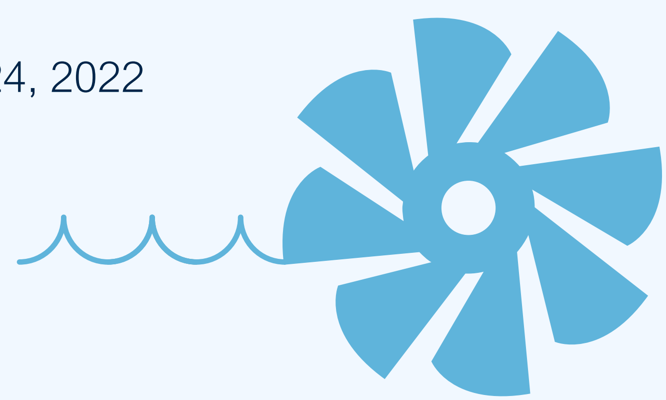
INNERGEX

Renewable Energy.
Sustainable Development.

Fourth Quarter and Year-End 2021

Conference Call & Webcast

February 24, 2022



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 growth targets, 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 with Hydro-Québec), 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 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 targeted production, the estimated project costs, targeted revenues, targeted Revenues Proportionate, targeted Adjusted EBITDA and targeted Adjusted EBITDA Proportionate, targeted Free Cash Flow, targeted Free Cash Flow per Share 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, acquisitions and commissioned projects; project performance; availability of capital resources and timely performance by third parties of contractual obligations; favourable market conditions for share issuance to support growth financing; favourable economic and financial market conditions; the Corporation's success in developing and constructing new facilities; successful renewal of PPAs; sufficient human resources to deliver service and execute the capital plan; no significant event occurring outside the ordinary course of business such as a natural disaster, pandemic or other calamity; continued maintenance of information technology infrastructure and no material breach of cybersecurity. Please refer to Section 5 - Outlook of the 2021 Annual Report for details regarding the assumptions used with respect to the 2022 growth targets and outlook for the 2020-2025 Strategic Plan.

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: performance of major counterparties; equipment supply; delays and cost overruns in the design and construction of projects; health, safety and environmental risks; equipment failure or unexpected operations and maintenance activity; variability of installation performance and related penalties; increase in water rental cost or changes to regulations applicable to water use; availability and reliability of transmission systems; assessment of water, wind and solar resources and associated electricity production; global climate change; variability in hydrology, wind regimes and solar irradiation; preparedness to facing natural disasters and force majeure; pandemic, epidemics or other public health emergencies; cybersecurity; reliance on shared transmission and interconnection infrastructure; inability of the Corporation to execute its strategy for building shareholder value; inability to raise additional capital and the state of the capital market; inability to secure new PPAs or renew any PPA; reliance on various forms of PPAs; volatility of supply and demand in the energy market; fluctuations affecting prospective power prices; uncertainties surrounding development of new facilities; obtainment of permits; inability to realize the anticipated benefits of completed and future 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; regulatory and political risks; risks related to U.S. production and investment tax credits, changes in U.S. corporate tax rates and availability of tax equity financing; exposure to many different forms of taxation in various jurisdictions; social acceptance of renewable energy projects; relationships with stakeholders; inability to secure appropriate land; foreign market growth and development risks; liquidity risks related to derivative financial instruments; interest rate fluctuations and refinancing; financial leverage and restrictive covenants governing current and future indebtedness; changes in general economic conditions; foreign exchange fluctuations; possibility that the Corporation may not declare or pay a dividend; insufficiency of insurance coverage; ability to attract new talent or to retain officers or key employees; litigation; credit rating may not reflect actual performance of the Corporation or a lowering (downgrade) of the credit rating; revenues from certain facilities will vary based on the market (or spot) price of electricity; host country economic, social and political conditions; adverse claims to property title; reliance on intellectual property and confidential agreements to protect the Corporation's 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.

AGENDA

1. 2021 Guidance Achievements
2. Year-End Financial Highlights
3. Year-End Results
4. Subsequent Financial Event
5. 2021 Corporate Development
6. 2021 Commissioning Activities
7. Construction Activities
8. Development Activities
9. Prospective Projects
10. Subsequent events
11. 2022 Growth Targets
12. 2020-2025 Strategic Plan Targets
13. 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. 2021 GUIDANCE ACHIEVEMENTS

	2021			2020
	Actual Normalized[3]		Target[4]	Actual[1]
Production (GWh)[2]	9,055	+12%	+15%	8,074
Revenues	692,241	+13%	+10%	613,207
Adjusted EBITDA[2]	470,670	+12%	+10%	422,109
Adjusted EBITDA Proportionate[2]	578,472	+3%	+2%	560,328
Number of facilities in operation	79			75
Net installed capacity (MW)	3,101			2,742

1. Results from continuing operations unless otherwise indicated.
2. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production is a key performance indicator for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the "Non-IFRS Measures" section of the 2021 Annual Report for more information.
3. For the year ended December 31, 2021, the Financial Performance and Operating Results are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Annual Report for more information.
4. Target revised in November 2021. Please refer to the MD&A for the period ended September 30, 2021 filed on November 9, 2021.

2. YEAR-END FINANCIAL HIGHLIGHTS

In millions of Canadian dollars	Three Months Ended December 31			Twelve Months Ended December 31				
CONSOLIDATED	**2021**	**2020**	**Change**	**2021 as reported**	**Texas[2]**	**2021 Norm.**	**2020**	**Change[3]**
Production (GWh)	2,583.2	2,187.0	18%	9,055.2	-	9,055.2	8,073.9	12%
Revenues	202.4	167.9	21%	747.2	(55.0)	692.2	613.2	13%
Operation, general, administrative and prospective projects expenses	65.1	50.1	30%	221.6	-	221.6	191.1	16%
Adjusted EBITDA[1]	137.3	117.8	17%	525.6	(55.0)	470.7	422.1	12%
Adjusted EBITDA Margin[1]	67.8%	70.2%	-	70.3%	(2.3%)	68.0%	68.8%	-
Net Earnings (Loss)	5.7	11.9	(52%)	(185.4)	64.2	(121.2)	(29.1)	(316%)

1. These measures 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. Normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Annual Report for more information.
3. Variation with 2021 Normalized results.

2. YEAR-END FINANCIAL PROPORTIONATE HIGHLIGHTS

In millions of Canadian dollars	Three Months Ended December 31			Twelve Months Ended December 31				
PROPORTIONATE	**2021**	**2020**	**Change**	**2021 as reported**	**Texas[2]**	**2021 Norm.**	**2020**	**Change[3]**
Production Proportionate[1] (GWh)	2,676.2	2,573.4	4%	9,853.4	-	9,853.4	9,590.1	3%
Revenues Proportionate[1]	231.1	211.4	9%	913.1	(95.3)	817.9	781.5	5%
Adjusted EBITDA Proportionate[1]	163.0	152.9	7%	673.7	(95.3)	578.5	560.3	3%

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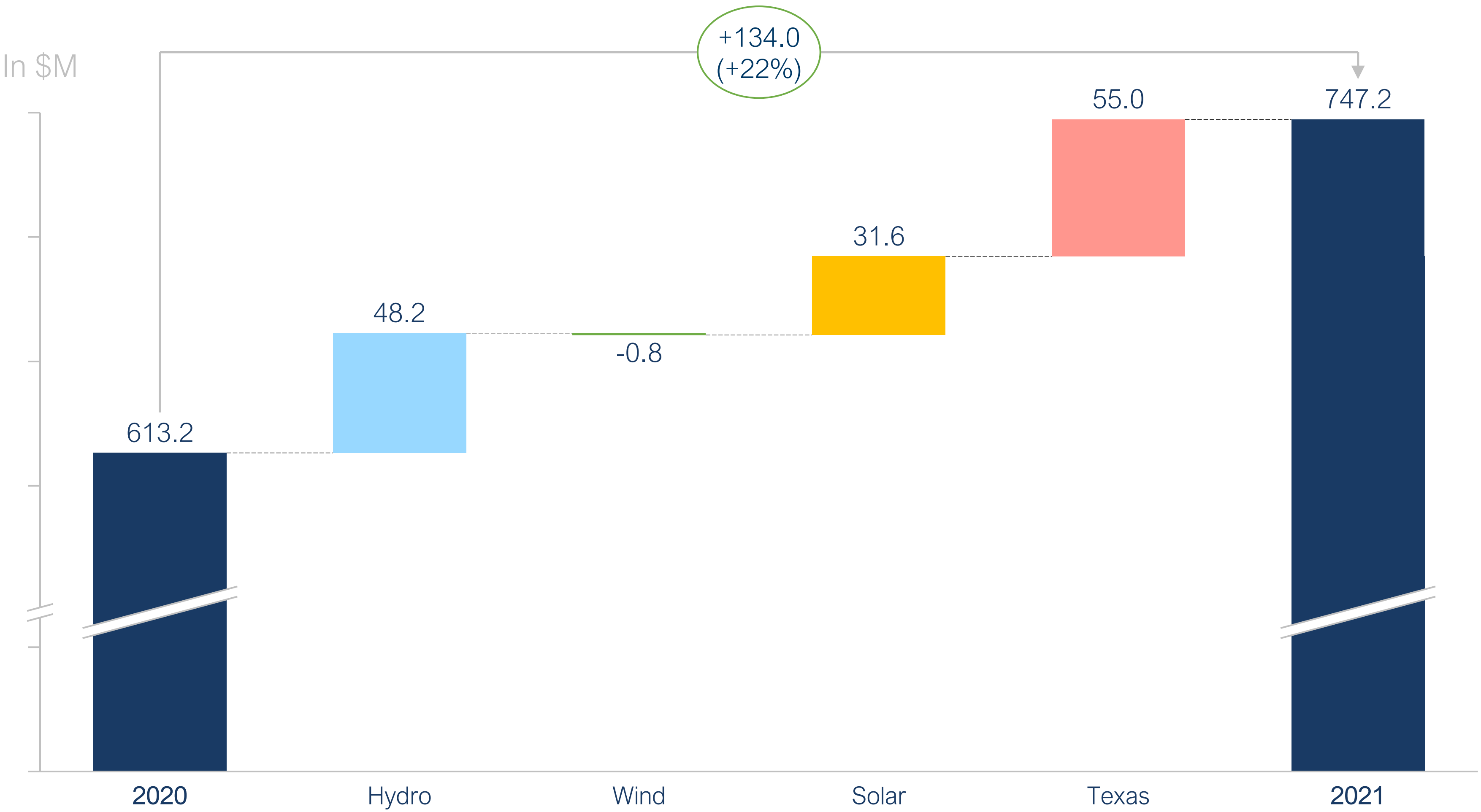
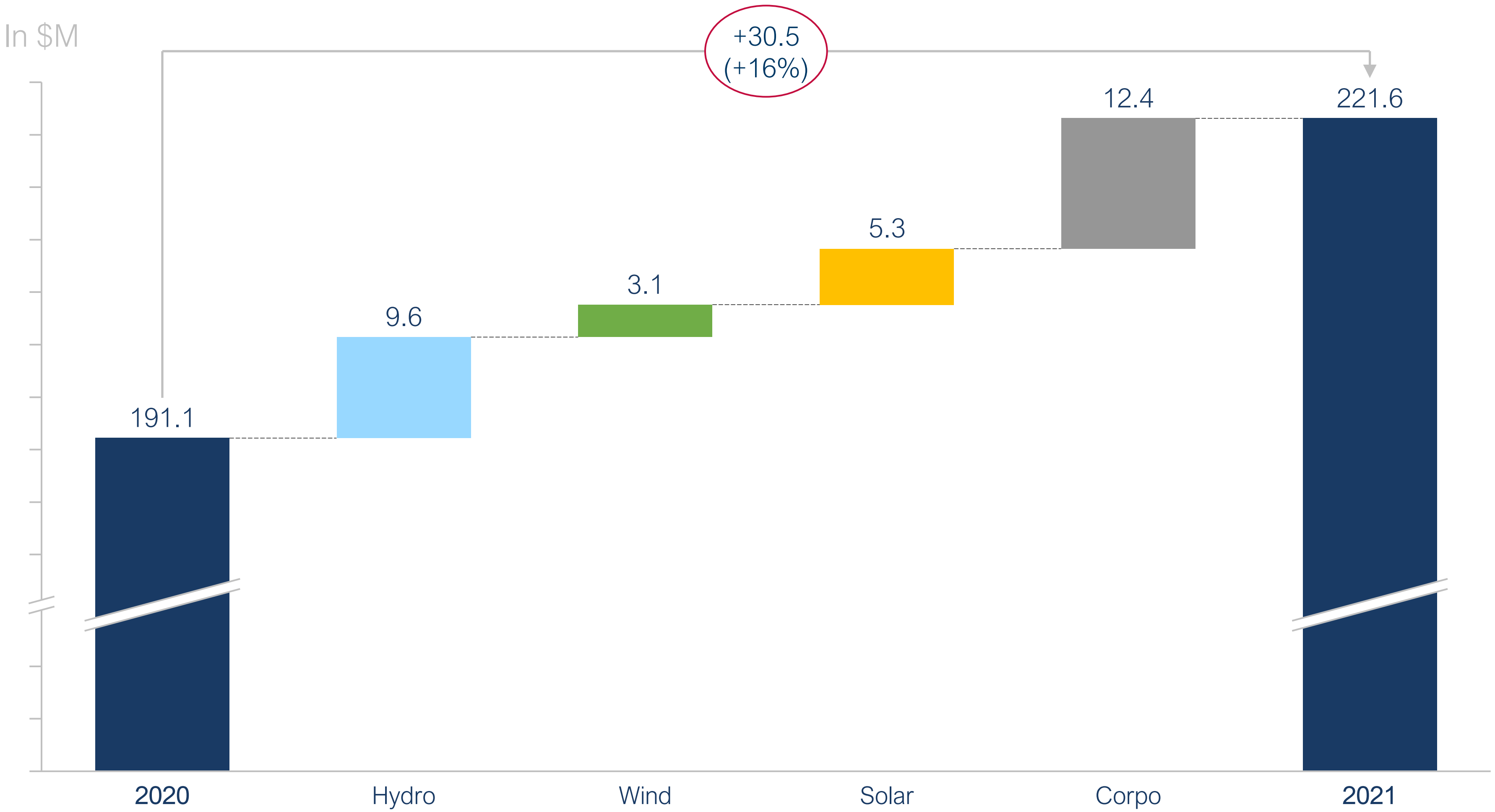
3. Variation with 2021 Normalized results.

3. YEAR-END RESULTS | REVENUES

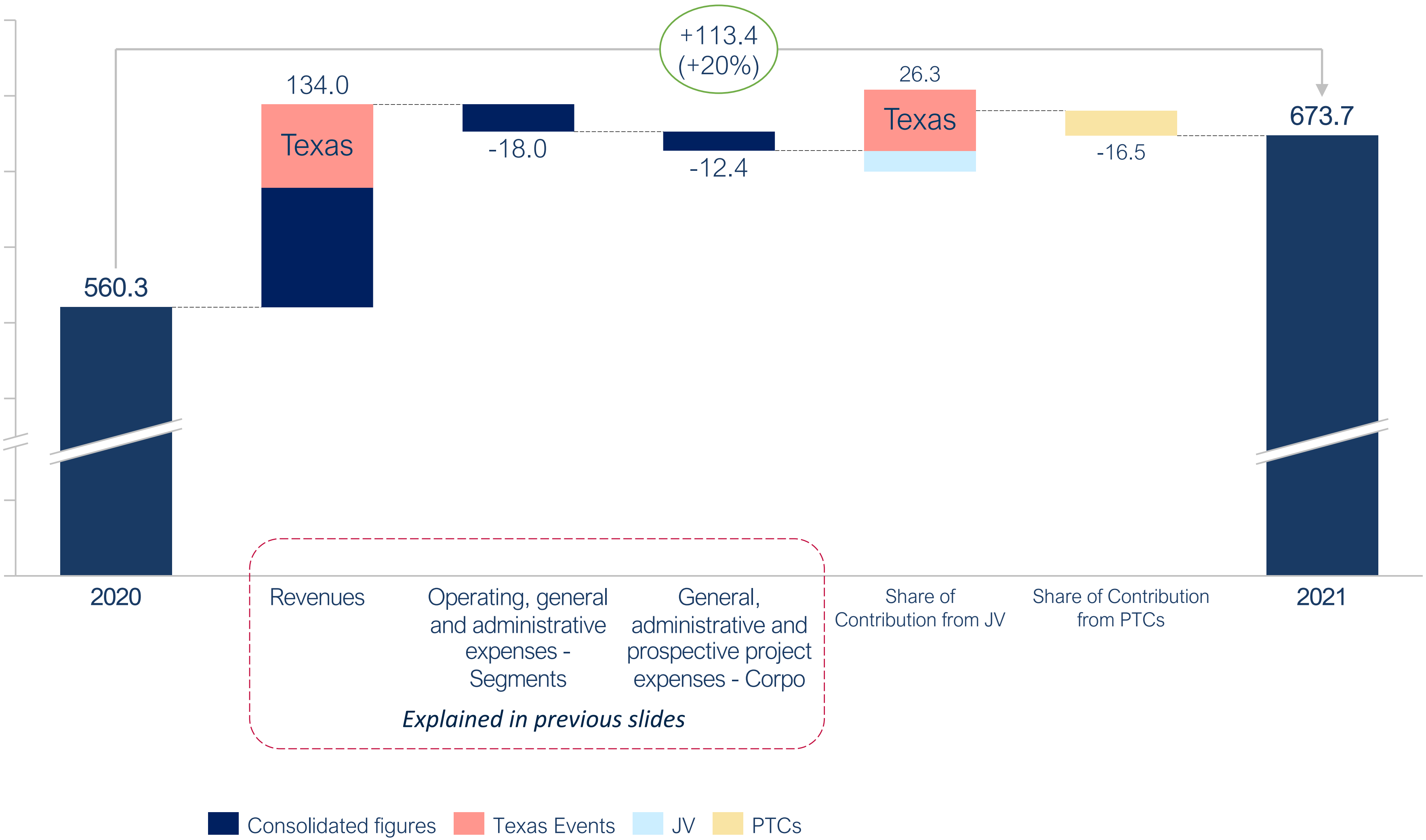


3. YEAR-END RESULTS | OPERATING, GENERAL, ADMINISTRATIVE AND PROSPECTIVE PROJECTS EXPENSES



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

In $M



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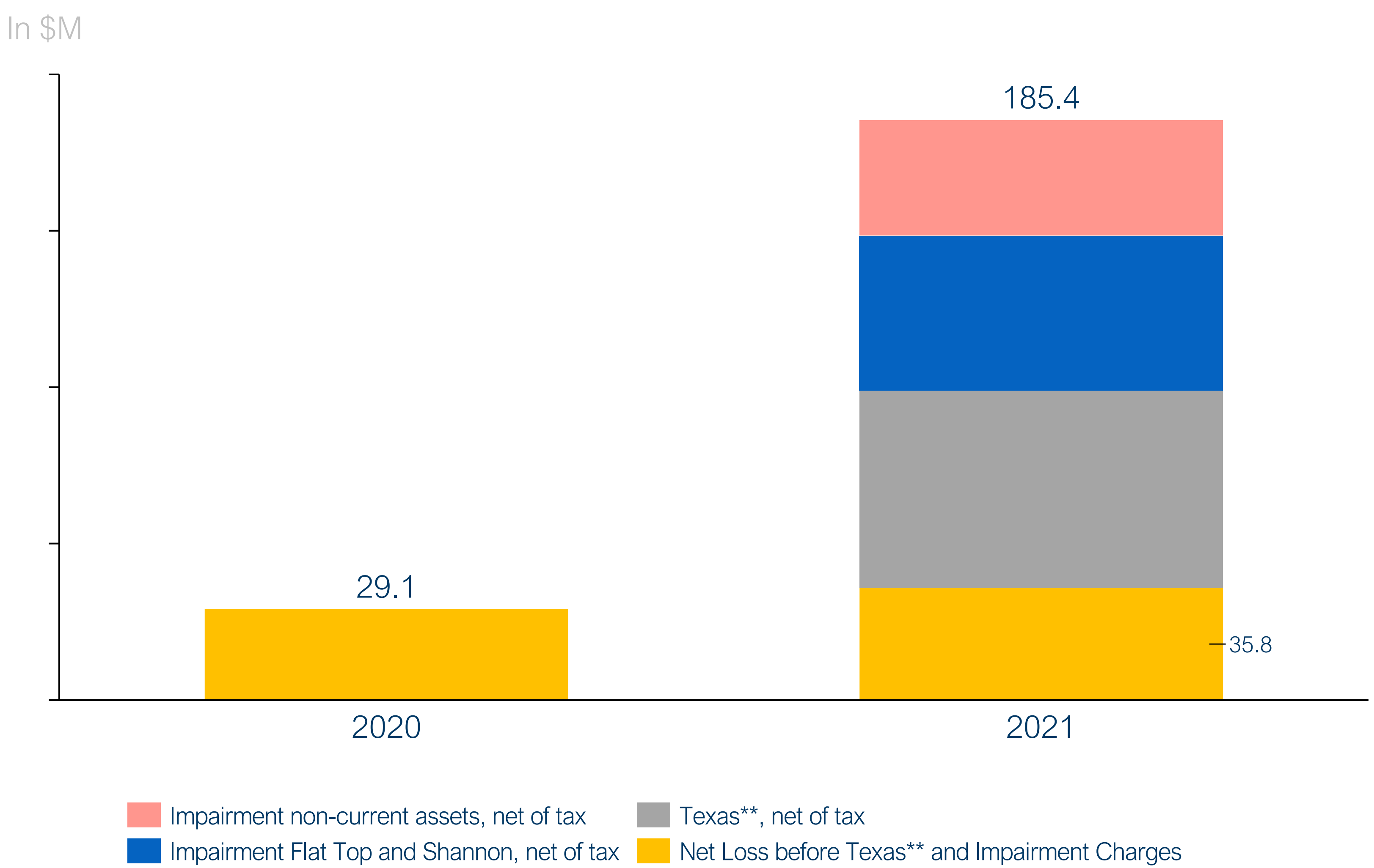
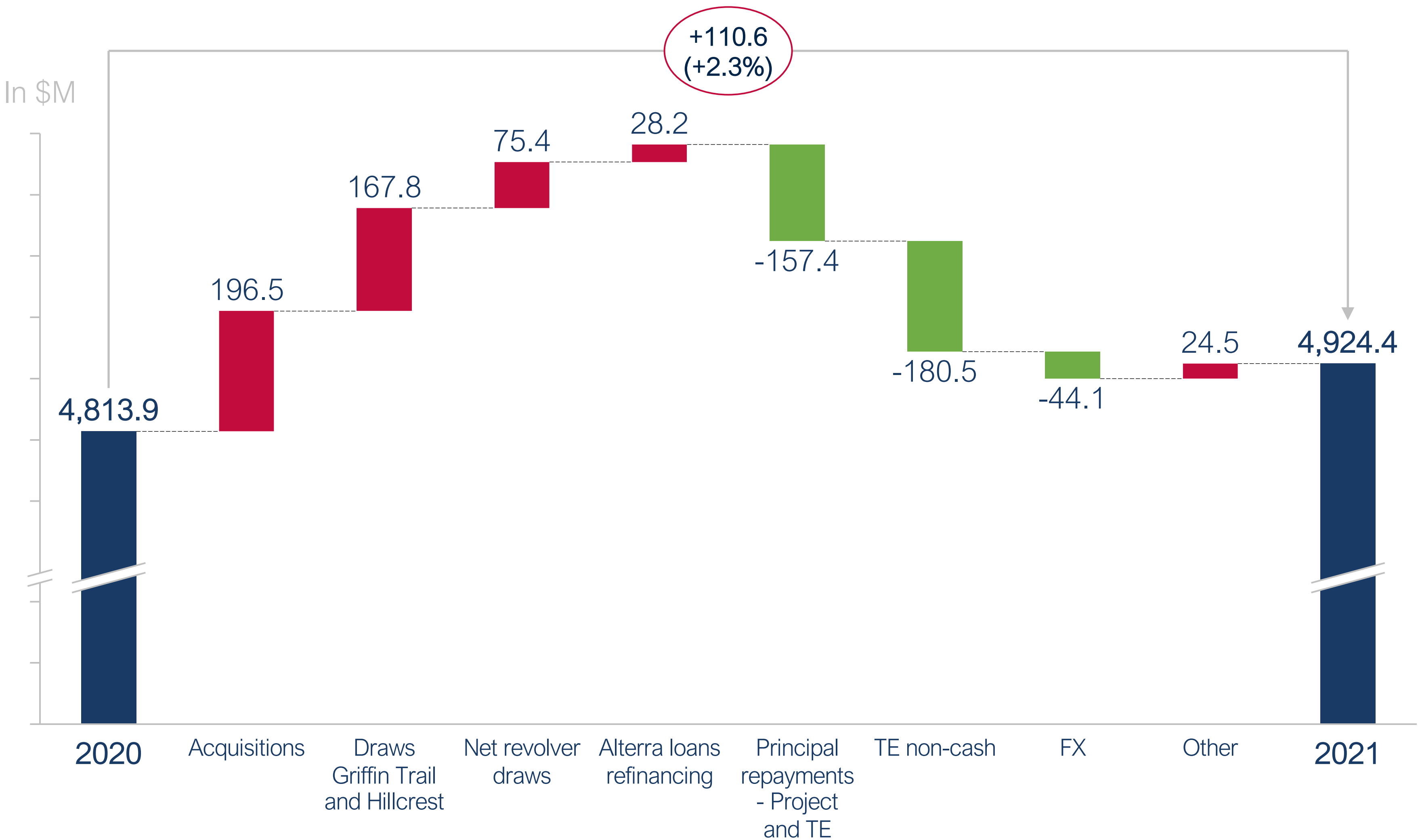
3. YEAR-END RESULTS | NET LOSS



** Please refer to the "February 2021 Texas Events" section of the 2021 Annual Report for more information.

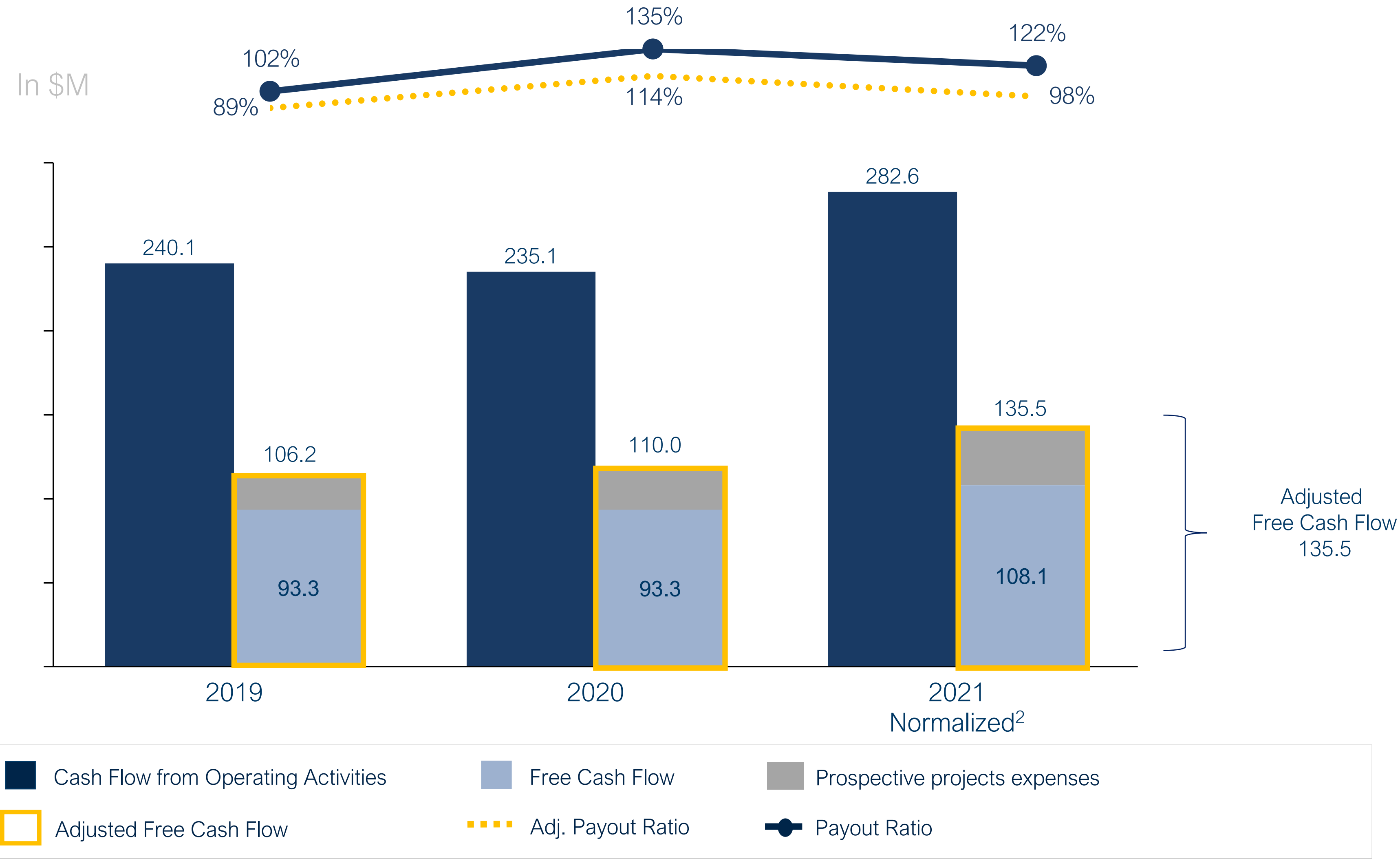
3. YEAR-END RESULTS | LONG-TERM DEBT



3. YEAR-END RESULTS | FINANCIAL POSITION HIGHLIGHTS

In millions of Canadian dollars — As at	DEC 31, 2021	DEC 31, 2020
Total Assets	7,396.1	7,141.6
Total Liabilities	6,035.4	6,070.7
Non-Controlling Interests	267.6	62.1
Equity Attributable to Owners	1,093.1	1,008.9

3. YEAR-END RESULTS | CASH FLOW FROM OPERATING ACTIVITIES, FREE CASH FLOW[1] & PAYOUT RATIO[1]



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4. SUBSEQUENT FINANCIAL EVENT

Closing of $172.5 million bought deal equity financing and $37.3 million concurrent private placement

Bought Deal Equity Financing

- On February 22, 2022, Innergex completed a bought deal equity financing of common shares.
- 9,718,650 common shares were issued:
  - 1,267,650 common shares as a result of the over-allotment.
  - Offering price of $17.75 per common share for aggregate gross proceeds of $172.5 million.

Private placement with Hydro-Québec

- A total of 2,100,000 common shares issued at the offering price for aggregate gross proceeds of $37.3 million in order for Hydro-Québec to maintain its ownership.

Use of proceeds

- Net proceeds will be used to fund a portion of the purchase price of the previously announced acquisition of 100% of the ordinary shares of Aela Generación S.A. and Aela Energía SpA, or, should the acquisition not successfully close, the net proceeds are to be used for general corporate purposes including future growth initiatives.

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Michel Letellier, MBA

President and Chief Executive Officer

5. 2021 CORPORATE DEVELOPMENT

Acquisition of remaining interests in Energía Llaima, in Chile

- On July 9, 2021, the Corporation became the sole owner of Energía Llaima SpA in Chile by acquiring the remaining 50% interest for an aggregate consideration of US$75.0 million ($94.0 million), which includes a contingent consideration evaluated at US$3.7 million ($4.6 million).
- Innergex's net installed capacity increased by 83.4 MW by gaining interests in and operating three hydro facilities in Chile, a solar thermal facility, as well as several projects in the development or prospective stages.

Acquisition of a hydro facility in Chile

- On August 3, 2021, Innergex acquired Licán, an 18 MW run-of-river hydro facility with a reservoir for daily regulation for up to 3.5 hours.
- Licán was acquired for an aggregate consideration of US$17.7 million ($22.1 million), financed with cash held in Chile, to pay the shareholders and partially pay the existing debt and other costs.

Acquisition of a hydro portfolio in the State of New York

- On October 25, 2021, the Corporation and Hydro-Québec completed their first 50-50 joint acquisition with the purchase of the 60 MW Curtis Palmer run-of-river hydroelectric portfolio, consisting of the 12 MW Curtis Mills and 48 MW Palmer Falls facilities.
- Total consideration of US$321.6 million ($397.3 million), includes a contingent consideration of US$3.2 million ($3.9 million).

6. 2021 COMMISSIONING ACTIVITIES

Full commissioning of Yonne II, 6.9 MW – France

- On March 1, 2021, Innergex completed the commissioning of the 6.9 MW Yonne II wind facility.

Full commissioning of Griffin Trail, 225.6 MW – Texas, U.S.

- On July 26, 2021, Innergex completed the commissioning of the 225.6 MW Griffin Trail wind facility and concluded the tax equity funding on July 30, 2021.

Full commissioning of Hillcrest, 200 MW – Ohio, U.S.

- The facility reached substantial completion on October 31, 2021 and concluded the tax equity funding on November 17, 2021.

7. CONSTRUCTION ACTIVITIES

Hale Kuawehi, 30 MW (120 MWh storage) – Hawaii, U.S.

- Construction started in January 2022
- Execution of all major supply and construction contracts completed.
- The blessing ceremony was held on site on January 4, 2022. Civil work commenced in January with construction of roads and laydown areas.

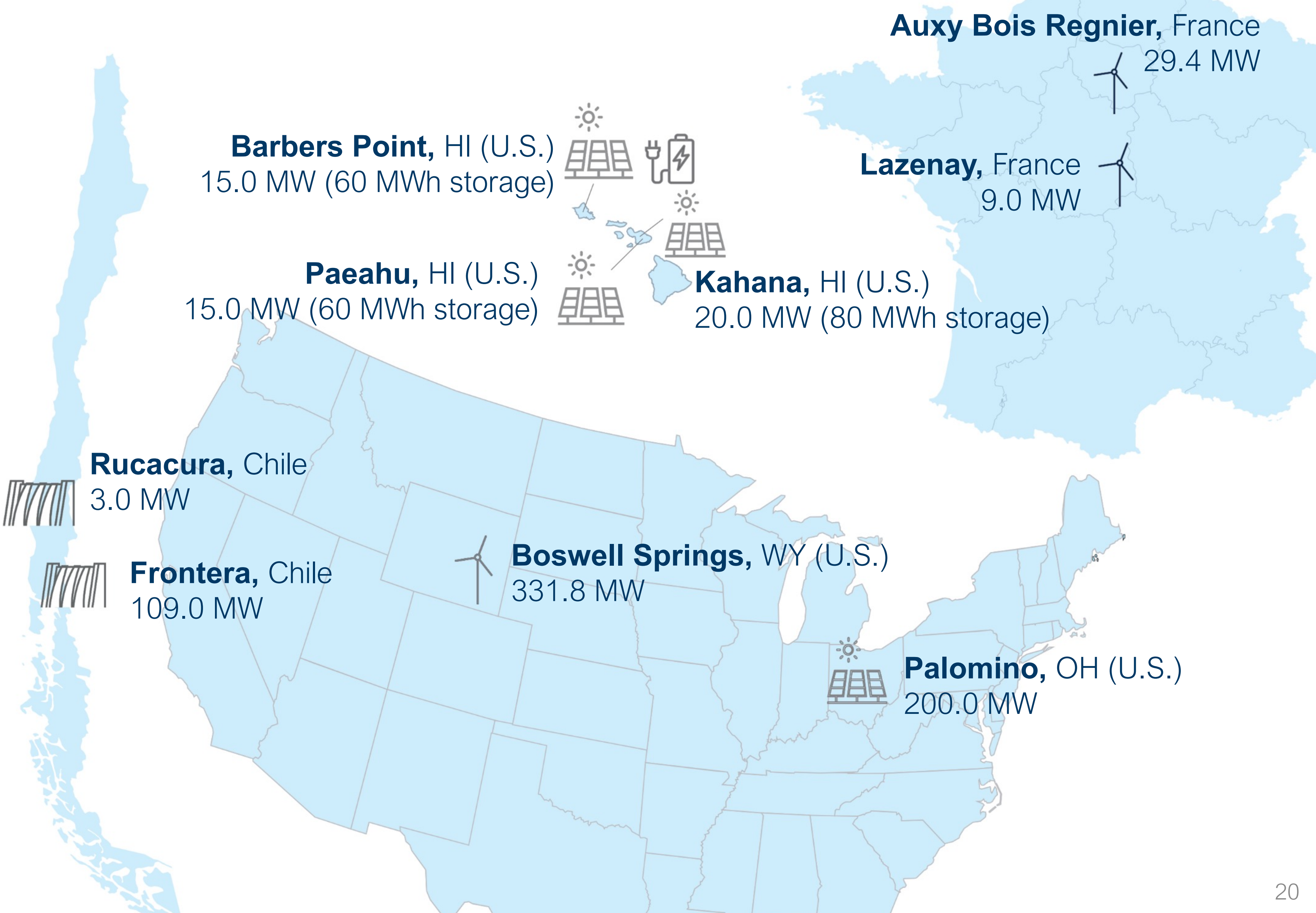
Innavik, 7.5 MW – Quebec, Canada

- Cofferdam installed and river flow now diverted through the diversion structure.
- Powerhouse superstructure completed at 95%, the envelope shall be completed in Q2 2022.
- Some delays have been encountered due partly to the pandemic situation.

Tonnerre, 9 MWh storage – France

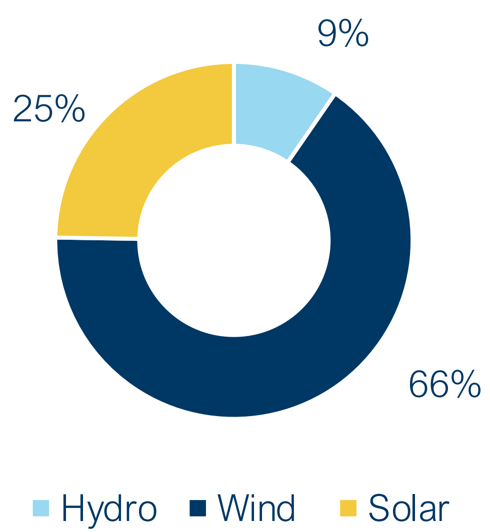
- Construction work at site is completed.
- Commissioning and testing works are ongoing and commissioning is expected to be achieved by the end of Q1 2022.

8. DEVELOPMENT ACTIVITIES

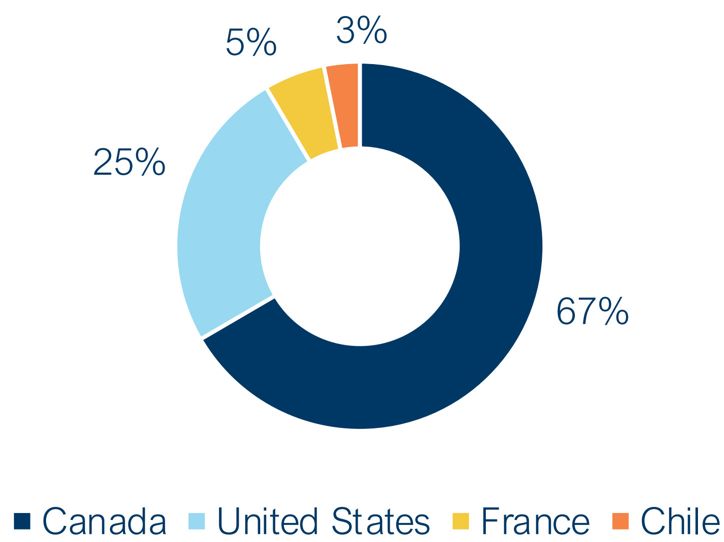


9. PROSPECTIVE PROJECTS

Prospective projects by energy



Prospective projects by region



	Stage of project development (in MW)[1]			Total
	Advanced Stage	Mid Stage	Early Stage	
Hydro	154	-	529	**683**
Wind	132	61	4,480	**4,673**
Solar	60	730	971	**1,761**
Hydrogen	-	-	5[2]	**5**
Storage	250 MWh	-	-	**-**
Total	**346**	**791**	**5,985**	**7,122**

1. Only Gross Installed Capacity is disclosed for Prospective Projects as the net capacity is not yet defined at this stage.
2. In this table, the electrolyser was attributed to the United States until additional progress is achieved. The production is estimated at 800,000 kg per year, which corresponds to approximately 5 MW based on current assumptions.

10. SUBSEQUENT EVENTS

Acquisition of San Andrés SpA, 50.6 MW, Chile

- On January 28, 2022, Innergex completed the acquisition of the 50.6 MW San Andrés solar farm in Chile.
- Commissioned in 2014, the facility is located in the Atacama Desert in northern Chile.
- San Andrés was acquired for a total consideration of US$25.8 million ($32.7 million), net of cash acquired.
- The facility is expected to produce a gross long-term average of approximately 118.9 GWh per year.

Acquisition of Aela Generación S.A. and Aela Energía SpA, 332 MW, Chile

- On February 3, 2022, Innergex has entered into an agreement to acquire 100% of the ordinary shares of Aela Generación S.A. and Aela Energía SpA (together “Aela”), a 332 MW portfolio of three newly-built operating wind assets in Chile.
- The agreement was made for a purchase price of US$685.5 million ($870.6 million) including the assumption of US$385.5 million ($489.6 million) of existing debt, subject to customary closing adjustments.
- With this new wind portfolio, Innergex will diversify its geography and energy sources and more than double its installed capacity in Chile, opening the way to refinancing its entire Chilean portfolio to generate long-term accretive value.
- The Acquisition is expected to close in Q2 2022 and is subject to the regulatory approval of the Chilean Antitrust Agency (Fiscalía Nacional Económica), as well as customary closing conditions.

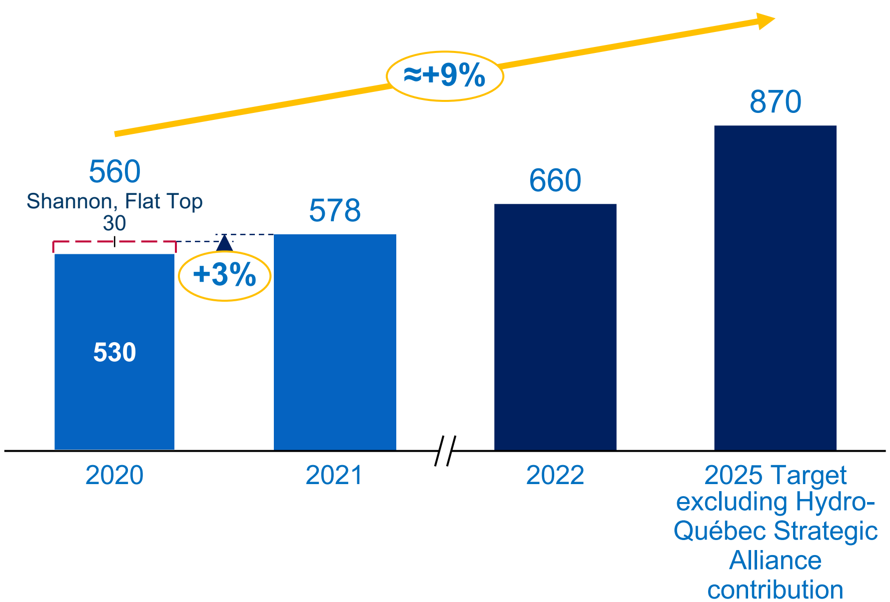
11. 2022 GROWTH TARGETS[1]

	2021 Year-End Results	2022
	Actual Normalized[3]	**Target**
Production (GWh)[2]	9,055	**approx. +18%**
Revenues (in $M)	692,241	**approx. +16%**
Operating, general, administrative and prospective projects expenses	221,571	**approx. +18%**
Adjusted EBITDA[2] (in $M)	470,670	**approx. +15%**
Adjusted EBITDA Proportionate[2] (in $M)	578,472	**approx. +14%**
Number of facilities in operation	79	**82**
Net installed capacity (MW)	3,101 MW	**3,156**

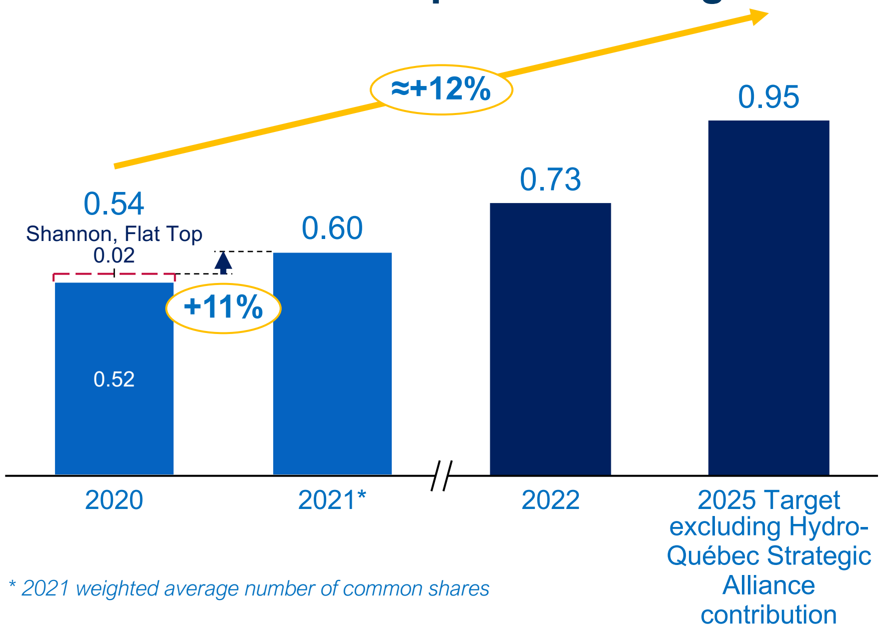
1. Results from continuing operations unless otherwise indicated.
2. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production is a key performance indicator for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the "Non-IFRS Measures" section of this presentation for more information.
3. For the year ended December 31, 2021, the Financial Performance and Operating Results are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Annual report for more information.

12. 2020-2025 STRATEGIC PLAN TARGETS[1]

Adjusted EBITDA Proportionate Target



Free Cash Flow per Share Target



** 2021 weighted average number of common shares*

As part of its 2020-2025 Strategic Plan, **Innergex aims to achieve compound annual growth rate of:**

+ 9% of its **Adjusted EBITDA Proportionate by 2025**	**+ 12%** of its **Free Cash Flow per share by 2025**

1. Target revised in November 2021. Please refer to the MD&A for the period ended September 30, 2021 filed on November 9, 2021.

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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 document 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 Innergex's production and cash generation capabilities, its ability to sustain current dividends 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, Innergex's share of Adjusted EBITDA of joint ventures and associates, Adjusted EBITDA Proportionate, Adjusted EBITDA Margin Proportionate, Adjusted Net (Loss) Earnings, 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.

Production, Revenues, Adjusted EBITDA, and corresponding Margin and Proportionate measures

References in this document to "Innergex's share of Production of the joint ventures and associates" are to Innergex's equity interest in the joint ventures' and associates' Production.

References in this document to "Innergex's share of Revenues of the joint ventures and associates" are to Innergex's equity interest in the joint ventures' and associates' Revenues. References in this document to "Revenues Proportionate" are to Revenues, plus Innergex's share of Revenues of the joint ventures and associates, other income related to PTCs, and Innergex's share of the operating joint ventures' and associates' other income related to PTCs.

References in this document to “Adjusted EBITDA” are to net earnings (loss), to which are added (deducted) income tax expense (recovery), finance costs, depreciation and amortization, impairment charges, other net income, share of (earnings) loss of joint ventures and associates, and change in fair value of financial instruments. References in this document to "Innergex's share of Adjusted EBITDA of joint ventures and associates" are to Innergex's equity interest in the joint ventures' and associates' Adjusted EBITDA. 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, other income related to PTCs, and Innergex's share of other income related to PTCs of the joint ventures and associates.

References in this document to "Adjusted EBITDA Margin" are to Adjusted EBITDA divided by revenues. References in this document to "Adjusted EBITDA Margin Proportionate" are to Adjusted EBITDA Proportionate, divided by Revenues Proportionate.

Innergex believes that the presentation of these measures enhances the understanding of the Corporation's operating performance. Readers are cautioned that Innergex's share of Revenues of joint ventures and associates, and Revenues Proportionate, should not be construed as an alternative to Revenues, as determined in accordance with IFRS. Readers are also cautioned that Adjusted EBITDA, Innergex's share of Adjusted EBITDA of joint ventures and associates, Adjusted EBITDA Proportionate, Adjusted EBITDA Margin, and Adjusted EBITDA Margin Proportionate, should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to the "Financial Performance and Operating Results" section for more information.

NON-IFRS MEASURES

	Three months ended December 31						Year ended December 31					
	2021			2020			2021			2020		
	Production (MWh)	Revenues	Adjusted EBITDA	Production (MWh)	Revenues	Adjusted EBITDA	Production (MWh)	Revenues	Adjusted EBITDA	Production (MWh)	Revenues	Adjusted EBITDA
Consolidated[1]	2,583,157	202,388	137,311	2,186,961	167,927	117,830	9,055,215	747,208	525,637	8,073,914	613,207	422,109
Innergex's share of joint ventures and associates:												
Hydro[3]	55,997	7,507	5,029	129,076	14,413	10,354	481,505	50,547	38,547	582,738	64,395	49,826
Wind[2]	37,003	4,752	4,210	253,890	8,915	4,861	311,106	60,489	54,989	920,773	31,512	16,840
Solar	—	—	—	3,431	455	240	5,540	885	554	12,715	1,875	1,076
	93,000	12,259	9,239	386,397	23,783	15,455	798,151	111,921	94,090	1,516,226	97,782	67,742
PTCs and Innergex's share of PTCs generated:												
Foard City		10,522	10,522		12,569	12,569		38,645	38,645		43,850	43,850
Griffin Trail		5,882	5,882		—	—		9,339	9,339		—	—
Shannon (50%)[2]		—	—		3,130	3,130		2,767	2,767		11,616	11,616
Flat Top (51%)[2]		—	—		3,946	3,946		3,267	3,267		15,011	15,011
		16,404	16,404		19,645	19,645		54,018	54,018		70,477	70,477
Proportionate	2,676,157	231,051	162,954	2,573,358	211,355	152,930	9,853,366	913,147	673,745	9,590,140	781,466	560,328
Adjusted EBITDA Margin			67.8 %			70.2 %			70.3 %			68.8 %
Adjusted EBITDA Margin Proportionate			70.5 %			72.4 %			73.8 %			71.7 %

1. Some facilities are treated as joint ventures and associates and accounted for using the equity method; their revenues are not included in the Corporation's consolidated revenues and, for consistency, their electricity production figures have been excluded from production and included in production proportionate.
2. The results from the Flat Top and Shannon joint venture facilities from April 1, 2021 onward were excluded due to the projects' assets and liabilities being classified as disposal groups held for sale, following the February 2021 Texas Events.
3. Innergex has acquired, effective July 9, 2021, the remaining 50% interest in Energía Llaima; therefore gaining control over the investee, which triggered consolidation and concurrently results are excluded from share of joint ventures.

NON-IFRS MEASURES

Below is a reconciliation of the non-IFRS measures to their closest IFRS measures:

	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Revenues	202,388	167,927	747,208	613,207
Innergex's share of Revenues of joint ventures and associates	12,259	23,783	111,921	97,782
PTCs and Innergex's share of PTCs generated	16,404	19,645	54,018	70,477
Revenues Proportionate	231,051	211,355	913,147	781,466
Net earnings (loss)	5,743	11,894	(185,394)	(29,111)
Income tax expense (recovery)	37,158	7,357	(26,240)	18,897
Finance costs	67,417	57,443	252,255	233,143
Depreciation and amortization	77,748	58,465	255,640	228,526
Impairment of long-term assets	12	26,659	36,986	26,659
EBITDA	188,078	161,818	333,247	478,114
Other net income	(34,565)	(7,304)	(89,621)	(65,554)
Share of (earnings) losses of joint ventures and associates	(791)	(13,874)	189,889	7,524
Change in fair value of financial instruments	(15,411)	(22,810)	92,122	2,025
Adjusted EBITDA	137,311	117,830	525,637	422,109
Innergex's share of Adjusted EBITDA of joint ventures and associates	9,239	15,455	94,090	67,742
PTCs and Innergex's share of PTCs generated	16,404	19,645	54,018	70,477
Adjusted EBITDA Proportionate	162,954	152,930	673,745	560,328
Adjusted EBITDA Margin	67.8 %	70.2 %	70.3 %	68.8 %
Adjusted EBITDA Margin Proportionate	70.5 %	72.4 %	73.8 %	71.7 %

NON-IFRS MEASURES

Adjusted Net (Loss) Earnings

References to "Adjusted Net (Loss) Earnings" are to net earnings or losses of the Corporation, to which the following elements are added (subtracted): unrealized portion of the change in fair value of financial instruments; realized portion of the Phoebe basis hedge, realized loss on the termination of interest rate swaps, realized gain on foreign exchange forward contracts, impairment charges, specific unusual or non-recurring events such as the February 2021 Texas Events, the net income tax expense (recovery) related to these items, and the share of loss (income) of joint ventures and associates related to the above items, net of related income tax.

The Adjusted Net (Loss) Earnings seeks to provide a measure that eliminates the earnings impacts of certain derivative financial instruments and non-recurring events, which do not represent the Corporation's operating performance. Innergex uses derivative financial instruments to hedge its exposure to various risks. Accounting for derivatives requires that all derivatives are marked-to-market. When hedge accounting is not applied, changes in the fair value of the derivatives is recognized directly in net earnings (loss). Such unrealized changes have no immediate cash effect, may or may not reverse by the time the actual settlements occur and do not reflect the Corporation's business model toward derivatives, which are held for their long-term cash flows, over the whole life of a project. In addition, the Corporation uses foreign exchange forward contracts to hedge its net investment in its French subsidiaries. Management therefore believes realized gains (losses) on such contracts does not reflect the operations of Innergex.

Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Readers are cautioned that Adjusted Net (Loss) Earnings 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.

Below is a reconciliation of Adjusted Net (Loss) Earnings to its closest IFRS measure:

	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Net earnings (loss)	5,743	11,894	(185,394)	(29,111)
Add (Subtract):				
February 2021 Texas Events:				
Revenues	—	—	(54,967)	—
Power hedge	—	—	70,756	—
Share of loss of Flat Top and Shannon	—	—	64,197	—
Share of impairment of Flat Top and Shannon	—	—	112,609	—
Share of unrealized portion of the change in fair value of financial instruments of joint ventures and associates, net of related income tax	(377)	(7,935)	20,226	15,722
Unrealized portion of the change in fair value of financial instruments	(15,751)	(21,125)	18,502	(8,329)
Impairment of long-term assets	12	26,659	36,986	26,659
Realized (gain) loss on termination of interest rate swaps	(377)	—	2,508	—
Realized (gain) loss on the Phoebe basis hedge	(955)	133	(2,546)	19,586
Realized gain on foreign exchange forward contracts	(2,193)	(150)	(4,074)	(1,730)
Income tax expense related to above items	3,924	3,514	(85,754)	(486)
Adjusted Net (Loss) Earnings	(9,974)	12,990	(6,951)	22,311

NON-IFRS MEASURES

Below is a reconciliation of Adjusted Net (Loss) Earnings adjustments to each line item of the consolidated statements of earnings:

	Three months ended December 31						Year ended December 31					
	2021			2020			2021			2020		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	202,388	—	202,388	167,927	—	167,927	747,208	(54,967)	692,241	613,207	—	613,207
Operating expenses	42,555	—	42,555	36,510	—	36,510	149,106	—	149,106	131,442	—	131,442
General and administrative expenses	12,813	—	12,813	9,979	—	9,979	45,098	—	45,098	42,948	—	42,948
Prospective projects expenses	9,709	—	9,709	3,608	—	3,608	27,367	—	27,367	16,708	—	16,708
Adjusted EBITDA	137,311	—	137,311	117,830	—	117,830	525,637	(54,967)	470,670	422,109	—	422,109
Finance costs	67,417	—	67,417	57,443	—	57,443	252,255	—	252,255	233,143	—	233,143
Other net income	(34,565)	2,193	(32,372)	(7,304)	150	(7,154)	(89,621)	4,074	(85,547)	(65,554)	1,730	(63,824)
Depreciation and amortization	77,748	—	77,748	58,465	—	58,465	255,640	—	255,640	228,526	—	228,526
Impairment of long-term assets	12	(12)	—	26,659	(26,659)	—	36,986	(36,986)	—	26,659	(26,659)	—
Share of (earnings) losses of joint ventures and associates	(791)	519	(272)	(13,874)	10,228	(3,646)	189,889	(202,312)	(12,423)	7,524	(19,989)	(12,465)
Change in fair value of financial instruments	(15,411)	17,083	1,672	(22,810)	20,992	(1,818)	92,122	(89,220)	2,902	2,025	(11,257)	(9,232)
Income tax expense (recovery)	37,158	(4,066)	33,092	7,357	(5,807)	1,550	(26,240)	91,034	64,794	18,897	4,753	23,650
Net earnings (loss)	5,743	(15,717)	(9,974)	11,894	1,096	12,990	(185,394)	178,443	(6,951)	(29,111)	51,422	22,311

NON-IFRS MEASURES

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, the portion of Free Cash Flow attributed to non-controlling interests, and preferred share dividends declared, plus or minus other elements that are not representative of the Corporation's long-term cash-generating capacity, such as gains and losses on the Phoebe basis hedge due to their limited occurrence over the next 12 months, realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, 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 Payout Ratio is a measure of the Corporation's ability to sustain current dividends as well as its ability to fund its growth. The Payout Ratio level reflects the Corporation's decision to invest yearly in advancing the development of its Prospective Projects, for which investments must be expensed as incurred. The Corporation considers such investments essential to its long-term growth and success, as it believes that the greenfield development of renewable energy projects offers the greatest potential internal rates of return and represents the most efficient use of management's expertise and value-added skills. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's cash generation capabilities, its ability to sustain current dividends 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.

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 as well as its ability to fund its growth.

NON-IFRS MEASURES

Free Cash Flow and Payout Ratio calculation	Year ended December 31				
	2021	February 2021 Texas Events (9 days)[5]	2021 Normalized	2020	2019
Cash flows from operating activities	265,498	17,093	282,591	235,108	240,065
Add (Subtract) the following items:					
Changes in non-cash operating working capital items	21,455	—	21,455	7,765	(25,634)
Maintenance capital expenditures, net of proceeds from disposals	(8,029)	—	(8,029)	(2,828)	(8,752)
Scheduled debt principal payments	(160,973)	—	(160,973)	(151,623)	(128,691)
Free Cash Flow attributed to non-controlling interests[1]	(25,076)	—	(25,076)	(13,491)	(12,679)
Dividends declared on Preferred shares	(5,632)	—	(5,632)	(5,942)	(5,942)
Add (subtract) the following non-recurring elements[2]:					
Realized loss on contingent considerations	547	—	547	3,021	—
Realized loss on termination of interest rate swaps	2,508	—	2,508	—	4,145
Transaction costs related to realized acquisitions	4,563	—	4,563	1,664	266
Realized (gain) loss on the Phoebe basis hedge[3]	(2,546)	(1,304)	(3,850)	19,586	11,697
Income tax paid on realized intercompany gain	—	—	—	—	10,594
Recovery of maintenance capital expenditures and prospective project expenses on sale of HS Orka, net of attribution to non-controlling interests[4]	—	—	—	—	8,242
Free Cash Flow[5]	92,315	15,789	108,104	93,260	93,311
Dividends declared on common shares	132,229	—	132,229	125,543	95,046
Payout Ratio[5]	143 %	(20) %	122 %	135 %	102 %
Adjust for the following items:					
Prospective projects expenses			27,367	16,708	12,905
Adjusted Free Cash Flow			135,471	109,968	106,216
Adjusted Payout Ratio			98 %	114 %	89 %

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. Non-recurring elements, such as one-time transaction costs related to acquisitions, refinancing activities, or fiscal strategies, incurred for the purpose of improving the long-term cash generating capacity of Innergex, are excluded from Free Cash Flow, as they are deemed not to represent the long-term cash-generating capacity of Innergex.
3. Due to their limited occurrence (maturity attained on December 31, 2021), gains and losses on the Phoebe basis hedge are deemed not to represent the long-term cash-generating capacity of Innergex.
4. 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.
5. For the year ended December 31, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Annual Report for more information.