODUCTION



**WIND**

Mostly due to the French wind facilities acquired in 2017 and the acquisition of the remaining 62% interest in the Cartier Wind Farms

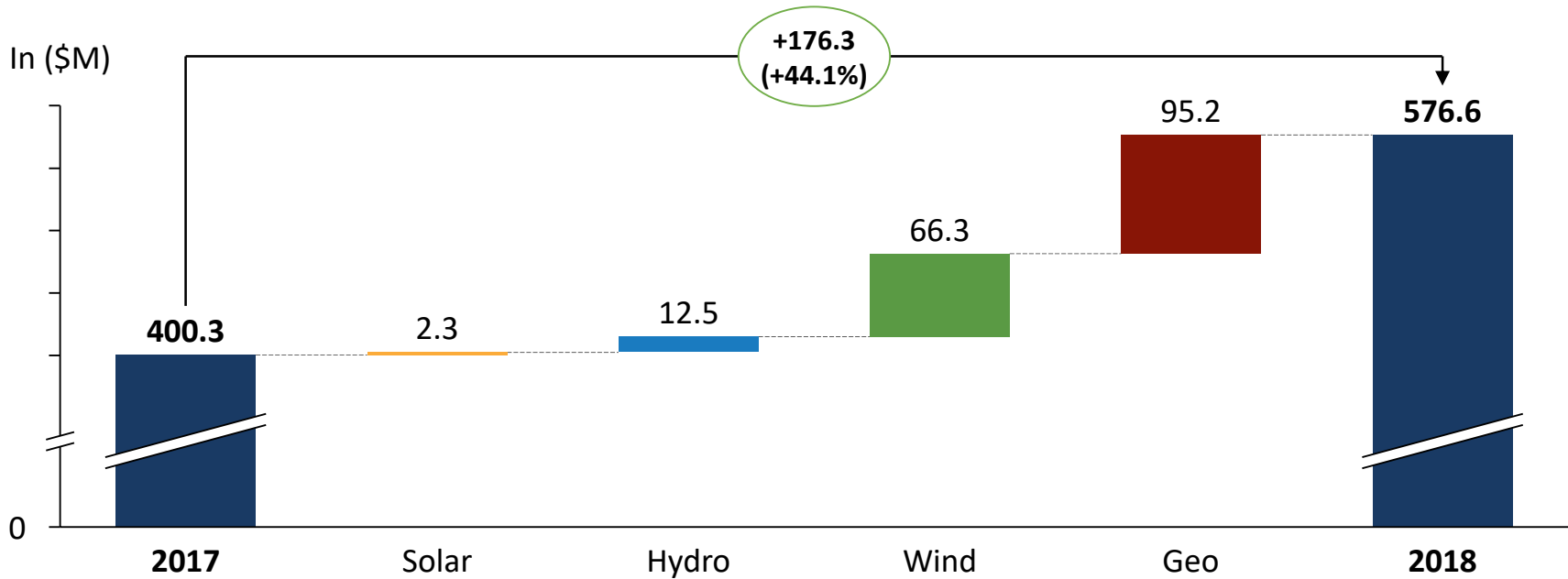
**GEO**

New segment from the Alterra acquisition





# 2. YEAR-END RESULTS | REVENUES



**WIND**

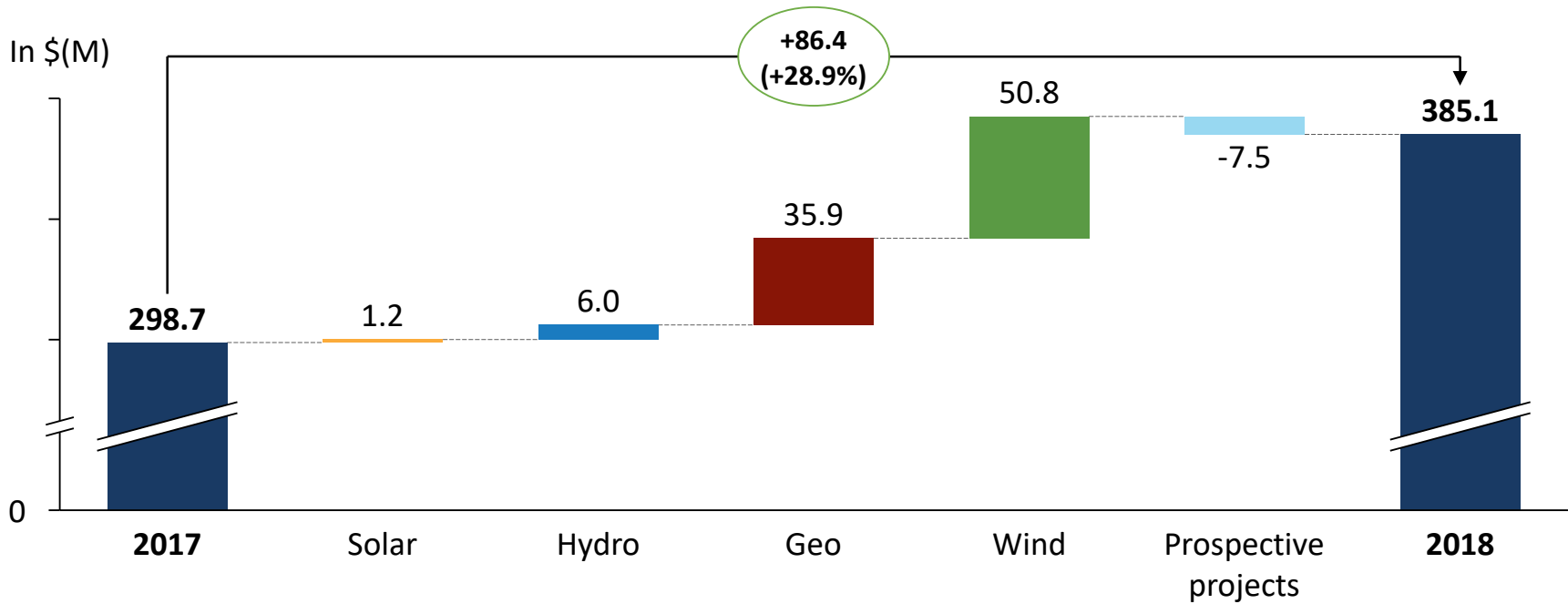
Mostly due to the French wind facilities acquired in 2017 and the acquisition of the remaining 62% interest in the Cartier Wind Farms

**GEO**

New segment from the Alterra acquisition



# 2. YEAR-END RESULTS | ADJUSTED EBITDA



**WIND**

Mostly due to the French wind facilities acquired in 2017 and the acquisition of the remaining 62% interest in the Cartier Wind Farms

**GEO**

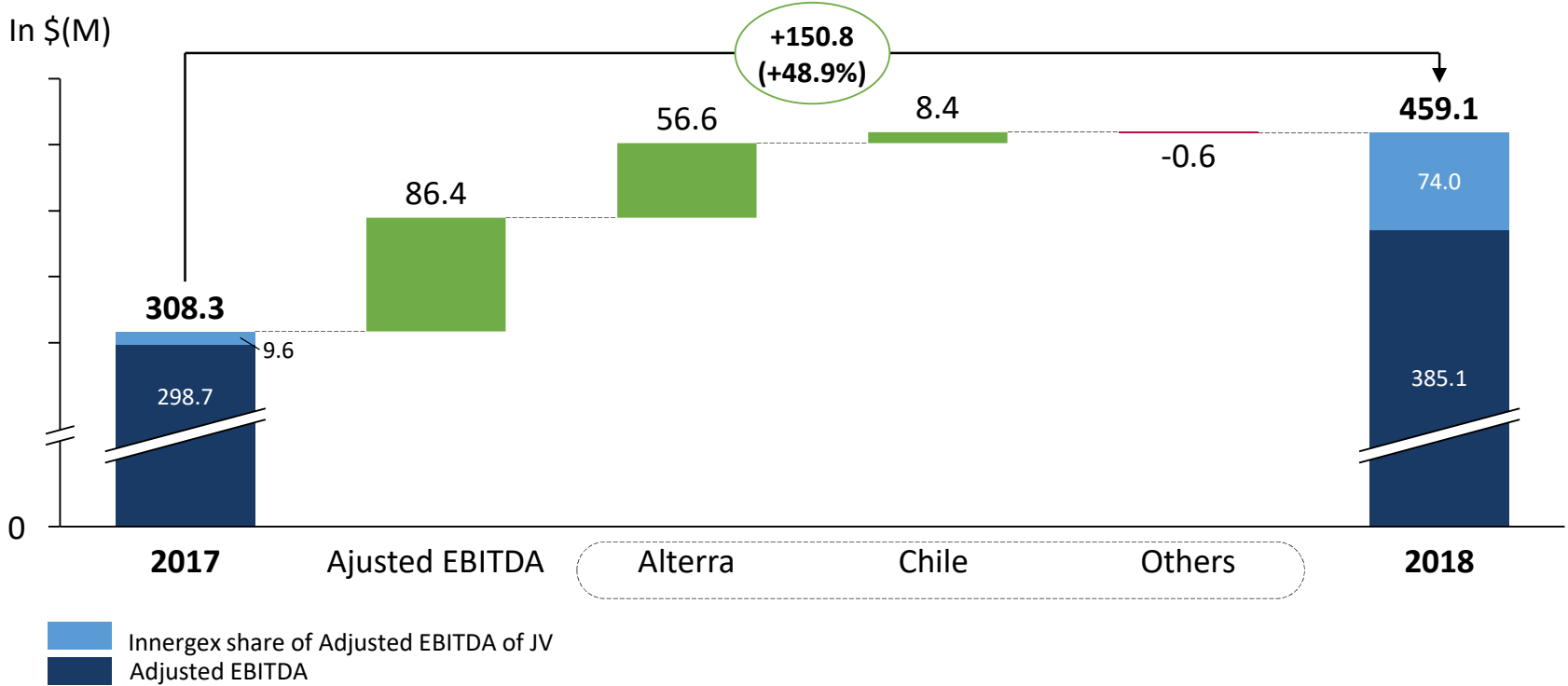
New segment from the Alterra acquisition

**PROSPECTIVE PROJECTS**

Pursuing opportunities in Canada and international markets



# 2. YEAR-END RESULTS | ADJUSTED EBITDA PROPORTIONATE

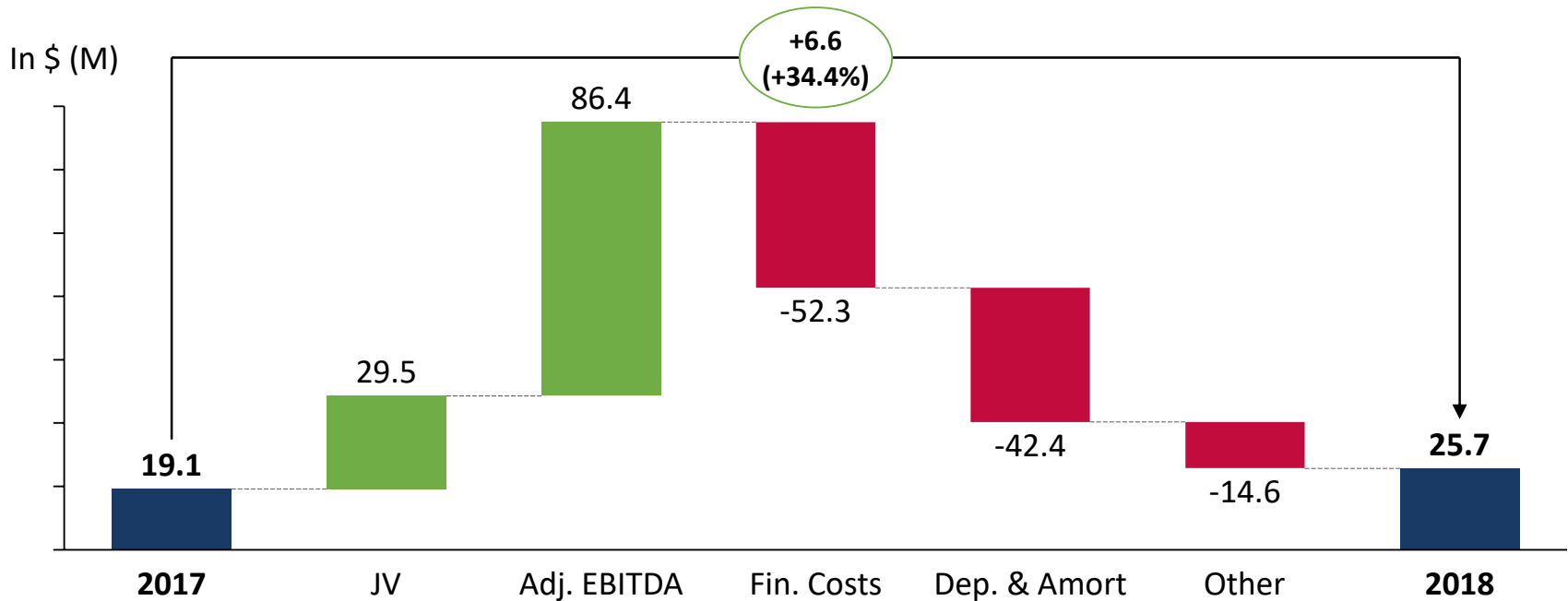


- ALTERRA** Shannon, Flat Top, Blue Lagoon, Toba Montrose, Dokie, Jimmie Creek
- CHILE** Energía Llaima
- OTHERS** Umbata Falls, Viger-Denonville





# 2. YEAR-END RESULTS | NET EARNINGS



## FINANCE COST

2018 acquisitions and debentures offering, partly offset by inflation compensation interest on real-return bonds

## DEP. & AMORT

2018 and 2017 acquisitions, COD of Upper Lillooet River and Boulder Creek in 2017

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis for the fourth quarter and year-end 2018.





# 2. YEAR-END RESULTS | FINANCIAL POSITION HIGHLIGHTS

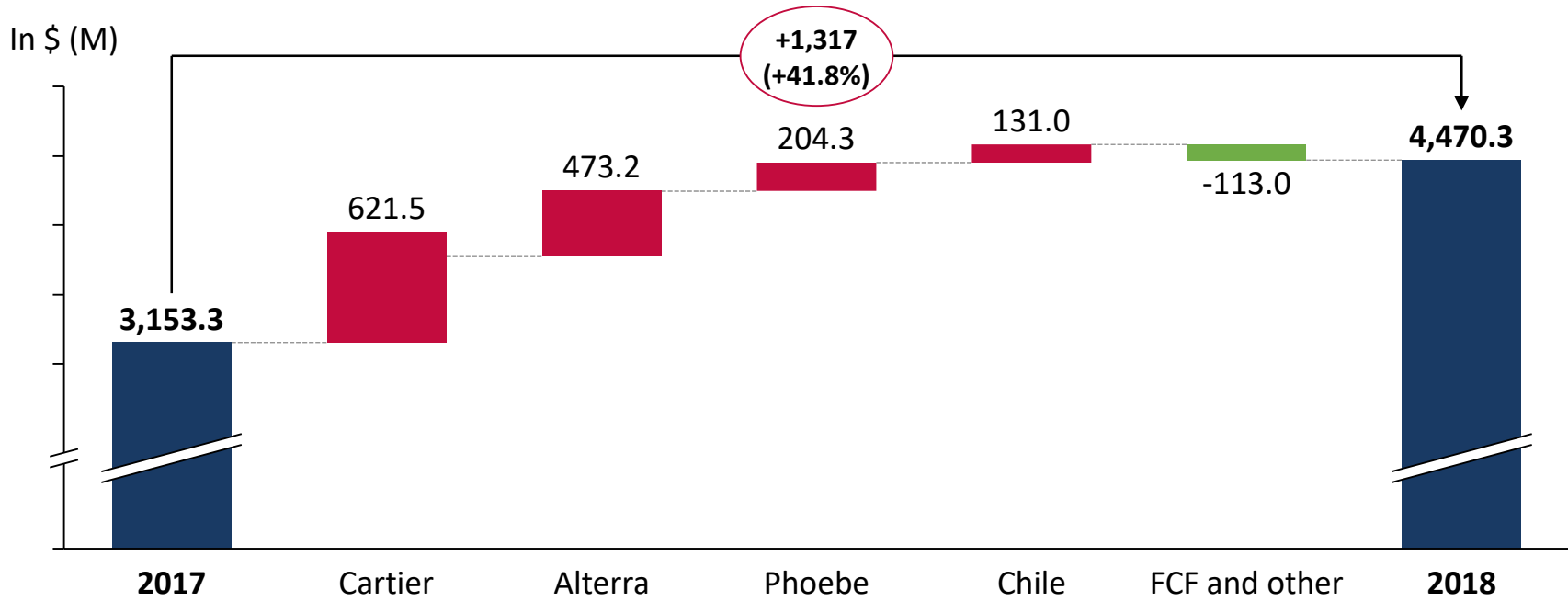
	As at	DEC 31, 2018	DEC 31, 2017 RESTATED <sup>1</sup>
In millions of Canadian dollars			
Total Assets		6,481.3	4,190.5
Total Liabilities		5,521.7	3,737.2
Non-controlling interests		329.8	14.9
Equity attributable to owners		629.8	438.4

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis for the fourth quarter and year-end 2018.



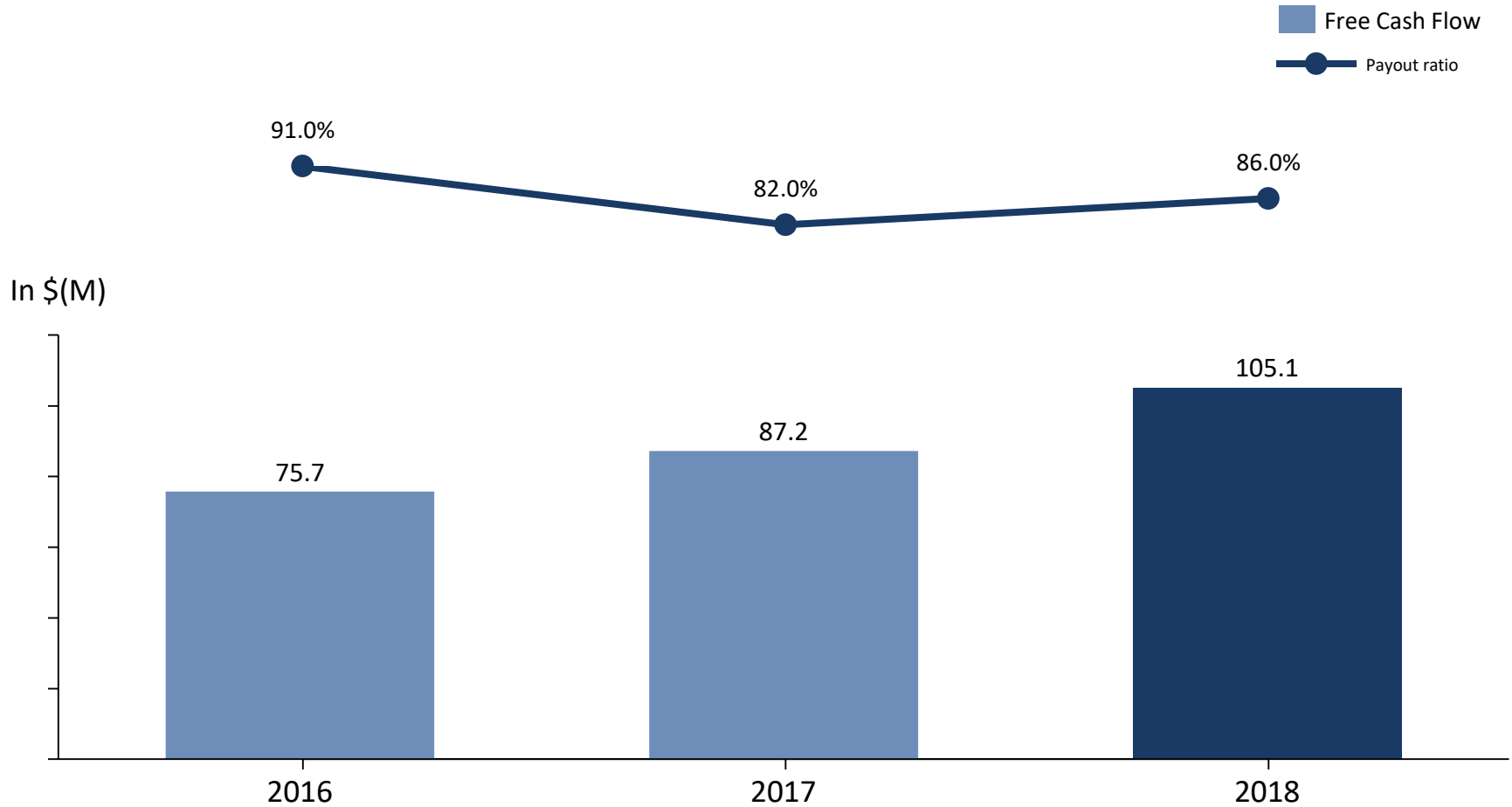


# 2. YEAR-END RESULTS | DEBT VARIATION





# 2. YEAR-END RESULTS | FREE CASH FLOW & PAYOUT RATIO



1. Free Cash Flow and Payout Ratio are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.





# 3. 2018 FINANCIAL PERFORMANCE

	2018 PROJECTIONS <sup>1</sup>	2018 ACTUAL	
Power Generated	+41%	+43%	<input checked="" type="checkbox"/>
Revenues	+40%	+44%	<input checked="" type="checkbox"/>
Adjusted EBITDA <sup>2</sup>	+27%	+29%	<input checked="" type="checkbox"/>
Adjusted EBITDA proportionate <sup>2</sup>	+43%	+49%	<input checked="" type="checkbox"/>
Free cash flow	+35%	+21%	<input type="checkbox"/>

**The 2018 results were positively impacted by the acquisition of the Cartier Wind Farms in October 2018.**

<sup>1</sup>These estimates were released in the 2017 Annual Report, issued on February 21, 2018 and reflected the Alterra acquisition achieved on February 6, 2018 and the contribution of the Flat Top wind farm at the end of the first quarter of 2018. They excluded any additional acquisitions and other development opportunities

<sup>2</sup>Adjusted EBITDA and Adjusted EBITDA Proportionate are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.





**MICHEL LETELLIER, MBA**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER





# 5. Q4 OPERATIONAL HIGHLIGHTS

## OPERATIONS

- Progress made to overcome challenging post-commissioning activities at the Upper Lillooet Hydro Project in B.C.
- Integration of the Cartier team and operations progressing well

## CONSTRUCTION

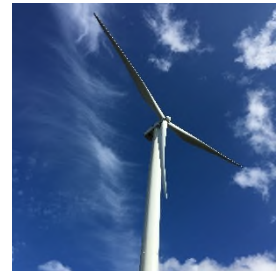
- Phoebe solar project on track and on budget
- Foard City wind project facing delays in obtaining specific permits that could impact project size and COD

## DEVELOPMENT

- Signed two PPAs for solar and battery storage projects in Hawaii (COD expected in 2022)
- Hillcrest solar project in Ohio progressing well with interconnection service in place and land required secured

## ACQUISITIONS

- Acquisition of the Cartier Wind Farms and Operating Entities completed
- Great financing obtained for 4 wind farms which surpassed the initial expectation by \$69 million





## 6. 2018 ACHIEVEMENTS

1

Innergex signed a **12-year PPA** for its Foard City wind project

2

Innergex entered 2 **new countries**, Iceland and Chile, through acquisitions

2

Innergex successfully renewed 2 **PPAs for 40 years** in BC

7

Innergex successfully completed 7 **acquisitions**:

- Alterra Power Corp.
- Ledcor's participation in Creek Power Inc.
- Phoebe solar project
- Investment in Energía Llama
- Acquisition of the Duqueco Hydro Project
- Hillcrest solar project
- TransCanada's participation in the Cartier Wind Farms and Operating Entities

3,062

Innergex's **gross installed capacity grew** by 1,222 MW to 3,062 MW during the year

## DIVESTMENT

- Divesting selected assets to reimburse the \$228 million one-year credit facility

## CONSTRUCTION

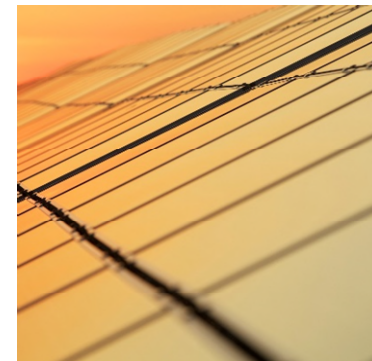
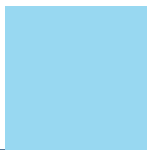
- Achieving COD with the Phoebe solar project
- Obtaining all required permits for the Foard City wind project to pursue construction and reach COD

## DEVELOPMENT

- Continuing to advance the projects in development
  - Hillcrest in Ohio and other solar projects in the U.S.
  - Solar + battery storage projects in Hawaii
  - Wind projects in France
  - Frontera and El Canelo hydro projects in Chile and other renewable energy projects
  - Opportunities in Canada

## ACQUISITIONS

- Completing the integration of the Alterra and Cartier teams
- Continuing to assess strategic potential acquisition opportunities to gain foothold in new markets or to consolidate position in regions where we already operate





# 8. 2019 PROJECTED FINANCIAL PERFORMANCE

	2019 PROJECTIONS <sup>1</sup>
Power Generated	approx. +20%
Revenues	approx. +15%
Adjusted EBITDA <sup>2</sup>	approx. +15%
Adjusted EBITDA proportionate <sup>2</sup>	approx. +12%
Free cash flow	approx. +10%

<sup>1</sup>These estimates were released in the 2018 Annual Report, and reflect the commissioning of the Phoebe solar project and the Foard City wind project in 2019. They exclude any possible acquisitions, divestments of assets or new development projects.

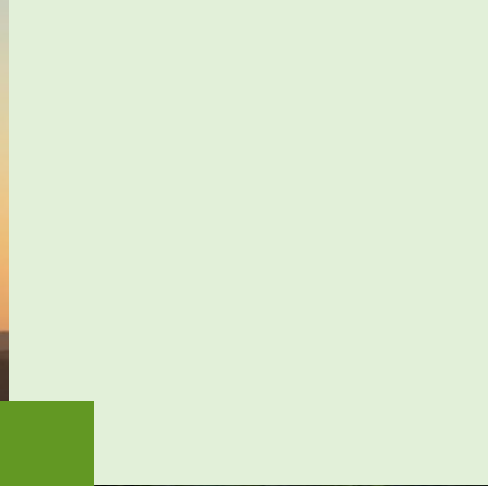
<sup>2</sup>Adjusted EBITDA, Adjusted EBITDA Proportionate and Free cash flow are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.



# INNERGEX

Renewable Energy.  
Sustainable Development.

Question Period







# APPENDIX: NON-IFRS MEASURES

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Proportionate, Adjusted Net Earnings, Free Cash Flow and Payout Ratio are not measures recognized by International Financial Reporting Standards (IFRS), 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 the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods.

	Three-Month Period Ended December 31		Year Ended December 31	
	2018	2017 Restated <sup>1</sup>	2018	2017 Restated <sup>1</sup>
Net earnings	13,953	3,513	25,718	19,136
Income tax expenses (recovery)	1,376	(451)	2,694	7,101
Finance costs	55,444	40,398	199,804	147,492
Depreciation and amortization	48,349	34,476	171,797	129,429
EBITDA	119,122	77,936	400,013	303,158
Other net expenses	9,139	2,480	15,273	2,453
Share of earnings of joint ventures and associates	(16,722)	(1,707)	(34,110)	(4,638)
Unrealized net (gain) loss on financial instruments	1,612	1,350	3,905	(2,245)
Adjusted EBITDA	113,151	80,059	385,081	298,728
Adjusted EBITDA margin	68%	74%	67%	75%

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis for the fourth quarter and year-end 2018.



# APPENDIX: NON-IFRS MEASURES

References in this document to "Adjusted EBITDA" are to net earnings (loss) to which are added (deducted) provision (recovery) for income tax expenses, finance cost, depreciation and amortization, other net expenses, share of (earnings) loss of joint ventures and associates and unrealized net (gain) loss on financial instruments. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings, as determined in accordance with IFRS.

References in this document to "Adjusted EBITDA Margin" are to Adjusted EBITDA divided by revenues. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance.

References in this document to "Innergex's share of Adjusted EBITDA of the joint ventures and associates" are to Innergex's ownership interest in the equity or in the sponsors' equity when applicable of the Adjusted EBITDA of the joint ventures and associates.

References in this document to "Adjusted EBITDA Proportionate" are to Adjusted EBITDA plus Innergex's share of Adjusted EBITDA of the joint ventures and associates. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Readers are cautioned that Adjusted EBITDA Proportionate should not be construed as an alternative to net earnings, as determined in accordance with IFRS.

References to "Adjusted Net Earnings (Loss)" are to net earnings or losses of the Corporation, to which the following elements are added (subtracted): unrealized net (gain) loss on financial instruments; realized (gain) loss on financial instruments; income tax expense (recovery) related to the above items; and the share of unrealized net (gain) loss on derivative financial instruments of joint ventures and associates, net of related tax. Innergex uses derivative financial instruments to hedge its exposure to various risks. Accounting for derivatives under International Accounting Standards requires that all derivatives are marked-to-market with changes in the mark-to-market of the derivatives for which hedge accounting is not applied being taken to the profit and loss account. The application of this accounting standard results in a significant amount of profit and loss volatility arising from the use of derivatives that are not designated for hedge accounting. The Adjusted Net Earnings (Loss) of the Corporation aims to eliminate the impact of the mark-to-market rules on derivatives on the profit and loss of the Corporation. Innergex believes that the analysis and presentation of net earnings or loss on this basis enhances understanding of the Corporation's operating performance. Readers are cautioned that Adjusted Net Earnings (Loss) 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 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. Innergex believes that presentation of this measure enhances the understanding of the Corporation's cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. Readers are cautioned that Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS.

References to "Payout Ratio" are to dividends declared on common shares divided by Free Cash Flow. Innergex believes that this is a measure of its ability to sustain current dividends and dividend increases as well as its ability to fund its growth.