



Renewable Energy.  
Sustainable Development.

## **THIRD QUARTER 2019**

### Conference call & Webcast

November 12, 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"), including the Corporation's power production, prospective projects, successful development, construction and financing (including tax equity funding) of the projects under construction and the advanced-stage prospective projects, sources and impact of funding project acquisitions, execution of non-recourse project level financing (including the timing and amount thereof), and strategic, operational and financial benefits and accretion expected to result from such acquisitions, business strategy, future development and growth prospects, business integration, governance, business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. 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", "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.

**Future-oriented financial information:** Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, including information regarding the Corporation's expected production, projected revenues, projected Adjusted EBITDA and projected Adjusted EBITDA Proportionate, Projected Free Cash Flow and intention to pay dividend quarterly, the estimated project costs. Such information is intended 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.

**Assumptions:** Forward-Looking Information is based on certain key assumptions made by the Corporation, including, without restriction, those concerning hydrology, wind regimes and solar irradiation, performance of operating facilities, project performance, economic, financial and financial market conditions, the Corporation's success in developing and constructing new facilities, expectations and assumptions concerning availability of capital resources and timely performance by third parties of contractual obligations and receipt of regulatory approvals.

**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 are referred to in the "Risks and Uncertainties" section of the Annual Report and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of the capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; the ability to secure new power purchase agreements or renew any power purchase agreement; fluctuations affecting prospective power prices; health, safety and environmental risks; uncertainties surrounding the development of new facilities; obtaining of permits; equipment failure or unexpected operations and maintenance activity; interest rate fluctuations and refinancing risk; financial leverage and restrictive covenants governing current and future indebtedness; the possibility that the Corporation may not declare or pay a dividend; failure to realize the anticipated benefits of and integration of completed and future acquisitions; changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; variability of installation performance and related penalties; the ability to attract new talent or to retain officers or key employees; litigation; performance of major counterparties; social acceptance of renewable energy projects; relationships with stakeholders; equipment supply; exposure to many different forms of taxation in various jurisdictions; changes in general economic conditions; regulatory and political risks; ability to secure appropriate land; reliance on PPAs; availability and reliability of transmission systems (including due to reliance on third parties); foreign market growth and development risks; foreign exchange fluctuations; increases in water rental cost or changes to regulations applicable to water use; assessment of water, wind and solar resources and associated electricity production; natural disasters and force majeure; cybersecurity; sufficiency of insurance coverage; a credit rating that may not reflect actual performance of the Corporation or a lowering (downgrade) of the credit rating; reliance on shared transmission and interconnection infrastructure; revenues from certain facilities will vary based on the market (or spot) price of electricity; risks related to U.S. production and investment tax credits; changes in U.S. corporate tax rates and availability of tax equity financing; host country economic, social and political conditions; risk inherent to rockslides, avalanches, tornadoes, hurricanes or other occurrences outside the Corporation's control; adverse claims to property title; unknown liabilities; reliance on intellectual property and confidential agreements to protect our rights and confidential information; and reputational risks arising from misconduct of representatives of the Corporation.

Although the Corporation believes that the expectations and assumptions on which 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 it will prove to be correct. Forward-Looking Information contained herein is provided as at the date of this document, and 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 hereof, unless so required by law.



# FORWARD-LOOKING INFORMATION

The following table outlines the Forward-Looking Information contained in this document, which the Corporation considers important to better inform readers about its potential financial performance, together with 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 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; and for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation. 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.	Improper assessment of water, wind and solar resources and associated electricity production Variability in hydrology, wind regimes and solar irradiation resources Equipment supply risk, including failure or unexpected operations and maintenance activity Natural disasters and force majeure Regulatory and political risks affecting production Health, safety and environmental risks affecting production Variability of installation performance and related penalties Availability and reliability of transmission systems Litigation
<b>PROJECTED REVENUES</b> 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. 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 that 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. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index.	See principal assumptions, risks and uncertainties identified under "Expected Production" Reliance on 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
<b>PROJECTED ADJUSTED EBITDA</b> For each facility, the Corporation estimates annual operating earnings by adding (deducting) to net earnings (loss) 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.	See principal assumptions, risks and uncertainties identified under "Expected Production" and "Projected Revenues" Variability of facility performance and related penalties Unexpected maintenance expenditures
<b>PROJECTED FREE CASH FLOW AND INTENTION TO PAY DIVIDEND QUATERLY</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 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's 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", "Projected Revenues" and "Projected Adjusted EBITDA". 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



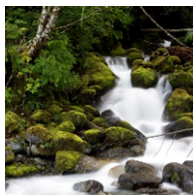
# FORWARD-LOOKING INFORMATION

Principal Assumptions	Principal Risks and Uncertainties
<p><b>ESTIMATED PROJECT COSTS, EXPECTED OBTAINMENT OF PERMITS, START OF CONSTRUCTION, WORK CONDUCTED AND START OF COMMERCIAL OPERATION FOR DEVELOPMENT PROJECTS OR PROSPECTIVE PROJECTS</b></p> <p>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 to 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.</p> <p>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.</p>	<p>Uncertainties surrounding development of new facilities</p> <p>Performance of major counterparties, such as suppliers or contractors</p> <p>Delays and cost overruns in the design and construction of projects</p> <p>Ability to secure appropriate land</p> <p>Obtainment of permits</p> <p>Health, safety and environmental risks</p> <p>Higher-than-expected inflation</p> <p>Equipment supply</p> <p>Interest rate fluctuations and financing risk</p> <p>Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing</p> <p>Regulatory and political risks</p> <p>Natural disaster</p> <p>Relationships with stakeholders</p> <p>Foreign market growth and development risks</p> <p>Outcome of insurance claims</p>
<p><b>INTENTION TO RESPOND TO REQUESTS FOR PROPOSALS</b></p> <p>The Corporation provides indications of its intention to submit proposals in response to requests for proposals ("Request for Proposals" or "RFP") based on the state of readiness of some of its Prospective Projects and their compatibility with the announced terms of these RFPs.</p>	<p>Regulatory and political risks</p> <p>Ability of the Corporation to execute its strategy for building shareholder value</p> <p>Ability to secure new PPAs</p> <p>Changes in governmental support to increase electricity to be generated from renewable sources by independent power producers</p> <p>Social acceptance of renewable energy projects</p> <p>Relationships with stakeholders</p>
<p><b>QUALIFICATION FOR PTCs AND ITC AND TAX EQUITY INVESTMENT FLIP POINT</b></p> <p>For certain Development Projects in the United States, the Corporation has conducted on- and off-site activities expected to qualify its Development Projects for PTCs or ITC at the full rate and to obtain tax equity financing on such a basis. To assess the potential qualification of a project, the Corporation takes into account the construction work performed and the timing of such work. The expected Tax Equity Flip Point for tax equity investment is determined according to the LTAs and revenues of each such project and is subject in addition to the related risks mentioned above.</p>	<p>Risks related to U.S. PTCs and ITC, changes in U.S. corporate tax rates and availability of tax equity financing</p> <p>Regulatory and political risks</p> <p>Delays and cost overruns in the design and construction of projects</p> <p>Obtainment of permits</p>



1. Q3 2019 Financial Highlights
  2. Q3 2019 Significant Financial Events
  3. Q3 2019 Operational Highlights
4. Q4 2019 Priorities
  5. 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. Q3 2019 | SUMMARY OF RESULTS

In millions of Canadian dollars  
From continuing operations

	Three-Month Period Ended September 30			Nine-Month Period Ended September 30		
<b>CONSOLIDATED</b>	<b>2019</b>	<b>2018</b> Restated <sup>1,2</sup>	<b>Change</b>	<b>2019</b>	<b>2018</b> Restated <sup>1,2</sup>	<b>Change</b>
Production (GWh)	1,665.4	1,236.7	35%	4,715.8	3,689.8	28%
Revenues	142.8	116.5	23%	413.9	343.2	21%
Adjusted EBITDA <sup>3</sup>	107.4	83.7	28%	305.8	248.9	23%
Adjusted EBITDA Margin <sup>3</sup>	75.2%	71.9%		73.9%	72.5%	

## PROPORTIONATE

Production Proportionate <sup>3</sup> (GWh)	2,149.2	1,652.4	30%	5,876.0	4,603.3	28%
Revenues Proportionate <sup>3</sup>	179.8	151.2	19%	490.8	402.7	22%
Adjusted EBITDA Proportionate <sup>3</sup>	135.8	109.6	24%	356.3	291.3	22%

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.

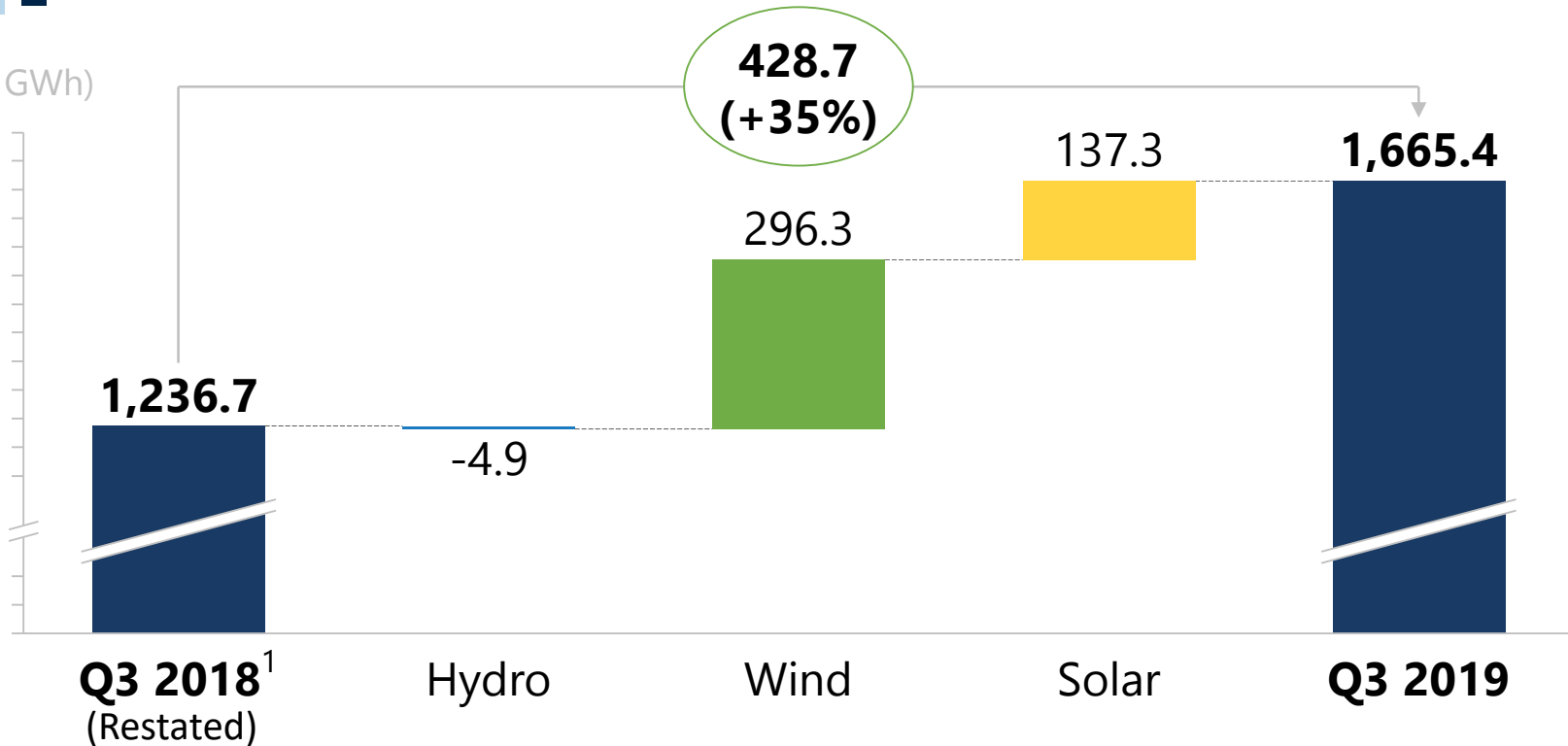
3. Adjusted EBITDA, Adjusted EBITDA Margin, Production Proportionate, Revenues Proportionate, Adjusted EBITDA Proportionate are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation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





# 1. Q3 2019 | PRODUCTION

(In GWh)



## WIND

- ✚ Acquisition of the remaining interest in Cartier
- ✚ Higher production in France
- ✚ Commissioning of Foard City on September 27, 2019

## SOLAR

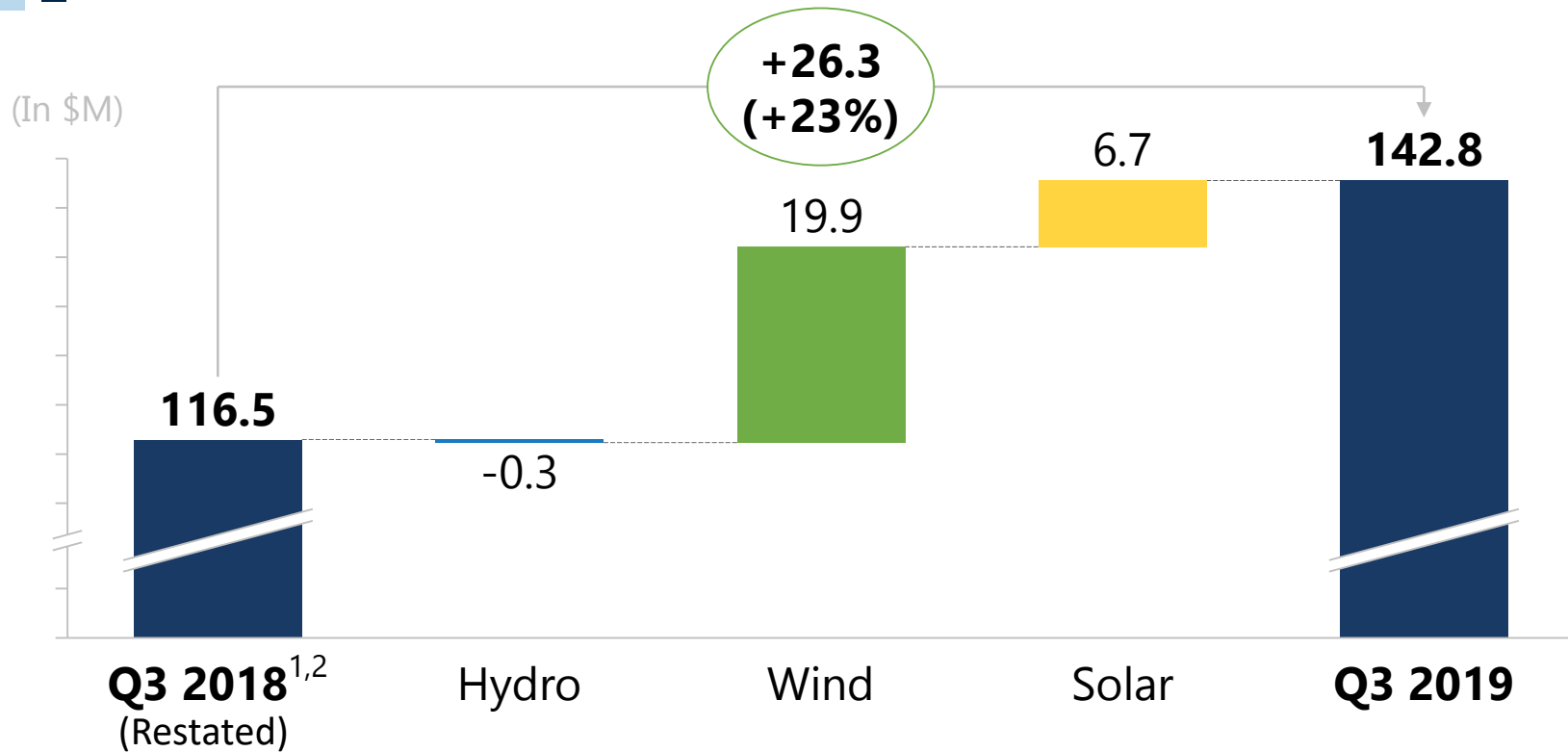
- ✚ Ramp up of production at Phoebe solar project

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.  
2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.





# 1. Q3 2019 | REVENUES



## WIND

- + Acquisition of the remaining interest in Cartier
- + Higher revenues at the French facilities

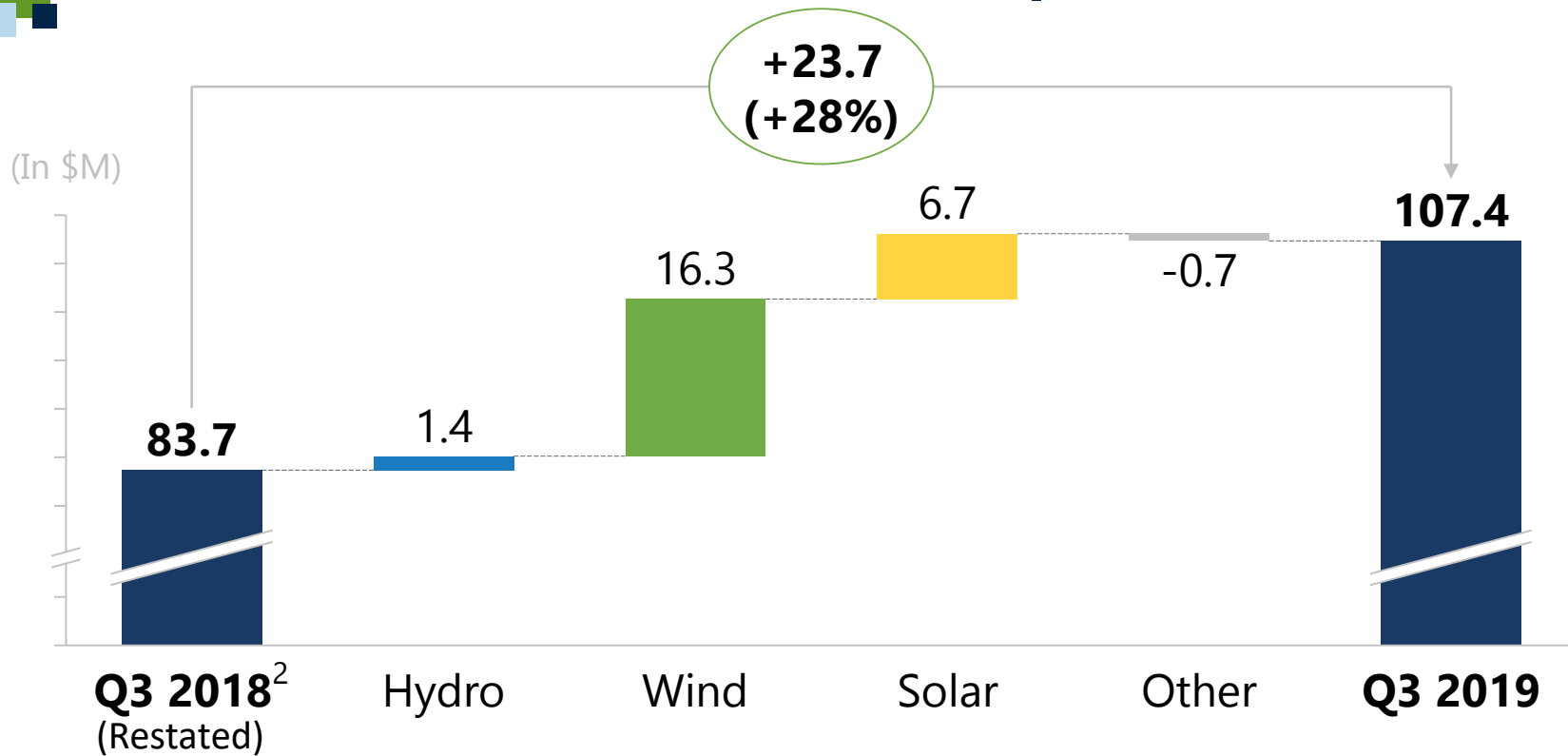
## SOLAR

- + Ramp up of production at Phoebe solar project

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.  
2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.



# 1. Q3 2019 | ADJUSTED EBITDA<sup>1</sup>



## WIND

- ✚ Acquisition of the remaining interest in Cartier
- ✚ Slight improvement at the French wind facilities

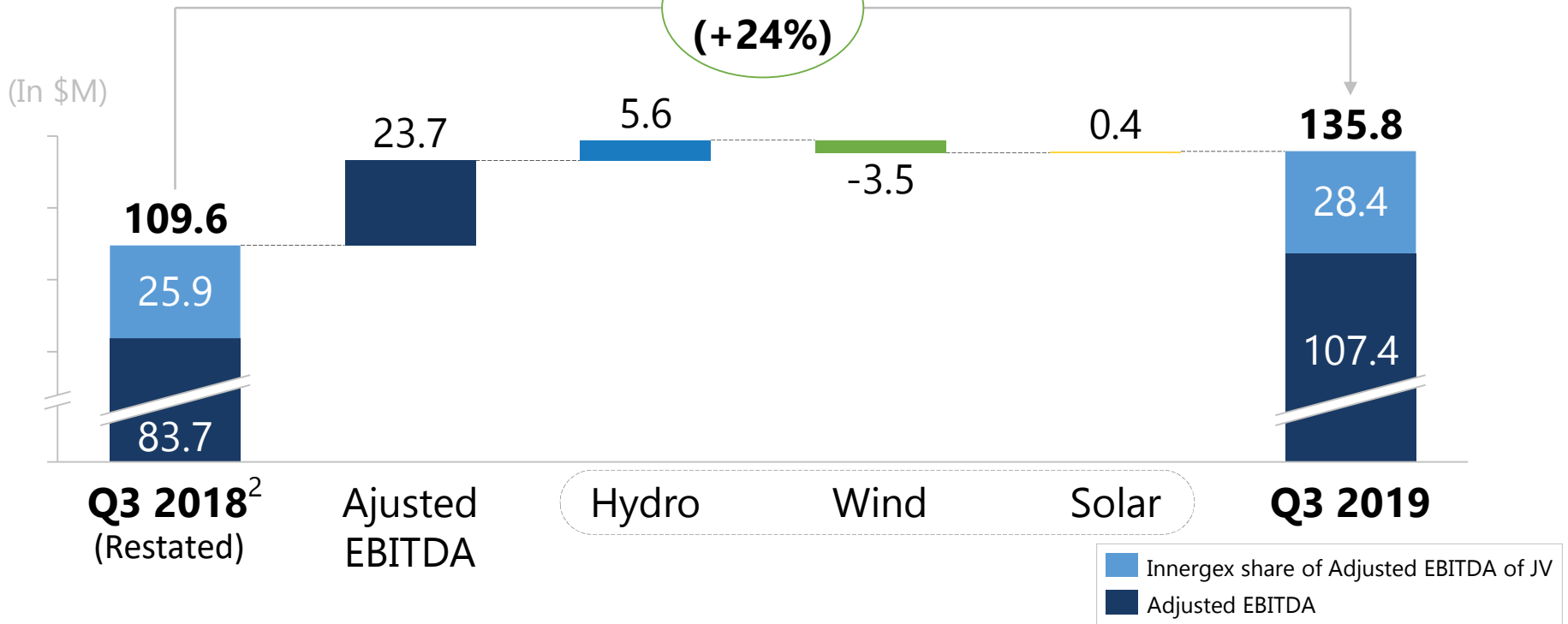
## SOLAR

- ✚ Ramp up of production at Phoebe solar project

1. Adjusted EBITDA is not a recognized measure under IFRS and therefore may not be comparable to the one presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.
2. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.
3. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.



# 1. Q3 2019 | ADJUSTED EBITDA PROPORTIONATE<sup>1</sup>



## HYDRO

- + Higher contribution from BC facilities
- + Energía Llaima

## WIND

- Lower revenues at Shannon and Flat Top combined with higher operating costs

- Adjusted EBITDA Proportionate is not a recognized measure under IFRS and therefore may not be comparable to the one presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.
- For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.
- For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.



# 1. Q3 2019 | FINANCIAL POSITION HIGHLIGHTS

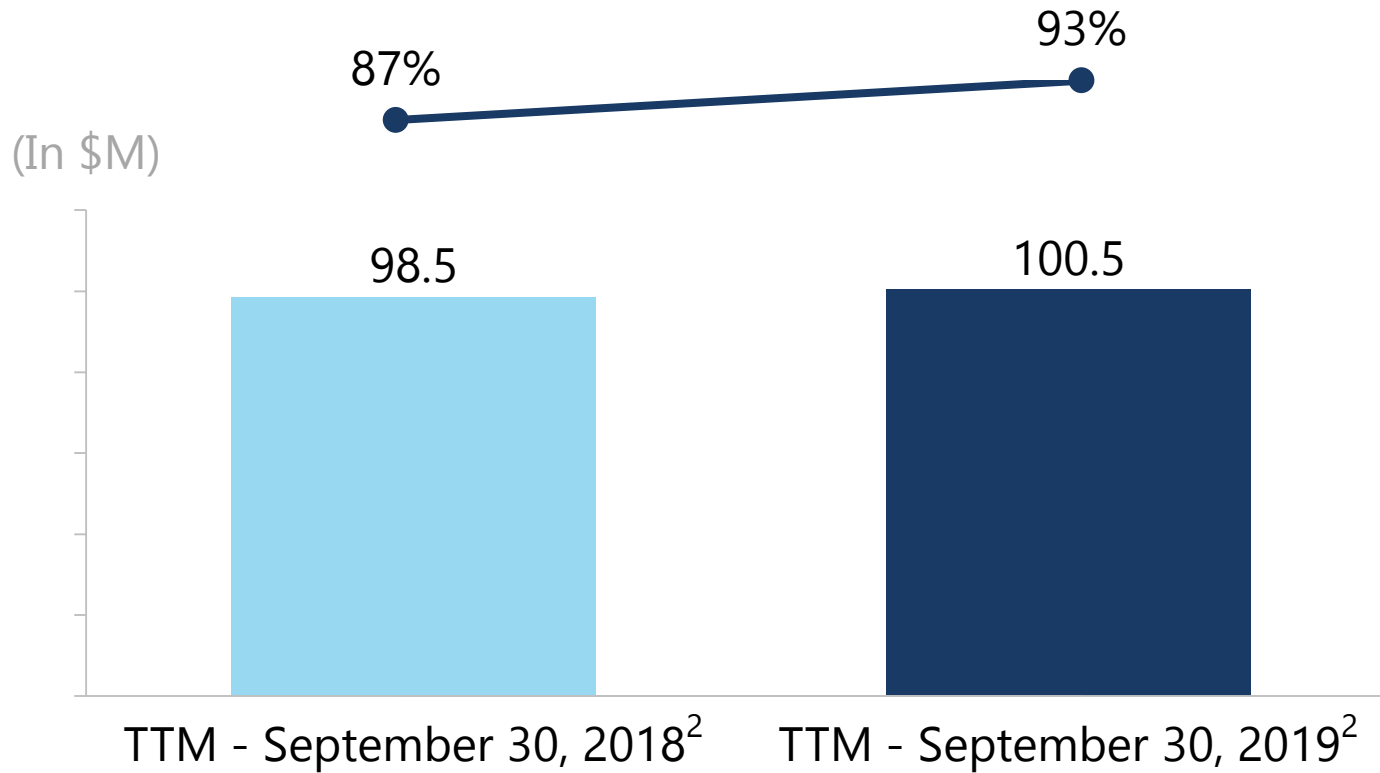
As at	In millions of Canadian dollars	
	SEPTEMBER 30, 2019	DECEMBER 31, 2018 <sup>1</sup>
Total Assets	6,489.3	6,481.3
Total Liabilities	5,402.9	5,521.7
Non-controlling interests	450.1	329.8
Equity attributable to owners	636.4	629.8

1. Financial Position items include assets/liabilities held for sale as well as assets/liabilities of continuing operations. Please refer to the "Financial Position" section of the Management's Discussion and Analysis for more information.



# 1. Q3 2019 | FREE CASH FLOW & PAYOUT RATIO<sup>1</sup>

(TRAILING TWELVE MONTHS)



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.
2. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.



## 2. Q3 2019 | SIGNIFICANT FINANCIAL EVENTS

### DEBENTURE REDEMPTION

- \$86.7 million converted in 5,776,795 common shares (conversion price \$15)
- \$13.3 million redeemed at a price of \$1,000/debenture

### DEBENTURE OFFERING

- \$125 million debenture offering at \$1,000 per \$1,000 principal amount
- \$18.75 million over-allotment option exercised

#### Sources

Debenture offering	\$143.75 M
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Total Sources	\$143.75 M
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#### Uses

Finance debenture redemption	\$13.30 M
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Transaction cost	\$5.75 M
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Corporate indebtedness	\$124.70 M
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Total Uses	\$143.75 M
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# MICHEL LETELLIER, MBA

PRESIDENT AND CHIEF EXECUTIVE OFFICER







### 3. Q3 2019 OPERATIONAL HIGHLIGHTS

#### DEVELOPMENT

- **Hillcrest:** Advanced PPA negotiation in progress
- **Hale Kuawehi:** 30% design engineering underway, to be completed at Q1 2020
- **Frontera:** Negotiations with contractors and suppliers in progress

#### CONSTRUCTION

- **Phoebe:** All blocks brought online. ERCOT Part 3 testing expected to be completed shortly for full commissioning in November.
- **Innavik:** Obtention of environmental authorizations and first construction equipment delivery achieved, construction to start Q2 2020

#### COMMISSIONING

- **Foard City:** Full commissioning reached on September 27, 2019, and tax equity investment achieved concurrent with closing





## 4. Q4 2019 PRIORITIES

### CONSTRUCTION

- Achieve COD of **Phoebe** in Q4 2019
- **Hillcrest**: Site mobilization and full EPC agreement expected in Q4 2019

### DEVELOPMENT

- Solar projects in the U.S.
- Continuing to advance the projects in development:
  - Solar + battery storage projects in Hawaii
  - Wind projects in France
  - Hydro projects in Chile and other renewable energy projects
  - Opportunities in Canada

### ACQUISITIONS

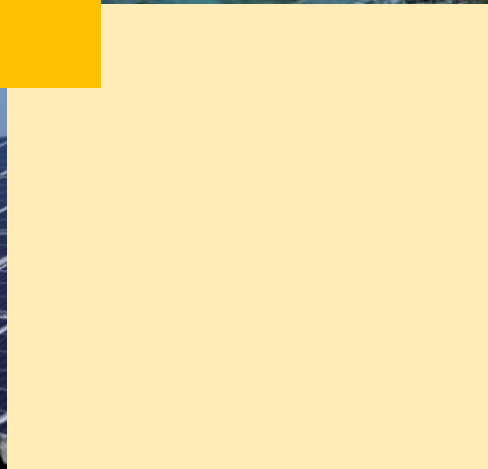
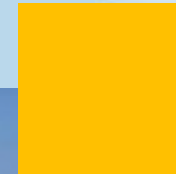
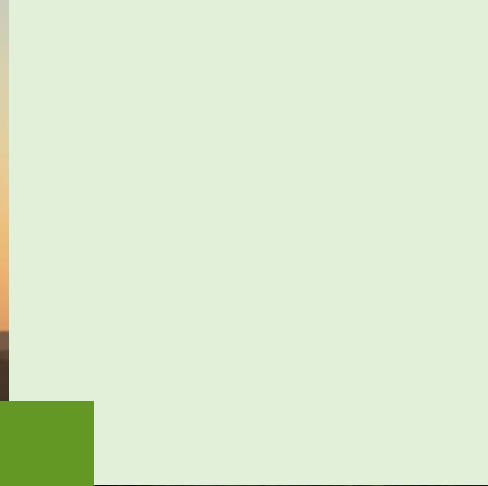
- Continuing to assess strategic potential acquisition opportunities to gain foothold in new markets or to consolidate position in regions where we already operate





Renewable Energy.  
Sustainable Development.

Question Period





# NON-IFRS MEASURES

This document has been prepared in accordance with IFRS. However, some measures referred to in this document are not recognized measures under IFRS 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. Innergex's share of Revenues of joint ventures and associates, Revenues Proportionate, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Proportionate, Innergex's share of Adjusted EBITDA of joint ventures and associates, Adjusted Net Loss from continuing operations, Free Cash Flow, Adjusted Free Cash Flow, Payout Ratio and Adjusted Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS.

## Revenues Proportionate

References in this document to "Innergex's share of Revenues of joint ventures and associates" are to Innergex's ownership interest in the equity or in the sponsors' equity, when applicable, of the Revenues of the joint ventures and associates. Readers are cautioned that Innergex's share of Revenues of joint ventures and associates should not be construed as an alternative to Revenues, as determined in accordance with IFRS.

References in this document to "Revenues Proportionate" are to Revenues plus Innergex's share of Revenues 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 Revenues Proportionate should not be construed as an alternative to Revenues, as determined in accordance with IFRS. Please refer to the "Operating Results" section for more information.

	Three months ended September 30		Nine months ended September 30	
	2019	2018 Restated <sup>1,2</sup>	2019	2018 Restated <sup>1,2</sup>
<b>Revenues</b>	<b>142,814</b>	<b>116,464</b>	<b>413,926</b>	<b>343,166</b>
Innergex's share of Revenues of joint ventures and associates:				
Toba Montrose (40%) <sup>3</sup>	17,197	15,136	25,170	23,263
Shannon (50%) <sup>3,5</sup>	1,013	1,556	5,558	4,834
Flat Top (51%) <sup>4,5</sup>	582	2,376	6,305	5,129
Dokie (25.5%) <sup>3</sup>	1,712	1,589	5,465	4,679
Jimmie Creek (50.99%) <sup>3</sup>	7,677	6,271	9,974	8,567
Umbata Falls (49%)	490	705	2,773	2,954
Viger-Denonville (50%)	1,017	1,195	4,175	4,200
Duqueco (50%) <sup>6,7</sup>	6,370	5,123	14,499	5,123
Guayacán (50%) <sup>6,7</sup>	469	323	1,479	323
Pampa Elvira (50%) <sup>6,7</sup>	475	413	1,506	413
	<b>37,002</b>	<b>34,687</b>	<b>76,904</b>	<b>59,485</b>
<b>Revenues Proportionate</b>	<b>179,816</b>	<b>151,151</b>	<b>490,830</b>	<b>402,651</b>

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.

3. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019 to September 30, 2019, and February 6, 2018, to September 30, 2018.

4. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019 to September 30, 2019, and March 23, 2018, to September 30, 2018.

5. Ownership interest is in the sponsor equity of Shannon and Flat Top. However, tax equity partners hold 100% of the tax equity interests.

6. Innergex owns a 50% interest in Energía Llaima, which owns the Guayacán (69.47% interest) and the Pampa Elvira (55% interest) facilities and Duqueco, which includes the Mampil (100% interest) and Peuchén (100% interest) facilities.

7. For the period July 1, 2019 to September 30, 2019, and for the period from July 3, 2018, or July 5, 2018, to September 30, 2018, and for the period from January 1, 2019, to September 30, 2019, and from July 3, 2018, or July 5, 2018, to September 30, 2018.



# NON-IFRS MEASURES

## Adjusted EBITDA and Adjusted EBITDA Margin

References in this document to "Adjusted EBITDA" are to net earnings (loss) from continuing operations, 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.

	Three months ended September 30		Nine months ended September 30	
	2019	2018 Restated <sup>1,2</sup>	2019	2018 Restated <sup>1,2</sup>
Net earnings (loss) from continuing operations	9,896	5,989	(4,977)	7,399
Income tax expense	3,749	2,466	1,164	579
Finance costs	59,474	47,939	170,704	140,814
Depreciation and amortization	48,343	36,271	141,558	108,971
EBITDA	121,462	92,665	308,449	257,763
Other net (revenues) expenses	(3,917)	313	(2,639)	5,319
Share of loss of joint ventures and associates	(16,225)	(11,192)	(9,193)	(10,276)
Unrealized net loss (gain) on financial instruments	6,031	1,897	9,225	(3,897)
Adjusted EBITDA	107,351	83,683	305,842	248,909
Adjusted EBITDA margin	75.2%	71.9%	73.9%	72.5%

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.



# NON-IFRS MEASURES

## Adjusted EBITDA Proportionate

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. Please refer to the "Operating Results" section of this MD&A for more information.

	Three months ended September 30		Nine months ended September 30	
	2019	2018 Restated <sup>1,2</sup>	2019	2018 Restated <sup>1,2</sup>
<b>Adjusted EBITDA</b>	107,351	83,683	305,842	248,909
Innergex's share of Adjusted EBITDA of joint ventures and associates:				
Toba Montrose (40%) <sup>3</sup>	15,030	13,004	20,046	18,883
Shannon (50%) <sup>3, 5</sup>	(872)	492	1,237	1,820
Flat Top (51%) <sup>4, 5</sup>	(1,213)	909	711	1,813
Dokie (25.5%) <sup>3</sup>	1,095	1,062	3,799	3,305
Jimmie Creek (50.99%) <sup>3</sup>	6,908	5,738	8,278	7,395
Umbata Falls (49%)	315	609	2,178	2,630
Viger-Denonville (50%)	868	946	3,418	3,446
Duqueco (50%) <sup>6, 7</sup>	5,454	3,134	9,115	3,134
Guayacán (50%) <sup>6, 7</sup>	469	38	1,022	38
Pampa Elvira (50%) <sup>6, 7</sup>	391	(62)	665	(62)
	28,445	25,870	50,469	42,402
<b>Adjusted EBITDA Proportionate</b>	135,796	109,553	356,311	291,311

1. For more information, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.

3. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to September 30, 2019, and February 6, 2018, to September 30, 2018.

4. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to September 30, 2019, and March 23, 2018, to September 30, 2018.

5. Ownership interest is in the sponsor equity of Shannon and Flat Top. However, tax equity partners hold 100% of the tax equity interests.

6. Innergex owns a 50% interest in Energía Llaima, which owns the Guayacán (69.47% interest) and the Pampa Elvira (55% interest) facilities, and Duqueco, which includes the Mampil (100% interest) and Peuchén (100% interest) facilities.

7. For the period July 1, 2019, to September 30, 2019, and for the period from July 3, 2018, or July 5, 2018, to September 30, 2018, and for the period from January 1, 2019, to September 30, 2019, and from July 3, 2018, or July 5, 2018, to September 30, 2018.



# NON-IFRS MEASURES

## **Adjusted Net Loss from continuing operations**

References to "Adjusted Net Earnings (Loss) from continuing operations" are to net earnings or losses from continuing operations 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 IFRS 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) from continuing operations 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 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) from continuing operations should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to the "Operating Results" section for reconciliation of the Adjusted Net Earnings (Loss) from continuing operations.

## **Free Cash Flow and Payout Ratio**

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. Please refer to the "Free Cash Flow and Payout Ratio" section for the reconciliation of Free Cash Flow.

References to "Adjusted Free Cash Flow" are to Free Cash Flow excluding prospective project expenses and non-recurring items.

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.

References to "Adjusted Payout Ratio" are to dividends declared on common shares divided by Adjusted Free Cash Flow after the impact of the DRIP.





# NON-IFRS MEASURES

	Trailing twelve months ended September 30	
	2019	2018
	Restated <sup>2</sup>	Restated <sup>2</sup>
Cash flows from operating activities	213,585	246,761
<i>Add (Subtract) the following items:</i>		
Changes in non-cash operating working capital items	6,956	(35,736)
Maintenance capital expenditures net of proceeds from disposals	(10,282)	(8,667)
Scheduled debt principal payments	(112,604)	(85,230)
Free Cash Flow attributed to non-controlling interests <sup>1</sup>	(18,601)	(22,722)
Dividends declared on Preferred shares	(5,942)	(5,942)
Transaction costs related to realized acquisitions	1,593	10,866
Realized loss (gain) on derivative financial instruments	6,914	(828)
Recovery of maintenance capital expenditures and prospective project expenses on sale of HS Orka, net of attribution to non-controlling interests <sup>3</sup>	8,242	—
Income tax paid on realized intercompany gain	10,594	—
<b>Free Cash Flow</b>	<b>100,455</b>	<b>98,502</b>
Dividends declared on common shares	93,258	85,527
Payout Ratio	93%	87%
<i>Adjust for the following items:</i>		
Prospective projects expenses	16,945	17,145
<b>Adjusted Free Cash Flow</b>	<b>117,400</b>	<b>115,647</b>
Dividends declared on common shares - DRIP adjusted	90,856	75,598
Adjusted Payout Ratio	77%	65%

1. The portion of Free Cash Flow attributed to non-controlling interests is subtracted, regardless of whether an actual distribution to non-controlling interests is made, in order to reflect the fact that such distributions may not occur in the period they are generated.
2. For more information, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.
3. The sale of HS Orka has allowed for the recovery of maintenance capital expenditures and prospective project expenses incurred thereon since the acquisition of the project in February 2018, totaling \$5.7 million and \$9.6 million, respectively. An amount of \$7.1 million was deducted from the total recovery as it pertains to non-controlling interests.



# NON-IFRS MEASURES

## Production KPIs

### Production Proportionate

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

References in this document to "Production Proportionate" are to Production plus Innergex's share of Production of the joint ventures and associates. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Please refer to the "Operating Results" section of this MD&A for more information.

Three months ended September 30						
	2019			Production (MWh) Restated <sup>1,2</sup>	2018	
	Production (MWh)	LTA (MWh)	Production as a % of LTA		LTA (MWh)	Production as a % of LTA
(in MWh)						
<b>Production</b>	1,665,362	1,765,093	94%	1,236,722	1,390,458	89%
Innergex's share of Production of joint ventures and associates:						
Toba Montrose (40%) <sup>3</sup>	152,144	154,145	99%	137,547	154,194	89%
Shannon (50%) <sup>3,5</sup>	72,155	70,004	103%	60,796	70,004	87%
Flat Top (51%) <sup>4,5</sup>	101,347	91,725	110%	79,263	91,767	86%
Dokie (25.5%) <sup>3</sup>	13,912	17,231	81%	13,983	17,231	81%
Jimmie Creek (50.99%) <sup>3</sup>	61,723	54,373	114%	51,935	54,373	96%
Umbata Falls (49%)	6,486	10,444	62%	9,360	10,444	90%
Viger-Denonville (50%)	6,729	8,175	82%	7,942	8,175	97%
Duqueco (50%) <sup>6,7</sup>	61,864	57,079	108%	47,579	50,538	94%
Guayacán (50%) <sup>6,7</sup>	4,199	4,406	95%	3,990	4,803	83%
Pampa Elvira (50%) <sup>6,7</sup>	3,230	3,665	88%	3,296	3,553	93%
	483,789	471,247	103%	415,691	465,082	89%
<b>Production Proportionate</b>	2,149,151	2,236,340	96%	1,652,413	1,855,540	89%

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.

3. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to September 30, 2019, and February 6, 2018, to September 30, 2018.

4. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to September 30, 2019, and March 23, 2018, to September 30, 2018.

5. Ownership interest is in the sponsor equity of Shannon and Flat Top. However, tax equity partners hold 100% of the tax equity interests.

6. Innergex owns a 50% interest in Energía Llama, which owns the Guayacán (69.47% interest) and Pampa Elvira (55% interest) facilities, and Duqueco, which includes the Mampil (100% interest) and Peuchén (100% interest) facilities.

7. For the period July 1, 2019, to September 30, 2019, and for the period from July 3, 2018, or July 5, 2018, to September 30, 2018.



# NON-IFRS MEASURES

(in MWh)

## Production

Innergex's share of Production of joint ventures and associates:

Nine months ended September 30						
	2019			Production (MWh) Restated <sup>1,2</sup>	2018	
	Production (MWh)	LTA (MWh)	Production as a % of LTA		LTA (MWh)	Production as a % of LTA
<b>Production</b>	4,715,820	4,835,085	98%	3,689,774	3,897,904	95%
Toba Montrose (40%) <sup>3</sup>	243,782	254,227	96%	238,039	250,360	95%
Shannon (50%) <sup>3,5</sup>	252,936	264,208	96%	226,192	230,623	98%
Flat Top (51%) <sup>4,5</sup>	332,474	327,715	101%	205,549	222,697	92%
Dokie (25.5%) <sup>3</sup>	44,799	54,447	82%	42,401	44,549	95%
Jimmie Creek (50.99%) <sup>3</sup>	87,944	78,051	113%	81,369	77,741	105%
Umbata Falls (49%)	36,635	37,271	98%	37,192	37,271	100%
Viger-Denonville (50%)	27,626	26,050	106%	27,923	26,050	107%
Duqueco (50%) <sup>6,7</sup>	109,161	108,445	101%	47,579	50,538	94%
Guayacán (50%) <sup>6,7</sup>	14,985	16,158	93%	3,990	4,803	83%
Pampa Elvira (50%) <sup>6,7</sup>	9,798	10,713	91%	3,296	3,553	93%
	1,160,140	1,177,285	99%	913,530	948,185	96%
<b>Production Proportionate</b>	5,875,960	6,012,370	98%	4,603,304	4,846,089	95%

1. For more information on the restatement, please refer to the "Accounting Changes" section of the Management's Discussion and Analysis.

2. For more information, please refer to the "Discontinued Operations" section of the Management's Discussion and Analysis.

3. For the period from January 1, 2019, to September 30, 2019, and February 6, 2018, to September 30, 2018.

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