

Fourth Quarter and Year-End 2022

Conference Call & Webcast

February 23, 2023



Forward-looking information

To inform readers of the Corporation's future prospects, this document contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"), including the Corporation's growth targets, power production, prospective projects, successful development, construction and financing (including tax equity funding) of the projects under construction and the advanced-stage prospective projects, sources and impact of funding, project acquisitions, execution of non-recourse project-level financing (including the timing and amount thereof), and strategic, operational and financial benefits and accretion expected to result from such acquisitions, business strategy, future development and growth prospects (including expected growth opportunities under the Strategic Alliance with Hydro-Québec), business integration, governance, business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. Forward-Looking Information can generally be identified by the use of words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "would", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terms that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this document.

Future-oriented financial information: Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, including information regarding the Corporation's targeted production, the estimated targeted revenues, targeted Revenues Proportionate, targeted Adjusted EBITDA and targeted Adjusted EBITDA Proportionate, targeted Free Cash Flow, targeted Free Cash Flow per Share and intention to pay dividend quarterly, the estimated project size, costs and schedule, including obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects and Prospective Projects, the Corporation's intent to submit projects under Requests for Proposals, the qualification of U.S. projects for PTCs and ITCs and other statements that are not historical facts. Such information is intended to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of completed and future acquisitions and of the Corporation's ability to sustain current dividends and to fund its growth. Such information may not be appropriate for other purposes.

Assumptions: Forward-Looking Information is based on certain key assumptions made by the Corporation, including, without restriction, those concerning hydrology, wind regimes and solar irradiation; performance of operating facilities, acquisitions and commissioned projects; project performance; availability of capital resources and timely performance by third parties of contractual obligations; favourable market conditions for share issuance to support growth financing; favourable economic and financial market conditions; the Corporation's success in developing and constructing new facilities; successful renewal of PPAs; sufficient human resources to deliver service and execute the capital plan; no significant event occurring outside the ordinary course of business such as a natural disaster, pandemic or other calamity; continued maintenance of information technology infrastructure and no material breach of cybersecurity. Please refer to Section 5 - OUTLOOK | Strategic Plan 2020-2025 regarding the assumptions used with respect to the 2025 growth targets.

Risks and Uncertainties: Forward-Looking Information involves risks and uncertainties that may cause actual results or performance to be materially different from those expressed, implied or presented by the Forward-Looking Information. These are referred to in the "Risks and Uncertainties" section of the Annual Report and include, without limitation: performance of major counterparties; equipment supply; delays and cost overruns in the design and construction of projects; health, safety and environmental risks; equipment failure or unexpected operations and maintenance activity; variability of installation performance and related penalties; increase in water rental cost or changes to regulations applicable to water use; availability and reliability of transmission systems; assessment of water, wind and solar resources and associated electricity production; global climate change; variability in hydrology, wind regimes and solar irradiation; preparedness to facing natural disasters and force majeure; pandemics, epidemics or other public health emergencies; cybersecurity; reliance on shared transmission and interconnection infrastructure; inability of the Corporation to execute its strategy for building shareholder value; inability to raise additional capital and the state of the capital market; inability to secure new PPAs or renew any PPA; reliance on various forms of PPAs; volatility of supply and demand in the energy market; fluctuations affecting prospective power prices; uncertainties surrounding development of new facilities; obtainment of permits; inability to realize the anticipated benefits of completed and future acquisitions; integration of the completed and future acquisitions; changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; regulatory and political risks; risks related to U.S. production and investment tax credits, changes in U.S. corporate tax rates and availability of tax equity financing; exposure to many different forms of taxation in various jurisdictions; social acceptance of renewable energy projects; relationships with stakeholders; inability to secure appropriate land; foreign market growth and development risks; liquidity risks related to derivative financial instruments; interest rate fluctuations and refinancing; financial leverage and restrictive covenants governing current and future indebtedness; changes in general economic conditions; foreign exchange fluctuations; possibility that the Corporation may not declare or pay a dividend; insufficiency of insurance coverage; ability to attract new talent or to retain officers or key employees; litigation; credit rating may not reflect actual performance of the Corporation or a lowering (downgrade) of the credit rating; revenues from certain facilities will vary based on the market (or spot) price of electricity; host country economic, social and political conditions; adverse claims to property title; reliance on intellectual property and confidential agreements to protect the Corporation's rights and confidential information; and reputational risks arising from misconduct of representatives of the Corporation.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this Forward-Looking Information, as no assurance can be given that it will prove to be correct. Forward-Looking Information contained herein is provided as at the date of this document, and the Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

Agenda

1. **Guidance Achievements**
 2. **Year-End Financial Highlights**
 3. **Cash Flows from Operating Activities**
 4. **Debt Structure**
 5. **2020-2025 Strategic Plan Targets**
 6. **2022 Corporate Development and Commissioning**
 7. **2022 Development and Construction Activities**
 8. **Prospective Projects**
 9. **Subsequent Event**
 10. **Question Period**
- Appendix: Non-IFRS Measures**

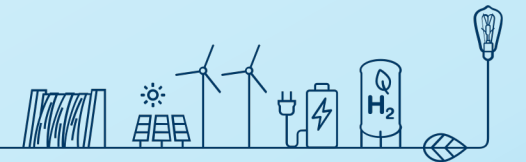
Note: All amounts in this presentation are in Canadian dollars, unless otherwise indicated.





Jean Trudel, MBA

Chief Financial Officer



1. Guidance Achievements

In millions of Canadian dollars	2022			2021
	Actual		Target ³	Actual Normalized ²
Production (GWh)	10,254	+13%	≈ +22%	9,055
Revenues	870.5	+26%	≈ +25%	692.2
Operating, general, administrative and prospective projects expenses	285.6	+29%	≈ +27%	221.6
Adjusted EBITDA ¹	585.0	+24%	≈ +25%	470.7
Adjusted EBITDA Proportionate ¹	696.4	+20%	≈ +21%	578.5
Free Cash Flow per Share (in \$) ¹	0.72	+0.12	0.75	0.60
Payout Ratio ¹	100%	-22%	96%	122%
Number of facilities in operations	84	+4	84	80
Net installed capacity (MW)	3,634	+533 MW	3,484	3,101

1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of the 2022 Annual Report for more information.

2. For the year ended December 31, 2021, the Financial Performance and Operating Results are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2022 Annual Report for more information.

3. Target revised in August 2022. Please refer to the MD&A for the period ended June 30, 2022.

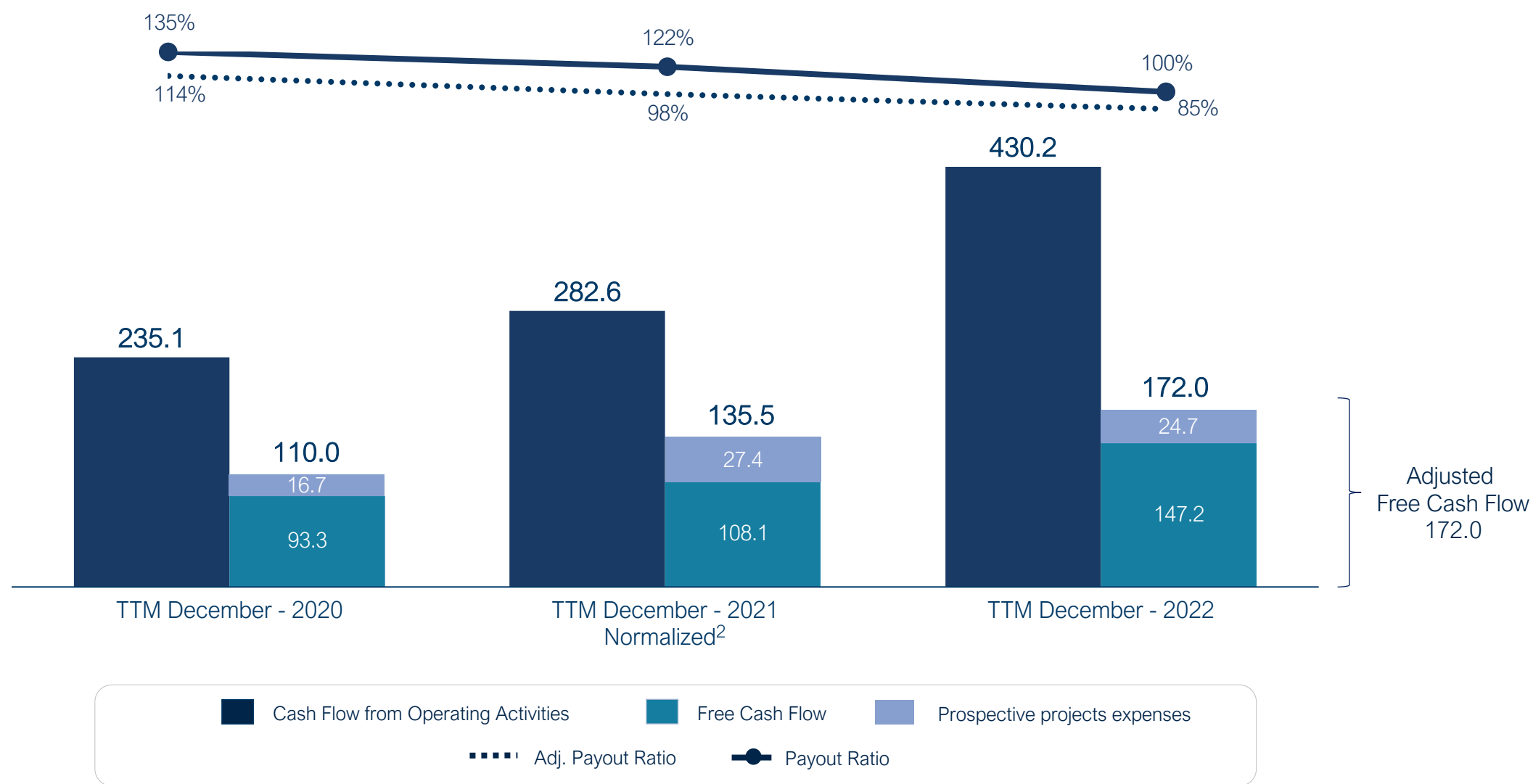
2. Year-End Financial Highlights

In millions of Canadian dollars	Three Months Ended December 31			Twelve Months Ended December 31		
CONSOLIDATED	2022	2021	Change	2022	2021 Norm. ²	Change
Production (GWh)	2,357.0	2,583.2	(9%)	10,254.0	9,055.2	13%
Revenues	203.6	202.4	1%	870.5	692.2	26%
Operating, general, administrative and prospective projects expenses	83.3	65.1	28%	285.6	221.6	29%
Adjusted EBITDA ¹	120.4	137.3	(12%)	585.0	470.7	24%
Net (Loss) Earnings	(52.6)	5.7	-	(91.1)	(121.2)	-
PROPORTIONATE						
Production Proportionate ¹ (GWh)	2,448.6	2,676.2	(9%)	10,792.0	9,853.4	10%
Revenues Proportionate ¹	231.6	231.1	0%	995.8	817.9	22%
Adjusted EBITDA Proportionate ¹	145.0	163.0	(11%)	696.4	578.5	20%

1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.

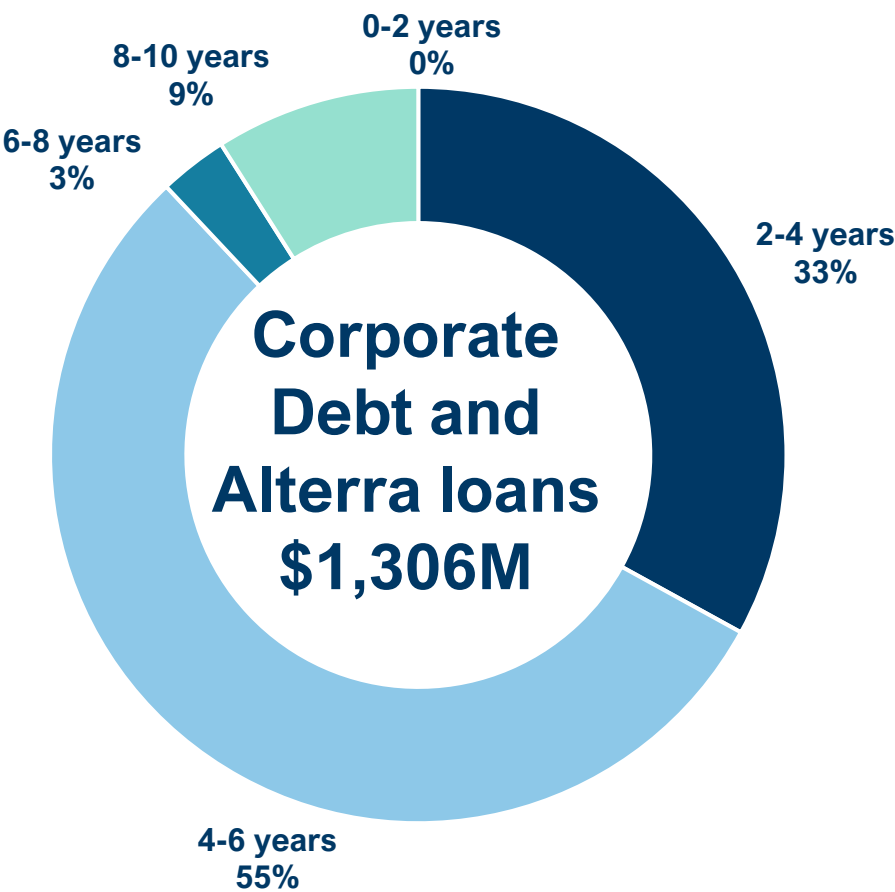
2. Normalized to exclude the impacts of the February 2021 Texas Events.

3. Cash Flows from Operating Activities, Free Cash Flow¹ & Payout Ratio¹



1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section of this presentation for more information.
2. Normalized to exclude the impacts of the February 2021 Texas Events.

4. Corporate Debt Structure



Maintaining a balanced financial structure

- Committed to maintain Fitch Investment Grade rating BBB-
- Corporate debt and Alterra loans supported by 19 assets free of project debt and with a weighted average useful life¹ of 34.7 years
- 68% with interest rate fixed or under long-term hedging agreements
- \$175M of available liquidity² to fund growth

1. Based on useful life assumptions of 75 years for Hydro, 35 years for Solar and 30 years for Wind
2. Represents available revolving credit facility margin net of cash loans and letters of credit as of December 31, 2022.

4. Project Loans

In millions of Canadian dollars	December 31, 2022			Weighted Average (in years)		
	Floating	Fixed	Total	Debt Maturity ¹	Power Purchase Agreement Maturity ²	Useful life ²
Corporate Debt and Alterra loans	424.0	881.9	1,305.9	4.3	5.0	34.7
Project Loans	37.5	4,494.1	4,531.6	17.2	14.3	37.7
Aela Generación	-	887.6	887.6	13.5	10.5	34.6
Hydro	4.4	1,656.9	1,661.3	26.6	22.9	63.1
Wind	13.5	1,206.5	1,220.0	10.2	9.8	20.1
Solar	19.6	299.9	319.6	5.4	9.4	24.4
Tax Equity Financing	-	443.1	443.1	6.9	9.6	29.4
Total Debt³	461.5	5,376.0	5,837.5	13.5	13.2	37.2

- Projects loans have no exposure to rising interest rates, with 99% fixed rate financing or under long-term hedging agreements and are non-recourse to the Corporation
- 100% of project loans is amortized over a weighted average of 17.2 years versus a useful life of 37.7 years
- \$156M of annual debt principal repayment in 2022
- \$443M in tax equity financing amortized over 6.9 years¹ to be repaid mainly through Production Tax Credits ("PTC")
- On a consolidated basis, weighted average debt maturity is equal to the weighted power purchase agreements' maturity, which is approx. 13 years

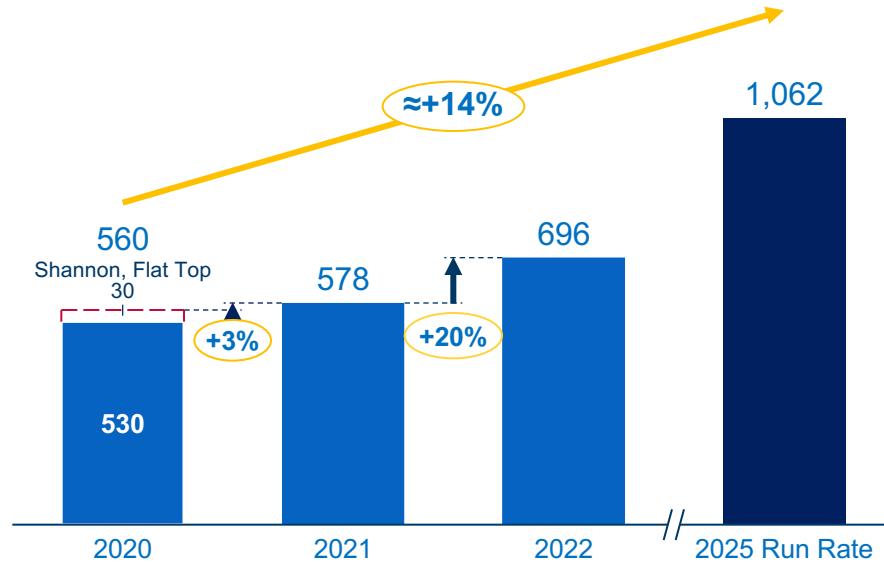
1. Weighted average debt duration of project loans is based on project debt size, and for tax equity financing is based on the expected Flip Point date as estimated at the date of final funding from the tax equity investor. Actual Flip Point may differ, subject to the facilities' respective operating performance.

2. Weighted average based on long-term average production.

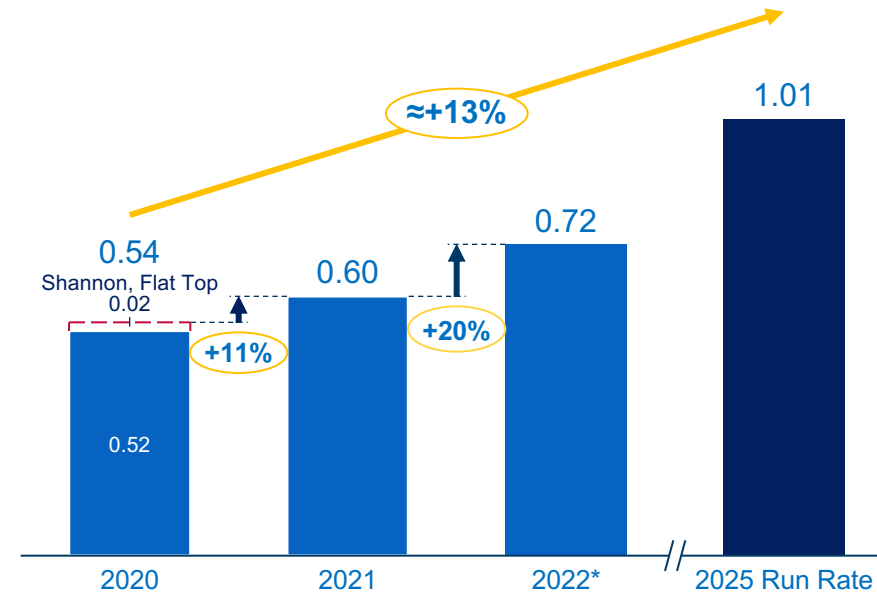
3. Excluding deferred financing costs

5. 2020-2025 Strategic Plan Targets

Adjusted EBITDA Proportionate Target



Free Cash Flow per Share Target



In order to meet the Free Cash Flow per Share target of \$1.01 on a run rate basis in 2025:

- \$0.24 will come from recently announced M&A, base business growth and already identified projects under construction¹ and under development¹
- \$0.05 expected to come from advanced greenfield and/or potential M&A activities

1. Please refer to the "Overview of Operations" section of the 2022 Annual Report for more information.



Michel Letellier, MBA

President and Chief Executive Officer

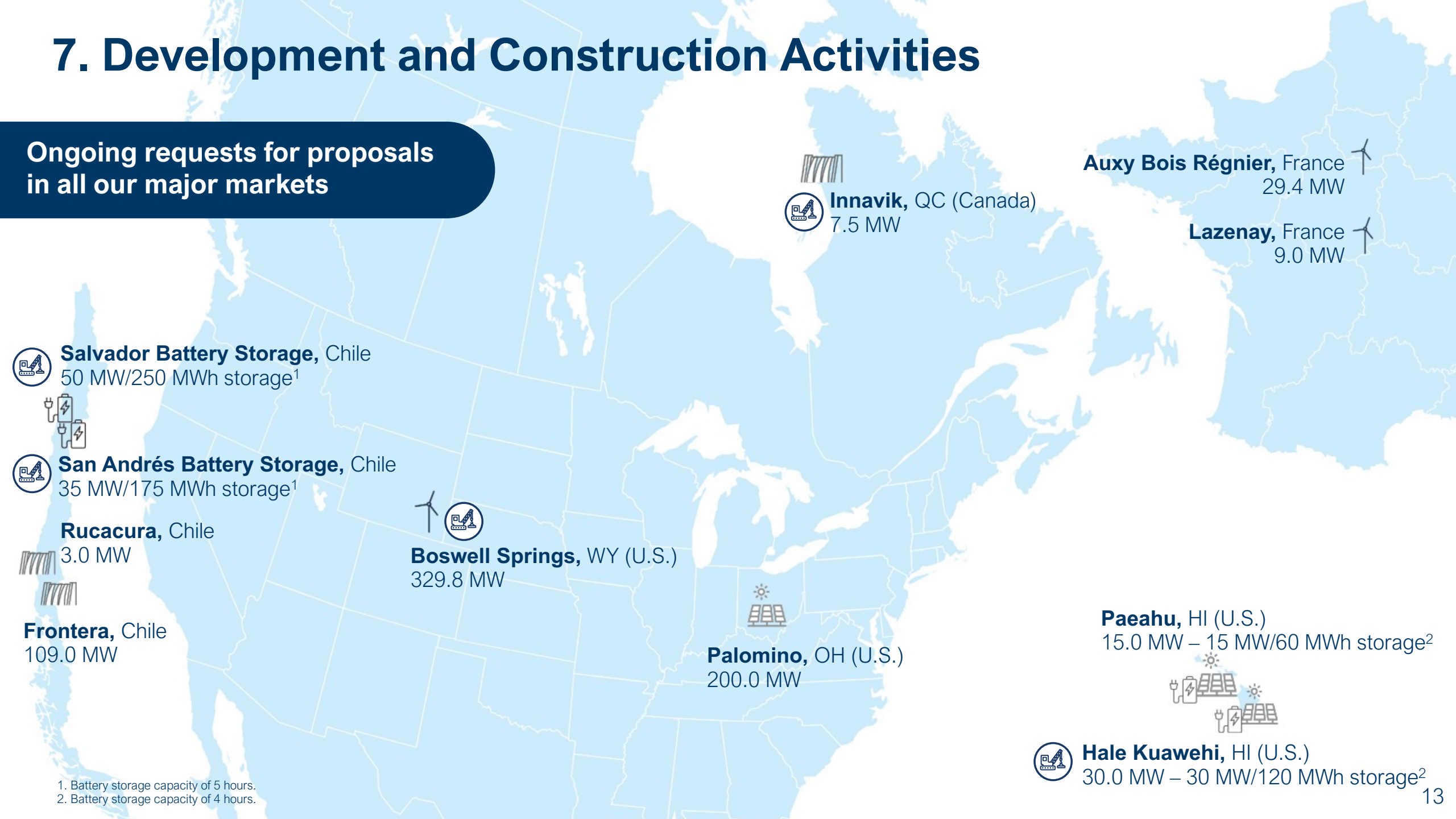


6. 2022 Corporate Development and Commissioning

January	Acquisition of the 50.6 MW San Andrés solar facility in Chile for a total consideration of US\$26.8 million (\$34.1 million).
May	Two utility-scale battery energy storage projects initiated in Chile for which battery systems were ordered from Mitsubishi Power: <ul style="list-style-type: none">• Salvador with 50 MW/250 MWh (5 hours) of energy storage,• San Andrés with 35 MW/175 MWh (5 hours) of energy storage.
June	Acquisition of the 332 MW Aela wind portfolio in Chile for a cash consideration of US\$324.3 million (\$408.2 million), and the assumption of the existing non-recourse debt.
July	Full commissioning of the 9 MW/9 MWh Tonnerre battery energy storage system in France which has been awarded a 7-year contract for difference at a fixed-price contract for capacity certificate.
August	Signing of a 30-year, 320 MW power purchase agreement with PacifiCorp for the Boswell Springs wind project in Wyoming, U.S.
October	Acquisition of the remaining 30.45% minority interest in Innergex's wind portfolio in France adding 98.7 MW of net installed capacity for a total consideration of \$96.4 million.
December	Acquisition of the remaining 37.75% of the outstanding shares in its Mountain Air wind portfolio in Idaho for a total consideration of US\$47.5 million (\$64.4 million) from its tax equity partner.

7. Development and Construction Activities

Ongoing requests for proposals
in all our major markets



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

8. Prospective Projects

	Stage of project development (in MW) ¹			Total
	Advanced Stage	Mid Stage	Early Stage	
Hydro	154	-	529	683
Wind	149	2,908	2,840	5,897
Solar	790 ²	300	915	2,005
Storage	-	-	111	111
Green Hydrogen	-	-	5 ³	5
Total	1,093	3,208	4,400	8,701
Changes from Q3 2022	+185	(134)	+137	+188

1.

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

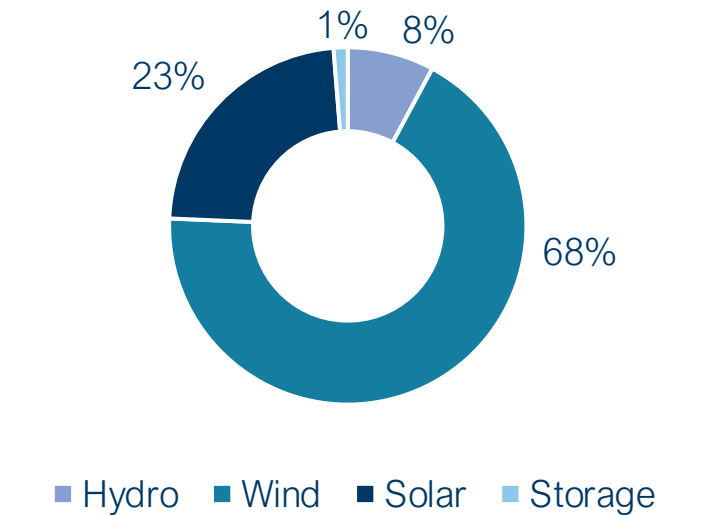
2.

Kahana and Barbers Point solar and storage projects in Hawaii have been moved to prospective with the cancellation of their power purchase agreements.

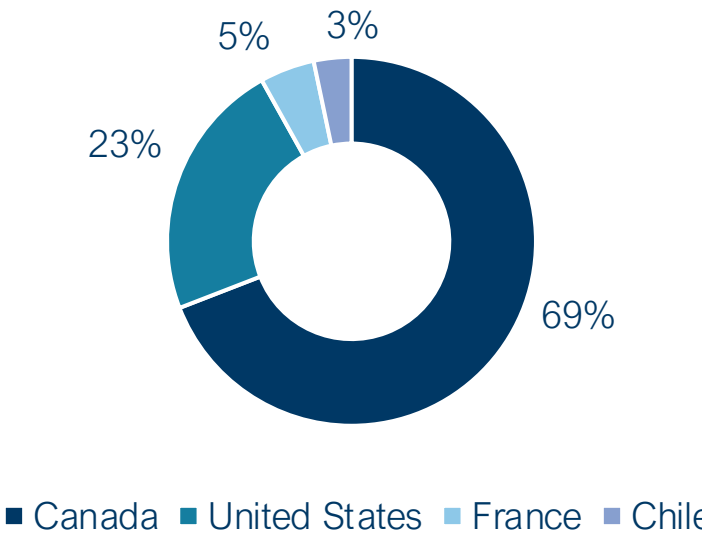
3.

In this table, the electrolyser was attributed to the United States until additional progress is achieved. The production is estimated at 800,000 kg per year, which corresponds to approximately 5 MW based on current assumptions.

Prospective projects by energy



Prospective projects by region



9. Subsequent Event

Acquisition of Sault Ste. Marie Solar Portfolio

- On January 23, 2023, Innergex has entered into an agreement to acquire the 60 MW Sault Ste. Marie solar portfolio in northwestern Ontario:
 - for a purchase price of \$50.2 million,
 - along with the assumption of \$169.5 million of existing debt.



Question period



Non-IFRS Measures

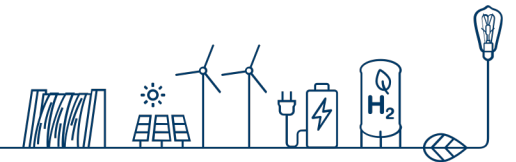
This document has been prepared in accordance with IFRS. However, some measures referred to in this document are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Innergex believes these indicators are important, as they provide management and the reader with additional information about Innergex's production and cash generation capabilities, its ability to sustain current dividends and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Revenues Proportionate, Adjusted EBITDA, Adjusted EBITDA Proportionate, Adjusted Net Loss, Free Cash Flow, Adjusted Free Cash Flow, Payout Ratio and Adjusted Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS.

Revenues Proportionate, Adjusted EBITDA and corresponding Proportionate measures

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

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

Innergex believes that the presentation of these measures enhances the understanding of the Corporation's operating performance. Adjusted EBITDA is used by investors to evaluate the operating performance and cash generating operations, and to derive financial forecasts and valuations. Revenues Proportionate and Adjusted EBITDA Proportionate measures are used by investors to evaluate the contribution of the joint ventures and associates to the Corporation's operating performance and cash generating operations, and the contribution of such for financial forecasts and valuations purposes. In addition, Revenues Proportionate and Adjusted EBITDA Proportionate measures help investors seize the relative importance of PTCs generated by the operations, and evaluate their contribution to the Corporation's operating performance, as PTCs form an important part of certain wind projects' economics in the United States. Readers are cautioned that Revenues Proportionate, should not be construed as an alternative to Revenues, as determined in accordance with IFRS. Readers are also cautioned that Adjusted EBITDA, and Adjusted EBITDA Proportionate, should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to the "Financial Performance and Operating Results" section of the 2022 Annual Report for more information.



Non-IFRS Measures

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

	Three months ended December 31, 2022				Three months ended December 31, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	203,636	11,368	16,576	231,580	202,388	12,259	16,404	231,051
Net earnings (loss)	(52,575)	—	—	(52,575)	5,743	—	—	5,743
Income tax expense	(12,982)	—	—	(12,982)	37,158	—	—	37,158
Finance costs	83,864	4,362	—	88,226	67,417	4,541	—	71,958
Depreciation and amortization	93,756	4,155	—	97,911	77,748	4,241	—	81,989
Impairment of long-term assets	28,638	—	—	28,638	12	—	—	12
Impairment of project development costs	19,230	—	—	19,230	—	—	—	—
EBITDA	159,931	8,517	—	168,448	188,078	8,782	—	196,860
Other net expense (income), before PTCs	(6,660)	(105)	—	(6,765)	(18,161)	219	—	(17,942)
Production tax credits ("PTCs")	(16,576)	—	16,576	—	(16,404)	—	16,404	—
Share of earnings of joint ventures and associates	286	(286)	—	—	(791)	791	—	—
Change in fair value of financial instruments	(16,622)	(101)	—	(16,723)	(15,411)	(553)	—	(15,964)
Adjusted EBITDA	120,359	8,025	16,576	144,960	137,311	9,239	16,404	162,954

Non-IFRS Measures

	Year ended December 31, 2022				Year ended December 31, 2021			
	Consolidation	Share of joint ventures	PTCs	Proportionate	Consolidation	Share of joint ventures	PTCs	Proportionate
Revenues	870,494	60,535	64,729	995,758	747,208	111,921	54,018	913,147
Net loss	(91,115)	—	—	(91,115)	(185,394)	—	—	(185,394)
Income tax expenses (recovery)	(6,577)	—	—	(6,577)	(26,240)	(31)	—	(26,271)
Finance costs	317,842	17,757	—	335,599	252,255	23,382	—	275,637
Depreciation and amortization	336,053	16,801	—	352,854	255,640	23,051	—	278,691
Impairment of long-term assets	28,638	—	—	28,638	36,986	112,609	—	149,595
Impairment of project development costs	19,230	—	—	19,230	—	—	—	—
EBITDA	604,071	34,558	—	638,629	333,247	159,011	—	492,258
Other net expense (income), before PTCs	(4,190)	(342)	—	(4,532)	(41,637)	1,947	—	(39,690)
Production tax credits ("PTCs")	(64,729)	—	64,729	—	(47,984)	(6,034)	54,018	—
Share of (earnings) loss of joint ventures and associates	(14,382)	14,382	—	—	189,889	(189,889)	—	—
Change in fair value of financial instruments	64,145	(1,880)	—	62,265	92,122	129,055	—	221,177
Adjusted EBITDA	584,915	46,718	64,729	696,362	525,637	94,090	54,018	673,745

Non-IFRS Measures

Adjusted Net Loss

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

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

Innergex believes that the presentation of this measure enhances the understanding of the Corporation's operating performance. Adjusted Net Loss is used by investors to evaluate and compare Innergex's profitability before the impacts of the unrealized portion of the change in fair value of derivative financial instruments and other items that are outside of the normal course of the Corporation's cash generating operations. Readers are cautioned that Adjusted Net Loss should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to the "Operating Results" section for reconciliation of the Adjusted Net Loss.

Non-IFRS Measures

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

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Net (loss) earnings	(52,575)	5,743	(91,115)	(185,394)
Add (Subtract):				
February 2021 Texas Events:				
Revenues	—	—	—	(54,967)
Power hedge	—	—	—	70,756
Share of loss of Flat Top and Shannon	—	—	—	64,197
Share of impairment of Flat Top and Shannon	—	—	—	112,609
Share of unrealized portion of the change in fair value of financial instruments of joint ventures and associates, net of related income tax	(76)	(377)	(1,381)	20,226
Unrealized portion of the change in fair value of financial instruments	25,336	(15,751)	141,859	18,502
Impairment of long-term assets	28,638	12	28,638	36,986
Realized gain on settlement of foreign exchange forwards	(43,458)	—	(43,458)	—
Realized (gain) loss on termination of interest rate swaps	(59)	(377)	(71,735)	2,508
Impairment of project development costs	19,230	—	19,230	—
Realized gain on the Phoebe basis hedge	—	(955)	—	(2,546)
Realized gain on foreign exchange forward contracts	—	(2,193)	(3,214)	(4,074)
Income tax recovery related to above items	(6,320)	3,924	(13,684)	(85,754)
Adjusted Net loss	(29,284)	(9,974)	(34,860)	(6,951)

Non-IFRS Measures

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

	Three months ended December 31						Year ended December 31					
	2022			2021			2022			2021		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	203,636	—	203,636	202,388	—	202,388	870,494	—	870,494	747,208	(54,967)	692,241
Operating expenses	62,591	—	62,591	42,555	—	42,555	207,768	—	207,768	149,106	—	149,106
General and administrative expenses	13,568	—	13,568	12,813	—	12,813	53,071	—	53,071	45,098	—	45,098
Prospective projects expenses	7,118	—	7,118	9,709	—	9,709	24,740	—	24,740	27,367	—	27,367
Adjusted EBITDA	120,359	—	120,359	137,311	—	137,311	584,915	—	584,915	525,637	(54,967)	470,670
Finance costs	83,864	—	83,864	67,417	—	67,417	317,842	—	317,842	252,255	—	252,255
Other net income	(23,236)	—	(23,236)	(34,565)	2,193	(32,372)	(68,919)	3,214	(65,705)	(89,621)	4,074	(85,547)
Depreciation and amortization	93,756	—	93,756	77,748	—	77,748	336,053	—	336,053	255,640	—	255,640
Impairment of long-term assets	28,638	(28,638)	—	12	(12)	—	28,638	(28,638)	—	36,986	(36,986)	—
Share of (earnings) losses of joint ventures and associates	286	214	500	(791)	519	(272)	(14,382)	1,881	(12,501)	189,889	(202,312)	(12,423)
Change in fair value of financial instruments	(16,622)	18,181	1,559	(15,411)	17,083	1,672	64,145	(26,666)	37,479	92,122	(89,220)	2,902
Income tax (recovery) expense	(12,982)	6,182	(6,800)	37,158	(4,066)	33,092	(6,577)	13,184	6,607	(26,240)	91,034	64,794
Net (loss) earnings	(52,575)	23,291	(29,284)	5,743	(15,717)	(9,974)	(91,115)	56,255	(34,860)	(185,394)	178,443	(6,951)

Non-IFRS Measures

Free Cash Flow and Payout Ratio

References to “Free Cash Flow” are to cash flows from operating activities before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, the portion of Free Cash Flow attributed to non-controlling interests, and preferred share dividends declared, plus or minus other elements that are not representative of the Corporation's long-term cash-generating capacity, such as gains and losses on the Phoebe basis hedge due to their limited occurrence, realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, realized losses or gains on refinancing of certain borrowings or derivative financial instruments used to hedge the interest rate on certain borrowings or the exchange rate on equipment purchases, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex.

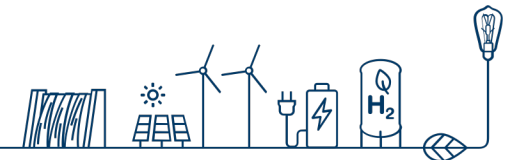
The Payout Ratio is a measure of the Corporation's ability to sustain current dividends as well as its ability to fund its growth from its cash generating operations, in the normal course of business. The Payout Ratio level reflects the Corporation's decision to invest yearly in advancing the development of its Prospective Projects, for which investments must be expensed as incurred. The Corporation considers such investments essential to its long-term growth and success, as it believes that the greenfield development of renewable energy projects offers the greatest potential internal rates of return and represents the most efficient use of management's expertise and value-added skills.

Innergex believes that the presentation of this measure enhances the understanding of the Corporation's cash generation capabilities, its ability to sustain current dividends and its ability to fund its growth. Free Cash Flow is used by investors in this regard. Readers are cautioned that Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS. Please refer to the "Free Cash Flow and Payout Ratio" section for the reconciliation of Free Cash Flow.

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

References to “Payout Ratio” are to dividends declared on common shares divided by Free Cash Flow. Innergex believes that this is a measure of its ability to sustain current dividends as well as its ability to fund its growth. Payout Ratio is used by investors in this regard.

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



Non-IFRS Measures

Free Cash Flow and Payout Ratio calculation

	Twelve months ended December 31				
	2022	2021	February 2021 Texas Events (9 days) ⁴	2021 Normalized ⁴	2020
Cash flows from operating activities ¹	430,243	265,498	17,093	282,591	235,108
Add (Subtract) the following items:					
Changes in non-cash operating working capital items	14,518	21,455	—	21,455	7,765
Maintenance capital expenditures, net of proceeds from disposals	(11,051)	(8,029)	—	(8,029)	(2,828)
Scheduled debt principal payments	(156,862)	(160,973)	—	(160,973)	(151,623)
Free Cash Flow attributed to non-controlling interests ²	(29,271)	(25,076)	—	(25,076)	(13,491)
Dividends declared on Preferred shares	(5,632)	(5,632)	—	(5,632)	(5,942)
Chile portfolio refinancing - hedging impact ³	2,578	—	—	—	—
Add (subtract) the following specific items ⁴ :					
Realized loss on contingent considerations	—	547	—	547	3,021
Realized (gain) loss on termination of interest rate swaps ³	(71,735)	2,508	—	2,508	1,664
Realized (gain) loss on termination of foreign exchange forwards ⁵	(43,458)	—	—	—	—
Acquisition, integration and restructuring costs	17,918	4,563	—	4,563	—
Realized gain on the Phoebe basis hedge	—	(2,546)	(1,304)	(3,850)	19,586
Free Cash Flow ⁶	147,248	92,315	15,789	108,104	93,260
Dividends declared on common shares	146,957	132,229	—	132,229	125,543
Payout Ratio ⁶	100 %	143 %	(21) %	122 %	135 %
Adjust for the following items:					
Prospective projects expenses	24,740			27,367	16,708
Adjusted Free Cash Flow	171,988			135,471	109,968
Adjusted Payout Ratio	85 %			98 %	114 %

1. Cash flows from operating activities for the year ended December 31, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

2. The portion of Free Cash Flow attributed to non-controlling interests is subtracted, regardless of whether an actual distribution to non-controlling interests is made, in order to reflect the fact that such distributions may not occur in the period they are generated.

3. The Free Cash Flow for the year ended December 31, 2022 excludes the \$71.7 million realized gain on settlement of the interest rate hedges entered into to manage the Corporation's exposure to the risk of increasing interest rates during the negotiations surrounding the refinancing of the non-recourse debt assumed in the Aela Acquisition and at Innergex's existing Chilean projects. Instead, the gain is amortized in the Free Cash Flow using the effective interest rate method over the period covered by the unwound hedging instruments.

4. These items are excluded from the Free Cash Flow and Payout Ratio calculations as they are deemed not representative of the Corporation's long-term cash-generating capacity, and include items such as gains and losses on the Phoebe basis hedge due to their limited occurrence (maturity attained on December 31, 2021), realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, realized losses or gains on refinancing of certain borrowings or derivative financial instruments used to hedge the interest rate on certain borrowings or the exchange rate on equipment purchases, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex.

5. For the year ended December 31, 2022, the Free Cash Flow for the twelve months ended December 31, 2022 excludes the \$43.5 million realized gain on settlement of the foreign exchange forward contracts concurrent with the closing of the French Acquisition.

6. For the year ended December 31, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Normalized measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "February 2021 Texas Events" section of the Management's Discussion and Analysis for the three-month period and year ended December 31, 2022, for more information.