

Fourth Quarter and Fiscal Year 2024

Conference Call & Webcast

February 20, 2025

INNERGEX



Laurie-Jade Mendez
Senior Associate – Development



Forward-Looking Information



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

Future-Oriented Financial Information: Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, including information regarding the Corporation's targeted production, the estimated targeted revenues and production tax credits, targeted Revenues and Production Tax Credits Proportionate, targeted Adjusted EBITDA and targeted Adjusted EBITDA Proportionate, targeted Free Cash Flow, targeted Free Cash Flow per Share and intention to pay dividend quarterly, the estimated project size, costs and schedule, including obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects and Prospective Projects, the Corporation's intent to submit projects under Requests for Proposals, the qualification of U.S. projects for PTCs and ITCs and other statements that are not historical facts. Such information is intended to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of completed and future acquisitions and of the Corporation's ability to pay a dividend 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 irradiance; performance of operating facilities, acquisitions and commissioned projects; availability of capital resources and timely performance by third parties of contractual obligations; favourable economic and financial market conditions; average merchant spot prices consistent with external price curves and internal forecasts; no material changes in the assumed U.S. dollar to Canadian dollar and Euro to Canadian dollar exchange rate; no significant variability in interest rates; the Corporation's success in developing and constructing new facilities; no adverse political and regulatory intervention; 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: equipment supply; global climate change: variability in hydrology, wind regimes and solar irradiance; global climate change: extreme weather events; IT security risks; cyberattacks; increase in water rental cost or changes to regulations applicable to water use; performance of major counterparties, delays, cost overruns; non compliance with project site regulatory requirements leading to penalties, fines and other consequences; impact of failure to comply with project's environmental commitments or requirements throughout project lifetime; equipment failure, unexpected operations and maintenance activity and increased asset maintenance on ageing equipment; health and safety risks; availability and reliability of transmission systems; resource assessment and performance variability; preparedness to facing natural disasters and force majeure; pandemics, epidemics or other public health emergencies; inability to secure new profitable PPAs; inability to renew PPAs at adequately profitable prices; failure to bring projects into commercial operation within contractually stipulated delay; 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; increases in operational cost and financial uncertainty surrounding development of new facilities; social acceptance of renewable energy projects; inability to secure appropriate land; obtainment of permits; volatility of supply and demand in the energy market; exposure to many different forms of taxation in various jurisdictions; purchaser's inability to fulfill contractual obligations or refusal to accept delivery of power under power purchase agreements or power hedges; changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; fluctuations affecting prospective power prices; relationships with Indigenous communities and stakeholders; inability of the Corporation to execute its strategy for building shareholder value; inability to raise additional capital and the state of the capital market; liquidity risks related to derivative financial instruments; interest rate fluctuations and refinancing; foreign exchange fluctuations; changes in general economic conditions; financial leverage and restrictive covenants governing current and future indebtedness; possibility that the Corporation may not declare a dividend or may reduce the amount of the dividend; insufficiency of insurance coverage; 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; reliance on intellectual property and confidentiality agreements to protect the Corporation's rights and confidential information; reputational risks arising from misconduct of representatives of the Corporation; and ability to attract new talent or to retain officers or key employees.

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

Agenda and Presenters

1. **2024 Highlights**
2. **Corporate and Growth Updates**
3. **Q4 and Fiscal Year 2024 Financial Review**
4. **2025 Objectives**
5. **Q&A Period**
6. **Appendix**
7. **Non-IFRS Measures**



Michel Letellier, MBA
President and Chief Executive Officer



Jean Trudel, MBA
Chief Financial Officer

2024 Highlights





Executing on our 2024 Priorities

Financial Results

Construction

Development

Financing

2024 Objectives

Adjusted EBITDA Proportionate¹
\$725M to \$775M

Free Cash Flow per share¹
\$0.70 to \$0.85

Advancing construction projects towards commissioning

Bid over 500 MW

400 MW of new capacity awards

Ramp up development activities

Strengthen financial flexibility from active portfolio management

Achievements

\$761M

\$1.06
(above guidance)

Boswell Springs COD in Q4/24

Hale Kuawehi COD in Q1/25

560 MW awarded

350 GWh/year corporate PPA

~1.3 GW prospective additions

Completed ~\$450M of financings

~\$250M Texas Sell-Down

Status

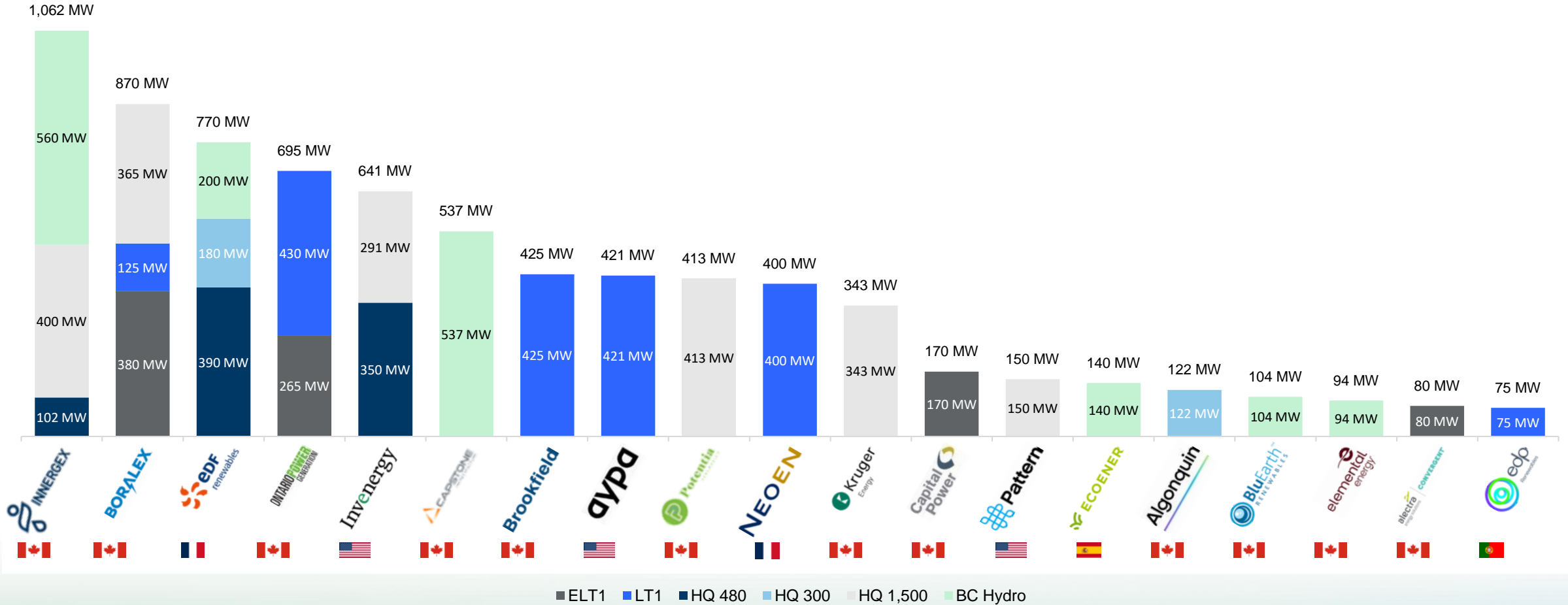


Corporate and Growth Updates



#1 Position in the Canadian RFP Market

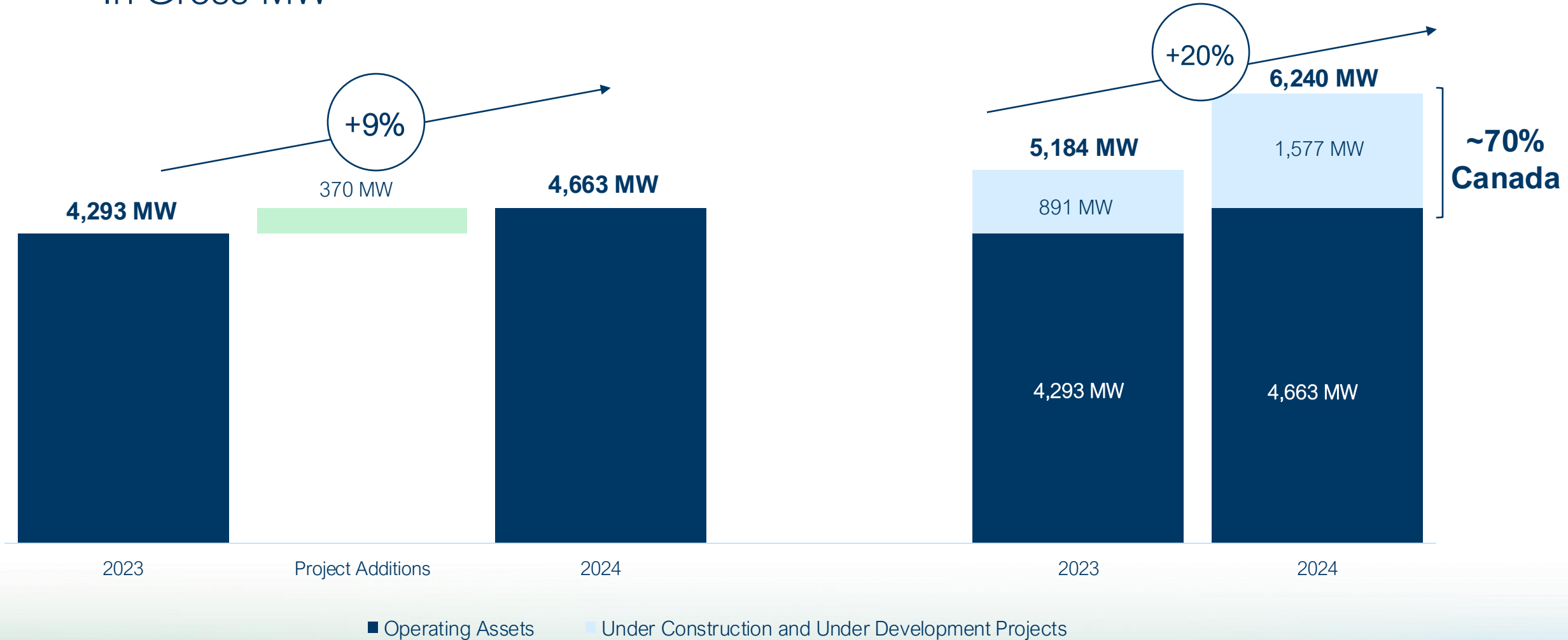
In Gross MW





2024 Awards Concretize Growth and Solidify Outlook

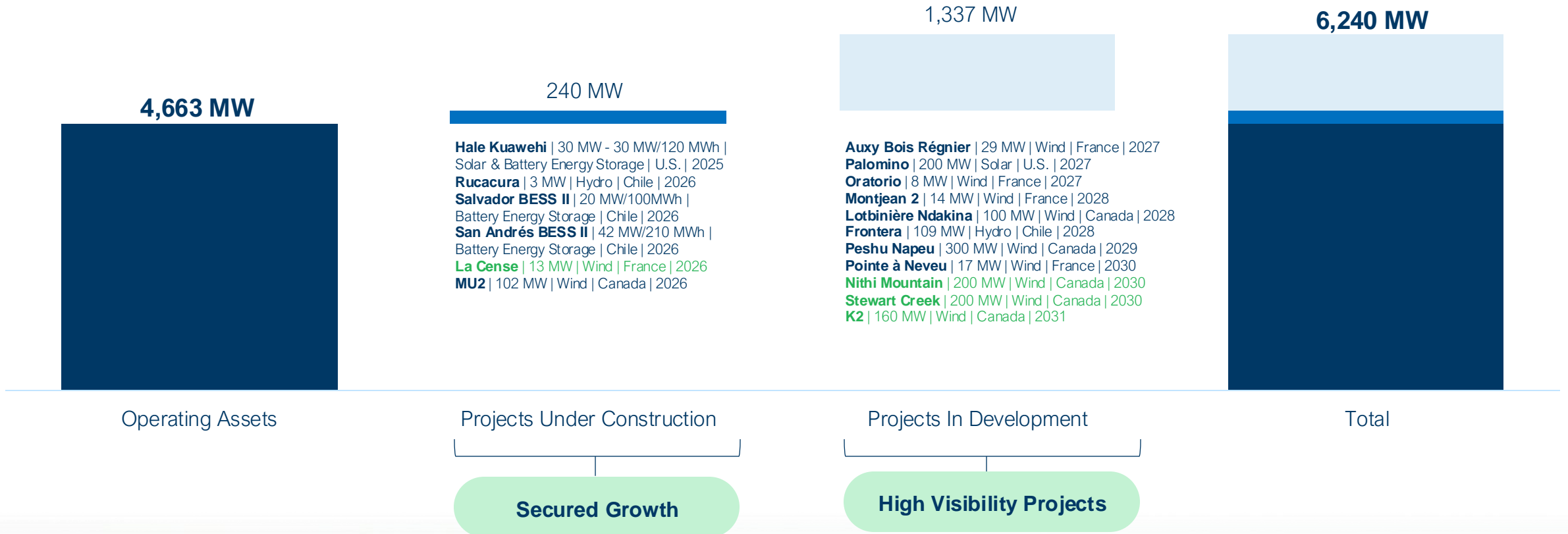
In Gross MW





Visibility on Growth From Secured Projects

In Gross MW

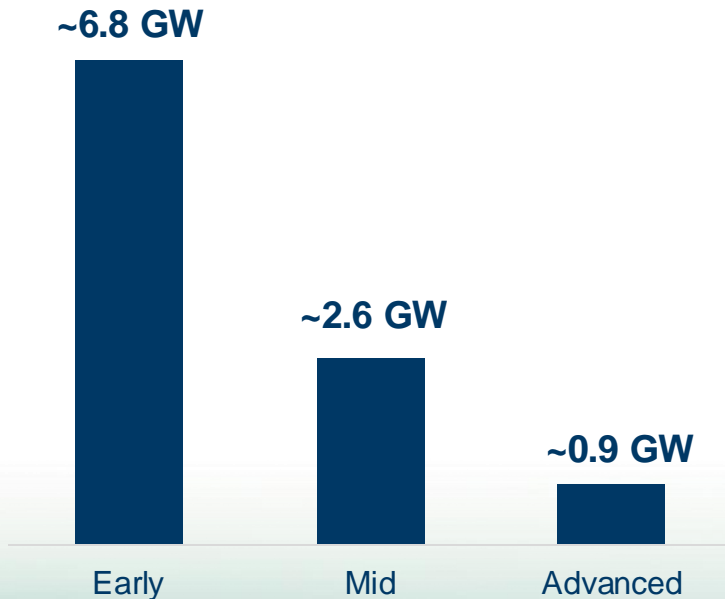




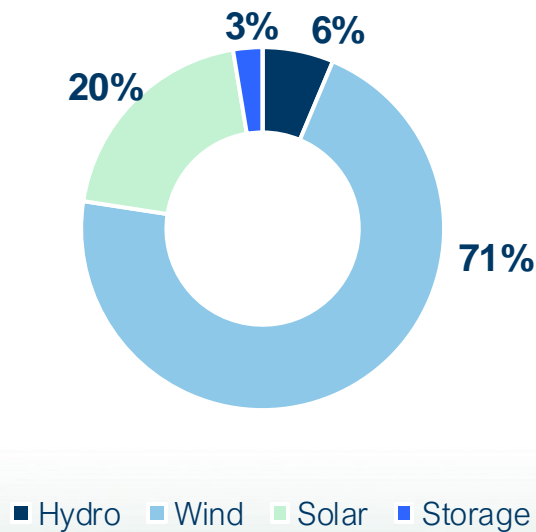
Large and Diversified Portfolio of Prospective Projects

>10 GW development portfolio provides significant optionality for accretive growth

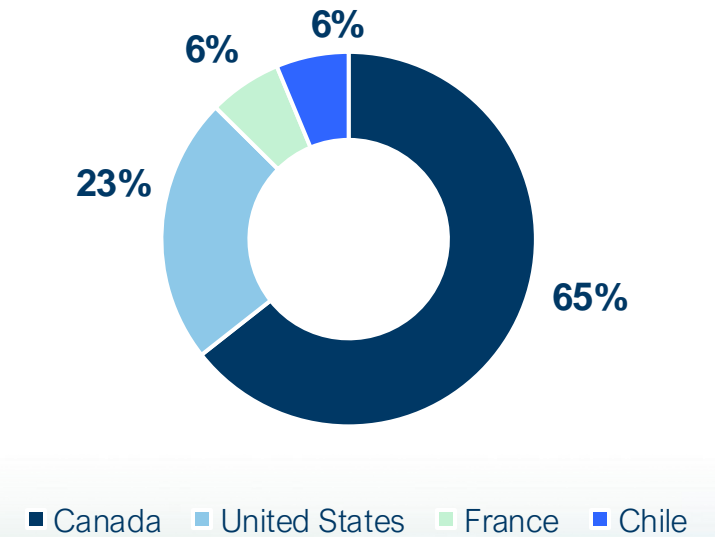
By Development Stage



By Technology



By Region



Q4 and Fiscal Year 2024 Financial Review





Q4 Operational Highlights

96% Overall Asset Availability

(In GWh)	Three Months Ended December 31				
				% LTA	
Production	2024	2023	Change	2024	2023
Hydro	835.1	853.6	(2%)	102%	104%
Wind	1,686.2	1,607.5	5%	97%	92%
Solar	273.6	242.2	13%	87%	76%
Production Consolidated	2,795.0	2,703.3	3%	97%	94%
Innergex's share of production of joint venture and associates	80.9	105.6	(23%)	89%	116%
Production Proportionate	2,875.8	2,808.9	2%	97%	94%



Fiscal Year Operational Highlights

96% Overall Asset Availability

(In GWh)	Twelve Months Ended December 31				
				% LTA	
Production	2024	2023	Change	2024	2023
Hydro	3,724.9	3,559.9	5%	99%	93%
Wind	5,863.4	5,782.4	1%	91%	90%
Solar	1,296.7	1,279.2	1%	83%	81%
Production Consolidated	10,885.0	10,621.5	2%	93%	90%
Innergex's share of production of joint venture and associates	514.6	539.1	(5%)	93%	98%
Production Proportionate	11,399.6	11,160.6	2%	93%	90%



Q4 2024 and Fiscal Year Financial Highlights

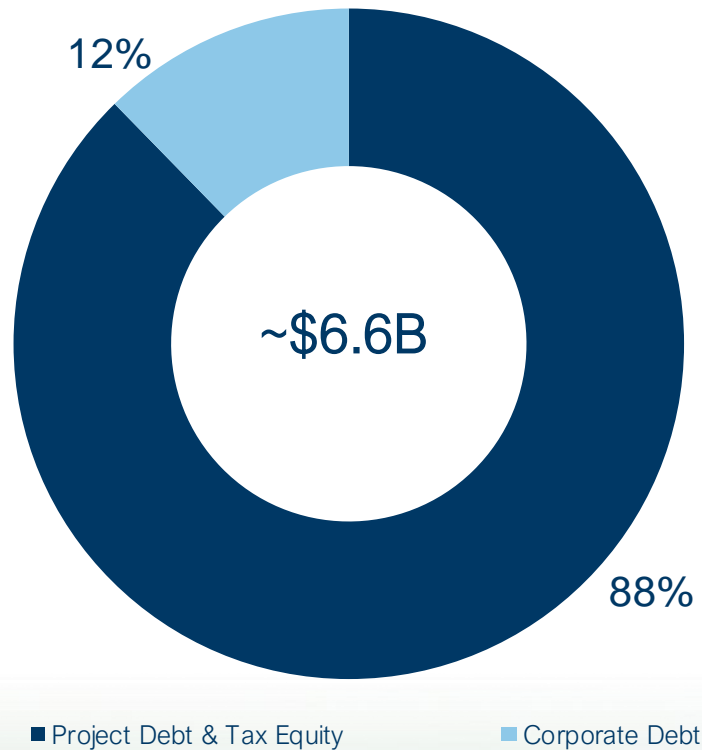
	Three Months Ended December 31			Twelve Months Ended December 31		
In millions of Canadian dollars	2024	2023	Change	2024	2023	Change
Revenues and PTCs Consolidated	286.1	261.5	9%	1,047.2	1,041.6	1%
Adjusted EBITDA Proportionate ¹						
Hydro	69.8	73.7	(5%)	318.2	311.7	2%
Wind	143.9	122.3	18%	439.0	416.6	5%
Solar	21.4	11.9	81%	102.0	95.0	7%
Other corporate expenses	(25.0)	(21.5)	17%	(98.7)	(88.1)	12%
Adjusted EBITDA Proportionate¹	210.0	186.4	13%	760.6	735.3	3%

	Three Months Ended December 31			Twelve Months Ended December 31		
In millions of Canadian dollars	2024	2023	Change	2024	2023	Change
Free Cash Flow¹	49.2	96.2	(49%)	213.9	214.9	(0%)
In millions of Canadian dollars						
Free Cash Flow per Share¹ (\$)	0.24	0.47	(48%)	1.06	1.06	0%



Balance Sheet Highlights

Q4 2024 Total Debt



- 1 Self-amortizing debt structure with ~11 years of remaining weighted average debt maturities, below contract maturities
- 2 Estimated remaining weighted average facility useful life of ~40 years far exceeding the current amortization period for existing debt
- 3 Available liquidity of >\$700M to support growth strategy
- 4 Leverage profile well-supported by high-quality, long-lived hydro assets
- 5 Executed on portfolio management initiatives to strengthen financial flexibility



Executing on 2024 Financing Initiatives

Portfolio management activities strengthened balance sheet and enhanced liquidity

~\$450M

of financing initiatives
of which >40%
related to hydro assets,
optimizing capital structure

~\$250M

Texas sell-down transaction,
de-risking the portfolio,
increasing asset quality,
and reducing leverage

**Managing cost
of capital**

by maintaining
investment grade
balance sheet

2025 Objectives





2025 Guidance¹

	Fiscal Year 2025	Year-over-Year Change (at the mid-point)
Adjusted EBITDA Proportionate²	\$825M to \$875M	+13% ↑
Free Cash Flow per share²	\$0.75 to \$0.95	+10% ↑

1. Please refer to the "2025 Growth Targets" section in the MD&A for more information.

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



Corporate Priorities for 2025



Construction

Advance construction projects on schedule and on budget



Development

Selectively participate in procurement opportunities

Advance projects under development towards key milestones

Optimize prospective portfolio and add optionality for future growth



Financing

Strengthen financial flexibility through portfolio management

Key Takeaways

1

Significant opportunities ahead, particularly as growth accelerates in our home market in Canada

2

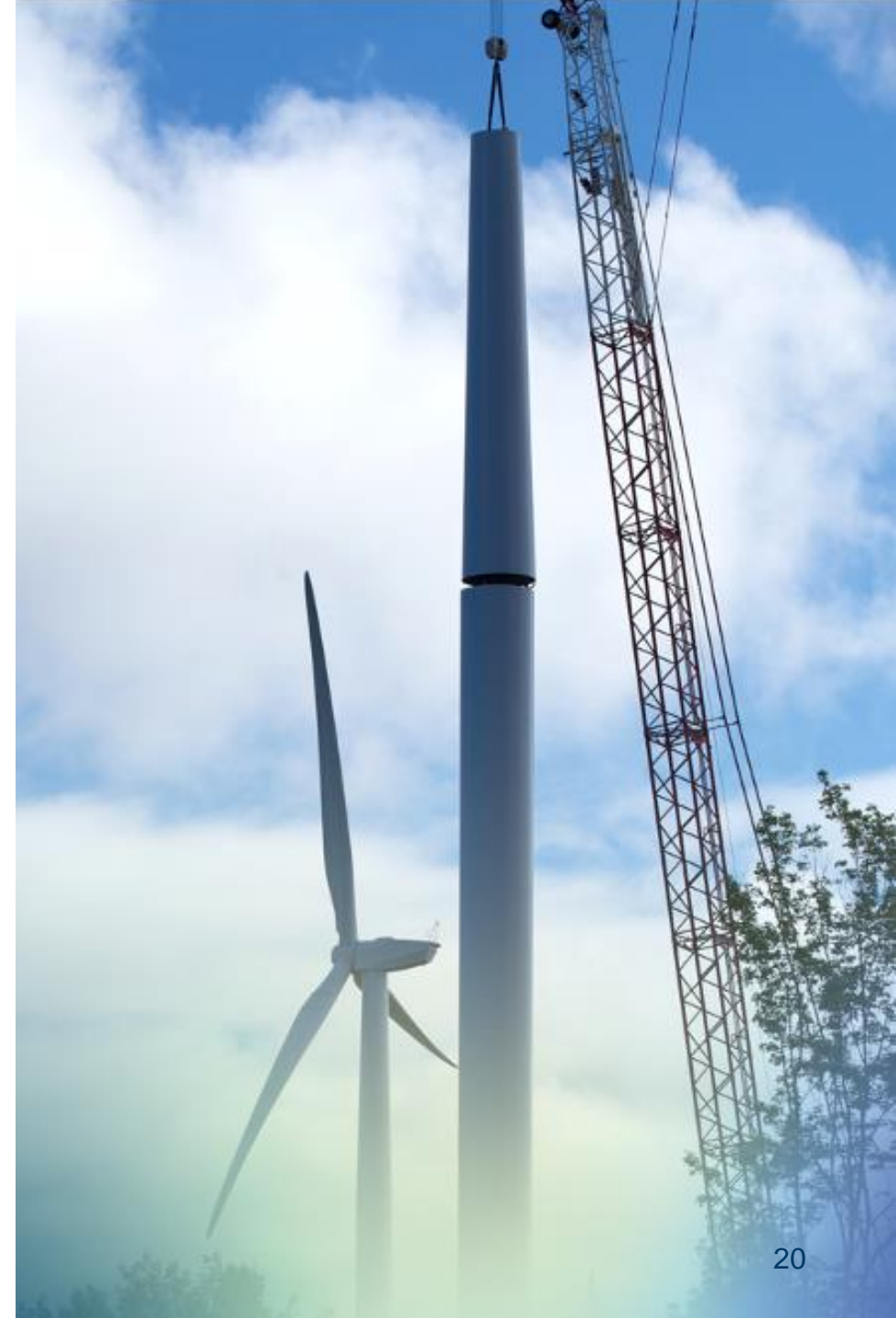
Structural tailwinds in place for power generation remain robust, with strong demand driving higher PPA prices

3

Market dynamics leading to strong risk-adjusted returns

4

We will leverage our expertise in navigating various market environments to deliver on targeted returns and execute on accretive investments



Q&A Period



Appendix





Laurence Dupuis
Specialist - HRIS

Generating Sustainable Value Creation

- 1** 100% renewable energy project developer and operator
- 2** Long-lived hydro assets enhancing portfolio and cash flow quality
- 3** Diversified by geography and technology
- 4** Highly contracted cash flow profile including inflation indexation
- 5** Disciplined execution of growth strategy to deliver balanced shareholder returns

Construction Projects



Project	Location	Ownership	Gross MW	Latest Updates	COD
Hale Kuawehi Solar + Energy Battery Storage ¹	HI (U.S.)	100%	30 MW/ 30 MW/ 120 MWh storage	Construction is complete Commissioning activities began in Q4 2024 and is a priority to be completed Switchyard transferred to HECO Project COD expected in Q1 2025	2025
Salvador BESS II Storage ²	Chile	100%	20 MW/ 100 MWh	Basic engineering, energy storage system procurement and balance of plant tender done	2026
San Andrés BESS II Storage ³	Chile	100%	42 MW/ 210 MWh	Basic engineering, energy storage system procurement and balance of plant tender done	2026
Rucacura Hydro	Chile	100%	3 MW	Construction has started in Q1 2025	2026
Mesgi'g Ugju's'n 2 Wind	Canada	50%	102 MW	Decree allowing the Corporation to launch construction in Q1 2025 is obtained Major contract negotiations to be advanced in Q1 2025	2026
La Cense Wind	France	70%	13 MW	Project acquired on January 28, 2025 20-year PPA signed with EDF	2026

1. Battery storage capacity of 30 MW/120 MWh (4 hours)

2. Battery storage capacity related to Salvador of 20 MW/100 MWh (5 hours)

3. Battery storage capacity related to San Andrés of 42 MW/210 MWh (5 hours)

Development Projects



Project	Location	Gross MW	Latest Updates	Potential COD
Auxy Bois Régnier Wind	France	29 MW	Procedures in progress at the Council of State Geotechnical studies in progress	2027
Palomino Solar	OH (U.S.)	200 MW	Large Generator Interconnection Agreement received and currently being finalized Panel deliveries to warehouse initiated and are expected to be complete in Q1 2025	2027
Oratorio (Auzouer) Wind	France	8 MW	Opposition procedures in progress	2028
Montjean 2 Wind	France	14 MW	No change since Q3 2024	2028
Lotbinière Ndakina Wind	Canada	100 MW	Impact study is well advanced	2028
Frontera Hydro	Chile	109 MW	In process of quotation for main equipment supplier	2029
Peshu Napeu Wind	Canada	300 MW	Firm for the impact study have been selected	2029

Development Projects



Project	Location	Gross MW	Latest Updates	Potential COD
Pointe à Neveu Wind	France	17 MW	In queue for interconnection	2030
Nithi Mountain Wind	Canada	200 MW	Project has been selected in BC Hydro's most recent Request for Proposals (RFP) Signature of a 30-year Electricity Purchase Agreement with BC Hydro	2030
Stewart Creek Wind	Canada	200 MW	Project has been selected in BC Hydro's most recent Request for Proposals (RFP) Signature of a 30-year Electricity Purchase Agreement with BC Hydro	2030
K2 Wind	Canada	160 MW	Project has been selected in BC Hydro's most recent Request for Proposals (RFP) Signature of a 30-year Electricity Purchase Agreement with BC Hydro	2031

Non-IFRS Measures



Non-IFRS Measures



This document has been prepared in accordance with IFRS. However, some measures referred to in this document are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Innergex believes these indicators are important, as they provide management and the reader with additional information about Innergex's production and cash generation capabilities, its ability to pay a dividend 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, Free Cash Flow per Share 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

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.

Non-IFRS Measures



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

In thousands of Canadian dollars	Three months ended December 31, 2024			Three months ended December 31, 2023		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	246,295	12,998	259,293	243,523	14,699	258,222
Production tax credits	39,763	—	39,763	18,003	—	18,003
Revenues and Production Tax Credits	286,058	12,998	299,056	261,526	14,699	276,225
Operating income	63,014	4,392	67,406	(36,494)	6,681	(29,813)
Depreciation and amortization	92,687	4,560	97,247	87,927	4,345	92,272
Impairment of long-term assets	44,567	—	44,567	118,857	—	118,857
ERP implementation	816	—	816	3,558	—	3,558
Realized loss on power hedges	—	—	—	1,573	—	1,573
Adjusted EBITDA	201,084	8,952	210,036	175,421	11,026	186,447

Non-IFRS Measures



In thousands of Canadian dollars	Year ended December 31, 2024			Year ended December 31, 2023		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues	952,453	66,435	1,018,888	969,890	61,081	1,030,971
Production tax credits	94,724	—	94,724	71,684	—	71,684
Revenues and Production Tax Credits	1,047,177	66,435	1,113,612	1,041,574	61,081	1,102,655
Operating income	273,527	32,704	306,231	219,575	30,962	250,537
Depreciation and amortization	380,676	18,188	398,864	361,292	16,556	377,848
Impairment of long-term assets	44,567	—	44,567	118,857	—	118,857
ERP implementation	7,574	—	7,574	12,651	—	12,651
Realized gain (loss) on power hedges ¹	3,357	—	3,357	(24,632)	—	(24,632)
Adjusted EBITDA	709,701	50,892	760,593	687,743	47,518	735,261

1. Represents the realized loss on power hedges excluding the \$74.5 million realized loss on settlement of the Phoebe power hedge contract concurrent with the Texas Portfolio Transaction, refer to Section1- HIGHLIGHTS | Financial Year 2024 – Growth Initiatives.

Non-IFRS Measures



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, realized loss on termination of power hedges, 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:

In thousands of Canadian dollars	Three months ended Dec. 31		Year ended Dec. 31	
	2024	2023	2024	2023
Net earnings (loss)	33,235	(121,964)	26,487	(105,814)
Add (Subtract):				
Share of unrealized portion of the change in fair value of financial instruments of joint ventures and associates, net of related income tax	(198)	(1,186)	(634)	(1,917)
Unrealized portion of the change in fair value of financial instruments	(13,363)	6,141	(87,137)	(9,649)
Impairment of long-term assets	44,567	118,857	44,567	118,857
Realized loss on termination of power hedges	—	—	74,496	—
Realized gain on termination of interest rate swaps	6,957	2,405	(16,957)	(1,307)
ERP implementation	816	3,558	7,574	12,651
Realized gain on foreign exchange forward contracts	131	(71)	76	(449)
Income tax (recovery) expense related to above items	(3,339)	(14,906)	7,497	(14,424)
Adjusted Net Earnings (Loss)	68,806	(7,166)	55,969	(2,052)

Non-IFRS Measures



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

In thousands of Canadian dollars	Three months ended December 31, 2024			Three months ended December 31, 2023			Year ended December 31, 2024			Year ended December 31, 2023		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS
Revenues	246,295	—	246,295	243,523	—	243,523	952,453	—	952,453	969,890	—	969,890
Production Tax Credits	39,763	—	39,763	18,003	—	18,003	94,724	—	94,724	71,684	—	71,684
Operating expenses	58,498	—	58,498	63,653	—	63,653	233,693	—	233,693	232,795	—	232,795
General and administrative expenses	15,732	—	15,732	14,941	—	14,941	68,393	—	68,393	69,242	—	69,242
Prospective projects expenses	10,744	—	10,744	9,084	—	9,084	38,747	—	38,747	27,162	—	27,162
ERP implementation	816	(816)	—	3,558	(3,558)	—	7,574	(7,574)	—	12,651	(12,651)	—
Depreciation and amortization	92,687	—	92,687	87,927	—	87,927	380,676	—	380,676	361,292	—	361,292
Impairment of long-term assets	44,567	(44,567)	—	118,857	(118,857)	—	44,567	(44,567)	—	118,857	(118,857)	—
Operating income	63,014	45,383	108,397	(36,494)	122,415	85,921	273,527	52,141	325,668	219,575	131,508	351,083
Finance costs	80,710	—	80,710	88,420	—	88,420	340,895	—	340,895	348,386	—	348,386
Other net expenses (income)	3,815	(131)	3,684	26,170	71	26,241	(3,399)	(76)	(3,475)	27,031	449	27,480
Share of (earnings) losses of joint ventures and associates	(1,195)	126	(1,069)	(4,004)	744	(3,260)	(15,209)	402	(14,807)	(16,791)	1,210	(15,581)
Change in fair value of financial instruments	(6,406)	6,406	—	6,973	(8,546)	(1,573)	(32,955)	29,598	(3,357)	13,676	10,956	24,632
Recovery of income tax	(47,145)	3,411	(43,734)	(32,089)	15,348	(16,741)	(42,292)	(7,265)	(49,557)	(46,913)	15,131	(31,782)
Net earnings (loss)	33,235	35,571	68,806	(121,964)	114,798	(7,166)	26,487	29,482	55,969	(105,814)	103,762	(2,052)

Non-IFRS Measures



Free Cash Flow, Free Cash Flow per Share, and Payout Ratio

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, preferred share dividends declared, and gains realized on strategic transactions, plus or minus other elements that are not representative of the Corporation's long-term cash-generating capacity, such as 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 settlement of derivative financial instruments before their contractual maturity, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex.

References to “Free Cash Flow per Share” are to Free Cash Flow divided by the weighted-average number of common shares outstanding during the period.

Free Cash Flow is a measure of the Corporation's ability to pay a dividend and its ability to fund its growth from its cash generating operations, in the normal course of business, and through strategic transactions. Free Cash Flow per Share is a measure of the Corporation's ability to derive shareholder returns on a per-share basis from its cash generating operations, in the normal course of business, and through strategic transactions.

Innergex believes that the presentation of these measures enhance the understanding of the Corporation's cash generation capabilities, its ability to pay a dividend and its ability to fund its growth. In addition, Free Cash Flow per Share enhances the understanding of the impacts to shareholder returns regarding the Corporation's capital structure decisions. Free Cash Flow and Free Cash Flow per Share are used by investors in this regard. Readers are cautioned that Free Cash Flow and Free Cash Flow per Share 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 pay a dividend and its ability to fund its growth. Payout Ratio is used by investors in this regard.

Non-IFRS Measures



Free Cash Flow and Payout Ratio calculation	Trailing twelve months ended	
	December 31	
In thousands of Canadian dollars	2024	2023
Cash flows from operating activities	292,165	297,853
Add (Subtract) the following items:		
Changes in non-cash operating working capital items	16,873	33,401
Prospective projects expenses	38,747	27,162
Maintenance capital expenditures, net of proceeds from dispositions	(10,683)	(25,316)
Scheduled debt principal payments	(185,946)	(186,458)
Free Cash Flow attributed to non-controlling interests ¹	(41,426)	(38,377)
Dividends declared on Preferred shares	(5,632)	(5,632)
Chile portfolio refinancing - hedging impact	4,853	4,578
Add (subtract) the following specific items ² :		
Realized (gain) loss on termination of interest rate swaps	(16,957)	2,405
Realized gain on termination of foreign exchange forwards	—	—
Realized loss on termination of power hedges ³	74,496	—
Principal and interest paid related to pre-acquisition period	—	1,312
Acquisition, integration and ERP implementation expenses	10,340	15,948
Gains realized on strategic transactions ⁴	37,111	88,054
Free Cash Flow	213,941	214,930
Weighted Average Number of Common Shares (in 000s)	202,446	203,565
Free Cash Flow per Share	1.06	1.06
Dividends declared on common shares	73,219	147,058
Payout Ratio	34%	68%

1. 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.
2. Certain 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 realized gains and losses on contingent considerations related to past business acquisitions, transaction costs related to realized acquisitions, ERP implementation expenses, realized losses or gains on refinancing of certain borrowings or settlement of derivative financial instruments before their contractual maturity, and tax payments related to fiscal strategies for the purpose of improving the long-term cash generating capacity of Innergex. Gains realized on strategic transactions, which allow the Corporation to finance its growth without having to increase leverage or dilute shareholders, are also added to the Free Cash Flow and Payout Ratio.
3. The Free Cash Flow for the year ended December 31, 2024, excludes the \$74.5 million realized loss on settlement of the Phoebe power hedge contract concurrent with the disposition of non-controlling interests in Innergex's operating portfolio in Texas.
4. The Free Cash Flows for the years ended December 31, 2024 and December 31, 2023 include gains over funds invested following the disposition of non-controlling interests in Innergex's operating portfolio in Texas, and the disposition of a 30% non-controlling participation in Innergex's French operating and development portfolio, respectively. Such gains realized on strategic transactions are net of tax.