

# Annual Information Form

for the year ended December 31, 2022

February 22, 2023



# TABLE OF CONTENT AND LIST OF INFORMATION INCORPORATED BY REFERENCE

Annual Report for year ended  
December 31, 2022 (filed on February  
22, 2023)

|  |    |    |
|--|----|----|
| INTRODUCTION.....  | 3  |    |
| NON-IFRS MEASURES.....   | 3  | 55 |
| CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION....            | 3  | 70 |
| CORPORATE STRUCTURE.....   | 5  |    |
| GENERAL DEVELOPMENT OF THE BUSINESS.....                           | 6  |    |
| RECENT DEVELOPMENTS.....   | 6  |    |
| THREE-YEAR SUMMARY.....  | 7  |    |
| INDUSTRY OVERVIEW AND PRINCIPAL MARKETS.....                       | 12 |    |
| METHOD OF PRODUCTION.....  | 16 |    |
| COMPETITIVE CONDITIONS.....  | 17 | 70 |
| ECONOMIC DEPENDENCE.....   | 18 |    |
| SEASONALITY AND CYCLICALITY.....                                   | 19 |    |
| DESCRIPTION OF THE BUSINESS AND ASSETS OF THE<br>CORPORATION.....  | 21 |    |
| GENERAL OVERVIEW – SEGMENT INFORMATION.....                        | 21 |    |
| INTANGIBLE ASSETS.....   | 21 |    |
| PORTFOLIO OF ASSETS.....   | 21 | 23 |
| RISK MANAGEMENT AND RISK FACTORS.....                              | 32 | 70 |
| DIVIDENDS.....   | 32 | 52 |
| DESCRIPTION OF CAPITAL STRUCTURE.....                              | 33 |    |
| GENERAL DESCRIPTION OF CAPITAL STRUCTURE.....                      | 33 |    |
| CREDIT RATINGS.....  | 37 |    |
| MARKET FOR SECURITIES.....   | 38 |    |
| DIRECTORS AND EXECUTIVE OFFICERS.....                              | 39 |    |
| DIRECTORS.....   | 39 |    |
| EXECUTIVE OFFICERS.....  | 40 |    |
| DIRECTORS' AND EXECUTIVE OFFICERS' SHARE OWNERSHIP.....            | 40 |    |
| BANKRUPTCY, INSOLVENCY, CEASE TRADE ORDER AND PENALTIES.....       | 41 |    |
| CONFLICTS OF INTEREST.....   | 41 |    |
| LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....                      | 42 |    |
| INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL<br>TRANSACTIONS..... | 43 |    |
| TRANSFER AGENT AND REGISTRAR.....                                  | 43 |    |
| MATERIAL CONTRACTS.....  | 44 |    |
| INTEREST OF EXPERTS.....   | 44 |    |
| AUDIT COMMITTEE DISCLOSURE.....                                    | 44 |    |
| ADDITIONAL INFORMATION.....  | 46 |    |
| GLOSSARY OF TERMS.....   | 47 |    |
| SCHEDULE A – CORPORATE STRUCTURE.....                              | 50 |    |
| SCHEDULE B – CHARTER OF THE AUDIT COMMITTEE.....                   | 51 |    |

## INTRODUCTION

---

The information set out in this Annual Information Form (“AIF”) is stated as of December 31, 2022 and all money-related amounts are stated in Canadian dollars (unless otherwise specified). All reference to the “Corporation”, “Innergex”, “we”, “our” and “us” refers to Innergex Renewable Energy Inc. and its subsidiaries. Terms not otherwise defined have the meaning set forth in the “Glossary of terms” included at the end of this document.

Parts of the AIF are presented in the Annual Report of the Corporation for the twelve-month period ended December 31, 2022 which can be found under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) or on its website at [innnergex.com/investors/reports/](http://innnergex.com/investors/reports/) (the “2022 Annual Report”) and are incorporated herein by reference. The information contained in the various booklets or reports published by Innergex or available on the Innergex’s website and mentioned in this AIF is not, and shall not be deemed to be, incorporated by reference in the AIF, unless expressly stated otherwise.

## NON-IFRS MEASURES

---

Some measures referred to in this AIF are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. The Corporation believes these indicators are important, as they provide management and the reader with additional information about the Corporation’s production and cash generation capabilities, its ability to sustain current dividends and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Adjusted EBITDA, Adjusted EBITDA Proportionate and Free Cash Flow are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS.

Please refer to the section entitled “Non-IFRS Measures” of the 2022 Annual Report starting on page 55, which is incorporated herein by reference for the definition and historical reconciliation to the most comparable IFRS measure.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

---

To inform readers of the Corporation’s future prospects, this AIF 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 AIF.

**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 production tax credits and investment tax credits 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.

**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 2022 Annual Report starting on page 70, which is incorporated herein by reference 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 a dividend or may reduce the amount of the 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 AIF, 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.

## CORPORATE STRUCTURE

The Corporation was incorporated in Canada under the *Canada Business Corporations Act* by articles of incorporation dated October 25, 2002. The articles of the Corporation were amended as follows:

| DATES              | DESCRIPTION OF THE AMENDMENTS   |
|--------------------|---|
| October 25, 2007   | A certificate of amendment to change name from Innergex Management Inc. and its French version Management Innergex Inc. to Innergex Renewable Energy Inc. and its French version, Innergex énergie renouvelable inc.  |
| December 4, 2007   | A certificate of amendment to replace the authorized share capital and the minimum number of directors from one to three.   |
| December 4, 2007   | A certificate of amendment to replace the authorized share capital by an unlimited number of common shares (the “ <b>Common Shares</b> ”) and an unlimited number of preferred shares, issuable in series (the “ <b>Preferred Shares</b> ”).  |
| March 29, 2010     | A certificate of arrangement to amend the articles of incorporation to reflect the completion of the strategic combination of the Corporation and Innergex Power Income Fund by way of reverse take-over bid.   |
| September 10, 2010 | A certificate of amendment to amend the authorized share capital by the creation of the Cumulative Rate Reset Preferred Shares, Series A (the “ <b>Series A Shares</b> ”) and the Cumulative Floating Rate Preferred Shares, Series B (the “ <b>Series B Shares</b> ”) in connection with the public offering of Series A Shares. |
| May 12, 2011       | A certificate of amendment to introduce a voting right, in certain limited circumstances, for holders of Preferred Shares.  |
| January 1, 2012    | A certificate of amalgamation to reflect the amalgamation between the Corporation and its subsidiary, Cloudworks Energy Inc.  |
| December 6, 2012   | A certificate of amendment to amend the authorized share capital by the creation of the Cumulative Redeemable Fixed Rate Preferred Shares, Series C (the “ <b>Series C Shares</b> ”) regarding the public offering of Series C Shares.  |
| May 13, 2020       | A certificate of amendment to increase the maximum number of directors from ten (10) to fourteen (14).  |

The Corporation’s head and registered office is located at 1225 Saint Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9.

A corporate chart of the Corporation and its material subsidiaries as well as certain other material ownership interests as of February 21, 2023 is attached hereto as Schedule A, which excludes however some subsidiaries of the Corporation for which the assets and revenue in the aggregate did not exceed 20% of the total consolidated assets and revenue of the Corporation for the year ended December 31, 2022.

## GENERAL DEVELOPMENT OF THE BUSINESS

---

Innergex is a leading Canadian independent renewable power producer. Active since 1990, it develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities and carries out its operations in Canada, the United-States (“**U.S.**”), France and Chile. It owns or through various ventures developed, brought to commercial operation or acquired 40 hydroelectric facilities, 35 wind farms, eight (8) solar farms and one (1) battery energy storage facility, representing a net aggregate installed capacity of 3,634 megawatt (“**MW**”) (gross 4,184 MW) in operation and an energy storage capacity of 159 MWh. Innergex also holds interest in 11 development projects with an aggregate estimated gross installed capacity of 733 MW and an energy storage capacity of 605 MWh, of which five (5) projects are currently under construction and are expected to reach their commercial operation stage between 2023 and 2024. All its Prospective Projects are in various stages of development with a combined potential gross installed capacity of 8,701 MW.

## RECENT DEVELOPMENTS

On January 18, 2023, the Corporation met all required conditions for the Boswell Springs power purchase agreement (“**Boswell PPA**”) to become effective. The 30-year, 320 MW busbar Boswell PPA was signed with PacifiCorp, a Berkshire Hathaway subsidiary (S&P credit rating: A), for the electricity to be produced by the wind project in eastern Wyoming. The COD is scheduled during Q4 2024.

On January 23, 2023, the Corporation announced that it entered into an agreement to acquire the 60 MW Sault Ste. Marie solar portfolio located in northwestern Ontario for a purchase price of \$50.2 million, along with the assumption of \$169.5 million of existing debt. The Sault Ste. Marie 1, 2, and 3 facilities reached full commissioning between 2010 and 2011. The acquisition is expected to close in Q1 2023 and is subject to certain regulatory approvals in Canada, key third party consents and other customary closing conditions.

## THREE-YEAR SUMMARY

### Financial Year 2022

On January 28, 2022, the Corporation announced the acquisition of the 50.6 MW San Andrés solar farm located in the Atacama Desert in Northern Chile (the “**San Andrés Solar Farm**”) for a total purchase price of US\$25.7 million (\$32.7 million), net of cash. The San Andrés Solar Farm, which operates on a merchant basis, has a contract to sell Non-Conventional Renewable Energy credits linked to its electricity generation to a major energy producer established in Chile until 2034.

2022 was marked by the completion of a public offering and a private placement of Common Shares by HQI, and the acquisition of a wind portfolio of 332 MW in Chile known as the Aela acquisition

On February 3, 2022, the Corporation announced that it entered into an agreement to acquire 100% of the ordinary shares of Aela Generación S.A. and Aela Energía SpA, which owns a 332 MW portfolio of three newly built operating wind assets in Chile, for a purchase price of US\$686.5 million (\$863.9 million), net of cash and including the assumption of US\$380.2 million (\$478.5 million) of existing debt, subject to customary closing adjustments. The Corporation also announced a \$150.0 million bought deal equity financing of Common Shares and a \$37.0 million concurrent private placement of Common shares to HQI Canada Holding Inc. (“**HQI**”), a subsidiary of Hydro-Québec. The acquisition closed on June 9, 2022.

On February 22, 2022, the Corporation completed its previously announced bought deal equity financing of Common Shares. The Corporation issued a total of 9,718,650 Common Shares, including 1,267,650 Common Shares issued as a result of the exercise in full, at closing, of the over-allotment option granted to the underwriters at an offering price of \$17.74 per Common Share (the “**2022 Offering Price**”) for aggregate gross proceeds of \$172.5 million. Concurrently, the Corporation also closed its previously announced private placement with HQI. A total of 2,100,000 Common Shares were issued at the 2022 Offering Price for aggregate gross proceeds of \$37.3 million in order to maintain Hydro-Québec’s 19.95% ownership under the Investor Rights Agreement between the Corporation and HQI. The Common Shares offered pursuant to the private placement were sold directly to Hydro-Québec, without an underwriter or placement agent.

On March 4, 2022, the Corporation announced the completion of the sale of its 50% interest in the Shannon Wind Farm for an undisclosed and non-material purchase price. These assets and liabilities were held for sale following the February 2021 Texas Events (as defined below) as previously announced in 2021.

On May 10, 2022, the Corporation awarded Mitsubishi Power an order for two utility-scale battery energy storage system (BESS) projects for its Emerald storage solution totaling 425 MWh in the Atacama Desert located in the Northern Chile.

On May 18, 2022, the Corporation announced that it received approval from the TSX to renew its normal course issuer bid on its Common Shares and to commence a normal course issuer bid on its Series A Shares and Series C Shares (the “**2022 Bid**”). Under the 2022 Bid, the Corporation is authorized to purchase for cancellation up to 4,082,073 of its Common Shares representing approximately 2% of its issued and outstanding Common Shares and, respectively, up to 68,000 and 40,000 Series A Shares and Series C Shares, representing 2% of the issued and outstanding respective series of preferred shares. The 2022 Bid commenced on May 24, 2022 and will be terminated on May 23, 2023. As of the date of this AIF, no Common Shares, Series A or Series C Shares were purchased for cancellation.



On August 5, 2022, the Corporation announced the successful completion of a US\$803.1 million (\$1.032 billion) refinancing of the non-recourse debt of its portfolio of wholly owned assets in Chile with the issuance of US\$710.0 million (\$912.6 million) green bonds maturing in 2036 (with a balloon payment of US\$139.0 million (\$178.7 million)) and a US\$93.1 million (\$119.7 million) letter of credit facility. A core group of global institutional investors participated in the transaction.

On August 16, 2022, the Corporation announced the signing of a 30-year, 320 MW PPA with PacifiCorp, a Berkshire Hathaway subsidiary, for the electricity to be produced by the Boswell Springs Wind Project located in eastern Wyoming. The COD is scheduled during Q4 2024.

On September 28, 2022, the Corporation announced that it entered into an agreement to acquire the remaining 30.45% minority interest in its wind portfolio of 16 assets in France, of which Innergex currently owns the majority interests, for a total consideration of \$96.4 million. On October 4, 2022, the Corporation announced the successful completion of this acquisition.

On December 14, 2022, the Corporation acquired all the Class A shares of its 138 MW Mountain Air wind portfolio in Idaho, in the United States, for a total consideration of US\$47.5 million (\$64.4 million) from its tax equity partner. These shares represent the remaining 37.75% of the outstanding shares of the portfolio not already owned by Innergex.

## Financial Year 2021

On January 8, 2021, the Corporation announced the applicable dividend rates for its Series A Shares and Series B Shares. For the Series A Shares, the dividend rate for the five-year period from January 15, 2021 to but excluding January 15, 2026 will be 3.244% per annum, or \$0.2027 per share per quarter, being equal to the sum of the Government of Canada Yield on December 16, 2020 plus 2.79%. For the Series B Shares, the dividend rate for the quarterly floating rate period from January 15, 2021 to but excluding April 15, 2021 will be equal to 2.91% per annum, or \$0.181875 per share per quarter. The dividend rates were determined in accordance with the terms of the Series A Shares and Series B Shares Prospectus. See “Description of Capital Structure – General Description of Capital – Preferred Shares”.

2021 was marked by the completion of a public offering and a private placement of Common Shares by HQL, and an acquisition that resulted in the Corporation holding 100% of its Chilean portfolio of projects

On February 17, 2021, the Corporation reported that the unprecedented extreme winter weather conditions in Texas (the “**February 2021 Texas Events**”) impacted its ability to produce electricity at its Flat Top Wind Farm, which resumed its operations by the weekend. As for the Shannon Wind Farm, Foard City Wind Farm and the Phoebe Solar Farm, while some power generation continued, the combined effect of supply interruptions, abnormal market pricing conditions and contractual obligations to supply a predetermined daily generation under the power hedges, had both positive and negative financial impacts depending on varying conditions at different times. The Flat Top Wind Farm and the Shannon Wind Farm were sold in 2021 and 2022, respectively.

On May 19, 2021, the Corporation announced that it received approval from the TSX to renew its normal course issuer bid on its Common Shares (the “**2021 Bid**”). Under the 2021 Bid, the Corporation was authorized to purchase for cancellation up to 2,000,000 of its Common Shares representing approximately 1.15% of its issued and outstanding Common Shares. The 2021 Bid commenced on May 24, 2021 and terminated on May 23, 2022. Under the 2021 Bid, 564,271 Common Shares were purchased for cancellation.



On May 21, 2021, the Corporation reported that the District Court of Harris County, Texas denied the temporary injunction application made by the Corporation on April 21, 2021, directing the counterparty to the power hedges for each of the Flat Top Wind Farm in Mills County and the Shannon Wind Farm in Clay County (together, the “**Projects**”) to suspend all remedies, including foreclosure, against the Projects, arising from an alleged default of payment that was formally disputed by the Projects, following unprecedented extreme weather conditions and related electricity market failure that paralyzed the State of Texas in February 2021 (unofficially referred to as Winter Storm Uri). At that time, the Corporation owned 51% of the sponsor equity in the Flat Top Wind Farm and 50% of the sponsor equity in the Shannon Wind Farm. As a result of the Court’s decision, the counterparty to the power hedges for the Projects were not precluded from exercising any of its remedies, including foreclosure.

On July 9, 2021, the Corporation completed its previously announced purchase of the Chilean renewable energy company Energía Llama SpA (“**Energía Llama**”), becoming its sole owner by acquiring the remaining 50% interest in Energía Llama for an aggregate consideration of US\$71.4 million (\$89.4 million). Following the transaction, the Corporation has interests in and operates three hydro facilities in Chile with a gross installed capacity of 152 MW, a solar thermal facility with a gross installed capacity of 34 MW, as well as several projects in the development or prospective stages. It also manages operations at the Salvador Solar Farm which was already wholly owned by the Corporation.

On July 30, 2021, the Corporation announced that the full commissioning of the 225.6 MW Griffin Trail wind facility located in Knox and Baylor Counties, in north-west Texas (the “**Griffin Trail Wind Farm**”) was achieved on July 26, 2021 and that it concluded its tax equity funding as of July 30, 2021. The renewable energy generated will be fed into the ERCOT transmission grid and sold on the spot market.

On August 3, 2021, the Corporation acquired 100% of the shares of Empresa Eléctrica Licán S.A. (“**Licán**”), which owns and operates an 18 MW run-of-river hydro facility. The facility commissioned in 2011 is located on the Licán river, in the region of Los Rios in Chile. Licán was acquired for a total enterprise value of US\$40.5 million (\$50.5 million) with an equity investment for Innergex of US\$16.6 million (\$20.6 million), broken down to payment to the shareholders and the partial repayment of the existing debt and other costs.

On August 17, 2021, the Corporation and HQL US Holding LLC, a subsidiary of Hydro-Québec entered into an agreement with Atlantic Power to acquire Curtis Palmer, a 60 MW run-of-river hydroelectric portfolio located in Corinth, New York, consisting of the 12 MW Curtis Mills and 48 MW Palmer Falls facilities (“**Curtis Palmer Project**”) for upfront cash consideration of US\$310.0 million (\$387.5 million) and an earn-out provision subject to the evolution of NYISO market pricing. This joint acquisition was the first under the Strategic Alliance formed by Innergex and Hydro-Québec in 2020. The Corporation also announced a \$175.0 million bought deal equity financing of Common Shares and \$43.5 million concurrent private placement of Common Shares to HQL.

On September 3, 2021, the Corporation completed its previously announced bought deal equity financing of a total of 10,374,150 Common Shares, including 1,353,150 Common Shares issued as a result of the exercise in full at closing of the over-allotment option granted to the underwriters at an offering price of \$19.40 per Common Share (the “**2021 Offering Price**”) for aggregate gross proceeds of \$201.3 million. Concurrently, the Corporation also closed its previously announced private placement with Hydro-Québec. A total of 2,581,000 Common Shares were issued at the 2021 Offering Price for aggregate gross proceeds of \$50.1 million in order to maintain Hydro-Québec’s 19.9% ownership under the Investor Rights Agreement between the Corporation and HQL. The Common Shares offered pursuant to the private placement were sold directly to Hydro-Québec, without an underwriter or placement agent.

On October 25, 2021, the Corporation and HQL US Holding LLC, a subsidiary of Hydro-Québec announced the completion of the previously disclosed 50-50 joint acquisition of the Curtis Palmer Project, for a total consideration of US\$318.4 million (\$393.4 million), including US\$9.2 million (\$11.4 million) of cash and working capital adjustments. Following the closing, Innergex and Hydro-Québec now each indirectly owns a 50% interest in the Curtis Palmer Project.

On November 17, 2021, the Corporation announced the conclusion of the tax equity funding of the 200 MW Amazon Solar Farm Ohio – Hillcrest located in Brown County, Ohio (the “**Hillcrest Solar Farm**”). Since the COD on May 11, 2021, 100% of its generated electric output and environmental attributes has been sold under a long-term corporate power purchase agreement to an investment grade rated US corporation.

On December 27, 2021, the Corporation announced the completion of the sale of its 51% interest in the Flat Top Wind Farm for an undisclosed and non-material purchase price. The Flat Top Wind Farm’s assets and liabilities were held for sale following the February 2021 Texas events as previously announced in the 2021 Q2 Quarterly Report.

## Financial Year 2020

On February 6, 2020, the Corporation and Hydro-Québec announced the creation of a strategic alliance (the “**Strategic Alliance**”) that will target specific strategic investments in areas including wind and solar projects with battery storage or transmission, distributed generation and off-grid renewable energy networks. Hydro-Québec has committed through an affiliate an initial \$500 million to the Strategic Alliance which will be dedicated to co-investment in projects with the Corporation. On the same day, Hydro-Québec, through HQL, its indirect wholly-owned subsidiary, made an investment of \$660.9 million in the Corporation through a private placement of 34,636,823 Common Shares of the Corporation at a price of \$19.08 per Common Share, representing a premium of 5.0% to the 30-day volume weighted average price as at February 5, 2020. Following this private placement, Hydro-Québec indirectly holds 19.9% of the issued and outstanding Common Shares of the Corporation on a non-diluted basis.

2020 was marked by the creation of a Strategic Alliance with Hydro-Québec, which also became Innergex’s main shareholder. Two (2) acquisitions were also completed, and construction progressed at four (4) renewable energy facilities

On May 7, 2020, the Corporation announced the closing of a construction financing, tax equity commitment, as well as a 7-year term loan facility for the Hillcrest Solar Farm. In aggregate, the US\$191.8 million (\$244.2 million) financing was led by CIT’s Power and Energy group and included MUFG, and Mizuho and Wells Fargo as the tax equity investors. The project was acquired in October 2018 and COD was reached in the third quarter of 2021.

On May 12, 2020, the Corporation announced that it successfully advanced to the Final Award Group in Hawaiian Electric Companies’ request for proposals for new renewable power generation. The proposed projects are a 15 MW solar and 60 MWh battery storage facility located on the island of O’ahu (the “**Barbers Point Solar Project**”) and a 20 MW solar and 80 MWh battery storage facility located on the island of Maui (the “**Kahana Solar Project**”).

On May 14, 2020, the Corporation announced the acquisition of the 68 MW PV Salvador solar photovoltaic farm in Chile (the “**Salvador Solar Farm**”), as well as 11-year demand-based PPAs covering a total electricity generation of 54.6 GWh/year.

On May 20, 2020, the Corporation announced that it received approval from the TSX to renew its normal course issuer bid on its Common Shares and to commence a normal course issuer bid on its Series A Shares and Series C Shares (the “**2020 Bid**”). Under the 2020 Bid, the Corporation was authorized to purchase for cancellation up to 2,000,000 of its Common Shares representing approximately 1.15% of its issued and outstanding Common Shares and, respectively, up to 68,000 and 40,000 Series A Shares and Series C Shares, representing 2% of the issued and outstanding respective series of preferred shares. The 2020 Bid commenced on May 24, 2020 and was terminated on May 23, 2021. Under the 2020 Bid, 180,602 Common Shares were purchased for cancellation and no Series A Shares or Series C Shares were purchased.

On May 22, 2020, the Corporation announced that it received notices from British Columbia Hydro and Power Authority (“**BC Hydro**”) in relation to six of the Corporation’s hydroelectric facilities in British Columbia (“**BC**”) stating that BC Hydro was not to accept and purchase energy under the applicable electricity purchase agreements (“**EPAs**”) above a specified curtailment level for the period that started on May 22, 2020 and ended on July 20, 2020, which period was not extended by BC Hydro. The specified curtailment levels were 0.0 MWh for the Jimmie Creek, Upper Lillooet River, Northwest Stave River and Boulder Creek facilities, 2.0 MWh for the Tretheway Creek Facility and 4.0 MWh for the Big Silver Creek Facility. Maintaining these curtailment levels for the period specified have translated in a loss in revenues of less than \$16.4 million for the Corporation. The dispute was settled in the first quarter of 2022 to Innergex’s satisfaction. For more information, see “*Legal Proceedings and Regulatory Actions*”.

On July 15, 2020, the Corporation announced the acquisition of all the Class B shares of a portfolio of six operating wind farms in Elmore County, Idaho, in the United States (known as the Mountain Air acquisition) for a purchase price of US\$56.8 million (\$72.3 million). The six 23 MW wind farms are Cold Springs, Desert Meadow, Hammett Hill, Mainline, Ryegrass and Two Ponds with a total combined installed capacity of 138 MW.

On September 17, 2020, the Corporation announced the signing of two 25-year PPAs that provide a fixed price with the Hawaiian Electric Company, Inc. for the electricity to be produced at the Barbers Point Solar Project and Kahana Solar Project. The PPA of these projects were canceled by the Corporation following significant construction cost increases. The projects are maintained at the advanced stage prospective projects to participate in future request for proposals processes in Hawaii.

On November 4, 2020, the Corporation and the Pituvik Landholding Corporation (“**Pituvik**”) announced the closing of a \$92.8 million non-recourse construction and term project financing with The Manufacturers Life Insurance Company for the construction of the Innalik hydroelectric facility a 7.5 MW run-of-river hydroelectric facility on the Inukjuak River near Inukjuak, Nunavut, in northern Quebec (the “**Innalik Hydro Project**”). COD is scheduled in the second quarter of 2023.

On December 16, 2020, the Corporation reported that the rating agency S&P Global Ratings, a division of S&P Global Inc. changed the credit rating of Innergex to BB+(Stable) from BBB-(Negative) and the ratings of Corporation’s Preferred Shares to B+ and P-4(High), from BB and P-3. The Corporation also reported that Fitch Ratings, Inc. (“**Fitch**”) assigned a BBB- with a stable outlook rating to the Corporation and each of the Corporation’s Series A Shares and Series C Shares was assigned a BB rating. See “*Credit Rating*”.

On December 29, 2020, the Corporation announced the closing of a construction financing and tax equity commitment for the Griffin Trail Wind Farm. The US\$276.2 million (\$351.7 million) financing was arranged with Sumitomo Mitsui Banking Corporation acting as Coordinating Lead Arranger, and Canadian Imperial Bank of Commerce (CIBC) acting as Joint Lead Arranger, backed by a US\$171.4 million (\$218.2 million) tax equity commitment from Wells Fargo. COD was reached on July 26, 2021.

## INDUSTRY OVERVIEW AND PRINCIPAL MARKETS

---

The global transition to clean and renewable energy is underpinned by the Paris Agreement. This legally binding international treaty on climate change was adopted at the 2015 United Nations Climate Change Conference and seeks to limit global warming to well below 2 and preferably to 1.5 degrees Celsius (the “**Paris Agreement**”). The governments of Canada, the United States, France, and Chile are signatories to the Paris Agreement and are pursuing increased renewable power generation and electrification of energy end-uses as key paths to delivering on the Paris Agreement.

In addition, the face of global shifts toward net-zero and transparency around ESG (environment, social, and governance) metrics are also driving increased renewable electricity generation. Globally around 29 GW of renewable electricity procurement deals were announced by corporate entities in 2021 and more companies continue to announce 100% renewable power procurement targets.

### Renewable Power in Canada

In Canada, growth opportunities for new renewable power generation have resulted from commitments to reducing greenhouse gas (GHG) emissions; the national price on carbon pollution; public concern over fossil fuel power generation, air quality and GHGs; and improvements in renewable energy technology and affordability. Renewable electricity generation in Canada is also supported by federal and provincial procurements that result in long-term fixed price contracts with crown corporations, incentives such as accelerated depreciation, and legislated commitments to renewable energy generation. The announced investment tax credit for clean technologies is expected to continue to make renewable resources the most competitive option for new electricity generation.

The Government of Canada has committed to reduce GHG emissions by 40-45% from 2005 levels by 2030 and achieve net-zero emissions economy-wide by 2050. Federal clean growth and climate plans prioritise expanding renewable electricity generation and its enabling infrastructure. Specific commitments in the electricity sector include phasing out coal-fired electricity generation by 2030 and achieving a net-zero electricity grid by 2035.

Canada’s electricity grid is currently 82% emissions-free. Nationally, the largest source of power is hydroelectricity, with an installed capacity of over 80 GW representing around 60% of annual power generation. Wind and solar power met approximately 6.3% of Canada’s electricity demand in 2021 and continue to account for the largest share of new power generation additions annually. It is anticipated that the phase-out of fossil fuel-fired electricity generation and increasing electrification across the economy will lead to a significant increase in demand for renewable electricity, with multiple reports estimating that Canada will require two to three times its current non-emitting generating capacity by 2050.

#### Québec

Hydro-Québec, a public corporation of the Québec Government, is one of the largest electricity utilities in North America. The utility is the holder of exclusive electric power distribution rights throughout the province and is the main electricity generator and transmission system operator.

The Régie de l’énergie, an economic regulation agency, sets and modifies the rates and conditions for electricity transmission and distribution and monitors all Requests for Proposals for the supply of energy in the province.

In 2020, the Québec Government released the 2030 Plan for a Green Economy, an electrification and climate change policy framework. The plan outlines how Québec will achieve its 2030 GHG emissions reduction target of 37.5% below 1990 levels and reach carbon neutrality by 2050. Electrification is focus so that currently consumed fossil fuels will be replaced by Québec-produced green electricity. Québec also continues to pursue opportunities to export electricity to neighbours in Canada and the United States.

According to Hydro-Québec's recent forecasts, electricity demand in Québec will grow by 25 terawatt-hours or 14% over the next 10 years. To meet this demand, a call for tenders for 780 MW of renewable energy is currently underway and the utility is targeting the development of over 4,000 MW of new wind energy. The Corporation remains confident in the long-term viability of the renewable power sector in the province.

### British Columbia

BC Hydro, a provincial Crown corporation, is one of the largest electric utilities in Canada, supplying most of the power generating capacity in the province. The remaining capacity is provided by investor-owned utilities, large and small industrial self-generators, and independent power producers. The BC Utilities Commission is an independent agency of the provincial government that is responsible for regulating the rates and standards of service quality of BC's electricity utilities.

The B.C. Government has committed to reducing GHG emissions by 40% below 2007 levels by 2030 and achieving a net-zero emissions economy by 2050. The CleanBC Roadmap to 2030 outlines plans to meet these targets through increased carbon pricing, the electrification of buildings and transportation, and a 100% clean electricity delivery standard. While meeting the commitments in the plan would require substantial new renewable electricity resources, BC Hydro does not currently anticipate needing to procure additional electricity generation in the province until at least 2030.

## Renewable Power in the U.S.

In the U.S. electricity is sold under various types of contracts, including long-term PPAs, power hedges, and commercial and retail contracts. Favourable costs for renewable electricity generation, combined with legislated commitments towards GHG emissions reductions and renewable electricity generation at the federal and state level, are expected to continue driving demand for new renewable generation capacity. The 2022 enactment of the *Inflation Reduction Act* directed nearly \$400 billion in federal funding to clean energy in the form of tax credits designed to catalyze private investment in clean energy.

The U.S. Government aims to achieve a 50-52% reduction in economy-wide GHG emissions from 2005 levels by 2030 and reach net-zero by 2050. It has established a goal to reach 100% carbon pollution-free electricity generation by 2035. States continue to be active in adopting and increasing renewable portfolio standards (RPS) policies that require electricity suppliers to source a certain amount of their electricity from eligible technologies. As of November 2022, 36 states and the District of Columbia have established a RPS or a renewable energy goal. In 12 of those states (and the District of Colombia), the requirement is for 100% clean electricity by 2050 or earlier.

Electricity generation in the U.S. is approximately 61% from fossil fuels, 19% from nuclear energy, and 20% from renewable energy sources. Wind is the largest renewable source of generation (9.2%), followed by hydropower (6%) and solar (2.8%). The share of renewables in electricity generation is expected to more than double to 44% by 2050, surpassing methane as the leading source of power.

## Texas

In Texas, the main electricity grid is operated by the Electricity Reliability Council of Texas (“ERCOT”) and is largely isolated from the interconnected power systems serving the eastern and western U.S. The isolation means that the ERCOT grid is not subject to Federal Energy Regulatory Commission oversight and is, for the most part, dependent on its own resources to meet electricity needs.

Texas leads the U.S. in energy production, primarily from crude oil and natural gas. It also generates the most electricity of any state and is the largest producer of wind power in the U.S. with around 35 GW of installed capacity. Buildout of the state's significant solar resources has increased rapidly in recent years to reach approximately 16 GW of installed capacity in 2022. Although Texas has already surpassed its RPS of 10 GW by 2025 the limited regulatory framework applicable to permitting and construction on private lands, ERCOT's independence and the low cost of wind and solar generation mean that demand for renewables is predicted to continue to rise.

## Renewable Power in France

France is currently facing an energy crisis due to high methane prices and low nuclear availability, which drove energy prices at record levels. This crisis has increased the demand for corporate PPAs, which could lead to more direct contracting opportunities for new-build assets as well as contract renewal for older assets. Recent measures taken by the government introduced a special contribution from renewable producers equal to 90% of all revenues generated when the price of energy sold is above 100€/MWh.

A new law (*Loi sur l'Accélération des Énergies Renouvelables*) that would change the regulatory framework is also set to be passed early 2023. This law is expected to foster renewable development in the country by reducing the permitting timeline and accelerating the interconnection process. The final text is now available.

France will also announce later in 2023 its long-term energy strategy plan (*Programmation Pluriannuelle de l'Énergie* or “PPE”). The French PPE is updated every 3 or 4 years. The 2023 version is expected to favour solar, offshore wind and nuclear power. Based on recent announcements by French government, we believe the target for solar power capacity would be raised to 100 GW by 2050 and the target of 35GW for onshore wind will be postponed to 2050 (compared to 2035 previously).

The French electricity system is largely deregulated for production, ancillary services and electricity supply. It is, however, still a monopoly for distribution and transmission. The transmission system operator (**RTE**) and the distribution operator (**ENEDIS**), both subsidiaries of Électricité de France (**EDF**), are responsible for managing distribution and transport infrastructure and have a duty to provide interconnection to renewable energy projects at standardized conditions. As such, the energy environment remains very favourable to renewable developers.

Although France is likely to reduce the availability of its feed-in tariff contracts, it has committed to extend the RFP system for sourcing additional renewable power. In line with its strategic objectives of reaching 100GW of solar and 35GW of offshore wind, RFPs are expected to call for 1.5 to 2 GW of additional wind projects every year and close to 2 GW of additional solar projects every year. Awarded-PPAs would still be offered through a government-backed entity for a long period of time (20 years).

## Renewable Power in Chile

Renewable power continues to increase in Chile. In 2022, the production of solar and wind energy reached a total of 23,062 Gigawatt hours (“GWh”), a 28.2% increase from 2021, and representing 27.7% of the total generated power (83,054 GWh). Meanwhile, hydroelectric facilities remained the single-largest source of renewable electricity in 2022, accounting for 24% of the total generation (20,290 GWh).

As of December 2022, there were 66 renewable energy facilities under construction, representing 3,532 MW of capacity. Non-conventional renewable energies, which do not include hydropower with reservoirs, now make up 41% of the country’s installed capacity, 33,218 MW, and contribute 28% of annual electricity generation.

Mining, which consumes about a third of Chile’s overall power production, is also an industry that consumes most of the new renewable energy. Since 2014, the prices of solar energy dropped by more than 60%, prompting the mining sector and other sectors to invest in renewable energy to reduce their energy consumption expenses.

In Latin America, demand for electricity remains strong and governments are seeking to increase the production of renewable energy, of which there is an ample resource. Chile has set legislated commitments to renewable energy, which target increases in renewable energy generation to 60% by 2035 and 70% by 2050. Its target under the Paris Agreement is to peak annual GHG emissions by 2025 and reduce them to 95 Megatonnes (Mt) by 2030. One of the most concrete actions to date has been the Retirement Plan and/or Reconversion of Units to Coal, which aims to remove remaining coal-fired power plants (which still provide 23% of Chile’s electricity) by 2040. Several coal-fired units have already closed and the goal has potential to advance to 2030 or 2025.

The National Electric Coordinator acts as the independent system operator for the National Electric System in Chile. It is charged with coordinating electricity generation throughout the system to achieve operational and cost efficiency, while transmission and distribution costs are regulated by law. It also preserves the security of electrical service and must guarantee open access to the transmission system according to law.

In 2013, only 5% of the electricity production in Chile was generated from non-conventional renewable sources. In 2022, non-conventional renewable generation reached 28% of the total generation, surpassing a 2013 law which mandated that 20% of the electricity produced in Chile come from renewable energy by 2025 and now there is a draft of law that increased to 40% by 2023. The solar and wind energy sectors are the most popular sectors since Chile is geographically well positioned. The solar irradiation in the Atacama Desert and the winds from the Pacific coast and the Andes Mountains make Chile a promising market for renewable energy production.



## METHOD OF PRODUCTION

### Hydroelectric Power Generating Process

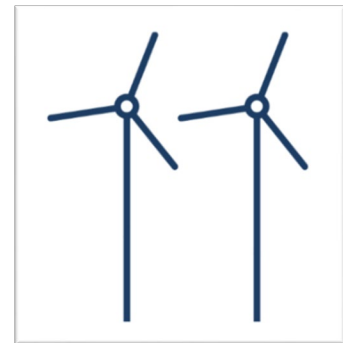
Run-of-river hydroelectric generation facilities, unlike traditional hydroelectric facilities (or dams), do not require the flooding of large areas of land. Hydroelectric power is generated by harnessing the force created as waterfalls. The difference in elevation between the headpond and the tailrace is referred to as “**head**” or “**operating head**”. The energy in the moving water is ultimately converted into electric energy. The water flows through an intake structure and penstock or a tunnel down to a turbine, which is essentially a water wheel. The water spins the turbine and the hydraulic energy is then converted into mechanical energy which is converted into electricity by the generator. The electricity is sent through a transformer where its characteristics are adjusted so that it can be sent along the transmission system.



### Wind Power Generating Process

Similar to hydroelectric generation, wind generation is not subject to fuel price volatility and it produces no greenhouse gas or other emissions. Wind turbines can only generate electricity when the wind blows at speeds within a certain operating range.

Energy is produced from the wind power exerted on the blades of a wind turbine which are attached to a central shaft to rotate a generator. Wind turbines are equipped with a control system which optimizes electrical production and adjusts to varying wind speed and direction. The blades are equipped with systems that allow the angle of the blades to be varied (pitch system) in order to optimize the capture of wind energy according to wind speed. The pitch system keeps the rotation of the gear system and generator within a speed range that allows the generation of electrical power.

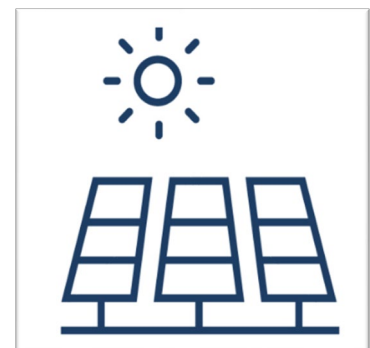


### Solar Power Generating Process

#### Solar Photovoltaic Power

Solar photovoltaic power generating farms consist of an array of solar panels. These solar panels are made up of smaller solar cells (encased in glass to protect them from the elements), which convert electromagnetic radiation from the sun into electricity by means of semiconductors. The semiconductors use photons of light to knock electrons into a higher state of energy to create electricity (known as the photovoltaic effect).

The electricity produced by solar photovoltaic generating farms is in the form of direct current (unilateral flow of electricity). An inverter is required



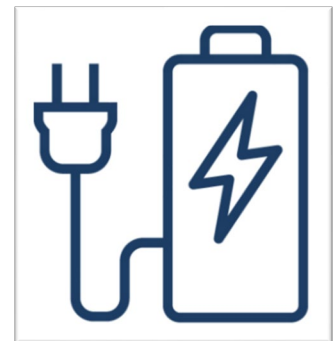
to convert the direct current electricity to alternating current, required for injection into the electricity distribution and transmission systems.

## Solar Thermal Power

Solar thermal power generation farms collect and concentrate solar radiation to produce the heat needed to generate electricity. Solar thermal power systems are equipped with an array of collectors used to focus solar radiation onto a receiver. Generally, the receiver contains fluid which is heated and circulated to produce steam or stored in a hot water tank for later use. The steam is converted into mechanical energy in a turbine, which powers a generator, to produce electricity. Solar thermal power systems are equipped with an array of collectors (tubes) used to focus radiation onto a fluid which is heated by the solar radiation and circulated to produce hot water. Hot water is stored in the water tank. Hot water could be used for industrial process, as electrolytic pond for copper or other metal extraction.

## Energy Storage Power Process

With the increased use of renewable energy from wind and solar, whose production varies depending on wind or solar radiation, it becomes important to integrate energy storage to help balance energy production and demand. As large hydroelectric dams allow water to be stored for later use in hydroelectric turbines, battery storage, spread over all power grids, allows the storage of excess energy generated from renewable energies, outside peak hours, to be reused in periods of high demand. The advantage of battery storage is its installation close to consumption areas during the peak demand. Battery storage can cover between 2 and 6 hours of peak demand.



In addition, energy storage by batteries will support various grid services like voltage and frequency stabilisation to meet the local needs as well as to support the load variation, reducing the demand on transmission lines during the peak period.

Renewable energy will be the only way to produce Green Hydrogen (Green H<sub>2</sub>) using electrolyser without CO<sub>2</sub> production. Electrolyser splits the water molecule into two components: Oxygen and Hydrogen. Green H<sub>2</sub> will become key for industrial applications as well as in the heavy transportation industry such as heavy truck, marine, train, airplane. For long term energy storage, the production of Green Hydrogen will allow energy to be stored over a long period of time. Green Hydrogen could be reused to produce electrical energy by using fuel cells.

## COMPETITIVE CONDITIONS

The power generated by the Operating Facilities are generally sold pursuant to long-term PPAs, power hedge contracts or short and long-term industrial and retail contracts (each, a form of PPA) to rated public utilities or other creditworthy counterparties. The PPAs of the Corporation have a weighted average remaining life of 13.2 years (based on gross long-term average production).

For most Operating Facilities in Canada and in France, PPAs include a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. For most Operating Facilities in the U.S., power generated is sold through PPAs or on the open market and supported by financial or physical

power hedges (a form of PPA) to address market price risk exposure. A power hedge is a contract for differences between an electricity producer and a hedge provider (often a financial institution) and as a result, are subject to certain unique risks when compared to more traditional forms of PPAs (see section entitled “Risk and Uncertainties” in 2022 Annual Report starting on page 70, which is incorporated herein by reference). Power hedges are growing in popularity throughout the U.S. and are generally available in deregulated electricity markets, which permit the sale of electricity output on a day-ahead or real-time market. Under a power hedge, if the market price of electricity falls below a certain set (hedge) price at the time of a sale, the hedge provider pays the producer the difference; if the market price is above the hedge price, then the producer pays the difference to the hedge provider. In Chile, Operating Facilities sell the power generated through PPAs to industrial customers or on the open market.

The Corporation intends to pursue growth opportunities in the renewable energy sector. As such, it intends to pursue growth in its current markets and remains open to identifying new target markets. In its current geographical areas, the Corporation faces competition from large utilities, coal, nuclear, and methane electricity producers, other independent power producers and institutions such as investment management funds. Market prices for methane and other commodities are important drivers of electricity prices which influence electricity prices from renewable energy. In Canada, the Corporation depends on the sale of its power to provincially owned utilities with long-term PPAs that are generally obtained through a competitive procurement process, which limit exposure to market price risk exposure. However, exposure to market mechanisms, present in deregulated electricity markets can expose certain facilities to operating restrictions, increased downtime due to limited demand or transmission constraints and locational pricing mechanisms.

The Corporation may also face competition while seeking to make acquisitions, as the assets up for sale can attract competing bids from other potential acquirers. The Corporation manages the risks posed by such competitive conditions through its ongoing strategic planning process, through geographical diversification of its portfolio of projects, as well as by focusing on low-impact renewable projects, long-term PPAs with a fixed price, its proven track record and its experienced management team.

The growing awareness and concerns over issues such as climate change, access to clean energy, energy security, energy efficiency and environmental impacts of conventional fossil fuel are leading governments around the world to increase their demand for and commitments to the development of renewable energy supply. Such concerns are driving private procurement initiatives for renewable energy, particularly in the U.S.

Moreover, renewable energy production competitiveness has increased drastically in the last decade mainly due to technological advances and falling costs of the main components. Consequently, notwithstanding the competitive risks associated with the ability to secure new PPAs or renew any PPA (see section entitled “Risk and Uncertainties” in the 2022 Annual Report starting on page 70, which is incorporated herein by reference), the Corporation believes that the outlook for the renewable energy industry is promising.

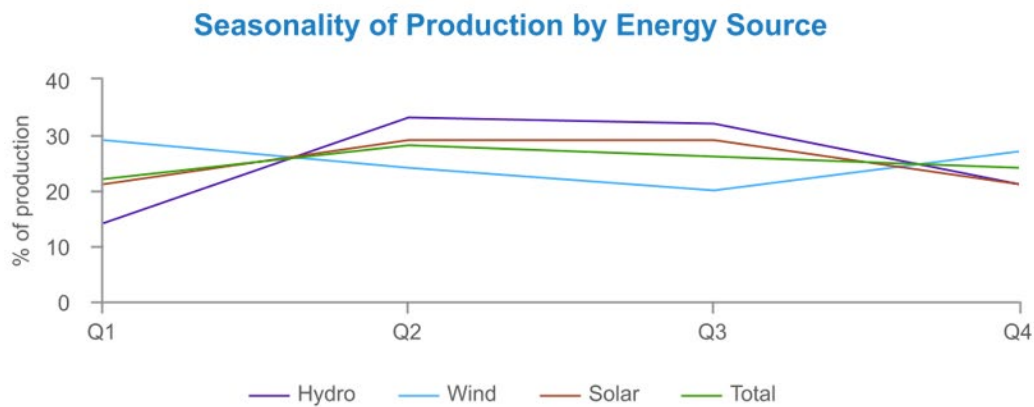
## ECONOMIC DEPENDENCE

The Corporation does not believe it is substantially dependant on any single contractual agreement. However, the Corporation has identified three (3) major customers under its various PPAs, namely Hydro-Québec (27.02%), BC Hydro (18.2%) and Électricité de France (10.3%) each represented more than 10% of its 2022 revenues. In 2021, Hydro-Québec, BC Hydro and Électricité de France represented, respectively, 29.4%, 25.2% 11.9% of the Corporation's revenues.

## SEASONALITY AND CYCLICALITY

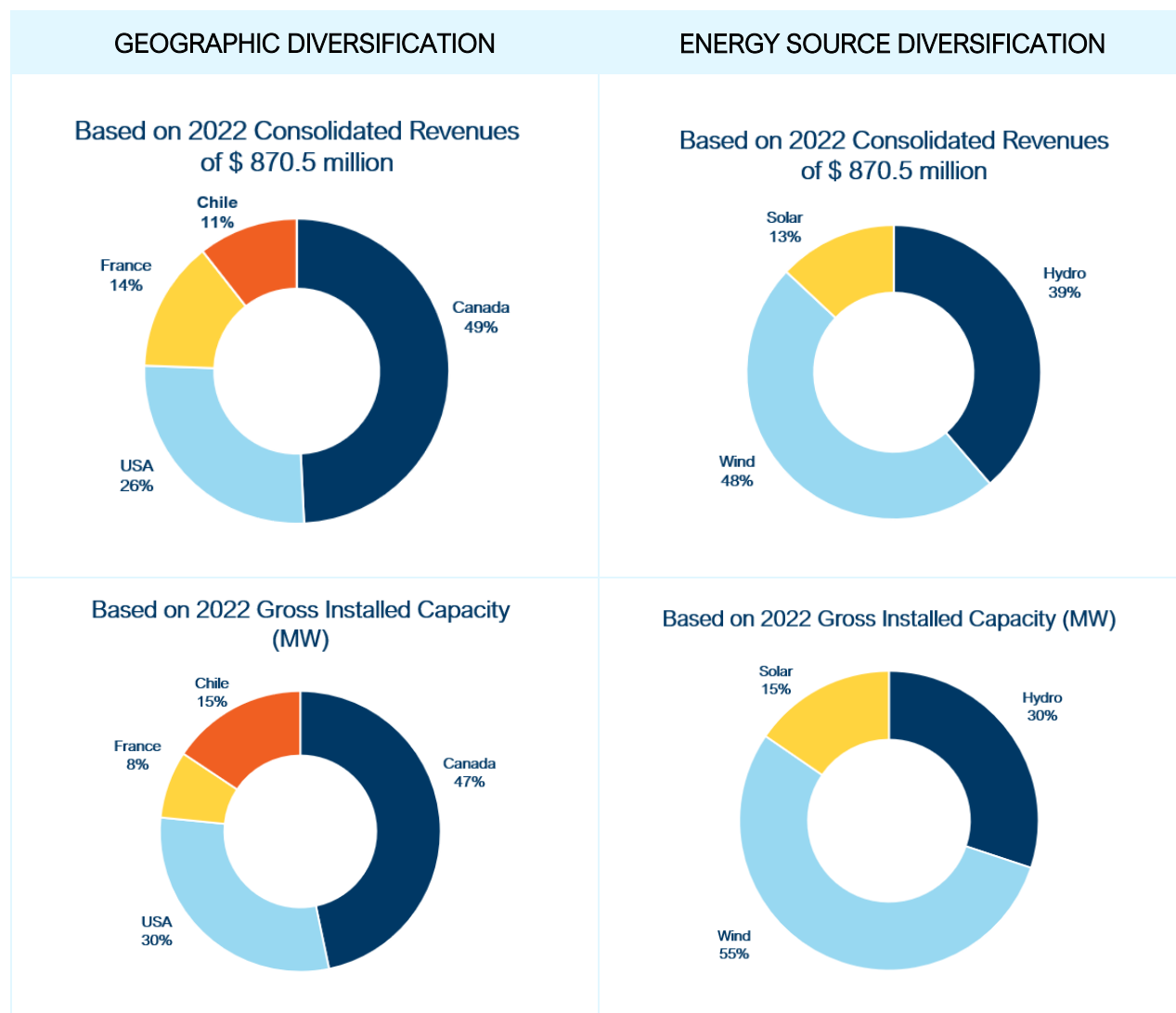
The renewable power industry is inherently seasonal due to the industry's dependence on weather for the availability of water, wind and sunlight resources for electrical generation.

### Seasonality of Production by Energy Source



The percentage of production is based on the LTA for the facilities in operations. The LTA is presented in accordance with revenue recognition accounting rules under IFRS and excludes production from facilities that are accounted for using the equity method.

The Corporation has limited its exposure to the seasonality of the industry by virtue of the fact that its facilities and projects are geographically diversified (spanning the Provinces of Québec, BC and Ontario in Canada, in France, in the U.S. and in Chile, as presented below as at December 31, 2022). These facilities and projects also offer a mix of energy sources, providing further diversification and thereby reducing the Corporation's dependence on any one resource and any one region.



# DESCRIPTION OF THE BUSINESS AND ASSETS OF THE CORPORATION

## GENERAL OVERVIEW – SEGMENT INFORMATION

As of December 31, 2022, the Corporation had three (3) operating segments: hydroelectric generation, wind power generation and solar power generation from which the electricity produced is sold to publicly owned utilities, other creditworthy counterparties or electricity markets. The Corporation also analyses potential sites and develops hydroelectric, wind and solar facilities up to commissioning stage.

| OPERATING SEGMENTS             | 2022 OPERATING REVENUES |                     | 2021 OPERATING REVENUES |                     |
|--------------------------------|-------------------------|---------------------|-------------------------|---------------------|
|                                | (\$M)                   | % OF TOTAL REVENUES | (\$M)                   | % OF TOTAL REVENUES |
| Hydroelectric Power Generation | 336.6                   | 38.7                | 277.3                   | 37.1%               |
| Wind Power Generation          | 420.5                   | 48.3                | 349.8                   | 46.8%               |
| Solar Power Generation         | 113.3                   | 13.0                | 120.1                   | 16.1%               |

## INTANGIBLE ASSETS

The intangible assets of the Corporation consist mainly of various PPAs, permits and licences. The Corporation reported \$1,269 million in intangible assets as of December 31, 2022, which are related to the following segments:

| SEGMENTS                       | HYDROELECTRIC GENERATION (\$M) | WIND GENERATION (\$M) | SOLAR GENERATION (\$M) | TOTAL (\$M) |
|--------------------------------|--------------------------------|-----------------------|------------------------|-------------|
| Net Value at December 31, 2022 | 496.6                          | 750.1                 | 22.2                   | 1,269       |

## PORTFOLIO OF ASSETS

The Corporation owns interest in three (3) groups of projects at various stages: Operating Facilities, Development Projects, and Prospective Projects.

## Operating Facilities

The Corporation owns and operates 84 facilities in commercial operation (the “**Operating Facilities**”). The Corporation shares ownership of certain Operating Facilities with a corporate, financial, local community or Indigenous partner. Most Operating Facilities sell the generated power under long-term fixed-price PPAs.

| OPERATING SEGMENTS | NUMBER OF OPERATING FACILITIES <sup>(1)</sup> | INSTALLED CAPACITY (MW) |                    | STORAGE CAPACITY (MWh) |
|--------------------|---|-------------------------|--------------------|------------------------|
|                    |   | GROSS <sup>(2)</sup>    | NET <sup>(3)</sup> |                        |
| Hydroelectric      | 40  | 1,259                   | 919                | -                      |
| Wind               | 35  | 2,278                   | 2,084              | -                      |
| Solar              | 8   | 646                     | 630                | 150                    |
| Storage            | 1   | -                       | -                  | 9                      |
| <b>Total</b>       | <b>84</b>                                     | <b>4,184</b>            | <b>3,634</b>       | <b>159</b>             |

1. The number of Operating Facilities includes all facilities owned and operated by the Corporation, including the non-wholly owned subsidiaries and joint ventures and associates.
2. Gross installed capacity is the total capacity of all Operating Facilities of the Corporation, including those owned and operated by a non-wholly owned subsidiaries and joint ventures and those operated by associates.
3. Net capacity is the proportional share of the total capacity attributable to the Corporation based on its ownership interest in each facility.

## Hydroelectric Operating Facilities

The Corporation owns interest in 40 hydroelectric Operating Facilities, out of which nine (9) are in the Province of Québec, three (3) in Ontario and 21 in BC for a total of 33 in Canada, three (3) in the U.S. and four (4) in Chile.

### QUÉBEC, CANADA

| FACILITY NAME               | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|-----------------------------|---------------------|-----------------|------|------------|
| Gilles-Lefrançois           | 24.0                | 100%            | 1999 | 2039       |
| Magpie                      | 40.6                | 99.996%         | 2007 | 2032       |
| Montmagny                   | 2.1                 | 100%            | 1996 | 2046       |
| Portneuf – 1 <sup>(1)</sup> | 8.0                 | 100%            | 1996 | 2021       |
| Portneuf – 2 <sup>(1)</sup> | 9.9                 | 100%            | 1996 | 2021       |
| Portneuf – 3 <sup>(1)</sup> | 8.0                 | 100%            | 1996 | 2021       |
| Saint-Paulin                | 8.0                 | 100%            | 1994 | 2034       |
| Ste-Marguerite              | 8.5                 | 50.1%           | 1993 | 2043       |
|                             | 22.0                |                 | 2002 | 2027       |
| Windsor                     | 5.5                 | 100%            | 1996 | 2036       |
| <b>TOTAL</b>                | <b>136.6</b>        |                 |      |            |

1. Discussions on the renewal terms and conditions are underway for the Portneuf Facilities' PPAs, in accordance with their renewal process provided for in the initial PPAs.



## ONTARIO, CANADA

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|-----------------|------|------------|
| Batawa        | 5.0                 | 100%            | 1999 | 2029       |
| Glen Miller   | 8.0                 | 100%            | 2005 | 2025       |
| Umbata Falls  | 23.0                | 49%             | 2008 | 2028       |
| <b>TOTAL</b>  | <b>36.0</b>         |                 |      |            |

## BC, CANADA

| FACILITY NAME             | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------------------|---------------------|-----------------|------|------------|
| Ashlu Creek               | 49.9                | 100%            | 2009 | 2039       |
| Big Silver Creek          | 40.6                | 100%            | 2016 | 2056       |
| Boulder Creek             | 25.3                | 100%            | 2017 | 2057       |
| Brown Lake <sup>(1)</sup> | 7.2                 | 100%            | 1996 | 2022       |
| Douglas Creek             | 27.0                | 50.0024%        | 2009 | 2049       |
| East Toba                 | 147.0               | 40%             | 2010 | 2045       |
| Fire Creek                | 23.0                | 50.0024%        | 2009 | 2049       |
| Fitzsimmons Creek         | 7.5                 | 100%            | 2010 | 2050       |
| Jimmie Creek              | 62.0                | 51%             | 2016 | 2056       |
| Kwoiek Creek              | 49.9                | 50%             | 2014 | 2054       |
| Lamont Creek              | 27.0                | 50.0024%        | 2009 | 2049       |
| Miller Creek              | 33.0                | 100%            | 2003 | 2023       |
| Montrose Creek            | 88.0                | 40%             | 2010 | 2045       |
| Northwest Stave River     | 17.5                | 100%            | 2013 | 2053       |
| Rutherford Creek          | 49.9                | 100%            | 2004 | 2024       |
| Stokke Creek              | 22.0                | 50.0024%        | 2009 | 2049       |
| Tipella Creek             | 18.0                | 50.0024%        | 2009 | 2049       |
| Tretheway Creek           | 21.2                | 100%            | 2015 | 2055       |
| Upper Lillooet River      | 81.4                | 100%            | 2017 | 2057       |
| Upper Stave River         | 33.0                | 50.0024%        | 2009 | 2049       |
| Walden North              | 16.0                | 51%             | 1993 | 2024       |
| <b>TOTAL</b>              | <b>846.4</b>        |                 |      |            |

1. The renewal of the Brown Lake PPA is under discussion with multiple parties.

## UNITED STATES

| FACILITY NAME  | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|----------------|---------------------|-----------------|------|------------|
| Curtis Mills   | 12.0                | 50%             | 1986 | 2027       |
| Horseshoe Bend | 9.5                 | 100%            | 1995 | 2030       |
| Palmer Falls   | 48.0                | 50%             | 1986 | 2027       |
| <b>TOTAL</b>   | <b>70.0</b>         |                 |      |            |

## CHILE

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY          |
|---------------|---------------------|-----------------|------|---------------------|
| Guayacán      | 12.0                | 69.5%           | 2010 | 2025 <sup>(1)</sup> |
| Mampil        | 55.0                | 100%            | 2001 | — <sup>(1)</sup>    |
| Peuchén       | 85.0                | 100%            | 2001 | — <sup>(1)</sup>    |
| Licán         | 18.0                | 100%            | 2011 | — <sup>(2)</sup>    |
| <b>TOTAL</b>  | <b>170.0</b>        |                 |      |                     |

1. Currently Guayacán and Duqueco (Mampil + Peuchén) have PPAs for a part of their generation. Guayacán signed a PPA with three (3) different offtakers. Duqueco has at this time six (6) different PPAs in force.
2. Licán sells its power to numerous clients.

## Wind Operating Facilities

The Corporation owns interests in 35 wind Operating Facilities, out of which eight (8) are in Canada (seven (7) in the Province of Québec and one (1) in BC), sixteen (16) in France, eight (8) in the U.S. and three (3) in Chile.

## QUÉBEC, CANADA

| FACILITY NAME             | GROSS CAPACITY (MW) | EQUITY INTEREST | COD          | PPA EXPIRY |
|---------------------------|---------------------|-----------------|--------------|------------|
| Baie-des-Sables           | 109.5               | 100%            | 2006         | 2026       |
| Carleton                  | 109.5               | 100%            | 2008         | 2028       |
| Gros-Morne <sup>(1)</sup> | 211.4               | 100%            | 2011<br>2012 | 2032       |
| L'Anse-à-Valleau          | 100.5               | 100%            | 2007         | 2027       |
| Mesgi'g Ugju's'n          | 150.0               | 50%             | 2016         | 2036       |
| Montagne Sèche            | 58.4                | 100%            | 2011         | 2031       |
| Viger-Denonville          | 24.6                | 50%             | 2013         | 2033       |
| <b>TOTAL</b>              | <b>763.9</b>        |                 |              |            |

1. Construction of the Gros-Morne Wind Farm was performed in two phases: phase I for 100.5 MW was brought to COD in 2011 and phase II for 111 MW in 2012.

## BC, CANADA

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|-----------------|------|------------|
| Dokie         | 144.0               | 25.5%           | 2011 | 2036       |
| <b>TOTAL</b>  | <b>144.0</b>        |                 |      |            |

## FRANCE

| FACILITY NAME     | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|-------------------|---------------------|-----------------|------|------------|
| Antoigné          | 8.0                 | 100%            | 2010 | 2025       |
| Beaumont          | 25.0                | 100%            | 2015 | 2032       |
| Bois d'Anchat     | 10.0                | 100%            | 2014 | 2032       |
| Bois des Cholletz | 11.8                | 100%            | 2015 | 2030       |
| Les Renardières   | 21.0                | 100%            | 2017 | 2032       |
| Longueval         | 10.0                | 100%            | 2009 | Merchant   |
| Montjean          | 12.0                | 100%            | 2016 | 2031       |
| Plan Fleury       | 22.0                | 100%            | 2017 | 2032       |
| Porcien           | 10.0                | 100%            | 2009 | 2025       |
| Rougemont-1       | 36.1                | 100%            | 2017 | 2032       |
| Rougemont-2       | 44.5                | 100%            | 2017 | 2032       |
| Theil-Rabier      | 12.0                | 100%            | 2016 | 2031       |
| Vaite             | 38.9                | 100%            | 2017 | 2032       |
| Vallottes         | 12.0                | 100%            | 2010 | 2025       |
| Yonne             | 44.0                | 100%            | 2017 | 2032       |
| Yonne II          | 6.9                 | 100%            | 2021 | 2041       |
| <b>TOTAL</b>      | <b>324.2</b>        |                 |      |            |

## UNITED STATES

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|-----------------|------|------------|
| Cold Springs  | 23.0                | 100%            | 2012 | 2032       |
| Desert Meadow | 23.0                | 100%            | 2012 | 2032       |
| Foard City    | 350.3               | 100%            | 2019 | 2031       |
| Griffin Trail | 225.6               | 100%            | 2021 | -          |
| Hammett Hill  | 23.0                | 100%            | 2012 | 2032       |
| Mainline      | 23.0                | 100%            | 2012 | 2032       |
| Ryegrass      | 23.0                | 100%            | 2012 | 2032       |
| Two Ponds     | 23.0                | 100%            | 2012 | 2032       |
| <b>TOTAL</b>  | <b>713.9</b>        |                 |      |            |

## CHILE

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY <sup>(1)</sup> |
|---------------|---------------------|-----------------|------|---------------------------|
| Aurora        | 129                 | 100%            | 2020 | 2036 / 2041               |
| Cuel          | 33                  | 100%            | 2014 | 2036 / 2041               |
| Sarco         | 170                 | 100%            | 2020 | 2036 / 2041               |
| <b>TOTAL</b>  | <b>332</b>          |                 |      |                           |

1. The facilities are anchored by two forms of power purchase agreements with 25 Chilean distribution companies, maturing at the end of 2036 and 2041.

## Solar Operating Facilities

The Corporation owns interests in eight (8) solar Operating Facilities, out of which one (1) is in Canada (in the Province of Ontario), four (4) in the U.S. and three (3) in Chile, which one (1) in Chile has a storage capacity of 150.0 MWh.

### ONTARIO, CANADA

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|-----------------|------|------------|
| Stardale      | 27.0                | 100%            | 2012 | 2032       |
| <b>TOTAL</b>  | <b>27.0</b>         |                 |      |            |

### UNITED STATES

| FACILITY NAME | GROSS CAPACITY (MW) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|-----------------|------|------------|
| Kokomo        | 6.0                 | 90%             | 2016 | 2036       |
| Spartan       | 10.5                | 100%            | 2017 | 2042       |
| Phoebe        | 250.0               | 100%            | 2019 | 2031       |
| Hillcrest     | 200.0               | 100%            | 2021 | 2036       |
| <b>TOTAL</b>  | <b>467.0</b>        |                 |      |            |

## CHILE

| FACILITY NAME | GROSS CAPACITY (MW) | STORAGE CAPACITY (MWh) | EQUITY INTEREST | COD  | PPA EXPIRY |
|---------------|---------------------|------------------------|-----------------|------|------------|
| Pampa Elvira  | 34.0                | 150.0 <sup>(1)</sup>   | 27.5%           | 2013 | 2023       |
| Salvador      | 68.0                | -                      | 100%            | 2014 | 2030       |
| San Andrés    | 50.6                | -                      | 100%            | 2014 | 2034       |
| <b>TOTAL</b>  | <b>152.6</b>        | <b>150.0</b>           |                 |      |            |

1. Capacity related to the hot water storage of the Pampa Elvira Solar Farm.

## Storage Operating Facility

The Corporation owns interests in one (1) storage Operating Facility in France.

| FACILITY NAME | GROSS CAPACITY (MWh) | EQUITY INTEREST | COD  | CAPACITY CONTRACT EXPIRY |
|---------------|----------------------|-----------------|------|--------------------------|
| Tonnerre      | 9                    | 100%            | 2022 | 2028                     |
| <b>TOTAL</b>  | <b>9</b>             |                 |      |                          |

## Development Projects

The Corporation has interests in 11 development projects, five (5) are under construction and six (6) projects are at different stages of development (the “**Development Projects**”), representing an aggregate estimated gross installed capacity of 733 MW and an aggregate estimated storage capacity of 605 MWh. All the Development Projects are set forth in the following tables:

### Under Construction

| COUNTRY                        | PROJECTS <sup>(1)</sup>     | ESTIMATED GROSS INSTALLED CAPACITY (MW) | ESTIMATED STORAGE CAPACITY (MWh) | EQUITY INTEREST | EXPECTED COD        | PPA EXPIRY |
|--------------------------------|-----------------------------|---|----------------------------------|-----------------|---------------------|------------|
| <b>HYDROELECTRIC PROJECT</b>   |                             |   |                                  |                 |                     |            |
| Canada                         | Innavik <sup>(2)</sup>      | 7.5                                     | -                                | 50%             | 2023                | 2063       |
| <b>WIND PROJECT</b>            |                             |   |                                  |                 |                     |            |
| U.S.                           | Boswell Springs             | 329.8                                   | -                                | 100%            | 2024                | 2054       |
| <b>SOLAR PROJECT</b>           |                             |   |                                  |                 |                     |            |
| U.S.                           | Hale Kuawehi <sup>(3)</sup> | 30.0                                    | 120.0                            | 100%            | 2024 <sup>(4)</sup> | 2058       |
| <b>ENERGY STORAGE PROJECTS</b> |                             |   |                                  |                 |                     |            |
| Chile                          | Salvador BESS               | 50.0                                    | 250.0 <sup>(5)</sup>             | 100%            | 2023                | -          |
| Chile                          | San Andrés BESS             | 35.0                                    | 175.0 <sup>(6)</sup>             | 100%            | 2025                | -          |
| <b>TOTAL</b>                   |                             | <b>452.3</b>                            | <b>545.0</b>                     |                 |                     |            |

1. This information is intended to inform the reader of the project's potential impact on the Corporation's results. The actual results may vary. See “Forward-Looking Information”.

2. Construction of the project began in the spring of 2020.

3. Solar project with a battery storage capacity of 30 MW/120 MWh (4 hours).

4. Construction of the project began in January 2022 and is currently under revision.

5. Battery storage capacity of 50 MW/250 MWh (5 hours).

6. Battery storage capacity of 35 MW/175 MWh (5 hours).

## Other Development Projects

| COUNTRY                       | PROJECTS                         | ESTIMATED GROSS INSTALLED CAPACITY (MW) | ESTIMATED STORAGE CAPACITY (MWh) | EQUITY INTEREST | EXPECTED COD |
|-------------------------------|----------------------------------|---|----------------------------------|-----------------|--------------|
| <b>HYDROELECTRIC PROJECTS</b> |                                  |   |                                  |                 |              |
| Chile                         | Frontera <sup>(1)</sup>          | 109.0                                   | -                                | 75%             | -            |
| Chile                         | Rucacura <sup>(2)</sup>          | 3.0                                     | -                                | 100%            | 2025         |
| <b>WIND PROJECTS</b>          |                                  |   |                                  |                 |              |
| France                        | Lazenay <sup>(3)</sup>           | 9.0                                     | -                                | 25%             | 2024         |
| France                        | Auxy Bois Regnier <sup>(4)</sup> | 29.4                                    | -                                | 100%            | 2025         |
| <b>SOLAR PROJECTS</b>         |                                  |   |                                  |                 |              |
| U.S.                          | Paeahu <sup>(1)</sup>            | 15.0                                    | 60.0                             | 100%            | -            |
| U.S.                          | Palomino <sup>(5)</sup>          | 200.0                                   | -                                | 100%            | 2025         |
| <b>TOTAL</b>                  |                                  | <b>365.4</b>                            | <b>60.0</b>                      |                 |              |

1. Project schedule is under revision.
2. Due to the COVID 19, the electromechanical components delivery has been delayed and the construction has been postponed to mid-2023 for a COD expected in 2025.
3. Subject to the respect of the grid interconnection deadlines by the grid operator, construction is scheduled to start in Q2 of 2023 and COD is expected in 2024.
4. Construction has been postponed, and COD is expected by the end of 2025.
5. Construction is expected to begin in the third quarter of 2023 and COD is expected in the third quarter of 2025.

## Prospective Projects

As of February 21, 2023, with a combined potential gross installed capacity of 8,701 MW, the prospective projects are in various stages of development (the “**Prospective Projects**”). Some Prospective Projects are targeted toward specific current or future RFPs. Other Prospective Projects are maintained or continue to advance and will be available for future requests for proposals yet to be announced or are targeted toward negotiated PPAs with public utilities or other creditworthy counterparties in Canada or in other countries such as France, the U.S. and Chile. There is no certainty that any Prospective Project will be realized.

For additional information on the Corporation’s Operating Facilities, Development and Prospective Projects, see section entitled “Overview of Operations” in the 2022 Annual Report starting on page 23, which is incorporated herein by reference.

## Financial and Operational Effects of Environmental Protection Requirements

Most costs associated with environmental protection requirements are incurred by the Corporation at the development and construction phases of a renewable energy project. These costs are capitalized to the project, when a PPA is secured for the project or if the project is sufficiently advanced to have a high degree of confidence that it will be realized and amortized once the project is operational, or they are charged to earnings if the project does not go ahead. These costs will vary from project to project. In order for management to proceed with any project, it must support a pre-determined return on the capital costs invested, including capitalized environmental protection costs. The Corporation does incur ongoing costs associated with environmental protection requirements on operational facilities, which are charged to operating costs as incurred.

## Employees

As of December 31, 2022, the Corporation had 538 employees. The Corporation's employees have the specialized knowledge and skills to carry out its business and the Corporation has a proven ability to complement this internal capacity with an efficient use of external consultants, when required.

## Environmental, Social and Governance

The Corporation focuses on developing projects that create long-term value and sustainable growth while maintaining the integrity of existing assets. Innergex is proud of the trust it has earned with the communities where it conducts operations, its partners, and its shareholders and remains committed to delivering long-term value and strong results through strategic and innovative investment opportunities.

The Corporation is committed to improving its Environmental, Social and Governance ("ESG") performance and to continue to grow its activities in accordance with its sustainable business model that balances People, our Planet and Prosperity.



### People

We are a team of passionate individuals who build strong partnerships with local communities.



### Our Planet

We believe that renewable energy is part of the solution to climate change.



### Prosperity

We generate value for our employees, shareholders, partners and host communities.

## Health and Safety

The *Health and Safety Policy* formalizes the Corporation's commitment to safe and healthy working conditions for the prevention of work-related injury and illness of Innergex's employees, contractors, and the public.

The Health and Safety team is responsible for developing safety policies and programs, developing, and delivering training sessions, conducting internal audits of safety performance, monitoring and reporting safety risks, events or issues and implementing the emergency action plan. It is imperative that Innergex not only comply with applicable local laws and government regulations, but also with strict internal standards and policies that foster and promote a safe and healthy work environment.

## Social Responsibility

This year we continued to strengthen our governance practices by updating several policies, such as our Board Diversity policy and Sustainable Development policy, as well as adopting a new one, our Supplier Code of Conduct. This new Code of Conduct provides the guidelines to ensure safe and healthy workplaces in our supply chain, where the conditions of human and civil rights are consistent with the principles set forth in the Innergex's Statement of Principle – Safeguard and Promotion of Human Rights.



In 2021, Innergex launched its Diversity & Inclusion policy. This policy is promoted by key executives of the Corporation and aims to help Innergex thrive in a competitive economic environment by inspiring creativity, promoting different perspectives, improving performance and innovation, facilitating recruitment, and increasing retention. Our commitment is to adhere to best industry practices, create a diverse and inclusive workplace, and develop a corporate culture that not only treats everyone equally, but also seeks and values input from everyone. We have also obtained the bronze parity certification awarded by Women in Governance, which recognises our efforts in terms of diversity and inclusion.

In addition, following the repercussions of COVID 19 in the workplace and as part of our commitment to improve our employees' work/life balance, Innergex updated its telework policy which gives employees in Canada and the United States (a separate one already exists for France) the flexibility to set their office schedule with their manager. The policy also provides the benefit of reduced commuting time and carbon footprint. For more information on our social programs, see our Sustainability Report available online at [sustainability.innergex.com](https://sustainability.innergex.com).

## **Good Governance**

The purpose of the Code of Conduct is to provide guidelines to ensure that the Corporation's reputation for integrity and good corporate citizenship is maintained through adherence to high ethical standards, backed by transparent and honest relations among employees, shareholders, directors, suppliers, host communities, partners and other stakeholders. All directors, officers and employees of the Corporation are required to understand and acknowledge the Code of Conduct upon being appointed or hired and thereafter annually.

The Code of Conduct, as complemented by the other policies and guidelines states that all employees shall ensure that the activities of the Corporation are integrated harmoniously into the communities in which we conduct operations with regard to the natural environment. This includes following environmental laws and regulations at all times, supporting the economic, social and cultural development of the communities in which the Corporation carries on its activities, cooperating, to the extent possible, with programs established for the betterment of the community, mitigating or avoiding the environmental impact of the Corporation's activities (to the extent reasonably possible) and implementing timely remedial measures, when necessary. The Code of Conduct, in combination with the Corporation's Policy for a Workplace Environment Free of Harassment, Violence and Bullying, last revised on February 23, 2022, also aims to prevent harassment and bullying at the work place, and foster a safe and inclusive working environment without discrimination. The Code of Conduct also addresses situations such as conflict of interest and anti-corruption measures, in addition to addressing other matters of importance to the Corporation, such as maintaining information security.

The Board of Directors monitors compliance with all corporate policies through regular reporting from the management. These policies can be found online at [innergex.com/about/governance](https://innergex.com/about/governance).

## **Environmental Leadership**

Fighting climate change is one of the key principles driving our work. Generating renewable energy exclusively means we are a low emitter of GHG, relative to other energy sources while providing the solutions to build a better world. Our results illustrate that our facilities produce electricity with no significant amounts of GHG emissions in their operations which makes it a challenge to set reduction targets in our production system. In fact, the amounts of renewable energy generated offset more than our own modest emissions (such as from vehicles or short-term backup generation during outages). In 2019, we committed to disclosing our GHG emissions on an annual basis. Increasing our output of renewable energy will allow us to make a bigger contribution in the fight against climate change to help build a cleaner future.

Climate change, which increases the likelihood, frequency and severity of adverse weather conditions such as severe storms, droughts and water stress, heat waves, forest fires, rising temperatures and changing precipitation patterns, presents both risks and opportunities to the Corporation. Climate change has proven to disrupt weather patterns in ways that are difficult to anticipate, which could result in more frequent and severe disruptions to the Corporation's generation facilities and the power markets in which the Corporation operates. In addition, energy demands generally vary with weather conditions.

The Corporation's facilities and projects are exposed to various hazards that are expected to increase in the future under various climate scenarios. The Corporation carefully manages physical risks, including preparing for, and responding to, extreme weather events through activities such as proactive route selection, asset hardening, regular maintenance, and insurance. The Corporation follows regulated engineering codes, evaluates ways to create greater system reliability and resiliency and, where appropriate, submits regulatory applications for capital expenditures aimed at creating greater system reliability and resiliency. When planning for capital investments or asset acquisitions, we consider site-specific climate and weather factors, such as flood plain mapping and extreme weather history. Prevention activities include wildfire management plans and vegetation management at electricity transmission and distribution sites. The Corporation maintains in-depth emergency response measures for extreme weather events. Despite all the measures in place to prepare for and respond to extreme weather events, there is no assurance that there would be no consequences on the Corporation's revenues and profitability.

Through consultations with various levels of the Corporation, including the Board of Directors, the executive as well as experts in each of the jurisdictions in which the Corporation operates, the team gained an understanding of the resilience of the business in different climate futures by performing assessment on a facility-by-facility basis of their potential physical and transition impacts. The bulk of this work included a deep dive of the business through climate-related scenario analysis to inform business strategy and financial planning processes and assess the resilience of its strategies against various climate-related scenarios.

In relation to the ESG performance, Innergex analyzes and calculates annual metrics to support our business and share relevant information with stakeholders on our environmental, social and governance performance. The 2021 Sustainability Report provides metrics and other data to support our commitment to building a better world with renewable energy. Our disclosures are purposely aligned with internationally recognized frameworks including the United Nations Sustainable Development Goals and the Sustainability Accounting Standards Board.

Furthermore, the Sustainable Development Policy articulates the Corporation's commitment to integrating sustainable development considerations in all aspects of its business, including its strategic planning, decision-making, management, and operations and establishes clear rules for minimizing the impacts of its operations on the environment.

Innergex's environmental team designs and implements procedures and tracks progress on long-term environmental monitoring programs, reporting regimes and the development and execution of emergency action plans as related to environmental matters. The Corporation recognizes that our renewable energy projects must be constructed and operated in a way that mitigates and/or compensates for the impacts on the surrounding environment. Each renewable energy facility complies with national, provincial, state and local regulations and the team continuously analyzes and evaluates the impact of its operational activities on the environment in order to improve its procedures and the outcomes when permissible.

Finally, in 2022, as an important step in our sustainability journey, Innergex issued its 2022 Climate Assessment Report based on the recommendations of Task Force on Climate-related Financial Disclosures (TCFD). As we move forward, we expect these disclosures to mature to reflect the evolving nature of climate-related risks and opportunities and best practices. It was developed with guidance from the TCFD, our internal expertise, and an external consultant, and follows a commitment we made in 2021 to further align our disclosures with a globally recognized standard.

The Corporation's Sustainability Reports, ESG standards, the 2022 Climate Assessment Report and ongoing sustainability efforts can be found online at [sustainability.innergex.com/1](https://sustainability.innergex.com/1).

## RISK MANAGEMENT AND RISK FACTORS

For information with respect to risks and uncertainties to which the Corporation is subject, see section entitled "Risk and Uncertainties" in the 2022 Annual Report starting on page 70, which is incorporated herein by reference.

## DIVIDENDS

The declaration and payment of dividends on the Corporation's shares is within the discretion of the Board of Directors. It will determine if and when dividends should be paid in the future based on all relevant circumstances, including the desirability of maintaining capital to finance further growth and the Corporation's financial position at the relevant time. As publicly disclosed, the Corporation currently pays a dividend on its Common Shares, Series A Shares and Series C Shares, payable on a quarterly basis. For additional information, please see section entitled "Dividends" in the 2022 Annual Report starting on page 52, which is incorporated herein by reference.

The following table sets forth the dividends declared by the Corporation during its financial years ended December 2020, December 2021 and December 2022.

| TYPE OF SECURITIES | DECEMBER 31, 2022 |                              | DECEMBER 31, 2021 |                              | DECEMBER 31, 2020 |                              |
|--------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                    | TOTAL (\$M)       | ANNUAL AMOUNT PER SHARE (\$) | TOTAL (\$M)       | ANNUAL AMOUNT PER SHARE (\$) | TOTAL (\$M)       | ANNUAL AMOUNT PER SHARE (\$) |
| Common Shares      | 146.9             | 0.72                         | 132.2             | 0.72                         | 125.5             | 0.72                         |
| Series A Shares    | 2.7               | 0.81                         | 2.8               | 0.81                         | 3.1               | 0.90                         |
| Series C Shares    | 2.8               | 1.44                         | 2.9               | 1.44                         | 2.9               | 1.44                         |

As of the date of this AIF, the Corporation does not expect to make any changes to its dividend policy. For additional information on the Corporation's dividend policy and the possibility that the Corporation may not declare or pay dividend, see section entitled "Risk and Uncertainties" in the 2022 Annual Report starting on page 70, which is incorporated herein by reference.

# DESCRIPTION OF CAPITAL STRUCTURE

---

## GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As of February 21, 2023, 204,160,610 Common Shares, 3,400,000 Series A Shares, 2,000,000 Series C Shares, \$148.0 million of 4.75% Convertible Debentures and \$142.1 million of 4.65% Convertible Debentures were issued and outstanding.

### Common Shares

Holders of Common Shares are entitled to (i) one vote per share at all meetings of shareholders of the Corporation, (ii) subject to the prior rights of the holders of Preferred Shares, receive, as and when declared by the Board of Directors, the payment of dividends and (iii) in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, after payment to the holders of Preferred Shares to the amounts they are entitled to in such event, the remaining assets of the Corporation will be paid to or distributed equally and rateably among the holders of the Common Shares.

There are no rights of pre-emption, redemption or conversion in respect of the Common Shares.

### Preferred Shares

Preferred Shares are issuable in series and the Board of Directors has the right to fix the number of and to determine the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series.

The Preferred Shares of each series, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and are entitled to a preference and priority over the Common Shares.

The holders of any series of Preferred Shares are entitled to receive, in priority to the holders of Common Shares, as and when declared by the Board of Directors, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such Preferred Shares form part.

The holders of Preferred Shares are not (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of holders of Series A Shares, Series B Shares or Series C Shares as a series, as applicable) entitled to receive notice of, attend, or vote at, any meetings of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight quarterly dividends on the Series A Shares, the Series B Shares or Series C Shares. In the event of such non-payment, and for only so long as the dividends remain in arrears, the holders of the Series A Shares, the Series B Shares or the Series C Shares, as applicable, will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series A Share, Series B Share or

Series C Share held by such holder, until all such arrears of such dividends have been paid, whereupon such rights shall cease.

The Corporation, subject to any rights attached to any particular series of Preferred Shares, may, at its option, redeem all or from time to time any part of the outstanding Preferred Shares on payment to the holders thereof, for each share to be redeemed, of the redemption price per share, together with all dividends declared thereon and unpaid. If entitled to pursuant to the conditions attached to any particular series of Preferred Shares, a holder of Preferred Shares is entitled to require the Corporation to redeem at any time and from time to time after the date of issue of any Preferred Shares, upon giving notice, all or any number of the Preferred Shares registered in the name of such holder on the books of the Corporation, at the redemption price per share, together with all dividends declared thereon and unpaid.

The Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Preferred Shares outstanding at the lowest price at which, in the opinion of the directors of the Corporation, such shares are obtainable, provided that such price or prices does not in any case exceed the redemption price current at the time of purchase for the shares of the particular series purchased, plus costs of purchase together with all dividends declared thereon and unpaid.

## Series A Shares and Series B Shares

On September 14, 2010, the Corporation completed an offering of the Series A Shares which resulted in the issuance of a total of 3,400,000 Series A Shares (the “**Series A Offering**”). The rights and privileges attached to Series A Shares and Series B Shares are set forth in the Certificate of Amendment dated September 10, 2010 issued by Industry Canada in connection with the Series A Offering (the “**Series A and Series B Shares Terms**”). The following summarizes certain provisions of the Series A and Series B Shares Terms which are subject to and qualified in its entirety by reference to the Series A and Series B Shares Terms available on SEDAR at [www.sedar.com](http://www.sedar.com).

Holders of Series A Shares are entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15<sup>th</sup> day of January, April, July and October in each year in an annual amount per Series A share determined in accordance with the formula set in the short form prospectus for the Series A Shares dated September 7, 2010 (the “**Series A Shares Prospectus**”). For the five-year period from January 15, 2021 to but excluding January 15, 2026, the dividend on the Series A Shares will be \$0.811 per share per annum.

Each holder of Series A Shares had the right, at its option, to convert all or any of its Series A Shares into Series B Shares on the basis of one Series B Share for each Series A Share converted, subject to certain conditions, on January 15, 2016 and will have the right, at its option, to effect such conversion on January 15 every five years thereafter. The holders of Series B Shares are entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15<sup>th</sup> day of January, April, July and October in each year, in the annual amount per Series B Share determined in accordance with the formula set out in the Series A Shares Prospectus. As at January 15, 2021, no Series A Shares were converted into Series B Shares.

In addition, the Series A Shares are not redeemable by the Corporation prior to January 15, 2021. On January 15 every five years thereafter, subject to certain other restrictions set out in the Series A Shares Prospectus, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or any number of the outstanding Series A Shares for \$25 per Series A Share, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation).

The Series B Shares are not redeemable by the Corporation on or prior to January 15, 2021. Subject to certain other restrictions set out in the Series A Shares Prospectus, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of the outstanding Series B Shares by payment in cash of a per share sum equal to (i) \$25 in the case of redemptions on January 15, 2021 and on January 15 every five years thereafter (each a “**Series B Conversion Date**”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series B Conversion Date after January 15, 2021, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation).

## Series C Shares

On December 11, 2012, the Corporation completed a bought deal offering of Series C Shares (“the “**Series C Offering**”) which resulted in the issuance of a total of 2,000,000 Series C Shares. The rights and privileges attached to Series C Shares are set forth in the Certificate of amendment dated December 6, 2012 issued by Industry Canada in connection with the Series C Offering (the “**Series C Shares Terms**”). The following summarizes certain provisions of the Series C Shares Terms which are subject to and qualified in its entirety by reference to the Series C Shares Terms available on SEDAR at [www.sedar.com](http://www.sedar.com).

The holders of Series C Shares are entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15<sup>th</sup> day of January, April, July and October in each year at an annual rate equal to \$1.4375 per Series C Share.

The Series C Shares were not redeemable by the Corporation prior to January 15, 2018. Since January 15, 2018, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of outstanding Series C Shares by payment in cash of a per share sum equal to (i) \$26 if redeemed on or prior to January 15, 2019; (ii) \$25.75 if redeemed thereafter and on or prior to January 15, 2020; (iii) \$25.50 if redeemed thereafter and on or prior to January 15, 2021; (iv) \$25.25 if redeemed thereafter and on or prior to January 15, 2022; and (v) \$25 if redeemed thereafter, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption.

The Series C Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof.

## 4.75% Convertible Debentures

On June 12, 2018, the Corporation completed on a bought deal basis an offering in the aggregate principal amount of \$150.0 million of 4.75% convertible debentures (the “**4.75% Convertible Debentures**”) at a price of \$1,000 per debenture. The 4.75% Convertible Debentures are unsecured and subordinated, have a maturity date of June 30, 2025 (“**4.75% Maturity Date**”), bearing interest at a rate of 4.75% per annum, payable semi-annually, and are convertible at the option of the holder into Common Shares at a conversion price of \$20.00 per Common Share (the “**4.75% Conversion Price**”), the whole as provided for in the indenture dated June 12, 2018 between the Corporation and Computershare Trust Company of Canada (the “**4.75% Convertible Debentures Indenture**”). The following summarizes certain provisions of the 4.75% Convertible Debentures Indenture which are subject to, and qualified in its entirety by reference to, the provisions of the 4.75% Convertible Debentures Indenture, available on SEDAR at [www.sedar.com](http://www.sedar.com).



On or after June 30, 2021 and prior to June 30, 2023, the 4.75% Convertible Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the 4.75% Conversion Price (the “**4.75% Current Market Price**”).

On or after June 30, 2023 and prior to the 4.75% Maturity Date, the 4.75% Convertible Debentures may be redeemed, in whole or in part, at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. Subject to required regulatory approval and provided that there is not a current event of default (as defined in the 4.75% Convertible Debentures Indenture), the Corporation may, at its option, elect to satisfy its obligation to pay the principal amount of the 4.75% Convertible Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares upon at least 40 days and not more than 60 days prior notice, by delivering that number of Common Shares obtained by dividing the principal amount of the 4.75% Convertible Debentures which are to be redeemed or have matured by 95% of the 4.75% Current Market Price. Any accrued or unpaid interest will be paid in cash.

## 4.65% Convertible Debentures

On September 30, 2019, the Corporation completed, on a bought deal basis, an offering in the aggregate principal amount of \$125.0 million of 4.65% convertible debentures (the “**4.65% Convertible Debentures**”) at a price of \$1,000 per debenture. The 4.65% Convertible Debentures are unsecured and subordinated, have a maturity date of October 31, 2026 (“**4.65% Maturity Date**”), bearing interest at a rate of 4.65% per annum, payable semi-annually, and are convertible at the option of the holder into Common Shares at a conversion price of \$22.90 per Common Share (the “**4.65% Conversion Price**”), the whole as provided for in the indenture dated September 30, 2019 between the Corporation and AST Trust Company (Canada) (the “**4.65% Convertible Debentures Indenture**”). The following summarizes certain provisions of the 4.65% Convertible Debentures Indenture which are subject to, and qualified in its entirety by reference to, the provisions of the 4.65% Convertible Debentures Indenture, available on SEDAR at [www.sedar.com](http://www.sedar.com).

On or after October 31, 2022 and prior to October 31, 2024, the 4.65% Convertible Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the 4.65% Conversion Price (the “**4.65% Current Market Price**”).

On or after October 31, 2024 and prior to the 4.65% Maturity Date, the 4.65% Convertible Debentures may be redeemed, in whole or in part, at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. Subject to required regulatory approval and provided that there is not a current event of default (as defined in the 4.65% Convertible Debentures Indenture), the Corporation may, at its option, elect to satisfy its obligation to pay the principal amount of the 4.65% Convertible Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares upon at least 40 days and not more than 60 days prior notice, by delivering that number of Common Shares obtained by dividing the principal amount of the 4.65% Convertible Debentures which are to be redeemed or have matured by 95% of the 4.65% Current Market Price. Any accrued or unpaid interest will be paid in cash.



## CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities.

The table to the right sets out the ratings of the Corporation, of its Series A Shares and of its Series C Shares received from Fitch.

|                                |      |
|--------------------------------|------|
| Innergex Renewable Energy Inc. | BBB- |
| Series A Shares                | BB   |
| Series C Shares                | BB   |

### Fitch

On March 17, 2022, Fitch assigned a rating of BBB- with a stable rating outlook. Fitch has also assigned a rating of BB to the Series A Shares and Series C Shares. The Series A Shares and Series C Shares are afforded a 50% equity credit due to the cumulative nature of the dividends and the perpetual nature of the preferred shares. Fitch calculates the Corporation's credit metrics on an unconsolidated basis as its operating assets are largely financed with non-recourse project debt held by the project subsidiaries.

Fitch's credit ratings are on a long-term debt scale that ranges from AAA to D, representing the range from highest to lowest quality of such rated securities. The rating of BBB- obtained from Fitch in respect of the Corporation is the fourth highest of ten available rating categories and indicates that the issuer has adequate capacity to meet its financial commitments. The rating of BB from Fitch in respect of the Series A Shares and Series C Shares indicates an elevated vulnerability to default risk, however business or financial flexibility exists that support the servicing of financial commitments. The BB rating from Fitch is the fifth highest of ten available ratings categories. The addition of a (+) or (-) designation after a rating indicates the relative standing within a category. In each case, however, adverse economic conditions or changing circumstances are more likely to lead to weakened capacity of the obligor to meet its financial commitments on the obligation. A Fitch rating is an opinion as to the creditworthiness of a security. An opinion and a report made by Fitch are based on established criteria and methodologies that are continuously evaluating and updated.

The Corporation has paid applicable service fees to Fitch for the rating of the Corporation, the Series A Shares and the Series C Shares and the annual review thereof. The Corporation has not paid any other amounts for other services provided by Fitch within the last three years.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

## MARKET FOR SECURITIES

The following table sets forth the reported highest and lowest price and the daily average volume of the Common Shares (INE), Series A Shares (INE.PR.A), Series C Shares (INE.PR.C), 4.75% Convertible Debentures (INE.DB.B) and 4.65% Convertible Debentures (INE.DB.C) during 2022:

| Period         | COMMON SHARES      |                   |                      |  | SERIES A SHARES    |                   |                      |  | SERIES C SHARES    |                   |                      |
|----------------|--------------------|-------------------|----------------------|--|--------------------|-------------------|----------------------|--|--------------------|-------------------|----------------------|
|                | Highest price (\$) | Lowest price (\$) | Daily average volume |  | Highest price (\$) | Lowest price (\$) | Daily average volume |  | Highest price (\$) | Lowest price (\$) | Daily average volume |
| January 2022   | 18.92              | 16.91             | 552,089              |  | 18.48              | 17.24             | 1,221                |  | 25.32              | \$25.15           | 708                  |
| February 2022  | 19.03              | 16.57             | 779,623              |  | 18.00              | 17.05             | 1,602                |  | 25.41              | \$24.92           | 971                  |
| March 2022     | 20.15              | 18.14             | 478,737              |  | 17.15              | 16.69             | 2,362                |  | 25.20              | \$24.77           | 408                  |
| April 2022     | 20.23              | 17.06             | 527,175              |  | 17.25              | 15.99             | 2,428                |  | 25.30              | \$23.90           | 581                  |
| May 2022       | 17.91              | 15.89             | 343,906              |  | 16.45              | 15.70             | 2,569                |  | 24.15              | \$23.60           | 776                  |
| June 2022      | 18.37              | 16.79             | 408,467              |  | 16.63              | 15.70             | 5,353                |  | 24.26              | \$23.00           | 713                  |
| July 2022      | 19.42              | 17.30             | 371,806              |  | 16.01              | 15.25             | 1,425                |  | 24.04              | \$23.40           | 386                  |
| August 2022    | 20.16              | 18.60             | 320,514              |  | 16.00              | 15.30             | 1,470                |  | 24.00              | \$23.38           | 430                  |
| September 2022 | 20.46              | 17.12             | 371,007              |  | 16.10              | 14.55             | 2,108                |  | 23.96              | \$22.75           | 610                  |
| October 2022   | 18.39              | 14.23             | 621,530              |  | 14.60              | 13.25             | 2,426                |  | 23.00              | \$21.50           | 786                  |
| November 2022  | 16.90              | 14.62             | 449,800              |  | 14.00              | 12.91             | 4,277                |  | 22.10              | \$20.01           | 1,508                |
| December 2022  | 18.05              | 15.89             | 303,011              |  | 13.50              | 13.00             | 2,448                |  | 21.45              | \$20.45           | 1,113                |

| Period         | 4.75% CONVERTIBLE DEBENTURES |                   |                      |  | 4.65% CONVERTIBLE DEBENTURES |                   |                      |
|----------------|------------------------------|-------------------|----------------------|--|------------------------------|-------------------|----------------------|
|                | Highest price (\$)           | Lowest price (\$) | Daily average volume |  | Highest price (\$)           | Lowest price (\$) | Daily average volume |
| January 2022   | 110.53                       | 105.00            | 427                  |  | 107.25                       | 104.25            | 614                  |
| February 2022  | 111.00                       | 105.03            | 17,944               |  | 108.09                       | 102.17            | 1,061                |
| March 2022     | 113.00                       | 109.50            | 2,276                |  | 109.90                       | 105.82            | 107                  |
| April 2022     | 112.00                       | 104.50            | 1,104                |  | 108.63                       | 103.01            | 367                  |
| May 2022       | 106.00                       | 102.00            | 255                  |  | 103.00                       | 100.73            | 441                  |
| June 2022      | 108.00                       | 102.21            | 768                  |  | 104.83                       | 100.51            | 496                  |
| July 2022      | 108.77                       | 101.00            | 561                  |  | 103.88                       | 100.00            | 557                  |
| August 2022    | 110.00                       | 107.00            | 341                  |  | 104.49                       | 102.04            | 245                  |
| September 2022 | 110.00                       | 100.01            | 641                  |  | 104.50                       | 97.85             | 421                  |
| October 2022   | 104.75                       | 98.00             | 378                  |  | 99.75                        | 93.00             | 1,052                |
| November 2022  | 104.48                       | 98.50             | 381                  |  | 96.99                        | 93.00             | 490                  |
| December 2022  | 105.00                       | 95.00             | 315                  |  | 97.80                        | 95.01             | 414                  |

## DIRECTORS AND EXECUTIVE OFFICERS

### DIRECTORS

The following table sets forth the name, province or state and country of residence of each director of the Corporation as of the date of this AIF, his principal occupation and the period during which each has acted as a director. Each director is elected or appointed until the next annual meeting of shareholders or until a successor is elected by shareholders, unless the director resigns or his or her office becomes vacant by removal, death or other cause.

| Name, province and country of residence            | Director since | Board committees  | Principal occupation for the past five year   |
|--|----------------|---|---|
| <b>Daniel Lafrance</b><br>Québec, Canada           | 2010           | Chair of the Board  | Corporate Director  |
| <b>Ross J. Beaty</b><br>British Columbia, Canada   | 2018           | --  | Corporate Director  |
| <b>Pierre G. Brodeur</b><br>Québec, Canada         | 2020           | Chair of the Audit Committee  | Since June 2018, acts as a senior business advisor and corporate director. Retired as a partner of Deloitte LLP in May 2018 after serving 40 years  |
| <b>Radha D. Curpen</b><br>British Columbia, Canada | 2022           | --  | Vice Chair, Vancouver Managing Partner and National Leader, ESG Strategy and Solutions at Bennett Jones LLC   |
| <b>Nathalie Francisci</b><br>Québec, Canada        | 2017           | Member of the Corporate Governance Committee<br>Member of the Human Resources Committee | Corporate Director and since February 2021, acts as Strategic Advisor at Optimum Talent-Gallagher. From October 2013 to January 2021, was a partner, Governance & Diversity for the firm Odgers Berndtson |
| <b>Richard Gagnon</b><br>Québec, Canada            | 2017           | Chair of the Human Resources Committee<br>Member of the Audit Committee                 | Corporate Director  |
| <b>Michel Letellier</b><br>Québec, Canada          | 2002           | --  | President and Chief Executive Officer of the Corporation and serves on the Board of directors of Canadian National Railway Company, a reporting issuer  |
| <b>Dalton McGuinty</b><br>Ontario, Canada          | 2015           | Member of the Corporate Governance Committee  | Corporate Director and Senior Advisor (consultant) for Desire2 Learn and Pomerleau Inc.   |
| <b>Monique Mercier</b><br>Québec, Canada           | 2015           | Chair of the Corporate Governance Committee<br>Member of the Human Resources Committee  | Corporate Director<br>From May 2014 to December 2018, she was the Executive Vice President, Corporate Affairs, Chief Legal and Governance Officer of TELUS Corporation                                    |
| <b>Ouma Sananikone</b><br>New York, U.S.           | 2019           | Member of the Audit Committee   | Corporate Director  |
| <b>Louis Veci</b><br>Québec, Canada                | 2020           | --  | Senior Director – Operating and Maintenance West d'Hydro-Québec   |

## EXECUTIVE OFFICERS

The following table sets forth the name, province or state and country of residence of each executive officer, his or her office and principal occupation and the period of service as an executive officer of the Corporation.

| Name, province and country of residence  | Officer since | Office/Principal Occupation                |
|--|---------------|--|
| <b>Michel Letellier</b> , MBA<br>Québec, Canada                                | 2003          | President and Chief Executive Officer      |
| <b>Jean Trudel</b> , MBA<br>Québec, Canada                                     | 2003          | Chief Financial Officer                    |
| <b>Yves Baribeault</b> , P.Eng., LL.B., MBA<br>Québec, Canada                  | 2015          | Chief Legal Officer and Secretary          |
| <b>Alexandra Boislard-Pépin</b> , MBA <sup>(1)</sup><br>Québec, Canada         | 2020          | Chief Human Resources Officer              |
| <b>Pascale Tremblay</b> , M.Sc., P.Eng. <sup>(2)</sup><br>Québec, Canada       | 2021          | Chief Assets Officer                       |
| <b>Renaud, de Batz de Trenquelléon</b> , P.Geo., M.Sc., MBA<br>Santiago, Chile | 2005          | Senior Vice President – Latin America      |
| <b>Colleen Giroux-Schmidt</b><br>British Columbia, Canada                      | 2018          | Vice President – Corporate Relations       |
| <b>Matthew Kennedy</b> , M.Sc., R.P. Bio.<br>British Columbia, Canada          | 2011          | Vice President – Environment               |
| <b>Nikolaos Nikolaidis</b> , M.Sc., MBA<br>Québec, Canada                      | 2021          | Vice President – Investments and Financing |

During the past five years, each of the above executive officers has held his present principal occupation or other management positions with the Corporation except for:

1. Alexandra Boislard-Pépin was Vice President – Talent and Culture and various other positions at Aimia Inc. from October 2017 to March 2020.
2. Pascale Tremblay held a range of operational roles at Pratt & Whitney Canada, including Customer Service worldwide Operations Vice-President from January 2018 to July 2021.

## DIRECTORS' AND EXECUTIVE OFFICERS' SHARE OWNERSHIP

As of February 21, 2023, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control or direction over 9,198,284 Common Shares, representing 4.5% of the Corporation's total issued and outstanding Common Shares.

## BANKRUPTCY, INSOLVENCY, CEASE TRADE ORDER AND PENALTIES

To the knowledge of the Corporation, none of the directors and executive officers of the Corporation (a) is, as of the date of this AIF, nor has been within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of a corporation that (i) was subject to an order issued while such director or executive officer of the Corporation was acting in the capacity of director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after such director or executive officer of the Corporation ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, (b) is not, as of the date of this AIF, nor has been within ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or executive officer of the Corporation, except for Ouma Sananikone, who, until May 12, 2022, was a board member of Xebec Adsorption Inc., a corporation that made an application for an initial order under the *Companies' Creditors Arrangement Act* on September 29, 2022. The order was granted the same day.

For the purposes of the paragraph above, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

## CONFLICTS OF INTEREST

---

There are no existing or potential material conflicts of interest between the Corporation or any of its subsidiaries and their respective directors and officers. Certain of the Corporation's directors and officers also serve as directors or officers of other corporations. Such associations may give rise to conflicts of interest from time to time. Management of the Corporation and the Board of Directors will address any such conflict of interest which may arise in the future in accordance with reasonable expectations and objectives of the Corporation and will act in accordance with any duty of care and any duty to act in good faith owed to the Corporation.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

---

Neither the Corporation nor its properties is, nor was during the year ended December 31, 2022, subject to any legal proceedings that would have a material adverse effect on it, except for those discussed below. To the Corporation's knowledge, no other such legal proceedings involving the Corporation, or its property are contemplated.

### **Innavik Hydro Project**

On January 25, 2023, a legal hypothec was registered by the contractor against the Innavik Hydro Project, a joint venture company, in the amount of \$57,768,000 representing the contractor's claim for payment of additional costs under the Engineering, Procurement, and Construction Contract dated June 10, 2020 entered into by Innavik Hydro Limited Partnership and the contractor (as amended) in regards to the project. The Corporation disputes the claim in good faith and, unless the contractor discharges the legal hypothec, the Corporation will take legal action to cause the legal hypothec to be removed from the project's title. As at December 31, 2022, while continuing to dispute the claim, the project allocated a provision for construction cost overruns, estimated based on a range of possible outcomes that are materially lower than the amount claimed by the contractor.

### **BC Hydro Curtailment Notices**

In May 2020, Innergex received notices from BC Hydro in relation to six of the Corporation's hydroelectric facilities in British Columbia stating that BC Hydro would not accept and purchase energy under the applicable PPA above a specified curtailment level for the period from May 22, 2020, to July 20, 2020. The specified curtailment levels were 0.0 MW/h for the Jimmie Creek (accounted for using the equity method), Upper Lillooet River, Northwest Stave River, and Boulder Creek facilities, 2.0 MW/h for the Tretheway Creek Facility and 4.0 MW/h for the Big Silver Creek Facility.

BC Hydro cited COVID 19 and related governmental measures taken in response to it as constituting a "force majeure" event under the PPAs and resulting in a situation in which BC Hydro was unable to accept or purchase energy under the PPAs. The notices to Innergex followed public statements by BC Hydro regarding measures it took to address the reduced electricity demand during the COVID 19 pandemic and related challenges to the safe operation of its hydroelectric system.

Innergex disputes that the pandemic and related governmental measures in any way prevented BC Hydro from fulfilling its obligations to accept and purchase energy under the PPAs or enable it to invoke "force majeure" provisions under the PPAs to suspend these obligations. Innergex acknowledges that BC Hydro retains "turn-down" rights under the PPAs, which enable it to require Innergex to turn down or shut off its facilities in certain circumstances, including in order to avoid a safety or stability risk. Where BC Hydro exercises this right, it is required under the PPAs to compensate Innergex for energy that would have been produced at the facilities in the absence of the curtailment. Innergex complied with BC Hydro's curtailment request but has done so under protest and sought to enforce its rights under the PPAs on the basis described above. The dispute was settled in the first quarter of 2022 to Innergex's satisfaction.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

---

Other than as set out below, no director or executive officer of the Corporation, no person who beneficially owns, controls or directs, directly or indirectly, more than 10% of any category of shares of the Corporation and no known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction or proposed transaction, within the last three years or during the current financial year, that has materially affected or will materially affect the Corporation.

### Hydro-Québec

Following the private placement completed on February 6, 2020 and the subsequent two private placements on September 3, 2021 and February 22, 2022, Hydro-Québec indirectly holds 19.82% of the issued and outstanding Common Shares on a non-diluted basis. Hydro-Québec is one of the major customers of the Corporation under various PPAs, and sales to Hydro-Québec amounted to \$235.2 million in 2022. See “*Industry Overview and Principal Markets – Economic Dependence*”.

Prior to the above private placements and the Strategic Alliance, the Corporation obtained PPAs with Hydro-Québec through competitive RFPs. In the past three years, the Corporation renegotiated the PPAs with respect to the St-Paulin, the Windsor, Ste-Marguerite, the Montmagny and the Gilles-Lefrançois Facilities with Hydro-Québec and is currently renegotiating the Portneuf Facilities PPA.

Following the closing of the joint acquisition of the Curtis Palmer Project, Innergex and Hydro-Québec each indirectly owns a 50% interest in the project, for additional details, see section “*Three-Year Summary – Financial Year 2021*”.

Hydro-Québec is governed by the *Hydro-Québec Act* which establishes a framework for Hydro-Québec’s activities and defines its mission and rules of governance, as well as by internal bylaws, policies and code of conduct, which regulate the internal operations of various components of Hydro-Québec and prevent conflict of interest in future relationships with the Corporation and any other entity.

## TRANSFER AGENT AND REGISTRAR

---

The transfer agent and registrar is Computershare Trust Company of Canada for the Common Shares, the Series A Shares, the Series B Shares, the Series C Shares and the 4.75% Convertible Debentures. AST Trust Company (Canada) is the transfer agent and registrar of the 4.65% Convertible Debentures at their offices in Toronto and Montréal.

## MATERIAL CONTRACTS

---

During financial year 2018, the Corporation entered into the following material contracts:

- Credit Agreement between the Corporation and CDPQ Revenu Fixe Inc.;
- 4.75% Convertible Debentures Indenture; and
- 4.75% Convertible Debentures Underwriting Agreement.

During financial year 2019, the Corporation entered into the following material contracts:

- 4.65% Convertible Debentures Indenture; and
- 4.65% Convertible Debentures Underwriting Agreement.

During financial year 2020, the Corporation entered into the following material contract:

- Investor Rights Agreement with respect to the Private Placement.

During financial year 2021, the Corporation did not entered into material contracts.

During financial year 2022, the Corporation entered into the following material contract;

- Eighth Amended and Restated Credit Agreement.

All of these material contracts are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## INTEREST OF EXPERTS

---

KPMG LLP is the independent auditor of the Corporation and has advised that it is independent with respect to the Corporation within the meaning of the Code of ethics of the *Ordre des comptables professionnels agréés du Québec*.

## AUDIT COMMITTEE DISCLOSURE

---

The Audit Committee is composed entirely of directors who meet the independence and experience requirements of Regulation 52-110 Respecting Audit Committees adopted under the *Securities Act* (Québec). In addition to being operationally literate (having substantial experience in the execution of day to day business decisions and strategic business objectives acquired as a result of meaningful past experience with a broad responsibility for operations), the members of the Board of Directors who serve on the Corporation's Audit Committee must be financially literate in the sense of having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally compared to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements, and otherwise in keeping with applicable governance standards under applicable securities laws and regulations. All members of the Audit Committee are operationally as well as financially literate.



Pierre G. Brodeur is Chair of the Audit Committee. Richard Gagnon and Ouma Sananikone are its other current members. Each of them is independent and financially literate within the meaning of Regulation 52-110 *Respecting Audit Committees*. The following describes the education and related experience of each of the members:

**Pierre G. Brodeur (Chair)** – Pierre G. Brodeur acts as a senior business advisor and corporate director as his principal occupation since June 2018. Mr. Brodeur retired as partner of Deloitte LLP in May 2018, after serving 40 years with the firm. Mr. Brodeur was an audit partner serving large global public corporations. He holds a Bachelor in Business Administration (B.A.A.) awarded by the École des Hautes Études Commerciales (HEC Montréal) and he also obtained Certification exams for the Chartered Professional Accountant (CPA), Chartered Accountant (CA) and is a member of CPA Canada. He is also a member of the governance committee of the Ordre des Comptables Professionnels Agréés du Québec (OCPAQ) and member of the executive and governance committees, and Chair of the board of directors of Moisson Montréal, the largest food bank in Canada.

**Richard Gagnon** – Richard Gagnon has acted as a corporate director as his principal occupation since January 2017. From November 2003 to January 2017, he was President and Chief Executive Officer of Humania Assurance Inc. (a Canadian health insurance company). Holding a Bachelor of Arts: administration, communication and law (1979), he is also a “**Fellow Administrateur Agréé**” since 1996. Richard Gagnon currently acts as a director of The Professionals Financial and since December 1<sup>st</sup>, 2022 acts as a director of the Société de l’assurance automobile du Québec.

**Ouma Sananikone** – Ouma Sananikone has acted as a corporate director as her principal occupation since 2006. She was Chief Executive Officer of the two following entities: Aberdeen Asset Management (Australia) and EquitiLink Group (an Australian asset management group, listed on the Sydney Stock Exchange with operations in Australia, US, Canada and the UK) as well as Managing Director of BNP Investment Management (Australia). She also held other senior positions, included Managing Director at Rothschild Asset Management (Australia), Managing Director at BT Financial Services (Westpac Group) and Managing Director, Corporate Strategy and Investments, at NRMA Insurance in Australia. She holds a BA (economics and political sciences) from the Australian National University and a Master of Commerce (economics) from the University of New South Wales. Currently, she serves on the Board of directors of the following reporting issuers: (i) Macquarie Infrastructure Corporation, an issuer listed on the New York Stock Exchange, and is chair of its Compensation Committee and a member of both the Audit and Governance and Nomination committees, (ii) Hafnia BW and is a member of the Remuneration Committee, (iii) iA Société financière Inc. and (iv) of its subsidiary Industrielle Alliance, Assurance et Services financiers Inc.

The charter of the Audit Committee is attached hereto as Schedule B.

## Independent Auditor's Fees

The Audit Committee pre-approves the engagement for services of its external auditor and all audit and non-audit services provided by them. Moreover, the Board, upon recommendation of the Audit Committee, approves, on an annual basis, the fees charged to the Corporation by KPMG LLP.

The aggregate fees paid, including the Corporation's pro rata share of the fees paid by its joint ventures, for professional services rendered by KPMG LLP and its affiliates for the years ended December 31, 2022, and December 31, 2021 are presented below.

| <b>FEES<sup>(1)</sup></b> | <b>FINANCIAL YEAR ENDED<br/>DECEMBER 31, 2022<br/>(\$)</b> | <b>FINANCIAL YEAR ENDED<br/>DECEMBER 31, 2021<br/>(\$)</b> |
|---------------------------|--|--|
| Audit Fees                | 2,403,484  | 1,951,550  |
| Audit-Related Fees        | 256,135  | 325,510  |
| Tax Fees <sup>(2)</sup>   | 392,465  | 876,034  |
| All Other Fees            | --   | 100,240  |
| <b>Total Fees :</b>       | <b>3,052,084</b>   | <b>3,253,334</b>   |

1. A definition of these terms can be found in the "Glossary of terms" on page 47.

2. Tax fees were \$371,001 for compliance services and \$21,464 for tax consulting services.

## ADDITIONAL INFORMATION

Additional financial information is provided in the 2022 Annual Report which contains the audited financial statements and management's discussion and analysis of financial condition and results of operations for the most recently completed financial year and information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the information circular prepared in connection with the Corporation's most recent annual shareholders' meeting, both are available on SEDAR at [www.sedar.com](http://www.sedar.com).

All requests for the above-mentioned documents must be addressed to the Secretary of Innergex Renewable Energy Inc. at 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9 or by email at [legal@innergex.com](mailto:legal@innergex.com) or by fax at 450-928-2544.

## GLOSSARY OF TERMS

---

**"2020 Bid"** has the meaning attributed thereto under "General Development of the Business – Three-Year Summary – Financial Year 2020";

**"2021 Bid"** has the meaning attributed thereto under "General Development of the Business – Three-Year Summary – Financial Year 2021";

**"2022 Bid"** has the meaning attributed thereto under "General Development of the Business – Three-Year Summary – Financial Year 2022";

**"2022 Annual Report"** means the Corporation's Annual Report dated February 22, 2023 for the year ended December 31, 2022, which is incorporation herein by reference and can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on its website at [www.innergex.com](http://www.innergex.com);

**"2021 Offering Price"** has the meaning attributed under "General Development of the Business – Three Year Summary – Financial Year 2021";

**"2022 Offering Price"** has the meaning attributed under "General Development of the Business – Three Year Summary – Financial Year 2022";

**"4.65% Convertible Debentures"** has the meaning attributed under "Description of Capital Structure – 4.65% Convertible Debentures";

**"4.65% Convertible Debentures Indenture"** has the meaning attributed under "Description of Capital Structure – 4.65% Convertible Debentures";

**"4.65% Convertible Debentures Underwriting Agreement"** means the underwriting agreement entered into by the Corporation and the underwriters thereto in connection with the issuance of the 4.65% Convertible Debentures on September 11, 2019;

**"4.65% Conversion Price"** has the meaning attributed under "Description of Capital Structure – 4.65% Convertible Debentures";

**"4.65% Current Market Price"** has the meaning attributed thereto under "Description of Capital Structure – 4.65% Convertible Debentures";

**"4.65% Maturity Date"** has the meaning attributed under "Description of Capital Structure – 4.65% Convertible Debentures";

**"4.75% Convertible Debentures"** has the meaning attributed under "Description of Capital Structure – 4.75% Convertible Debentures";

**"4.75% Convertible Debentures Indenture"** has the meaning attributed under "Description of Capital Structure – 4.75% Convertible Debentures";

**"4.75% Convertible Debentures Underwriting Agreement"** means the underwriting agreement entered into by the Corporation and the underwriters thereto in connection with the issuance of the 4.75% Convertible Debentures on May 29, 2018;

**"4.75% Conversion Price"** has the meaning attributed under "Description of Capital Structure – 4.75% Convertible Debentures";

**"4.75% Current Market Price"** has the meaning attributed thereto under "Description of Capital Structure – 4.75% Convertible Debentures";

**"4.75% Maturity Date"** has the meaning attributed under "Description of Capital Structure – 4.75% Convertible Debentures";

**"Adjusted EBITDA"** are 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. Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings, as determined in accordance with IFRS, as further detailed under the "Cautionary Statement on Forward-Looking Information" section;

**"All other fees"** refer to the aggregate fees billed for products and services provided by the Corporation's external auditor, other than "Audit fees", "Audit-related fees" and "Tax fees";

**"Audit fees"** refer to all fees for professional services rendered for the audit of the annual financial statements. They also comprise fees for audit services provided in connection with other statutory and regulatory filings, such as the audit of the financial statements of the subsidiaries of the Corporation, as applicable, as well as services that generally only the Corporation's auditors can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions;

**"Audit-related fees"** refer to the fees for due diligence related to potential mergers and acquisitions and are not reported under "Audit fees";

**“Barbers Point Solar Project”** means the 15 MW Solar and the 60 MWh battery storage project located on the island of O’ahu;

**“BC”** means the Province of British Columbia, Canada;

**“BC Hydro”** means British Columbia Hydro and Power Authority;

**“Big Silver Creek Facility”** means the 40.6 MW hydroelectric facility located approximately 40 km north of Harrison Hot Springs in BC;

**“Boswell Springs Wind Project”** is a wind farm project of 329.8 MW located in Wyoming, United-States.

**“Boulder Creek Facility”** means the 25.3 MW hydroelectric facility located in BC;

**“COD”** means commercial operation date in respect of a project in accordance with its PPA;

**“Common Shares”** has the meaning attributed thereto under “Corporate Structure”;

**“Corporation”** means Innergex Renewable Energy Inc. and includes its subsidiaries, unless the context requires otherwise;

**“COVID 19”** means an infectious disease caused by a newly discovered coronavirus;

**“Curtis Palmer Project”** means the 60 MW run-of-river hydroelectric portfolio located in Corinth, New York, consisting of the 12 MW Curtis Mills and 48 MW Palmer Falls facilities;

**“Development Projects”** has the meaning attributed thereto under “Description of the Business and Assets of the Corporation - Portfolio of Assets”;

**“Douglas Creek Facility”** means the 27 MW hydroelectric facility located nearby the confluence of Douglas Creek with Little Harrison Lake in BC;

**“Energía Llaima”** is a Chilean renewable energy Company;

**“EPA”** means an electricity purchase agreement;

**“ERCOT”** means the Electricity Reliability Council of Texas as further detailed under the “Renewable Power in the U.S.” section;

**“February 2021 Texas Events”** has the meaning attributed under “Three-Year Summary – Financial Year 2021”;

**“Fitch”** means Fitch Ratings, Inc. or any successor to its rating agency business;

**“Flat Top Wind Farm”** means the 200 MW wind farm located in Mills county, Texas, U.S.;

**“Foard City Wind Farm”** means the 350.3 MW wind farm located Foard county, Texas, U.S.;

**“GHG”** greenhouse gas;

**“GWh”** one million watts per hour or one million kilowatt hours;

**“Griffin Trail Wind Farm”** means the 225 MW wind farm located in Knox and Baylor Counties, Texas;

**“Gros-Morne Wind Farm”** means the 211.5 MW wind facility located in the Municipalities of Mont-Louis and Sainte-Madeleine-de-la-Rivière-Madeleine, Québec;

**“Hillcrest Solar Farm”** means the 200 MW solar farm located in the Brown County, Ohio.

**“HQI”** means HQI Canada Holding Inc., a subsidiary of Hydro-Québec;

**“Innavik Hydro Project”** means the 7.5 MW hydroelectric project located near Inukjuak, in northern Québec;

**“Kahana Solar Project”** means a 20 MW solar and 80 MWh battery storage facility located on the island of Maui;

**“km”** means kilometer;

**“Licán”** means Empresa Eléctrica Licán S.A.;

**“LTA”** means the long-term average annual level of electricity production;

**“MW”** means one million watts or one megawatt;

**“MWh”** means one million watts per hour or one megawatt per hour;

**“Operating Facilities”** has the meaning attributed thereto under “Description of the Business and Assets of the Corporation - Portfolio of Assets”;

**“Paris Agreement”** has the meaning attributed thereto under “Industry Overview and Principal Markets – Renewable Power Generation Industry”;

**“Phoebe Solar Farm”** means the 250MW photovoltaic solar farm located in Texas, U.S.;

**“Pituvik”** means Pituvik Landholding Corporation;

**“Portneuf Facilities”** means the three Portneuf hydroelectric facilities namely, Portneuf – 1 of 8 MW, Portneuf – 2 of 9.9 MW and Portneuf – 3 of 8 MW located the Portneuf River in Sainte-Anne-de-Portneuf and Saint-Paul-du-Nord-Sault-au-Mouton within the Seigneurie des Milles-Vaches, Province of Québec;

**“PPA”** or **“EPA”** means a power purchase agreement, an electricity supply agreement, an electricity purchase agreement, a renewable energy supply contract power hedge or contract for difference;

**“Preferred Shares”** has the meaning attributed thereto under “Corporate Structure”;

**“Prospective Projects”** has the meaning attributed thereto under “Description of the Business and Assets of the Corporation - Portfolio of Assets”;

**“Request for Proposals”** or **“RFP”** means a request for proposals issued by a provincial government, or an entity created by such government for such purpose;

**“San Andrés Solar Farm”** means the 50.6 MW solar farm located in the Atacama desert in Northern Chile;

**“Salvador Solar Farm”** means a 68 MW solar farm located in the Atacama Desert near El Salvador in the Atacama Region of Chile;

**“Series A Shares”** has the meaning attributed thereto under “Corporate Structure”;

**“Series B Shares”** has the meaning attributed thereto under “Corporate Structure”;

**“Series C Shares”** has the meaning attributed thereto under “Corporate Structure”;

**“Series A Offering”** has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

**“Series A Shares Prospectus”** has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

**“Series A and Series B Shares Terms”** has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

**“Series B Conversion Date”** has the meaning attributed thereto under “Description of Capital

Structure – General Description of Capital – Series A shares and Series B Shares”;

**“Series C Shares Terms”** has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series C shares”;

**“Shannon Wind Farm”** means the 204 MW wind farm located in Texas, U.S.;

**“Strategic Alliance”** has the meaning attributed thereto under “General Development of the Business”;

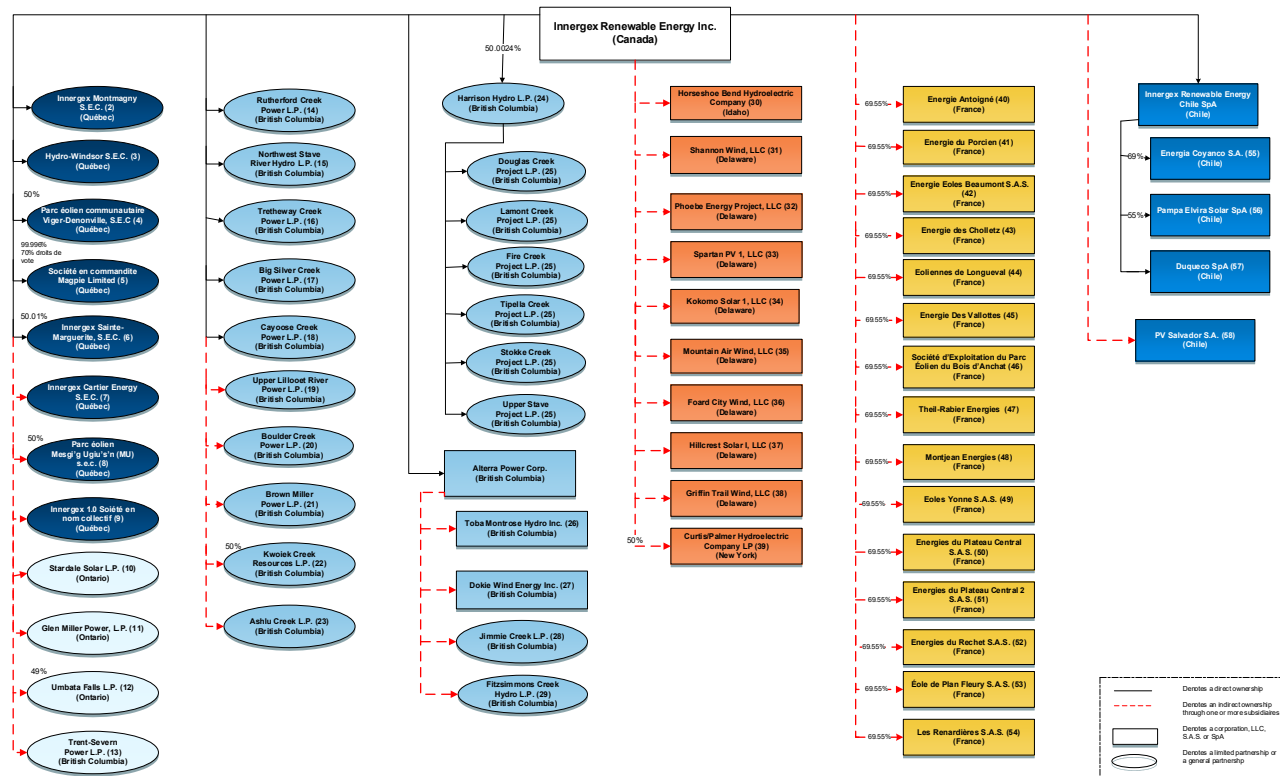
**“Tax fees”** refer to the aggregate fees for income, consumption and other tax compliance, advice and planning services relating to domestic and international taxation;

**“TCFD”** Task Force on Climate-related Financial Disclosures;

**“Tretheway Creek Facility”** means the 21.2 MW hydroelectric facility located approximately 50 km north of Harrison Hot Springs in BC;

**“TSX”** means the Toronto Stock Exchange; and

**“TWh”** means 1,000 gigawatts per hour or one million megawatts per hour.



## SCHEDULE B

---

### CHARTER OF THE AUDIT COMMITTEE

This Charter prescribes the role of the Audit Committee of the Board (the “**Committee**”) of Innergex Renewable Energy Inc. (the “**Corporation**”). This Charter is subject to the provisions of the Corporation's Articles and By-Laws and to applicable laws.

#### 1. Role

In addition to the powers and authorities conferred upon the Directors in the Corporation's Articles and By-Laws and as prescribed by applicable laws, the mandate of the Committee is to oversee the:

- A. Compliance of the Corporation with respect to applicable governmental and authorities' legislation and regulation pertaining to financial information disclosure;
- B. Adequacy of the accounting principles and decisions regarding the presentation of financial statements, in accordance with generally accepted accounting principles;
- C. Fair presentation of the Corporation's financial situation in its quarterly and annual financial statements;
- D. Timely disclosure of relevant information to shareholders and to the general public; and
- E. Implementation of efficient internal controls for all of the Corporation's transactions and review of such controls on a regular basis.

#### 2. Composition

##### 2.1 Number and criteria

The Committee must be constituted as required under Regulation 52-110 – Respecting Audit Committees, as it may be amended from time to time (“**Regulation 52 110**”). The Committee is comprised only of members who are qualified as independent (as that term is defined in Regulation 52-110) and are financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements).

The Committee shall consist of at least three members.

##### 2.2 Selection and Chair

The members of the Committee and its Chair shall be appointed by the Board on an annual basis after the shareholders' annual meeting at which the directors are elected, or until their successors are duly appointed. The Chair shall designate from time to time a person who may, but not necessarily, be a member of the Committee to act as secretary.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee Membership.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director of the Corporation. The Board may fill vacancies on the

Committee by appointing from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of its powers so long as a quorum remains.

## **2.3 Remuneration**

Members of the Committee and its Chair shall receive such remuneration for their services as the Board may determine from time to time.

## **3. Meetings**

The Committee shall meet at least four times annually, or more frequently as circumstances require.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of members of the Committee or such greater number as the Committee shall determine by resolution.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members, which shall not be less than 48 hours. The notice period may be waived by all members of the Committee.

The Committee shall determine any desired agenda items.

The Committee should record minutes of its meetings and the Chair shall report to the whole Board on a timely basis.

The Chair may ask members of Management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation and others as they consider appropriate.

In order to foster open communication, the Committee or its Chair shall meet at least quarterly with Management, the external auditor and the internal auditor, in separate sessions, to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with Management quarterly in connection with the Corporation's quarterly financial statements.

## **4. Responsibilities**

Without limiting the generality of its role as described in section 1 above, the Committee shall, inter alia:

### **4.1 Relationship with external auditor**

- Recommend to the Board the appointment and compensation of the external auditor;
- Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable;
- Oversee the work of the external auditor, including the resolution of any issues between the external auditor and Management;
- Pre-approve all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation or its subsidiaries by the external auditor;
- Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to assess their independence;



- Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant;
- Periodically consult with the external auditor without Management about significant risks or exposures, internal controls and other steps that Management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- Arrange for the external auditor to be available to the Committee and the Board as needed; and
- Consider the external auditor's judgment about the quality, transparency, appropriateness and not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

#### **4.2 Financial information and public disclosure**

- Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related to third party transactions;
- Consider any proposed major changes to the Corporation's accounting principles and practices;
- If considered appropriate, establish separate systems of reporting to the Committee by the Management and the external auditor;
- Review and recommend the approval of the annual and quarterly financial statements, related management discussion and analysis, annual and interim earnings press releases and Annual Information Form before such information is publicly disclosed;
- Oversee the implementation of adequate procedures for the review of the Corporation's public disclosure of financial information, other than those described in the above paragraph, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
- Review the public disclosure regarding the Committee required by Regulation 52 110;
- Review the integrity of the financial reporting processes, both internal and external, in consultation with the external and the internal auditors;
- Periodically meet with the internal auditor;
- Following completion of the annual audit and, if applicable, quarterly reviews, review separately with the Management, the internal auditor and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the internal auditor and the external auditor received during the course of the audit and, if applicable, reviews; and
- Review with the external auditor, the internal auditor and Management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

#### **4.3 Other matters**

- Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and (ii) the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- Review and approve the Corporation's hiring policies regarding current or former partners or employees of the current and former external auditors of the Corporation or its subsidiaries;

- Review activities, organizational structure and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning in such area are raised for consideration by the Board; and
- Review regularly and oversee the policies and procedures of the Corporation and its main subsidiaries to identify, evaluate and manage risks, including operational risks such as insurance coverage, tax compliance, information security and cybersecurity, as well as financial, fraud and regulatory risks, and oversee the efficacy of the measures taken to manage such risks.

Notwithstanding the foregoing, it is not the duty of the Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of Management and in certain cases the external auditor, as the case may be.

#### 5. Advisors

The Committee may hire outside advisors at the expense of the Corporation in order to assist the Committee in the performance of its duties and set and pay the compensation for such advisors.

The Committee is authorized to communicate directly with the external and internal auditors as it sees fit.

If considered appropriate, the Committee is authorized to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, and to perform any other activities as the Committee deems necessary or appropriate.

The Board has determined that any committee who wishes to hire a non-management advisor to assist on matters involving the committee members' responsibilities at the expense of the Corporation, should review the request with, and obtain the authorization of, the Chair of the Board.

#### 6. Assessment

On an annual basis the Committee shall follow the process established by it (and approved by the Board) for assessing performance and effectiveness of the Committee.

#### 7. Charter review

The Committee should review this Charter on an annual basis and recommend to the Board changes, as considered appropriate from time to time.

#### 8. General

The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.

