News Release
For immediate distribution

INNERGEX REPORTS FOURTH QUARTER AND FISCAL YEAR 2023 RESULTS

Strategy Execution

- Increased portfolio diversification and added complementary storage capabilities via a 60 MW solar portfolio acquisition in Ontario and the deployment of Innergex's first battery energy storage project in Chile
- Advanced on the construction of the 330 MW Boswell Springs wind project in Wyoming
- Demonstrated ability to grow in core markets by signing a long-term PPA with Hydro-Québec for a 102 MW wind project, and subsequent to the quarter end, being selected by Hydro-Québec for 400 MW of wind capacity
- Started delivering power at the 7.5 MW Innavik hydro project in the north of Quebec, adding a key hydroelectric asset to the portfolio

Funding Initiatives

- Executed partnership with Crédit Agricole Assurances for a 30% non-controlling interest in the portfolio in France. This transaction allowed to crystallize value for shareholders and was a validation of the Corporation's growth strategy, bringing in a long-term strategic partner to accelerate development in France and increase financial flexibility
- Closed on the financing of the 330 MW Boswell Springs wind project, allowing Innergex to continue executing on its organic growth strategy
- Concluded the financing of three unlevered hydro assets, which represents a new attractive internal funding lever to support growth

Capital Allocation Strategy Update

- Announced updated capital allocation strategy to accelerate organic growth (see press release issued on February 21, 2024)

Q4 2023 Financial Results *(compared to prior year results)*

- Production Proportionate was at 94% of LTA, up from 82%
- Adjusted EBITDA Proportionate[1] reached $186.4 million, up 30%

Fiscal year 2023 Financial Results *(compared to prior year results)*

- Production Proportionate was at 90% of LTA, flat compared to the prior year
- Adjusted EBITDA Proportionate[1] reached $735.3 million, up 12%

2025 Targets and 2024 Financial Guidance

- As a result of recent macroeconomic trends, Innergex is withdrawing its previously provided 2025 financial targets
- Full year 2024 Adjusted EBITDA Proportionate1 is expected to be in the range of $725.0 million to $775.0 million
- Full year 2024 Free Cash Flow per share1 is expected to be in the range of $0.70 to $0.85

Appointment to the Board of Directors

- Marc-André Aubé joined the Board as of December 1, 2023

All amounts are in thousands of Canadian dollars, unless otherwise indicated.

LONGUEUIL, Quebec, February 21, 2024 – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") a leading global independent renewable power producer, today reported financial results for the fourth quarter and fiscal year ended December 31, 2023.

Michel Letellier, President and Chief Executive Officer, said, "We are very pleased to deliver better results for the fourth quarter and fiscal year 2023, while also progressing on our strategic growth initiatives. During the fourth quarter, we commissioned our 50 MW/250 MWh (5 hours) Salvador battery energy storage facility in Chile and started delivering energy at the Innavik hydro facility, providing further portfolio diversification, and allowing us to generate attractive risk-adjusted returns on invested capital."

"We took proactive steps to strengthen our financial position and ensure that we have the necessary financial flexibility required to execute our growth strategy. With the financing for the Boswell Springs project, our partnership with Crédit Agricole Assurances in France, and our financing of three unlevered hydro assets, we are well positioned to continue to invest in greenfield development across our key markets. While making progress with our construction projects, we continue to win new project awards, which serve to validate our value proposition and ultimately support our growth trajectory."

FINANCIAL HIGHLIGHTS

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Production (MWh)	2,703,285	2,357,039	10,621,478	10,254,005
Production as a percentage of LTA	94 %	81 %	90 %	90 %
Revenues and Production Tax Credits	261,526	220,212	1,041,574	935,223
Operating Income	(36,494)	(6,504)	219,575	263,366
Adjusted EBITDA[1]	175,421	135,376	687,743	612,165
Net Loss	(121,964)	(52,575)	(105,814)	(91,115)
Adjusted Net Loss[1]	(7,166)	(27,469)	(2,052)	(32,503)
Net Loss Attributable to Owners, $ per share - basic and diluted	(0.57)	(0.23)	(0.51)	(0.43)
Production Proportionate (MWh)[1]	2,808,877	2,448,629	11,160,580	10,792,064
Revenues and Production Tax Credits Proportionate[1]	276,225	231,576	1,102,655	995,758
Adjusted EBITDA Proportionate[1]	186,447	143,399	735,261	658,883

	Year ended December 31	
	2023	2022
Cash Flow from Operating Activities	297,853	430,243
Free Cash Flow[1,2]	214,930	171,988
Payout Ratio[1,2]	68 %	85 %
Normalized Payout Ratio[1]	69% - 75%	

Note: On January 1, 2023, the Corporation amended the presentation of its consolidated statements of earnings (refer to Section 8- ACCOUNTING POLICIES AND INTERNAL CONTROLS | Material Accounting Policies of the Management's Discussion and Analysis for the three- and twelve- months ended December 31, 2023 ("MD&A") for more information). Concurrently, certain Non-IFRS measures have been amended (refer to Section 6- NON-IFRS MEASURES of the MD&A for more information).

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 6- NON-IFRS MEASURES for more information.
2. For more information on the calculation and explanation, please refer to 4- CAPITAL AND LIQUIDITY | Free Cash Flow and Payout Ratio of the MD&A.

OPERATING PERFORMANCE

FOURTH QUARTER 2023

Production for the quarter was marked by higher levels reached by the hydro facilities, partially offset by below average wind and solar resources. The increase in Revenues and Production Tax Credits compared to the same period last year was mainly due to higher production in the hydro segment in British Columbia, at the Curtis Palmer facilities in the United States and in the wind segment in France, as well as the acquisition of the Sault Ste. Marie solar facilities. Adjusted EBITDA Proportionate[1] was favourably impacted by the same factors noted above, partially offset by higher operating, general and administrative expenses, as well as higher prospective projects expenses.

FISCAL YEAR 2023

Overall production for the year ended on December 31, 2023, reached 90% of LTA, flat compared to prior year, as higher hydro production was offset by below average wind and solar generation. The increase is mainly explained by the Aela and Sault Ste. Marie acquisitions, the higher production at the Curtis Palmer hydro facilities in the United States and increased wind regime and revenues from new PPAs in place at facilities in France. The increase is partly offset by lower wind regimes at the Quebec facilities, lower spot prices at the Chilean hydro facilities and unfavourable pricing and lower production at the Griffin Trail wind facility. Adjusted EBITDA Proportionate[1] was favourably impacted by the same factors noted above, partially offset by higher operating, general and administrative expenses, as well as higher prospective projects expenses.

TRAILING TWELVE MONTHS CASH FLOW FROM OPERATING ACTIVITIES, FREE CASH FLOW[1] AND PAYOUT RATIO[1]

Cash flows from operating activities decreased to $297.9 million, compared with $430.2 million in the prior year period. Main contributors were 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 the foreign exchange forward contracts concurrent with the French Acquisition.

Free Cash Flow[1] Increased to $214.9 million, compared with $172.0 million for the corresponding period last year. The increase is mainly due to the gain realized with the sale of a 30% non-controlling interest in Innergex’s portfolio in France. The gain crystallizes value to Innergex's shareholders, mainly derived from the development portfolio, and from certain operational improvements, showcasing the ability of the development and operational teams to create tangible value.

The dividends on common shares declared by the Corporation amounted to 68% of Free Cash Flow[1], compared with 85% for the corresponding period last year.

Had production levels been equal to their long-term average during the year ended December 31, 2023, excluding Chile and the gain realized in the French portfolio, Free Cash Flow[1] and Payout Ratio[1] would have been in a range of $197 million to $212 million and 69% to 75%, respectively.

PROJECTS UNDER CONSTRUCTION

Name (Location)	Type	Ownership (%)	Gross installed capacity (MW)	Gross estimated LTA (GWh)	PPA term (years)	Expected COD
San Andrés Battery Energy Storage (Chile)	Storage	100	Note [3]	—	—	2024
Lazenay (France)	Wind	25	9.0	27.8	—	2024
Hale Kuawehi (Hawaii, U.S.)	Solar and storage	100	30.0 [1]	87.4 [2]	25	2024
Boswell Springs (Wyoming, U.S.)	Wind	100	329.8	1,262.0	30	2024

1. Solar project with a battery storage capacity of 30 MW/120 MWh (4 hours).
2. PPA is a fixed lump sum capacity payment for the availability of dispatchable energy.
3. Battery storage capacity of 35 MW/175 MWh (5 hours).

Innergex continues to advance its projects under construction. The San Andrés battery energy storage project will represent its second investment in storage technology in Chile, further supporting its portfolio strategy in the country. Following the close of the financing of Boswell Springs, the project construction activities continued and remain on budget and on schedule.

CAPITAL ALLOCATION STRATEGY

On February 21, 2024, Innergex announced an update to its capital allocation strategy, specifically regarding its dividend policy, as it seeks to increase funding for long-term growth. Key highlights from the announcement include:

- Calibrating Innergex's target dividend payout ratio to 30% to 50% of Free Cash Flow[1] to support its long-term growth objectives
- Based on the annual dividend for 2024 of $0.36 per common share, the Corporation expects to free up approximately $75 million annually for reinvestment purposes
- Increasing investments in greenfield development and prioritizing organic growth in Innergex's four markets, with specific focus on North America
- Capital allocation choices designed to enable self-funding of organic investments while delivering sustainable growth

Michel Letellier, President and Chief Executive Officer, commented, "At this time and with our eye to the future, we have proactively decided to pivot our strategy toward accelerated growth by unlocking capital to support greenfield development opportunities. Innergex has a robust development portfolio of over 10 GW and will remain disciplined in directing the additional capital toward projects that meet our risk-adjusted return objectives."

2025 TARGETS AND 2024 GUIDANCE

As a result of recent macroeconomic trends, Innergex is withdrawing its previously provided 2025 financial targets.

Innergex is establishing guidance with full year 2024 Adjusted EBITDA Proportionate[1] expected to be in the range of $725.0 million to $775.0 million, and full year 2024 Free Cash Flow[1] per share expected to be in the range of $0.70 to $0.85. These projections assume production at 100% LTA target at our operating facilities; as well as 95% asset availability[2].

Jean Trudel, Chief Financial Officer, commented, "Innergex is well-positioned to benefit from rapidly increasing demand for renewable energy, and our portfolio diversification strategy should help mitigate resource variability over the long-term. We maintain an optimistic outlook as we are managing our operations and development efforts to optimize performance. We remain focused on delivering sustainable and profitable growth to create value on a per share basis."

SUBSEQUENT EVENTS

On January 26, 2024, Innergex announced that it was selected by Hydro-Québec for two projects: a 100 MW community wind project in partnership with the regional county municipality of Lotbinière and the Abenaki Councils of Odanak and Wôlinak, and a 300 MW community wind project led by the Innu Council of Pessamit, with the participation of the regional county municipality of Manicouagan. Commercial operation is scheduled for 2028 and 2029, respectively. The power purchase agreements, to be signed in 2024 with Hydro-Québec, are expected to be structured as 30-year take-or-pay contracts, indexed to a predefined percentage of the Consumer Price Index ("CPI").

DIVIDEND DECLARATION

On February 21, 2024, the Board of Directors approved an update to its capital allocation strategy and revised its annual dividend for 2024 to $0.36 per common share to support its growth ambitions.

The following dividends will be paid by the Corporation on April 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
February 21, 2024	March 28, 2024	April 15, 2024	$0.0900	$0.2028	$0.3594

APPOINTMENT TO THE BOARD OF DIRECTORS

Innergex is pleased to announce the appointment of Marc-André Aubé on its Board of Directors, effective December 1, 2023. Mr. Aubé is the President and Chief Executive Officer of Walter Surface Technologies, a Canadian company providing innovative solutions for the global metal working industry. The company was founded in 1952 and is established in 7 countries throughout North America, South America and Europe. Prior to joining Walter Surface Technologies, Mr. Aubé was President and Chief Operating Officer of GardaWorld Security Solutions – Canada. He also cumulates many years of experience in various industry sectors, including chemicals with Nalco Canada, oil and gas with Petro-Canada and finance with the Caisse de dépôt et placement du Québec and Scotia Capital Inc. Mr. Aubé has completed his CFA designation and holds an MBA from HEC Montréal and an engineering degree from École Polytechnique de Montréal.

"We are pleased to welcome Mr. Aubé to our Board of Directors," said Mr. Daniel Lafrance, Chairman of the Board of Directors of Innergex. "We are confident that his impressive professional background, his deep management knowledge of multinational companies and his expertise in financing and investments activities will enhance the overall proficiency of the Board. We are confident in his ability to contribute significantly to the discussions in the interest of our shareholders."

1. This is not a recognized measure 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.
2. These assumptions are based on information currently available to the Corporation and this list of assumptions is not exhaustive. Please refer to the Section 5 - OUTLOOK | 2024 Growth Targets of the MD&A for more information.

NON-IFRS MEASURES

Some measures referred to in this press release 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 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 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 of the MD&A for more information.

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

	Three months ended December 31, 2023			Three months ended December 31, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues and Production Tax Credits	261,526	14,699	276,225	220,212	11,364	231,576
Operating income	(36,494)	6,681	(29,813)	(6,504)	3,870	(2,634)
Depreciation and amortization	87,927	4,345	92,272	93,756	4,153	97,909
ERP implementation	3,558	—	3,558	1,815	—	1,815
Impairment of long-term assets	118,857	—	118,857	47,868	—	47,868
Realized loss on power hedges	1,573	—	1,573	(1,559)	—	(1,559)
Adjusted EBITDA	175,421	11,026	186,447	135,376	8,023	143,399

	Year ended December 31, 2023			Year ended December 31, 2022		
	Consolidation	Share of joint ventures	Proportionate	Consolidation	Share of joint ventures	Proportionate
Revenues and Production Tax Credits	1,041,574	61,081	1,102,655	935,223	60,535	995,758
Operating income	219,575	30,962	250,537	263,366	29,919	293,285
Depreciation and amortization	361,292	16,556	377,848	336,053	16,799	352,852
ERP implementation	12,651	—	12,651	2,357	—	2,357
Impairment of long-term assets	118,857	—	118,857	47,868	—	47,868
Realized loss on power hedges	(24,632)	—	(24,632)	(37,479)	—	(37,479)
Adjusted EBITDA	687,743	47,518	735,261	612,165	46,718	658,883

Adjusted Net Loss

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

The Adjusted Net Loss seeks to provide a measure that eliminates the earnings impacts of certain derivative financial instruments and other items that are outside of the normal course of the Corporation's cash generating operations, which do not represent the Corporation's operating performance. Innergex uses derivative financial instruments to hedge its exposure to various risks. Accounting for derivatives requires that all derivatives are marked-to-market. When hedge accounting is not applied, changes in the fair value of the derivatives is recognized directly in net earnings (loss). Such unrealized changes have no immediate cash effect, may or may not reverse by the time the actual settlements occur and do not reflect the Corporation’s business model toward derivatives, which are held for their long-term cash flows, over the life of a project. In addition, the Corporation uses foreign exchange forward contracts to hedge its net investment in its French subsidiaries. Management therefore believes realized gains (losses) on such contracts 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 (Loss) Earnings is used by investors to evaluate and compare Innergex’s profitability before the impacts of the unrealized portion of the change in fair value of derivative financial instruments and other items that are outside of the normal course of the Corporation's cash generating operations. Readers are cautioned that Adjusted Net Loss should not be construed as an alternative to net earnings, as determined in accordance with IFRS. Please refer to the section 3 - Adjusted Net Loss section of the MD&A for reconciliation of the Adjusted Net Loss.

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

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Net loss	(121,964)	(52,575)	(105,814)	(91,115)
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	(1,186)	(76)	(1,917)	(1,381)
Unrealized portion of the change in fair value of financial instruments	6,141	25,336	(9,649)	141,859
Impairment of long-term assets	118,857	47,868	118,857	47,868
Realized gain on settlement of foreign exchange forwards (French Acquisition)	—	(43,458)	—	(43,458)
Realized loss (gain) on termination of interest rate swaps	2,405	(59)	(1,307)	(71,735)
ERP implementation	3,558	1,815	12,651	2,357
Realized gain on foreign exchange forward contracts	(71)	—	(449)	(3,214)
Income tax (recovery) expense related to above items	(14,906)	(6,320)	(14,424)	(13,684)
Adjusted Net loss	(7,166)	(27,469)	(2,052)	(32,503)

Free Cash Flow and Payout Ratio

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

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

On October 26, 2023, Innergex disposed of a non-controlling 30% participation in its French portfolio. Until recently, Innergex relied on leverage and equity issuance to fund its capital requirements. The Corporation amended the presentation of its Free Cash Flow and Payout Ratio to include the gains realized on strategic transactions, which allow the Corporation to finance its growth without having to increase leverage or dilute shareholders. The change was applied retrospectively with no impact on comparative information.

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. 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, 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 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 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.

Innergex believes that the presentation of this measure enhances the understanding of the Corporation's cash generation capabilities, its ability to pay a dividend 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.

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.

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, and excluding gains realized on strategic transactions. Innergex believes that this is a measure of its ability to pay a dividend and its ability to fund its growth, free from circumstantial impacts on production and the immediate benefits of strategic transactions. Normalized Payout Ratio is used by investors in this regard.

Free Cash Flow and Payout Ratio calculation	Year ended December 31	
	2023	2022
Cash flows from operating activities[1]	297,853	430,243
Add (Subtract) the following items:		
Changes in non-cash operating working capital items	33,401	14,518
Prospective projects expenses	27,162	24,740
Maintenance capital expenditures, net of proceeds from dispositions	(25,316)	(11,051)
Scheduled debt principal payments	(186,458)	(156,862)
Free Cash Flow attributed to non-controlling interests[2]	(38,377)	(29,271)
Dividends declared on Preferred shares	(5,632)	(5,632)
Chile portfolio refinancing - hedging impact[4]	4,578	2,578
Add (subtract) the following specific items[3]:		
Realized loss on contingent considerations	—	—
Realized (gain) loss on termination of interest rate swaps[4]	2,405	(71,735)
Realized gain on termination of foreign exchange forwards[5]	—	(43,458)
Principal and interest paid related to pre-acquisition period	1,312	—
Acquisition, integration and ERP implementation expenses	15,948	17,918
Realized gain on the Phoebe basis hedge	—	—
Gain on disposition of non-controlling interests[6]	88,054	—
Free Cash Flow	214,930	171,988
Dividends declared on common shares	147,058	146,957
Payout Ratio	68 %	85 %
Normalized Payout Ratio[1]	69% - 75%	

1. Cash flows from operating activities for the year ended December 31, 2022, include the one-time BC Hydro Curtailment Payment received during Q1 2022.
2. The portion of Free Cash Flow attributed to non-controlling interests is subtracted, regardless of whether an actual distribution to non-controlling interests is made, in order to reflect the fact that such distributions may not occur in the period they are generated.
3. 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 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, ERP implementation expenses, 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. 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.
4. The Free Cash Flow for the year ended December 31, 2022, excludes the $71.7 million realized gain on settlement of the interest rate hedges entered into to manage the Corporation's exposure to the risk of increasing interest rates during the negotiations surrounding the refinancing of the non-recourse debt assumed in the Aela Acquisition and at Innergex's existing Chilean projects. Instead, the gain is amortized in the Free Cash Flow using the effective interest rate method over the period covered by the unwound hedging instruments.
5. The Free Cash Flow for the year ended December 31, 2023, excludes the $43.5 million realized gain on settlement of the foreign exchange forward contracts concurrent with the closing of the French Acquisition.
6. The Free Cash Flow for the year ended December 31, 2023, includes a gain realized following the disposition of a 30% non-controlling participation in Innergex's French operating and development portfolio. This amount represents a gain over funds invested in operations and development, including the historical prospective project expenses, net of the current income tax payable following the transaction. As such, this amount is not comparable to the gain recognized in equity attributable to owners of the Corporation.

ADDITIONAL INFORMATION

Innergex's 2023 fourth quarter and year-end audited consolidated financial statements, the notes thereto and the Management's Discussion and Analysis can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Corporation's website at www.innergex.com.

CONFERENCE CALL AND WEBCAST

The Corporation will hold a conference call and webcast on Thursday, February 22, 2024 at 9 AM (EST). Investors and financial analysts are invited to access the conference by dialing 1 888 390-0605 or 416 764-8609 or via bit.ly/48yJ76Q or the Corporation's website at www.innergex.com. Journalists, as well as the public, can access this conference call via a listen mode only. A replay of the conference call will be available after the event on the Corporation's website.

About Innergex Renewable Energy Inc.

For over 30 years, Innergex has believed in a world where abundant renewable energy promotes healthier communities and creates shared prosperity, which led to Innergex being recognized as Canada's best corporate citizen in 2023 by Corporate Knights. As an independent renewable power producer which develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities, Innergex is convinced that generating power from renewable sources will lead the way to a better world. Innergex conducts operations in Canada, the United States, France and Chile and manages a large portfolio of high-quality assets currently consisting of interests in 87 operating facilities with an aggregate net installed capacity of 3,600 MW (gross 4,234 MW) and an energy storage capacity of 409 MWh, including 41 hydroelectric facilities, 35 wind facilities, 9 solar facilities and 2 battery energy storage facilities. Innergex also holds interests in 10 projects under development with a net installed capacity of 728 MW (gross 826 MW) and an energy storage capacity of 295 MWh, 4 of which are under construction, as well as prospective projects at different stages of development with an aggregate gross installed capacity totaling 10,071 MW. Its approach to building shareholder value is to generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital. To learn more, visit innergex.com or connect with us on LinkedIn.

Cautionary Statement Regarding Forward-Looking Information

To inform readers of the Corporation's future prospects, this press release 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 press release.

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.

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; 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.

For more information on the 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 or on the principal assumptions used to derive this information, please refer to the "Forward-Looking Information" section of the Management's Discussion and Analysis for the year ended December 31, 2023.

- 30 -

For more information

Investor Relations
Naji Baydoun
Director - Investor Relations
450 928-2550 #1263
investorrelations@innergex.com

Medias
Karine Vachon
Senior Director - Communications and ESG
450 928-2550 #1222
kvachon@innergex.com

Innergex Renewable Energy Inc.
www.innergex.com