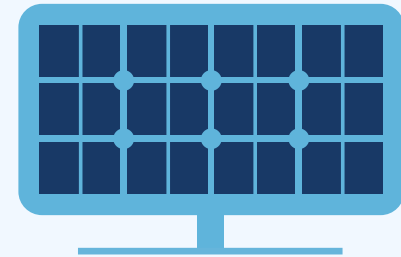
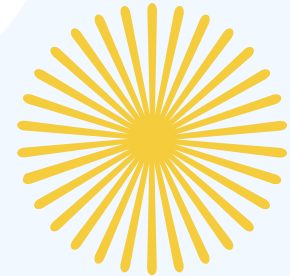


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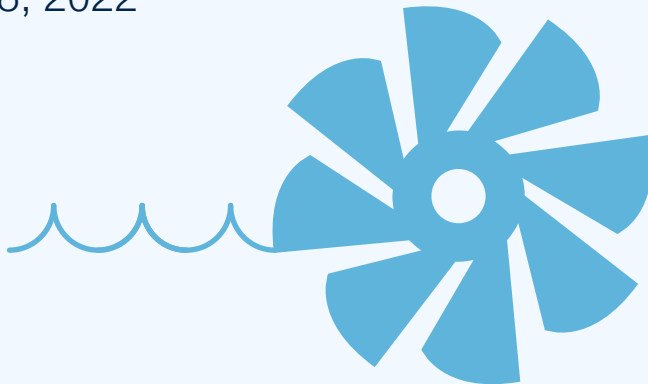
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Third Quarter 2022

Conference Call & Webcast

November 8, 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 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 1 - Highlights of the MD&A for the three- and six-month periods 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.

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; pandemics, 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. Q3 Financial Highlights
 2. Q3 Financial Proportionate Highlights
 3. Q3 Results
 4. Financial Events
 5. Q3 Corporate Development
 6. Construction Activities
 7. Development Activities
 8. Prospective Projects
 9. Question Period
- Appendix: Non-IFRS Measures

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





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Jean Trudel, MBA

Chief Financial Officer



1. Q3 FINANCIAL HIGHLIGHTS

In millions of Canadian dollars	Three Months Ended September 30			Nine Months Ended September 30		
	2022	2021	Change	2022	2021 Norm. ²	Change
CONSOLIDATED						
Production (GWh)	2,736.5	2,290.1	19%	7,897.0	6,472.1	22%
Revenues	258.4	184.6	40%	666.9	489.9	36%
Operating, general, administrative and prospective projects expenses	77.2	62.0	24%	202.3	156.5	29%
Adjusted EBITDA ¹	181.2	122.5	48%	464.6	333.4	39%
Net (Loss) Earnings	21.0	(23.5)	189%	(38.5)	(126.9)	70%

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.

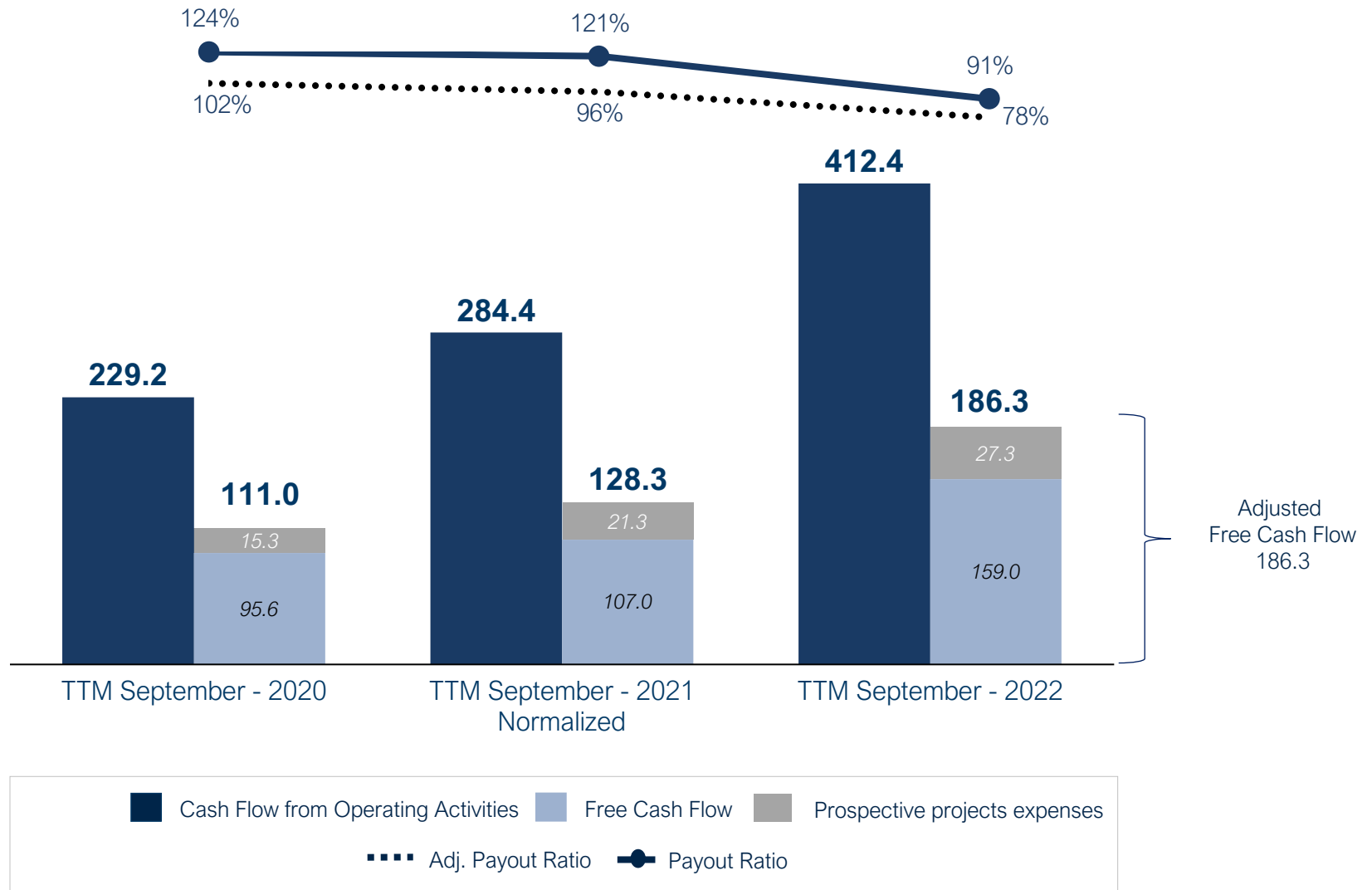
2. Q3 FINANCIAL PROPORTIONATE HIGHLIGHTS

In millions of Canadian dollars	Three Months Ended September 30			Nine Months Ended September 30		
	2022	2021	Change	2022	2021 Norm. ²	Change
CONSOLIDATED						
Production Proportionate ¹ (GWh)	2,993.8	2,538.6	18%	8,343.4	7,177.2	16%
Revenues Proportionate ¹	296.6	222.0	34%	764.2	586.8	30%
Adjusted EBITDA Proportionate ¹	215.4	155.9	38%	551.4	415.5	33%

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.

3. Q3 RESULTS | CASH FLOW FROM OPERATING ACTIVITIES, FREE CASH FLOW¹ & PAYOUT RATIO¹



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.

4. FINANCIAL EVENTS

Capital Structure

- On October 4, 2022, Innergex has completed the acquisition of the remaining 30.45% minority interest in its wind portfolio of 16 assets in France, and has reimbursed the outstanding debentures for a total consideration of \$96.4 million.
- On October 5, 2022, as part of the financing of the acquisition of the remaining interests in wind portfolio in France, Innergex monetized its Euro/CAD foreign exchange forward contracts for a total gain of \$43.5 million.

Offtake Agreements

- On October 10, 2022, Innergex entered into two PPAs for its Bois d’Anchat and Beaumont facilities in France which are to take effect on January 1, 2023, concurrently with the early termination of the current power purchase agreements. The new PPAs effectively increase the contracted period of the facilities to December 31, 2032.

2022 Canadian Fall Economic Statement

- A refundable tax credit equal to 30% of the capital cost of investments for clean technologies
- An investment tax credit for clean hydrogen



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Michel Letellier, MBA

President and Chief Executive Officer



5. Q3 CORPORATE DEVELOPMENT

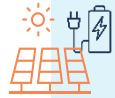


Full commissioning of the Tonnerre battery energy storage system (9 MW / 9MWh) - France

- Full commissioning announced on July 22, 2022.
- Located in the vicinity of Innergex's Yonne and Yonne II wind farms in France.
- Provide grid stability and help balance and secure the French power transmission system.
- Revenues will stem from:
 - 7-year Contract for Difference offering a fixed-price contract for capacity certificate with the Réseau de Transport d'Électricité (RTE).
 - Prevailing energy pricing, currently on the rise in France.

6. CONSTRUCTION ACTIVITIES

Hale Kuawehi, 30 MW – 30 MW/120 MWh storage (4 hours) – Hawaii, U.S.



- Major construction still suspended until there is more certainty around module pricing and the battery supplier design.
- Civil works completed (including site grading, fencing and site access roads).
- PPA repricing discussions currently taking place.
- Commissioning scheduled in Q3 2024.

Innavik, 7.5 MW – Quebec, Canada



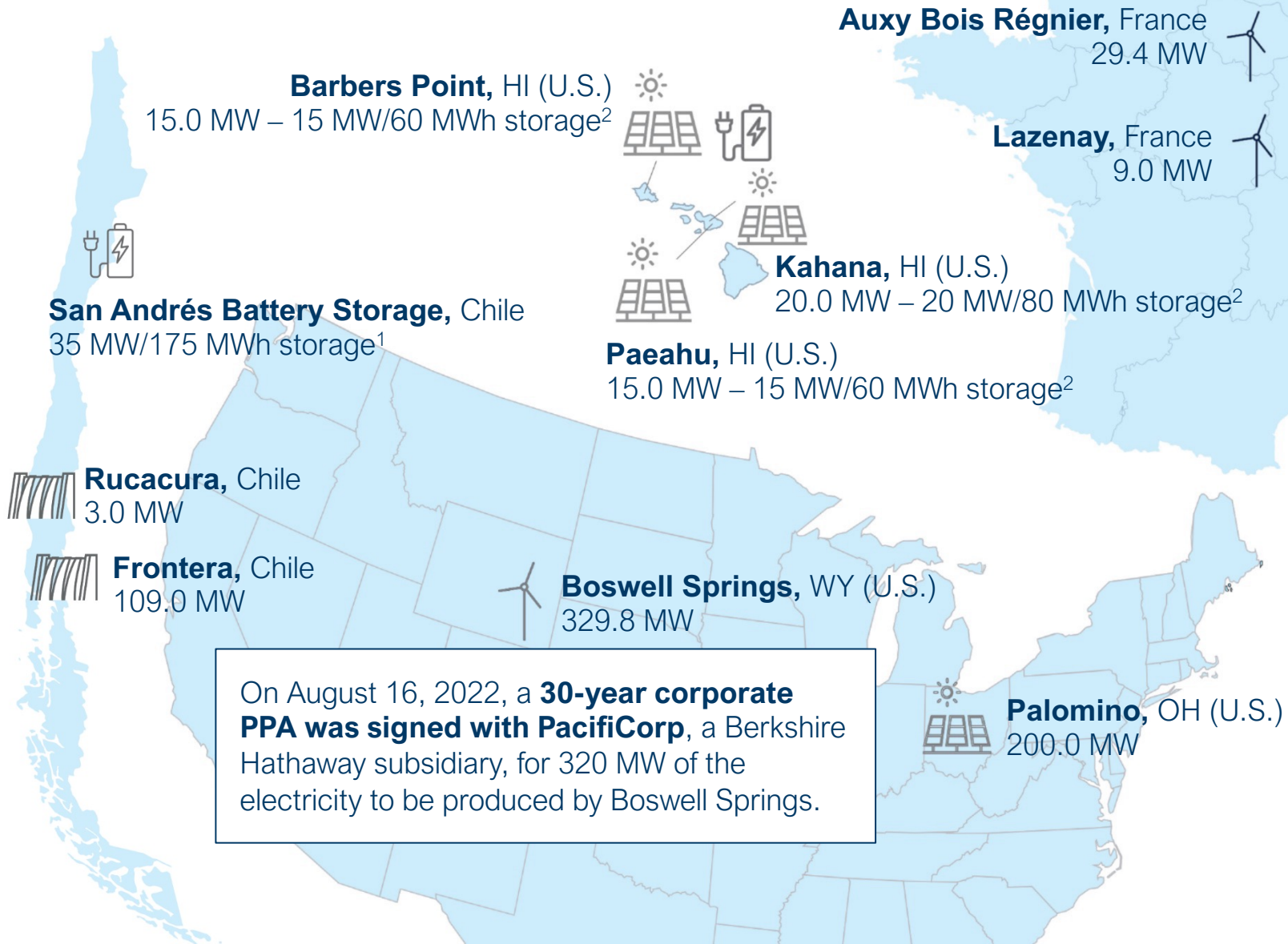
- Derivation structure concreting completed.
- Powerhouse superstructure and envelope completed.
- Both turbines are installed and aligned, while generator installation will begin shortly.
- Footing of the dam sheet is underway and the dam is planned to be completed in Q4 2022.
- Spillway concrete work in progress and scheduled to be completed in Q4 2022.
- Transmission line structures installed, and hardware and cable installation should be completed in Q4 2022.
- Conversion of the OMHK residences is progressing as per schedule. Conversion of the other residences will start in 2023.
- Project COD in Q1 2023.

Salvador Battery Storage 50 MW/250 MWh storage (5 hours) – Chile



- Construction started on June 9, 2022.
- Inverters arrived and are stored on site.
- Installation of foundations is complete.
- Commissioning might be delayed to Q3 2023 due to delay in battery delivery, but compensation by liquidated damage is expected.

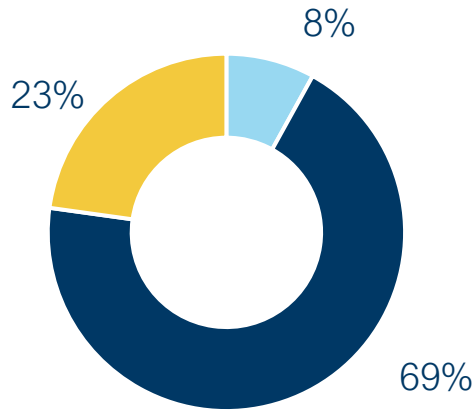
7. DEVELOPMENT ACTIVITIES



1. Battery storage capacity of 5 hours.
2. Battery storage capacity of 4 hours.

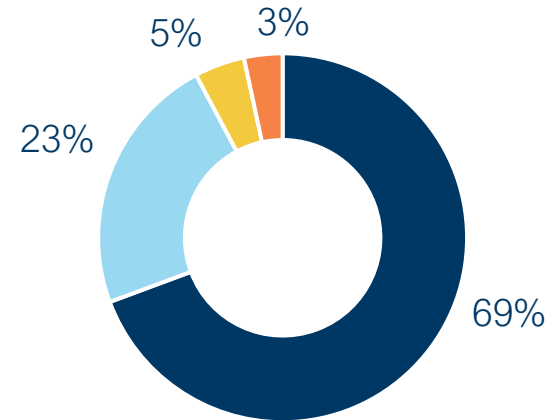
8. PROSPECTIVE PROJECTS

Prospective projects by energy



■ Hydro ■ Wind ■ Solar

Prospective projects by region



■ Canada ■ United States ■ France ■ Chile

	Stage of project development (in MW) ¹			Total
	Advanced Stage	Mid Stage	Early Stage	
Hydro	154	-	529	683
Wind	149	2,892	2,844	5,885
Solar	605	450	885	1,940
Green Hydrogen	-	-	5 ²	5
Total	908	3,342	4,263	8,513
Changes from Q2 2022	—	+320	+698	+1,018

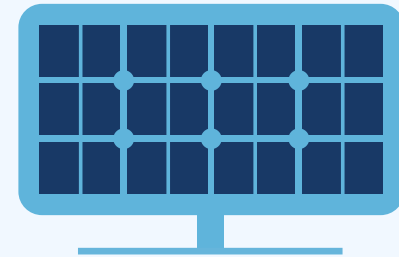
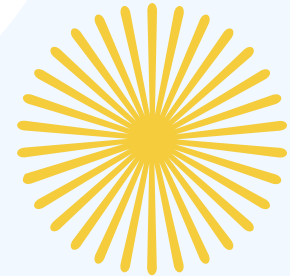
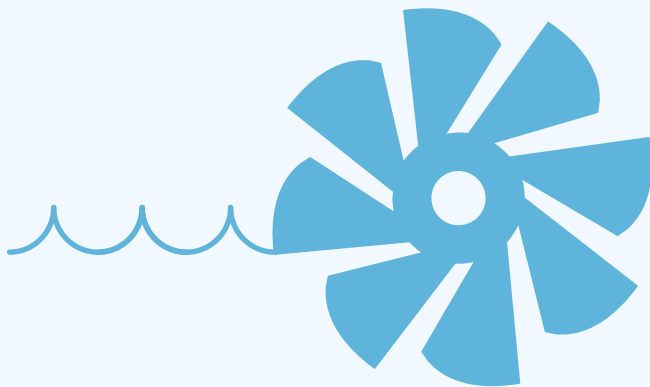
1. Only Gross Installed Capacity is disclosed for Prospective Projects as the net capacity is not yet defined at this stage.

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.

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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. Revenues Proportionate, Adjusted EBITDA, Adjusted EBITDA Margin, 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 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.

NON-IFRS MEASURES

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

	Three months ended September 30, 2022				Three months ended September 30, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	258,389	27,884	10,339	296,612	184,564	26,698	10,698	221,960
Net earnings (loss)	20,980	—	—	20,980	(23,464)	—	—	(23,464)
Income tax expense	8,821	—	—	8,821	21,741	—	—	21,741
Finance costs	90,418	4,495	—	94,913	66,519	4,536	—	71,055
Depreciation and amortization	82,953	4,227	—	87,180	59,838	4,245	—	64,083
Impairment of long-term assets	—	—	—	—	30,660	—	—	30,660
EBITDA	203,172	8,722	—	211,894	155,294	8,781	—	164,075
Other net expense (income), before PTCs	3,768	(46)	—	3,722	(23,129)	(136)	—	(23,265)
Production tax credits ("PTCs")	(10,339)	—	10,339	—	(10,698)	—	10,698	—
Share of earnings of joint ventures and associates	(15,654)	15,654	—	—	(14,311)	14,311	—	—
Change in fair value of financial instruments	211	(414)	—	(203)	15,366	(238)	—	15,128
Adjusted EBITDA	181,158	23,916	10,339	215,413	122,522	22,718	10,698	155,938

NON-IFRS MEASURES

	Nine months ended September 30, 2022				Nine months ended September 30, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	666,858	49,171	48,153	764,182	544,820	99,662	37,614	682,096
Net loss	(38,540)	—	—	(38,540)	(191,137)	—	—	(191,137)
Income tax expenses (recovery)	6,405	—	—	6,405	(63,398)	(31)	—	(63,429)
Finance costs	233,978	13,395	—	247,373	184,838	18,841	—	203,679
Depreciation and amortization	242,297	12,646	—	254,943	177,892	18,810	—	196,702
Impairment of long-term assets	—	—	—	—	36,974	112,609	—	149,583
EBITDA	444,140	26,041	—	470,181	145,169	150,229	—	295,398
Other net expense (income), before PTCs	2,470	(235)	—	2,235	(23,476)	1,734	—	(21,742)
Production tax credits ("PTCs")	(48,153)	—	48,153	—	(31,580)	(6,034)	37,614	—
Share of (earnings) loss of joint ventures and associates	(14,668)	14,668	—	—	190,680	(190,680)	—	—
Change in fair value of financial instruments	80,767	(1,779)	—	78,988	107,533	129,602	—	237,135
Adjusted EBITDA	464,556	38,695	48,153	551,404	388,326	84,851	37,614	510,791

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 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 the 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 September 30		Nine months ended September 30	
	2022	2021	2022	2021
Net earnings (loss)	20,980	(23,464)	(38,540)	(191,137)
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	(300)	(178)	(1,305)	20,603
Unrealized portion of the change in fair value of financial instruments	48,026	15,572	116,523	34,253
Impairment of long-term assets	—	30,660	—	36,974
Realized (gain) loss on termination of interest rate swaps	(71,676)	—	(71,676)	2,885
Realized gain on the Phoebe basis hedge	—	(1,345)	—	(1,591)
Realized gain on foreign exchange forward contracts	(2,040)	(1,133)	(3,214)	(1,881)
Income tax expense (recovery) related to above items	4,003	(8,207)	(7,364)	(89,678)
Adjusted Net (Loss) Earnings	(1,007)	11,905	(5,576)	3,023

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 September 30						Nine months ended September 30					
	2022			2021			2022			2021		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	258,389	—	258,389	184,564	—	184,564	666,858	—	666,858	544,820	(54,967)	489,853
Operating expenses	54,593	—	54,593	45,395	—	45,395	145,177	—	145,177	106,551	—	106,551
General and administrative expenses	14,824	—	14,824	11,512	—	11,512	39,503	—	39,503	32,285	—	32,285
Prospective projects expenses	7,814	—	7,814	5,135	—	5,135	17,622	—	17,622	17,658	—	17,658
Adjusted EBITDA	181,158	—	181,158	122,522	—	122,522	464,556	—	464,556	388,326	(54,967)	333,359
Finance costs	90,418	—	90,418	66,519	—	66,519	233,978	—	233,978	184,838	—	184,838
Other net income	(6,571)	2,040	(4,531)	(33,827)	1,133	(32,694)	(45,683)	3,214	(42,469)	(55,056)	1,881	(53,175)
Depreciation and amortization	82,953	—	82,953	59,838	—	59,838	242,297	—	242,297	177,892	—	177,892
Impairment of long-term assets	—	—	—	30,660	(30,660)	—	—	—	—	36,974	(36,974)	—
Share of (earnings) losses of joint ventures and associates	(15,654)	410	(15,244)	(14,311)	241	(14,070)	(14,668)	1,777	(12,891)	190,680	(202,831)	(12,151)
Change in fair value of financial instruments	211	23,650	23,861	15,366	(14,227)	1,139	80,767	(44,847)	35,920	107,533	(106,303)	1,230
Income tax (recovery) expense	8,821	(4,113)	4,708	21,741	8,144	29,885	6,405	6,892	13,297	(63,398)	95,100	31,702
Net earnings (loss)	20,980	(21,987)	(1,007)	(23,464)	35,369	11,905	(38,540)	32,964	(5,576)	(191,137)	194,160	3,023

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, 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.

NON-IFRS MEASURES

Free Cash Flow and Payout Ratio calculation¹

	Trailing twelve months ended September 30			
	2022	2021	February 2021 Texas Events (9 days) ⁴	2021 Normalized ⁴
Cash flows from operating activities ⁵	412,447	267,354	17,093	284,447
<i>Add (Subtract) the following items:</i>				
Changes in non-cash operating working capital items	24,525	(2,754)	—	(2,754)
Maintenance capital expenditures, net of proceeds from disposals	(9,936)	(5,455)	—	(5,455)
Scheduled debt principal payments	(167,578)	(155,072)	—	(155,072)
Free Cash Flow attributed to non-controlling interests ¹	(39,811)	(13,787)	—	(13,787)
Dividends declared on Preferred shares	(5,632)	(5,710)	—	(5,710)
Chile portfolio refinancing – hedging impact ²	765	—	—	—
<i>Add (subtract) the following specific items³:</i>				
Realized loss on contingent considerations	—	3,568	—	3,568
Realized (gain) loss on termination of interest rate swaps	(72,053)	2,885	—	2,885
Acquisition, integration and restructuring costs	17,224	1,640	—	1,640
Realized gain on the Phoebe basis hedge	(955)	(1,458)	(1,304)	(2,762)
Free Cash Flow ⁴	158,996	91,211	15,789	107,000
Dividends declared on common shares	144,862	129,005	—	129,005
Payout Ratio ⁴	91 %	141 %	(20) %	121 %
<i>Adjust for the following items:</i>				
Prospective projects expenses	27,331			21,266
Adjusted Free Cash Flow	186,327			128,266
Adjusted Payout Ratio	78 %			96 %

- 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.
- The Free Cash Flow for the trailing twelve months ended September 30, 2022 excludes the gains realized on settlement of the interest rate hedges entered into to manage the Corporation's exposure to the risk of increasing interest rates during the negotiations surrounding the refinancing of the non-recourse debt assumed in the Aela Acquisition and at Innergex's existing Chilean projects. Instead, the gain is amortized in the Free Cash Flow using the effective interest rate method over the period covered by the unwound hedging instruments.
- 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.
- For the trailing twelve months ended September 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 nine-month periods ended September 30, 2022 for more information.
- Cash flows from operating activities for the trailing twelve months ended September 30, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.