

Q3

# Quarterly Report

Third Quarter - 2023  
For the Period Ended September 30, 2023

These condensed interim consolidated financial statements have not been audited by the Corporation's independent auditors.



For more than 30 years, Innergex Renewable Energy Inc. has believed in a world where abundant renewable energy promotes healthier communities and creates shared prosperity. As an independent renewable power producer that develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities, Innergex is convinced that renewable energy will lead the way to a better world. Innergex operates in Canada, the United States, France and Chile and follows a sustainable development philosophy that balances people, our planet and prosperity. The Corporation's shares are listed on the Toronto Stock Exchange ("TSX") under the symbols INE, INE.PR.A and INE.PR.C and its convertible debentures are listed under the symbols INE.DB.B and INE.DB.C.

## KEY FIGURES

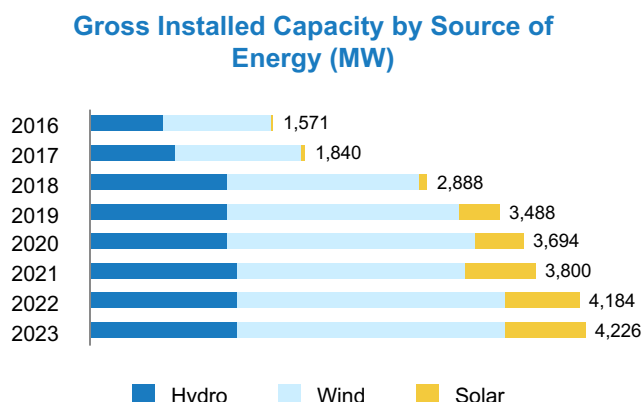
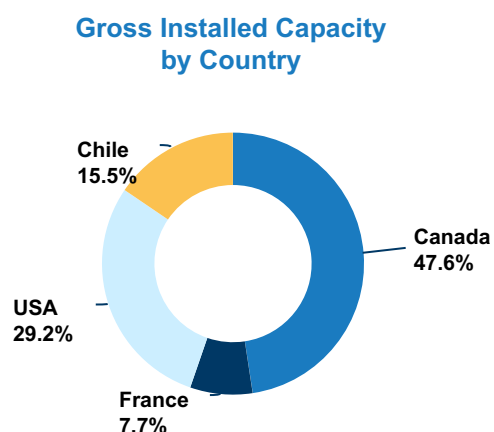
Innergex measures its performance using key performance indicators ("KPIs"). Innergex believes that these indicators are important, as they provide management and the reader with additional information about its production and cash-generating capabilities, its ability to pay dividends and fund its growth.

These indicators are not recognized measures under IFRS, have no standardized meaning prescribed by IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the "Non-IFRS Measures" section for more information.

Production KPIs	Financial KPIs
Production in comparison with Long-Term Average ("LTA") in megawatt/hours ("MWh") and gigawatt/hours ("GWh") Production and Production Proportionate	Revenues and Production Tax Credits and Revenues and Production Tax Credits Proportionate Adjusted EBITDA and Adjusted EBITDA Proportionate Adjusted Net Earnings (Loss) Free Cash Flow Payout Ratio

## Operational Key Performance Indicators

As at November 8, 2023, the Corporation has four geographic segments and three operating segments.



## BUSINESS STRATEGY

Innergex develops, acquires, owns and operates renewable power-generating facilities with a focus on hydroelectric, wind and solar production as well as energy storage technologies. The Corporation's fundamental goal is to create wealth by efficiently managing its high-quality renewable energy assets and successfully pursuing its growth.

Innergex is committed to producing energy from sustainable renewable sources exclusively and to providing energy storage capacity, guided by its philosophy that balances investing in people, caring for our planet and generating prosperity by sharing economic benefits with local communities and creating shareholder value. Innergex is committed to developing, acquiring, owning and operating renewable energy facilities exclusively that generate sustainable cash flows, provide an attractive risk-adjusted return on invested capital and enable the distribution of a sustainable dividend.

Innergex owns interests in 40 hydroelectric facilities drawing on 33 watersheds, 35 wind facilities, 9 solar facilities and 2 battery energy storage facilities. The expertise and innovation developed by our skilled team in various energies and different locations can be leveraged and shared across the Corporation to maximize returns from our high-quality assets.

### Progressing with the Strategic Plan 2020-2025

The transition to a carbon-neutral economy will be led by the renewable energy sector. Innergex is well-positioned to continue its strategic growth and contribute to climate protection by further optimizing and growing its portfolio of renewable energy facilities. To do so, the Corporation has set four strategic goals to be achieved by 2025:

#### Grow Responsibly

Focus growth on current markets

#### Build Expertise

Become an expert in deploying energy storage technologies

#### Optimize Operations

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

#### Diversify Activities

Increase diversification of the Corporation's asset mix within its existing target markets

The Corporation will rely on its experience to pursue the development of new projects. It will adopt and master new technologies, mainly energy storage, expand its customer base beyond traditional utilities and deploy new business models through which it will offer more value for the electrons produced or stored.

Innergex has a solid track record, with decades of producing green energy from its quality assets. Its existing renewable energy facilities are operated by a dedicated team of skilled professionals who will continue optimizing operations and providing quality maintenance. With soaring interest in renewable energy development, Innergex will remain committed to the approach that has long provided responsible growth. Its belief in nurturing relationships to develop long-term partnerships with stakeholders and communities, in particular Indigenous ones, has enabled the Corporation to develop unique, value-creating renewable projects.

## PORTFOLIO OF ASSETS

The Corporation owns interests in three groups of projects at various stages: the Operating Facilities, the Development Projects and the Prospective Projects.

As at November 8, 2023, the Corporation owns and operates 86 facilities in commercial operation (the "Operating Facilities"). Commissioned between 1986 and October 2023, the facilities have a weighted average age of approximately 11.3 years.

They mostly sell the generated power under long-term power purchase agreements, power hedge contracts<sup>1</sup> and short- and long-term industrial contracts (each, a "PPA") to rated public utilities or other creditworthy counterparties, or on the open market. The PPAs have a weighted average remaining life of 13.1 years (weighted average based on gross long-term average production).

For most Operating Facilities in Canada and in France, PPAs include a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. For most Operating Facilities in the United States, power generated is sold through PPAs or on the open market mainly supported by financial or physical power hedges. In Chile, Operating Facilities sell the power generated through PPAs to power distribution companies and industrial customers, or on the open market. Please refer to the "Business Environment - Inflation" section of this MD&A for a discussion regarding inflation.

The Corporation also holds interests in projects under development that are either at an advanced development stage or under construction (the "Development Projects").

1. A power hedge contract is deemed a PPA regardless of whether it is subjected to hedge accounting or accounted for as a financial derivative at fair value through earnings (loss).

The table below outlines Operating Facilities and Development Projects as at November 8, 2023.

	Number of Facilities <sup>1</sup>		Gross <sup>2</sup> Installed Capacity (MW)		Net <sup>3</sup> Installed Capacity (MW)		Storage Capacity (MWh)	
	Operating Facilities	Development Projects	Operating Facilities	Development Projects	Operating Facilities	Development Projects	Operating Facilities	Development Projects
<b>HYDRO</b>								
Canada	33	1	1,019	8	713	4	—	—
United States	3	—	70	—	40	—	—	—
Chile	4	2	170	112	166	85	—	—
Subtotal	40	3	1,259	120	919	89	—	—
<b>WIND</b>								
Canada	8	1	908	102	714	51	—	—
France	16	3	324	52	227	32	—	—
United States	8	1	714	330	714	330	—	—
Chile	3	—	332	—	332	—	—	—
Subtotal	35	5	2,278	484	1,987	413	—	—
<b>SOLAR</b>								
Canada	4	—	87	—	87	—	—	—
United States	2	3	450	245	450	245	—	180 <sup>5</sup>
Chile	3	—	153	—	137	—	150 <sup>4</sup>	—
Subtotal	9	3	689	245	674	245	150	180
<b>STORAGE</b>								
France	1	—	—	—	—	—	9	—
Chile	1	1	—	—	—	—	250 <sup>7</sup>	175 <sup>6</sup>
Subtotal	2	1	—	—	—	—	259	175
<b>Total</b>	<b>86</b>	<b>12</b>	<b>4,226</b>	<b>849</b>	<b>3,580</b>	<b>747</b>	<b>409</b>	<b>355</b>

1. The number of Operating Facilities includes all facilities owned and operated by the Corporation, including non-wholly owned subsidiaries and joint ventures and associates.

2. Gross installed capacity is the total capacity of all Operating Facilities of Innergex, including non-wholly owned subsidiaries and joint ventures and associates.

3. Net installed capacity is the proportional share of the total capacity attributable to Innergex based on its ownership interest in each facility.

4. Capacity related to the hot water storage of the Pampa Elvira thermal solar facility.

5. Battery storage capacity related to Hale Kuawehi (30 MW/120 MWh (4 hours)) and Paeahu (15 MW/60 MWh (4 hours)) solar projects.

6. San Andrés battery storage capacity of 35 MW/175 MWh (5 hours).

7. Salvador battery storage capacity of 50 MW/250 MWh (5 hours)

More information on the Corporation's Prospective Projects is available in the "Prospective Projects" section of the Management's Discussion and Analysis.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is a discussion of the operating results, cash flows and financial position of Innergex Renewable Energy Inc. ("Innergex" or the "Corporation") for the three and nine months ended September 30, 2023, and reflects all material events up to November 8, 2023, the date on which this MD&A was approved by the Corporation's Board of Directors.

The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the accompanying notes for the three and nine months ended September 30, 2023.

The unaudited condensed interim consolidated financial statements attached to this MD&A and the accompanying notes for the three and nine months ended September 30, 2023, along with the 2022 comparative figures, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). However, some measures referred to in this MD&A 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 for more information.

All tabular dollar amounts are in thousands of Canadian dollars, except amounts per share or unless otherwise indicated. Some amounts included in this MD&A have been rounded to make reading easier, which may affect some calculations.

To inform readers of the Corporation's future prospects, this MD&A contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"). Please refer to the "Forward-Looking Information" section for more information.

Additional information relating to Innergex, including its Annual Information Form, can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") at [sedar.com](http://sedar.com) or on the Corporation's website at [innergex.com](http://innergex.com). Information contained in or otherwise accessible through our website does not form part of this MD&A and is not incorporated into the MD&A by reference.

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## 1- HIGHLIGHTS | Third Quarter 2023 – Growth Initiatives

On July 14, 2023, the Corporation closed the construction financing of the Boswell Springs wind project totalling US\$533.6 million (\$703.8 million) bearing interest at 1-month SOFR + 1% maturing in 2025, which includes a construction loan of US\$207.0 million (\$273.0 million) and a tax equity bridge loan of US\$326.6 million (\$430.8 million), and a US\$49.2 million (\$64.9 million) letter of credit facility bearing interest at 1.31%. The construction loan will be repaid by a US\$203.3 million (\$268.1 million) 10-year non-recourse loan bearing interest at SOFR 180 days + 1.375% and it is expected that the tax equity bridge loan will be repaid with the proceeds from the tax equity financing.

On July 17, 2023, the Corporation concluded three interest rate swaps to hedge a US\$152.5 million (\$201.9 million) portion of the construction financing that is subject to variable interest rates, for a total hedged notional of US\$265.8 million (\$351.9 million), including the interest rate swaps previously entered into.

On July 17, 2023, the Corporation disposed of the 6 MW Kokomo and 10.5 MW Spartan solar facilities for a nominal amount. No significant income or expense were recognized pursuant to these transactions.

On August 7, 2023, the Corporation entered into an agreement to form a long-term partnership with Crédit Agricole Assurances, in collaboration with Crédit Agricole Centre-Est, for a 30% minority interest in Innergex's portfolio in France. The transaction was completed on October 26, 2023, for total proceeds of €129.5 million (\$188.8 million) investment, which were used to reduce Innergex's revolving credit facilities and to fund the Corporation's development activities over the coming years.

## 1- HIGHLIGHTS | Third Quarter 2023 – Selected Information

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
<b>OPERATING RESULTS</b>				
Production (MWh)	2,654,439	2,736,471	7,918,191	7,896,968
Revenues and Production Tax Credits	292,179	268,728	780,048	715,011
Operating Income	99,778	108,002	256,069	269,870
Adjusted EBITDA <sup>1</sup>	180,233	167,636	512,322	476,789
Net Earnings (Loss)	4,381	20,980	16,150	(38,540)
Adjusted Net Earning (Loss) <sup>1</sup>	5,198	(465)	5,113	(5,034)
<b>PROPORTIONATE</b>				
Production Proportionate (MWh) <sup>1</sup>	2,867,819	2,993,839	8,351,684	8,343,421
Revenues and Production Tax Credits Proportionate <sup>1</sup>	316,848	296,612	826,430	764,182
Adjusted EBITDA Proportionate <sup>1</sup>	201,177	191,554	548,814	515,484
<b>COMMON SHARES</b>				
Dividends declared on Common Shares	36,772	36,741	110,280	110,213
Dividends declared on Series A Preferred Shares	689	689	2,068	2,068
Dividends declared on Series C Preferred Shares	719	719	2,156	2,156
Weighted Average Number of Common Shares (in 000s)	203,561	203,523	203,539	201,265

	Trailing twelve months ended September 30	
	2023	2022
<b>CASH FLOW AND PAYOUT RATIO</b>		
Cash Flow From Operating Activities <sup>2</sup>	311,114	412,447
Free Cash Flow <sup>1,2</sup>	121,200	186,327
Payout Ratio <sup>1,2</sup>	121 %	78 %

	As at	
	September 30, 2023	December 31, 2022
<b>FINANCIAL POSITION</b>		
Total Assets	8,952,721	8,602,427
Total Liabilities	7,561,132	7,116,000
Equity Attributable to Owners	1,254,711	1,316,195
Non-Controlling Interests	136,878	170,232

- These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production and Production Proportionate are key performance indicators for the Corporation that cannot be reconciled with an IFRS measure. Please refer to Section 5- Non-IFRS Measures of this MD&A for more information.
- For more information on the calculation and explanation, please refer to Section 4- CAPITAL AND LIQUIDITY | Free Cash Flow and Payout Ratio of this MD&A.

## 1- HIGHLIGHTS | Third Quarter 2023 – Operating Performance

The Salvador battery energy storage project was commissioned in October 2023, generating revenues from the sale of energy. It is expected to be receiving capacity payments towards the end of the year. An official inauguration event took place on site with several Chilean government representatives. The Innalik hydro project started delivering power to the Inuit community of Inukjuak, Nunavik, Quebec, while commissioning activities are ongoing. The San Andrés battery storage project is also advancing, the interconnection was completed and the commissioning should begin by the end of the year. At Boswell Springs, the construction activities are ahead of schedule, while the site will be closing in the coming days for the winter season. In Hawaii, the Hale Kuawehi amended PPA, with a 56% rate increase, executed with HECO was approved by the Public Utility Commission and construction activities are progressing.

The lower water flows in British Columbia, which suffered from an extremely dry summer, and the lower wind regimes in Quebec impacted the overall production of the Corporation, which reached 88% of the long-term average. Had production levels been equal to their long-term average for these two specific items during the three and nine months period ended on September 30, 2023, revenues could have been higher by approximately \$30.5 million and \$60.3 million, respectively. The recent acquisition of the three Sault Ste. Marie solar facilities in Ontario and overall performance of the other assets in Innergex's portfolio contributed to partly offset the effect of these unusual weather events.

For the three months ended September 30, 2023, **Revenues and Production Tax Credits** were up 9% to \$292.2 million compared with the same period last year. The increase is mainly explained by the Sault Ste. Marie Acquisition, the higher production at the Curtis Palmer hydro facilities in the United States, the favourable pricing at the Phoebe and Foard City facilities, the higher production from the wind facilities in France, the United States and Chile and the new PPAs in place in France. The increase is partly offset by lower production at the hydro facilities in British Columbia, lower wind regimes at the Quebec facilities, unfavourable pricing at the Griffin Trail wind and the Chilean hydro facilities. Revenues and Production Tax Credits Proportionate<sup>1</sup> were up 7% at \$316.8 million compared with the same period last year.

For the three months ended September 30, 2023, **Operating, general, administrative and prospective projects expenses** were up 12% to \$86.8 million compared with the same period last year. The higher expenses are mainly explained by the Sault Ste. Marie Acquisition, the impact of the 2022 Supplementary Budget Act in France on French facilities, extraordinary maintenance expenses at several wind facilities in Quebec, and higher operating costs in the United States.

The increase in realized loss on the power hedges is mainly related to the increase in merchant power curves for the Phoebe power hedge.

As a result of the factors explained above, Adjusted EBITDA<sup>1</sup> was 8% higher at \$180.2 million for the three months ended September 30, 2023, and Adjusted EBITDA Proportionate<sup>1</sup> was 5% higher at \$201.2 million, compared with the same period last year.

Innergex recorded net earnings of \$4.4 million (\$0.04 net earnings per share, on a basic and diluted basis) for the three months ended September 30, 2023, compared with net earnings of \$21.0 million (\$0.11 net earnings per share - basic and diluted) for the corresponding period in 2022. The decrease in net earnings is largely explained by an unfavourable \$25.6 million change in the fair value of financial instruments, mainly related to the unfavourable change in foreign exchange forward curves and the increase in the merchant power curves for the Phoebe power hedge in 2023, compared with the same period last year and a \$19.5 million increase in depreciation and amortization, mainly attributable to the Aela and Sault Ste. Marie acquisitions. In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, these items were partly offset by a \$15.2 million decrease in income tax expense, mainly related to a decrease in net earnings of the Company and a favorable change in deferred tax assets not recognized in Chile, partly offset by adjustments recognized in the current year in relation to the deferred tax of prior years in Canada and Chile, and a \$5.8 million decrease in finance costs mainly related to a decrease in inflation compensation interests on the Harrison Hydro real return bonds.

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<sup>1</sup> These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures of this MD&A for more information.



## 1- HIGHLIGHTS | Third Quarter 2023 – Capital and Resources

The increase in total assets compared with December 31, 2022 results largely from the assets acquired following the Sault Ste. Marie Acquisition, from the construction activities on Hale Kuawehi, Boswell Springs, and Salvador and San Andrés battery storage projects, from an increase in accounts receivable mainly due to the higher revenues from higher production from the hydroelectric facilities, compared to December, from an increase in prepaid and others mainly due to the timing of payments and from an increase in restricted cash attributable primarily to the increase in the debt service payment accounts of the Chilean facilities. These items were partly offset by depreciation and amortization, by the safe harbor solar modules classified as held for sale in 2022 and sold during Q1 2023, by the disposition of the Kokomo and Spartan solar facilities and by a decrease in deferred tax assets, mainly related to a French reorganization performed prior to the completion of the Corporation's partnership with Crédit Agricole Assurances, the use of tax losses in the US and the reevaluation of deferred tax assets for two entities in Chile.

The increase in total liabilities compared with December 31, 2022 results largely from the increase in long-term loans and borrowings stemming from the net draws made toward the construction of the Boswell Springs, Salvador Battery Energy Storage and San Andrés Battery Energy Storage projects, the Sault Ste. Marie Acquisition and accounts payable, mainly due to the timing of interests payable in Chile and the timing of payments for the facilities under construction. These items were partly offset by the scheduled principal repayments of long-term loans and borrowings.

The decrease in equity attributable to owners compared with December 31, 2022 results largely from the dividends declared on common and preferred shares and the distributions to non-controlling interests, partly offset by the total comprehensive income.

The decrease in cash flows from operating activities before changes in non-cash operating working capital items for the three months ended September 30, 2023, is mainly due the hydroelectric, wind and solar segments' respective operating performance previously discussed, including the contribution from the Sault Ste. Marie Acquisition and to the realized gain on the settlement of the interest rate swaps as part of Innergex's refinancing of the non-recourse debt of its Chilean facilities in Q3 2022. The decrease was partly offset by the decrease in finance costs paid, stemming mainly from the timing of interest payments for certain project loans and the interest paid upon refinancing of the former non-recourse debt in Chile in 2022, while the interest on the Chile Green Bonds is payable biannually in June and December. For the trailing twelve months ended September 30, 2023, Free Cash Flow<sup>1</sup> was impacted by a decrease in cash flows from operating activities before changes in non-cash operating working capital items stemming from the exceptionally low production in British Columbia due to drier weather, lower wind regimes for the wind facilities in Quebec, and the BC Hydro Curtailment Payment received in Q1 2022, and an increase in the interest paid stemming from the acquisitions and construction activities, partly offset by the contribution to cash flows from operating activities from the acquisitions, and a decrease in Free Cash Flow attributed to non-controlling interests.

## 1- HIGHLIGHTS | Subsequent Events

### Closing of the tax equity commitment for the Boswell Springs wind project

On October 19, 2023, the Corporation has closed a US\$322.7 million (\$441.6 million) tax equity commitment for the Boswell Springs wind project. The proceeds will be received at substantial completion of the construction of the project and used to repay the tax equity bridge loan previously concluded.

### Completion of the long-term partnership agreement for a non-controlling interest in Innergex's portfolio in France

On October 26, 2023, the Corporation has completed the long-term partnership with Crédit Agricole Assurances, in connection with Crédit Agricole Centre-Est, for a 30% minority interest in Innergex's portfolio in France, representing a €129.5 million (\$188.8 million) investment. The proceeds were used to reduce Innergex's revolving credit facilities and will fund the Corporation's development activities over the coming years.

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<sup>1</sup> These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures of this MD&A for more information.

## 2- OVERVIEW OF OPERATIONS | Business Environment

### Seasonality of Operations

The Corporation aims to maintain a diversified portfolio of assets in terms of geography and sources of energy to alleviate any seasonal and production variations. The amount of electricity generated by the Operating Facilities is generally dependent on the availability of water flows, wind regimes and solar irradiation. Lower-than-expected resources in any given quarter could have an impact on the Corporation's revenues and hence on its profitability.

Fortunately, the complementary nature of hydroelectric, wind and solar energy production partially offsets any seasonal variations, as illustrated in the following table:

In GWh and %	Consolidated LTA and Quarterly Seasonality <sup>1</sup>									
	Q1		Q2		Q3		Q4		Total	
HYDRO	538	14 %	1,256	33 %	1,219	32 %	824	21 %	3,837	32 %
WIND	1,779	28 %	1,553	24 %	1,334	21 %	1,756	27 %	6,422	54 %
SOLAR	336	21 %	461	29 %	465	29 %	319	20 %	1,581	13 %
Total	2,653	22 %	3,270	28 %	3,018	25 %	2,899	24 %	11,840	100 %

1. The consolidated long-term average production is the annualized LTA for the facilities in operation as at November 8, 2023. The LTA is presented in accordance with revenue recognition accounting rules under IFRS and excludes production from facilities that are accounted for using the equity method. Production in comparison to the LTA is a key performance indicator for the Corporation. For more information, please refer to the Key Figures section of this MD&A.

### Inflation

In the wake of the global pandemic and the current geopolitical context, the geographic segments in which Innergex operates have been impacted by rising inflation pressure as a result of increased consumer spending, labour shortages and worldwide supply chain disruptions. The Corporation's operating facilities have shown resiliency toward inflation as most of its long-term PPAs contain partial or full indexation clauses that annually adjust for the effects of inflation. This also applies to Innergex's development and construction projects, except for certain projects for which PPA repricing discussions are currently taking place (please refer to the "Construction Activities" and "Development Activities" sections of this MD&A for more information). As such, inflation pressures on the Corporation's operating, general and administrative expenses and construction costs are generally absorbed by higher revenues.

### Interest rate

Interest rate fluctuations are of particular concern to a capital-intensive industry such as the electric power business. The Corporation generally uses a high proportion of long-term loans and borrowings to finance the capital requirements of its facilities. The Corporation is exposed to interest rate risk principally through floating-rate long-term loans and borrowings. It mitigates this risk by entering into fixed-rate financing agreements or interest rate swap agreements concurrently with entering into floating-rate loan facilities, typically with matching notional and amortization periods. As at September 30, 2023, approximately 11.2% of the Corporation's total long-term loans and borrowings was exposed to interest rate fluctuations. The Corporation's long-term loans and borrowings have a weighted-average maturity of 13.1 years, therefore near-term fluctuations in interest rates have a limited effect on the Corporation's future cash flows.

## 2- OVERVIEW OF OPERATIONS | Operating Facilities

Energy segment	Location	Three months ended September 30, 2023		Three months ended September 30, 2022		Three months Production % change	Nine months ended September 30, 2023		Nine months ended September 30, 2022		Nine months Production % change
		Production (MWh)	Production as a % of LTA	Production (MWh)	Production as a % of LTA		Production (MWh)	Production as a % of LTA	Production (MWh)	Production as a % of LTA	
<b>HYDRO</b>	Quebec	225,815	125 %	193,464	107 %	17 %	557,729	108 %	534,645	103 %	4 %
	Ontario	9,791	119 %	6,342	77 %	54 %	51,835	97 %	51,640	97 %	— %
	British Columbia	553,838	70 %	743,960	93 %	(26)%	1,433,416	79 %	1,599,160	88 %	(10)%
	United States	106,683	142 %	58,229	78 %	83 %	330,276	115 %	263,600	92 %	25 %
	Chile	192,336	121 %	146,618	92 %	31 %	333,034	100 %	302,557	91 %	10 %
	<b>Subtotal</b>	<b>1,088,463</b>	<b>89 %</b>	<b>1,148,613</b>	<b>94 %</b>	<b>(5)%</b>	<b>2,706,290</b>	<b>90 %</b>	<b>2,751,602</b>	<b>91 %</b>	<b>(2)%</b>
<b>WIND</b>	Quebec	334,637	75 %	440,981	98 %	(24)%	1,387,134	84 %	1,661,599	101 %	(17)%
	France	119,465	99 %	115,120	81 %	4 %	504,275	104 %	452,936	85 %	11 %
	United States	471,750	95 %	413,242	84 %	14 %	1,693,542	92 %	1,713,418	94 %	(1)%
	Chile <sup>4</sup>	233,400	84 %	219,332	82 %	6 %	589,961	83 %	277,238	81 %	113 %
		<b>Subtotal</b>	<b>1,159,252</b>	<b>86 %</b>	<b>1,188,675</b>	<b>88 %</b>	<b>(2)%</b>	<b>4,174,912</b>	<b>89 %</b>	<b>4,105,191</b>	<b>94 %</b>
<b>SOLAR</b>	Ontario <sup>5</sup>	39,718	102 %	13,431	112 %	196 %	91,349	97 %	32,323	105 %	183 %
	United States	320,783	90 %	324,960	90 %	(1)%	772,496	82 %	815,599	86 %	(5)%
	Chile <sup>3</sup>	46,223	61 %	60,792	80 %	(24)%	173,144	71 %	192,253	84 %	(10)%
		<b>Subtotal</b>	<b>406,724</b>	<b>86 %</b>	<b>399,183</b>	<b>89 %</b>	<b>2 %</b>	<b>1,036,989</b>	<b>81 %</b>	<b>1,040,175</b>	<b>86 %</b>
<b>TOTAL PRODUCTION<sup>1</sup></b>		<b>2,654,439</b>	<b>88 %</b>	<b>2,736,471</b>	<b>91 %</b>	<b>(3)%</b>	<b>7,918,191</b>	<b>88 %</b>	<b>7,896,968</b>	<b>92 %</b>	<b>— %</b>
Innergex's share of production of joint ventures and associates		213,380	87 %	257,368	105 %	(17)%	433,493	96 %	446,453	99 %	(3)%
<b>PRODUCTION PROPORTIONATE<sup>1,2</sup></b>		<b>2,867,819</b>	<b>88 %</b>	<b>2,993,839</b>	<b>92 %</b>	<b>(4)%</b>	<b>8,351,684</b>	<b>89 %</b>	<b>8,343,421</b>	<b>93 %</b>	<b>— %</b>

- 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.
- 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.
- The San Andrés Acquisition was completed on January 28, 2022.
- The Aela Acquisition was completed on June 9, 2022.
- The Acquisition of Sault Ste. Marie was completed on March 9, 2023.

**Production** for the three months ended September 30, 2023 was 88% of LTA. The result is mostly explained by low water flows in British Columbia combined with below-average wind regimes in all regions, lower irradiation and economic curtailment at the Phoebe facility in Texas and at the Salvador and San Andrés facilities in Chile. These items were partly offset by higher production from the Quebec, United States and Chilean hydro facilities. Innergex's share of production of joint ventures and associates was 87% of LTA, translating into a Production Proportionate at 88% of LTA.

**Production** for the nine months ended September 30, 2023 was 88% of LTA. The result is mostly explained by low water flows in British Columbia combined with below-average wind regimes in Quebec and in the United States, lower wind regimes and economic curtailment at the Sarco and Aurora facilities in Chile, lower irradiation and economic curtailment at the Phoebe facility in Texas and at the Salvador and San Andrés facilities in Chile. These items were partly offset by higher production from the Curtis Palmer hydro facilities in the United States. Innergex's share of production of joint ventures and associates was 96% of LTA, translating into a Production Proportionate at 89% of LTA.

## 2- OVERVIEW OF OPERATIONS | Commissioning Activities

On October 30, 2022, Innergex executed the commissioning of its 50 MW/250 MWh (5 hours) Salvador battery storage project. The facility is located on the site of Innergex's existing Salvador solar facility in Northern Chile has begun operations and is injecting energy to the grid. The Salvador battery facility is Innergex's first utility-scale battery storage site and among the first installed in Chile.

## 2- OVERVIEW OF OPERATIONS | Construction Activities

The table below outlines the projects that are under construction as at the date of this MD&A.

Name (Location)	Type	Ownership %	Gross installed capacity (MW)	Gross estimated LTA <sup>1</sup> (GWh)	PPA term (years)	Expected COD
Innavik (QC, Canada)	Hydro	50	7.5	54.7	40	2023
San Andrés Battery Storage (Chile)	Storage	100	Note 4	—	—	2023
Hale Kuawehi (Hawaii, U.S.)	Solar	100	30.0 <sup>2</sup>	87.4 <sup>3</sup>	25	2024
Boswell Springs (Wyoming, U.S.)	Wind	100	329.8	1,262.0	30	2024

1. This information is intended to inform readers of the projects' potential impact on the Corporation's results. Actual results may vary. These estimates are up-to-date as at the date of this MD&A.
2. Solar project with a battery storage capacity of 30 MW/120 MWh (4 hours).
3. PPA is a fixed lump sum capacity payment for the availability of dispatchable energy.
4. Battery storage capacity of 35 MW/175 MWh (5 hours).

Updated status for the following projects:

### Innavik

- Project started delivering power to the Inuit community of Inukjuak, Nunavik, Quebec.
- Project COD expected in Q4 2023.

### San Andrés Battery Storage

- Interconnection completed.
- Permitting in progress with the National Electric Coordinator.
- Project COD expected in Q4 2023.

### Hale Kuawehi

- Limited construction activities resumed on site.
- An amendment to the PPA was executed with HECO, the local utility, and was approved by the Public Utility Commission (PUC).
- Project COD expected in Q4 2024.

### Boswell Springs

- Construction activities are ahead of schedule, the site will be closing for the winter season.
- Construction financing closed in July 2023.
- Tax equity investors closed in October 2023.
- Project COD expected in Q4 2024.

## 2- OVERVIEW OF OPERATIONS | Development Activities

Innergex owns a portfolio of projects in the development stage with a gross installed capacity of approximately 481.1 MW. The table below outlines their status as at the date of this MD&A.

Name (Location)	Type	Gross installed capacity (MW)	PPA term (years)	Expected COD
Mesgi'g Ugju's'n 2 (Canada)	Wind	102.2	30	2026
Paeahu (Hawaii, U.S.)	Solar	15.0 <sup>2</sup>	25	— <sup>3</sup>
Palomino (Ohio, U.S.)	Solar	200.0	—	2025
Lazenay (France)	Wind	9.0	— <sup>1</sup>	2024
Auxy Bois Régnier (France)	Wind	29.4	20	2025
Montjean 2 (France)	Wind	13.5	20	2028
Frontera (Chile)	Hydro	109.0	— <sup>1</sup>	2028
Rucacura (Chile)	Hydro	3.0	— <sup>1</sup>	2025

1. Power to be sold on the open market or through PPAs yet to be signed.
2. Solar project with a battery storage capacity of 15 MW/60 MWh (4 hours).
3. Project schedule under revision.

Updated status from the previous quarter for the following projects:

### Mesgi'g Ugju's'n 2 (MU2)

- Interconnection agreement under negotiation.
- Negotiation of the construction contract and completion of the geotechnical works planned for Q4 2024.
- Environmental impact study has been submitted for approval.
- Negotiations are underway with turbine manufacturers.

### Paeahu

- Waiting for positive ruling on contested case.

### Palomino

- Commercial discussions are ongoing with multiple interested offtakers.
- Submitted deposit and proof of land to PJM for interconnection.
- Execution of a purchase order for the supply for the remaining solar panels.

### Lazenay

- Construction will begin in Q4 2023.

### Auxy Bois Régnier

- Appeal is still in progress and interconnection is expected for Q1 2025.
- Interconnection agreements have been signed.
- The project successfully replaced its PPA at more favourable pricing conditions in the latest request for proposals for onshore wind in France.

### Montjean 2

- PPA is in place since Q2 2021.
- The project is ready to build, however various options for grid interconnection are under investigation to advance the project to an earlier COD.

### Frontera

- Transmission line point of connection in permitting and layout under review.

### Rucacura

- Interconnection permit was approved.
- Electromechanical equipment under negotiation with various suppliers.

## 2- OVERVIEW OF OPERATIONS | Prospective Projects

Innergex owns interests in numerous prospective projects at various stages of development. Some projects have secured land rights, filed an investigative permit application or have submitted or could submit a proposal under a Request for Proposals (collectively the “Prospective Projects”). The list of Prospective Projects is revised quarterly to add or remove projects, according to their advancement potential. Prospective projects are categorized in different stages based on the items below. There is no certainty that any Prospective Project will be realized.

In order to define the stage of each prospective project, their progression is measured according to their development maturity leading to obtaining a final notice to proceed to the construction phase combined with a success probability factor that the project will reach COD. Prospective projects are segregated into three different stages, i.e. early, mid and advanced.

Early Stage	The prospective projects in this category have a <b>LOW</b> development maturity combined with a <b>LOW</b> success probability factor; or a <b>MID</b> -stage development maturity combined with a <b>LOW</b> success probability factor.
Mid Stage	The prospective projects in this category have a <b>MID</b> -stage development maturity combined with a <b>MEDIUM</b> success probability factor; or a <b>HIGH</b> -stage development maturity combined with a <b>MEDIUM</b> success probability factor.
Advanced Stage	The prospective projects in this category have a <b>HIGH</b> development maturity combined with a <b>HIGH</b> success probability factor; or a <b>MID</b> -stage development maturity combined with <b>HIGH</b> success probability factor.

	Early Stage		Mid Stage		Advanced Stage		Total Capacity <sup>1</sup> (in MW)	Total number of projects
	Capacity <sup>1</sup> (in MW)	Number of projects	Capacity <sup>1</sup> (in MW)	Number of projects	Capacity <sup>1</sup> (in MW)	Number of projects		
<b>CANADA</b>								
Hydro	497	15	—	—	—	—	497	15
Solar	480	6	—	—	—	—	480	6
Wind	3,071	13	3,150	10	—	—	6,221	23
Storage	100	1	—	—	—	—	100	1
Subtotal	4,148	35	3,150	10	—	—	7,298	45
<b>UNITED STATES</b>								
Solar	349	3	300	1	685	4	1,334	8
Wind	—	—	400	1	—	—	400	1
Green hydrogen <sup>2</sup>	5	1	—	—	—	—	5	1
Subtotal	354	4	700	2	685	4	1,739	10
<b>FRANCE</b>								
Solar	—	—	42	3	86	1	128	4
Wind	45	2	85	4	184	10	314	16
Subtotal	45	2	127	7	270	11	442	20
<b>CHILE</b>								
Hydro	29	2	—	—	154	1	183	3
Solar	32	1	—	—	—	—	32	1
Wind	245	2	—	—	—	—	245	2
Subtotal	306	5	—	—	154	1	460	6
<b>Total</b>	<b>4,853</b>	<b>46</b>	<b>3,977</b>	<b>19</b>	<b>1,109</b>	<b>16</b>	<b>9,939</b>	<b>81</b>
<b>Change from Q2 2023</b>	<b>(31)</b>	<b>(2)</b>	<b>+593</b>	<b>+3</b>	<b>+25</b>	<b>+2</b>	<b>+587</b>	<b>+3</b>

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

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

Compared to Q2 2023, two new projects in Canada were added for a net increase of 337 MW. In United States, one project was added for 250 MW. In France, projects continued to progress to advanced stage. In total, 587 MW of new prospective projects were added in the quarter.

### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS

	Three months ended September 30				Nine months ended September 30			
	2023	2022	Change		2023	2022	Change	
Revenues	277,056	258,389	18,667	7 %	726,367	666,858	59,509	9 %
Production Tax Credits	15,123	10,339	4,784	46 %	53,681	48,153	5,528	11 %
Revenues and Production Tax Credits	292,179	268,728	23,451	9 %	780,048	715,011	65,037	9 %
Operating expenses	62,107	54,593	7,514	14 %	169,142	145,177	23,965	17 %
General and administrative expenses	18,008	14,824	3,184	21 %	54,301	39,503	14,798	37 %
Prospective projects expenses	6,677	7,814	(1,137)	(15)%	18,078	17,622	456	3 %
ERP implementation	3,175	542	2,633	486 %	9,093	542	8,551	1,578 %
Depreciation and amortization	102,434	82,953	19,481	23 %	273,365	242,297	31,068	13 %
<b>Operating Income</b>	<b>99,778</b>	<b>108,002</b>	<b>(8,224)</b>	<b>(8)%</b>	<b>256,069</b>	<b>269,870</b>	<b>(13,801)</b>	<b>(5)%</b>
Finance costs	84,625	90,418	(5,793)	(6)%	259,966	233,978	25,988	11 %
Other net expenses	4,402	3,226	1,176	36 %	861	1,928	(1,067)	(55)%
Share of (earnings) loss of joint ventures and associates <sup>1</sup>	(13,076)	(15,654)	2,578	16 %	(12,787)	(14,668)	1,881	13 %
Change in fair value of financial instruments	25,832	211	25,621	12,143 %	6,703	80,767	(74,064)	(92)%
Income tax (recovery) expense	(6,386)	8,821	(15,207)	(172)%	(14,824)	6,405	(21,229)	(331)%
<b>Net earnings (loss)</b>	<b>4,381</b>	<b>20,980</b>	<b>(16,599)</b>	<b>(79)%</b>	<b>16,150</b>	<b>(38,540)</b>	<b>54,690</b>	<b>142 %</b>
Net earnings (loss) attributable to:								
Owners of the parent	9,085	23,269	(14,184)	(61)%	15,488	(36,318)	51,806	143 %
Non-controlling interests	(4,704)	(2,289)	(2,415)	(106)%	662	(2,222)	2,884	130 %
	4,381	20,980	(16,599)	(79)%	16,150	(38,540)	54,690	142 %
Basic net earnings (loss) per share attributable to owners (\$)	0.04	0.11			0.06	(0.20)		
Diluted net earnings (loss) per share attributable to owners (\$)	0.04	0.11			0.06	(0.20)		

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.



### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS | Hydroelectric Segment

Hydroelectric Segment	Three months ended September 30			Nine months ended September 30		
	2023	2022	Change	2023	2022	Change
Production (MWh)	1,088,463	1,148,613	(5)%	2,706,290	2,751,602	(2)%
LTA (MWh)	1,218,666	1,218,783	— %	3,013,476	3,013,749	— %
LTA (%)	89 %	94 %	(5)%	90 %	91 %	(2)%
Revenues	102,577	109,533	(6)%	269,531	275,563	(2)%
Operating, general and administrative expenses	22,447	23,599	(5)%	60,529	66,622	(9)%
Adjusted EBITDA <sup>1</sup>	80,129	85,934	(7)%	209,001	208,941	— %
<b>PROPORTIONATE<sup>1</sup></b>						
Production Proportionate (MWh)	1,281,023	1,378,690	(7)%	3,063,816	3,112,093	(2)%
LTA Proportionate (%)	89 %	96 %	(7)%	91 %	92 %	(2)%
Revenues Proportionate	124,501	134,065	(7)%	305,712	313,711	(3)%
Adjusted EBITDA Proportionate	99,280	107,487	(8)%	237,980	239,451	(1)%

1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production and Production Proportionate are key performance indicators for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the Section 5- Non-IFRS Measures of this MD&A for more information.

For the three months ended September 30, 2023, the decrease of 6% in Revenues in the hydroelectric segment compared with the same period last year is mainly explained by lower production at the facilities in British Columbia and lower spot prices at the Chilean facilities. The decrease is partly offset by higher production at the Curtis Palmer facilities. The decrease of 5% in Operating, general and administrative expenses is mainly explained by lower maintenance costs at some facilities in British Columbia and Chile. As a result, Adjusted EBITDA<sup>1</sup> decreased by 7% to \$80.1 million.

For the three months ended September 30, 2023, the decrease of 7% in Revenues Proportionate<sup>1</sup> in the hydroelectric segment mainly stems from the decrease in consolidated revenues and revenues from the joint ventures and associates due to lower production at the Umbata Falls facility in Ontario and at the facilities in British Columbia. There were no significant impacts from joint ventures and associates on Operating, general and administrative expenses compared with the same period last year. As a result, Adjusted EBITDA Proportionate<sup>1</sup> decreased by 8% to \$99.3 million.

For the nine months ended September 30, 2023, the decrease of 2% in Revenues in the hydroelectric segment compared with the same period last year is mainly explained by the lower production at the facilities in British Columbia, the BC Hydro Curtailment Payment received in the first quarter of 2022, and lower spot prices at the Chilean facilities. The decrease is partly offset by higher production at the Curtis Palmer facilities. The decrease of 9% in Operating, general and administrative expenses is explained by lower maintenance costs at some facilities in British Columbia and Chile. As a result, Adjusted EBITDA<sup>1</sup> is in line with the same period last year at \$209.0 million.

For the nine months ended September 30, 2023, the decrease of 3% in Revenues Proportionate<sup>1</sup> in the hydroelectric segment mainly stems from the decrease in consolidated revenues and revenues from the joint ventures and associates due to lower production at the facilities in British Columbia. There were no significant impacts from joint ventures and associates on Operating, general and administrative expenses compared with the same period last year. As a result, Adjusted EBITDA Proportionate<sup>1</sup> decreased by 1% to \$238.0 million.



### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS | Wind Segment

Wind Segment	Three months ended September 30			Nine months ended September 30		
	2023	2022	Change	2023	2022	Change
Production (MWh)	1,159,252	1,188,675	(2)%	4,174,912	4,105,191	2 %
LTA (MWh)	1,341,641	1,352,090	(1)%	4,679,874	4,348,497	8 %
LTA (%)	86 %	88 %	(2)%	89 %	94 %	(5)%
Revenues and production tax credits	120,395	112,309	7 %	382,782	341,658	12 %
Operating, general and administrative expenses	33,164	25,288	31 %	95,979	63,929	50 %
Adjusted EBITDA <sup>1</sup>	87,232	87,021	— %	286,804	277,729	3 %
<b>PROPORTIONATE<sup>1</sup></b>						
Production Proportionate (MWh)	1,180,072	1,215,966	(3)%	4,250,879	4,191,153	1 %
Revenues and Production Tax Credits Proportionate	123,140	115,661	6 %	392,983	352,681	11 %
LTA Proportionate (%)	86 %	88 %	(2)%	89 %	95 %	(6)%
Adjusted EBITDA Proportionate	89,025	89,384	— %	294,317	285,914	3 %

1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production and Production Proportionate are key performance indicators for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the Section 5- Non-IFRS Measures of this MD&A for more information.

For the three months ended September 30, 2023, Revenues and production tax credits increased by 7% in the wind power generation segment compared with the same period last year, mainly due to revenues from higher production from the facilities in France, the United States and Chile, favourable pricing at the Foard City facility, and new PPAs in place at the facilities in France. The higher production in the United States generated higher revenues from production tax credits. The increase was partly offset by lower production at the Quebec facilities and lower nodal prices at the Griffin Trail facility. The increase of 31% in Operating, general and administrative expenses is mainly explained by the impact of the 2022 Supplementary Budget Act in France, extraordinary maintenance expenses at several facilities in Quebec and higher operating costs in the United States. As a result, Adjusted EBITDA<sup>1</sup> increased by 0.2% to \$87.2 million, compared with the same period last year.

For the three months ended September 30, 2023, the increase of 6% in Revenues and Production Tax Credits Proportionate<sup>1</sup> mainly stems from the increase in consolidated revenues but slightly offset by the joint ventures' and associates' revenues, which decreased compared to the same period last year due to lower production. There were no significant impacts from joint ventures and associates on Operating, general and administrative expenses compared with the same period last year. As a result, Adjusted EBITDA Proportionate<sup>1</sup> increased by 0.4% to \$89.0 million.

For the nine months ended September 30, 2023, Revenues and production tax credits increased by 12% in the wind power generation segment compared with the same period last year, mainly due to the Aela Acquisition on June 9, 2022, increased wind regime and revenues from new PPAs in place at facilities in France and favourable pricing at the Foard City facility. The increase was partly offset by lower production from the facilities in Quebec and by lower production and nodal prices at the Griffin Trail facility. The increase of 50% in Operating, general and administrative expenses is mainly explained by higher expenses following the impact of the 2022 Supplementary Budget Act in France (\$6.7 million), higher maintenance expenses in Quebec facilities, the Aela Acquisition, and higher operating costs in the United States. As a result, Adjusted EBITDA<sup>1</sup> increased by 3% to \$286.8 million, compared with the same period last year.

For the nine months ended September 30, 2023, the increase of 11% in Revenues and Production Tax Credits Proportionate<sup>1</sup> mainly stems from the increase in consolidated revenues but slightly offset by the joint ventures' and associates' revenues, which decreased compared to the same period last year due to lower production. There were no significant impacts from joint ventures and associates on Operating, general and administrative expenses compared with the same period last year. As a result, Adjusted EBITDA Proportionate<sup>1</sup> increased by 3% to \$294.3 million.

### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS | Solar Segment

Solar Segment	Three months ended September 30			Nine months ended September 30		
	2023	2022	Change	2023	2022	Change
Production (MWh)	406,724	399,183	2 %	1,036,989	1,040,175	— %
LTA (MWh)	472,191	447,056	6 %	1,277,634	1,205,873	6 %
LTA (%)	86 %	89 %	(3)%	81 %	86 %	(5)%
Revenues	69,207	46,886	48 %	127,735	97,790	31 %
Operating, general and administrative expenses	8,896	6,446	38 %	18,385	17,552	5 %
Realized loss on power hedges	25,154	23,861	5 %	26,205	35,920	(27)%
Adjusted EBITDA <sup>1</sup>	35,157	16,579	112 %	83,145	44,318	88 %

1. These measures are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Production and Production Proportionate are key performance indicators for the Corporation that cannot be reconciled with an IFRS measure. Please refer to the Section 5- Non-IFRS Measures of this MD&A for more information.

For the three months ended September 30, 2023, Revenues increased by 48% in the solar power generation segment compared with the same period last year, mainly due to the Sault Ste. Marie Acquisition on March 9, 2023 and higher selling prices at the Phoebe facility. The increase of 38% in Operating, general and administrative expenses is explained mainly by increased expenses from the Sault Ste. Marie Acquisition and by higher maintenance costs at the Phoebe facility. The increase in realized loss on the power hedges is mainly related to the increase in merchant power curves for the Phoebe power hedge. As a result, Adjusted EBITDA<sup>1</sup> increased by 112% to \$35.2 million, compared with the same period last year.

For the nine months ended September 30, 2023, Revenues increased by 31% in the solar power generation segment compared with the same period last year, mainly due to the Sault Ste. Marie Acquisition on March 9, 2023, and by higher selling prices at the Phoebe and Hillcrest facilities. The increase of 5% in Operating, general and administrative expenses is explained mainly by the Sault Ste. Marie Acquisition on March 9, 2023 and by higher maintenance costs at the Phoebe facility. The increase is partly mitigated by lower operating expenses at the Chilean facilities due to a regulation change consequently reducing the transmission toll expenses. The decrease in realized loss on the power hedges is mainly related to the decrease in merchant power curves for the Phoebe power hedge. As a result, Adjusted EBITDA<sup>1</sup> increased by 88% to \$83.1 million, compared with the same period last year.

### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS | Net Earnings (Loss)

Net earnings of \$4.4 million (\$0.04 net earnings per share, on a basic and diluted basis) for the three months ended September 30, 2023, compared with net earnings of \$21.0 million (\$0.11 net earnings per share - basic and diluted) for the corresponding period in 2022.

The \$16.6 million decrease in net earnings mainly stems from:

- an unfavourable \$25.6 million change in the fair value of financial instruments, mainly related to the unfavourable change in foreign exchange forward curves and the increase in the merchant power curves for the Phoebe power hedge in 2023, compared with the same period last year; and
- a \$19.5 million increase in depreciation and amortization, mainly attributable to the Aela and Sault Ste. Marie acquisitions.

In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, these items were partly offset by:

- a \$15.2 million decrease in income tax expense, mainly related to a decrease in net earnings of the Company and a favorable change in deferred tax assets not recognized in Chile, partly offset by adjustments recognized in the current year in relation to the deferred tax of prior years in Canada and Chile; and
- a \$5.8 million decrease in finance costs mainly related to a decrease in inflation compensation interests on the Harrison Hydro real return bonds.

Net earnings of \$16.2 million (\$0.06 net earnings per share - basic and diluted) for the nine months ended September 30, 2023, compared with net loss of \$38.5 million (\$0.20 net loss per share - basic and diluted) for the corresponding period in 2022.

In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, the \$54.7 million increase in net earnings mainly stems from:

- a favourable \$74.1 million change in the fair value of financial instruments, mainly related to the decrease in the merchant power curves for the Phoebe power hedge partly offset by the unfavourable change in foreign exchange forward curves in 2023, compared with the same period last year; and
- a \$21.2 million decrease in income tax expense, mainly related to the recognition of previously unrecognized deferred tax assets in some Chilean entities.

These items were partly offset by:

- a \$31.1 million increase in depreciation and amortization, mainly attributable to the Aela and Sault Ste. Marie acquisitions;
- a \$26.0 million increase in finance costs mainly related to the refinancing of the non-recourse debt in Chile in Q3 2022 following the Aela Acquisition, partly offset by a decrease in inflation compensation interests on the Harrison Hydro real return bonds; and
- an increase in general and administrative expenses stemming mainly from the Aela Acquisition and increased salaries from additional employees to support the Corporation's development and growth.

### 3- FINANCIAL PERFORMANCE ON OPERATING RESULTS | Adjusted Net Earnings (Loss)

The Adjusted Net Earnings (Loss)<sup>1</sup> seeks to provide a measure that eliminates the earnings impacts of certain derivative financial instruments and non-recurring events, which do not represent the Corporation's operating performance. Adjusted Net Earnings (Loss)<sup>1</sup> is not a recognized measure under IFRS, has no standardized meaning prescribed by IFRS and therefore may not be comparable with measures presented by other issuers. Please refer to the "Non-IFRS Measures" section for more information.

References to "Adjusted Net Earnings (Loss)<sup>1</sup>" 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 financial instruments, realized loss on the termination of interest rate swaps, realized gain on foreign exchange forward contracts, impairment charges, Enterprise Resource Planning ("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 losses of joint ventures and associates related to the above items, net of related tax.

The table below shows a summary statement of Adjusted Net (Loss) Earnings<sup>1</sup> (Please refer to the Section 5- Non-IFRS Measures for a reconciliation to the Consolidated Statements of Earnings (Loss)):

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Revenues and production tax credits	292,179	268,728	780,048	715,011
Expenses:				
Operating	62,107	54,593	169,142	145,177
General and administrative	18,008	14,824	54,301	39,503
Prospective projects	6,677	7,814	18,078	17,622
Depreciation and amortization	102,434	82,953	273,365	242,297
Earnings before the following:	102,953	108,544	265,162	270,412
Finance costs	84,625	90,418	259,966	233,978
Other net expenses	4,746	5,266	1,239	5,142
Share of earnings of joint ventures and associates	(12,889)	(15,244)	(12,321)	(12,891)
Realized loss on power hedges	25,154	23,861	26,205	35,920
Income tax (recovery) expense	(3,881)	4,708	(15,040)	13,297
<b>Adjusted Net Earning (Loss)<sup>1</sup></b>	<b>5,198</b>	<b>(465)</b>	<b>5,113</b>	<b>(5,034)</b>

1. Adjusted Net Earnings is a not recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures for more information.

**Adjusted Net Earnings<sup>1</sup> of \$5.2 million for the three months ended September 30, 2023, compared with an Adjusted Net Loss<sup>1</sup> of \$0.5 million for the corresponding period in 2022.**

In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, the \$5.7 million increase in Adjusted Net Earnings<sup>1</sup> mainly stems from:

- a \$5.8 million decrease in finance costs mainly related to a decrease in inflation compensation interests on the Harrison Hydro real return bonds;

This item was partly offset by:

- a \$19.5 million increase in depreciation and amortization, mainly attributable to the Aela and Sault Ste. Marie acquisitions; and
- an \$8.6 million increase in the income tax recovery mainly due to a favorable change in deferred tax assets not recognized in Chile, partly offset by adjustments recognized in the current year in relation to the deferred tax of prior years in Canada and Chile.

**Adjusted Net Earnings<sup>1</sup> of \$5.1 million for the nine months ended September 30, 2023, compared with an Adjusted Net Loss<sup>1</sup> of \$5.0 million for the corresponding period in 2022.**

In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, the \$10.1 million increase in Adjusted Net Earnings<sup>1</sup> mainly stems from:

- a \$28.3 million increase in the income tax recovery due mainly to a favorable change in the deferred tax assets not recognized in Chile and to the recognition of deferred tax assets previously unrecognized in some Chilean entities.

This item was partly offset by:

- a \$31.1 million increase in depreciation and amortization, mainly attributable to the Aela and Sault Ste. Marie acquisitions;
- a \$26.0 million increase in finance costs mainly related to the refinancing of the non-recourse debt in Chile in Q3 2022 following the Aela Acquisition, partly offset by a decrease in inflation compensation interests on the Harrison Hydro real return bonds; and
- an increase in general and administrative expenses stemming mainly from the Aela Acquisition and increased salaries from additional employees to support the Corporation's development and growth.

### 3- FINANCIAL PERFORMANCE AND OPERATING RESULTS | Non-Controlling Interests

Attribution of loss of \$4.7 million to non-controlling interests for the three months ended September 30, 2023, compared with an attribution of loss of \$2.3 million for the corresponding period in 2022.

The \$2.4 million increase in loss attributed to non-controlling interests is mainly due to:

- a decrease in revenues at the Kwoiek Creek and Harrison Hydro facilities, mainly attributable to the lower production; and
- the acquisition of the non-controlling interests in Innergex Europe and Mountain Air in the fourth quarter of 2022.

These items were partly offset by:

- an increase in revenues at the Curtis Palmer facilities, mainly attributable to higher production.

Attribution of earnings of \$0.7 million to non-controlling interests for the nine months ended September 30, 2023, compared with an attribution of loss of \$2.2 million for the corresponding period in 2022.

The \$2.9 million increase in earnings attributed to non-controlling interests is mainly due to:

- an increase in revenues at the Curtis Palmer facilities, mainly attributable to higher production; and
- a lower allocation of losses to the non-controlling interests of Harrison Hydro, largely due to a decrease in the inflation compensation interest on the real return bonds.

These items were partly offset by:

- a decrease in revenues mainly attributable to the lower production at the Mesgi'g Ugju's'n, Kwoiek Creek and Harrison Hydro facilities; and
- the acquisition of the non-controlling interests in Innergex Europe and Mountain Air in the fourth quarter of 2022.

## 4- CAPITAL AND LIQUIDITY | Capital Structure

The Corporation's capital structure consists of the following components, as shown below:

As at	September 30, 2023	December 31, 2022
<b>Equity<sup>1</sup></b>		
Common shares <sup>2</sup>	2,077,613	3,306,952
Preferred shares <sup>3</sup>	77,310	87,640
Non-controlling interests	136,878	170,232
	<b>2,291,801</b>	<b>3,564,824</b>
<b>Long-term loans and borrowings<sup>1</sup></b>		
Corporate revolving credit facility	767,558	718,232
Other corporate debts	325,000	305,000
Project-level debts	4,417,244	4,088,456
Tax Equity financing	404,541	443,147
Convertible debentures	284,493	282,678
Deferred financing costs	(78,374)	(78,303)
	<b>6,120,462</b>	<b>5,759,210</b>
	<b>8,412,263</b>	<b>9,324,034</b>

- Common and preferred shares are presented at their fair value as at September 30, 2023, and December 31, 2022, while non-controlling interests and long-term loans and borrowings are presented at their respective book value.
- Consists of the number of common shares outstanding as at September 30, 2023, and December 31, 2022, multiplied by the prevailing share price of \$10.17 (2022 - \$16.20) at the close of markets.
- Consists of the number of preferred shares outstanding as at September 30, 2023, and December 31, 2022, multiplied by the prevailing share price of \$12.25 and \$17.83 (2022 - \$13.40 and \$21.04), for the Series A and Series C preferred shares, respectively, at the close of markets.

Innergex's strategy in managing its capital is: (i) to develop or acquire high-quality renewable power production facilities that generate sustainable and stable cash flows, with the objective of achieving a high return on invested capital, and (ii) to distribute a stable dividend.

Innergex determines the amount of capital required, and its allocation between debt and equity, for the acquisition and development of new electricity-generating facilities by considering the specific characteristics of stability and growth of each facility. This determination is made in order to distribute a stable dividend while maintaining an acceptable level of indebtedness. Generally, the Corporation expects to finance 70% to 85% of its construction costs mostly through non-recourse long-term debt financing or tax equity financing for qualifying projects in the United States.

The fair value of common shares was impacted mainly by a lower share price. The preferred shares structure remained consistent compared to December 31, 2022, and the fair value was impacted by a lower preferred shares price. The decrease in non-controlling interests stems mainly from the distributions allocated to the non-controlling interests during the year.

The increase in long-term loans and borrowings is mainly due to the net draws made toward the construction of the Boswell Springs, Salvador Battery Energy Storage and San Andrés Battery Energy Storage projects, and the Sault Ste. Marie Acquisition, partly offset by the scheduled principal repayments of long-term loans and borrowings.

The effective all-in interest rate on the Corporation's long-term loans and borrowings was 5.26% as at September 30, 2023 (5.06% as at December 31, 2022). The increase is mainly due to new indebtedness at higher interest rates.

### Credit Agreements – Material Financial and Non-Financial Conditions

As at September 30, 2023, the Corporation and its subsidiaries have met all material financial and non-financial conditions related to their credit agreements, trust indentures and PPAs. When they are not met, certain financial and non-financial covenants included in the credit agreements, trust indentures and PPAs entered into by various subsidiaries of the Corporation could limit the capacity of these subsidiaries to transfer funds to the Corporation. These restrictions could have a negative impact on the Corporation's ability to meet its obligations.

## 4- CAPITAL AND LIQUIDITY | Tax Equity Financing

The Corporation owns equity interests in some facilities that are eligible for tax incentives available for renewable energy facilities in the United States. With its current portfolio of renewable energy facilities, Innergex cannot fully monetize such tax incentives. To take full advantage of these incentives, the Corporation partners with Tax Equity Investors (“TEI”) who invest in these facilities in exchange for a share of the tax credits. The TEIs are allocated a portion of the renewable energy facilities’ taxable income (losses), PTCs/ITCs produced and a portion of the cash generated by the facility until they achieve an agreed-upon after-tax investment return (“Flip Point”). After the Flip Point, TEIs will retain a lesser portion of the cash and the taxable income (losses) generated by the facility.

Some TEI financing structures include a partial pay as you go (“Pay-go”) funding arrangement under which, when the actual annual MWh production exceeds a certain production threshold, the TEIs are obligated to make a cash contribution (“Pay-go Contribution”) to the Corporation. The Pay-go arrangement results in a lower initial investment by the TEI and provides them with some protection from potential underperformance of the asset.

Innergex recognizes the TEI contributions as long-term loans and borrowings, at an amount representing the proceeds received from the TEI in exchange for shares of the subsidiary, net of the following elements:

Elements affecting amortized cost of the tax equity financing	Description
Production Tax Credits (“PTC”)	Allocation of PTCs to the TEI derived from the power generated during the period and recognized in revenues and production tax credits as earned and as a reduction in tax equity financing
Investment Tax Credits (“ITC”)	Allocation of ITCs to the TEI stemming from the construction activities and recognized as a reduction in both the cost of the assets to which they relate and the tax equity financing
Taxable income (loss), including tax attributes such as accelerated tax depreciation	Allocation of taxable income and other tax attributes to the TEI recognized in other net income as earned and as a reduction in tax equity financing
Interest expense	Interest expense using the effective interest rate method recognized in finance costs as incurred and as an increase in tax equity financing
Pay-go contributions	Additional cash contributions made by the TEI when the annual production exceeds the contractually determined threshold and recognized as an increase in tax equity financing
Cash distributions	Cash allocation to the TEI, recognized as a reduction in tax equity financing

### Inflation Reduction Act of 2022 (“IRA”)

The Inflation Reduction Act (“IRA”) was signed into law in August 2022 by the United States Government. Among other things, the IRA provides an extension of the ITC and PTC programs for facilities that begin construction prior to January 1, 2025. In addition, solar projects starting construction before January 1, 2025 may qualify to receive PTCs in lieu of ITCs. For projects commencing construction after January 1, 2025, the IRA initiates the transition toward a technology-neutral tax credit system, which is essentially the same in function and amount as the ITC/PTC programs. This new technology-neutral structure extends until power sector emissions are reduced by 75% from the 2022 level or begin stepping down after 2032, whichever is later.

As at September 30, 2023, facilities benefiting from the PTC program earn US\$28/MWh generated, subject to annual CPI inflation adjustment. In addition, the current ITC rates represent 30% of allowable capital costs.



## 4- CAPITAL AND LIQUIDITY | Financial Position

As at	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	150,096	162,971
Restricted cash	75,667	54,670
Other current assets	331,483	250,301
Assets held for sale	—	59,217
<b>Total current assets</b>	<b>557,246</b>	<b>527,159</b>
<b>Non-current assets</b>		
Property, plant and equipment	6,410,332	6,212,371
Intangible assets	1,316,328	1,268,960
Investments in joint ventures and associates	137,906	135,786
Goodwill	177,871	139,676
Other non-current assets	353,038	318,475
<b>Total non-current assets</b>	<b>8,395,475</b>	<b>8,075,268</b>
<b>Total assets</b>	<b>8,952,721</b>	<b>8,602,427</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
	577,964	650,824
<b>Non-current liabilities</b>		
Long-term loans and borrowings	5,872,997	5,384,813
Other non-current liabilities	1,110,171	1,080,363
<b>Total non-current liabilities</b>	<b>6,983,168</b>	<b>6,465,176</b>
<b>Total liabilities</b>	<b>7,561,132</b>	<b>7,116,000</b>
<b>SHAREHOLDERS' EQUITY</b>		
Equity attributable to owners	1,254,711	1,316,195
Non-controlling interests	136,878	170,232
<b>Total shareholders' equity</b>	<b>1,391,589</b>	<b>1,486,427</b>
	<b>8,952,721</b>	<b>8,602,427</b>



## Working Capital Items

As at September 30, 2023, working capital<sup>1</sup> was negative at \$20.7 million, from negative \$123.7 million on December 31, 2022, mainly explained by:

- Current assets amounted to \$557.2 million as at September 30, 2023, an increase of \$30.1 million compared with December 31, 2022, mainly explained by the assets acquired as part of the Sault Ste. Marie Acquisition, by a \$36.1 million increase in accounts receivable, mainly due to the higher revenues from higher production from the hydroelectric facilities, compared to December, by a \$25.4 million increase in prepaid and others mainly due to the timing of payments and by a \$21.0 million increase in restricted cash attributable primarily to the increase in the debt service payment accounts of the Chilean facilities. The increase in current assets was partly offset by the safe harbor solar modules, classified as held for sale in 2022 and sold during the first quarter of 2023, and by the \$12.9 million decrease in cash (please refer to the "Capital and liquidity – Cash Flows" subsection below for more information).
- Current liabilities amounted to \$578.0 million as at September 30, 2023, a decrease of \$72.9 million compared with December 31, 2022, mainly due to a \$126.5 million decrease in the current portion of long-term loans and borrowings, which primarily relates to the reclassification of the \$150.0 million subordinated unsecured term loan as non-current following its refinancing, partly offset by the current portion of the debt assumed in the Sault Ste. Marie Acquisition. The decrease in current liabilities was partly offset by a \$52.7 million increase in accounts payable, mainly due to the timing of interests payable in Chile and the timing of payments for the facilities under construction.
- Derivative financial instruments also contributed favourably to the working capital balance (please refer to the "Financial Position – Derivative Financial Instruments and Risk Management" subsection below for more information).

As at September 30, 2023, the Corporation had \$950.0 million in revolving term credit facility and had drawn \$767.6 million as cash advances, while \$6.2 million had been used to issue letters of credit, leaving \$176.2 million available. The Corporation considers its current level of working capital<sup>1</sup> and revolving term credit facility availability to be sufficient to meet its needs.

## Non-Current Assets

Non-current assets amounted to \$8,395.5 million as at September 30, 2023, an increase of \$320.2 million compared with December 31, 2022. The increase is mainly due to the Sault Ste. Marie Acquisition, which contributed an aggregate addition of \$197.7 million to property, plant and equipment and intangibles, along with a \$30.0 million increase in goodwill. Moreover, construction and development activities also contributed to an increase in property, plant and equipment and project development costs by an aggregate amount of \$336.5 million, including the initial measurement of the right-of-use assets related to the Boswell Springs land leases.

Derivative financial instruments also favourably impacted non-current assets (please refer to the "Financial Position – Derivative Financial Instruments and Risk Management" subsection below for more information).

These items were partially offset by depreciation and amortization expenses of \$273.4 million, by the disposition of the Kokomo and Spartan solar facilities and by an \$11.5 million decrease in deferred tax assets, mainly related to a French reorganization performed prior to the completion of the Corporation's Partnership with Crédit Agricole Assurances, the use of tax losses in the US and the reevaluation of deferred tax assets for two entities in Chile.

## Non-Current Liabilities

Non-current liabilities amounted to \$6,983.2 million as at September 30, 2023, an increase of \$518.0 million compared with December 31, 2022. The increase is mainly due to a \$488.2 million increase in the non-current portion of long-term loans and borrowings. This increase stems from the reclassification of the \$150.0 million subordinated unsecured term loan as non-current following its refinancing, the net draws made toward the construction of the Boswell Springs, Salvador Battery Energy Storage and San Andrés Battery Energy Storage projects, and the Sault Ste. Marie Acquisition. The initial measurement of the lease obligation related to Boswell Springs also contributed to the increase of the non-current liabilities. These items were partly offset by the scheduled principal repayments of long-term loans and borrowings.

Derivative financial instruments also favourably impacted non-current liabilities (please refer to the "Financial Position – Derivative Financial Instruments and Risk Management" subsection below for more information).

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<sup>1</sup> Working capital represents the excess or deficiency of current assets over current liabilities.

## Shareholders' Equity

As at September 30, 2023, Shareholders' equity decreased by \$94.8 million compared with December 31, 2022, mainly attributable to the dividends declared on common and preferred shares totalling \$114.5 million and to the distributions to non-controlling interests totalling \$33.4 million. The decrease was partly offset by the total comprehensive income of \$51.1 million.

## Derivative Financial Instruments and Risk Management

The Corporation uses derivative financial instruments ("derivatives") to manage its exposure to the risk of increasing interest rates on its debt financing, to manage its exposure to exchange rate fluctuations on the future repatriation of cash flows from its French operations, and to reduce exposure to the risk of decreasing power prices.

The aggregate fair value of derivative financial instruments amounted to a net asset of \$111.6 million as at September 30, 2023, from a net asset of \$25.3 million as at December 31, 2022. The favourable change relates mainly to the interest hedging derivatives, favourably impacted by an upward shift in the interest rate curves.

## Off-Balance-Sheet Arrangements

As at September 30, 2023, the Corporation had issued letters of credit totalling \$369.5 million, including \$6.2 million from its corporate facilities, to meet its obligations under its various PPAs and other agreements. These letters of credit were issued as payment securities for various projects under construction and as performance or financial guarantees under PPAs and other contractual obligations. As at that date, Innergex had also issued a total of \$108.8 million in corporate guarantees used mainly to guarantee certain activities of prospective projects. The corporate guarantees were also used for payment security related to its development activities in Hawaii and the construction of Boswell Springs, and the performance of the Brown Lake and Miller Creek hydroelectric facilities.

Tax equity investors in U.S. projects generally require sponsor guaranties as a condition to their investment. To support the tax equity investments at Foard City, Phoebe, Hillcrest, Griffin Trail and Mountain Air, Alterra Power Corp, a subsidiary of Innergex, has executed guaranties effective on funding of the tax equity investments indemnifying the tax equity investors against certain breaches of project-level representations, warranties and covenants and other events. The Corporation believes these indemnifications cover matters that are substantially under its control and are very unlikely to occur. With respect to the Phoebe facility, Alterra has also provided a guarantee in favour of the project, which will become effective only in the unlikely event that the Phoebe tax equity investors call upon their guarantee.

## 4- CAPITAL AND LIQUIDITY | Contingencies

### ***Innavik EPC Agreement***

During 2023, legal hypothecs were registered by the contractor against the Innavik hydroelectric project ("Innavik" or "the project"), a joint venture company, in the aggregate amount of \$61.3 million, representing the contractor's claim for payment of additional costs under the engineering, procurement and construction ("EPC") agreement with Innavik, and interests thereon. The Corporation disputes that claim in good faith and has taken legal action to cause the legal hypothecs to be removed from title. As at December 31, 2022, while continuing to dispute the claim, the project recognized a provision for construction cost overruns, estimated based on a range of possible outcomes that are materially lower than the amounts claimed by the contractor. This provision remains unchanged as at September 30, 2023.

### ***Senvion GmbH claims under insolvency proceedings***

During 2019, Senvion GmbH ("Senvion"), an insolvent German company and service provider under the turbine supply agreement at Innergex's Mesgi'g' Ugju's'n wind facility, filed for bankruptcy. Certain of the performance obligations under the turbine supply agreement were covered, subject to terms and conditions precedent, by a \$19.6 million letter of credit. The Corporation availed itself of the full amount on April 27, 2021. Such proceeds are to be used to remediate Senvion's unfulfilled performance obligations under the turbine supply agreement.

On May 17, 2023, Senvion issued a claim through the Ontario Superior Court of Justice (the "Court") against Mesgi'g' Ugju's'n (MU) Wind Farm L.P. and Mesgi'g' Ugju's'n (MU) Wind Farm Inc. (together, "MU"), alleging that MU drew down on a \$19.6 million letter of credit held in its favour in violation of a stay of proceedings imposed by the Court under the Companies Creditors' Arrangement Act. The Corporation considers that this procedure has no basis and is disputing the claim. No provision in respect of this litigation has been recorded as at September 30, 2023.

## 4- CAPITAL AND LIQUIDITY | Cash Flows

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
<b>OPERATING ACTIVITIES</b>				
Cash flows from operating activities	102,990	184,126	217,483	336,612
<b>FINANCING ACTIVITIES</b>				
Cash flows from (used in) financing activities	60,310	(128,209)	76,324	221,545
<b>INVESTING ACTIVITIES</b>				
Cash flows used in investing activities	(140,278)	(63,311)	(304,811)	(507,998)
Effects of exchange rate changes on cash and cash equivalents	(2,562)	(676)	(1,871)	426
Net change in cash and cash equivalents	20,460	(8,070)	(12,875)	50,585
Cash and cash equivalents, beginning of period	129,636	224,921	162,971	166,266
<b>Cash and cash equivalents, end of period</b>	<b>150,096</b>	<b>216,851</b>	<b>150,096</b>	<b>216,851</b>

## Cash Flows from Operating Activities

For the three months ended September 30, 2023, cash flows from operating activities totalled \$103.0 million, compared with \$184.1 million in the same period last year. In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, including the contribution from the Sault Ste. Marie Acquisition, the decrease is mainly due to the realized gain on the settlement of the interest rate swaps as part of Innergex's refinancing of the non-recourse debt of its Chilean facilities in Q3 2022, and by the decrease of the non-cash working capital mainly related to timing. The decrease was partly offset by the decrease in finance costs paid, stemming mainly from the timing of interest payments for certain project loans and the interest paid upon refinancing of the former non-recourse debt in Chile in 2022, while the interest on the Chile Green Bonds is payable biannually in June and December.

For the nine months ended September 30, 2023, cash flows from operating activities totalled \$217.5 million, compared with \$336.6 million in the same period last year. In addition to the hydroelectric, wind and solar segments' respective operating performance previously discussed, including the respective contribution from the Aela and Sault Ste. Marie acquisitions, the decrease relates primarily to the realized gain on the settlement of the interest rate swaps as part of Innergex's refinancing of the non-recourse debt of its Chilean facilities in Q3 2022, and to the increase in finance costs paid, stemming mainly from the Chile Green Bonds, the Sault Ste. Marie Acquisition and the timing of interest payments for certain project and corporate loans.

## Cash Flows From (Used in) Financing Activities

For the three months ended September 30, 2023, cash flows from financing activities totalled \$60.3 million, compared with cash flows used in financing activities of \$128.2 million in the same period last year. The increase stems mainly from the net \$106.7 million increase in long-term loans and borrowings in 2023, mainly due to the net draws made toward the construction of the Boswell Springs project, partly offset by the scheduled principal repayments of long-term loans and borrowings, compared with the net \$82.1 million decrease in the same period last year, mainly explained by the scheduled principal repayments of long-term loans and borrowings.

For the nine months ended September 30, 2023, cash flows from financing activities totalled \$76.3 million, compared with \$221.5 million in the same period last year. The decrease is mainly explained by the issuance of common shares as part of the public offering and the concurrent private placement to Hydro-Québec in February 2022 for a total amount of \$202.2 million. The decrease was partly offset by the net \$231.3 million increase in long-term loans and borrowings in 2023, mainly explained by the net draws made toward the construction of the Boswell Springs, Salvador battery energy storage and San Andrés battery energy storage projects, and the Sault Ste. Marie Acquisition, partly offset by the scheduled principal repayments of long-term loans and borrowings. This compares to the net \$184.1 million increase in 2022, mainly explained by the San Andrés and Aela acquisitions, and the refinancing of the non-recourse debt of its Chilean facilities in Q3 2022 concluded following the Aela Acquisition, partly offset by the scheduled principal repayments of long-term loans and borrowings.

## Cash Flows Used in Investing Activities

For the three months ended September 30, 2023, cash flows used in investing activities totalled \$140.3 million, compared with \$63.3 million in the same period last year. This increase is mainly due to the additions to property, plant and equipment made toward the Boswell Springs wind project and the Salvador and San Andrés battery energy storage projects in 2023.

For the nine months ended September 30, 2023, cash flows used in investing activities totalled \$304.8 million, compared with \$508.0 million in the same period last year. This decrease is mainly due to the consideration paid toward the Sault Ste. Marie Acquisition in 2023, compared with the consideration paid toward the Aela and San Andrés acquisitions in 2022, to the proceeds obtained on the safe harbor solar modules' sale during Q1 2023, and to the BESS supply agreements' termination payments received in Q2 2023. The decrease was partly offset by the additions to property, plant and equipment made toward the Boswell Springs wind project and the Salvador and San Andrés battery energy storage projects in 2023, compared with the additions to property, plant and equipment made mainly toward the Hale Kuawehi solar project in 2022.

## 4- CAPITAL AND LIQUIDITY | Free Cash Flow and Payout Ratio

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.

Free Cash Flow and Payout Ratio <sup>1</sup>	Trailing twelve months ended September 30	
	2023	2022
Cash flows from operating activities <sup>2</sup>	311,114	412,447
<i>Add (Subtract) the following items:</i>		
Changes in non-cash operating working capital items	39,913	24,525
Prospective projects expenses	25,196	27,331
Maintenance capital expenditures, net of proceeds from dispositions	(27,293)	(9,936)
Scheduled debt principal payments	(174,507)	(167,578)
Free Cash Flow attributed to non-controlling interests <sup>3</sup>	(30,230)	(39,811)
Dividends declared on Preferred shares	(5,632)	(5,632)
Chile portfolio refinancing - hedging impact <sup>5</sup>	5,214	765
<i>Add (subtract) the following specific items<sup>4</sup>:</i>		
Realized gain on termination of interest rate swaps <sup>5</sup>	(59)	(72,053)
Realized gain on termination of foreign exchange forwards <sup>6</sup>	(43,458)	—
Principal and interest paid related to pre-acquisition period	1,312	—
Acquisition and integration costs	19,630	17,224
Realized gain on the Phoebe basis hedge	—	(955)
<b>Free Cash Flow<sup>1</sup></b>	<b>121,200</b>	<b>186,327</b>
Dividends declared on common shares	147,024	144,862
Payout Ratio <sup>1</sup>	121 %	78 %
<b>Normalized Payout Ratio<sup>1</sup></b>	<b>75% - 82%</b>	

- Free Cash Flow, Payout Ratio and Normalized Payout Ratio are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to Section 5- Non-IFRS Measures for more information.
- Cash flows from operating activities for the trailing twelve months ended September 30, 2022 include the one-time BC Hydro Curtailment Payment received during Q1 2022.
- 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.
- 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.
- The Free Cash Flow for the trailing twelve months ended September 30, 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.
- The Free Cash Flow for the trailing twelve months ended September 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.

### Free Cash Flow

For the trailing twelve months ended September 30, 2023, the Corporation generated Free Cash Flow<sup>1</sup> of \$121.2 million, compared with \$186.3 million for the corresponding period last year.

<sup>1</sup> Free Cash Flow is not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures for more information.

Free Cash Flow<sup>1</sup> decreased \$65.1 million compared with Free Cash Flow<sup>1</sup> in the comparative period, mainly due to:

- a decrease in cash flows from operating activities before changes in non-cash operating working capital items stemming from the exceptionally low production in British Columbia due to drier weather, lower wind regimes for the wind facilities in Quebec, and the BC Hydro Curtailment Payment received in Q1 2022;
- an increase in the interest paid mainly stemming from the refinancing of the non-recourse debt in Chile in Q3 2022 following the Aela Acquisition, and from the recent Sault Ste. Marie, Mountain Air and French acquisitions; and
- an increase in maintenance capital expenditures mainly stemming from the recent acquisitions, from the recent weather-related damages at the Foard City facility, and from major component replacements at the wind facilities in Quebec.

These items were partly offset by:

- the contribution to cash flows from operating activities before changes in non-cash operating working capital items from the Aela, Curtis Palmer and Sault Ste. Marie acquisitions;
- the increase in average merchant prices on certain USA and Chilean facilities; and
- a decrease in Free Cash Flow attributed to non-controlling interests of the British Columbia hydro facilities, following exceptionally low production in British Columbia in Q4 2022 and Q1 2023, partly offset by an increase attributed to the Curtis Palmer Acquisition.

## Payout Ratio

For the trailing twelve months ended September 30, 2023, the dividends on common shares declared by the Corporation amounted to 121% of Free Cash Flow<sup>1</sup>, compared with 78% for the corresponding period last year.

## Normalized Payout Ratio

Had production levels been equal to their long-term average during the trailing twelve months ended September 30, 2023, Free Cash Flow and Payout Ratio would have been in a range of \$180 million to \$195 million and 75% to 82%, respectively.

## Scheduled debt principal payments

Innergex's facilities have useful lives exceeding the current amortization period for existing debt. The below table presents a comparison of the project-level debt maturities compared to their power purchase agreements ("PPA") maturities and useful lives:

	As at September 30, 2023			
	Long-term loans and borrowings, before deferred financing costs	Remaining years to debt Maturity <sup>1</sup>	Remaining years to PPA Maturity <sup>1</sup>	Remaining useful life
Corporate debt and convertible debentures	1,377,051	3.6	6.1	37.8
Project-level debt:				
Chile Green Bonds	959,920	12.7	12.3	35.1
Hydro	1,641,023	26.0	25.1	64.4
Wind	1,347,415	9.8	9.1	20.9
Solar	468,886	3.9	9.2	27.3
Tax equity financing	404,541	6.0	8.4	27.2
	6,198,836	13.1	13.1	40.2

1. Figures provided in years on a weighted average basis.

Assuming debt amortization schedules were aligned with the useful lives of the assets, the Free Cash Flow and Payout Ratio for the trailing twelve months ended September 30, 2023 would have been \$150.1 million and 98%, respectively (\$231.1 million and 63%, respectively for the same period last year).

## 4- CAPITAL AND LIQUIDITY | Information on Capital Stock

### The Corporation's Equity Securities

	As at		
	November 7, 2023	September 30, 2023	December 31, 2022
Number of common shares	204,321,381	204,288,402	204,132,833
Number of 4.75% convertible debentures <sup>1</sup>	148,023	148,023	148,023
Number of 4.65% convertible debentures <sup>1</sup>	142,056	142,056	142,056
Number of Series A Preferred Shares	3,400,000	3,400,000	3,400,000
Number of Series C Preferred Shares	2,000,000	2,000,000	2,000,000
Number of stock options outstanding	345,642	345,642	284,769

1. The 4.75% and the 4.65% debentures mature on June 30, 2025 and October 31, 2026, respectively.

As at the closing of the market on November 7, 2023, and since September 30, 2023, the increase in the number of common shares of the Corporation is attributable to the issuance of 32,979 common shares related to the Corporation's Dividend Reinvestment Plan ("DRIP").

As at September 30, 2023, the increase in the number of common shares since December 31, 2022, was due to the issuance of 155,569 common shares related to the DRIP.

## 4- CAPITAL AND LIQUIDITY | Dividends

The Corporation's dividend policy is determined by its Board of Directors and is based on the Corporation's operating results, cash flows, financial condition, debt covenants, long-term growth prospects, solvency test imposed under corporate law for the declaration of dividends and other relevant factors.

The following dividends were declared by the Corporation:

	Three months ended September 30				Nine months ended September 30			
	2023		2022		2023		2022	
	(\$/share)	Total	(\$/share)	Total	(\$/share)	Total	(\$/share)	Total
Dividends declared on common shares <sup>1</sup>	0.1800	36,772	0.1800	36,741	0.5400	110,280	0.5400	110,213
Dividends declared on Series A Preferred Shares	0.2028	689	0.2028	689	0.6083	2,068	0.6083	2,068
Dividends declared on Series C Preferred Shares	0.3594	719	0.3594	719	1.0781	2,156	1.0781	2,156

1. The increase in dividends declared on common shares was attributable to the issuance of common shares under the DRIP.

The following dividends will be paid by the Corporation on January 15, 2024:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
November 8, 2023	December 31, 2023	January 15, 2024	\$0.1800	\$0.2028	\$0.3594



## 5- Non-IFRS Measures

This MD&A has been prepared in accordance with IFRS. However, some measures referred to in this MD&A 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 the 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.

#### *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, 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 Production 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 for more information.



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

	Three months ended September 30, 2023			Three months ended September 30, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	277,056	24,669	301,725	258,389	27,884	286,273
Production tax credits	15,123	—	15,123	10,339	—	10,339
<b>Revenues and Production Tax Credits</b>	<b>292,179</b>	<b>24,669</b>	<b>316,848</b>	<b>268,728</b>	<b>27,884</b>	<b>296,612</b>
Operating income	99,778	16,919	116,697	108,002	19,690	127,692
Depreciation and amortization	102,434	4,025	106,459	82,953	4,228	87,181
ERP implementation	3,175	—	3,175	542	—	542
Realized loss on power hedges	(25,154)	—	(25,154)	(23,861)	—	(23,861)
<b>Adjusted EBITDA</b>	<b>180,233</b>	<b>20,944</b>	<b>201,177</b>	<b>167,636</b>	<b>23,918</b>	<b>191,554</b>

	Nine months ended September 30, 2023			Nine months ended September 30, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	726,367	46,382	772,749	666,858	49,171	716,029
Production tax credits	53,681	—	53,681	48,153	—	48,153
<b>Revenues and Production Tax Credits</b>	<b>780,048</b>	<b>46,382</b>	<b>826,430</b>	<b>715,011</b>	<b>49,171</b>	<b>764,182</b>
Operating income	256,069	24,281	280,350	269,870	26,049	295,919
Depreciation and amortization	273,365	12,211	285,576	242,297	12,646	254,943
ERP implementation	9,093	—	9,093	542	—	542
Realized loss on power hedges	(26,205)	—	(26,205)	(35,920)	—	(35,920)
<b>Adjusted EBITDA</b>	<b>512,322</b>	<b>36,492</b>	<b>548,814</b>	<b>476,789</b>	<b>38,695</b>	<b>515,484</b>

## Adjusted Net Earnings (Loss)

References to "Adjusted Net Earnings (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 Earnings (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 be marked-to-market. When hedge accounting is not applied, changes in the fair value of the derivatives are 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 do 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 Earnings (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 Earnings (Loss) should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to Section 3- Adjusted Net Earnings (Loss) for more information.

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

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Net earnings (loss)	4,381	20,980	16,150	(38,540)
<i>Add (Subtract):</i>				
Share of unrealized portion of the change in fair value of financial instruments of joint ventures and associates, net of related income tax	(292)	(300)	(731)	(1,305)
Unrealized portion of the change in fair value of financial instruments	678	48,026	(15,790)	116,523
Realized (gain) loss on termination of interest rate swaps	—	(71,676)	(3,712)	(71,676)
ERP implementation	3,175	542	9,093	542
Realized gain on foreign exchange forward contracts	(344)	(2,040)	(378)	(3,214)
Income tax expense (recovery) related to above items	(2,400)	4,003	481	(7,364)
<b>Adjusted Net Earnings (Loss)</b>	<b>5,198</b>	<b>(465)</b>	<b>5,113</b>	<b>(5,034)</b>

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

	Three months ended September 30, 2023			Three months ended September 30, 2022			Nine months ended September 30, 2023			Nine months ended September 30, 2022		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	277,056	—	277,056	258,389	—	258,389	726,367	—	726,367	666,858	—	666,858
Production Tax Credits	15,123	—	15,123	10,339	—	10,339	53,681	—	53,681	48,153	—	48,153
Operating expenses	62,107	—	62,107	54,593	—	54,593	169,142	—	169,142	145,177	—	145,177
General and administrative expenses	18,008	—	18,008	14,824	—	14,824	54,301	—	54,301	39,503	—	39,503
Prospective projects expenses	6,677	—	6,677	7,814	—	7,814	18,078	—	18,078	17,622	—	17,622
ERP implementation	3,175	(3,175)	—	542	(542)	—	9,093	(9,093)	—	542	(542)	—
Depreciation and amortization	102,434	—	102,434	82,953	—	82,953	273,365	—	273,365	242,297	—	242,297
Operating income	99,778	3,175	102,953	108,002	542	108,544	256,069	9,093	265,162	269,870	542	270,412
Finance costs	84,625	—	84,625	90,418	—	90,418	259,966	—	259,966	233,978	—	233,978
Other net expenses	4,402	344	4,746	3,226	2,040	5,266	861	378	1,239	1,928	3,214	5,142
Share of (earnings) losses of joint ventures and associates	(13,076)	187	(12,889)	(15,654)	410	(15,244)	(12,787)	466	(12,321)	(14,668)	1,777	(12,891)
Change in fair value of financial instruments	25,832	(678)	25,154	211	23,650	23,861	6,703	19,502	26,205	80,767	(44,847)	35,920
Income tax (recovery) expense	(6,386)	2,505	(3,881)	8,821	(4,113)	4,708	(14,824)	(216)	(15,040)	6,405	6,892	13,297
<b>Net earnings (loss)</b>	<b>4,381</b>	<b>817</b>	<b>5,198</b>	<b>20,980</b>	<b>(21,987)</b>	<b>(465)</b>	<b>16,150</b>	<b>(11,037)</b>	<b>5,113</b>	<b>(38,540)</b>	<b>32,964</b>	<b>(5,034)</b>

## **Free Cash Flow, Payout Ratio and Normalized 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 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.

### *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 dispositions, 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 ERP 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.

References to "Normalized Payout Ratio" are to dividends declared on common shares divided by the estimated Free Cash Flow had production levels been equal to their long-term average in all jurisdictions, excluding Chile. Innergex believes that this is a measure of its ability to sustain current dividends as well as its ability to fund its growth, free from circumstantial impacts on production. Normalized Payout Ratio is used by investors in this regard.

## 6- ADDITIONAL CONSOLIDATED INFORMATION | Geographic Segments – Revenues

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
<b>Revenues and Production Tax Credits</b>				
Canada	117,308	121,982	325,512	341,245
United States	111,759	86,482	259,082	230,587
Chile	44,333	44,290	115,327	83,744
France	18,779	15,974	80,127	59,435
	<b>292,179</b>	<b>268,728</b>	<b>780,048</b>	<b>715,011</b>

## 6- ADDITIONAL CONSOLIDATED INFORMATION | Geographic Segments – Non-current Assets

	As at	
	September 30, 2023	December 31, 2022
<b>Non-current assets, excluding derivative financial instruments and deferred tax assets<sup>1</sup></b>		
Canada	3,375,463	3,246,979
United States	2,482,060	2,364,160
Chile	1,614,110	1,549,679
France	717,124	753,161
	<b>8,188,757</b>	<b>7,913,979</b>

1. Includes the investments in joint ventures and associates.

## 6- ADDITIONAL CONSOLIDATED INFORMATION | Historical Quarterly Financial Information

<i>(in millions of dollars, unless otherwise stated)</i>	Three months ended							
	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Production (MWh)	2,654,439	2,951,098	2,312,655	2,357,039	2,736,471	2,855,891	2,304,600	2,583,157
Revenues and Production Tax Credits	292.2	269.5	218.3	220.2	268.7	238.5	207.7	218.8
Operating income (loss)	99.8	93.3	65.5	(4.7)	108.5	92.5	69.3	76.0
Adjusted EBITDA <sup>1</sup>	180.2	187.0	145.1	135.4	167.6	159.3	149.8	152.0
Net earnings (loss)	4.4	24.8	(13.0)	(52.6)	21.0	(24.6)	(34.9)	5.7
Net earnings (loss) attributable to owners of the parent	9.1	20.7	(14.3)	(45.3)	23.3	(25.2)	(34.4)	(2.3)
Basic net earnings (loss) attributable to owners of the parent (\$ per share)	0.04	0.10	(0.08)	(0.23)	0.11	(0.13)	(0.18)	(0.02)
Diluted net earnings (loss) attributable to owners of the parent (\$ per share)	0.04	0.10	(0.08)	(0.23)	0.11	(0.13)	(0.18)	(0.02)
Dividends declared on common shares	36.8	36.8	36.7	36.7	36.7	36.7	36.7	34.6
Dividends declared on common shares, \$ per share	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180

1. Adjusted EBITDA is not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures for more information.

The Corporation's production, revenues, net earnings and cash flows are variable with each season, depending on the geography and source of energy. Please refer to the "Overview of Operations | Business Environment - Seasonality of Operations" section of this MD&A for more information on seasonality.

On January 1, 2023, the Corporation amended the presentation of its consolidated statements of earnings (refer to Section 7- Significant Accounting Policies for more information). Concurrently, certain Non-IFRS measures have been amended (refer to Section 5- Non-IFRS Measures for more information). The following table provides a summary of the amendments to the historical financial information:

<i>(in millions of dollars, unless otherwise stated)</i>	Three months ended				
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Previously reported Revenues	203.6	258.4	219.7	188.7	202.4
Production Tax Credits	16.6	10.3	18.8	19.0	16.4
Revenues and Production Tax Credits	220.2	268.7	238.5	207.7	218.8
Previously reported Adjusted EBITDA <sup>1</sup>	120.4	181.2	152.9	130.5	137.3
Production Tax Credits	16.6	10.3	18.8	19.0	16.4
Realized (loss) gain on power hedges	(1.6)	(23.9)	(12.3)	0.3	(1.7)
Adjusted EBITDA <sup>1</sup>	135.4	167.6	159.3	149.8	152.0

1. Adjusted EBITDA is not a recognized measure under IFRS and therefore may not be comparable to those presented by other issuers. Please refer to the Section 5- Non-IFRS Measures for more information.

## 7- ACCOUNTING POLICIES AND INTERNAL CONTROLS | Significant Accounting Policies

### Changes in presentation

On January 1, 2023, the Corporation amended the presentation of its consolidated statements of earnings to enhance relevance of the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

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 electricity generation. The reclassification also goes alongside the Inflation Reduction Act ("IRA"), signed into law in August 2022 by the United States Government, extending the PTC program for wind facilities, and introducing a PTC program for solar facilities. For projects commencing construction after January 1, 2025, the IRA initiates the transition toward a technology-neutral tax credit system in the United States, allowing zero carbon emission facilities to receive tax credits similar to current PTCs and ITCs.

In addition, certain subtotals have been removed from the consolidated statements of earnings, which now includes an operating income subtotal.

The Corporation has also reclassified the Enterprise Resource Planning ("ERP") implementation expenses, from other net expenses, to a separate account in the statement of earnings, to conform with the addition of the operating income subtotal.

The table below presents a summary of the reclassifications:

	Three months ended September 30, 2022			Nine months ended September 30, 2022		
	Legacy presentation	Adjustment	Amended presentation	Legacy presentation	Adjustment	Amended presentation
Revenues	258,389	—	258,389	666,858	—	666,858
Production Tax Credits	—	10,339	10,339	—	48,153	48,153
Revenues and Production Tax Credits	N/A	N/A	268,728	N/A	N/A	715,011
<b>Expenses</b>						
Operating	54,593	—	54,593	145,177	—	145,177
General and administrative	14,824	—	14,824	39,503	—	39,503
Prospective projects	7,814	—	7,814	17,622	—	17,622
ERP implementation	—	542	542	—	542	542
Depreciation and amortization	82,953	—	82,953	242,297	—	242,297
Operating income	N/A	N/A	108,002	N/A	N/A	269,870
Finance costs	90,418	—	90,418	233,978	—	233,978
Other net (income) expenses	(6,571)	9,797	3,226	(45,683)	47,611	1,928
Share of losses of joint ventures and associates	(15,654)	—	(15,654)	(14,668)	—	(14,668)
Change in fair value of financial instruments	211	—	211	80,767	—	80,767
Earnings (loss) before income tax	29,801	—	29,801	(32,135)	—	(32,135)
Income tax expense	8,821	—	8,821	6,405	—	6,405
<b>Net earnings (loss)</b>	<b>20,980</b>	<b>—</b>	<b>20,980</b>	<b>(38,540)</b>	<b>—</b>	<b>(38,540)</b>



## 7- ACCOUNTING POLICIES AND INTERNAL CONTROLS | Internal Controls

In accordance with Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings, the President and Chief Executive Officer and the Chief Financial Officer of the Corporation have certified that they have designed, or caused it to be designed under their supervision:

- Disclosure controls and procedures ("DC&P") to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the President and Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared; and (ii) the information required to be disclosed by the Corporation in its annual filings, interim filings and other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.
- Internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the period beginning on July 1, 2023, and ended on September 30, 2023, there was no change to the ICFR that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

The President and Chief Executive Officer and the Chief Financial Officer have also limited the scope of the Corporation's design of DC&P and ICFR to exclude the controls, policies and procedures of the Sault Ste. Marie solar portfolio composed of the Sault Ste. Marie 1, Sault Ste. Marie 2, and Sault Ste. Marie 3 solar facilities (collectively "entities excluded from the Corporation's control policies and procedures"). The evaluation of the design and the operating effectiveness of the DC&P and ICFR for these entities will be completed in the 12 months following their dates of acquisition. A summary of the financial information about the entities excluded is presented in the "Entities Excluded from the Corporation's control policies and procedures" section of this MD&A.

## 7- ACCOUNTING POLICIES AND INTERNAL CONTROLS | Entities excluded from the Corporation's control, policies and procedures

As stated in the "Internal controls" section of this MD&A, the scope of the Corporation's design of DC&P and ICFR exclude the controls, policies and procedures of the Sault Ste. Marie solar portfolio. The following tables present a summary of the entities excluded from the Corporation's control policies and procedures:

### Summary Statements of Earnings (Loss) and Comprehensive Income (Loss)

	Nine months ended September 30, 2023
Revenues	26,482
Net earnings	5,611
Total comprehensive income	9,654

### Summary Statement of Financial Position

	As at September 30, 2023
Current assets	17,531
Non-current assets	221,690
	239,221
Current liabilities	21,983
Non-current liabilities	164,636
Equity	52,601
	239,221

## 8- FORWARD-LOOKING INFORMATION

To inform readers of the Corporation's future prospects, this MD&A 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 MD&A.

**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 MD&A, 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.

# CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

	Notes	Three months ended September 30		Nine months ended September 30	
		2023	2022 (Note 2)	2023	2022 (Note 2)
Revenues		277,056	258,389	726,367	666,858
Production tax credits		15,123	10,339	53,681	48,153
<b>Revenues and production tax credits</b>		<b>292,179</b>	<b>268,728</b>	<b>780,048</b>	<b>715,011</b>
<b>Expenses</b>					
Operating		62,107	54,593	169,142	145,177
General and administrative		18,008	14,824	54,301	39,503
Prospective projects		6,677	7,814	18,078	17,622
ERP implementation		3,175	542	9,093	542
Depreciation and amortization		102,434	82,953	273,365	242,297
<b>Operating income</b>		<b>99,778</b>	<b>108,002</b>	<b>256,069</b>	<b>269,870</b>
Finance costs	5	84,625	90,418	259,966	233,978
Other net expenses	6	4,402	3,226	861	1,928
Share of earnings of joint ventures and associates		(13,076)	(15,654)	(12,787)	(14,668)
Change in fair value of financial instruments	7 b)	25,832	211	6,703	80,767
<b>(Loss) earnings before income tax</b>		<b>(2,005)</b>	<b>29,801</b>	<b>1,326</b>	<b>(32,135)</b>
Income tax (recovery) expense		(6,386)	8,821	(14,824)	6,405
<b>Net earnings (loss)</b>		<b>4,381</b>	<b>20,980</b>	<b>16,150</b>	<b>(38,540)</b>
<b>Net earnings (loss) attributable to:</b>					
Owners of the parent		9,085	23,269	15,488	(36,318)
Non-controlling interests		(4,704)	(2,289)	662	(2,222)
		<b>4,381</b>	<b>20,980</b>	<b>16,150</b>	<b>(38,540)</b>
<b>Earnings (loss) per share attributable to owners:</b>					
Basic net earnings (loss) per share (\$)	8	0.04	0.11	0.06	(0.20)
Diluted net earnings (loss) per share (\$)	8	0.04	0.11	0.06	(0.20)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Three months ended September 30		Nine months ended September 30	
		2023	2022	2023	2022
Net earnings (loss)		4,381	20,980	16,150	(38,540)
Items of comprehensive income that will be subsequently reclassified to earnings:					
Foreign currency translation differences for foreign operations	4	24,140	88,439	(7,960)	107,205
Change in fair value of financial instruments designated as net investment hedges	7	1,656	5,429	(294)	11,340
Change in fair value of financial instruments designated as cash flow hedges	4, 7	47,731	16,203	57,471	218,127
Change in fair value of financial instruments of joint ventures and associates designated as cash flow hedges		2,619	220	2,558	9,275
Related deferred income tax		(13,061)	(2,863)	(16,780)	(58,227)
<b>Other comprehensive income</b>		<b>63,085</b>	<b>107,428</b>	<b>34,995</b>	<b>287,720</b>
<b>Total comprehensive income</b>		<b>67,466</b>	<b>128,408</b>	<b>51,145</b>	<b>249,180</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		68,439	111,770	51,273	222,701
Non-controlling interests		(973)	16,638	(128)	26,479
		<b>67,466</b>	<b>128,408</b>	<b>51,145</b>	<b>249,180</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		September 30, 2023	December 31, 2022
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		150,096	162,971
Restricted cash		75,667	54,670
Accounts receivable		215,351	179,299
Derivative financial instruments	7	53,532	33,833
Prepays and other		62,600	37,169
Assets held for sale	9	—	59,217
<b>Total current assets</b>		<b>557,246</b>	<b>527,159</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	6,410,332	6,212,371
Intangible assets		1,316,328	1,268,960
Project development costs		36,781	41,151
Investments in joint ventures and associates		137,906	135,786
Derivative financial instruments	7	149,414	92,504
Deferred tax assets		57,304	68,785
Goodwill		177,871	139,676
Other long-term assets		109,539	116,035
<b>Total non-current assets</b>		<b>8,395,475</b>	<b>8,075,268</b>
<b>Total assets</b>		<b>8,952,721</b>	<b>8,602,427</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and other payables		301,401	248,659
Derivative financial instruments	7	22,923	22,018
Current portion of long-term loans and borrowings and other liabilities		253,640	380,147
<b>Total current liabilities</b>		<b>577,964</b>	<b>650,824</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	7	68,457	79,069
Long-term loans and borrowings		5,872,997	5,384,813
Other liabilities		484,191	463,863
Deferred tax liabilities		557,523	537,431
<b>Total non-current liabilities</b>		<b>6,983,168</b>	<b>6,465,176</b>
<b>Total liabilities</b>		<b>7,561,132</b>	<b>7,116,000</b>
<b>SHAREHOLDERS' EQUITY</b>			
Equity attributable to owners		1,254,711	1,316,195
Non-controlling interests		136,878	170,232
<b>Total shareholders' equity</b>		<b>1,391,589</b>	<b>1,486,427</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,952,721</b>	<b>8,602,427</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Nine months ended September 30, 2023	Equity attributable to owners						Total	Non-controlling interests	Total shareholders' equity
	Common share capital account	Contributed surplus	Preferred shares	Convertible debentures	Deficit	Accumulated other comprehensive income			
Balance January 1, 2023	485	2,581,173	131,069	2,819	(1,596,021)	196,670	1,316,195	170,232	1,486,427
Net earnings	—	—	—	—	15,488	—	15,488	662	16,150
Other comprehensive income (loss)	—	—	—	—	—	35,785	35,785	(790)	34,995
<b>Total comprehensive income (loss)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,488</b>	<b>35,785</b>	<b>51,273</b>	<b>(128)</b>	<b>51,145</b>
Common shares issued through dividend reinvestment plan	2,215	—	—	—	—	—	2,215	—	2,215
Reduction of capital on common shares (Note 12)	(1,103)	1,103	—	—	—	—	—	—	—
Share-based payments and Performance Share Plan	—	2,899	—	—	—	—	2,899	—	2,899
Shares vested - Performance Share Plan	1,991	(3,041)	—	—	—	—	(1,050)	—	(1,050)
Shares purchased - Performance Share Plan	(2,647)	330	—	—	—	—	(2,317)	—	(2,317)
Business dispositions (Note 4)	—	—	—	—	—	—	—	125	125
Dividends declared on common shares (Note 12)	—	—	—	—	(110,280)	—	(110,280)	—	(110,280)
Dividends declared on preferred shares (Note 12)	—	—	—	—	(4,224)	—	(4,224)	—	(4,224)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(33,351)	(33,351)
<b>Balance September 30, 2023</b>	<b>941</b>	<b>2,582,464</b>	<b>131,069</b>	<b>2,819</b>	<b>(1,695,037)</b>	<b>232,455</b>	<b>1,254,711</b>	<b>136,878</b>	<b>1,391,589</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Nine months ended September 30, 2022	Equity attributable to owners								
	Common shares capital account	Contributed surplus	Preferred shares	Convertible debentures	Deficit	Accumulated other comprehensive (loss) income	Total	Non-controlling interests	Total shareholders' equity
Balance January 1, 2022	360,936	2,022,540	131,069	2,819	(1,373,628)	(50,624)	1,093,112	267,568	1,360,680
Net loss	—	—	—	—	(36,318)	—	(36,318)	(2,222)	(38,540)
Other comprehensive income	—	—	—	—	—	259,019	259,019	28,701	287,720
<b>Total comprehensive (loss) income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(36,318)</b>	<b>259,019</b>	<b>222,701</b>	<b>26,479</b>	<b>249,180</b>
Common shares issued on public offering	172,506	—	—	—	—	—	172,506	—	172,506
Common shares issued on private placement	37,275	—	—	—	—	—	37,275	—	37,275
Issuance fees (net of \$1,978 of deferred income tax)	(5,432)	—	—	—	—	—	(5,432)	—	(5,432)
Common shares issued through dividend reinvestment plan	1,058	—	—	—	—	—	1,058	—	1,058
Reduction of capital on common shares	(560,532)	560,532	—	—	—	—	—	—	—
Buyback of common shares	(4,417)	—	—	—	—	—	(4,417)	—	(4,417)
Share-based payments and Performance Share Plan	—	2,625	—	—	—	—	2,625	—	2,625
Shares vested - Performance Share Plan	2,114	(4,883)	—	—	—	—	(2,769)	—	(2,769)
Shares purchased - Performance Share Plan	(3,266)	279	—	—	—	—	(2,987)	—	(2,987)
Dividends declared on common shares (Note 12)	—	—	—	—	(110,213)	—	(110,213)	—	(110,213)
Dividends declared on preferred shares (Note 12)	—	—	—	—	(4,224)	—	(4,224)	—	(4,224)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(39,088)	(39,088)
<b>Balance September 30, 2022</b>	<b>242</b>	<b>2,581,093</b>	<b>131,069</b>	<b>2,819</b>	<b>(1,524,383)</b>	<b>208,395</b>	<b>1,399,235</b>	<b>254,959</b>	<b>1,654,194</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.



# CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Three months ended September 30		Nine months ended September 30	
		2023	2022	2023	2022
<b>OPERATING ACTIVITIES</b>					
Net earnings (loss)		4,381	20,980	16,150	(38,540)
Items not affecting cash:					
Depreciation and amortization		102,434	82,953	273,365	242,297
Share of earnings of joint ventures and associates		(13,076)	(15,654)	(12,787)	(14,668)
Unrealized portion of change in fair value of financial instruments	7	678	48,026	(15,790)	116,523
Production tax credits and tax attributes allocated to tax equity investors		(15,357)	(11,906)	(55,552)	(49,606)
Other		2,627	4,707	1,283	5,160
Finance costs	5	84,625	90,418	259,966	233,978
Finance costs paid	13 b)	(34,866)	(55,861)	(198,423)	(158,468)
Distributions received from joint ventures and associates		6,815	7,616	13,275	17,088
Income tax (recovery) expense		(6,386)	8,821	(14,824)	6,405
Income tax paid		(1,472)	(1,501)	(4,631)	(423)
Effect of exchange rate fluctuations		86	(2,655)	(756)	(4,735)
		130,489	175,944	261,276	355,011
Changes in non-cash operating working capital items	13 a)	(27,499)	8,182	(43,793)	(18,399)
		102,990	184,126	217,483	336,612
<b>FINANCING ACTIVITIES</b>					
Dividends paid on common and preferred shares		(37,309)	(37,905)	(112,258)	(111,278)
Distributions to non-controlling interests		(7,405)	(6,018)	(33,351)	(39,088)
Increase in long-term debt, net of deferred financing costs	13 c)	295,999	869,249	799,507	1,473,348
Repayment of long-term debt	13 c)	(189,309)	(951,393)	(568,248)	(1,289,275)
Payment of other liabilities		(1,795)	(2,249)	(5,959)	(4,360)
Proceeds from issuance of common shares, net of issuance fees		—	—	—	202,371
Payment for buyback of common shares		—	—	—	(4,417)
Purchase of common shares under the Performance Share Plan		129	107	(2,317)	(2,987)
Payment of payroll withholding on exercise of stock options and Performance Share Plan		—	—	(1,050)	(2,769)
		60,310	(128,209)	76,324	221,545
<b>INVESTING ACTIVITIES</b>					
Business acquisitions, net of cash acquired	3	—	(21,657)	(47,810)	(418,042)
Change in restricted cash		(22,409)	(417)	(17,886)	10,749
Additions to property, plant and equipment, net		(116,815)	(39,495)	(316,141)	(76,882)
Additions to intangible assets		(107)	—	(2,064)	(22)
Additions to project development costs		(3,007)	(25)	(8,113)	(16,932)
Investments in joint ventures and associates		—	(2)	—	(334)
Proceeds from BESS supply agreements termination payments	10	—	—	18,159	—
Proceeds from disposition of assets held for sale	9	—	—	59,426	—
Other		2,060	(1,715)	9,618	(6,535)
		(140,278)	(63,311)	(304,811)	(507,998)
Effects of exchange rate changes on cash and cash equivalents		(2,562)	(676)	(1,871)	426
Net change in cash and cash equivalents		20,460	(8,070)	(12,875)	50,585
Cash and cash equivalents, beginning of period		129,636	224,921	162,971	166,266
<b>Cash and cash equivalents, end of period</b>		<b>150,096</b>	<b>216,851</b>	<b>150,096</b>	<b>216,851</b>

Additional information is presented in Note 13 – Additional Information to the Consolidated Statements of Cash Flows. The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## DESCRIPTION OF BUSINESS

Innergex Renewable Energy Inc. (“Innergex” or the “Corporation”) was incorporated under the *Canada Business Corporation Act* on October 25, 2002, and its shares and convertible debentures are listed on the Toronto Stock Exchange. The Corporation is a developer, acquirer, owner and operator of renewable power-generating and energy storage facilities, essentially focused on the hydroelectric, wind and solar power sectors. The Corporation's head office is located at 1225 St-Charles Street West, 10th floor, Longueuil, QC, J4K 0B9, Canada.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on November 8, 2023.

The Corporation's revenues are variable with each season and are normally at their highest in the second quarter and at their lowest in the first quarter. As a result, earnings of interim periods should not be considered as indicative of results for an entire year.

### 1. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

#### ***Statement of Compliance***

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The unaudited condensed interim consolidated financial statements are in compliance with IAS 34, Interim Financial Reporting. The same accounting policies and methods of application as described in the Corporation's latest annual report have been used, unless stated otherwise. However, these unaudited condensed interim consolidated financial statements do not include all disclosures required under IFRS and, accordingly, should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Corporation's latest annual report.

#### ***Basis of Measurement***

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments and assets and liabilities acquired in business combinations that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange.

#### ***Functional Currency and Presentation Currency***

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Changes in presentation

On January 1, 2023, the Corporation amended the presentation of its consolidated statements of earnings to enhance relevance of the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

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 electricity generation. The reclassification also goes alongside the Inflation Reduction Act ("IRA"), signed into law in August 2022 by the United States Government, extending the PTC program for wind facilities, and introducing a PTC program for solar facilities. For projects commencing construction after January 1, 2025, the IRA initiates the transition toward a technology-neutral tax credit system in the United States, allowing zero carbon emission facilities to receive tax credits similar to current PTCs and ITCs.

In addition, certain subtotals have been removed from the consolidated statements of earnings, which now includes an operating income subtotal.

The Corporation has also reclassified the Enterprise Resource Planning ("ERP") implementation expenses, from other net expenses, to a separate account in the statement of earnings, to conform with the addition of the operating income subtotal.

The table below presents a summary of the reclassifications:

	Three months ended September 30, 2022			Nine months ended September 30, 2022		
	Legacy presentation	Adjustment	Amended presentation	Legacy presentation	Adjustment	Amended presentation
Revenues	258,389	—	258,389	666,858	—	666,858
Production tax credits	—	10,339	10,339	—	48,153	48,153
Revenues and production tax credits	N/A	N/A	268,728	N/A	N/A	715,011
<b>Expenses</b>						
Operating	54,593	—	54,593	145,177	—	145,177
General and administrative	14,824	—	14,824	39,503	—	39,503
Prospective projects	7,814	—	7,814	17,622	—	17,622
ERP implementation	—	542	542	—	542	542
Depreciation and amortization	82,953	—	82,953	242,297	—	242,297
Operating income	N/A	N/A	108,002	N/A	N/A	269,870
Finance costs	90,418	—	90,418	233,978	—	233,978
Other net (income) expenses	(6,571)	9,797	3,226	(45,683)	47,611	1,928
Share of losses of joint ventures and associates	(15,654)	—	(15,654)	(14,668)	—	(14,668)
Change in fair value of financial instruments	211	—	211	80,767	—	80,767
Earnings (loss) before income tax	29,801	—	29,801	(32,135)	—	(32,135)
Income tax expense	8,821	—	8,821	6,405	—	6,405
<b>Net earnings (loss)</b>	<b>20,980</b>	<b>—</b>	<b>20,980</b>	<b>(38,540)</b>	<b>—</b>	<b>(38,540)</b>

### 3. BUSINESS ACQUISITIONS

#### a) Acquisition of Sault Ste. Marie

On March 9, 2023, Innergex acquired all of the ordinary shares of the 60MW Sault Ste. Marie solar portfolio for a total cash consideration of \$51,270.

The Sault Ste. Marie portfolio consists of the Sault Ste. Marie 1 solar facility (20 MW), the Sault Ste. Marie 2 solar facility (30 MW) and the Sault Ste. Marie 3 solar facility (10 MW). Revenues from these facilities are anchored by long term power purchase agreements with the Independent Electricity System Operator, maturing between 2030 and 2031.

The following table reflects the preliminary amounts recognized for the assets acquired and liabilities assumed, on a fair value basis, at the acquisition date:

	Acquisition Accounting
Cash and cash equivalents	3,460
Restricted cash	2,833
Accounts receivable	3,421
Prepaid and other	379
Property, plant and equipment	36,961
Intangible assets	160,691
Derivative financial instruments	10,242
Goodwill	30,041
Accounts payable and other payables	(992)
Long-term loans and borrowings (Note 11)	(164,262)
Other liabilities	(1,463)
Deferred tax liability	(30,041)
<b>Net assets acquired</b>	<b>51,270</b>

The acquisition gave rise to transaction costs of \$3,053 which were expensed as incurred in other net expenses (income) in the consolidated statements of earnings (loss).

The acquisition was accounted for as a business combination and the results have been included in the consolidated statements of earnings (loss) since the date of the acquisition. The revenues and net earnings included in the consolidated statements of earnings (loss) are \$26,482 and \$5,611, respectively for the 206-day period ended September 30, 2023. Had the acquisition taken place on January 1, 2023, revenues and net earnings included in the consolidated statements of earnings (loss) for the period from January 1, 2023 to September 30, 2023 would have been \$2,805 higher and \$1,193 lower, respectively.

#### b) Acquisition of Aela

On June 9, 2022, the Corporation acquired Aela Generación S.A. and Aela Energía SpA (together "Aela"). The purchase price for Aela consisted of a cash consideration of US\$324,348 (\$408,160). Subsequently, during 2023, the Corporation updated its acquisition accounting for Aela. The adjustments made resulted in a US\$6,377 (\$8,025) increase in the net deferred tax liability recognized on acquisition, with a corresponding adjustment to goodwill.

## 4. BUSINESS DISPOSITIONS

### Disposition of the Kokomo and Spartan solar facilities

On July 17, 2023, the Corporation disposed of its ownership interest in the Kokomo and Spartan solar facilities. No significant gain or loss on disposition was recognized pursuant to this transaction.

The following table presents the carrying amount of assets and liabilities disposed:

	July 17, 2023
Current assets	582
Non-current assets	27,278
	27,860
Current liabilities	1,085
Non-current liabilities	22,143
	23,228
Non-controlling interests	(125)
<b>Net assets disposed</b>	<b>4,757</b>

Cumulative gains of \$1,187 and \$948 in foreign currency translation differences and change in fair value of financial instruments designated as cash flow hedges, respectively, are included in accumulated other comprehensive income relating to the disposal group.

## 5. FINANCE COSTS

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Interest expense on long-term corporate and project loans	62,325	60,279	192,868	156,031
Interest expense on tax equity financing	7,216	7,547	22,288	22,479
Interest expense on convertible debentures	3,428	3,409	10,209	10,209
Amortization of financing fees	3,247	5,302	9,623	11,141
Inflation on compensation interest	3,114	6,242	7,923	17,542
Interests on lease liabilities	2,416	1,990	6,871	5,149
Accretion of long-term loans and borrowings and other liabilities	2,050	1,988	6,400	5,637
Other	829	3,661	3,784	5,790
	84,625	90,418	259,966	233,978

## 6. OTHER NET EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2023	2022 (Note 2)	2023	2022 (Note 2)
Gain on foreign exchange	(258)	(4,695)	(1,134)	(7,950)
Interest revenues	(2,233)	(648)	(4,753)	(1,944)
Tax attributes allocated to tax equity investors	(234)	(1,567)	(1,871)	(1,453)
Acquisition and integration costs	37	6,370	3,187	12,963
Other expenses, net	7,090	3,766	5,432	312
	4,402	3,226	861	1,928

## 7. DERIVATIVE FINANCIAL INSTRUMENTS

### a) Financial position

The following table shows a reconciliation from the opening balances to the closing balances for the derivative financial instruments :

Financial assets (liabilities)	Foreign exchange forwards (Level 2)	Interests hedging derivatives (Level 2)	Power hedges (Level 3)	Total
As at January 1, 2023	(3,555)	98,138	(69,333)	25,250
Business acquisitions (Note 3)	—	10,242	—	10,242
Business dispositions (Note 4)	—	(547)	—	(547)
Unrealized portion of change in fair value recognized in earnings (loss) <sup>1</sup>	(360)	6,364	9,786	15,790
Change in fair value recognized in other comprehensive income (loss)	(294)	61,196	(2,777)	58,125
Amortization of accumulated other comprehensive income recognized in revenue	—	—	2,777	2,777
Net foreign exchange differences	—	(188)	117	(71)
<b>As at September 30, 2023</b>	<b>(4,209)</b>	<b>175,205</b>	<b>(59,430)</b>	<b>111,566</b>

1. Refer to Note 7 b) – Derivative Financial Instruments for a reconciliation to the change in fair value recognized in earnings (loss).

### b) Change in fair value of financial instruments recognized in the consolidated statements of earnings (loss)

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Unrealized portion of change in fair value of financial instruments	678	48,026	(15,790)	116,523
Realized portion of change in fair value of financial instruments:				
Realized loss on power hedges	25,154	23,861	26,205	35,920
Realized gain on the interest rate swaps	—	(71,676)	(3,712)	(71,676)
Change in fair value of financial instruments	25,832	211	6,703	80,767

## 8. EARNINGS (LOSS) PER SHARE

<b>Basic</b>	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Net earnings (loss) attributable to owners of the parent	9,085	23,269	15,488	(36,318)
Dividends declared on preferred shares	(1,408)	(1,408)	(4,224)	(4,224)
Net earnings (loss) attributable to common shareholders	7,677	21,861	11,264	(40,542)
Weighted average number of common shares	203,561,443	203,522,521	203,539,013	201,264,532
Basic net earnings (loss) per share (\$)	0.04	0.11	0.06	(0.20)

<b>Diluted</b>	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Net earnings (loss) attributable to common shareholders	7,677	21,861	11,264	(40,542)
Diluted weighted average number of common shares	204,275,175	204,159,644	204,252,745	201,264,532
Diluted net earnings (loss) per share (\$)	0.04	0.11	0.06	(0.20)

<b>Instruments that are excluded from the dilutive elements</b>	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Stock options	—	—	—	284,769
Shares held in trust related to the Performance Share Plan	—	—	—	592,257
Convertible debentures	13,604,473	13,604,473	13,604,473	13,604,473
	13,604,473	13,604,473	13,604,473	14,481,499

## 9. PROPERTY, PLANT AND EQUIPEMENT

	Lands	Hydroelectric facilities	Wind farm facilities	Solar facilities	Facilities under construction	Other	Total
<b>Cost</b>							
As at January 1, 2023	301,094	2,634,926	3,511,736	875,437	165,439	59,823	7,548,455
Additions <sup>1,2</sup>	22,138	5,795	18,426	1,691	318,767	8,310	375,127
Business acquisitions (Note 3)	8,200	—	—	28,674	—	87	36,961
Business dispositions (Note 4)	(1,322)	—	—	(29,050)	—	(1,439)	(31,811)
Reclassification	—	—	—	(3,562)	—	3,562	—
Dispositions	—	(3,045)	(4,399)	(132)	—	(214)	(7,790)
Other changes <sup>3</sup>	2,624	—	(9,441)	(1,546)	—	—	(8,363)
Net foreign exchange differences	(798)	(964)	(10,299)	(1,277)	2,031	(147)	(11,454)
<b>As at September 30, 2023</b>	<b>331,936</b>	<b>2,636,712</b>	<b>3,506,023</b>	<b>870,235</b>	<b>486,237</b>	<b>69,982</b>	<b>7,901,125</b>
<b>Accumulated depreciation</b>							
As at January 1, 2023	(24,888)	(445,804)	(683,784)	(152,782)	—	(28,826)	(1,336,084)
Depreciation <sup>4</sup>	(6,993)	(40,086)	(90,097)	(21,860)	—	(6,050)	(165,086)
Business dispositions (Note 4)	162	—	—	5,367	—	442	5,971
Dispositions	—	851	950	76	—	210	2,087
Net foreign exchange differences	70	(9)	2,142	93	—	23	2,319
<b>As at September 30, 2023</b>	<b>(31,649)</b>	<b>(485,048)</b>	<b>(770,789)</b>	<b>(169,106)</b>	<b>—</b>	<b>(34,201)</b>	<b>(1,490,793)</b>
<b>Carrying amounts as at September 30, 2023</b>	<b>300,287</b>	<b>2,151,664</b>	<b>2,735,234</b>	<b>701,129</b>	<b>486,237</b>	<b>35,781</b>	<b>6,410,332</b>

All of the property, plant and equipment are given as security under the respective project financing or for corporate financing.

- The financing costs related to a specific project financing are entirely capitalized to the specific property, plant and equipment. Financing costs related to the revolving credit facilities are capitalized for the portion of the financing used for a specific property, plant and equipment. Additions in the current period include \$14,386 of capitalized financing costs incurred prior to commissioning.
- Additions in lands include initial measurement of right-of-use assets of \$22,138.
- Includes remeasurements of right-of-use assets and asset retirement obligations of \$2,624 and \$(10,987), respectively.
- An amount of \$410 of the depreciation expense for the land leases is capitalized as a construction cost in facilities under construction.

### Disposition of Safe Harbor Solar Modules

The safe harbor solar modules, classified as held for sale in 2022, were sold during the first quarter of 2023 for cash proceeds of US\$43,722 (\$59,426), net of selling costs. The decision to sell these modules follows the publication of the Inflation Reduction Act ("IRA") supporting renewable energy projects, allowing Innergex to secure tax incentives for its development project portfolio without the use of the safe harbor modules previously secured under the former tax incentive program.



## 10. PROJECT DEVELOPMENT COSTS

### Termination of certain BESS supply agreements in Hawaii

On April 1, 2023, the battery energy storage systems ("BESS") supply agreements for the Paeahu, Kahana and Barbers Point Hawaiian solar energy and battery storage projects were terminated, while remaining in effect for the Hale Kuawehi project. As part of the settlement, Innergex received payments totalling US\$13,272 (\$18,159) in the second quarter of 2023. No significant gain or loss was recognized pursuant to this transaction.

### Sale of the Kahana solar energy and battery storage project

On April 19, 2023, Innergex has disposed of the Kahana solar energy and battery storage project for a nominal amount. No significant gain or loss was recognized pursuant to this transaction.

## 11. LONG-TERM LOANS AND BORROWINGS

As at September 30, 2023, the Corporation and its subsidiaries have met all material financial and non-financial conditions related to their credit agreements.

### a) Corporate Indebtedness

#### Revolving Term credit facility

On March 14, 2023, the Corporation concluded two interest rate swaps to hedge a \$100,000 portion of the credit facility notional that is subject to variable interest rates.

#### Subordinated Unsecured Term Loan

On February 1, 2023, Innergex completed the refinancing of the subordinated unsecured term loan with a non-revolving term credit facility of \$75,000 bearing interest at a fixed rate of 6.25% and maturing on February 1, 2025, and a non-revolving term credit facility of \$75,000 bearing interest at a variable rate, based on the bankers' acceptance rates plus a spread of 1.85% which depends on a leverage ratio, maturing on February 1, 2025. Concurrently, the Corporation concluded an interest rate swap to hedge a \$50,000 portion of the credit facility notional that is subject to variable interest rates.

### b) Chile Green Bonds

On March 10, 2023, the Corporation has drawn the remaining funds available from the Green Bonds, aggregating to US\$54,675 (\$73,538), to complete the construction of the Salvador Battery Energy Storage System project in Chile.

### c) Acquisition of Sault Ste. Marie

As part of the acquisition of Sault Ste. Marie on March 9, 2023, the Corporation assumed the related term loans. The outstanding principal on acquisition was \$164,262. The term loans bear interest at 3-months CDOR + 1.25%, are payable quarterly and \$139,680 of the principal is hedged at a fixed interest rate of 1.80%. The term loans mature in April 2026.

### d) Alterra loans

On March 30, 2023, the Corporation has drawn the remaining \$20,000 availability on the Alterra loans' delayed-draw facility.

### e) Increase of the EDC letter of credit facility

On April 12, 2023, the Corporation increased by \$50,000 its existing letter of credit facility guaranteed by Export Development Canada ("EDC"), up to an amount of \$200,000.

### f) Financing of the San Andrés Battery Energy Storage project

On April 21, 2023, the Corporation closed a US\$49,500 (\$66,672) 2-year non-recourse construction bridge loan for the San Andrés BESS project, carrying an interest rate of 1-month SOFR + 2%. As of September 30, 2023, the outstanding balance was US\$20,300 (\$27,446).

### g) Boswell Springs financing

On July 14, 2023, the Corporation closed the construction financing of the Boswell Springs wind project totalling US\$533,631 (\$703,753) bearing interest at 1-month SOFR + 1% maturing in 2025, which consists of a construction loan of US\$207,002 (\$272,995) and a tax equity bridge loan of US\$326,629 (\$430,758), and a US\$49,200 (\$64,885) letter of credit facility bearing interest at 1.31 %. The construction loan will be repaid by a US\$203,268 (\$268,070) 10-year non-recourse loan bearing interest at SOFR 180 days + 1.375% and it is expected that the tax equity bridge loan will be repaid with the proceeds from the tax equity financing.

The Corporation concluded three forward-start interest rate swaps, which will become effective upon term conversion of the construction bridge loan into a 10-year non-recourse loan, on or about December 2024, for an aggregate hedged notional of US\$152,490 (\$206,166) at a fixed rate of 3.268%.

## 12. SHAREHOLDERS'S CAPITAL

### Common Shares

#### ***Contributed surplus from reduction of capital account on common shares***

A special resolution to approve the reduction of the legal stated capital account maintained in respect of the common shares of the Corporation, without any payment or distribution to the shareholders was adopted on May 9, 2023. This resulted in a decrease of the shareholders' capital account of \$1,103 and an equivalent increase of the contributed surplus from reduction of capital on common shares account.

### Equity-based compensation

#### a) Stock option plan

A compensation expense of \$46 was recorded during the nine months ended September 30, 2023 with respect to the stock option plan.

#### ***Granted***

During the nine months ended September 30, 2023, 60,873 options were granted. The options granted vest in three equal tranches from February 24, 2026, to February 24, 2028 and must be exercised before February 24, 2030 at an exercise price of \$15.08 per share.

Fair value is determined at the date of the grant and each tranche is recognized on a graded-vesting basis over the period during which the options vest and is measured using the Black-Scholes pricing model taking into account the terms and conditions upon which the options were granted.

The following assumptions were used to estimate the fair value of the options issued during the period:

Risk-free interest rate		3.46 %
Expected annual dividend per common share	\$	0.72
Expected life of options		6
Expected volatility		27.94 %

Expected volatility is estimated by considering historic average share price volatility.

## b) Performance Share Plan (the "PSP") and Deferred Share Unit Plan (the "DSU")

A compensation expense of \$2,278 was recorded during the nine months ended September 30, 2023 with respect to the PSP and DSU plans.

### **Performance Share Plan**

During the nine months ended September 30, 2023, 135,115 performance share rights vested and 325,708 share rights were granted. The performance share rights granted during the period vest on December 31, 2025.

### **Deferred Share Unit Plan**

During the nine months ended September 30, 2023, 46,544 units were granted.

## Dividends

### a) Dividend Declared

	Three months ended September 30		Three months ended September 30		Nine months ended September 30		Nine months ended September 30	
	2023		2022		2023		2022	
	(\$/share)	Total	(\$/share)	Total	(\$/share)	Total	(\$/share)	Total
Dividends declared on common shares	0.1800	36,772	0.1800	36,741	0.5400	110,280	0.5400	110,213
Dividends declared on Series A preferred shares	0.2028	689	0.2028	689	0.6083	2,068	0.6083	2,068
Dividends declared on Series C preferred shares	0.3594	719	0.3594	719	1.0781	2,156	1.0781	2,156

### **Dividend declared subsequent to period end and not recognized at the end of the reporting period.**

The following dividends will be paid by the Corporation on January 15, 2024:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
November 8, 2023	December 31, 2023	January 15, 2024	\$ 0.1800	\$ 0.2028	\$ 0.3594

## 13. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

### a) Changes in non-cash operating working capital items

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Accounts receivable	7,100	14,134	(25,623)	(4,577)
Prepays and other	(17,537)	(884)	(24,307)	(19,471)
Accounts payable and other payables	(17,062)	(5,068)	6,137	5,649
	(27,499)	8,182	(43,793)	(18,399)

### b) Additional information

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Finance costs paid relative to operating activities before interest on leases	(32,958)	(54,176)	(189,711)	(152,934)
Interest on leases paid relative to operating activities	(1,908)	(1,685)	(8,712)	(5,534)
Capitalized interest relative to investing activities	(4,283)	(454)	(10,104)	(1,036)
Capitalized interest on leases relative to investing activities	(471)	69	(681)	(283)
Total finance costs paid	(39,620)	(56,246)	(209,208)	(159,787)
<i>Non-cash transactions:</i>				
Change in unpaid property, plant and equipment	47,754	(7,047)	32,573	3,919
Investment tax credits	—	—	—	8,535
Change in other long-term assets	(52)	1,465	(193)	1,539
Change in unpaid project development costs	1,235	2,274	501	1,044
Remeasurement of other liabilities	(15,056)	(4,284)	(11,109)	(80,431)
Initial measurement of other liabilities	1,790	—	24,512	8,262
Common shares issued through equity based compensation	—	—	1,991	2,114

### c) Changes in liabilities arising from financing activities

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
<b>Changes in long-term loans and borrowings</b>				
Long-term debt at beginning of period	5,972,525	5,662,005	5,759,210	4,924,435
Reclassified as held for sale	15,968	—	—	—
Business dispositions	(16,108)	—	(16,108)	—
Increase in long-term debt	303,495	887,711	812,809	1,497,992
Repayment of long-term debt	(189,309)	(951,393)	(568,248)	(1,289,275)
Payment of deferred financing costs	(7,496)	(18,462)	(13,302)	(24,644)
Business acquisitions (Note 3)	—	11,137	164,262	478,488
Tax attributes	(234)	(1,567)	(1,871)	(1,453)
Production tax credits	(15,123)	(10,339)	(53,681)	(48,153)
Other non-cash finance costs	16,357	19,837	44,325	53,299
Net foreign exchange differences	40,387	117,580	(6,934)	125,820
<b>Long-term loans and borrowings at end of period</b>	<b>6,120,462</b>	<b>5,716,509</b>	<b>6,120,462</b>	<b>5,716,509</b>

## 14. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

### Fair value disclosures

#### Other investments

The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

#### Long-term loans and borrowings

The fair value of each debt instrument is estimated utilizing standard financial industry practices where future expected cash flows are discounted at discount rates based on the interest rate and credit conditions prevailing in the financial markets as of the valuation date. Notably, for fixed rate instruments, contractual cash flows are discounted at an appropriate yield to maturity. For floating rate instruments, future expected contractual interest payments represent the sum of future expected levels of the reference interest rate index and the instrument's quoted margin, whereas discount rates represent the sum of future expected levels of the reference index and an appropriate discount margin. Appropriate yields to maturity and discount margins are estimated utilizing the available quoted or indicative pricing of individual debt instruments or indices whose credit is deemed comparable to the debt instruments being evaluated.

#### Interest rate swaps

The fair value is calculated as the present value of the estimated future cash flows. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Corporation and of the counterparty.

#### Foreign exchange forwards

The fair value is calculated as the present value of the estimated future cash flows, representing the differential between the value of the contract at maturity and the value determined using the exchange rate the financial institution would use if the same contract was renegotiated at the statement of financial position date. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Corporation and of the counterparty, considering the offsetting agreements, as applicable.

#### Power hedges

The fair values of the power hedges are calculated using a discounted cash flow model. The fair value calculation of power hedges gives rise to measurement uncertainty as the power price curves are constructed using various methodologies and assumptions, which consider certain unobservable inputs. As at September 30, 2023, the forward power prices used in the calculation of fair value were as follows:

With respect to the Phoebe power hedge, ERCOT South Hub forward power prices are expected to be in a range of US\$29.62 to US\$105.86 per MWh between October 1, 2023 and June 30, 2031.

With respect to the Salvador power hedges, Polpaico node future power prices are expected to be in a range of US\$0.19 to US\$127.44 per MWh between October 1, 2023 and December 31, 2030.

Further information is provided below with regard to the methodology for constructing the forward power price curves.

**Phoebe power hedge:** The fair value of the power hedge is derived from forward power prices that are not based on observable market data for the entirety of the contracted period. The power ERCOT South Hub forward price curves are constructed using various assumptions available as of the valuation date depending on a combination of observable exchange prices and over-the-counter broker quotes obtained through June 2031.

**Salvador power hedges:** The fair value of the power hedges is derived from future power price forecasts that are not based on observable market data. Such forecasts are constructed using various assumptions depending on historical market prices, supply, demand and congestion volumes observed on the Chilean grid, as well as econometric models. In addition, as the notional volume of the power hedges is not contractually fixed, the estimated volume is determined using various assumptions such as the expected demand and volume of power to be successfully settled through the market bidding process.

The fair value estimates are subject to a credit risk adjustment that reflects the credit risk of the Corporation or of the counterparty.

The changes in the fair value of the derivative instrument are recognized in the consolidated statements of earnings (loss), as change in fair value of financial instruments.

## Interest rate benchmark reform

The Corporation holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships.

### **London Interbank Offered Rate ("LIBOR")**

Effective June 30, 2023, the remaining USD LIBOR 1-month, 3-month, 6-month and 12-month tenors have either ceased, or ceased being representative. The LIBOR administrator will continue to publish the 1-month, 3-month and 6-month tenors under an unrepresentative synthetic methodology until September 30, 2024.

All of the USD LIBOR were transitioned to secured overnight financing rate ("SOFR"), with the exception of US\$5,300 (\$7,165) in notional that is expected to be migrated to SOFR during Q4 2023.

### **Canadian Dollar Offered Rate ("CDOR")**

The Corporation currently holds interest rate swaps that have floating legs indexed to CAD CDOR. On June 28, 2024 the remaining CAD CDOR 1-month, 2-month and 3-month tenors will either cease or no longer be representative. The Corporation's CAD CDOR swaps and cash flow hedging relationships extend beyond the anticipated cessation date of CDOR.

The Corporation has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by the IBOR reform. The Corporation's hedged items and hedging instruments continue to be indexed to CDOR. The benchmark rates are quoted each day and the CDOR cash flows are exchanged with counterparties as usual.

There is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship, which may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to the alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Corporation has measured its hedging instruments indexed to CDOR using available quoted market rates for CDOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in CDOR on a similar basis. The Corporation's notional amount exposure to CDOR designated in hedging relationships is \$1,308,321 as at September 30, 2023.

## Financial risk management

The Corporation is exposed to a variety of financial risks: market risk (e.g. interest rate, foreign exchange, and power price), credit risk and liquidity risk. The Corporation's objective with respect to financial risk management is to secure the long-term internal rate of return of its energy projects by mitigating uncertainty related to the fluctuation of certain key variables.

Management is responsible for establishing controls and procedures to ensure that financial risks are managed within acceptable levels. The Corporation does not use derivative financial instruments for speculative purposes.

### **a) Market risk**

Market risk is related to fluctuations in the fair value or future cash flows of a financial instrument because of market price variations. Market risk includes interest rate, foreign exchange, and power price risks.

## 15. CONTINGENCIES

The Corporation is subject to various claims that arise in the normal course of business. Management believes that adequate provisions have been made in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies will not have an adverse effect on the financial position of the Corporation.

### Innavik EPC Agreement

During 2023, legal hypothecs were registered by the contractor against the Innavik hydroelectric project ("Innavik" or "the project"), a joint venture company, in the amount of \$61,251, representing the contractor's claim for payment of additional costs under the engineering, procurement and construction ("EPC") agreement with Innavik, and interests thereon. The Corporation disputes that claim in good faith and has taken legal action to cause the legal hypothecs to be removed from title. As at December 31, 2022, while continuing to dispute the claim, the project recognized a provision for construction cost overruns, estimated based on a range of possible outcomes that are significantly lower than the amounts claimed by the contractor. This provision remains unchanged as at September 30, 2023.

### Senvion GmbH claims under insolvency proceedings

During 2019, Senvion GmbH ("Senvion"), an insolvent German company and service provider under the turbine supply agreement at Innergex's Mesgi'g' Ugju's'n wind facility, filed for bankruptcy. Certain of the performance obligations under the turbine supply agreement were covered, subject to terms and conditions precedent, by a \$19,642 letter of credit. The Corporation availed itself of the full amount on April 27, 2021. Such proceeds are to be used to remediate Senvion's unfulfilled performance obligations under the turbine supply agreement.

On May 17, 2023, Senvion issued a claim through the Ontario Superior Court of Justice (the "Court") against Mesgi'g' Ugju's'n (MU) Wind Farm L.P. and Mesgi'g' Ugju's'n (MU) Wind Farm Inc. (together, "MU"), alleging that MU drew down on a \$19,642 letter of credit held in its favour in violation of a stay of proceedings imposed by the Court under the Companies Creditors' Arrangement Act. The Corporation considers that this procedure has no basis and is disputing the claim. No provision in respect of this litigation has been recorded as at September 30, 2023.



## 16. SEGMENT INFORMATION

### Operating segments

The Corporation produces and sells electricity generated by its hydroelectric, wind and solar facilities to publicly-owned utilities or other creditworthy counterparties. The Corporation's Management analyzes the results and manages operations based on the type of technology, resulting in different cost structures and skill set requirements for the operating teams. The Corporation consequently has three operating segments: (a) hydroelectric power generation (b) wind power generation and (c) solar power generation.

"Revenues and Production Tax Credits Proportionate" are Revenues and Production Tax Credits plus Innergex's share of Revenues and Production Tax Credits of the operating joint ventures and associates. "Adjusted EBITDA" represents 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. "Adjusted EBITDA Proportionate" represents Adjusted EBITDA plus Innergex's share of Adjusted EBITDA of the operating joint ventures and associates. Revenues and Production Tax Credits Proportionate, Adjusted EBITDA and Adjusted EBITDA Proportionate are not recognized measures under IFRS and have no standardized meaning prescribed by IFRS. They may therefore not be comparable to similar measures presented by other issuers. Readers are cautioned that these measures should not be construed as an alternative to net earnings (loss), as determined in accordance with IFRS.

Except for Revenues and Production Tax Credits Proportionate, Adjusted EBITDA and Adjusted EBITDA Proportionate described above, the accounting policies for these segments are the same as those described in the significant accounting policies. The Corporation accounts for inter-segment and management sales at the carrying amount.

Operating segments	Three months ended September 30, 2023			
	Hydroelectric	Wind	Solar	Segment results
Segment Revenues and Production Tax Credits	102,577	120,395	69,207	292,179
Segment Revenues and Production Tax Credits Proportionate	124,501	123,140	69,207	316,848
Segment Adjusted EBITDA	80,129	87,232	35,157	202,518
Segment Adjusted EBITDA Proportionate	99,280	89,025	35,157	223,462

Operating segments	Nine months ended September 30, 2023			
	Hydroelectric	Wind	Solar	Segment results
Segment Revenues and Production Tax Credits	269,531	382,782	127,735	780,048
Segment Revenues and Production Tax Credits Proportionate	305,712	392,983	127,735	826,430
Segment Adjusted EBITDA	209,001	286,804	83,145	578,950
Segment Adjusted EBITDA Proportionate	237,980	294,317	83,145	615,442

	Nine months ended September 30, 2023			
	Hydroelectric	Wind	Solar	Segment totals <sup>1</sup>
Investments in joint ventures and associates	113,773	23,369	—	137,142
Property, plant and equipment acquired through business acquisitions	—	—	28,761	28,761
Acquisition of property, plant and equipment	6,282	19,123	1,702	27,106

1. Segment totals include only operating projects.

<b>Operating segments</b>	Three months ended September 30, 2022			
	Hydroelectric	Wind	Solar	Segment results
Segment Revenues and Production Tax Credits	109,533	112,309	46,886	268,728
Segment Revenues and Production Tax Credits Proportionate	134,065	115,661	46,886	296,612
Segment Adjusted EBITDA	85,934	87,021	16,579	189,534
Segment Adjusted EBITDA Proportionate	107,487	89,384	16,579	213,450

<b>Operating segments</b>	Nine months ended September 30, 2022			
	Hydroelectric	Wind	Solar	Segment results
Segment Revenues and Production Tax Credits	275,563	341,658	97,790	715,011
Segment Revenues and Production Tax Credits Proportionate	313,711	352,681	97,790	764,182
Segment Adjusted EBITDA	208,941	277,729	44,318	530,988
Segment Adjusted EBITDA Proportionate	239,451	285,914	44,318	569,683

	Nine months ended September 30, 2022			
	Hydroelectric	Wind	Solar	Segment totals <sup>1</sup>
Property, plant and equipment acquired through business acquisitions	—	551,652	25,173	576,825
Acquisition of property, plant and equipment	4,283	2,239	1,329	7,851

1. Segment totals include only operating projects.

The following table presents a reconciliation of the non-IFRS measures to their closest IFRS measures:

	Three months ended September 30, 2023			Three months ended September 30, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	277,056	24,669	301,725	258,389	27,884	286,273
Production tax credits	15,123	—	15,123	10,339	—	10,339
Revenues and production tax credits	292,179	24,669	316,848	268,728	27,884	296,612
Operating income	99,778	16,919	116,697	108,002	19,690	127,692
Depreciation and amortization	102,434	4,025	106,459	82,953	4,228	87,181
ERP implementation	3,175	—	3,175	542	—	542
Realized loss on power hedges	(25,154)	—	(25,154)	(23,861)	—	(23,861)
Adjusted EBITDA	180,233	20,944	201,177	167,636	23,918	191,554
Unallocated expenses:						
General and administrative	15,608	—	15,608	14,084	—	14,084
Prospective projects	6,677	—	6,677	7,814	—	7,814
Segment Adjusted EBITDA	202,518	20,944	223,462	189,534	23,918	213,452

	Nine months ended September 30, 2023			Nine months ended September 30, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	726,367	46,382	772,749	666,858	49,171	716,029
Production tax credits	53,681	—	53,681	48,153	—	48,153
Revenues and production tax credits	780,048	46,382	826,430	715,011	49,171	764,182
Operating income	256,069	24,281	280,350	269,870	26,049	295,919
Depreciation and amortization	273,365	12,211	285,576	242,297	12,646	254,943
ERP implementation	9,093	—	9,093	542	—	542
Realized loss on power hedges	(26,205)	—	(26,205)	(35,920)	—	(35,920)
Adjusted EBITDA	512,322	36,492	548,814	476,789	38,695	515,484
Unallocated expenses:						
General and administrative	48,550	—	48,550	36,577	—	36,577
Prospective projects	18,078	—	18,078	17,622	—	17,622
Segment Adjusted EBITDA	578,950	36,492	615,442	530,988	38,695	569,683

## Geographic segments

As at September 30, 2023, excluding its investments in joint ventures and associates which are accounted for as equity method, the Corporation had interests in the following operating assets: 33 hydroelectric facilities, 8 wind farms and 4 solar farms in Canada, 16 wind farms and 1 storage facility in France, 3 hydroelectric facilities, 8 wind farms and 2 solar farms in the United States, and 4 hydroelectric facilities, 3 wind farms and 3 solar farms in Chile. The Corporation operates in four principal geographical areas, which are detailed below:

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
<b>Revenues and production tax credits</b>				
Canada	117,308	121,982	325,512	341,245
United States	111,759	86,482	259,082	230,587
Chile	44,333	44,290	115,327	83,744
France	18,779	15,974	80,127	59,435
	<u>292,179</u>	<u>268,728</u>	<u>780,048</u>	<u>715,011</u>

	As at	
	September 30, 2023	December 31, 2022
<b>Non-current assets, excluding derivative financial instruments and deferred tax assets <sup>1</sup></b>		
Canada	3,375,463	3,246,979
United States	2,482,060	2,364,160
Chile	1,614,110	1,549,679
France	717,124	753,161
	<u>8,188,757</u>	<u>7,913,979</u>

1. Includes the investments in joint ventures and associates

## 17. SUBSEQUENT EVENTS

### Closing of the tax equity commitment for the Boswell Springs wind project

On October 19, 2023, the Corporation has closed a US\$322,660 (\$441,560) tax equity commitment for the Boswell Springs wind project. The proceeds will be received at substantial completion of the construction of the project and used to repay the tax equity bridge loan previously concluded.

### Completion of the long-term partnership agreement for a non-controlling interest in Innergex's portfolio in France

On October 26, 2023, the Corporation has completed the long-term partnership with Crédit Agricole Assurances, in connection with Crédit Agricole Centre-Est, for a 30% minority interest in Innergex's portfolio in France, representing a €129,546 (\$188,826) investment. The proceeds were used to reduce Innergex's revolving credit facilities and will fund the Corporation's development activities over the coming years.

# SHAREHOLDER INFORMATION

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## Transfer Agent and Registrar

For information concerning share certificates, dividend payments, a change of address, or electronic delivery of shareholder documents, please contact:

### Computershare Investor Services Inc.

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Tel. 1 800 564.6253  
514 982.7555  
service@computershare.com

## Common Shares - TSX: INE

Innergex Renewable Energy Inc. had 204,288,402 common shares outstanding as at September 30, 2023, with a closing price of \$10.17 per share.

## Series A Preferred Shares - TSX: INE.PR.A

Innergex Renewable Energy Inc. currently has 3,400,000 Series A preferred shares outstanding, with a nominal value of \$25 and a fixed cumulative preferential annual cash dividend of \$0.8110 per share, payable quarterly on the 15th day of January, April, July and October. Series A preferred shares are redeemable by the Corporation since January 15, 2021.

## Series C Preferred Shares - TSX: INE.PR.C

Innergex Renewable Energy Inc. currently has 2,000,000 Series C preferred shares outstanding, with a nominal value of \$25 and a fixed-rate cumulative preferential annual cash dividend of \$1.4375 per share, payable quarterly on the 15th day of January, April, July and October. Series C preferred shares are redeemable by the Corporation since January 15, 2018.

## Convertible Debentures - TSX: INE.DB.B

Innergex Renewable Energy Inc. currently has convertible debentures outstanding for an aggregate principal amount of \$148.0 million, bearing interest at a rate of 4.75% per annum, payable semi-annually on June 30 and December 31 of each year, commencing on December 31, 2018. The debentures are convertible at the holder's option into Innergex common shares at a conversion price of \$20.00 per share, representing a conversion rate of 50 common shares per each thousand dollars of principal amount of debentures. The debentures will mature on June 30, 2025 and are redeemable since June 30, 2021.

## Convertible Debentures - TSX: INE.DB.C

Innergex Renewable Energy Inc. currently has convertible debentures outstanding for an aggregate principal amount of \$142.1 million, bearing interest at a rate of 4.65% per annum, payable semi-annually on October 31 and April 30 of each year, commencing on April 30, 2020. The debentures are convertible at the holder's option into Innergex common shares at a conversion price of \$22.90 per share, representing a conversion rate of 43.6681 common shares per each thousand dollars of principal amount of debentures. The debentures will mature on October 31, 2026 and are redeemable since October 31, 2022.

## Credit Rating by Fitch Rating

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

## Dividend Reinvestment Plan (DRIP)

Innergex Renewable Energy Inc. offers a Dividend Reinvestment Plan (DRIP) for its shareholders of common shares. This plan enables eligible holders of common shares to acquire additional common shares of the Corporation by reinvesting all or part of their cash dividends. For more information about the Corporation's DRIP, please visit our website at innergex.com or contact the DRIP administrator: Computershare Trust Company of Canada. Please note that if you wish to enrol in the DRIP but own your shares indirectly through a broker or financial institution, you must contact this intermediary and ask them to enrol in the DRIP on your behalf.

## Independent Auditor

KPMG LLP