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News Release

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INNERGEX Q2 2021: RECENT ACQUISITIONS AND ADVANCEMENT OF CONSTRUCTION PROJECTS DRIVE STEADY GROWTH

- Revenues Proportionate up 3% to \$198.4 million in Q2 2021 compared with Q2 2020.
- Adjusted EBITDA Proportionate up 4% to \$146.0 million in Q2 2021 compared with Q2 2020.
- Commissioning of the Griffin Trail wind facility in Texas and ramp-up of production at the Hillcrest solar facility in Ohio.
- Completion of the Energía Llama acquisition at the beginning of Q3 2021.
- Exclusion of the results from the Flat Top and Shannon joint venture facilities, from April 1, 2021 onwards, due to the projects' assets and liabilities being classified as disposal groups held for sale, following the February 2021 Texas Events.
- The Corporation acquired an 18 MW run-of-river hydro facility in Chile. The transaction closed on August 3, 2021. The facility commissioned in 2011 was acquired for a total enterprise value of US\$40.5 million (\$50.5 million) with an equity investment for Innergex of US\$16.6 million (\$20.6 million), broken down to payment to the shareholders and the partial repayment of the existing debt and other costs.

All amounts are in thousands of Canadian dollars, unless otherwise indicated and are for continuing operations unless otherwise indicated.

LONGUEUIL, Quebec, August 3, 2021 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) today released its operating and financial results for the second quarter ended June 30, 2021.

“We are pleased that our Hillcrest solar facility in Ohio reached commercial operation under its power purchase agreement and that sales of electricity commenced at the beginning of May. This commissioning along with higher production at most of our hydro facilities this quarter compared to the same period last year contributed to delivering positive results,” said Michel Letellier, President and Chief Executive Officer of Innergex. “Since the end of the quarter, we have completed the acquisition of the remaining interest in Energía Llama and reached commercial operation with our Griffin Trail wind project in Texas, both of which align with our growth strategy. We remain focused on pursuing organic development and acquisitions to meet our Strategic Plan objectives and reduce stress on our payout ratio.”

FINANCIAL HIGHLIGHTS

	Three months ended June 30			Six months ended June 30				
	2021	2020	Change	2021	February 2021 Texas Events (9 days) ³	2021 Normalized	2020	Change
Production (MWh)	2,396,027	2,185,793	10 %	4,181,975	—	4,181,975	3,865,390	8 %
Long-Term Average (MWh) ("LTA")	2,543,061	2,342,496	9 %	4,489,951	—	4,489,951	4,146,730	8 %
Revenues	170,605	150,513	13 %	360,256	(54,967)	305,289	282,629	8 %
Adjusted EBITDA ¹	122,685	105,336	16 %	265,804	(54,967)	210,837	195,755	8 %
Adjusted EBITDA Margin ¹	71.9 %	70.0 %		73.8 %	(4.7)%	69.1 %	69.3 %	
Net Earnings (Loss)	50,199	(1,566)	(3306)%	(167,673)	64,219	(103,454)	(48,497)	113 %
Adjusted Net Earnings (Loss)	18,658	4,484	316 %	(8,882)	—	(8,882)	(4,057)	119 %
Net Earnings (Loss) Attributable to Owners, \$ per share - basic and diluted	0.23	(0.02)		(1.01)	0.37	(0.64)	(0.36)	
Production Proportionate (MWh) ¹	2,588,928	2,575,868	1 %	4,638,549	—	4,638,549	4,545,631	2 %
Revenues Proportionate ¹	198,400	192,004	3 %	460,135	(95,273)	364,862	356,375	2 %
Adjusted EBITDA Proportionate ¹	145,962	139,950	4 %	354,853	(95,273)	259,580	255,965	1 %
Adjusted EBITDA Proportionate Margin ¹	73.6 %	72.9 %		77.1 %	(6.0)%	71.1 %	71.8 %	

	Trailing twelve months ended June 30				
	2021	February 2021 Texas Events (9 days) ²	2021 Normalized	2020	Change
Cash Flow from Operating Activities	252,213	(16,801)	235,412	200,742	17 %
Free Cash Flow ¹	76,702	15,789	92,491	73,844	25 %
Payout Ratio ^{1,2}	164 %	(28)%	136 %	150 %	

1. Adjusted EBITDA, Adjusted EBITDA Margin, Production Proportionate, Revenues Proportionate, Adjusted EBITDA Proportionate, Adjusted EBITDA Proportionate Margin, Free Cash Flow and Payout Ratio 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.

2. For the trailing twelve months ended June 30, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Second Quarter Report for more information.

3. For the six months ended June 30, 2021, the operating results are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Second Quarter Report for more information.

OPERATING PERFORMANCE

For the six-month period ended June 30, 2021, **Production Proportionate** was 93% of the LTA and up 2% over the same period last year. **Revenues Proportionate**, on a normalized basis, increased 2% compared to the same period last year. The increase is attributable to the Mountain Air and Salvador Acquisitions, higher production at the hydro facilities in British Columbia and the ramp-up of production at the Hillcrest solar project. This increase was partly offset by the exclusion of the results from the Flat Top and Shannon joint venture facilities, from April 1, 2021 onwards, due to the projects' assets and liabilities being classified as disposal groups held for sale, following the February 2021 Texas Events. The increase was also partly offset by lower revenues at the wind facilities in Quebec and France and at the Foard City wind facility. **Adjusted EBITDA**, on a normalized basis, was up 8% compared to last year at \$210.8 million and the **Adjusted EBITDA Proportionate**, on a normalized basis, increased by 1% at \$259.6 million.

In the second quarter of 2021, the **hydroelectric power generation segment** generated \$74.7 million in Adjusted EBITDA Proportionate, representing a 17% increase from the \$63.8 million generated in the same period last year, mainly due to a higher contribution from the facilities in British Columbia, attributable to higher revenues from higher production mainly due to higher water flows and compared with the 2020 figures that included the impact of the curtailment imposed by BC Hydro for six facilities. This increase is partly offset by lower average selling prices at some facilities in British Columbia and in Quebec and by a lower contribution from the Umbata Falls facility in Ontario due to lower revenues from lower production. Revenues Proportionate for the segment were up 14% at \$91.2 million. Production Proportionate was up 16%.

For the three-month period ended June 30, 2021, the **wind power generation segment** posted \$69.0 million in Adjusted EBITDA Proportionate, on a normalized basis, representing a 12% decrease over the \$78.5 million generated in the same period last year. This decrease is mainly attributable to the exclusion of the results from the Flat Top and Shannon joint venture facilities, from April 1, 2021 onwards, due to the projects' assets and liabilities being classified as disposal groups held for sale, following the February 2021 Texas Events. The decrease is also attributable to a lower contribution from the Quebec facilities, the Foard City facility in Texas and the Dokie facility in British Columbia. The decrease was partly offset by the Mountain Air Acquisition in Idaho completed on July 15, 2020, and to a higher contribution from the facilities in France. Revenues Proportionate for the segment decreased by 13% to \$85.0 million. Production Proportionate was down 18%.

The **solar power generation segment** generated \$19.7 million in Adjusted EBITDA Proportionate in the quarter, representing a 70% increase from the \$11.6 million posted in the same period last year due mainly to the contribution of the Salvador Acquisition in Chile on May 14, 2020, the ramp-up of production at the Hillcrest solar facility in Ohio and to a higher contribution from the Phoebe facility attributable to higher revenues from higher average selling prices despite lower production. Revenues Proportionate for the segment increased by 58% to \$22.2 million. Production Proportionate was up 30%.

FREE CASH FLOW AND PAYOUT RATIO

The following table summarizes the Free Cash Flow and Payout Ratio normalized to exclude the impacts of the February 2021 Texas Events, for the trailing twelve months ended June 30, 2021.

Free Cash Flow and Payout Ratio calculation ¹	Trailing twelve months ended June 30			
	2021	February 2021 Texas Events (9 days) ²	2021 Normalized	2020
Free Cash Flow ²	76,702	15,789	92,491	73,844
Dividends declared on common shares	125,711	—	125,711	111,022
Payout Ratio ²	164 %	(28)%	136 %	150 %

1. Free Cash Flow and Payout Ratio 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.

2. For the trailing twelve months ended June 30, 2021, the Free Cash Flow and Payout Ratio are normalized to exclude the impacts of the February 2021 Texas Events. Please refer to the "February 2021 Texas Events" section of the 2021 Second Quarter Report for more information.

For the trailing twelve months ended June 30, 2021, the dividends on common shares declared by the Corporation amounted to 164% of Free Cash Flow. Excluding the impacts from the February 2021 Texas Events, the dividends on common shares declared by the Corporation amounted to 136% of Normalized Free Cash Flow, compared with 150% for the corresponding period last year.

UPDATE ON DEVELOPMENT

(As at August 3, 2021)

On July 26, 2021, the 225.6 MW Griffin Trail wind farm located in Texas reached its **full commissioning**.

The **Hillcrest solar project** (Ohio) has achieved Commercial Operation for PPA purposes and is approximately 99% complete. Full commercial operation is scheduled in Q3 2021. Total estimated costs have been revised to reflect some cost overruns and ongoing commercial close-out discussions with the EPC Contractor.

Spillway and diversion excavation has started and is progressing well for the **Innavik hydro project** (Quebec). Powerhouse concreting work has begun and the turbines draft tube elbows and draft tubes are already installed and poured. Residences bi-energy conversion contract was awarded by the Kativik Municipal Housing Bureau and phase 1 of the program will start in Q3 2021. Commercial operation is scheduled in 2022.

At the **Tonnerre battery project** in France, a supply, construction and maintenance agreement has been signed with the selected battery supplier, EVLO, a Hydro-Québec subsidiary. Construction on site has started in July. Commissioning is expected in Q4 2021.

Projects under development are progressing well. The Engineering, Procurement and Construction ("EPC") contractors were selected and Limited Notice to Proceed are in progress at both the **Paehu and Hale Kuawehi solar and battery storage projects**. Environmental studies are ongoing as other permitting-related activities at both the **Barbers Point and Kahana solar and battery storage projects** in Hawaii.

SUBSEQUENT EVENT

Innergex acquires remaining interests in Energía Llaima

Innergex has entered into a stock purchase agreement pursuant to which it has acquired, effective July 9, 2021, the remaining 50% interest in Energía Llaima SpA (“Energía Llaima”), a renewable energy company based in Chile, of which Innergex already owned 50%, for an aggregate consideration of US\$71.4 million (\$89.4 million).

As a consideration for this transaction, Innergex has issued to Energía Llaima’s shareholders the number of Innergex common shares for an aggregate value of US\$71.4 million at a price per share equal to the 10-day volume weighted average price prior to the closing of the acquisition, for a total of 4,048,215 shares issued.

Additionally, as part of the Investor Rights Agreement between Innergex and Hydro-Québec, Hydro-Québec owns a preferential subscription right allowing it to maintain its 19.9% ownership. Therefore, Hydro-Québec can subscribe to Innergex common shares in connection with any issuance at an equal price, including in the context of an acquisition. Hydro-Québec also has a subscription right to maintain its ownership following any annual issuance pursuant to equity securities, incentive securities or securities granted in connection with compensation. In that regard, Innergex has issued, concurrently with the closing of the transaction described above, 1,148,050 common shares, for total proceeds of \$25.3 million, in order for Hydro-Quebec to maintain its 19.9% ownership.

Phoebe Solar Facility - Settlement of Outstanding Amounts

On July 19, 2021, Innergex reached an agreement to settle the amounts that remained unpaid by the Phoebe solar facility following the February 2021 Texas Events. The aggregate cash disbursement of US\$24.0 million (\$29.7 million) comprises the agreed-upon settlement payment for the amounts disputed following the February 2021 Texas Events, and a payment on the project’s tracking account balance¹, net of unpaid energy sold by the project during the negotiation process.

1. Renewable energy projects selling energy under a power hedge structure are exposed to mismatch risk mainly driven by: (1) volume/shape risk, which represents the risk of a shortfall in the actual energy produced in comparison to the contractual hourly quantities; and (2) basis risk, which represents a price differential risk between hub and node per MWh of contracted energy. To cover for temporary unfavourable mismatches, counterparties provide projects with a tracking account; a working capital loan that is repaid with subsequent favourable mismatches or cash payments.

Commissioning Activities - Griffin Trail Wind Facility

On July 26, 2021, Innergex completed the commissioning of the 225.6 MW Griffin Trail wind facility located in north Texas. The construction loan of US\$256.2 million (\$319.0 million) was repaid on July 30, 2021 by a US\$169.2 million (\$210.6 million) tax equity investment, while the Corporation contributed US\$115.5 million (\$143.8 million) in sponsor equity. The excess contribution of the tax and sponsor equity funding will be used for construction related spending and for holdback amounts following the end of the construction activities.

Weather Conditions in British Columbia, Canada

Recent weather conditions have caused wildfires to spread throughout British Columbia. Wind gusts have caused the Lytton Fire to move rapidly towards the Kwoiek Creek facility’s transmission line. While the on-site employees are safe and the facility is in no immediate danger, its operations have been halted temporarily as the fire caused damages to the transmission line.

It is too early to assess the damages and quantify the losses, both direct and indirect, but the event is expected to be covered under the Corporation's insurance facility. A force majeure event has been notified to BC Hydro under the electricity purchase agreement.

DIVIDEND DECLARATION

The following dividends will be paid by the Corporation on October 15, 2021:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
August 3, 2021	September 30, 2021	October 15, 2021	\$0.180	\$0.202750	\$0.359375

ADDITIONAL INFORMATION

Innergex's 2021 second quarter unaudited condensed interim 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 Wednesday, August 4, 2021 at 10 AM (EDT). Investors and financial analysts are invited to access the conference by dialing 1 888 390-0605 or 416 764-8609 or via <https://bit.ly/3y6zw4s> or the Corporation's website at www.innergex.com. Journalists as well as the public may 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.

INVESTOR DAY

The Corporation will hold an investor day on Wednesday, September 15, 2021 from 9 AM to 12 PM (EDT) for investors and financial analysts. Please email investorrelations@innergex.com prior to Wednesday, September 8, 2021 to attend.

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. 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 77 operating facilities with an aggregate net installed capacity of 3,071 MW (gross 3,741 MW) and an energy storage capacity of 150 MWh, including 38 hydroelectric facilities, 32 wind farms and 7 solar farms. Innergex also holds interests in 8 projects under development, 2 of which are under construction, with a net installed capacity of 168 MW (gross 205 MW) and an energy storage capacity of 329 MWh, as well as prospective projects at different stages of development with an aggregate gross capacity totaling 6,931 MW. Its approach to building shareholder value is to generate sustainable cash flows, provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

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 projected financial performance, 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 expected production, the estimated project costs, projected revenues, projected Revenues Proportionate, projected Adjusted EBITDA and projected Adjusted EBITDA Proportionate, Projected Free Cash Flow, Projected 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, of the Corporation's ability to sustain current dividends and to fund its growth and of the possible outcomes of the proceedings initiated in Texas with regard to the Flat Top and Shannon facilities. Such information may not be appropriate for other purposes.

Forward-looking Information is based on certain key assumptions made by Innergex, including, without restrictions, assumptions concerning project performance, economic, financial and financial market conditions, expectations and assumptions concerning availability of capital resources and timely performance by third-parties of contractual obligations, receipt of regulatory approvals and the divestiture of select assets. Although Innergex believes that the expectations and assumptions on which such 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 they will prove to be correct. The forward-looking information contained in this press release is made as of the date hereof and Innergex 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.

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 three- and six-month periods ended June 30, 2021.

Cautionary Statement Regarding Non-IFRS measures

The unaudited condensed interim consolidated financial statements for the three- and six-month periods ended June 30, 2021, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). However, 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 that these indicators are important, as they provide management and the reader with additional information about the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Innergex's share of Revenues of joint ventures and associates, Revenues Proportionate, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Proportionate, Adjusted EBITDA Proportionate Margin, Innergex's share of Adjusted EBITDA of joint ventures and associates, Adjusted Net Earnings, Free Cash Flow, Adjusted Free Cash Flow, Payout Ratio and Adjusted Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS. Please refer to the "Non-IFRS Measures" section of the Management's Discussion and Analysis for the three- and six-month periods ended June 30, 2021.

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For more information

Investor Relations

Jean-François Neault
Chief Financial Officer
450 928.2550 #1207

investorrelations@innnergex.com

Innergex Renewable Energy Inc.

www.innergex.com

Medias

Karine Vachon
Senior Director - Communications
450 928.2550 #1222

kvachon@innnergex.com