INNERGEX

First Quarter 2023

Conference Call & Webcast

May 10, 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 and Production Tax Credits, targeted Revenues and Production Tax Credits 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.

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 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 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. Changes in Consolidated Statement Presentation
2. Q1 Financial Highlights
3. Cash Flows from Operating Activities
4. Project Loans
5. Historical Flows Recorded in British Columbia
6. Normalized LTA
7. Q1 Corporate Development
8. Development and Construction Activities
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11. Subsequent Financial Event
12. Leveraging Storage for Higher Returns
13. 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. Changes in Consolidated Statement Presentation

As of January 1, 2023

Income Statement

- Production Tax Credits ("PTCs"), previously recognized in other net income, have been reclassified directly below Revenues
- Operating Income subtotal has been added

Revenues and Production Tax Credits Proportionate, Adjusted EBITDA and Adjusted EBITDA Proportionate

- Proportionate measures only include the share of Revenues and Production Tax Credits, and Adjusted EBITDA of Joint Ventures and Associates
- The realized portion of the change in fair value of power hedges are included in Adjusted EBITDA
- Due to being included below Revenues, PTCs are now included directly in Adjusted EBITDA

Free Cash Flow and Payout Ratio

- Free Cash Flow and Payout Ratio measures exclude the prospective project expenses

2. Q1 Financial Highlights

In millions of Canadian dollars	Three Months Ended March 31		
CONSOLIDATED	**2023**	**2022**	**Change**
Production (GWh)	2,312.7	2,304.6	—
Revenues and Production Tax Credits	218.3	207.8	5%
Operating Income	65.5	69.3	(5%)
Adjusted EBITDA[1]	145.1	149.8	(3%)
Net Loss	(13.0)	(34.9)	75.7%
PROPORTIONATE			
Production Proportionate[1] (GWh)	2,360.0	2,358.0	—
Revenues and Production Tax Credits Proportionate[1]	224.5	216.1	4%
Adjusted EBITDA Proportionate[1]	148.4	155.2	(4%)

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.

3. Cash Flows from Operating Activities, Free Cash Flow[1] & Payout Ratio[1]

In millions of Canadian dollars	**Three Months Ended March 31**	
Trailing Twelve Months	**2023**	**2022**
Cash flows from operating activities[2]	398.7	290.4
Free Cash Flow[1]	135.7	155.0
Dividends declared on common shares	147.0	137.5
Payout Ratio[1]	**108%**	**89%**

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. Cash flows from operating activities for the trailing twelve months ended March 31, 2022, include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

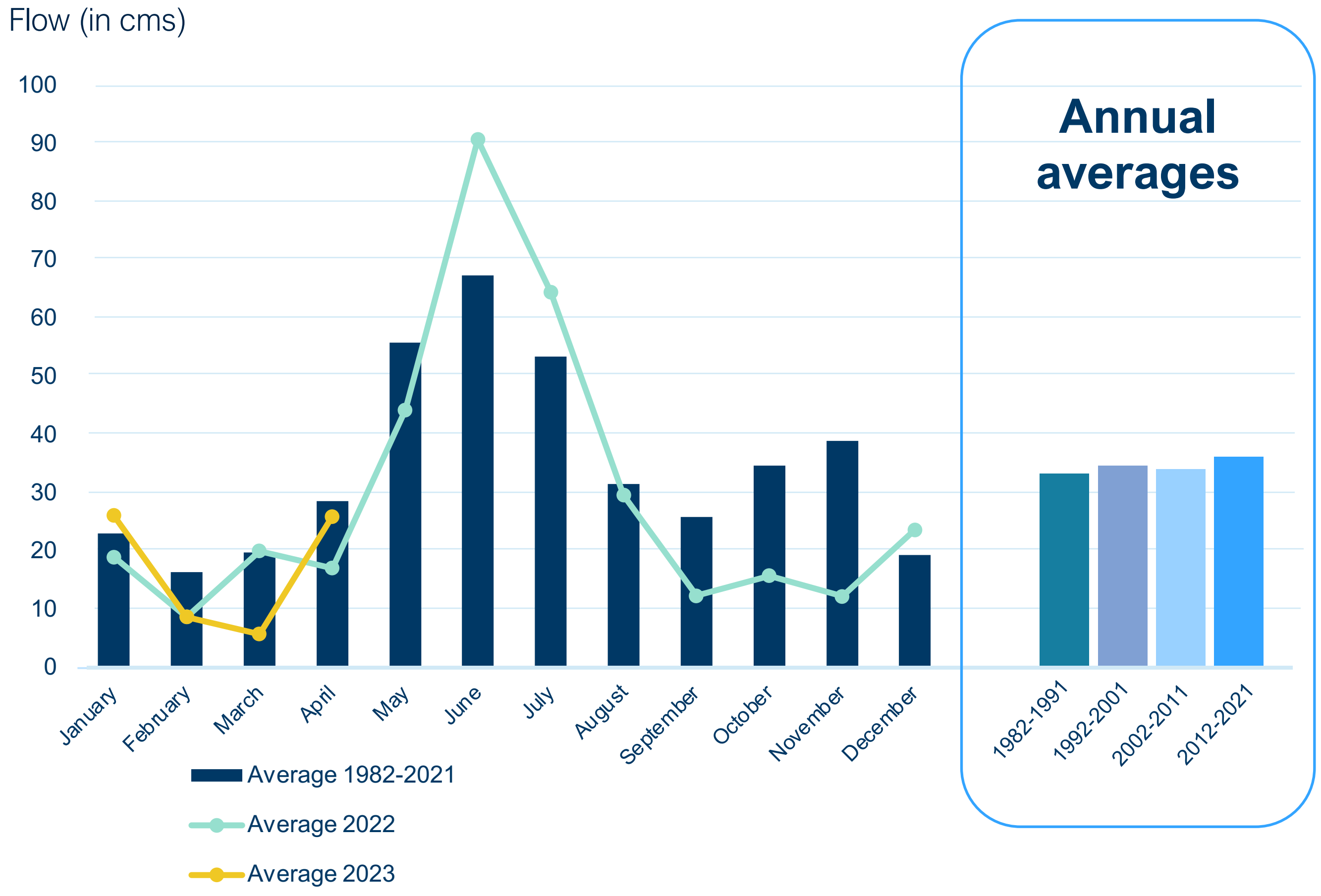
4. Project Loans

In millions of Canadian dollars	March 31, 2023			Weighted Average (in years)		
	Floating	Fixed	Total	Remaining years to debt maturity[1]	Remaining years to power purchase agreement maturity[2]	Remaining useful life[2]
Corporate Debt and Alterra loans	**408.4**	**976.6**	**1,385.0**	**4.1**	**5.1**	**34.4**
Project Loans	**62.1**	**4,662.7**	**4,724.9**	**16.4**	**14.1**	**40.9**
Aela Generación	-	960.8	960.8	13.2	10.3	35.6
Hydro	4.4	1,644.4	1,648.8	26.4	22.6	64.9
Wind	13.7	1,185.7	1,199.4	10.0	9.6	21.4
Solar	44.1	438.8	482.9	4.4	8.4	27.8
Tax Equity Financing	-	433.0	433.0	6.6	9.4	27.7
Total Debt[3]	**470.5**	**5,639.4**	**6,109.9**	**12.9**	**13.0**	**39.4**

- 92% of total debt bears fixed interest rates or is fixed under long-term hedging agreement
- 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 16.4 years versus a remaining useful life of 40.9 years
- If the debt amortization is calculated over the remaining useful life, Free Cash Flow increases by $28 million and payout ratio would be 90% on a TTM basis

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. Before deferred financing costs.

5. Historical Flows Recorded in British Columbia



Main observations that have good correlation with BC hydro facilities

- Hydrology for 2022 and Q1 deviates from the last four decades average and significantly impacted production
- 2022 and Q1 should be considered an anomaly
- Historical data shows an upward trend in annual average flow

Source Daily Discharge Graph for STAVE RIVER ABOVE STAVE LAKE (08MH147) [BC] - Water Level and Flow - Environment Canada: https://wateroffice.ec.gc.ca/report/historical_e.html?stn=08MH147

6. Estimated Results Using Normalized Q1 LTA

In millions of Canadian dollars	Three-Month Period Ended March 31, 2023 As reported	Variation	Normalized[2] (Estimated)
Revenues and Production Tax Credits	218.3	26.2	245
Adjusted EBITDA[1]	145.1	24.6	170

In millions of Canadian dollars	Trailing Twelve Months Ended March 31, 2023 As reported	Variation	Normalized[2] (Estimated)
Free Cash Flow[1]	135.7	20.7	156
Payout Ratio[1]	108%	-14%	94%

Estimated results using normalized LTA on a trailing twelve months basis would have resulted in a payout ratio ranging from 72% to 77%

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. The Normalized Revenues, Normalized Adjusted EBITDA, Normalized Free Cash Flow and Normalized Payout Ratio are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Reference to Normalized Revenues and Production Tax Credits, Adjusted EBITDA, Free Cash Flow and Payout Ratio are to the reported measures, adjusted for a production of 100% LTA in all jurisdictions, excluding Chile. Only the Q1 2023 period is normalized to the trailing 12 months.

Michel Letellier, MBA

President and Chief Executive Officer

7. Q1 Corporate Development

January — The 30-year power purchase agreement with PacifiCorp for the **330 MW Boswell Springs wind project** became effective

March — Closing of the **60 MW Sault Ste. Marie solar portfolio acquisition** in Ontario for a purchase price of $51.3 million

Hydro-Québec selected the **102 MW Mesgi'g Ugju's'n 2 wind project** in its recent request for proposals, for which the power purchase agreement is expected to be structured as a 30-year "take-or-pay" contract indexed to 30% inflation

8. Development and Construction Activities

Ongoing requests for proposals in all our major markets

Auxy Bois Régnier, France
29.4 MW

Montjean 2, France
13.5 MW

Innavik, QC (Canada)
7.5 MW

Lazenay, France
9.0 MW

Salvador Battery Storage, Chile
50 MW/250 MWh storage[1]

Mesgi'g Ugju's'n 2, QC (Canada)
102.0 MW

San Andrés Battery Storage, Chile
35 MW/175 MWh storage[1]

Rucacura, Chile
3.0 MW

Boswell Springs, WY (U.S.)
329.8 MW

Frontera, Chile
109.0 MW

Paeahu, HI (U.S.)
15.0 MW – 15 MW/60 MWh storage[2]

Palomino, OH (U.S.)
200.0 MW

Hale Kuawehi, HI (U.S.)
30.0 MW – 30 MW/120 MWh storage[2]

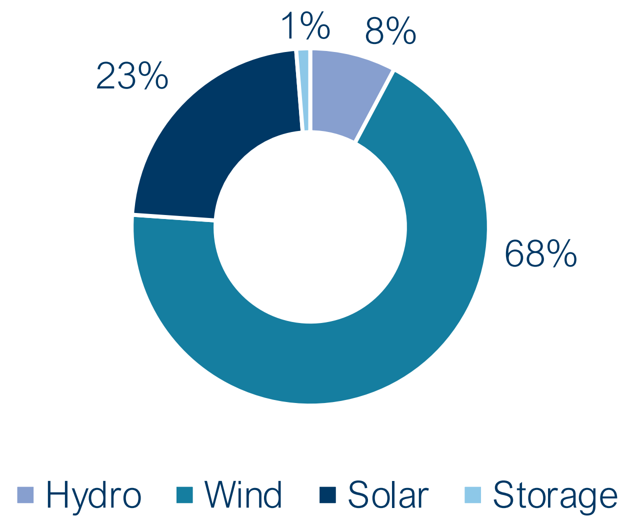
1. Battery storage capacity of 5 hours.
2. Battery storage capacity of 4 hours.

9. Prospective Projects

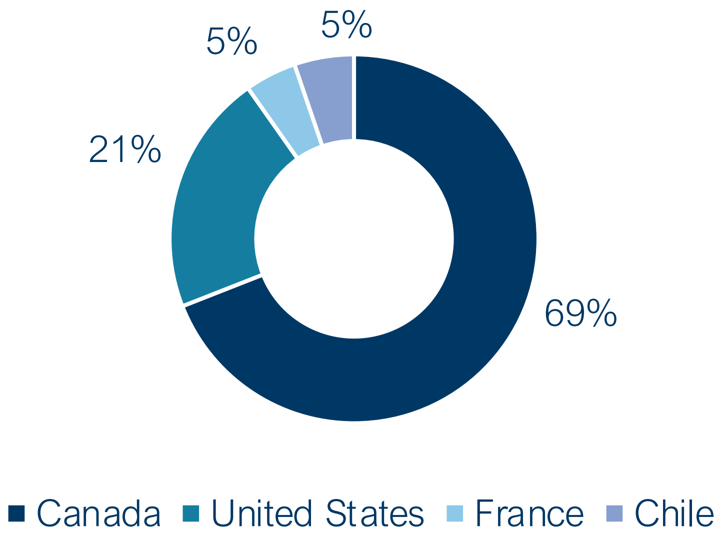
	Stage of project development (in MW)[1]			Total
	Advanced Stage	Mid Stage	Early Stage	
Hydro	154	-	529	**683**
Wind	141	3,066	2,889	**6,096**
Solar	770[2]	300	918	**1,988**
Storage	-	-	111	**111**
Green Hydrogen	-	-	5[3]	**5**
Total	**1,065**	**3,366**	**4,452**	**8,883**
Changes from Q4 2022	**-28**	**+158**	**+52**	**+182**

1. Only Gross Installed Capacity is disclosed for Prospective Projects as the net capacity is not yet defined at this stage.
2. Barbers Point solar and storage project in Hawaii has been moved to prospective with the cancellation of its power purchase agreement.
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.

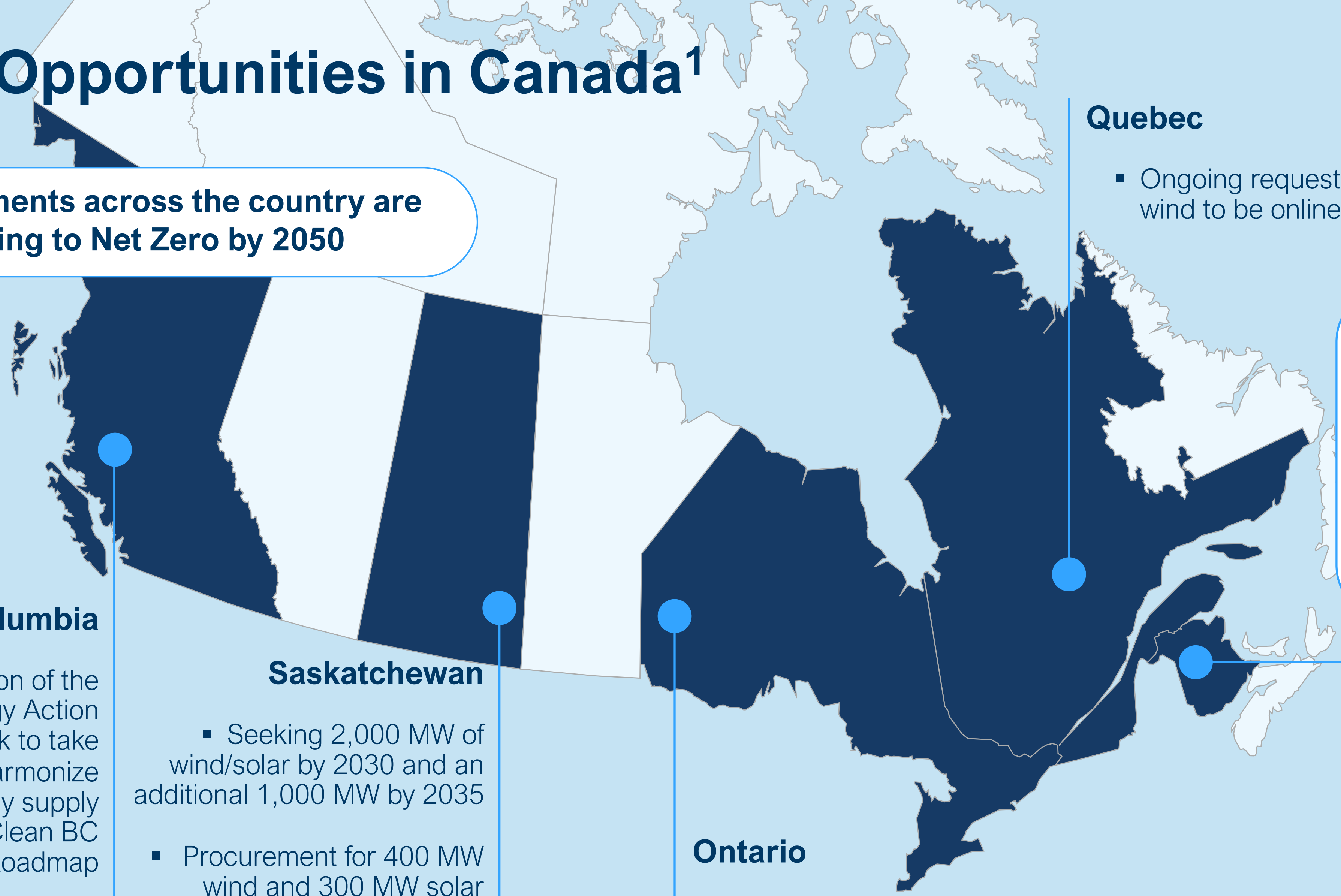
Prospective projects by energy



Prospective projects by region



10. Opportunities in Canada[1]



Governments across the country are committing to Net Zero by 2050

British Columbia

- Creation of the Energy Action Framework to take steps to harmonize electricity supply with the Clean BC Roadmap
- An additional 7,962 GWh per year needed by 2030

Saskatchewan

- Seeking 2,000 MW of wind/solar by 2030 and an additional 1,000 MW by 2035
- Procurement for 400 MW wind and 300 MW solar expected to launch in Q2 2023
- Potential opening for Corporate offtakes

Ontario

- IESO seeking 4,000 MW by 2027, of which at least 1,500 MW from storage
- A 2nd round of long-term procurements expected to launch in 2023 for an additional 1,500 MW by 2030

Quebec

- Ongoing request for proposals for 1,500 MW wind to be online between 2027-2029

Federal Government

Clean Electricity Investment Tax Credits and Clean Hydrogen Investment Tax Credits expected to support the clean energy transition across the country

New Brunswick

- Request for Expressions of Interest for up to 220 MW of renewables and 50 MW of storage with projects to be online by mid-2027

1 Based on Innergex's current understanding of announced opportunities and climate plans

11. Subsequent Financial Event

Financial close of the San Andrés battery energy storage project

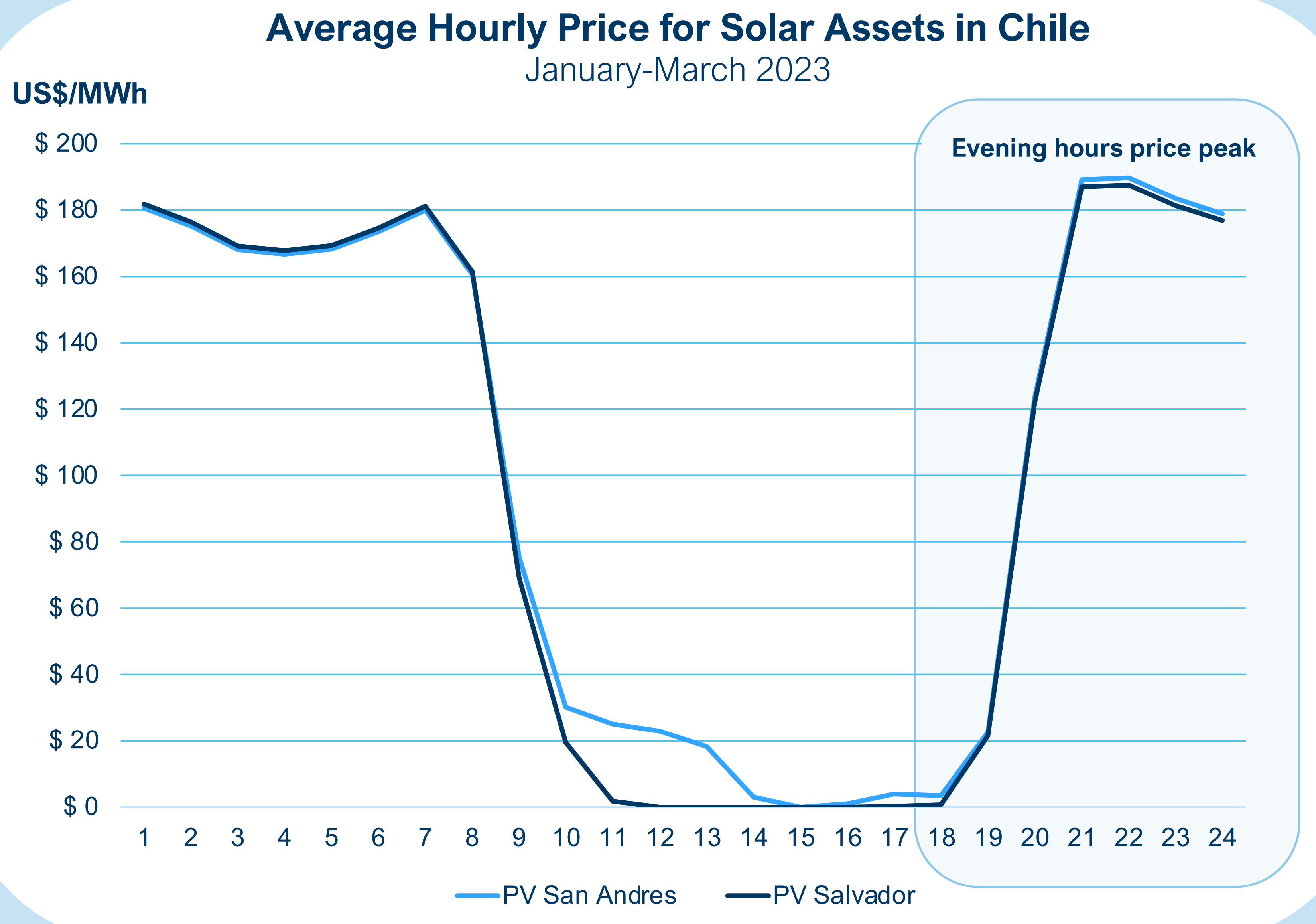
Total construction costs estimated at $83.4 million, to be financed by:

- $66.7 million 2-year non-recourse bridge loan with SMBC to be repaid with the proceeds from a future long-term non-recourse financing after commercial operation
- $16.7 million to be financed from Innergex's revolving credit facilities

First full year of operations:

- Expected annual revenues: approx. $10.8 million
- Expected annual operating, general and administrative expenses: approx. $0.5 million

12. Leveraging Storage for Higher Returns



+US$9.3/kW per month

of capacity payment to be added to the revenues mix

Capacity revenues for

- Salvador Battery Storage: US$3.5M/y
- San Andrés Battery Storage: US$2.4M/y

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 and Production Tax Credits Proportionate, Adjusted EBITDA, Adjusted EBITDA Proportionate, Adjusted Net Loss, Free Cash Flow and Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS.

Revenues (and Production Tax Credits) Proportionate, Adjusted EBITDA and Adjusted EBITDA Proportionate

Changes in the Non-IFRS measures effective January 1, 2023

On January 1, 2023, the Corporation amended the presentation of its consolidated statements of earnings to enhance relevance of the financial statements. As a result, production tax credits ("PTCs"), previously recognized in other net income (expenses), have been reclassified directly below revenues to better represent the nature of PTCs as income arising in the course of the Corporation's ordinary activities through generation of electricity. In addition, certain subtotals have been removed from the consolidated statements of earnings, which now includes an operating income subtotal.

As a result of these changes to the consolidated statements of earnings, certain Non-IFRS measures have been amended as follows:

- PTCs are presented directly in Revenues and Production Tax Credits (a subtotal presented in the primary financial statements of the Corporation, thus excluded from the Non-IFRS Measures);
- PTCs are presented directly in Adjusted EBITDA, along with the realized portion of the change in fair value of power hedges;
- Other income related to PTCs has been retreated from the Revenues Proportionate and Adjusted EBITDA Proportionate measures; and
- Proportionate measures include only Innergex's share of Revenues and Production Tax Credits, and Adjusted EBITDA, of the joint ventures and associates.

The comparative figures have also been adjusted to conform with the revised measures. The above amendments seek to improve the clarity of the measures, and to enhances comparability with current industry practices. In addition, the inclusion of the realized portion of the change in fair value of power hedges to the Adjusted EBITDA measure enhances comparability of the Corporation's performance over time.

Non-IFRS Measures

Description of the measures

References in this document to "Revenues and Production Tax Credits Proportionate" are to Revenues and Production Tax Credits, plus Innergex's share of Revenues and Production Tax Credits of the joint ventures and associates.

References in this document to “Adjusted EBITDA” are to operating income, to which are added (deducted) depreciation and amortization, impairment charges, and the realized portion of the change in fair value of power hedges. 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.

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 and Production Tax Credits 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. Readers are cautioned that Revenues and Production Tax Credits 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 operating income, as determined in accordance with IFRS. Please refer to the "Financial Performance and Operating Results" section for more information.

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

	Three months ended March 31, 2023			Three months ended March 31, 2022		
	Consolidation	**Share of joint ventures**	**Proportionate**	**Consolidation**	**Share of joint ventures**	**Proportionate**
Revenues	197,399	6,127	203,526	188,723	8,346	197,069
Production tax credits	20,929	—	20,929	19,047	—	19,047
Revenues and Production Tax Credits	218,328	6,127	224,455	207,770	8,346	216,116
Operating income	65,538	(774)	64,764	69,342	1,143	70,485
Depreciation and amortization	77,337	4,117	81,454	80,231	4,195	84,426
Realized gain on power hedges	2,225	—	2,225	270	—	270
Adjusted EBITDA	145,100	3,343	148,443	149,843	5,338	155,181

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 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, 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 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.

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

	Three months ended March 31	
	2023	**2022**
Net earnings (loss)	(13,036)	(34,930)
Add (Subtract):		
Share of unrealized portion of the change in fair value of financial instruments of joint ventures and associates, net of related income tax	(124)	(660)
Unrealized portion of the change in fair value of financial instruments	344	40,785
Realized gain on foreign exchange forward contracts	(33)	(487)
Income tax recovery related to above items	(1,065)	(7,044)
Adjusted Net loss	(13,914)	(2,336)

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 March 31, 2023			Three months ended March 31, 2022		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	197,399	—	197,399	188,723	—	188,723
Production Tax Credits	20,929	—	20,929	19,047	—	19,047
Operating expenses	51,246	—	51,246	40,038	—	40,038
General and administrative expenses	19,709	—	19,709	14,139	—	14,139
Prospective projects expenses	4,498	—	4,498	4,020	—	4,020
Depreciation and amortization	77,337	—	77,337	80,231	—	80,231
Operating Income	65,538	—	65,538	69,342	—	69,342
Finance costs	84,802	—	84,802	66,401	—	66,401
Other net (income) expenses	2,129	33	2,162	(1,082)	487	(595)
Share of (earnings) losses of joint ventures and associates	4,673	77	4,750	2,208	422	2,630
Change in fair value of financial instruments	(1,881)	(344)	(2,225)	40,515	(40,785)	(270)
Income tax (recovery) expense	(11,149)	1,112	(10,037)	(3,770)	7,282	3,512
Net earnings (loss)	(13,036)	(878)	(13,914)	(34,930)	32,594	(2,336)

Non-IFRS Measures

Free Cash Flow and Payout Ratio

Changes in the Non-IFRS measures effective January 1, 2023
On January 1, 2023, the Corporation revised the calculation of its Free Cash Flow and Payout Ratio measures to exclude the prospective project expenses. The comparative figures have been adjusted to conform with the revised measures.

The amendments are aimed at increasing relevance of the measure, allowing investors to understand how the operations contribute to funding the Corporation's growth and its dividend, while the legacy measure focussed exclusively on demonstrating how the operations contributed to funding the Corporation's dividend, after the decision to invest in its growth through advancing the development of its prospective projects. The revised measure also enhances comparability with current industry practices.

Description of the measures
References to "Free Cash Flow" are to cash flows from operating activities before changes in non-cash operating working capital items, less prospective projects expenses, 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, expenses related to the implementation of a cloud-based Enterprise Resource Planning solution, 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.

Free Cash Flow 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.

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 "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.

Non-IFRS Measures

Free Cash Flow and Payout Ratio calculation[1]	Trailing twelve months ended March 31	
	2023	2022
Cash flows from operating activities[2]	398,690	290,386
Add (Subtract) the following items:		
Changes in non-cash operating working capital items	6,807	47,411
Prospective projects expenses	25,218	25,598
Maintenance capital expenditures, net of proceeds from disposals	(15,688)	(7,719)
Scheduled debt principal payments	(158,412)	(163,323)
Free Cash Flow attributed to non-controlling interests[3]	(26,489)	(34,297)
Dividends declared on Preferred shares	(5,632)	(5,632)
Chile portfolio refinancing - hedging impact[4]	3,660	—
Add (subtract) the following specific items[5]:		
Realized (gain) loss on termination of interest rate swaps[4]	(71,735)	(377)
Realized (gain) loss on termination of foreign exchange forwards[6]	(43,458)	—
Principal and interest paid related to pre-acquisition period	1,312	—
Acquisition, integration and restructuring costs	21,413	6,744
Realized gain on the Phoebe basis hedge	—	(3,745)
Free Cash Flow[1]	135,686	155,046
Dividends declared on common shares	146,973	137,517
Payout Ratio[1]	108 %	89 %

1. Cash flows from operating activities for the trailing twelve months ended March 31, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.
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 trailing twelve months ended March 31, 2023 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. The Free Cash Flow for the trailing twelve months ended March 31, 2023 excludes the $43.5 million realized gain on settlement of the foreign exchange forward contracts concurrent with the closing of the French Acquisition.