News Release
For immediate distribution

INNERGEX Q2 2022:
ACQUISITIONS CONTINUING TO DELIVER ON PROMISES

- Acquisition of the Aela wind facilities in Chile in Q2 2022 adding net 332 MW
- Launch of construction at the 50 MW/250 MWh Salvador battery storage project in Chile in Q2 2022
- Commissioning of the 9 MW/9 MWh Tonnerre battery storage facility in France in Q3 2022

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

LONGUEUIL, Quebec, August 3, 2022 – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") today released its operating and financial results for the second quarter ended June 30, 2022.

"The past few months were fruitful for Innergex with the completion of a significant acquisition of three wind farms in Chile, the commissioning of our first stand-alone battery energy storage project in France and the launch of construction of our first battery energy storage project coupled with solar in Chile," said Michel Letellier, President and Chief Executive Officer of Innergex. "Our strong and diversified portfolio of prospective projects along with all of our projects currently at an advanced stage of development or in construction bode well for the future growth of Innergex. We continue to work diligently to improve our payout ratio and to develop our business in a sustainable manner by continuing to seize and create the opportunities the clean energy transition brings in all of our markets."

FINANCIAL HIGHLIGHTS

	Three months ended June 30			Six months ended June 30				
	2022	2021	Change	2022	2021	February 2021 Texas Events (9 days)[3]	2021 Normalized	Change
Production (MWh)	2,855,891	2,396,027	19 %	5,160,494	4,181,975	—	4,181,975	23 %
Long-Term Average (MWh) ("LTA")	3,100,388	2,543,061	22 %	5,534,553	4,489,951	—	4,489,951	23 %
Revenues	219,746	170,605	29 %	408,469	360,256	(54,967)	305,289	34 %
Operating, general, administrative and prospective projects expenses	66,874	47,920	40 %	125,071	94,452	—	94,452	32 %
Adjusted EBITDA[1]	152,872	122,685	25 %	283,398	265,804	(54,967)	210,837	34 %
Net (Loss) Earnings	(24,590)	50,199	(149)%	(59,520)	(167,673)	64,219	(103,454)	(42)%
Adjusted Net Loss[1]	(1,546)	18,658	(108)%	(3,882)	(8,882)	—	(8,882)	(56)%
Net (Loss) Earnings Attributable to Owners, $ per share - basic and diluted	(0.13)	0.23		(0.31)	(1.01)	0.37	(0.64)	
Production Proportionate (MWh)[1]	2,991,550	2,588,928	16 %	5,349,579	4,638,549	—	4,638,549	15 %
Revenues Proportionate[1]	251,457	198,400	27 %	467,571	460,135	(95,273)	364,862	28 %
Adjusted EBITDA Proportionate[1]	181,079	145,962	24 %	335,989	354,853	(95,273)	259,580	29 %

	Trailing twelve months ended June 30				
	2022	2021	February 2021 Texas Events (9 days)[3]	2021 Normalized	Change
Cash Flow from Operating Activities	308,384	252,213	(16,801)	235,412	31 %
Free Cash Flow[1,2]	148,988	76,702	15,789	92,491	61 %
Payout Ratio[1,2]	96 %	164 %	(28)%	136 %	

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- and six-month periods ended June 30, 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- and six-month periods ended June 30, 2022 for more information.
3. For the periods ended June 30, 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- and six-month periods ended June 30, 2022 for more information.

OPERATING PERFORMANCE

Production for the three-month period ended June 30, 2022 was 92% of LTA. Innergex's share of production of joint ventures and associates[1] was 86% of LTA, translating into a Production Proportionate[1] at 92% of LTA. **Revenues** were up 29% at $219.7 million compared with the same period last year. This increase is mainly explained by the contribution of the Curtis Palmer Acquisition, 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 facility in Texas, higher selling prices at the Phoebe solar facility in Texas, the acquisition of Aela Generación S.A. and Aela Energía SpA (together “Aela”) in Chile, higher revenues from the Quebec wind facilities resulting mainly from higher production, the acquisition of the San Andrés solar facility in Chile and the commissioning of the Amazon Solar Farm Ohio - Hillcrest ("Hillcrest") facility. These items were partly offset by lower revenues from the hydro facilities in British Columbia from lower water flows due to cooler weather delaying the melting season ("freshet"), from lower wind regimes and lower exchange rate at the wind facilities in France and lower selling prices at the Salvador solar facility. Revenues Proportionate[1] increased by 27% to $251.5 million over the same period last year.

For the three-month period ended June 30, 2022, **Operating, general, administrative and prospective projects expenses** were up 40% at $66.9 million compared with the same period last year. The increase is mainly attributable to higher maintenance costs at some of the hydro facilities in British Columbia, the commissioning of the Griffin Trail wind facility, the acquisition of the remaining 50% interest in Energía Llaima, the Aela Acquisition, the Curtis Palmer Acquisition and the commissioning of the Hillcrest solar facility. The Adjusted EBITDA[1] was 25% higher at $152.9 million for the three-month period ended June 30, 2022, compared with the same period last year. The Adjusted EBITDA Proportionate[1] reached $181.1 million, a 24% increase compared with the same period last year.

Innergex recorded a **net loss** of $24.6 million ($0.13 loss per share - basic and diluted) for the quarter ended June 30, 2022, compared with net earnings of $50.2 million ($0.23 net earnings per share - basic and diluted) for the corresponding period in 2021. This was mainly due to a $45.2 million decrease in recovery of income tax stemming from the reversal of deferred tax liabilities in 2021 related to the Flat Top and Shannon joint venture facilities, due to the projects' assets and liabilities being classified as disposal groups held for sale; an unfavourable $25.6 million unrealized change in the fair value of financial instruments, mainly related to the increase in merchant power curves for the Phoebe power hedge and an unfavourable change in foreign exchange forward curves, and partly offset by a favourable change in interest rate curves, compared with the same period in 2021; a $19.9 million increase in depreciation and amortization; an $18.4 million increase in finance costs, mainly attributable to the Energía Llaima, Aela and Curtis Palmer acquisitions, and the Griffin Trail and Hillcrest commissioning in 2021 and and an unfavourable $10.0 million realized change in the fair value of financial instruments, mainly related to higher merchant prices in 2022 affecting the Phoebe power hedge. The increase in net loss is also explained by an unfavourable change in the mark to market of financial instruments and in the power hedge settlements, due to higher merchant prices. These items were partly offset by a $9.7 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.

Production for the six-month period ended June 30, 2022 was 93% of LTA. Innergex's share of production of joint ventures and associates[1] was 92% of LTA, translating into a Production Proportionate[1] at 93% of LTA. **Revenues** were up 34% at $408.5 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 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 facility, the BC Hydro Curtailment Payment[2], higher revenues from the Quebec wind facilities resulting mainly from higher production, higher selling prices at the Phoebe solar facility in Texas, the commissioning of the Hillcrest facility and the acquisition of the Aela wind farms and the San Andrés solar facility in Chile. These items were partly offset by lower revenues from lower average selling prices at the Foard City facility, from lower water flows due to cooler weather delaying freshet at the hydro facilities in British Columbia and from lower wind regimes and lower exchange rate at the wind facilities in France. Revenues Proportionate[1] increased by 28%

to $467.6 million over the same period last year, for which Revenues were normalized to exclude the February 2021 Texas Events.

For the six-month period ended June 30, 2022, **Operating, general, administrative and prospective projects expenses** were up 32% at $125.1 million compared with the same period last year. The increase is mainly attributable to the acquisition of the remaining 50% interest in Energía Llaima, the commissioning of the Griffin Trail wind facility, higher maintenance costs at some of the hydro facilities in British Columbia, the Curtis Palmer Acquisition, the commissioning of the Hillcrest solar facility, the Aela Acquisition, and to 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 34% higher at $283.4 million for the six-month period ended June 30, 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 $336.0 million, a 29% 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 $59.5 million ($0.31 loss per share - basic and diluted) for the six-month period ended June 30, 2022, compared with a **net loss** of $167.7 million ($1.01 loss per share - basic and diluted) for the corresponding period in 2021. This was mainly due to a $204.0 million decrease in the share of loss of joint ventures and associates, mainly related to the recognition of $112.6 million in impairment charges through the Corporation's share of loss of the Flat Top and Shannon joint venture facilities in 2021, the February 2021 Texas Events, resulting in a net unfavourable impact of $64.2 million on the Flat Top and Shannon joint venture facilities in 2021 (refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three- and six-month periods ended June 30, 2022 for more information), the recognition of a $26.9 million mark-to-market loss through the Corporation's share of loss of the Flat Top and Shannon joint venture facilities in 2021, compared to nil in 2022; a favourable $61.4 million realized change in the fair value of financial instruments, mainly stemming from the net unfavourable impact of the February 2021 Texas Events in 2021, partly offset by higher merchant prices in 2022 affecting the Phoebe power hedge; and a $17.9 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 an $82.7 million decrease in recovery of income tax, mainly related to the impacts of the February 2021 Texas Events, the Flat Top and Shannon impairment charges in 2021 and the reversal of deferred tax liabilities related to the Flat Top and Shannon joint venture facilities, due to the projects' assets and liabilities being classified as disposal groups held for sale; an unfavourable $49.8 million unrealized change in the fair value of financial instruments, mainly related to the increase in merchant power curves for the Phoebe power hedge and an unfavourable movement in the unrealized portion of the change in fair value on the Phoebe basis hedge following its maturity in 2021, partly offset by a favourable change in interest rate curves, compared with the same period in 2021; a $41.3 million increase in depreciation and amortization, mainly attributable to the Energía Llaima, Aela and Curtis Palmer acquisitions and the Griffin Trail and Hillcrest commissionings in 2021 and a $25.2 million increase in finance costs mainly related to the Griffin Trail and Hillcrest facilities commissioned in 2021, the Energía Llaima and Aela acquisitions, and an increase in inflation compensation interests on the Harrison Hydro real return bonds.

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 Proportionate1 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- and six-month period ended June 30, 2022 for more information).

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

For the three-month period ended June 30, 2022, cash flows from operating activities totalled $67.6 million, compared with $49.6 million in the same period last year. The increase relates primarily to the contribution from the Energía Llaima, Licán, Curtis Palmer, San Andrés and Aela acquisitions, and the Hillcrest and Griffin Trail commissionings. These items were partly offset by the distribution received from Energía Llaima in the second quarter of 2021.

For the six-month period ended June 30, 2022, cash flows from operating activities totalled $152.5 million, compared with $109.6 million in the same period last year. The increase relates primarily to the contribution from the Energía Llaima, Licán, Curtis Palmer, San Andrés and Aela acquisitions, and the Hillcrest and Griffin Trail commissionings, and the BC Hydro Curtailment Payment. These items were partly offset by the distribution received from Energía Llaima in the second quarter of 2021, and 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 for the trailing twelve months ended June 30, 2022 and June 30, 2021 to exclude the impacts of the February 2021 Texas Events.

Free Cash Flow and Payout Ratio calculation[1]	Trailing twelve months ended June 30			
	2022	2021	February 2021 Texas Events (9 days)[2]	**2021 Normalized**[2]
Free Cash Flow[1,2,3]	148,988	76,702	15,789	92,491
Dividends declared on common shares	142,824	125,711	—	125,711
Payout Ratio[1,2]	96 %	164 %	(28)%	136 %
Adjusted Payout Ratio[1,2]	82 %	111 %	— %	111 %

1. Free Cash Flow, Payout Ratio and Adjusted 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 June 30, 2021, the Free Cash Flow, Payout Ratio and Adjusted 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- and six-month periods ended June 30, 2022 for more information.
3. Free Cash Flow for the trailing twelve months ended June 30, 2021 includes the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

For the trailing twelve months ended June 30, 2022, the dividends on common shares declared by the Corporation amounted to 96% of Free Cash Flow[3], compared with 164% 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 of the Management's Discussion and Analysis for the three- and six-month periods ended June 30, 2022 for more information), the dividends on common shares declared by the Corporation for the corresponding period last year amounted to 136% 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- and six-month periods ended June 30, 2022 for more information.

UPDATE ON GROWTH INITIATIVES

(As at August 3, 2022)

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”), in effect since August 1, 2022, concurrently with the cancellation 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”) in Chile. 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.

The **Salvador Battery Storage project** with a 50 MW/250 MWh (5 hours) capacity was promoted to the construction phase with an expected Commercial Operation Date ("COD") in 2023.

On May 18, Innergex received approval from the TSX to proceed with a normal course issuer bid on its common shares, Series A Preferred Shares, and Series C Preferred Shares.

On June 9, 2022, Innergex completed its previously announced acquisition of all of the ordinary shares of Aela, a 332 MW portfolio of three newly-built operating wind assets in Chile, for a cash consideration of US$324.3 million ($408.2 million), and the assumption of the existing non-recourse debt.

The **Prospective Projects'** pipeline will allow several opportunities in the years to come, with 12 projects currently at an advanced stage, for a total of 908 MW of installed capacity.

SUBSEQUENT EVENTS

On July 22, 2022, Innergex completed the full commissioning of the 9 MW/9 MWh (1 hour) Tonnerre battery energy storage system in France. Tonnerre has been awarded a 7-year contract for difference offering a fixed-price contract for capacity certificate. The facility will generate additional revenues that will vary based on prevailing energy pricing. Being Innergex’s first stand-alone battery project, the commissioning of Tonnerre is a considerable achievement in term of technological knowledge earned for future development opportunities. The market for battery energy storage systems will continue to increase to bring more reliability to the grids as more renewable energy projects are being developed.

As part of Innergex's refinancing of the non-recourse debt of its Chilean facilities, the interest rate swaps, previously entered into to mitigate the risk of interest rate fluctuations during the negotiation process, were settled on July 25, 2022 in favour of Innergex, for US$ 41.2 million ($53.1 million).

On July 25, 2022, to take advantage of the currently favourable energy pricing environment in France, Innergex notified the counterpart to the Longueval wind project's power purchase agreement of it's intention to cancel the agreement. The project will sell its electricity on a merchant price basis. The cancellation will take effect on

November 1, 2022.

DIVIDEND DECLARATION

The following dividends will be paid by the Corporation on October 17, 2022:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
August 3, 2022	September 30, 2022	October 17, 2022	$0.180	$0.202750	$0.359375

2022 GROWTH TARGETS

The Corporation makes targets using certain assumptions to provide readers with an indication of its business activities and operating performance. For 2022, targets were based on the commissioning of the Tonnerre battery storage project in the first quarter of 2022 and the Innavik hydro facility in the fourth quarter of 2022. The Tonnerre battery storage project reached COD in the third quarter of 2022 and the Corporation now expects the Innavik hydro facility to be in operation in 2023. It did not take into consideration potential acquisitions that could be achieved in 2022.

Since the Corporation made these assumptions at the beginning of the year, the targets were revised in August 2022 to take into consideration the acquisition of the San Andrés solar facility on January 28, 2022, and the acquisition of the Aela wind farms on June 9, 2022. The targets were also revised to take into consideration below-average water flows, wind regimes and solar irradiation at some facilities during the first six-month period of 2022. The Corporation did not revise any other assumptions from the initial 2022 Growth Targets presented in the 2021 Annual Report with the exception of a lower assumed Euro to Canadian dollar exchange rate.

The following table summarizes the revised targets for 2022:

	February 2022	August 2022
	Target	Revised Target
Production (GWh)[1]	≈ +18%	≈ +22%
Revenues	≈ +16%	≈ +25%
Operating, general, administrative and prospective projects expenses	≈ +18%	≈ +27%
Adjusted EBITDA[1]	≈ +15%	≈ +25%
Adjusted EBITDA Proportionate[1]	≈ +14%	≈ +21%
Free Cash Flow per Share[1]	≈ 0.73	≈ 0.75
Number of facilities in operation	82	84
Net installed capacity (MW)	3,156	3,484

1. 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 three- and six-month periods ended June 30, 2022 for more information.

These assumptions are based on information available to the Corporation and the list of assumptions is not exhaustive. These assumptions, although considered reasonable by the Corporation on August 3, 2022, may prove to be inaccurate. Important risks and uncertainties may cause actual results or performance to be materially different from the Corporation's expectations as set forth in this section. The risks and uncertainties are referred to in the "Risks and Uncertainties" section of the 2021 Annual Report.

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.

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 and Adjusted EBITDA 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 June 30, 2022				Three months ended June 30, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	219,746	12,944	18,767	251,457	170,605	18,302	9,493	198,400
Net loss (earnings)	(24,590)	—	—	(24,590)	50,199	—	—	50,199
Income tax expense (recovery)	1,354	—	—	1,354	(43,856)	(804)	—	(44,660)
Finance costs	77,159	4,476	—	81,635	58,719	5,210	—	63,929
Depreciation and amortization	79,113	4,222	—	83,335	59,169	5,610	—	64,779
Impairment of long-term assets	—	—	—	—	6,314	—	—	6,314
EBITDA	133,036	8,698	—	141,734	130,545	10,016	—	140,561
Other net income (expense), before PTCs	(216)	(14)	—	(230)	168	2	—	170
Production tax credits ("PTCs")	(18,767)	—	18,767	—	(9,493)	—	9,493	—
Share of losses of joint ventures and associates	(1,222)	1,222	—	—	(2,993)	2,993	—	—
Change in fair value of financial instruments	40,041	(466)	—	39,575	4,458	773	—	5,231
Adjusted EBITDA	152,872	9,440	18,767	181,079	122,685	13,784	9,493	145,962

	Six months ended June 30, 2022				Six months ended June 30, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	408,469	21,288	37,814	467,571	360,256	72,963	26,916	460,135
Net loss		—	—	(59,520)		—	—	(167,673)
Income tax recovery	(2,416)	—	—	(2,416)	(85,139)	(31)	—	(85,170)
Finance costs	143,560	8,900	—	152,460	118,319	14,305	—	132,624
Depreciation and amortization	159,344	8,418	—	167,762	118,054	14,565	—	132,619
Impairment of long-term assets	—	—	—	—	6,314	112,609	—	118,923
EBITDA	240,968	17,318	—	258,286	(10,125)	141,448	—	131,323
Other net income, before PTCs	(1,298)	(189)	—	(1,487)	(347)	1,870	—	1,523
Production tax credits ("PTCs")	(37,814)	—	37,814	—	(20,882)	(6,034)	26,916	—
Share of losses of joint ventures and associates	986	(986)	—	—	204,991	(204,991)	—	—
Change in fair value of financial instruments	80,556	(1,366)	—	79,190	92,167	129,840	—	222,007
Adjusted EBITDA	283,398	14,777	37,814	335,989	265,804	62,133	26,916	354,853

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 derivative 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 (earnings) 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 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) 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 June 30		Six months ended June 30	
	2022	2021	2022	2021
Net (loss) earnings	(24,590)	50,199	(59,520)	(167,673)
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	(345)	344	(1,005)	20,781
Unrealized portion of the change in fair value of financial instruments	27,712	2,158	68,497	18,681
Impairment of long-term assets	—	6,314	—	6,314
Realized loss on termination of interest rate swaps	—	—	—	2,885
Realized gain on the Phoebe basis hedge	—	(1,445)	—	(246)
Realized gain on foreign exchange forward contracts	—	(433)	(487)	(748)
Income tax recovery related to above items	(4,323)	(38,479)	(11,367)	(81,471)
Adjusted Net (Loss) Earnings	(1,546)	18,658	(3,882)	(8,882)

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

	Three months ended June 30						Six months ended June 30					
	2022			2021			2022			2021		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	219,746	—	219,746	170,605	—	170,605	408,469	—	408,469	360,256	(54,967)	305,289
Operating expenses	50,546	—	50,546	30,163	—	30,163	90,584	—	90,584	61,156	—	61,156
General and administrative expenses	10,540	—	10,540	11,023	—	11,023	24,679	—	24,679	20,773	—	20,773
Prospective projects expenses	5,788	—	5,788	6,734	—	6,734	9,808	—	9,808	12,523	—	12,523
Adjusted EBITDA	152,872	—	152,872	122,685	—	122,685	283,398	—	283,398	265,804	(54,967)	210,837
Finance costs	77,159	—	77,159	58,719	—	58,719	143,560	—	143,560	118,319	—	118,319
Other net income	(18,983)	—	(18,983)	(9,325)	433	(8,892)	(39,112)	487	(38,625)	(21,229)	748	(20,481)
Depreciation and amortization	79,113	—	79,113	59,169	—	59,169	159,344	—	159,344	118,054	—	118,054
Impairment of long-term assets	—	—	—	6,314	(6,314)	—	—	—	—	6,314	(6,314)	—
Share of (earnings) losses of joint ventures and associates	(1,222)	469	(753)	(2,993)	(472)	(3,465)	986	1,367	2,353	204,991	(203,072)	1,919
Change in fair value of financial instruments	40,041	(27,712)	12,329	4,458	(713)	3,745	80,556	(68,497)	12,059	92,167	(92,076)	91
Income tax expense (recovery)	1,354	4,199	5,553	(43,856)	38,607	(5,249)	(2,416)	11,005	8,589	(85,139)	86,956	1,817
Net (loss) earnings	(24,590)	23,044	(1,546)	50,199	(31,541)	18,658	(59,520)	55,638	(3,882)	(167,673)	158,791	(8,882)

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 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.

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. 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. 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 June 30			
	2022	2021	February 2021 Texas Events (9 days)[3]	2021 Normalized[3]
Cash flows from operating activities[4]	308,384	252,213	(16,801)	235,412
Add (Subtract) the following items:				
Changes in non-cash operating working capital items	45,659	596	33,894	34,490
Maintenance capital expenditures, net of proceeds from disposals	(9,095)	(4,921)	—	(4,921)
Scheduled debt principal payments	(161,411)	(155,540)	—	(155,540)
Free Cash Flow attributed to non-controlling interests[1]	(35,900)	(18,506)	—	(18,506)
Dividends declared on Preferred shares	(5,632)	(5,787)	—	(5,787)
Add (subtract) the following specific items[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	9,660	1,696	—	1,696
Realized (gain) loss on the Phoebe basis hedge	(2,300)	498	(1,304)	(806)
Free Cash Flow[3]	148,988	76,702	15,789	92,491
Dividends declared on common shares	142,824	125,711	—	125,711
Payout Ratio[3]	96 %	164 %	(28)%	136 %
Adjust for the following items:				
Prospective projects expenses	24,652			20,830
Adjusted Free Cash Flow	173,640			113,321
Adjusted Payout Ratio	82 %			111 %

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 June 30, 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- and six-month periods ended June 30, 2022 for more information.
4. Cash flows from operating activities for the trailing twelve months ended June 30, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

ADDITIONAL INFORMATION

Innergex's 2022 second 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 Thursday, August 4, 2022 at 9 AM (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/3xJN1bC 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 84 operating facilities with an aggregate net installed capacity of 3,484 MW (gross 4,184 MW) and an energy storage capacity of 159 MWh, including 40 hydroelectric facilities, 35 wind farms, 8 solar facilities and and 1 battery energy storage facility. Innergex also holds interests in 13 projects under development with a net installed capacity of 731 MW (gross 768 MW) and an energy storage capacity of 745 MWh, 3 of which are under construction, as well as prospective projects at different stages of development with an aggregate gross installed capacity totaling 7,495 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 1 - Highlight of the Management's Discussion and Analysis for the three- and six-month period ended June 30, 2022 for details regarding the assumptions used with respect to the 2022 growth targets and to Section 5 - Outlook of the Annual Report for the 2020-2025 Strategic Plan outlook.

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-and six-month periods ended June 30, 2022.

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For more information

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