News Release
For immediate distribution

INNERGEX Q1 2022:
GROWTH STEMMING FROM NEW FACILITIES' CONTRIBUTION

- Acquisition of the San Andrés solar facility in Chile in Q1 2022 adding net 51 MW
- Definitive agreement to acquire the Aela portfolio of wind assets of net 332 MW in Chile in Q1 2022
- $172.5 million Bought Deal Equity Financing and $37.3 million Concurrent Private Placement in Q1 2022
- Addition of five new projects at the development stage in Q1 2022: Auxy Bois Régnier, Boswell Springs, Palomino, Salvador battery storage and San Andrés battery storage
- The dispute with BC Hydro regarding the curtailment notices of May 2020 was settled to Innergex's satisfaction in Q1 2022

All amounts are in thousands of Canadian dollars, unless otherwise indicated.

LONGUEUIL, Quebec, May 10, 2022 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) today released its operating and financial results for the first quarter ended March 31, 2022.

“I am very pleased to continue our expansion with the acquisitions announced in Q1 2022, the advancement made to our portfolio of projects and the addition of 5 projects at a development stage. I am particularly proud to pursue our growth in the battery energy storage segment with two projects in Chile for which we have secured procurement,” said Michel Letellier, President and Chief Executive Officer of Innergex. "The Quebec Government's recent announcements for increasing wind and other renewable energy supply demonstrate the immense growth potential of Innergex and announces a new era of increased demand for green electricity in Canada. In addition, the recent events in Europe and the IPCC report have increased the political desire for energy self-sufficiency and clean electricity which bodes well for the renewable energy sector in our international markets."

FINANCIAL HIGHLIGHTS

	Three months ended March 31				
	2022	2021	Impacts from the February 2021 Texas Events (9 days)[3]	2021 Normalized[3]	Change
Production (MWh)	2,304,600	1,785,947	—	1,785,947	29 %
Long-Term Average (MWh) ("LTA")	2,434,130	1,946,893	—	1,946,893	25 %
Revenues	188,723	189,651	(54,967)	134,684	40 %
Operating, general, administrative and prospective projects expenses	58,197	46,532	—	46,532	25 %
Adjusted EBITDA[1]	130,526	143,119	(54,967)	88,152	48 %
Adjusted EBITDA Margin[1]	69.2 %	75.5 %	(10.0)%	65.5 %	
Net (Loss) Earnings	(34,930)	(217,872)	64,219	(153,653)	(77)%
Adjusted Net Loss[1]	(2,336)	(27,540)	—	(27,540)	(92)%
Net Loss Attributable to Owners, $ per share - basic and diluted	(0.18)	(1.24)	0.37	(0.87)	
Production Proportionate (MWh)[1]	2,358,027	2,049,621	—	2,049,621	15 %
Revenues Proportionate[1]	216,116	261,735	(95,273)	166,462	30 %
Adjusted EBITDA Proportionate[1]	154,911	208,891	(95,273)	113,618	36 %
Adjusted EBITDA Proportionate Margin[1]	71.7 %	79.8 %	(11.5)%	68.3 %	

	Trailing twelve months ended March 31				
	2022	2021	February 2021 Texas Events (9 days)[3]	2021 Normalized[3]	Change
Cash Flow from Operating Activities	290,386	276,045	(16,801)	259,244	12 %
Free Cash Flow[1]	129,448	73,762	15,789	89,551	45 %
Payout Ratio[1,2]	106 %	170 %	(30)%	140 %	

1. These measures are not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Production and Production Proportionate are key performance indicators for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the “Non-IFRS Measures” section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.
2. For more information on the calculation and explanation, please refer to the the "Free Cash Flow and Payout Ratio" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.
3. For the period ended March 31, 2021, the operating results, the Cash Flow From Operating Activities, Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Normalized measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuer. Please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.

OPERATING PERFORMANCE

Production for the three-month period ended March 31, 2022, was 95% of LTA. Innergex's share of production of joint ventures and associates[1] was 111% of LTA, translating into a Production Proportionate[1] at 95% of LTA. **Revenues** were up 40% at $188.7 million compared with the same period last year, for which Revenues were normalized to exclude the February 2021 Texas Events. This increase is mainly explained by the contribution of the Curtis Palmer Acquisition, the BC Hydro Curtailment Payment[2], the Quebec wind facilities resulting mainly from higher production, the acquisition of the remaining 50% interest in Energía Llaima, for which results are now included in Innergex's consolidated revenues, the commissioning of the Griffin Trail wind and Amazon Solar Farm Ohio - Hillcrest ("Hillcrest") facilities and the acquisition of the San Andrés facility in Chile on January 28, 2022. These items were partly offset by lower average selling prices at the Foard City facility during the quarter. Revenues Proportionate[1] increased by 30% to $216.1 million over the same period last year, for which Revenues were normalized to exclude the February 2021 Texas Events.

For the three-month period ended March 31, 2022, **Operating, general, administrative and prospective projects expenses** were up 25% at $58.2 million compared with the same period last year. The increase is mainly attributable to higher corporate general and administrative expenses to support the business, higher maintenance costs at some of the hydro facilities in British Columbia, the acquisition of the remaining 50% interest in Energía Llaima, the commissioning of the Griffin Trail wind and Hillcrest solar facilities, the Curtis Palmer Acquisition and the San Andrés Acquisition. These items were partly offset by lower variable expenses following lower revenues at the Foard City facility. The Adjusted EBITDA[1] was 48% higher at $130.5 million for the three-month period ended March 31, 2022, compared with the same period last year, for which the Adjusted EBITDA[1] was normalized to exclude the February 2021 Texas Events. The Adjusted EBITDA Proportionate[1] reached $154.9 million, a 36% increase compared with the same period last year, for which the Adjusted EBITDA Proportionate[1] was normalized to exclude the February 2021 Texas Events.

Innergex recorded a **net loss** of $34.9 million ($0.18 loss per share - basic and diluted) for the quarter ended March 31, 2022, compared with a **net loss** of $217.9 million ($1.24 loss per share - basic and diluted) for the corresponding period in 2021. This was mainly due to the February 2021 Texas Events, resulting in a net unfavourable impact of $64.2 million, the recognition of $112.6 million in impairment charges and a mark-to-market loss on the Flat Top and Shannon joint ventures in 2021. The decrease in net loss is also explained by a $71.5 million favourable movement in the realized portion of changes in fair value of financial instruments mainly stemming from the net unfavourable impact of the February 2021 Texas Events and an $8.2 million increase in other net income, mainly related to the production tax credits and tax attributes allocated to the tax equity investors at the Griffin Trail wind facility, following its commissioning during the third quarter of 2021. These items were partly offset by a $37.5 million decrease in income tax recovery, mainly related to the impacts of the February 2021 Texas Events, an unfavourable $24.3 million unrealized change in the fair value of financial instruments, a $21.3 million increase in depreciation and amortization and a $6.8 million increase in finance costs, mainly attributable to the Energía Llaima and Curtis Palmer acquisitions and the Griffin Trail and Hillcrest commissioning in 2021.

1. This is not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the “Non-IFRS Measures” section for more information.
2. The BC Hydro Curtailment Payment refers to the curtailment notices sent by BC Hydro in May 2020 for six hydro facilities which were disputed by the Corporation on the basis that, under its Electricity Purchase Agreements with BC Hydro, BC Hydro can exercise this right but is required to compensate Innergex for energy that would have been produced at the facilities in the absence of the curtailment. For the period from May 22, 2020 to July 20, 2020, actual eligible energy revenue that would have been produced at the facilities in the absence of the curtailment amounts to $12.5 million ($14.2 million on a Revenues Proportionate[1] basis). The dispute was settled in the first quarter of 2022 to Innergex's satisfaction (please refer to the "Capital and Liquidity" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information).

CASH FLOW FROM OPERATING ACTIVITIES, FREE CASH FLOW[2] AND PAYOUT RATIO[2]

For the three-month period ended March 31, 2022, cash flows from operating activities totalled $84.9 million, compared with $60.0 million in the same period last year. The increase relates primarily to the contribution from the Energía Llaima, Licán, Curtis Palmer and San Andrés acquisitions, the Hillcrest and Griffin Trail commissioning, and the BC Hydro Curtailment Payment. These items were partly offset by the February 2021 Texas Events, which contributed to a $16.8 million increase in cash flows from operating activities in the comparative period, as the Phoebe solar facility's $33.9 million net payable related to the February 2021 Texas Events remained unpaid until July 19, 2021.

The following table summarizes the Free Cash Flow[3] and Payout Ratio[3] normalized to exclude the impacts of the February 2021 Texas Events, for the trailing twelve months ended March 31, 2022.

Free Cash Flow and Payout Ratio calculation[1]	Trailing twelve months ended March 31			
	2022	2021	February 2021 Texas Events (9 days)[2]	**2021 Normalized[2]**
Free Cash Flow[1,2,3]	129,448	73,762	15,789	89,551
Dividends declared on common shares	137,517	125,649	—	125,649
Payout Ratio[1,2]	106 %	170 %	(30)%	140 %

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 for more information.
2. For the trailing twelve months ended March 31, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Normalized measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.
3. Free Cash Flow for the trailing twelve months ended March 31, 2021 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

For the trailing twelve months ended March 31, 2022, the dividends on common shares declared by the Corporation amounted to 106% of Free Cash Flow[3], compared with 170% for the corresponding period last year. Excluding the impacts from the February 2021 Texas Events (please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information), the dividends on common shares declared by the Corporation amounted to 140% of Normalized Free Cash Flow[3,4].

3. This is not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section for more information.
4. Normalized measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.

UPDATE ON DEVELOPMENT

(As at May 10, 2022)

On January, 28, 2022, Innergex completed the acquisition of the 50.6 MW San Andrés solar farm in Chile ("San Andrés"). The facility, commissioned in 2014, is located in the Atacama Desert in northern Chile. San Andrés was acquired for a total consideration of US$26.8 million ($34.1 million). The facility is expected to produce a gross long-term average of approximately 118.9 GWh per year.

On February 3, 2022, Innergex 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, for a purchase price of US$685.5 million ($870.6 million) (the “Aela Acquisition”), including the assumption of US$385.5 million ($489.6 million) of existing debt, subject to customary closing adjustments. The acquisition is expected to close in Q2 2022.

On February 10, 2022, Innergex entered into foreign exchange forward contracts with an aggregate notional amount of US$100.0 million ($124.9 million) to manage its exposure to exchange rate fluctuations related to the purchase price. In addition, in order to manage its exposure to the risk of increasing interest rates on a portion of the expected refinancing of the Aela Acquisition and the existing Chilean projects, Innergex has entered into forward start interest rate swaps on between February 17 and March 1, 2022, with an aggregate notional amount of US$331.2 million ($413.9 million). Furthermore, to mitigate the interest rate risk related to the Alterra term loan, Innergex has entered into interest rate swaps between February 24 and February 28, 2022, respectively, with an aggregate notional amount of $145.0 million.

The Salvador Battery Storage project with a 50 MW/250 MWh (5 hours) capacity and the San Andrés Battery Storage project with a 35 MW/175 MWh (5 hours) capacity were promoted to the development stage with an expected Commercial Operation Date ("COD") in 2023.

The Prospective Projects' pipeline will allow several opportunities in the years to come, with 11 projects currently at an advanced stage, for a total 508 MW of installed capacity.

During the quarter, some project in construction and development in the United States faced challenges related mainly to supply chain issues as well as the recent decision by the U.S. Department of Commerce to initiate anticircumvention inquiries into the import of solar panels from Asian countries, which impacted projects' schedule. For more information, please refer to the "Construction Activities" and "Development Activities" sections of the Management's Discussion and Analysis for the three-month period ended March 31, 2022.

SUBSEQUENT EVENTS

On April 29, 2022, to take advantage of the currently favourable energy pricing environment in France, Innergex entered into three power purchase agreements for its Antoigné, Porcien and Vallottes wind facilities (the “New PPAs”), which are to take effect on August 1, 2022, concurrently with the termination of the current power purchase agreements. In addition, the New PPAs effectively increase the contracted period of the facilities to December 31, 2025.

On May 10, 2022, the Corporation amended its existing revolving term credit facility, extending the term from 2023 to 2027 and increasing the borrowing limit to $950.0 million.

On May 10, 2022, Innergex announced that it has awarded Mitsubishi Power an order for two utility-scale battery energy storage systems (“BESS”). These projects will be colocated with solar energy and enable peak shifting by storing excess solar energy during the day and dispatching at night. Innergex’s 68 MW Salvador solar photovoltaic facility will add 50 MW/250 MWh (5 hours) of energy storage, and its 50.6 MW San Andrés solar photovoltaic facility will add 35 MW/175 MWh (5 hours) of energy storage.

DIVIDEND DECLARATION

The following dividends will be paid by the Corporation on July 15, 2022:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
May 10, 2022	June 30, 2022	July 15, 2022	$0.180	$0.202750	$0.359375

NON-IFRS MEASURES

Some measures referred to in this press release 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, 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, Adjusted EBITDA, and corresponding Margin and Proportionate measures

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 "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. Adjusted EBITDA is used by investors to evaluate the operating performance and cash generating operations, and to derive financial forecasts and valuations. Revenues Proportionate and Adjusted EBITDA Proportionate measures are used by investors to evaluate the contribution of the joint-ventures and associates to the Corporation’s operating performance and cash generating operations, and the contribution of such for financial forecasts and valuations purposes. In addition, Revenues Proportionate and Adjusted EBITDA Proportionate measures help investors seize the relative importance of PTCs generated by the operations, and evaluate their contribution to the Corporation’s operating performance, as PTCs form an important part of certain wind projects’ economics in the United States. Adjusted EBITDA Margin and Adjusted EBITDA Margin Proportionate are used by investors to understand the relative weight of certain jurisdictions, which are subject to various competitive and energy pricing environments, to the Corporation’s and its reportable segments’ operating performance. Readers are cautioned that Revenues Proportionate, should not be construed as an alternative to Revenues, as determined in accordance with IFRS. Readers are also cautioned that Adjusted EBITDA, 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.

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

	Three months ended March 31, 2022				Three months ended March 31, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	188,723	8,346	19,047	216,116	189,651	54,661	17,423	261,735
Net loss	(34,930)	—	—	(34,930)	(217,872)	—	—	(217,872)
Income tax (recovery) expense	(3,770)	—	—	(3,770)	(41,283)	773	—	(40,510)
Finance costs	66,401	4,424	—	70,825	59,600	9,095	—	68,695
Depreciation and amortization	80,231	4,195	—	84,426	58,885	8,955	—	67,840
Impairment of long-term assets	—	—	—	—	—	112,609	—	112,609
EBITDA	107,932	8,619	—	116,551	(140,670)	131,432	—	(9,238)
Other net income, before PTCs	(1,082)	(175)	—	(1,257)	(515)	1,601	—	1,086
Production tax credits ("PTCs")	(19,047)	—	19,047	—	(11,389)	(6,034)	17,423	—
Share of losses of joint ventures and associates	2,208	(2,208)	—	—	207,984	(207,984)	—	—
Change in fair value of financial instruments	40,515	(898)	—	39,617	87,709	129,334	—	217,043
Adjusted EBITDA	130,526	5,338	19,047	154,911	143,119	48,349	17,423	208,891
Adjusted EBITDA Margin	69.2 %	64.0 %		71.7 %	75.5 %	88.5 %		79.8 %

Adjusted Net Loss

References to "Adjusted Net Loss" 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, items that are outside of the normal course of the Corporation's cash generating operations 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 seeks to provide a measure that eliminates the earnings impacts of certain derivative financial instruments and other items that are outside of the normal course of the Corporation's cash generating operations, 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. Adjusted Net Loss is used by investors to evaluate and compare Innergex’s profitability before the impacts of unrealized portion of the change in fair value of derivative financial instruments and other items that are outside of the normal course of the Corporation's cash generating operations. Readers are cautioned that Adjusted Net Loss 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 Management's Discussion and Analysis for the three-month period ended March 31, 2022 for reconciliation of the Adjusted Net Loss.

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

	Three months ended March 31	
	2022	2021
Net loss	(34,930)	(217,872)
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	(660)	20,437
Unrealized portion of the change in fair value of financial instruments	40,785	16,523
Realized loss on termination of interest rate swaps	—	2,885
Realized loss on the Phoebe basis hedge	—	1,199
Realized gain on foreign exchange forward contracts	(487)	(315)
Income tax recovery related to above items	(7,044)	(42,992)
Adjusted Net loss	(2,336)	(27,540)

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

	Three months ended March 31					
	2022			2021		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	188,723	—	188,723	189,651	(54,967)	134,684
Operating expenses	40,038	—	40,038	30,993	—	30,993
General and administrative expenses	14,139	—	14,139	9,750	—	9,750
Prospective projects expenses	4,020	—	4,020	5,789	—	5,789
Adjusted EBITDA	130,526	—	130,526	143,119	(54,967)	88,152
Finance costs	66,401	—	66,401	59,600	—	59,600
Other net income	(20,129)	487	(19,642)	(11,904)	315	(11,589)
Depreciation and amortization	80,231	—	80,231	58,885	—	58,885
Share of (earnings) losses of joint ventures and associates	2,208	422	2,630	207,984	(202,600)	5,384
Change in fair value of financial instruments	40,515	(40,785)	(270)	87,709	(91,363)	(3,654)
Income tax (recovery) expense	(3,770)	7,282	3,512	(41,283)	48,349	7,066
Net (loss) earnings	(34,930)	32,594	(2,336)	(217,872)	190,332	(27,540)

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, realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, realized losses or gains on refinancing of certain borrowings or on derivative financial instruments used to hedge the interest rate certain borrowings or the exchange rate on equipment purchases, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex.

The Payout Ratio is a measure of the Corporation's ability to sustain current dividends as well as its ability to fund its growth from its cash generating operations, in the normal course of business. 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. Free Cash Flow is used by investors in this regard. Readers are cautioned that Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS.

References to "Adjusted Free Cash Flow" are to Free Cash Flow excluding prospective project expenses. Adjusted Free Cash Flow is used by investors to evaluate the Corporation's cash generation capabilities and its ability to sustain current dividends, before the impacts of the Corporation's decision to invest yearly in its growth through investing in the development of its Prospective Projects.

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. Payout Ratio is used by investors in this regard.

References to "Adjusted Payout Ratio" are to dividends declared on common shares divided by Adjusted Free Cash Flow. Adjusted Payout Ratio is used by investors to evaluate the Corporation's ability to sustain current dividends, before the impacts of the Corporation's decision to invest yearly in its growth through investing in the development of its Prospective Projects.

Free Cash Flow and Payout Ratio calculation	Trailing twelve months ended March 31			
	2022	2021	February 2021 Texas Events (9 days)[3]	2021 Normalized[3]
Cash flows from operating activities[4]	290,386	276,045	(16,801)	259,244
Add (Subtract) the following items:				
Changes in non-cash operating working capital items	47,411	(34,821)	33,894	(927)
Maintenance capital expenditures, net of proceeds from disposals	(7,719)	(3,531)	—	(3,531)
Scheduled debt principal payments	(163,323)	(151,609)	—	(151,609)
Free Cash Flow attributed to non-controlling interests[1]	(34,297)	(15,701)	—	(15,701)
Dividends declared on Preferred shares	(5,632)	(5,865)	—	(5,865)
Add (subtract) the following non-recurring elements[2]:				
Realized loss on contingent considerations	—	3,568	—	3,568
Realized (gain) loss on termination of interest rate swaps	(377)	2,885	—	2,885
Transaction costs related to realized acquisitions	6,744	1,664	—	1,664
Realized (gain) loss on the Phoebe basis hedge	(3,745)	1,127	(1,304)	(177)
Free Cash Flow[3]	129,448	73,762	15,789	89,551
Dividends declared on common shares	137,517	125,649	—	125,649
Payout Ratio[3]	106 %	170 %	(30)%	140 %
Adjust for the following items:				
Prospective projects expenses	25,598			18,858
Adjusted Free Cash Flow	155,046			108,409
Adjusted Payout Ratio	89 %			116 %

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. These items are excluded from the Free Cash Flow and Payout Ratio calculations as they are deemed not representative of the Corporation's long-term cash-generating capacity, and include items such as gains and losses on the Phoebe basis hedge due to their limited occurrence (maturity attained on December 31, 2021), realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, realized losses or gains on refinancing of certain borrowings or derivative financial instruments used to hedge the interest rate on certain borrowings or the exchange rate on equipment purchases, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex.
3. For the trailing twelve months ended March 31, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Normalized measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period ended March 31, 2022 for more information.
4. Cash flows from operating activities for the trailing twelve months ended March 31, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

ADDITIONAL INFORMATION

Innergex's 2022 first quarter unaudited condensed interim consolidated financial statements, the notes thereto and the Management's Discussion and Analysis can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Corporation's website at www.innergex.com.

CONFERENCE CALL AND WEBCAST

The Corporation will hold a conference call and webcast on Tuesday, May 10, 2022 at 5:30 PM (EDT). Investors and financial analysts are invited to access the conference by dialing 1 888 390-0605 or 416 764-8609 or via https://bit.ly/3rnpH1c or the Corporation's website at www.innergex.com. Journalists as well as the public may access this conference call via a listen mode only. A replay of the conference call will be available after the event on the Corporation's website.

About Innergex Renewable Energy Inc.

For over 30 years, Innergex has believed in a world where abundant renewable energy promotes healthier communities and creates shared prosperity. As an independent renewable power producer which develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities, Innergex is convinced that generating power from renewable sources will lead the way to a better world. Innergex conducts operations in Canada, the United States, France and Chile and manages a large portfolio of high-quality assets currently consisting of interests in 80 operating facilities with an aggregate net installed capacity of 3,152 MW (gross 3,852 MW) and an energy storage capacity of 150 MWh, including 40 hydroelectric facilities, 32 wind farms and 8 solar farms. Innergex also holds interests in 14 projects under development, 3 of which are under construction, with a net installed capacity of 733 MW (gross 770 MW) and an energy storage capacity of 754 MWh, as well as prospective projects at different stages of development with an aggregate gross installed capacity totaling 6,679 MW. Its approach to building shareholder value is to generate sustainable cash flows, provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

Cautionary Statement Regarding Forward-Looking Information

To inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws (“Forward-Looking Information”), 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 press release.

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 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.

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.

For more information on the 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 or on the principal assumptions used to derive this information, please refer to the "Forward-Looking Information" section of the Management's Discussion and Analysis for the three-month periods ended March 31, 2022.

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For more information

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