INNERGEX

Investors Presentation

Q2 2023

Published on August 22, 2023

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1. **About Innergex**
2. Business Updates
3. Q2 2023 Financial Highlights
4. Appendix

Building a Better World With Renewable Energy

With a 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.

Planet

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

Prosperity

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

Overview of Innergex Renewable Energy Inc.

100% RENEWABLE ENERGY

- 100% renewable energy project developer and operator with a focus on North American market
- Diversified portfolio including hydro, wind, solar and battery storage facilities
- Presence in Chile and France for additional geography diversity

Total installed capacity
4,226 MW

Enterprise value
$8.8 billion

Credit rating
BBB-

Key Figures

85 operating facilities and 13 projects in development

Renewable energy generated during the second quarter
2,951 MWh

1,889,005 metric tonnes of CO_2 offset by Innergex's production in 2022

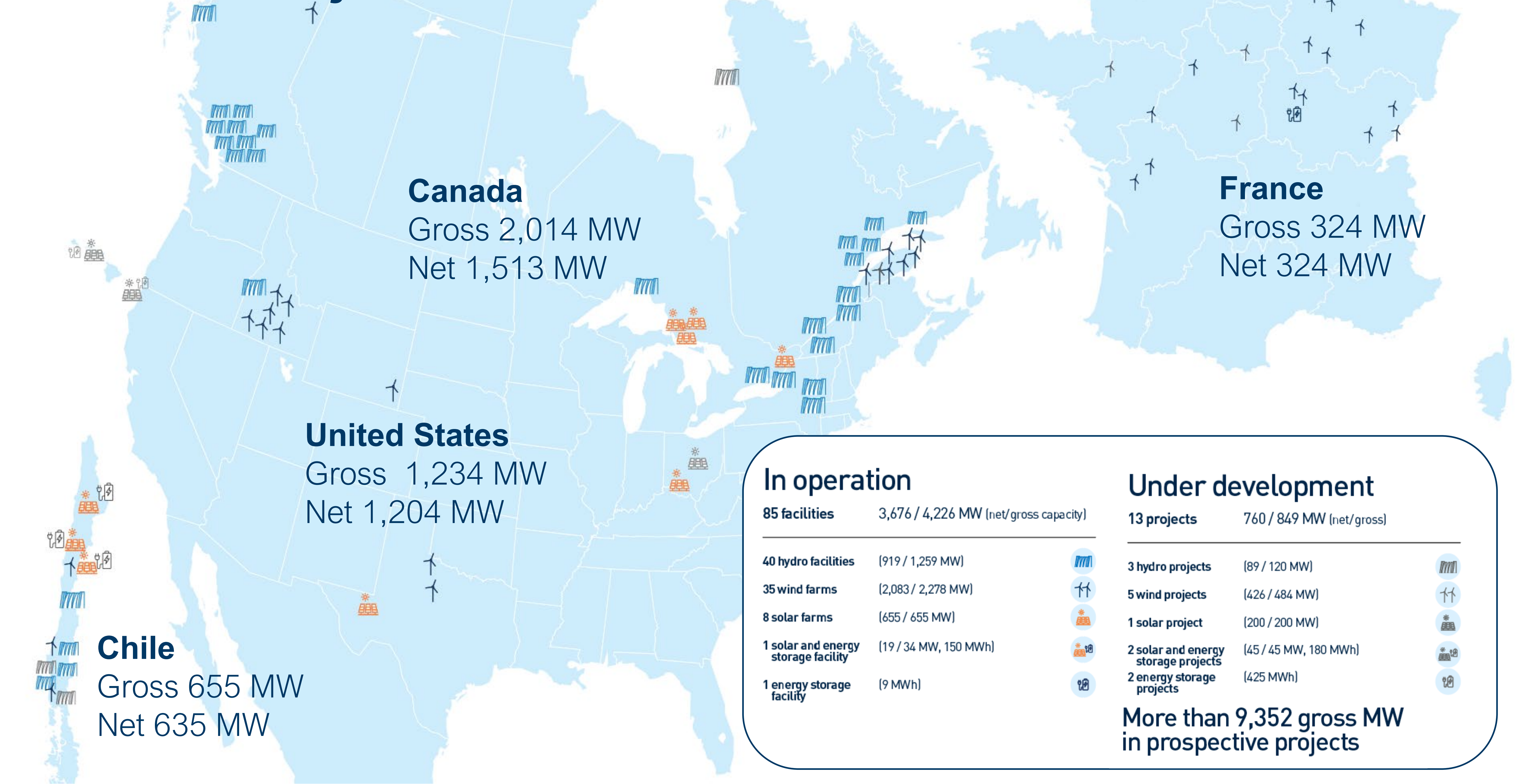
Over
588 employees

Market Capitalization[1]
$2.6 billion

Dividend / Yield[1]
$0.72 / 5.8%

1. All financial data are as of June 30st, 2023.

A Global Player



In operation

85 facilities	3,676 / 4,226 MW (net/gross capacity)
40 hydro facilities	(919 / 1,259 MW)
35 wind farms	(2,083 / 2,278 MW)
8 solar farms	(655 / 655 MW)
1 solar and energy storage facility	(19 / 34 MW, 150 MWh)
1 energy storage facility	(9 MWh)

Under development

13 projects	760 / 849 MW (net/gross)
3 hydro projects	(89 / 120 MW)
5 wind projects	(426 / 484 MW)
1 solar project	(200 / 200 MW)
2 solar and energy storage projects	(45 / 45 MW, 180 MWh)
2 energy storage projects	(425 MWh)

More than 9,352 gross MW in prospective projects

A Strategy to Achieve our Mission

Our Growth Strategy

Develop renewable energy projects with secured long-term power purchase contracts and strong cash flow profile

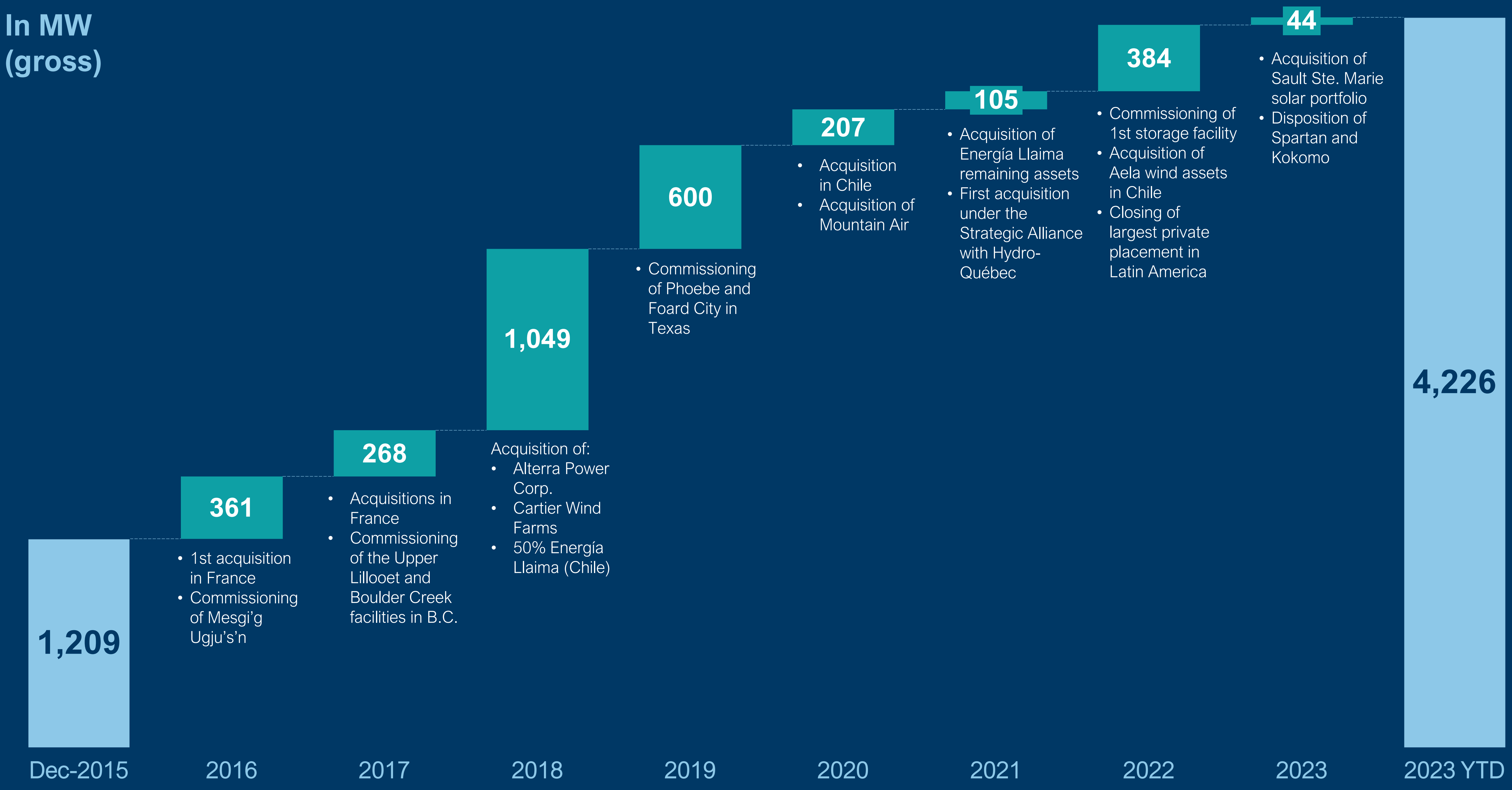
Our Financial Goal

Deliver strong financial performance to our shareholders by growing Free Cash Flow per share and maintaining a low-risk profile

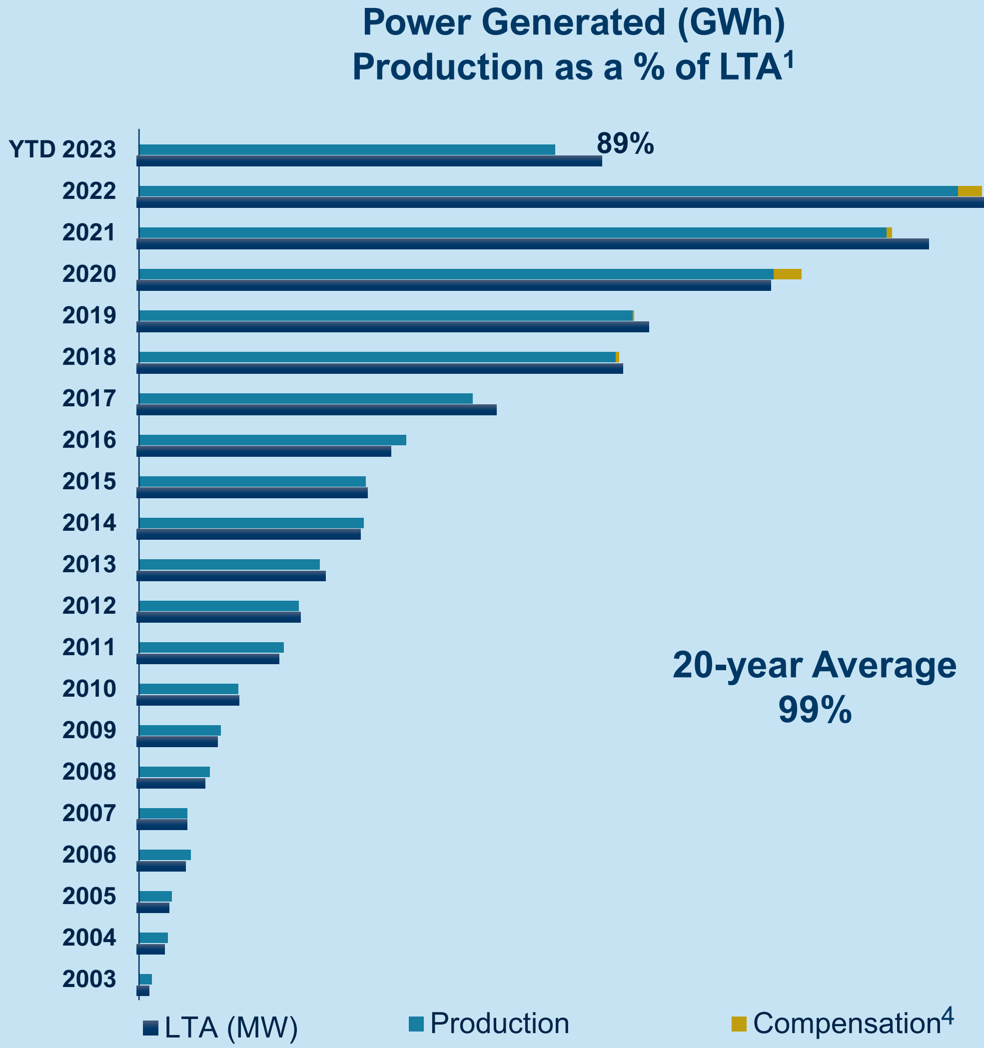
Additional objectives

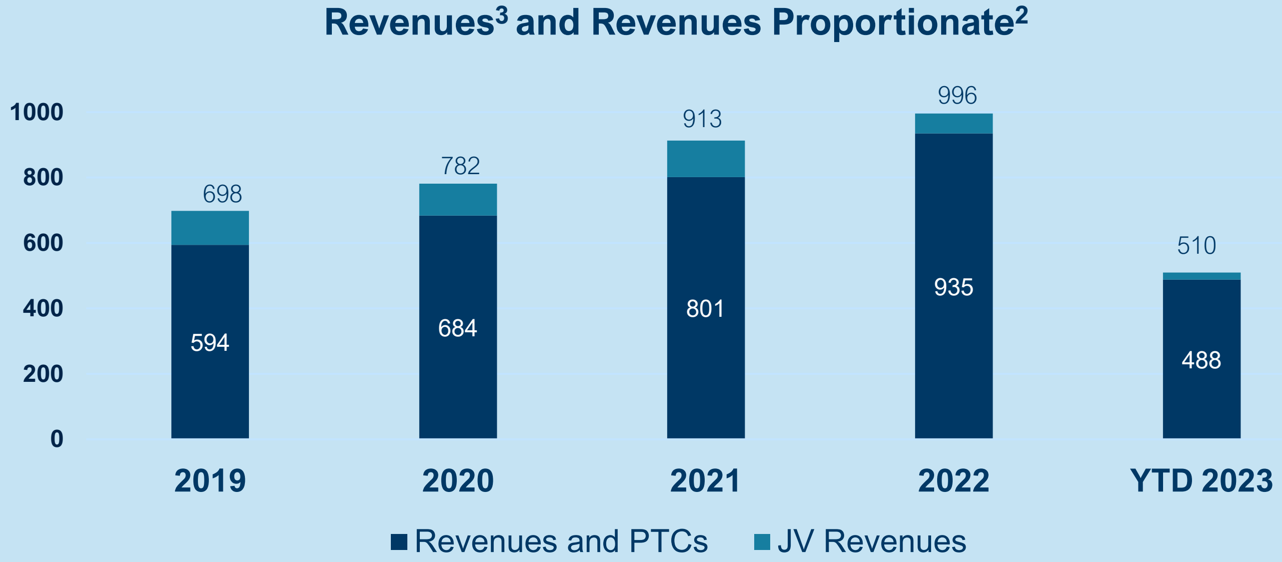
- Be a partner of choice for civic and Indigenous communities
- Remain a leading Independent Power Producer in Canada
- Maintain a strong diversified portfolio both in terms of geography and technologies

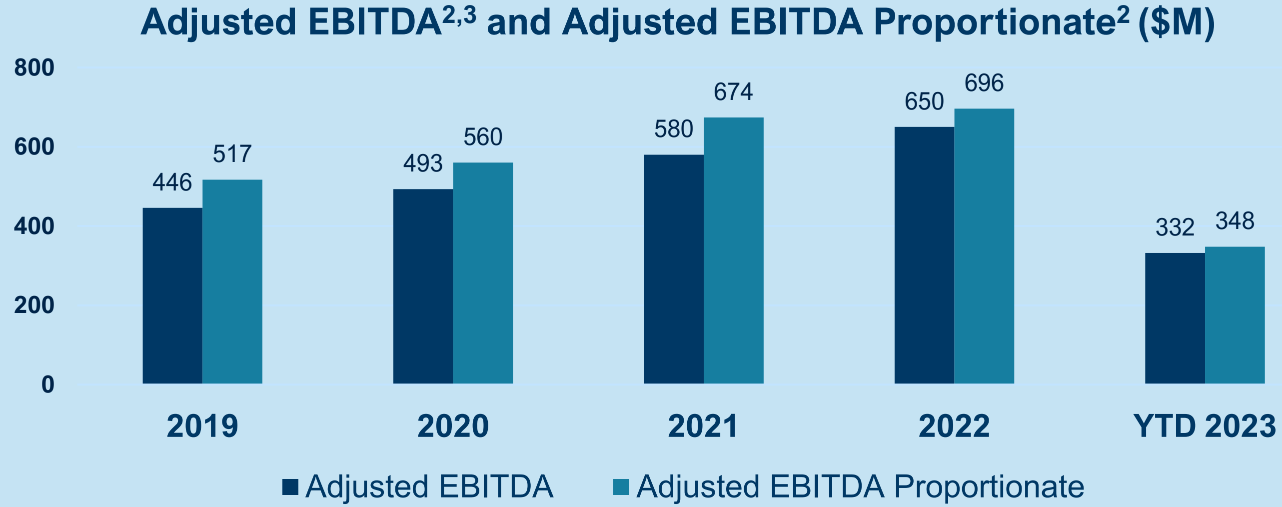
A Growth Propelled by Greenfield Development and M&A



Key Indicators







1 On a continued basis, year 2020 excludes BC Hydro curtailment and 2021-2022 figures exclude economic curtailment at Phoebe.
2 Revenues Proportionate, Adjusted EBITDA and Adjusted EBITDA Proportionate are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Non-IFRS section of this presentation.
3 As of January 1, 2023, Production Tax Credits ("PTCs"), previously recognized in other net income (expenses), have been reclassified directly below Revenues. Proportionate measures include only Innergex's share of Revenues and Production Tax Credits, and Adjusted EBITDA, of the joint ventures and associates. The realized portion of the change in fair value of power hedges are included in Adjusted EBITDA.
4 Total compensation received from insurance, liquidated damages related to performance guarantees, lost energy related to Power Purchase Agreements and arbitration with BC Hydro in 2020.

2020-2025 Strategic Plan

Grow Responsibly

Focus growth on current markets and target opportunities in neighbouring ones

Build Expertise

Become an expert in deploying energy storage technologies

Optimize Operations

Leverage expertise and innovation to maximize returns from our high-quality assets

Diversify Activities

Increase diversification of the Corporation's activities and assets

Executing on Funding Initiatives to Increase Liquidity

Financing of the 330 MW Boswell Springs[1] Wind Project

- Closing of a $704 million construction financing and a $65 million letter of credit
- Eligibility for the 10% Domestic Content PTC Bonus is currently being evaluated
- Tax equity investment process is well advanced and expected to close during Q3 2023

Completed ✓

Long-term partnership agreement in France

- Crédit Agricole Assurances to take a 30% minority interest in Innergex's portfolio of operating and development projects in France
- Proceeds to immediately reduce corporate leverage
- Proceeds: $188 million

Announced on August 7, 2023 ✓

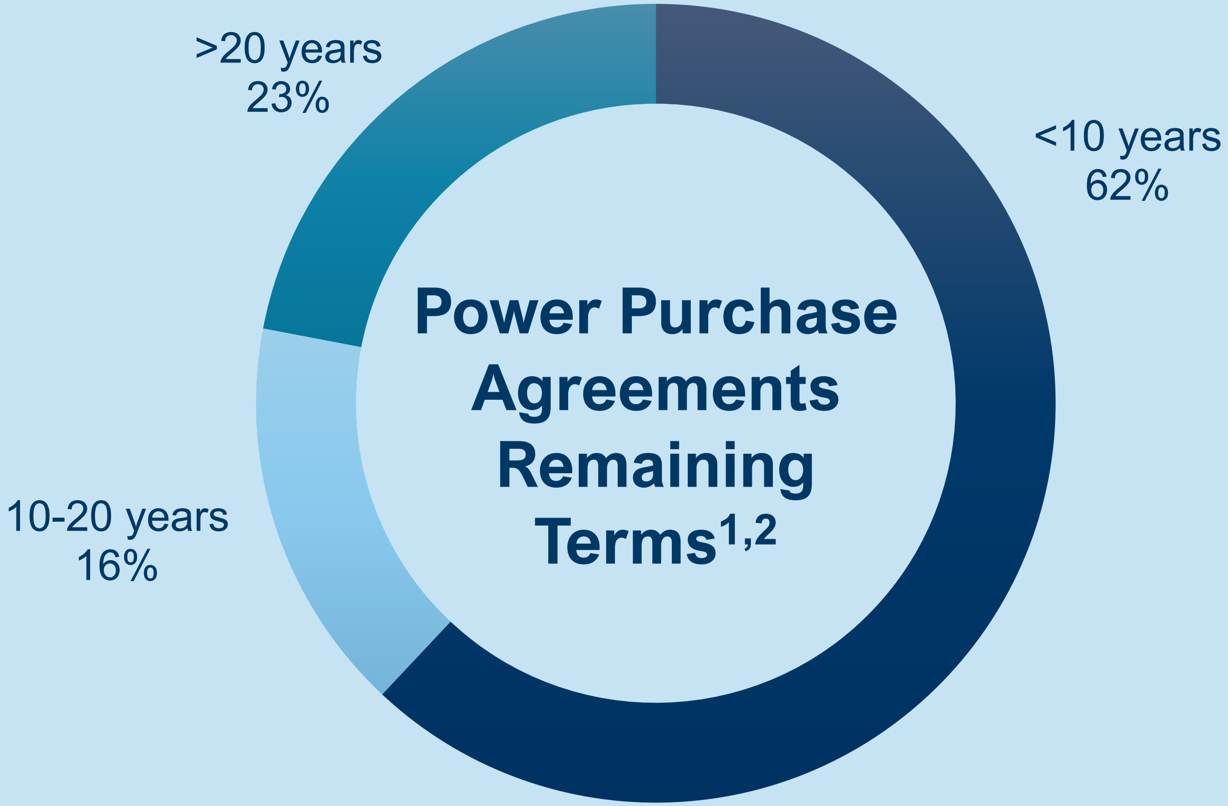
Hydro Portfolio non-recourse project financing

- Innergex advancing financing of 3 unlevered Canadian hydro assets
- Protect our Fitch Investment Grade rating BBB- for the upcoming years
- Targeted proceeds: $170 million
- Additional hydro facilities financing to come

In Progress

[1] Potential eligibility for up to 120% of Production Tax Credits, which includes a 10% Energy Community PTC Bonus and a 10% Domestic Content PTC Bonus. Eligible to the Energy Community Tax Credit PTC Bonus.

Our Business Forecast Is Predictable



- Cash flows generated by a diversified portfolio
- 13.2 years[1] of average contract duration, one of the longest in the renewable sector

1. Remaining weighted average life of Power Purchase Agreements, excluding projects under construction and in development, before consideration of renewal options.
2. Excluding merchant facilities.

Capital Allocation

Sources of Capital

Cash flow from operations

RCF[1] available funds ~$500 million

Non-Recourse Project Debt

Tax Equity Partners

Uses of Capital

- Funding Capex for 800 MW of existing:
  - projects under construction, 453 MW
  - projects under development, 241 MW
  - prospective projects, 106 MW
- Funding $35-40 million of annual prospective investments
- Annual scheduled principal and interest debt repayments
- $0.72 per share annual dividend to shareholders

Funding sources identified for the next 3 years

1 Revolving Credit Facilities available funds include the closing of the 3rd initiative

Recent Corporate Development and Commissioning

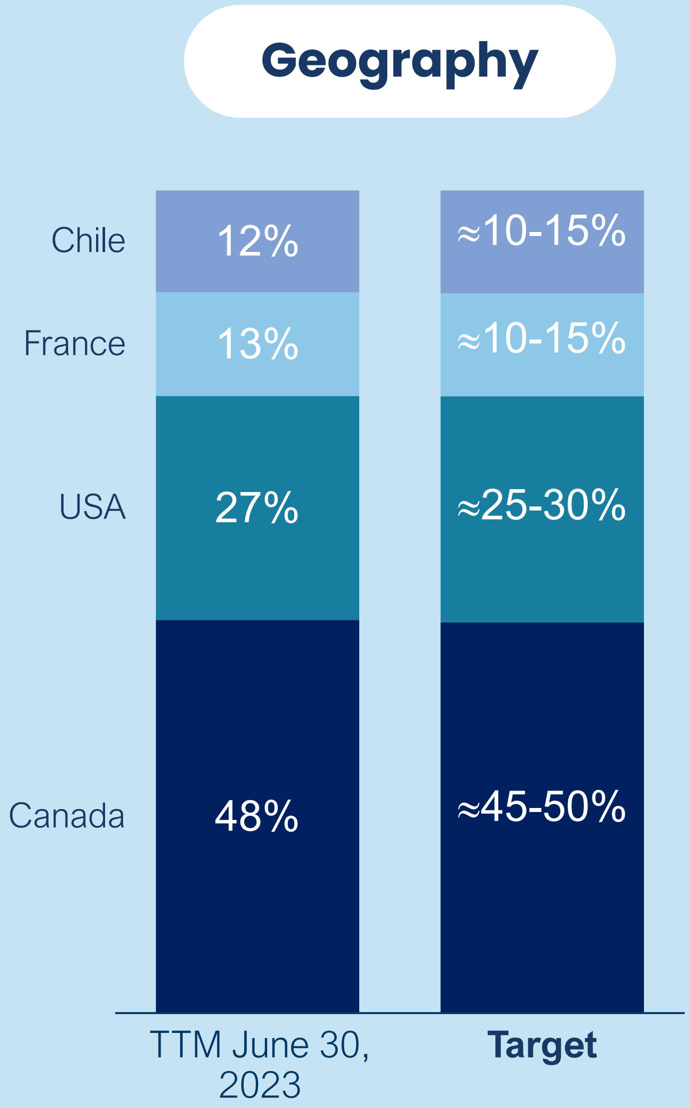
August 2023	**Signing of a long-term partnership agreement between Innergex and Crédit Agricole Assurances** for a 30% minority interest in Innergex's assets and development portfolio in France, representing a €128.0 million (CAN$188.4 million) investment
May 2023	Signature of a 30-year power purchase agreement with Hydro-Québec for the **102 MW Mesgi'g Ugju's'n 2 wind project**
March 2023	Closing of the **60 MW Sault Ste. Marie solar portfolio acquisition** in Ontario for a purchase price of $51.3 million
January 2023	The 30-year power purchase agreement with PacifiCorp for the **330 MW Boswell Springs wind project** became effective
December 2022	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
October 2022	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
August 2022	Signing of a 30-year, 320 MW power purchase agreement with PacifiCorp for the **Boswell Springs** wind project in Wyoming, U.S.
July 2022	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

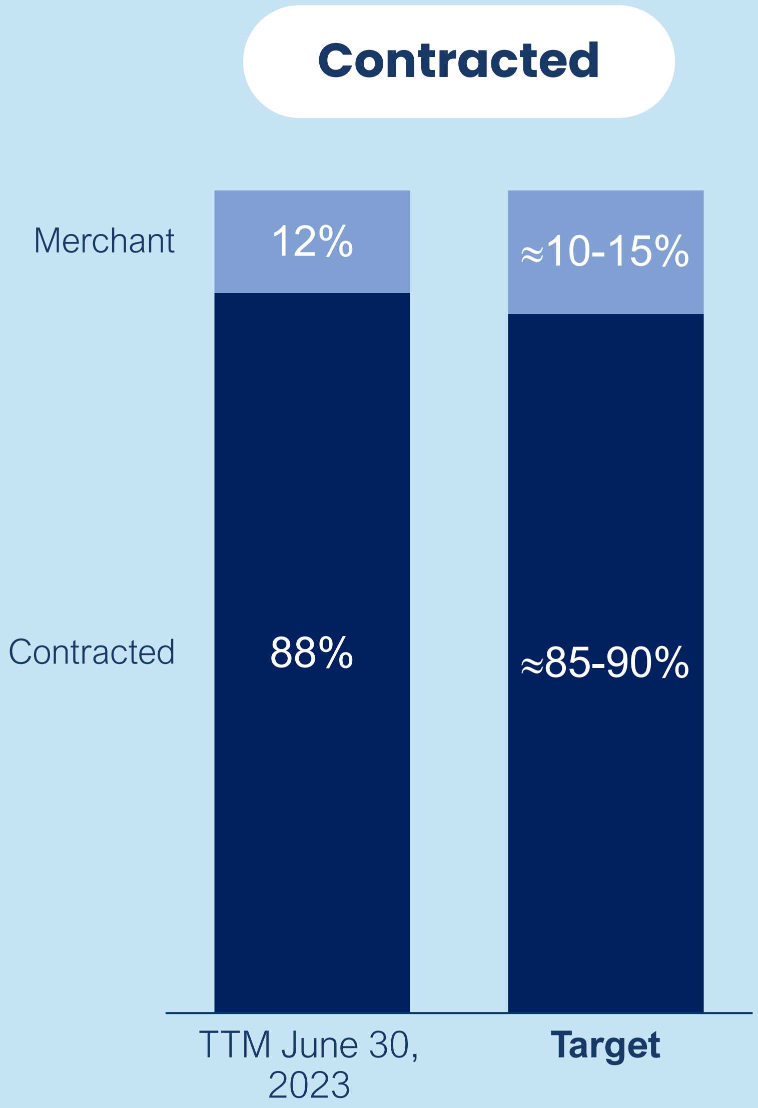
Ongoing Development and Construction Activities

Project	MW	Type	Location	Updates	COD
Innavik	7.5	Run of river hydro	QC (Canada)	Construction almost completed	2023
Salvador Battery Storage	50 MW/250 MWh storage[1]	Battery Energy Storage	Chile	Commissioning in process	2023
San Andrés Battery Storage	35 MW/175 MWh storage[1]	Battery Energy Storage	Chile	Installation started	2023
Boswell Springs	329.8	Wind	WY (U.S.)	Start of the concrete foundations work and generation-tie line 40% completed	2024
Hale Kuawehi	30.0 MW 30 MW/120 MWh storage[2]	Solar and battery storage	HI (U.S.)	56% PPA price increase approved by the PUC[3]	2024
Mesgi'g Ugju's'n 2	102.2	Wind	QC (Canada)	Long-term PPA with Hydro-Québec signed	2026
Auxy Bois Régnier	29.4	Wind	France	PPA replaced at more favourable pricing conditions	2025

1. Battery storage capacity of 5 hours.
2. Battery storage capacity of 4 hours.
3. Public Utility Commission

Our Diversification Target





Measured as a % of total Consolidated Revenues and Production Tax Credits of the trailing twelve months ended June 30, 2023. This measure is not a recognized measure under IFRS and therefore may not be comparable to that presented by other issuers. Please refer to the "Non-IFRS Measures" section of the Management's Discussion and Analysis for the three-month period ended June 30, 2023 for more information.

Recent Financial Events

Financing of the Boswell Springs Wind Project

- Closing of a US$534 million (CAN$704 million) construction and term financing and a US$49 million (CAN$65 million) letter of credit ("LC") facility for the construction and operation of the 329.8 MW Boswell Springs Wind Project

Financing of the San Andrés Battery Energy Storage Project

- Closing of a $66.7 million non-recourse construction financing for the San Andrés battery energy storage project, expected to be repaid with the proceeds from a future long-term non-recourse financing after the facility reaches commercial operation

Completion of $912.6 Million Green Bonds in Chile

- Issuance of equivalent $912.6 million non-recourse green bonds and equivalent $119.7 million letter of credit facility for its Chilean portfolio of assets
- Optimizes capital structure and returns for Innergex's Chilean operations by adding debt to previously unencumbered assets
- Unlocks equivalent $40.7 million of cash trapped in reserve accounts and benefits from a pre-hedging strategy providing an additional equivalent $71.9 million of cash to Innergex
- Enhances initial cash on cash yield by incorporating a 3-year interest-only period and extending debt maturity
- Provides capital for the construction of the Salvador battery energy storage project in Chile
- Represents Latin America's largest private placement deal in recent history
- Portfolio received an investment grade rating

Capital Structure

- Completion of the acquisition of the remaining 30.45% minority interest in its wind portfolio of 16 assets in France and repayment of the outstanding debentures for a total consideration of $96.4 million
- As part of the above financing, Innergex monetized its Euro/CAD foreign exchange forward contracts for a total gain of $43.5 million

Power Purchase Agreements ("PPA")

- Three new PPAs for Antoigné, Porcien and Vallottes wind facilities to take advantage of favourable energy pricing in France and increase contracted period of the facilities to December 31, 2025
- Notification of Early termination to Longueval's PPA offtaker in order to take advantage of current favourable energy pricing environment in France
- Two new PPAs for Bois d'Anchat and Beaumont facilities in France to effectively increase the contracted period of the facilities to December 31, 2032

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Production Proportionate

Production[1] (In GWh)	Three Months Ended June 30 2023	% LTA
Hydro		
Quebec	200.1	93%
Ontario	18.4	89%
British Columbia	774.1	95%
United States	105.1	94%
Chile	80.9	83%
Total Hydro	**1,178.6**	**94%**
Wind		
Quebec	532.7	105%
France	145.8	102%
United States	500.0	74%
Chile[4]	199.2	89%
Total Wind	**1,377.8**	**89%**
Solar		
Ontario	39.1	94%
United States	302.4	84%
Chile[3]	53.2	80%
Total Solar	**394.7**	**84%**
Total Production[1]	**2,951.1**	**90%**
Innergex's share of production of joint venture and associates	172.8	110%
Production Proportionate[1,2]	**3,123.9**	**91%**

1. Some facilities are treated as joint ventures and associates and accounted for using the equity method; their revenues are not included in the Corporation's consolidated revenues and, for consistency, their electricity production figures have been excluded from production and included in production proportionate.
2. The results from the Shannon joint venture facility from April 1, 2021, onward were excluded due to the project's assets and liabilities being classified as disposal group held for sale, until its sale on March 4, 2022.
3. The San Andrés Acquisition was completed on January 28, 2022.
4. The Aela Acquisition was completed on June 9, 2022.

Financial Highlights

In millions of Canadian dollars	Three Months Ended June 30			Six Months Ended June 30		
CONSOLIDATED	**2023**	**2022**	**Change**			
Production (GWh)	2,951.1	2,855.9	3%	5,263.7	5,160.5	2%
Revenues and Production Tax Credits	269.5	238.5	13%	487.9	446.3	9%
Operating, general, administrative, and prospective project expenses	79.3	66.9	19%	154.7	125.1	24%
Adjusted EBITDA[1]	187.0	159.3	17%	332.1	309.1	7%
Net (Loss) Earnings	24.8	(24.6)	201%	11.8	(59.5)	120%
PROPORTIONATE						
Production Proportionate[1] (GWh)	3,123.9	2,991.5	4%	5,483.9	5,349.6	3%
Revenues Proportionate[1]	285.1	251.5	13%	509.6	467.6	9%
Adjusted EBITDA Proportionate[1]	199.2	168.8	18%	347.6	323.9	7%

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	As of June 30	
Trailing Twelve Months	**2023**	**2022**
Cash flows from operating activities[2]	392.2	308.4
Free Cash Flow[1]	115.3	173.6
Dividends declared on common shares	147.0	142.8
Payout Ratio[1]	**127%**	**82%**

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.

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 remaining average useful life[1] of 34.2 years
- 69% with interest rate fixed or under long-term hedging agreements

1. Based on useful life assumptions of 75 years for Hydro, 35 years for Solar and 30 years for Wind.

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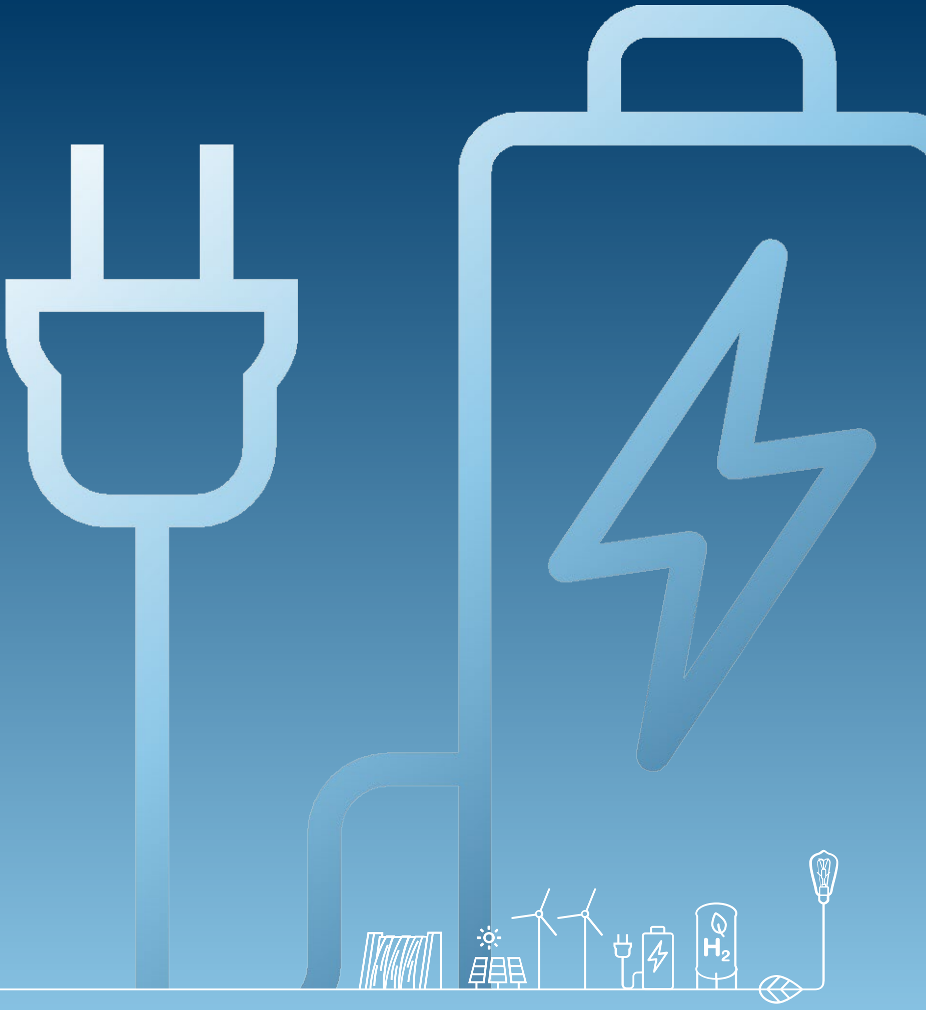


A Proven Commitment to the Highest ESG Standards

Named #1

BEST 50 2023

CANADA'S BEST CORPORATE CITIZENS

#Equalby30

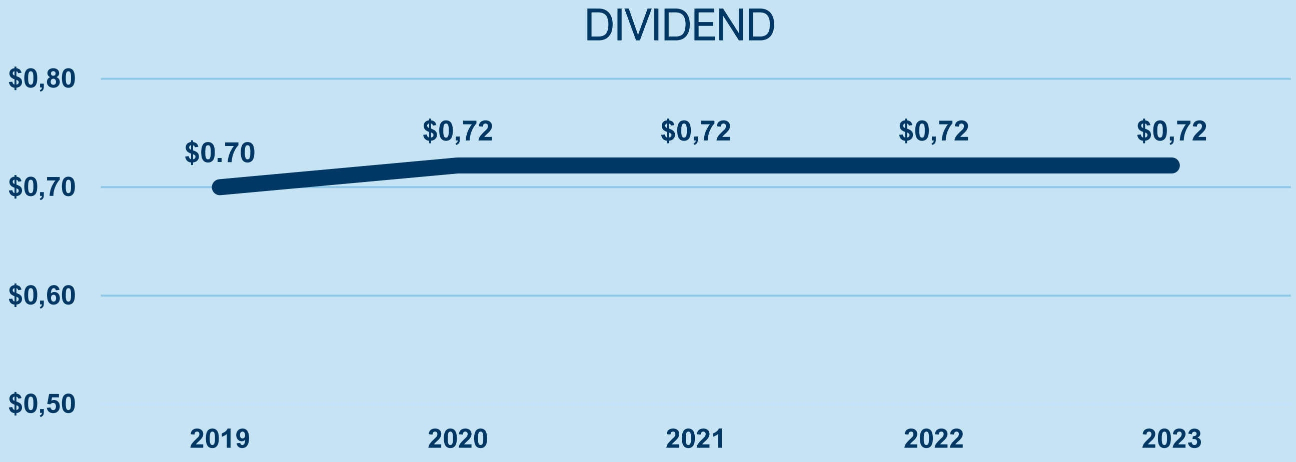
CERTIFIÉE PARITÉ PARITY CERTIFIED

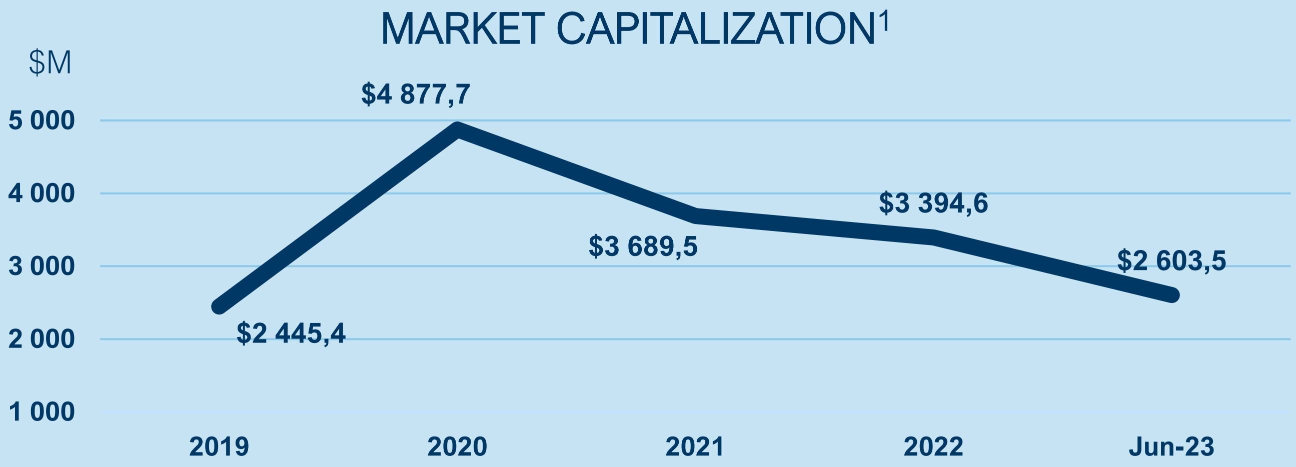
LA GOUVERNANCE AU FÉMININ · WOMEN IN GOVERNANCE

ESG Recognitions and Rating Profile as at December 31, 2022

MSCI	**AA "Leader"** (on a AAA to CCC scale)
ISS ESG	**B** (on an A+ to D- scale)
CDP	**D** (on a scale of A to F)
SUSTAINALYTICS	**19.1 Low Risk** (0 negligible to 40+ high risk)

Key Metrics





Share Price (TSX: INE)	$12.34
Total Outstanding Shares	204.2M
2023 Annual Dividend	$0.72
Convertible Debentures (INE.DB.B)[2]	144.8M
Convertible Debentures (INE.DB.C)[2]	139.1M
Preferred Shares Outstanding (INE.PR.A, INE.PR.C)	5.4M
Market Capitalization (including Preferred Shares)	2.6B
Enterprise Value	8.8B

All data are as of June 30, 2023, unless otherwise noted.
1. Market capitalization includes preferred shares
2. Aggregate principal amount.

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.

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, Adjusted 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 enhance 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

<u>Description of the measures</u>

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, ERP implementation, 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 Tax Credits Proportionate, should not be construed as an alternative to Revenues and Production Tax Credits, 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 Section 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS results for more information.

	Three months ended June 30, 2023			Three months ended June 30, 2022		
	Consolidation	**Share of joint ventures**	**Proportionate**	**Consolidation**	**Share of joint ventures**	**Proportionate**
Revenues	251,912	15,586	267,498	219,746	12,944	232,690
Production tax credits	17,629	—	17,629	18,767	—	18,767
Revenues and Production Tax Credits	269,541	15,586	285,127	238,513	12,944	251,457
Operating income	93,322	8,136	101,458	92,526	5,218	97,744
Depreciation and amortization	93,594	4,069	97,663	79,113	4,222	83,335
ERP implementation	3,349	—	3,349	—	—	—
Realized loss on the power hedges	(3,276)	—	(3,276)	(12,329)	—	(12,329)
Adjusted EBITDA	186,989	12,205	199,194	159,310	9,440	168,750

Non-IFRS Measures

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	449,311	21,713	471,024	408,469	21,288	429,757
Production tax credits	38,558	—	38,558	37,814	—	37,814
Revenues and Production Tax Credits	487,869	21,713	509,582	446,283	21,288	467,571
Operating income	156,291	7,362	163,653	161,868	6,359	168,227
Depreciation and amortization	170,931	8,186	179,117	159,344	8,418	167,762
ERP implementation	5,918	—	5,918	—	—	—
Realized loss on the power hedges	(1,051)	—	(1,051)	(12,059)	—	(12,059)
Adjusted EBITDA	332,089	15,548	347,637	309,153	14,777	323,930

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, ERP implementation, 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 Section 3- Adjusted Net Loss for more information.

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

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Net earnings (loss)	24,805	(24,590)	11,769	(59,520)
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	(315)	(345)	(439)	(1,005)
Unrealized portion of the change in fair value of financial instruments	(16,812)	27,712	(16,468)	68,497
Realized gain on foreign exchange forward contracts	(1)	—	(34)	(487)
Income tax expense (recovery) related to above items	—	(4,323)	2,881	(11,367)
Adjusted net earnings (loss)	11,260	(1,546)	(85)	(3,882)

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 June 30, 2023			Three months ended June 30, 2022			Six months ended June 30, 2023			Six months ended June 30, 2022		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	251,912	—	251,912	219,746	—	219,746	449,311	—	449,311	408,469	—	408,469
Production Tax Credits	17,629	—	17,629	18,767	—	18,767	38,558	—	38,558	37,814	—	37,814
Operating expenses	55,789	—	55,789	50,546	—	50,546	107,035	—	107,035	90,584	—	90,584
General and administrative expenses	16,584	—	16,584	10,540	—	10,540	36,293	—	36,293	24,679	—	24,679
Prospective projects expenses	6,903	—	6,903	5,788	—	5,788	11,401	—	11,401	9,808	—	9,808
ERP implementation	3,349	(3,349)	—	—	—	—	5,918	(5,918)	—	—	—	—
Depreciation and amortization	93,594	—	93,594	79,113	—	79,113	170,931	—	170,931	159,344	—	159,344
Operating Income	93,322	3,349	96,671	92,526	—	92,526	156,291	5,918	162,209	161,868	—	161,868
Finance costs	90,539	—	90,539	77,159	—	77,159	175,341	—	175,341	143,560	—	143,560
Other net income	(3,101)	1	(3,100)	(216)	—	(216)	(3,541)	34	(3,507)	(1,298)	487	(811)
Share of (earnings) losses of joint ventures and associates	(4,384)	202	(4,182)	(1,222)	469	(753)	289	279	568	986	1,367	2,353
Change in fair value of financial instruments	(17,248)	20,524	3,276	40,041	(27,712)	12,329	(19,129)	20,180	1,051	80,556	(68,497)	12,059
Income tax expense (recovery)	2,711	(3,833)	(1,122)	1,354	4,199	5,553	(8,438)	(2,721)	(11,159)	(2,416)	11,005	8,589
Net earnings (loss)	24,805	(13,545)	11,260	(24,590)	23,044	(1,546)	11,769	(11,854)	(85)	(59,520)	55,638	(3,882)

Non-IFRS Measures

Free Cash Flow and Payout Ratio

<u>Changes in the Non-IFRS measures effective January 1, 2023</u>

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 focused 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.

<u>Description of the measures</u>

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 Section 4- Free Cash Flow and Payout Ratio 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 June 30	
	2023	2022
Cash flows from operating activities[1]	392,250	308,384
Add (Subtract) the following items:		
Changes in non-cash operating working capital items	4,231	45,659
Prospective projects expenses	26,333	24,652
Maintenance capital expenditures, net of proceeds from disposals	(18,649)	(9,095)
Scheduled debt principal payments	(167,262)	(161,411)
Free Cash Flow attributed to non-controlling interests[2]	(28,652)	(35,900)
Dividends declared on Preferred shares	(5,632)	(5,632)
Chile portfolio refinancing - hedging impact[3]	4,830	—
Add (subtract) the following specific items[4]:		
Realized (gain) loss on termination of interest rate swaps[3]	(71,735)	(377)
Realized (gain) loss on termination of foreign exchange forwards[5]	(43,458)	—
Principal and interest paid related to pre-acquisition period	1,312	—
Acquisition and integration costs	21,774	9,660
Realized gain on the Phoebe basis hedge	—	(2,300)
Free Cash Flow	115,342	173,640
Dividends declared on common shares	146,993	142,824
Payout Ratio	127%	82%

1. Cash flows from operating activities for the trailing twelve months ended June 30, 2022 include the one-time BC Hydro Curtailment Payment received during the first quarter of 2022.

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 June 30, 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 June 30, 2023 excludes the $43.5 million realized gain on settlement of the foreign exchange forward contracts concurrent with the closing of the French Acquisition.

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