INNERGEX

Renewable Energy.
Sustainable Development.

Fourth Quarter and Year-End 2019

Conference Call & Webcast

February 28, 2020

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 (including expected growth opportunities under the Strategic Alliance), 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” or “forecasts”, or other comparable terms 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 presentation.

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, the estimated project costs, projected revenues, projected Adjusted EBITDA and projected Adjusted EBITDA Proportionate, Projected Free Cash Flow and intention to pay dividend quarterly, the estimated project size, costs and schedule, including obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects and Prospective Projects, The Corporation's intent to submit projects under Requests for Proposals, the qualification of U.S. projects for PTCs and ITCs and other statements that are not historical facts. 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; obtainment 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 acquisitions; integration of the 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; global climate change; 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; the fact that 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 presentation, 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 presentation, 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
EXPECTED PRODUCTION 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 considered 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 Operating Facilities that it consolidates. This consolidation excludes however the facilities which are accounted for using the equity method.	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
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. 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 Foard City, Shannon and Flat Top wind farms, the Phoebe solar farm and the Miller Creek hydroelectric facility, which receives a price based on a formula using the Platts Mid-C pricing indices; and 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, PPAs 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 the Operating Facilities that it consolidates. The consolidation excludes however the facilities which are accounted for using the equity method.	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 PPAs or renew any PPA
PROJECTED ADJUSTED EBITDA 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" Unexpected maintenance expenditures
PROJECTED ADJUSTED EBITDA PROPORTIONATE On a consolidated basis, the Corporation estimates annual Adjusted EBITDA Proportionate by adding to the projected Adjusted EBITDA Innergex's share of Adjusted EBITDA of the operating joint ventures and associates, other revenues related to PTCs, and Innergex's share of the other net revenues of the operating joint ventures and associates’ related to PTCs.	See principal assumptions, risks and uncertainties identified under “Expected Production”, "Projected Revenues" and "Projected Adjusted EBITDA"
QUALIFICATION FOR PTCS AND ITC AND EXPECTED TAX EQUITY INVESTMENT FLIP POINT 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.	Risks related to U.S. PTCs and ITC, changes in U.S. corporate tax rates and availability of tax equity financing Regulatory and political risks Delays and cost overruns in the design and construction of projects Obtainment of permits

FORWARD-LOOKING INFORMATION

Principal Assumptions	Principal Risks and Uncertainties
INTENTION TO PAY DIVIDEND QUARTERLY 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". Possibility that the Corporation may not declare or pay a dividend
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 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. 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.	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 Ability to secure new PPAs or renew any PPA Higher-than-expected inflation 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 Regulatory and political risks Natural disaster and force majeure Relationships with stakeholders Foreign market growth and development risks Outcome of insurance claims Social acceptance of renewable energy projects Ability of the Corporation to execute its strategy of 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
INTENTION TO RESPOND TO REQUESTS FOR PROPOSALS 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.	Regulatory and political risks Ability of the Corporation to execute its strategy for building shareholder value Ability to secure new PPAs Changes in governmental support to increase electricity to be generated from renewable sources by independent power producers Social acceptance of renewable energy projects Relationships with stakeholders

AGENDA

1. Q4 2019 Financial Highlights
2. Year-End Results
3. 2019 Financial Performance
4. 2019 Significant Financial Events
5. 2019 Achievements
6. Announcement with Hydro-Québec
7. Other Subsequent Event
8. Q1 2020 Focus
9. 2020 Projected Financial Performance
10. Question Period

Appendix: Non-IFRS Measures

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

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Jean-François Neault
CPA, CMA, MBA

Chief Financial Officer

1. Q4 2019 FINANCIAL HIGHLIGHTS

In millions of Canadian dollars From continuing operations	Three-Month Period Ended December 31			Year Ended December 31		
CONSOLIDATED	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Production (GWh)	1,793.8	1,396.1	28%	6,509.6	5,086.5	28%
Revenues	143.1	138.3	4%	557.0	481.4	16%
Adjusted EBITDA[1]	103.3	103.3	-%	409.2	352.2	16%
Adjusted EBITDA Margin[1]	72.2%	74.7%		73.5%	73.2%	
PROPORTIONATE						
Production Proportionate[1] (GWh)	2,145.8	1,757.8	22%	8,021.8	6,361.7	26%
Revenues Proportionate[1]	170.1	162.0	5%	660.9	564.7	17%
Adjusted EBITDA Proportionate[1]	141.3	124.1	14%	516.8	428.7	21%

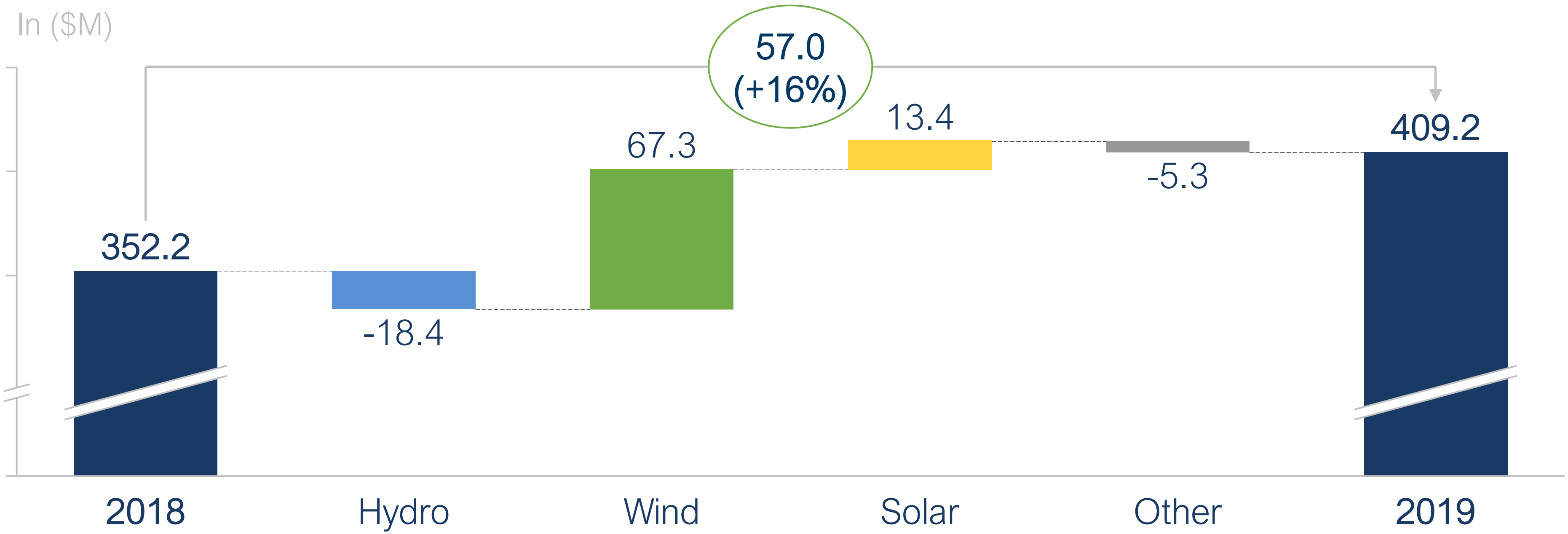
1. Adjusted EBITDA, Adjusted EBITDA Margin, Production Proportionate, Revenues Proportionate, Adjusted EBITDA Proportionate are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation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

TAX EQUITY INVESTMENT (TEI) ACCOUNTED UNDER IFRS

- TEI accounted for Long Term Loans & Borrowings
- Wind Production Tax Credit (PTCs) accounted in Other Revenues
- Solar Investments Tax Credit (ITC) reducing Property, Plant and Equipment
- All other tax attributes allocated to TEI in both Solar & Wind are accounted in Other Revenues

In millions of Canadian dollars	Three-Month Period Ended December 31, 2019		
CONSOLIDATED	**Foard City**	**Phoebe**	
Long-Term Loans and Borrowings	**285.4**	**53.2**	(see note 21 in Consolidated Financial Statements)
Other Revenues (PTCs)			
Foard City (wholly owned)	11.2	-	
Shannon (proportionate)	3.0	-	
Flat Top (proportionate)	3.6	-	
Total Other Revenues (PTCs)	**17.8**	**-**	(See Non IFRS Measures section of the MD&A)

2. YEAR-END RESULTS | ADJUSTED EBITDA[1]



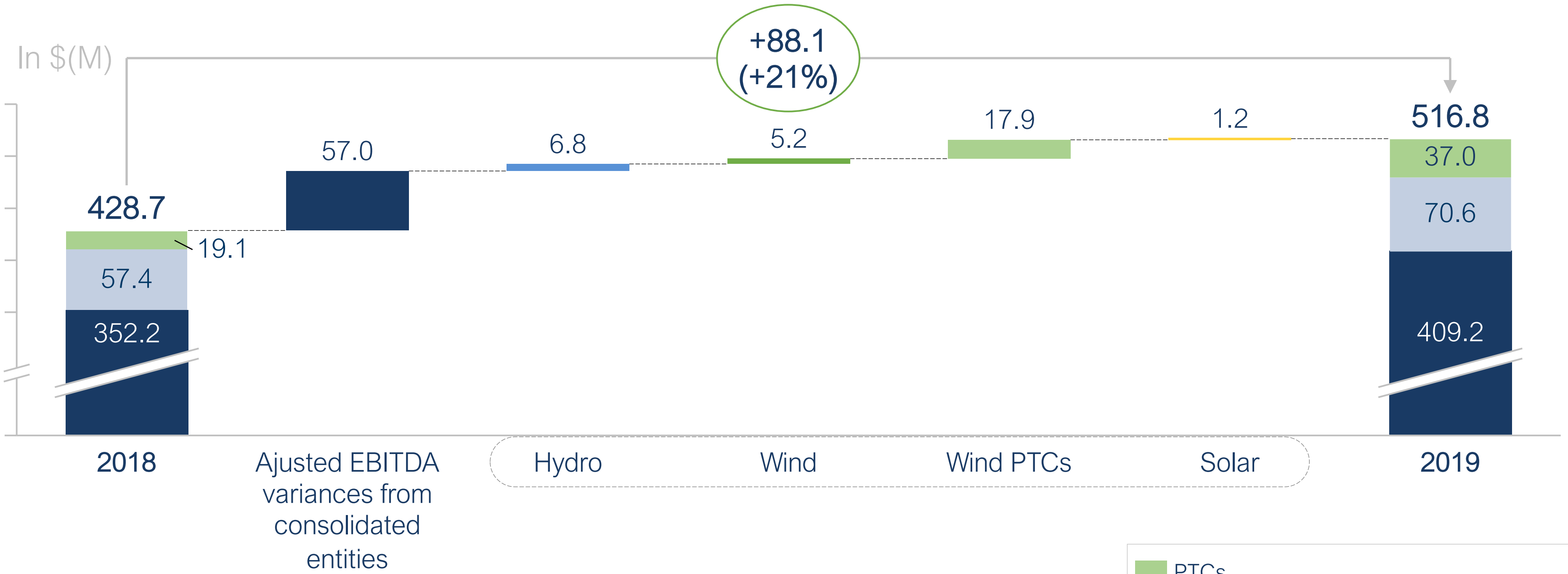
- Lower revenues in British Columbia
- Lower revenues at the Quebec facilities.

+ Acquisition of the remaining interest in Cartier
+ Higher revenues at the French facilities
+ Commissioning of Foard City on Sept. 27, 2019

+ Production ramp-up and subsequent commissioning of Phoebe on Nov. 19, 2019

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. YEAR-END RESULTS | ADJUSTED EBITDA PROPORTIONATE[1]



PTCs
Innergex share of Adjusted EBITDA of JV
Adj EBITDA

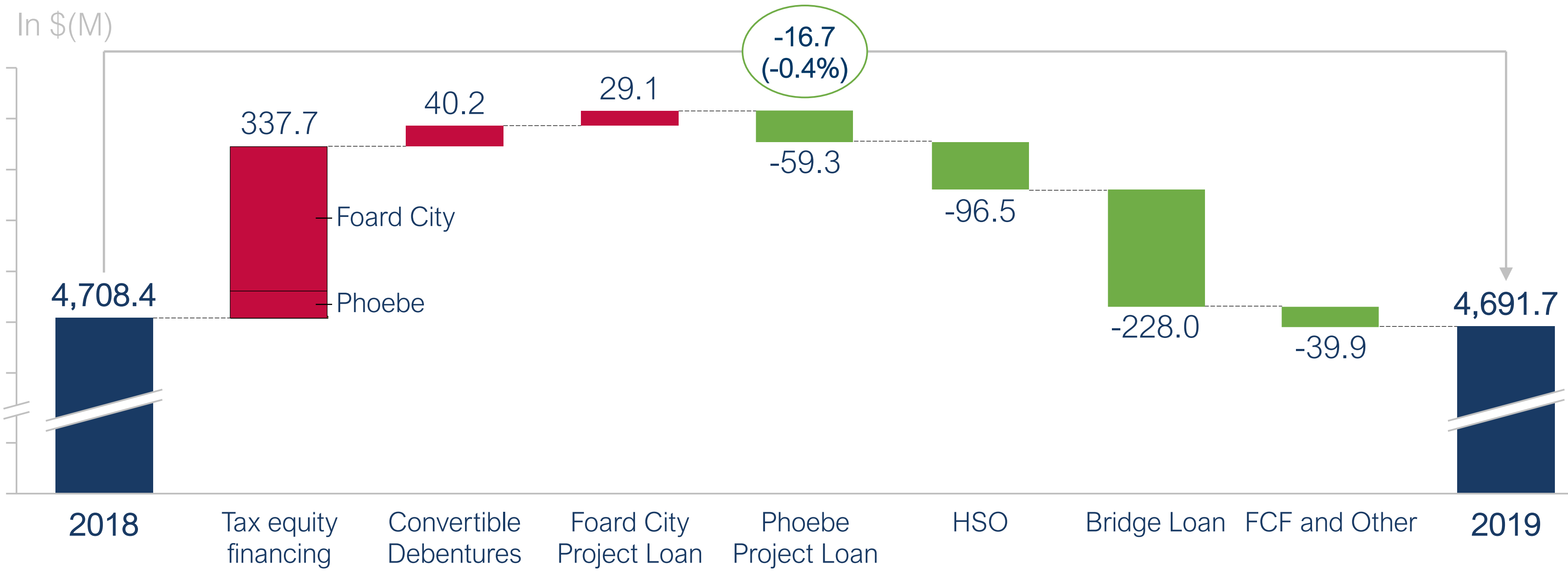
- ✚ Investment in Energía Llaima
- ✚ Higher contribution at Jimmie Creek and Toba Montrose

- ✚ Higher revenues at Flat Top and Shannon
- ✚ Higher contribution at Dokie
- ✚ Higher PTC contribution from Flat Top and Shannon and commissioning of Foard City
- ▬ Higher operating costs

- ✚ Contribution of Pampa Elvira (part of the investment in Energía Llaima)

1. 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.

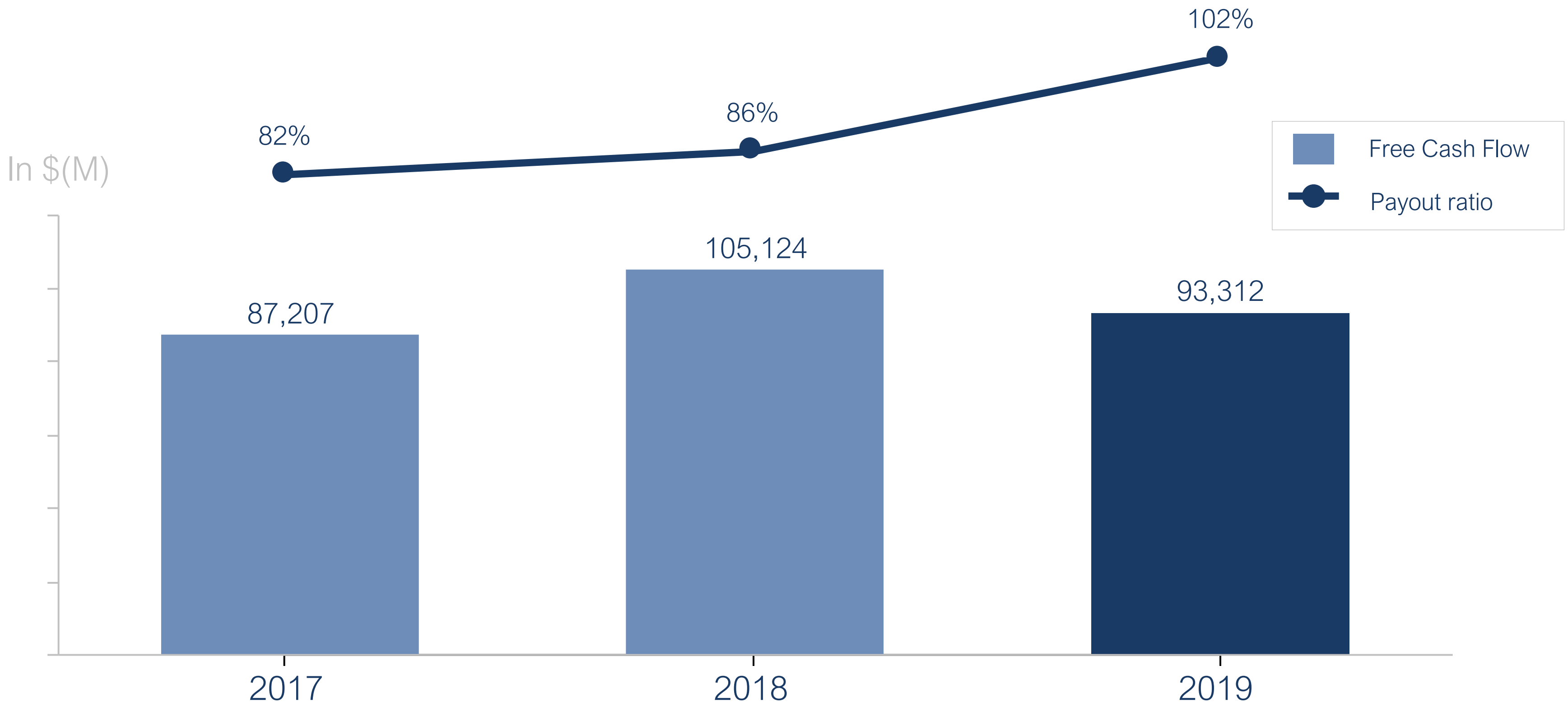
2. YEAR-END RESULTS | DEBT VARIATION



2. YEAR-END RESULTS | FINANCIAL POSITION HIGHLIGHTS

As at In millions of Canadian dollars	**DEC 31, 2019**	**DEC 31, 2018**
Total Assets	6,372.1	6,516.2
Total Liabilities	5,756.8	5,574.1
Non-controling interests	10.9	312.8
Equity attributable to owners	604.4	629.3

2. YEAR-END RESULTS | FREE CASH FLOW & PAYOUT RATIO[1]



Payout Ratio	− Higher dividend payments from additional shares and increased quarterly dividend − $11.8M decrease in Free Cash Flow
Free Cash Flow	− Greater scheduled debt principal payments − Decrease in cash flows from operating activities before changes in non-cash working capital items + Decrease in the Free Cash Flow attributed to non-controlling interests

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. 2019 FINANCIAL PERFORMANCE

	2019 PROJECTIONS[1]	2019 ACTUAL
Power Generated	+10%	+12%
Revenues	+7%	+4%
Adjusted EBITDA[2]	+11%	+10%
Adjusted EBITDA proportionate[2]	+9%	+15%

[1]These estimates were released in the Conference Call and Webcast – Sale of Icelandic Assets on March 25, 2019
[2] 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.

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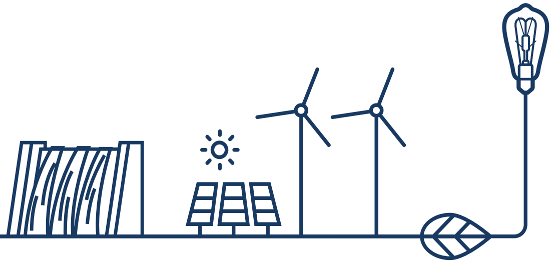
Michel Letellier, MBA

President and Chief Executive Officer



5. 2019 ACHIEVEMENTS

DIVESTMENT

- HS Orka On May 23, 2019, Innergex **completed the sale of its wholly owned subsidiary Magma Sweden**, which owns an equity interest of approximately 53.9% in HS Orka for US$297.9 million ($401.5 million) after adjustments to Jarðvarmi slhf, which exercised its right of first refusal.

DEVELOPMENT

- Yonne II The 6.9 MW Yonne wind farm extension received all authorizations and a 20-year PPA has been signed with EDF. Financing is expected to close in Q1 2020 and **construction is scheduled to start in Q2 2020**.
- Hale Kuawehi and Paeahu **Signature of two PPAs** for our solar and battery energy storage projects in Hawaii (U.S.)

CONSTRUCTION

- Hillcrest **Signature of a long-term PPA** with an investment grade rated U.S. corporation
- Innavik The 40-year PPA was approved by the Régie de l'énergie du Québec in December 2019, and **construction is planned to start in Q2 2020**

COMMISSIONING

- Phoebe Full commissioning of the **250 MW solar farm** in Texas (U.S.) was reached on Nov. 19, 2019
- Foard City Full commissioning of the **350.3 MW wind farm** in Texas (U.S.) was reached on Sept. 27 2019

6. ANNOUNCEMENT WITH HYDRO-QUEBEC

STRATEGIC ALLIANCE

$500M initial commitment by Hydro-Québec to co-invest with Innergex

Accretive use of proceeds by Innergex

PRIVATE PLACEMENT

$661M equity Private Placement by Hydro-Québec in Innergex

Hydro-Québec becomes **Innergex's main shareholder with 19.9% ownership**

Strengthened balance sheet and increased financial flexibility for future growth

7. OTHER SUBSEQUENT EVENT

A STORAGE PROJECT IN FRANCE

- A **9 MW lithium-ion battery storage project** that will participate in the Frequency Containment Reserve market in France
- To be located at our Yonne wind farm, next to our privately-owned substation connected to the RTE state-owned electricity transport system
- An investment of approximately **€5 million**
- The project benefits from a **7-year fixed-price contract with RTE** for capacity payments

8. Q1 2020 FOCUS

CONSTRUCTION	**Pursue construction** of the 200 MW Hillcrest solar project in the U.S. and the 7.5 MW Innavik hydro project in Canada
DEVELOPMENT	▪ **Six development projects** ▪ Solar projects in the **U.S.** ▪ Wind and solar projects in **France** ▪ Development opportunities in **Chile**
STRATEGIC ALLIANCE	**Assessing strategic potential acquisition opportunities with Hydro-Québec** to gain foothold in new markets or to consolidate position in regions where we already operate

9. 2020 PROJECTED FINANCIAL PERFORMANCE [1]

	2019 YEAR-END RESULTS	2020 PROJECTIONS
Power Generated (GWh)	6,509.6	approx. +25%
Revenues	557.0	approx. +10%
Adjusted EBITDA[2]	409.2	approx. +5%
Adjusted EBITDA proportionate[2]	516.8	approx. +10%

1. Projected financial performance based on the continued operations
2. 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.

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QUESTION PERIOD

NON-IFRS MEASURES

This document has been prepared in accordance with IFRS. However, some measures referred to in this presentation are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Innergex believes 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) Earnings 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 equity interest in the Revenues of the operating 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 December 31		Year ended December 31	
	2019	2018	2019	2018
Revenues	143,116	138,252	557,042	481,418
Innergex's share of Revenues of joint ventures and associates:				
Toba Montrose (40%)[1]	3,087	2,911	28,257	26,174
Shannon (50%)[1]	4,071	2,134	9,629	6,967
Flat Top (51%)[2]	6,142	2,550	12,447	7,679
Dokie (25.5%)[1]	3,832	3,382	9,297	8,061
Jimmie Creek (50.99%)[1]	955	1,208	10,929	9,775
Umbata Falls (49%)	1,256	1,681	4,029	4,635
Viger-Denonville (50%)	1,472	1,663	5,647	5,862
Duqueco (50%)[3, 4]	5,036	6,896	19,535	12,019
Guayacán (50%)[3, 4]	532	890	2,011	1,213
Pampa Elvira (50%)[3, 4]	612	471	2,118	883
	26,995	23,786	103,899	83,268
Revenues Proportionate	170,111	162,038	660,941	564,686

1. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and February 6, 2018, to December 31, 2018.
2. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and March 23, 2018, to December 31, 2018.
3. Innergex owns a 50% interest in Energia 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.
4. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and for the period from July 3, 2018, or July 5, 2018, to December 31, 2018.

NON-IFRS MEASURES

Adjusted EBITDA and Adjusted EBITDA Margin
References in this document to “Adjusted EBITDA” are to net (loss) earnings from continuing operations, to which are added (deducted) provision (recovery) for income tax expenses, finance cost, depreciation and amortization, other net (revenues) expenses, share of (earnings) loss of joint ventures and associates and unrealized net (gain) loss on financial instruments. Other net revenues related to PTCs are included in Adjusted EBITDA. 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 December 31		Year ended December 31	
	2019	2018	2019	2018
Net (loss) earnings from continuing operations	(48,049)	18,816	(53,026)	26,215
Provision for income taxes	117,687	26,666	118,851	27,245
Finance costs	61,062	55,020	231,766	195,834
Depreciation and amortization	53,021	42,285	194,579	151,256
Impairment of project development costs	8,184	—	8,184	—
EBITDA	191,905	142,787	500,354	400,550
Other net (revenues) expenses	(102,004)	6,864	(104,643)	12,183
Share of earnings of joint ventures and associates	(27,276)	(37,320)	(36,469)	(47,596)
Unrealized net loss (gain) on financial instruments	40,708	(9,061)	49,933	(12,958)
Adjusted EBITDA	103,333	103,270	409,175	352,179
Adjusted EBITDA margin	72.2%	74.7%	73.5%	73.2%

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 equity interest in 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 operating joint ventures and associates, other revenues related to PTCs, and Innergex's share of the other net revenues of the operating joint ventures and associates' other revenues related to PTCs. 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 the MD&A for more information.

During the year ended December 31, 2019, upon commissioning the Foard City wind project, the Adjusted EBITDA Proportionate measure was changed to reflect PTC generation from the Corporation' wind facilities and from its joint ventures and associates' wind facilities. PTCs represent an important factor to a U.S. wind project's financial performance and have been a major driver to determining their economic feasibility. PTCs are currently used, in most part, as an element of the principal repayment of the Corporation's tax equity financing.

	Three months ended December 31		Year ended December 31	
	2019	2018	2019	2018
Adjusted EBITDA	103,333	103,270	409,175	352,179
Innergex's share of Adjusted EBITDA of joint ventures and associates:				
Toba Montrose (40%)[1]	1	13,004	20,046	18,883
Shannon (50%)[2]	(872)	492	1,237	1,820
Flat Top (51%)[2]	(1,213)	909	711	1,813
Dokie (25.5%)[1]	1,095	1,062	3,799	3,305
Jimmie Creek (50.99%)[1]	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%)[3, 4]	5,454	3,134	9,115	3,134
Guayacán (50%) [3, 4]	469	38	1,022	38
Pampa Elvira (50%)[3, 4]	391	(62)	665	(62)
	28,445	25,870	50,469	42,402
PTCs and Innergex's share of PTCs generated:				
Foard City	11,238	—	11,238	—
Shannon (50%)[1]	3,017	2,546	11,323	9,657
Flat Top (51%)[2]	3,581	3,291	14,499	9,476
Adjusted EBITDA Proportionate	135,796	109,553	356,311	291,311

1. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and February 6, 2018, to December 31, 2018.
2. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and March 23, 2018, to December 31, 2018.
3. 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.
4. For a complete three-month period in 2019 and 2018 and for the period from January 1, 2019, to December 31, 2019, and for the period from July 3, 2018, or July 5, 2018, to December 31, 2018

NON-IFRS MEASURES

Adjusted Net (Loss) Earnings from continuing operations

References to "Adjusted Net (Loss) Earnings 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 (Loss) Earnings 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 (Loss) Earnings 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 (Loss) Earnings 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
Cash flows from operating activities	240,065	209,390
Add (Subtract) the following items:		
Changes in non-cash operating working capital items	(25,633)	11,019
Maintenance capital expenditures net of proceeds from disposals	(8,752	(9,652)
Scheduled debt principal payments	(128,691)	(86,079)
Free Cash Flow attributed to non-controlling interests[2]	(12,679)	(27,984)
Dividends declared on Preferred shares	(5,942)	(5,942)
Transaction costs related to realized acquisitions	266	8,280
Realized loss on termination of interest rate swaps	4,145	6,092
Realized loss on the Phoebe basis hedge[4]	11,697	—
Recovery of maintenance capital expenditures and prospective project expenses on sale of HS Orka, net of attribution to non-controlling interests [3]	8,242	—
Income tax paid on realized intercompany gain	10,594	—
Free Cash Flow	93,312	105,124
Dividends declared on common shares	95,046	90,215
Payout Ratio	102%	86%
Adjust for the following items:		
Prospective projects expenses	12,905	16,719
Adjusted Free Cash Flow	106,217	121,843
Dividends declared on common shares - DRIP adjusted	93,422	80,497
Adjusted Payout Ratio	88%	66%

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 of the fourth quarter of 2019.
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.
4. Due to their limited occurrence (over the remaining contractual period of 2 years), gains and losses on the Phoebe basis hedge are deemed not to represent the long-term cash generating capacity of Innergex.

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 equity interest in 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 the MD&A for more information.

	Three months ended December 31					
	2019			2018		
(in MWh)	Production (MWh)	LTA (MWh)	Production as a % of LTA	Production (MWh)	LTA (MWh)	Production as a % of LTA
Production	1,793,803	1,935,082	93%	1,396,066	1,399,745	100%
Innergex's share of Production of joint ventures and associates:						
Toba Montrose (40%)	25,902	31,318	83%	24,279	31,318	78%
Shannon (50%)	91,956	92,696	99%	82,718	92,696	89%
Flat Top (51%)	109,055	117,260	93%	106,859	117,260	91%
Dokie (25.5%)	30,923	22,814	136%	26,301	22,814	115%
Jimmie Creek (50.99%)	5,659	6,854	83%	7,135	6,854	104%
Umbata Falls (49%)	16,656	16,188	103%	22,306	16,188	138%
Viger-Denonville (50%)	9,740	10,150	96%	11,058	10,150	109%
Duqueco (50%)[1]	52,591	58,081	91%	69,692	58,081	120%
Guayacán (50%)[1]	6,212	7,530	82%	8,155	7,530	108%
Pampa Elvira (50%)[1]	3,302	3,685	90%	3,203	3,685	87%
	351,996	366,576	96%	361,706	366,576	99%
Production Proportionate	2,145,799	2,301,658	93%	1,757,772	1,766,321	100%

1. Innergex owns a 50% interest in Energía Llaima, 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.

NON-IFRS MEASURES

(in MWh)	Year ended December 31					
	2019			2018		
	Production (MWh)	LTA (MWh)	Production as a % of LTA	Production (MWh)	LTA (MWh)	Production as a % of LTA
Production	6,509,622	6,770,170	96%	5,086,497	5,283,616	96%
Innergex's share of Production of joint ventures and associates:						
Toba Montrose (40%) [1]	269,684	285,545	94%	262,318	281,678	93%
Shannon (50%) [1,3]	344,892	356,903	97%	308,911	323,319	96%
Flat Top (51%) [2,3]	441,528	444,975	99%	312,408	339,956	92%
Dokie (25.5%)[1]	75,723	77,261	98%	68,702	67,363	102%
Jimmie Creek (50.99%)[1]	93,603	84,904	110%	88,504	84,594	105%
Umbata Falls (49%)	53,291	53,459	100%	59,498	53,459	111%
Viger-Denonville (50%)	37,366	36,200	103%	38,981	36,200	108%
Duqueco (50%)[4,5]	161,752	166,525	97%	117,270	111,850	105%
Guayacán (50%)[4,5]	21,197	23,688	89%	12,145	11,786	103%
Pampa Elvira (50%)[4,5]	13,100	14,398	91%	6,499	7,238	90%
	1,512,136	1,543,858	98%	1,275,236	1,317,443	97%
Production Proportionate	8,021,758	8,314,028	96%	6,361,733	6,601,059	96%

1. For the period from January 1, 2019, to December 31, 2019, and February 6, 2018, to December 31, 2018.
2. For the period from January 1, 2019, to December 31, 2019, and March 23, 2018, to December 31, 2018.
3. Ownership interest is in the sponsor equity of Shannon and Flat Top. However, tax equity partners hold 100% of the tax equity interests.
4. Innergex owns a 50% interest in Energía Llaima, 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.
5. For the period from January 1, 2019 to December 31, 2019 and for the period from July 3, 2018 or July 5, 2018 to December 31, 2018.