No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”), or any applicable state securities laws. Accordingly, these securities may not be offered or sold, directly or indirectly, within the United States, except in transactions exempt from registration under the US Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Innergex Renewable Energy Inc. at 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9, telephone (450) 928-2550 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

February 16, 2022


INNERGEX RENEWABLE ENERGY INC.

$150,005,250

8,451,000 Common Shares

This short form prospectus qualifies the distribution of 8,451,000 common shares (the “Offered Shares”) of Innergex Renewable Energy Inc. (the “Corporation” or “Innergex”) at a price of $17.75 per Offered Share (the “Offering Price”) for aggregate gross proceeds of $150,005,250 (the “Offering”).

The Offered Shares are being sold pursuant to an underwriting agreement (the “Underwriting Agreement”) dated February 9, 2022 among the Corporation and CIBC World Markets Inc. (“CIBC”), National Bank Financial Inc. (“NBF”), BMO Nesbitt Burns Inc. (“BMO”) and TD Securities Inc. (“TD”), as joint bookrunners (collectively, the “Joint Bookrunners”), and RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc. (“Desjardins”), Raymond James Ltd. and iA Private Wealth Inc. (collectively, the “Underwriters”).
Price: $17.75 per Offered Share

<table>
<thead>
<tr>
<th>Offered Share</th>
<th>Price to the Public</th>
<th>Underwriters’ Fee(1)</th>
<th>Net Proceeds(2)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$17.75</td>
<td>$0.71</td>
<td>$17.04</td>
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<tr>
<td>Total(3)</td>
<td>$150,005,250</td>
<td>$6,000,210</td>
<td>$144,005,040</td>
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Notes:
(1) Pursuant to the Underwriting Agreement (as described below), the Corporation has agreed to pay to the Underwriters a fee equal to 4.00% of the gross proceeds of the Offering (the “Underwriters’ Fee”) (including in respect of any Over-Allotment Shares (as defined below)). See “Plan of Distribution”.
(2) After deducting the Underwriters’ Fee but before deducting the expenses of the Offering, estimated to be approximately $500,000 which, together with the Underwriters’ Fee, will be paid out of the gross proceeds of the Offering.
(3) The Corporation has granted to the Underwriters an option (the “Over-Allotment Option”) to purchase up to 1,267,650 additional Common Shares (the “Over-Allotment Shares”) from the Corporation to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable in whole or in part at any time up to 30 days after the date of Closing (as defined below). If the Over-Allotment Option is exercised in full, the total “Price to the Public”, the “Underwriters’ Fee” and the “Net Proceeds” to the Corporation (after deducting the Underwriters’ Fee but before deducting the expenses of the Offering, estimated to be approximately $500,000) will be $172,506,037.50, $6,900,241.50 and $165,605,796.00, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance and sale of the Over-Allotment Shares upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares that form part of the Underwriters’ over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, references to Offered Shares in this short form prospectus include the Over-Allotment Shares. See “Plan of Distribution”.

<table>
<thead>
<tr>
<th>Underwriters’ Position</th>
<th>Maximum Size</th>
<th>Exercise Period</th>
<th>Exercise Price</th>
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<tr>
<td>Over-Allotment Option</td>
<td>1,267,650 Over-Allotment Shares</td>
<td>30 days following closing of the Offering</td>
<td>$17.75 per Over-Allotment Share</td>
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</table>

An investment in the Offered Shares is subject to certain risks. Prospective investors should carefully consider the risks described under “Risk Factors”.

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued and sold by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters on behalf of the Corporation by McCarthy Tétrault LLP, and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

The outstanding common shares of the Corporation (the “Common Shares”) are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under the trading symbol “INE”. On February 14, 2022, the TSX conditionally approved the listing of the Offered Shares, the Over-Allotment Shares and the Subscribed Shares (as defined below). Listing is subject to the Corporation fulfilling all the listing requirements of the TSX. On February 3, 2022, the last trading day before the announcement of the Offering, the closing price of the Common Shares on the TSX was $18.41. On February 15, 2022, the last trading day before this short form prospectus, the closing price of the Common Shares on the TSX was $17.64.

In accordance with and subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Offering Price and the other terms of the Offering were determined by negotiation between the Corporation and the...
Joint Bookrunners. The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased. See “Plan of Distribution”.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering (the “Closing”) is expected to occur on or about February 22, 2022, or such other date as may be agreed upon by the Corporation and the Underwriters (the “Closing Date”). However, the Offered Shares are to be taken up by the Underwriters, if at all, on or before March 8, 2022.

It is expected that the Offered Shares will be registered to CDS Clearing and Depository Services Inc. (“CDS”) or its nominee under the book based system administered by CDS. A purchaser of Offered Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a participant (a “CDS Participant”) in the system of CDS through which the Offered Shares are purchased. No certificates will be issued unless specifically requested or required to comply with applicable law.

Investors should rely only on the information contained in or incorporated by reference in this short form prospectus. The Corporation and the Underwriters have not authorized anyone to provide investors with different or additional information.

CIBC, NBF, BMO, TD and Desjardins are wholly-owned indirect subsidiaries of Canadian financial institutions that are members of a syndicate of lenders that have made credit facilities available to the Corporation. Consequently, the Corporation may be considered a “connected issuer” of the Underwriters under applicable Canadian securities laws. See “Relationship Between the Corporation and Certain Persons”.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Shares.

Concurrently with the announcement of the Offering, the Corporation entered into a subscription agreement dated February 3, 2022 (the “Subscription Agreement”) with its existing shareholder, HQI Canada Holding Inc. (“HQI”), pursuant to which HQI will purchase at the Offering Price, on a private placement basis, the number of Common Shares allowing HQI to maintain a 19.95% ownership of the Common Shares as of the Closing Date, being 2,100,000 Common Shares for gross proceeds of $37,275,000 (the “Concurrent Private Placement”). HQI would have the option to purchase such additional number of Common Shares under the Concurrent Private Placement (the “HQI Over-Allotment Option”) as to allow HQI to maintain a 19.95% ownership of the Common Shares following the exercise of the Over-Allotment Option, which assuming the Over-Allotment Option and the HQI Over-Allotment Option are exercised in full, would result in the issuance of an additional 315,000 Common Shares in favour of HQI for additional gross proceeds of $5,591,250 (any Common Shares subscribed under the Concurrent Private Placement, including as part of the HQI Over-Allotment Option, shall be referred to as the “Subscribed Shares”). The Subscription Agreement has been entered into pursuant to the exercise by HQI of the preferential subscription right provided in the Investor Rights Agreement dated February 6, 2021 (the “Investor Rights Agreement”) between the Corporation and HQI. No commission or other fees will be paid to the Underwriters or any other underwriter or agent in connection with the Concurrent Private Placement. Closing of the Offering is not conditional upon closing of the Concurrent Private Placement.

This short form prospectus does not qualify the distribution of the Subscribed Shares issued pursuant to the Concurrent Private Placement. The Subscribed Shares issued pursuant to the Concurrent Private Placement will be subject to a statutory hold period. See “Plan of Distribution - Concurrent Private Placement”.

The Corporation intends to use the net proceeds of the Offering and the Concurrent Private Placement to fund the purchase price of the Aela Acquisition (as defined below) or, should the Aela Acquisition not successfully close, the net proceeds of the Offering and the Concurrent Private Placement will be used for general corporate purposes including future growth initiatives. Pending such use, the Corporation intends to repay a portion of the indebtedness under the Credit Facility, which will then be available to be drawn, as required. See “Use of Proceeds”.

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Ouma Sananikone, member of the Board of Directors, resides outside of Canada and has appointed Innergex Renewable Energy Inc., 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The head and registered office of the Corporation is located at 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9.
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<td>CERTIFICATE OF THE CORPORATION</td>
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<td>CERTIFICATE OF THE UNDERWriters</td>
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GENERAL MATTERS

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars. In addition, and unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option has not been exercised by the Underwriters.

The audited consolidated financial statements of the Corporation for the years ended December 31, 2020 and 2019, and the unaudited condensed interim consolidated financial statements of the Corporation for the three-month and nine-month periods ended September 30, 2021 and 2020, incorporated by reference in this short form prospectus, are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The Corporation does not undertake to update the information contained or incorporated herein by reference, except as required by the applicable securities laws.

The Offered Shares being offered for sale under this short form prospectus may only be sold in those jurisdictions in which offers and sales of the Offered Shares are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Shares in any jurisdiction where it is unlawful to do so. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Offered Shares.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

To inform readers of the Corporation’s future prospects, this short form prospectus, including documents incorporated by reference herein, contains forward-looking information within the meaning of applicable securities laws (“Forward-Looking Information”). 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 short form prospectus or the documents incorporated by reference herein, as applicable.

In particular, and without limiting the generality of the foregoing, Forward-Looking Information in this short form prospectus, including documents incorporated by reference herein, includes statements relating to: anticipated completion of the Aela Acquisition, the Offering and the Concurrent Private Placement and timing for such completion, use of proceeds of the Offering and the Concurrent Private Placement, potential financial impact of the Offering, the Concurrent Private Placement and the Aela Acquisition, the integration of Aela Facilities (as defined below) and the resulting synergies including in light of the contemplated Chilean projects debt refinancing, the performance of the Aela Facilities, the Corporation’s targeted financial performance (including by taking into account the targeted financial performance of Aela), sources and impact of funding, project acquisitions, 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, and funds available under the Credit Facility and other statements that are not historical facts. Such information also includes the Corporation’s expected production, 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 US projects for production tax credits (PTCs) and investment tax credits (ITCs) and other statements that are not historical facts.

Financial Outlook

To inform readers of the potential financial impact of the Offering, Forward-Looking Information in this short form prospectus and the documents incorporated herein by reference includes future-oriented financial information or financial outlook within the meaning of Canadian 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, targeted Free Cash Flow and targeted Free Cash Flow per Share (including on a combined basis with Aela Facilities), Aela Facilities’ expected production, expected electricity demand, targeted revenues, targeted operating, general and administrative expenses and other statements that are not historical facts. Such information is intended to inform readers of the potential financial impact of expected results, of the expected commissioning of development projects, of the potential financial impact of completed and future acquisitions, and of the Corporation’s ability to sustain current dividends and to fund its growth. Such information may not be appropriate for other purposes.

Assumptions

Forward-Looking Information in this short form prospectus, including the documents incorporated herein by reference, is based on certain key assumptions made by the Corporation, including, without restriction, those concerning production, hydrology, wind regimes and solar irradiation, performance of operating facilities, project performance, economic, financial and financial market conditions, the Corporation’s success in developing and constructing new facilities, expectations and assumptions concerning availability of capital resources and timely performance by third parties of contractual obligations, receipt of regulatory approvals and expected closing of the Aela Acquisition, of the Offering and the Concurrent Private Placement, the expected performance of the Aela Facilities (including in light of electricity production and demand under the Aela PPAs) and the resulting synergies from its integration. If any of these assumptions prove to be inaccurate, the Corporation’s actual results could differ materially from those expressed or implied in forward-looking statements.

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 “Risk Factors” section of this short form prospectus and include, without limitation: the improper assessment of wind resources, water resources and associated electricity production, the variability in hydrology, wind regimes and solar irradiation; the delays and cost overruns in the design and construction of projects; health, safety and environmental risks, equipment supply risk, including equipment failure or unexpected operations and maintenance activity; the variability of installation performance and the related penalties; the performance of major counterparties; regulatory and political risks; the increase in water rental cost or the changes to regulations applicable to water use; the availability and the reliability of the transmission systems; the assessment of water, wind and solar and the associated electricity production; global climate change; natural disasters and force majeure; pandemics, epidemics or other public health emergencies; cybersecurity; the reliance on shared transmission and interconnection infrastructure; the ability of the Corporation to execute its strategy for building shareholder value; the ability to raise additional capital and the state of the capital market; the reliance on various forms of PPAs and the ability to secure new PPAs or renew any PPA; the fluctuations affecting prospective power prices; uncertainties surrounding development of new facilities; the obtainment of permits; the failure to realize the anticipated benefits of completed and future acquisitions (including the Aela Acquisition); the integration of the completed and future acquisitions (including the Aela Acquisition) and to achieve contemplated synergies; the changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; social acceptance of renewable energy projects; the relationships with stakeholders; the ability to secure appropriate land; foreign market growth and development risks; the liquidity risks related to derivative financial instruments; interest rate fluctuations and refinancing risk; the financial leverage and restrictive covenants governing current and future indebtedness; the changes in general economic conditions; foreign exchange fluctuations; the risks related to US production and investment tax credits, changes in US corporate tax rates and availability of tax equity financing; the possibility that the Corporation may not declare or pay a dividend; the ability to attract new talent or to retain officers or key employees; litigation; the exposure to many different forms of taxation in various jurisdictions; the sufficiency of insurance coverage; the credit rating not reflecting the actual performance of the Corporation or a lowering (downgrade) of the credit rating; the variation of the revenues from certain facilities based on the market (or spot) price of electricity; the host country economic, social and political conditions; the adverse claims to property title; unknown liabilities; the reliance on intellectual property and confidential agreements to protect the Corporation’s rights and confidential information; the reputational risks arising from misconduct of representatives of the Corporation.
The following table outlines the Forward-Looking Information contained in this short form prospectus, which the Corporation considers important to better inform readers about its potential financial performance, together with the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

<table>
<thead>
<tr>
<th>Principal Assumptions</th>
<th>Principal Risks and Uncertainties</th>
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</thead>
<tbody>
<tr>
<td><strong>Expected Production</strong></td>
<td>Improper assessment of wind resources and associated electricity production</td>
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<tr>
<td></td>
<td>Variability in wind regimes</td>
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<td></td>
<td>Equipment supply risk, including failure or unexpected operations and maintenance activity</td>
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<td>Natural disasters and force majeure</td>
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<td>Regulatory and political risks affecting production</td>
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<td>Variability of installation performance and related penalties</td>
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<td></td>
<td>Availability and reliability of transmission systems</td>
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<td></td>
<td>Litigation</td>
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<tr>
<td><strong>Targeted Revenues</strong></td>
<td>See principal assumptions, risks and uncertainties identified under “Expected Production”</td>
</tr>
<tr>
<td></td>
<td>Revenues from certain facilities will vary based on the market (or spot) price of electricity</td>
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<td></td>
<td>Fluctuations affecting prospective power prices</td>
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<td></td>
<td>Changes in general economic conditions</td>
</tr>
<tr>
<td><strong>Targeted Free Cash Flow per Share</strong></td>
<td>See principal assumptions, risks and uncertainties identified under “Expected Production” and “Targeted Revenues”</td>
</tr>
<tr>
<td></td>
<td>Unexpected maintenance expenditures</td>
</tr>
</tbody>
</table>

**Expected Production**

The Corporation determines a long-term average annual level of electricity production (“LTA”) over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors including for wind energy the historical wind and meteorological conditions and turbine technology. Other factors considered include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated LTA.

**Targeted Revenues**

For each facility, targeted annual revenues are estimated by multiplying the LTA with forward market prices, which are based on observable market data or constructed using various assumptions depending on historical market prices, supply, demand and congestion volumes observed, as well as econometric models. The targeted Revenues also take into consideration the sale of Non-Conventional Renewable Energy credits of the facility under contract.
The Corporation reasonably expects that the closing conditions will be completed within the deadlines.

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 made as at the date of this short form prospectus or the documents incorporated by reference herein, as applicable, and the Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

NON-IFRS FINANCIAL MEASURES

The Corporation reports its financial results in accordance with IFRS. This prospectus and the documents incorporated by reference herein include references to non-IFRS measures and non-IFRS ratios which do not have standardized meanings under IFRS and are not likely to be comparable to similarly designated measures reported by other issuers. Innergex believes these indicators are important, as they provide management and the reader with additional information about Innergex’s production and cash generation capabilities, its ability to sustain current dividends and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods.

Investors are cautioned that these measures are being reported in order to complement, and not replace, the analyses of financial results in accordance with IFRS. In this prospectus and the documents incorporated by reference herein, Innergex uses non-IFRS measures and non-IFRS ratios, including “Innergex’s share of Revenues of joint ventures and associates”, “Revenues Proportionate”, “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Innergex’s share of Adjusted EBITDA of joint ventures and associates”, “Adjusted EBITDA Proportionate”, “Adjusted EBITDA Margin Proportionate”, “Adjusted Net Earnings (Loss)”, “Free Cash Flow”, “Adjusted Free Cash Flow” and “Free Cash Flow per Share”. The terms and definitions associated with such non-IFRS measures and non-IFRS ratios as well as a reconciliation to the most comparable IFRS measures are presented in the section “Non-IFRS Measures” in the 2020 MD&A and Interim MD&A which are available at www.innergex.com and at www.sedar.com. In addition, in this short form prospectus, the determination of the accretion to Free Cash Flow per Share in the first twelve months following the closing of the Aela Acquisition is based on the financial synergies to be unlocked by the expected refinancing of the Chilean debt portfolio.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Corporation, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada where the Corporation is a reporting issuer, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

1. the annual information form of the Corporation dated February 25, 2021 for the year ended December 31, 2020 (the “2020 AIF”);
2. the audited consolidated financial statements of the Corporation for the years ended December 31, 2020 and December 31, 2019 together with the notes thereto and the auditors’ report thereon;
3. the management’s discussion and analysis of the Corporation dated February 25, 2021 for the year ended December 31, 2020 (the “2020 MD&A”);
4. the unaudited condensed interim consolidated financial statements of the Corporation for the three-month and nine-month periods ended September 30, 2021 and 2020 and the notes thereto;
5. the management’s discussion and analysis dated November 9, 2021 for the three-month and nine-month periods ended September 30, 2021 (the “Interim MD&A”);

6. the management information circular of the Corporation dated April 6, 2021 in respect of the annual meeting of shareholders of the Corporation held on May 11, 2021;

7. the material change report of the Corporation dated September 2, 2021 in respect of the issuance of 10,374,150 Common Shares in connection with an offering closed September 3, 2021 conducted under the Corporation’s short form prospectus dated August 30, 2021 (the “2021 Offering”); and

8. the template version of the indicative term sheet dated February 3, 2022 filed on SEDAR in connection with the Offering and the template version of the investor presentation originally filed on SEDAR on February 3, 2022 (the “Initial Investor Presentation”), as revised and re-filed on SEDAR on February 16, 2022 in connection with the Offering and the Aela Acquisition (the “Revised Investor Presentation”).

Any documents of the type referred to above or required to be incorporated by reference herein under National Instrument 44-101 – Short Form Prospectus Distributions, including any business acquisition reports, any material change reports (excluding confidential material change reports), consolidated interim financial statements, consolidated annual financial statements and the auditor’s report thereon, information circular and annual information form subsequently filed by the Corporation with various securities commissions or similar authority in any of the provinces of Canada after the date of this short form prospectus and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

MARKET AND INDUSTRY DATA

The Corporation has obtained the market and industry data, political engagement, and other statistical information presented in this short form prospectus and the documents incorporated by reference herein from a combination of third party information and publicly available information. Some data is also based on management’s good faith estimates. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Corporation believes these publications, reports and publicly available information to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained the underlying economic or other assumptions relied upon by these sources and cannot and does not provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytic purpose and, accordingly, disclaims any liability in relation to such information and data. The Corporation has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

MARKETING MATERIALS

The Revised Investor Presentation and the indicative term sheet dated February 3, 2022 are not part of this short form prospectus to the extent that the contents thereof have been modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” (as such terms are defined under
applicable securities legislation) is deemed to be incorporated by reference into this short form prospectus. However, such “template version” of “marketing materials” does not form part of this short form prospectus to the extent that the contents of the “template version” of “marketing materials” are modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” filed on SEDAR after the date of this short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into this short form prospectus.

Together with this short form prospectus, the Corporation filed the Revised Investor Presentation where the Corporation included detailed references to the sources of the external publications and data set forth therein.

Pursuant to Section 7.6(7) of National Instrument 44-101 – Short Form Prospectus Distributions, the Corporation has prepared a revised template version of the Initial Investor Presentation, which has been blacklined to reflect the above-mentioned modification. The summary of such modification is not exhaustive and is qualified by the information contained in the Revised Investor Presentation and the blacklined version of the Revised Investor Presentation which has been filed with the securities regulatory authorities of each of the provinces of Canada and can be viewed under the Corporation’s profile at www.sedar.com. The Revised Investor Presentation has been incorporated by reference in this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on the current provisions of the **Income Tax Act** (Canada), as amended, including the regulations promulgated thereunder (collectively, the “**Tax Act**”) and provided the Offered Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) at all relevant times, the Offered Shares acquired pursuant to the Offering will be qualified investments for purposes of the Tax Act for trusts governed by registered retirement savings plans (“**RRSP**”), registered retirement income funds (“**RRIF**”), registered education savings plans (“**RESP**”), deferred profit sharing plans (“**DPSP**”), registered disability savings plans (“**RDSP**”) and tax free savings accounts (“**TFSA**”) (each as defined in the Tax Act).

Notwithstanding the foregoing, the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as applicable, will be subject to a penalty tax as set out in the Tax Act in respect of the Offered Shares held in the TFSA, RRSP, RRIF, RESP or RDSP, as applicable, if such Offered Shares are “prohibited investments” under the Tax Act for such plan. The Offered Shares generally will not be “prohibited investments” unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as the case may be: (i) does not deal at arm’s length with the Corporation for purposes of the Tax Act; or (ii) has a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the Offered Shares generally will not be a prohibited investment if such shares are “excluded property” (as defined in the Tax Act) for trusts governed by a TFSA, RRSP, RRIF, RESP or RDSP.

Prospective purchasers who intend to invest through an RRSP, RRIF, RESP, DPSP, RDSP or TFSA should consult their own tax advisors with respect to whether the Offered Shares would be prohibited investments having regard to their particular circumstances.

THE CORPORATION

The Corporation is 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 resources 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 operating facilities with an aggregate net installed capacity of 3,152 MW (gross 3,852 MW) and an energy storage capacity of 150 MWh, including 40 hydroelectric facilities, 32 wind farms and eight solar farms. Innergex also holds interests in nine projects under development, two of which are under construction, with a net installed capacity of 171 MW (gross 209 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 7,172 MW.
RECENT DEVELOPMENTS

Proposed Acquisition of the Aela Wind Facilities in Chile

Concurrently with the announcement of the Offering and the Concurrent Private Placement on February 3, 2022, Innergex announced that it entered into a definitive agreement (the “Acquisition Agreement”) to acquire from Carina Renewable Limited, Aela Energía S.L., Aela Energía Fondo de Inversión de Capital Extranjero de Riesgo (collectively, the “Sellers”) 100% of the ordinary shares of Aela Generación S.A. and Aela Energía SpA (together “Aela”), consisting of a portfolio of three Chilean wind farms with a combined installed capacity of 332 MW comprising of (i) the Aurora wind farm, a 129 MW wind farm located in Los Lagos, (ii) the Cuel wind farm, a 33 MW wind farm located in Biobio and (iii) the Sarco wind farm, a 170 MW wind farm located in Atacama (collectively, the “Aela Facilities”) for purchase price of approximately US$686 million ($871 million)¹, including the assumption of approximately US$386 million ($490 million) of existing debt, subject to customary closing adjustments (the “Aela Acquisition”). Revenues from these Aela Facilities are anchored by two forms of PPAs (the “Aela PPAs”) with 25 Chilean distribution companies, maturing at the end of 2036 and 2041.

The closing of the Aela Acquisition is currently expected to occur during the second quarter of 2022, subject to regulatory approval and satisfaction or waiver of all other closing conditions. See “The Acquisition”.

Reaffirmation of Projected Financial Performance

On February 23, 2022, the Corporation is expected to release its financial results for the quarter and year ended December 31, 2021. Based on current available preliminary information, results are estimated to be in line with Innergex’s projections provided in the Interim MD&A for revenues, Adjusted EBITDA and Adjusted EBITDA Proportionate and ahead for Free Cash Flow per Share², excluding the impact of the February 2021 Texas events.

Acquisition of the San Andrés Solar Farm

On January 28, 2022, the Corporation announced the acquisition of the 50.6 MW San Andrés solar farm located in Atacama desert in Northern Chile (the “San Andrés Acquisition”) for a total purchase price of US$25.7 million ($32.7 million), net of cash. The facility, which operates on a merchant basis, has a contract to sell Non-Conventional Renewable Energy credits linked to its electricity generation to a major energy producer established in Chile until 2034.

Sale of the Flat-Top Wind Farm

On December 27, 2021, Innergex announced the completion of the sale of its 51% interest in the Flat Top wind facility (“Flat Top”) for an undisclosed and non-material purchase price. The Flat Top’s assets and liabilities were held for sale following the February 2021 Texas events as previously announced in the 2021 Q2 quarterly report.

Tax equity funding of Amazon Solar Farm Ohio – Hillcrest

On November 17, 2021, Innergex announced that the Tax Equity Funding of the 200 MW Amazon Solar Farm Ohio – Hillcrest (“Hillcrest”), located in Brown County, Ohio, concluded as of that day. Hillcrest is currently the largest solar facility in operation in Ohio, and since the commencement of commercial operation on May 11, 2021, 100% of its generated electric output and environmental attributes has been sold under a long-term corporate PPA to an investment grade rated US corporation.

¹ Canadian dollar equivalents used in this “Recent Developments – Proposed Acquisition of the Aela Facilities in Chile” section are based on a currency exchange rate of US$1.00 = $1.27 as determined on February 2, 2022.
² Adjusted EBITDA and Adjusted EBITDA Proportionate are non-IFRS measures and Free Cash Flow per Share is a non-IFRS ratio. Please refer to “Non-IFRS Financial Measures".
Completion of the Acquisition of the Curtis Palmer Project

On October 25, 2021, Innergex and HQI US Holding LLC, a subsidiary of Hydro-Québec, announced the completion of the previously disclosed 50-50 joint acquisition of the 60 MW Curtis Palmer hydroelectric portfolio in the state of New York, for a total consideration of US$318.4 million ($393.4 million), including US$9.2 million ($11.4 million) of cash and working capital adjustments. This joint acquisition is the first under the strategic alliance formed by Innergex and Hydro-Québec in 2020. Innergex now indirectly owns a 50% interest in the Curtis Palmer facilities with Hydro-Québec indirectly owning the remaining 50% interest.

THE ACQUISITION

Overview

On February 3, 2022, Innergex announced that it entered into an Acquisition Agreement to acquire 100% of the ordinary shares of Aela. The aggregate purchase price for the Aela Acquisition is approximately US$686 million ($871 million) comprised of a cash purchase price of approximately US$300 million ($381 million) and the assumption of approximately US$386 million ($490 million) of existing debt, subject to customary closing adjustments. The closing of the Aela Acquisition is currently expected to occur during the second quarter of 2022. The net purchase price of the Aela Acquisition will be financed by the Offering and the Concurrent Private Placement. The remaining financing requirements will be financed by net proceeds from a combined refinancing of the non-recourse debt at the Aela Facilities and at Innergex’s existing Chilean projects, which should unlock significant financing synergies. The refinancing is expected to be arranged during the second quarter of 2022. A portion of the financing plan is supported by acquisition debt facilities provided by Canadian Imperial Bank of Commerce. See “Relationship Between the Corporation and Certain Persons.”

Acquisition Agreement

Closing of the Aela Acquisition is subject to receipt of the regulatory approval of the Chilean Antitrust Agency (Fiscalía Nacional Económica) and the satisfaction or waiver of other customary closing conditions. The Acquisition Agreement also contains representations, warranties, covenants, indemnities, conditions and termination rights typical of those contained in business acquisition agreements negotiated between sophisticated purchasers and vendors acting at arm’s length. The Corporation has obtained representation and warranty insurance coverage, which is subject to customary limitations and conditions. In addition, if the Acquisition Agreement is terminated in certain circumstances, including due to a failure to receive the required regulatory approval and that such non-satisfaction was caused by Innergex Wind SpA or any member of its group (including the Corporation) failing to comply with any reasonable requirements of the Chilean Antitrust Agency (Fiscalía Nacional Económica), Innergex Wind SpA may be required to pay to the Sellers a termination fee (the “Termination Fee”) of an amount equal to 5% of the aggregate of: (i) US$300 million; plus (ii) the lower of US$2 million and the aggregate amount of any equity injection of the Sellers into Aela from the signature of the Acquisition Agreement until the closing date.

Chile Renewable Energy Market

Favorable Macroeconomic Fundamentals and Framework

Chile represents an attractive and favorable market for investment. It is the first South American country to become a member of the Organization for Economic Co-operation and Development and maintains the strongest investment grade rating among Mexico, Brazil, Peru and Colombia as assessed by S&P (A), Moody’s (A1) and Fitch (A-). Chile ranks sixth in Bloomberg’s Covid Resilience Ranking as of the best economies to live in during the

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3 Canadian dollar equivalents used in this “The Acquisition” section are based on a currency exchange rate of US$1.00 = $1.27 as determined on February 2, 2022.


5 Chile became OECD 31st member and 1st in South America in 2010 (https://www.oecd.org/chile/chile_signs_up_as_first_oe.cd_member_in_southamerica.htm).

6 When compared to Mexico (S&P:BBB; Moody’s: Ba1; and Fitch: BBB-), Brazil (S&P: BB-; Moody’s: Ba2; and Fitch: BB-), Peru (S&P: BBB+; Moody’s: Ba1; and Fitch: BBB) and Colombia (S&P: BB+; Moody’s: Ba2; and Fitch: BB+).
pandemic and is ranked first in the Americas. It also presents a controlled inflation, with an average of 2.9% between 2015 and 2019, and expected average of 3.1% from 2022 to 2026.

Chile is one of the leading Latin American countries in terms of highest Gross Domestic Product (“GDP”) per capita (US$12,993) and lowest public debt to GDP ratio of 33%.10 Chilean GDP is expected to grow by 5% over the next two years.11 It also has the lowest country risk premium in Latin America12 and its foreign direct investment (“FDI”) to GDP ratio presented an average of 4.4% from 2015 to 2020. The average among Mexico, Brazil, Peru and Colombia for the same period was of 3.4%.13

Finally, the appointment of Mr. Marcel, the Chilean Central Bank governor since 2016, as the next finance minister is a sign of support of conservative macroeconomic policies.14 The Congress and the Constitutional Convention have a wide representation, ensuring consensus on policies.

**US$ Denominated Market with Strong Fundamentals for Renewable Energy Investments**

The Chilean government has set national decarbonization plans including the complete phase-out of coal-fired generation (which will require the replacement of an estimated 5.5 GW of energy capacity by 2040) with an initial step of retiring 3.5 GW (11 plants) by 2025, closing all remaining coal-fired power plants by 2040 and the objective of achieving carbon neutrality by 2050.15 Renewable energies in Chile will drive the growth of its generation matrix, representing 70% of its total installed capacity in 2030, over 80% in 2040, and over 90% in 2050.16 As of November 2021, renewable energies represented 54% of the total installed capacity.17 In addition, Chile invested nearly US$ 3 billion from 2011 to 2019 in the development of transmission lines.18 Such investments shall continue in the coming years. For example, in December 2021, a 1,500 km transmission line was awarded to Kimal-Lo Aguirre, representing a capital cost of approximately US$ 1.5 billion.19 The Chilean government is committed to a stable and resilient grid with guaranteed fixed annual remuneration for national and zonal transmission.

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7 Bloomberg published the Covid Resilience Ranking, a monthly snapshot of where the virus is being handled the most effectively (https://www.bloomberg.com/graphics/covid-resilience-ranking/).
12 As measured by the 5-year credit default swaps (CDS) of 78 bps, Fastest as of January 26th, 2022; see also https://marcachile.cl/en/business-exports/the-economist-ranking-chile-is-the-safest-country-for-investment-in-latin-america/#--text=According%20to%20the%20report%20by%20consider%20top%20maximum%20risk.
17 Includes 24.7% of hydro electricity, 16.3% of solar production, 11.4% of wind generation and 2% from other sources (https://energia.gob.cl/sites/default/files/documentos/20201230_actualizacion_pelp_-_iaa_2020_1.pdf).
19 Latercera – December 6, 2021: https://www.latercera.com/pulse/noticia/consorcio-yallique-presenta-mejor-oferta-para-construir-proyecto-de-transmision-kimal-lo-aguirre/DD34VB7C05BF1KE779G34LGE/#--text=general%20de%20Translec:-9-
The Chilean national power grid coordinator, Coordinador Eléctrico Nacional (“CEN”), forecasts electricity demand will increase at a 3.4% cumulative average growth rate from 2021 to 2041, and the average power price at the major Polpaico node in Chile has averaged US$80/MWh over 2021. Chile’s decarbonization goals and its commitment to become the leader in production of green hydrogen by 2030 as well as of the Chilean copper mining sector’s commitment to quadrupling the share of renewable sources in its electricity consumption by 2023, will all require significant investments in the renewable energy sector in the coming years. In addition, Chile has a track record of private investment including significant FDI (average of 3.5% of Chile’s GDP between 2016 and 2020), competitive energy market principles in place since the 1980s, and the electricity generation is approximately 100% by the private sector, the Chilean renewable energy markets. Furthermore, Chile energy market supports multiple revenue streams including energy based on PPAs and merchant energy, annual capacity payments based on the formulaic capacity prices determined by the CNE and the NCRE credit offtake contracts. Finally, in addition to its sustainably, the renewable energy market is subject to lower economic curtailment than non-renewable energy as result of more competitive marginal costs. All these conditions and the fact that the Chilean energy ecosystem is conducted in US dollars shall benefit private players.

Innergex’s Investments in Chile and Aela Facilities

Innergex’s Chilean Portfolio

The Aela Acquisition marks Innergex’s sixth investment in Chile since 2018, initially with the acquisition of a 50% interest in Energía Llaima SpA (“Energía Llaima”) and the 140 MW Duqueco hydroelectric complex. Since acquiring full control of Energía Llaima in 2021, Innergex has been focused on increasing operational efficiency, adding technological and geographical diversification to be better positioned to seize opportunities and further advancing greenfield project development and M&A opportunities. Over time, Innergex has developed a full complement of in-country operating and development capabilities in Chile through a team of over 80 employees, overseeing the operations of its portfolio of assets. With a combined Chilean capacity of 655 MW representing a 103% increase to Innergex’s current operating capacity of 323 MW (including the impact of San Andrés Acquisition), the Aela Acquisition will reinforce Innergex as one of the country’s leading pure play renewable power producers and several avenues for growth. The following timeline presents Innergex’s acquisitions in the Chilean market since its entry in 2018.

20 Based on the average power price in 2021 at the major Polpaico node per the Coordinador Eléctrico Nacional (https://mcusercontent.com/395d2b354e2e70272819514e9/files/3f70560-be45-d4d5-e4fb-8e52dde5a09e/SN_Antuko_Wind_Solar_vol_8_num_24_20220107.pdf).
24 https://uk.practicallaw.thomsonreuters.com/w-019-3060?transitionType=Default&contextData=(sc.Default)&firstPage=true#co_anchor_a172074.
25 Antuko – October 14, 2019: https://antuko.com/chile_how_windandsolar_are_reshaping/.
26 With the Aela Facilities, Innergex will become the 4th player based on its gross renewable energy capacity in MW.
Aela Facilities Overview

The Aela Facilities consists of a portfolio of three Chilean wind farms with a combined installed capacity of 332 MW comprising of (i) the Aurora wind farm, a 129 MW wind farm located in Los Lagos, (ii) the Cuel wind farm, a 33 MW wind farm located in Biobio and (iii) the Sarco wind farm, a 170 MW wind farm located in Atacama. Over 90% of the capacity of the Aela Facilities was installed in 2020.

The Aela Facilities have a LTA of 954 GWh per year and diversified revenue streams anchored by two attractive forms of long-term PPAs for up to 856 GWh per year, which can be settled on a portfolio-basis including Innergex’s other Chilean assets. The 20-year Aela PPAs, awarded in 2015 and 2016 and effective in 2017 and 2022
respectively, have 16 years of remaining weighted average contracted life. The US-denominated contracts have an average rate for the first twelve months following closing of US$93/MWh and benefit from full US consumer price index (“CPI”) escalation, providing an inflation hedge. The Aela PPAs volumes are demand-driven, but are sculpted to avoid production deficits under normal operating circumstances. In addition, the Aela Facilities are subject to price differential adjustments between the point of injection on the grid and the point of withdrawal under the PPAs. The price differential risk is however mitigated by the geographical diversity of the three Aela Facilities.

Sales under the Aela PPAs are with 25 local distribution companies (“DisCos”), 97% of which are represented by three investment grade blue-chip offtakers with investment grade credit profiles. Amounts sold under the Aela PPAs are dependent on the regulated demand from the DisCos. In the first twelve months following closing, volumes sold under the Aela PPAs are expected to be at low levels with approximately 58% or 498 GWh of the maximum output available under the Aela PPAs with the remaining output to be sold on the spot market. Volumes sold under the Aela PPAs are expected to increase to nearly 90% or approximately 764 GWh in the coming years due to a combination of higher demand and lower supply of the remaining PPAs, as some will expire before 2027. The CEN expects regulated electricity demand growth to increase at a 3.4% cumulative average growth rate from 2021 to 2041. The Comisión Nacional de Energía (“CNE”) expects regulated supply serving DisCos to decline by 37% from 2022 to 2027 as legacy supply contracts reach the end of their terms, and has communicated that no new DisCo PPA supply will be procured until 2027.

The Aela Facilities also benefit from other sources of contracted revenues, including entitlement to receive annual capacity revenue payments based on capacity eligibility and pricing calculated by the CNE. The Aela Facilities also generate Non-Conventional Renewable Energy credits, and a portion of these credits are sold under a 15-year offtake contract. Remaining non-contracted energy is sold on the spot or short-term market. In addition, with respect to the Cuel facilities, a certification allows the wind farm to commercialize carbon certificates providing another source of revenue. In average over a ten-year period starting in 2022, 79% of the revenues are expected to be derived from the Aela PPAs, 12% from the spot market, 8% from the annual capacity revenue payments and 1% from the Non-Conventional Renewable Energy credits and other sources, leading to approximately 88% of the revenues from contracted and formulaic.

**Acquisition Highlights**

**Financial Contribution of the Aela Facilities**

The Aela Facilities have an attractive cash flow profile and are expected to generate revenues of US$67 million ($85 million) for the first twelve months following closing based on the expected LTA generation of 954 GWh, sales under the Aela PPAs of 498 GWh (representing 58% of the maximum output available under the Aela PPAs) and operating, general and administrative expenses of US$23 million ($29 million) during the same period.

28 The PPA awarded in 2015 was fully active during 2021. The PPA awarded in 2016 had an efficiency date beginning in 2022. Average NTM PPA rate based on the first twelve months following closing.
Sales under the Aela PPAs are expected to increase to nearly 90% of the maximum output available under the Aela PPAs over the next five years, which, in conjunction with US CPI-linked price escalation, is expected to underpin incremental total annual revenues of US$24 million ($30 million), compared to the expected revenues for the first twelve months following closing.

Assuming the implementation of the financing plan described in this short form prospectus, the Aela Acquisition is expected to be immediately accretive to Free Cash Flow per Share with mid to high single digit accretion in the first twelve months post-closing and further upside through increased sales under the Aela PPAs in the coming years as noted above.

Contribution of the Aela Facilities to Innergex’s Portfolio

The Aela Acquisition diversifies Innergex’s portfolio in Chile with multi-technology assets including wind, hydro and solar, and an increased geographical reach. In addition, the Aela Facilities and Aela PPAs increase the overall contractedness of Innergex’s Chilean portfolio from 61% to 69%, with all of the PPAs benefiting from full CPI escalation. The following graphs illustrate the impact of the Aela Acquisition on Innergex’s Chilean production and on Innergex’s overall portfolio:

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29 Free Cash Flow per Share is a non-IFRS ratio. Please refer to “Non-IFRS Financial Measures”.
30 Contractedness is based on expected revenues in 2022, inclusive of the capacity payments which are formulaic in nature.
31 Includes the impact of the San Andrés Acquisition.
The increased size and breadth of Innergex’s Chilean portfolio creates opportunities to realize scale benefits for its operations, including operational synergies. Innergex’s existing Chilean generation profile also complements the generation profile of the Aela Facilities providing greater supply optionality, portfolio-effect diversification benefits and development opportunities in particular in the hydro and battery energy storage sector. In addition, by having access to a large and growing diversified generation mix, Innergex is able to supply large industrial customers on a 24/7 basis using clean renewable power, unlocking potential contracting and recontracting opportunities on existing assets and new development opportunities in hydro, solar and storage through its growing portfolio of development assets.

**USE OF PROCEEDS**

The net proceeds of the Offering (excluding any exercise of the Over-Allotment Option and the Concurrent Private Placement) after payment of the Underwriters’ Fee of $6,000,210 and the estimated expenses of the Offering of approximately $500,000, will be $143,505,040. If the Over-Allotment Option is exercised in full, the net proceeds of the Offering (excluding the Concurrent Private Placement), after payment of the Underwriters’ Fee of $6,900,241.50 and expenses of the Offering estimated to be $500,000, will be approximately $165,105,796.

The Corporation intends to use the net proceeds of the Offering and the Concurrent Private Placement to fund the purchase price of the Aela Acquisition or, should the Aela Acquisition not successfully close, the net proceeds of the Offering and the Concurrent Private Placement, will be used for general corporate purposes including future growth initiatives. Pending such use, the Corporation intends to repay a portion of the indebtedness under the Credit Facility, which will then be available to be drawn, as required.

As of February 15, 2022, the Corporation was indebted under the Credit Facility (including letters of credit) in an amount of $532,213,061. See “Relationship Between the Corporation and Certain Persons.” The Corporation regularly evaluates opportunities for, and engages in discussions with respect to, possible business acquisitions, development projects, joint ventures, strategic partnerships and other growth opportunities, which individually or collectively could be material to the Corporation. However, other than as described in this short form prospectus or in the documents incorporated by reference herein, the Corporation does not have any specific material binding agreements or commitments with respect to any transaction of this nature as of the date hereof, nor has it made any determination as to whether it will proceed with any such transaction.
The indebtedness to be repaid under the Credit Facility was principally incurred in the two previous years to fund the construction of the Hillcrest, Griffin Trail and Innavik Projects, to fund the development of certain prospective and development projects and for other general corporate purposes.

DESCRIPTION OF SECURITIES

Description of Share Capital

The Corporation’s authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series (the “Preferred Shares”). As of February 15, 2022, 192,253,257 Common Shares, 3,400,000 cumulative rate reset preferred shares, Series A (the “Series A Preferred Shares”) and 2,000,000 cumulative redeemable fixed rate preferred shares, Series C (the “Series C Preferred Shares”) were issued and outstanding as well as $148.0 million of 4.75% Convertible Debentures and $142.1 million of 4.65% Convertible Debentures were issued and outstanding. The Common Shares, the Series A Preferred Shares, the Series C Preferred Shares, the 4.75% Convertible Debentures and the 4.65% Convertible Debentures are listed on the TSX under the symbols “INE”, “INE.PR.A”, “INE.PR.C”, “INE.DB.B” and “INE.DB.C”, respectively.

Description of Common Shares

The Offering consists of 8,451,000 Offered Shares (or 9,718,650 including the exercise of the Over-Allotment Option), which are offered hereunder at a price of $17.75 per Offered Share. See “Plan of Distribution”.

Holders of Common Shares are entitled to one vote per share on all matters to be voted on at all meetings of shareholders of the Corporation except meetings at which only the holders of a specified class or series of the share capital of the Corporation are entitled to vote.

Subject to the prior rights of the holders of Preferred Shares, the holders of Common Shares are entitled to receive, as and when declared by the Board of Directors out of the moneys of the Corporation properly applicable to the payment of dividends, dividends in such amounts and payable at such times as the Board of Directors will determine.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, after payment to the holders of Preferred Shares of the amounts they are entitled to in such event, the remaining assets of the Corporation will be paid to or distributed equally and rateably among the holders of the Common Shares.

There are no rights of pre-emption, redemption or conversion in respect of the Common Shares.

For a more detailed description of all material attributes and characteristics of the securities of the Corporation, please see “Description of Capital Structure” in the 2020 AIF which is incorporated by reference in this short form prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on the Corporation’s shares is within the discretion of the Board of Directors. The Board of Directors will determine if and when dividends should be paid in the future based on all relevant circumstances, including the desirability of maintaining capital to finance further growth of the Corporation and the Corporation’s financial position at the relevant time.

As of February 25, 2021, the Board of Directors reviewed the Corporation’s dividend policy on Common Shares and elected to maintain the annual dividend at $0.72 per Common Share.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at the date indicated before and after giving effect to the Offering and the Concurrent Private Placement and the reduction of drawings under the
Credit Facility (pending completion of the Aela Acquisition). This table should be read in conjunction with the financial statements of the Corporation incorporated by reference into this short form prospectus.

<table>
<thead>
<tr>
<th>Indebtedness:</th>
<th>As at September 30, 2021</th>
<th>As at September 30, 2021 after giving effect to the Offering and the Concurrent Private Placement(1),(2)</th>
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<tbody>
<tr>
<td>Long-term debt(3)(4)</td>
<td>4,565,118,000</td>
<td>4,384,338,000</td>
</tr>
<tr>
<td>Liability portion of convertible debentures</td>
<td>279,653,000</td>
<td>279,653,000</td>
</tr>
<tr>
<td>Shareholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common shares</td>
<td>366,348,000</td>
<td>548,864,000</td>
</tr>
<tr>
<td>Contributed surplus</td>
<td>2,021,923,000</td>
<td>2,021,923,000</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>131,069,000</td>
<td>131,069,000</td>
</tr>
<tr>
<td>Equity portion of convertible debentures</td>
<td>2,819,000</td>
<td>2,819,000</td>
</tr>
<tr>
<td>Deficit</td>
<td>(1,335,223,000)</td>
<td>(1,335,223,000)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(55,529,000)</td>
<td>(55,529,000)</td>
</tr>
<tr>
<td><strong>Equity attributable to owners:</strong></td>
<td>1,131,407,000</td>
<td>1,313,923,000</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>57,991,000</td>
<td>57,991,000</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>1,189,398,000</td>
<td>1,371,914,000</td>
</tr>
</tbody>
</table>

Notes:
(1) Not including the proceeds from the sale of the Over-Allotment Shares or Common Shares pursuant to the HQI Over-Allotment Option.
(2) For the purposes of this table, “after giving effect to the Offering and the Concurrent Private Placement” includes the reduction of drawings under the Credit Facility (pending completion of the Aela Acquisition), but excludes the repurchase of Common Shares under the Corporation’s normal course issuer bid launched in 2021.
(3) Includes current portion of long-term debt.
(4) Includes indebtedness under the Credit Facility of $277.7 million at September 30, 2021.

**PRIOR SALES**

The following summarizes the issuances by the Corporation of Common Shares or securities exercisable for or convertible into Common Shares in the twelve-month period prior to the date of this short form prospectus:

<table>
<thead>
<tr>
<th>Date of Issue/Grant</th>
<th>Type of Security</th>
<th>Price per Security</th>
<th>Number of Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 5, 2021</td>
<td>Common Shares(1)</td>
<td>$20.00</td>
<td>1,250</td>
</tr>
<tr>
<td>February 24, 2021</td>
<td>Common Shares(1)</td>
<td>$20.00</td>
<td>7,550</td>
</tr>
<tr>
<td>March 1, 2021</td>
<td>Options(3)</td>
<td>$24.49</td>
<td>32,031</td>
</tr>
<tr>
<td>March 1, 2021</td>
<td>Performance Shares(4)</td>
<td>$24.49</td>
<td>177,435</td>
</tr>
<tr>
<td>April 15, 2021</td>
<td>Common Shares(2)</td>
<td>$22.47</td>
<td>115,353</td>
</tr>
<tr>
<td>July 9, 2021</td>
<td>Common Shares(5)</td>
<td>$22.09</td>
<td>4,048,215</td>
</tr>
<tr>
<td>Date of Issue/Grant</td>
<td>Type of Security</td>
<td>Price per Security</td>
<td>Number of Securities</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>July 9, 2021</td>
<td>Common Shares(6)</td>
<td>$22.09</td>
<td>1,001,800</td>
</tr>
<tr>
<td>July 9, 2021</td>
<td>Common Shares(6)</td>
<td>$21.82</td>
<td>146,250</td>
</tr>
<tr>
<td>July 15, 2021</td>
<td>Common Shares(2)</td>
<td>$22.20</td>
<td>14,713</td>
</tr>
<tr>
<td>September 3, 2021</td>
<td>Common Shares(7)</td>
<td>$19.40</td>
<td>12,955,150</td>
</tr>
</tbody>
</table>

Notes:
(1) Common Shares issued upon the conversion of 4.65% Convertible Debentures.
(2) Common Shares issued under the Corporation’s Amended and Restated Dividend Reinvestment Plan.
(3) Options to purchase Common Shares granted pursuant to the Corporation’s Stock Option Plan.
(4) Performance Shares to purchase Common Shares granted to the Corporation’s Performance Share Plan.
(5) Common Shares issued in connection with the acquisition of the remaining 50% interest in Energía Llaima.
(6) Common Shares issued to HQI in connection with the election to maintain a 19.9% ownership in the Corporation in the context of the acquisition of the remaining 50% in Energía Llaima.
(7) 10,374,150 Common Shares issued in connection with the 2021 Offering and 2,581,000 Common Shares issued to HQI in connection with the election to maintain a 19.9% ownership in the Corporation following the closing of the 2021 Offering (also referred to as the “Concurrent Private Placement” in the 2021 Offering short form prospectus).

**TRADING PRICE AND VOLUME**

The Common Shares are listed and traded on the TSX under the symbol “INE”. The following table(1) sets forth the monthly range of high and low prices per Common Share and the daily average volume traded on the TSX for each month of the twelve-month period before the date of this short form prospectus.

<table>
<thead>
<tr>
<th>Date</th>
<th>High ($)</th>
<th>Low ($)</th>
<th>Daily Average Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2021</td>
<td>29.81</td>
<td>23.52</td>
<td>731,515</td>
</tr>
<tr>
<td>March 2021</td>
<td>24.75</td>
<td>20.65</td>
<td>982,754</td>
</tr>
<tr>
<td>April 2021</td>
<td>23.78</td>
<td>20.83</td>
<td>1,628,732</td>
</tr>
<tr>
<td>May 2021</td>
<td>21.10</td>
<td>18.37</td>
<td>604,277</td>
</tr>
<tr>
<td>June 2021</td>
<td>22.22</td>
<td>20.28</td>
<td>403,139</td>
</tr>
<tr>
<td>July 2021</td>
<td>23.09</td>
<td>20.75</td>
<td>483,771</td>
</tr>
<tr>
<td>August 2021</td>
<td>21.81</td>
<td>19.13</td>
<td>575,083</td>
</tr>
<tr>
<td>September 2021</td>
<td>21.80</td>
<td>19.65</td>
<td>548,211</td>
</tr>
<tr>
<td>October 2021</td>
<td>22.03</td>
<td>19.00</td>
<td>563,273</td>
</tr>
<tr>
<td>November 2021</td>
<td>21.65</td>
<td>18.60</td>
<td>448,738</td>
</tr>
<tr>
<td>December 2021</td>
<td>19.38</td>
<td>17.57</td>
<td>432,450</td>
</tr>
<tr>
<td>January 2022</td>
<td>18.92</td>
<td>16.91</td>
<td>537,113</td>
</tr>
<tr>
<td>February 1st, 2022 to February 15, 2022</td>
<td>19.03</td>
<td>17.30</td>
<td>595,970</td>
</tr>
</tbody>
</table>

Note:
(1) Source for data in the above table is Bloomberg.

On February 3, 2022, the last trading day on which the Common Shares traded prior to the announcement of the Offering, the closing price on the TSX was $18.41. On February 15, 2022, the last trading day on which the Common Shares traded prior to the date of this short form prospectus, the closing price on the TSX was $17.64.

The 4.75% Convertible Debentures are listed and traded on the TSX under the symbol “INE.DB.B”. The following table(1) sets forth the monthly range of high and low prices per 4.75% Convertible Debenture and the daily average volume traded on the TSX for each month of the twelve-month period before the date of this short form prospectus.

<table>
<thead>
<tr>
<th>Date</th>
<th>High ($)</th>
<th>Low ($)</th>
<th>Daily Average Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2021</td>
<td>150.00</td>
<td>124.34</td>
<td>1,819</td>
</tr>
<tr>
<td>March 2021</td>
<td>126.05</td>
<td>116.10</td>
<td>522</td>
</tr>
</tbody>
</table>
High ($)  Low ($)  Daily Average Volume

April 2021
May 2021
June 2021
July 2021
August 2021
September 2021
October 2021
November 2021
December 2021
January 2022
February 1st, 2022 to February 15, 2022

Note:
(1) Source for data in the above table is Bloomberg.

On February 3, 2022, the last trading day on which the 4.75% Convertible Debentures traded prior to the announcement of the Offering, the closing price on the TSX was $108.05. On February 15, 2022, the last trading day on which the 4.75% Convertible Debentures traded prior to the date of this short form prospectus, the closing price on the TSX was $106.80.

The 4.65% Convertible Debentures are listed and traded on the TSX under the symbol “INE.DB.C”. The following table(1) sets forth the monthly range of high and low prices per 4.65% Convertible Debenture and the daily average volume traded on the TSX for each month of the 12-month period before the date of this short form prospectus.

<table>
<thead>
<tr>
<th></th>
<th>High ($)</th>
<th>Low ($)</th>
<th>Daily Average Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2021</td>
<td>137.95</td>
<td>118.00</td>
<td>1,958</td>
</tr>
<tr>
<td>March 2021</td>
<td>118.84</td>
<td>110.45</td>
<td>260</td>
</tr>
<tr>
<td>April 2021</td>
<td>119.00</td>
<td>111.02</td>
<td>321</td>
</tr>
<tr>
<td>May 2021</td>
<td>112.00</td>
<td>107.00</td>
<td>831</td>
</tr>
<tr>
<td>June 2021</td>
<td>114.00</td>
<td>110.00</td>
<td>291</td>
</tr>
<tr>
<td>July 2021</td>
<td>115.07</td>
<td>110.98</td>
<td>232</td>
</tr>
<tr>
<td>August 2021</td>
<td>112.25</td>
<td>106.50</td>
<td>367</td>
</tr>
<tr>
<td>September 2021</td>
<td>113.00</td>
<td>109.50</td>
<td>438</td>
</tr>
<tr>
<td>October 2021</td>
<td>112.74</td>
<td>108.50</td>
<td>424</td>
</tr>
<tr>
<td>November 2021</td>
<td>112.01</td>
<td>106.96</td>
<td>620</td>
</tr>
<tr>
<td>December 2021</td>
<td>107.98</td>
<td>106.25</td>
<td>381</td>
</tr>
<tr>
<td>January 2022</td>
<td>107.25</td>
<td>104.25</td>
<td>614</td>
</tr>
<tr>
<td>February 1st, 2022 to February 15, 2022</td>
<td>107.00</td>
<td>102.17</td>
<td>1,557</td>
</tr>
</tbody>
</table>

Note:
(1) Source for data in the above table is Bloomberg.

On February 3, 2022, the last trading day on which the 4.65% Convertible Debentures traded prior to the announcement of the Offering, the closing price on the TSX was $106.52. On February 15, 2022, the last trading day on which the 4.65% Convertible Debentures traded prior to the date of this short form prospectus, the closing price on the TSX was $104.55.

PLAN OF DISTRIBUTION

Underwriting Agreement

Pursuant to the terms and conditions of the Underwriting Agreement, the Corporation has agreed to issue and sell to the Underwriters, and the Underwriters have agreed to purchase from the Corporation on the Closing Date, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, 8,451,000 Offered Shares at the Offering Price, payable in cash to the Corporation against
delivery of the Offered Shares, for gross proceeds to the Corporation of $150,005,250. The Underwriters’ obligation to purchase the Offered Shares is not conditional upon the completion of the Concurrent Private Placement. The Offered Shares are being offered to the public in all of the provinces of Canada.

The obligations of the Underwriters under the Underwriting Agreement are joint (the notion equivalent to “several” in common law) and may be terminated at their discretion upon the occurrence of certain stated events as set out in the Underwriting Agreement. Such events include (i) any inquiry, action, suit, investigation or other proceeding commenced, announced or threatened or any order issued or any change of law, or interpretation or administration thereof, which, in the reasonable opinion of the Underwriter, operates to prevent or restrict the trading in, or which adversely impacts the distribution or the marketability of, the Common Shares; (ii) there occurs any material change or there arises or is discovered any previously undisclosed or new material fact in the business, affairs, operations, assets, liabilities, capital, prospects or ownership of the Corporation and its subsidiaries, taken as a whole, howsoever caused, which, in the reasonable opinion of the Underwriter, could reasonably be expected to result in the purchasers of a material number of Offered Shares exercising their rights under securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof or which has or could reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares; and (iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including without limitation any natural catastrophe, act of terrorism, war, outbreak, escalation, crisis, calamity or like event, or any governmental action, law, regulation, inquiry or other occurrence of any nature, including as a result of COVID-19 to the extent there are material adverse impacts relating thereto occurring after the date of the Underwriting Agreement, which, in the reasonable opinion of that Underwriter, materially adversely affects or may materially adversely affect the financial markets in Canada, or operations or affairs of the Corporation and any of its subsidiaries, taken as a whole, or that has or could reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares.

If an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Offered Shares. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Offered Shares are joint (the equivalent of several in common law) and not solidary (the equivalent of joint and several in common law). The Offering Price and the other terms of the Offering were determined by negotiation between the Corporation and the Joint Bookrunners, on their own behalf and for and on behalf of the other Underwriters.

Pursuant to the Underwriting Agreement, the Corporation has agreed to pay the Underwriters’ Fee equal to 4% of the gross proceeds of the Offering. The Underwriters’ Fee is payable on the Closing Date and, as applicable, upon the closing of the exercise of the Over-Allotment Option.

The Corporation has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part and at any time up to 30 days following the Closing to purchase up to 1,267,650 Over-Allotment Shares at the Offering Price. In respect of the Over-Allotment Option, the Corporation has agreed to pay to the Underwriters a cash fee equal to the Underwriters’ Fee, to be paid from the gross proceeds realized on the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the price to the public and the net proceeds to the Corporation (after deducting the Underwriters’ Fee of $6,900,241.50, but before deducting the expenses of the Offering to be borne by the Corporation, which are estimated to be approximately $500,000) will be $172,506,037.50 and $165,605,796, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters’ over-allocation position acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased. Such decrease in the Offering Price will not affect the proceeds of the Offering to be received by the Corporation. As a result, the compensation realized by the Underwriters will effectively be decreased by the amount that the aggregate price paid by purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Corporation.
In connection with the Offering, certain of the Underwriters or other registered dealers may distribute this short form prospectus electronically.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Offered Shares will be issued as non-certificated book-entry securities registered in the name of CDS or its nominee and no certificates representing Offered Shares will be issued to purchasers of Offered Shares (unless specifically requested or required to comply with applicable law) and registration of such Offered Shares will be made through the depositary services of CDS. Upon a purchase of any Offered Share, the owner of such share will receive only the customary confirmation from the Underwriter or the registered dealer from or through whom a beneficial interest in the Offered Shares is purchased and who is a CDS Participant. The Offered Shares must be purchased or transferred through a CDS Participant and all rights of holders of Offered Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS Participant through which the holder of Offered Shares holds such Offered Shares.

The Corporation has agreed to indemnify the Underwriters and their respective subsidiaries and affiliates and each of their directors, officers, employees, shareholders and agents certain liabilities, including liabilities for misrepresentations in this short form prospectus.

Pursuant to the Underwriting Agreement, the Corporation has agreed, for a period ending on the date that is 90 days from the Closing Date, not to issue or sell, without the prior written consent of the Underwriters (not to be unreasonably withheld), on behalf of any of its subsidiaries or financial instruments convertible or exchangeable into securities of the Corporation, other than for purposes of director or employee stock options, Common Shares issued in the ordinary course under the Corporation’s dividend reinvestment plan, and Common Shares issued upon due conversion of the 4.75% Convertible Debentures and the 4.65% Convertible Debentures.

On February 14, 2022, the TSX conditionally approved the listing of the Offered Shares, the Over-Allotment Shares and the Subscribed Shares. Listing is subject to the Corporation fulfilling all the listing requirements of the TSX. On February 3, 2022, the last trading day before the announcement of the Offering, the closing price of the Common Shares on the TSX was $18.41. On February 15, 2022, the last trading day on which the Common Shares traded prior to the date of this short form prospectus, the closing price on the TSX was $17.64.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids, and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making over-allocating or short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the number of Over-Allotment Shares, “naked short sales”, which are short positions in excess of the number of Common Shares they are required to purchase under the Offering. The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the Offering Price at which they may purchase Over-Allotment Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering.

In addition, pursuant to policy statements and/or rules of the relevant securities commissions or similar regulatory authorities, the Underwriters may not, throughout the period of distribution, bid for or purchase Common
 Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. These exceptions include: (i) a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. Those transactions, if commenced, may be interrupted or discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed (including the TSX), in the over-the-counter market, or otherwise.

**Concurrent Private Placement**

Concurrently with the announcement of the Offering, the Corporation entered into the Subscription Agreement dated February 3, 2022, pursuant to which HQI will purchase at the Offering Price, on a private placement basis, the number of Common Shares allowing HQI to maintain a 19.95% ownership of the Common Shares as of the Closing Date, being 2,100,000 Common Shares for gross proceeds of $37,275,000. HQI would have the option to purchase such additional number of Common Shares under the Concurrent Private Placement as to allow HQI to maintain a 19.95% ownership of the Common Shares following the exercise of the Over-Allotment Option, which assuming the Over-Allotment and the HQI Over-Allotment Option are exercised in full, would result in the issuance of an additional 315,000 Subscribed Shares, for additional gross proceeds of $5,591,250. The Subscription Agreement has been entered into pursuant to the exercise by HQI of the preferential subscription right provided in the Investor Rights Agreement. No commission or other fees will be paid to the Underwriters or any other underwriter or agent in connection with the Concurrent Private Placement. Closing of the Offering is not conditional upon closing of the Concurrent Private Placement.

This short form prospectus does not qualify the distribution of the Subscribed Shares issued pursuant to the Concurrent Private Placement. The Subscribed Shares issued pursuant to the Concurrent Private Placement will be subject to a statutory hold period.

**United States Securities Law**

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States. The Offered Shares have not been and will not be registered under the US Securities Act or any applicable state securities laws, and may not be offered or sold, directly or indirectly, within the United States, except in transactions exempt from the registration requirements of the US Securities Act and applicable state securities laws.

The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Offered Shares at any time within the United States. The Underwriting Agreement permits the Underwriters to offer and sell the Offered Shares within the United States through one or more of their registered US broker-dealer affiliates in transactions that comply with exemptions from the registration requirements of the US Securities Act and applicable state securities laws. In particular, the Underwriting Agreement permits the Underwriters to re-offer and re-sell the Offered Shares that they have acquired pursuant to the Underwriting Agreement in the United States to “qualified institutional buyers” within the meaning of, and in compliance with, Rule 144A under the US Securities Act and in compliance with applicable state securities laws. The Underwriting Agreement further provides that the Underwriters will offer and sell the Offered Shares outside the United States in accordance with Rule 903 of Regulation S under the US Securities Act. The Offered Shares that are offered or sold in the United States will be “restricted securities” within the meaning of Rule 144 under the US Securities Act, and will be subject to the re-sale and transfer restrictions under applicable United States federal and state securities laws.

Until 40 days after the commencement of the Offering, any offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of
the US Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the US Securities Act.

Other than pursuant to certain exceptions, the Offered Shares will be available for delivery in book-based form through CDS or its nominee and will be deposited with CDS on the Closing Date. Other than pursuant to certain exceptions, a purchaser of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS Participant through which the Offered Shares are purchased. Purchasers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing may request that a certificate be issued in their name. Such a request will need to be made through the CDS Participant through whom the beneficial interest in the securities is held at the time of the request.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following summary describes, as of the date hereof, the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder who acquires the Offered Shares pursuant to this Offering as beneficial owner and who, at all relevant times and for purposes of the Tax Act, (i) acquires and holds the Offered Shares as capital property; (ii) deals at arm’s length and is not affiliated with the Corporation and the Underwriters; and (iii) is or is deemed to be resident in Canada (a “Holder”). Generally, the Offered Shares will be considered to be capital property to a Holder provided that the Holder does not hold or use the Offered Shares in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them or been deemed to have acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Offered Shares as capital property may, in certain circumstances, be entitled to have their Offered Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such Holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors regarding this election.

This summary is not applicable to a Holder: (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark-to-market rules); (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act); (iii) that is a “specified financial institution” (as defined in the Tax Act); (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; (v) who enters into or has entered into a “synthetic disposition arrangement” or a “derivative forward agreement” (as defined in the Tax Act) with respect to the Offered Shares; (vi) that receives dividends on Offered Shares under or as part of a “dividend rental arrangement” (as defined in the Tax Act); or (vii) that is a corporation resident in Canada and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Offered Shares, controlled by a non-resident person, or if no single non-resident person has or acquires control, by a group of non-resident persons that do not deal with each other at arm’s length (for purposes of the Tax Act) for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in the Offered Shares. In addition, this summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Common Shares.

This summary is based upon: (i) the provisions of the Tax Act in force as of the date hereof; (ii) all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”); and (iii) counsel’s understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the “CRA”) published in writing by the CRA prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, regulatory, administrative governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary also does not take into account any change in the administrative policies or assessing practices of the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective Holder of Offered Shares, and no representations with respect to the
tax consequences to any holder or prospective Holder are made therein. Consequently, Holders and prospective Holders of Offered Shares should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Offered Shares pursuant to this Offering, having regard to their particular circumstances.

Receipt of Dividends on Offered Shares

Dividends received or deemed to be received on Offered Shares held by a Holder will be included in the Holder’s income for the purposes of the Tax Act.

Such dividends received by a Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to “taxable dividends” received from “taxable Canadian corporations” (as such terms are defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Corporation as “eligible dividends” in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as “eligible dividends” and the Corporation has made no commitments in this regard. Any such designation will be disclosed by the Corporation on its website unless otherwise notified.

Taxable dividends received or deemed to be received by a Holder who is an individual (other than certain trusts) may result in such Holder being liable for alternative minimum tax under the Tax Act. Such Holders should consult their own tax advisors in this regard.

A Holder that is a corporation will include dividends received or deemed to be received on Offered Shares in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income subject to all relevant restrictions under the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors with respect to the application of subsection 55(2) of the Tax Act having regard to their own circumstances.

A Holder that is a “private corporation” or “subject corporation” (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay an additional tax (refundable under certain circumstances) on dividends received or deemed to be received on the Offered Shares to the extent such dividends are deductible in computing the Holder’s taxable income.

Disposition of Offered Shares

A disposition or a deemed disposition of an Offered Share (other than to the Corporation unless purchased by the Corporation in the open market in the manner in which shares are normally purchased by any member of the public in the open market) by a Holder will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Offered Share exceed (or are less than) the aggregate of the adjusted cost base to the Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “Taxation of Capital Gains and Capital Losses”. The cost to a Holder of Offered Shares acquired pursuant to this Offering will be determined by averaging the cost of such Offered Shares with the adjusted cost base of all other Common Shares (if any) held by the Holder as capital property at that time.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “taxable capital gain”) realized by a Holder in a taxation year must be included in computing the Holder’s income for the year, and one-half of any capital loss (an “allowable capital loss”) realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years (but not against other income), to the extent and under the circumstances described in the Tax Act.
The amount of any capital loss realized by a Holder that is a corporation on the disposition or deemed disposition of an Offered Share may, in certain circumstances, be reduced by the amount of any dividends received or deemed to be received by it on such Offered Share (or on a share for which the Offered Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares, directly or indirectly, through a partnership or a trust. Holders to whom these rules may be relevant should consult their own tax advisors.

A Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional tax (refundable under certain circumstances) on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by a Holder who is an individual (other than certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Such Holders should consult their own tax advisors in this regard.

RISK FACTORS

An investment in the Common Shares is subject to certain risks. Prospective investors should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, all the other information contained in this short form prospectus and in the documents incorporated by reference herein and therein, including the “Risks and Uncertainties” section of the 2020 MD&A. Such risk factors could have a materially adverse effect on the future results of operations, business prospects or financial condition of the Corporation, and could cause actual events to differ materially from those described in “Cautionary Statement on Forward-Looking Information”. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems to be immaterial, may also have an adverse effect upon the Corporation.

Risks Relating to the Offering

The market price of the Common Shares may experience significant fluctuations

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation’s control, including the following: (i) actual or anticipated fluctuations in the Corporation’s quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Corporation; (iv) addition or departure of the Corporation’s executive officers and other key personnel; (v) release or expiration of lock up or other transfer restrictions on Common Shares; (vi) sales or perceived sales of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation’s industry or target markets; and (iv) conditions created by the ongoing COVID-19 pandemic.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Corporation’s operating results or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Corporation’s environmental, governance and social practices and performance against such institutions’ respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, there could be a material adverse effect on the Corporation’s business, financial condition and results of operations, as well as the trading price of the Common Shares.
Potential dilution caused by future share issuances

Innergex’s constating documents allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board of Directors. Innergex may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) or other securities exercisable for Common Shares. Innergex may also issue Common Shares (or securities convertible into Common Shares) to finance future acquisitions. Innergex cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares (or securities convertible into Common Shares), or the perception that such issuances could occur, may adversely affect the prevailing market price for the Common Shares. With any additional issuance of Common Shares, investors will suffer additional dilution to their voting power, and Innergex may experience dilution in its earnings per share.

Holders of Common Shares may be subject to dilution resulting from future offerings of Common Shares by the Corporation. Innergex may raise additional funds in the future by issuing Common Shares or securities convertible into, or exercisable or exchangeable for, Common Shares. Holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of Common Shares or securities convertible into, or exercisable or exchangeable for, Common Shares is warranted, the price at which such issuance is effected and the other terms relating to the issuance of such securities. In addition, additional Common Shares may be issued by the Corporation in connection with the exercise of options granted under the Corporation’s stock option plan prior to or following the completion of the Offering.

Actual use of proceeds may vary, including in the event the Aela Acquisition is not completed

The Corporation currently intends to allocate the net proceeds received from the Offering to fund a portion of the purchase price for the Aela Acquisition as described under “Use of Proceeds” in this short form prospectus; however, the Offering is not conditional upon the closing of the Aela Acquisition. If the Aela Acquisition is not completed, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in “Use of Proceeds” if it is believed it would be in the best interests of the Corporation to do so as circumstances change. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

If the Aela Acquisition is not completed, the issuance of Common Shares in connection with the Offering and the Concurrent Private Placement will nevertheless occur and Innergex may use the proceeds to fund development projects and other growth opportunities, or for general corporate purposes. Innergex may not be able to utilize the net proceeds of the Offering for an alternative use that provides economic returns and cash flows consistent with the returns anticipated by Innergex as a result of completing the Aela Acquisition.

Sales of substantial amounts of the Common Shares may have an adverse effect on the market price of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair Innergex’s ability to raise additional capital through the sale of securities should it desire to do so.

The price at which the Offered Shares are sold by the Underwriters may be less than the Offering Price

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at such price, the Offering Price may be decreased. The sale by the Underwriters of the Offered Shares at a price lower than the Offering Price could adversely affect the prevailing market prices for the Common Shares.
If securities or industry analysts cease to publish research reports or publish inaccurate or unfavourable research about the Corporation, the trading price and volume of the Common Shares could decline.

The trading market for the Common Shares depends in part on the research and reports that securities or industry analysts publish about the Corporation or our business. If one or more of the analysts who cover the Corporation downgrade the Common Shares or publish inaccurate or unfavourable research about the Corporation’s business, the trading price of the Common Shares may decline. If one or more of these analysts cease coverage of the Corporation or fail to publish reports on the Corporation regularly, demand for the Common Shares could decrease, which could cause the trading price and volume of the Common Shares to decline.

Risks Relating to the Aela Acquisition

The Aela Acquisition may not be completed on the terms negotiated or at all

The closing of the Aela Acquisition is subject to the satisfaction of certain conditions and may not be completed on the terms negotiated or at all. Certain of these conditions are outside the control of Innergex and the Sellers, including receipt of the required regulatory approval of the Chilean Antitrust Agency (Fiscalía Nacional Económica), and there is no assurance that such conditions to the closing of the Aela Acquisition will be satisfied. A delay in obtaining such approvals, the failure to do so or the imposition of unfavourable terms or conditions could have a material adverse effect on the Aela Acquisition including the termination of the Acquisition Agreement. There is no assurance that such closing conditions will be satisfied or waived or, if satisfied or waived, when they will be so satisfied or waived. Accordingly, there can be no assurance that the Corporation will complete the Aela Acquisition in the timeframe or on the basis described herein, if at all. If the Aela Acquisition is not completed, the Corporation could be subject to a number of risks that may adversely affect the Corporation’s business, financial condition, results of operations, reputation and cash flows, including (i) the requirement to pay costs relating to the Aela Acquisition, such as legal, accounting and other fees, whether or not the Aela Acquisition is completed, (ii) time and resources committed by the Corporation’s management to matters relating to the Aela Acquisition that could otherwise have been devoted to pursuing other beneficial opportunities, (iii) not realizing the benefits the Corporation expects to realize from the consummation of the Aela Acquisition, and (iv) the Termination Fee. In addition, if the Acquisition Agreement is terminated in certain circumstances, the Corporation may be required to pay to the Sellers the Termination Fee. See “The Acquisition–Acquisition Agreement”.

The Corporation may also be subject to litigation related to any failure to complete the Aela Acquisition. If the Aela Acquisition is not completed, these risks may materialize and may adversely affect the Corporation’s business, financial results and financial condition. The Corporation provides no assurance that the Aela Acquisition will be completed, that there will not be a delay in the completion of the Aela Acquisition or that all or any of the anticipated benefits of the Aela Acquisition will be obtained.

The Corporation may fail to implement its strategic objectives relating to the Aela Facilities or realize the anticipated benefits of the Aela Acquisition

Acquisitions may involve risks that could materially and adversely affect the Corporation’s business plan, including the failure to realize the results that the Corporation expects. There can be no assurance that the Corporation will be successful in completing the expected refinancing of its Chilean debt portfolio in order to benefit from the anticipated synergies. In addition, there can be no assurance that management of the Corporation will be able to fully realize some or all of the expected benefits of the Aela Acquisition. The ability to realize these anticipated benefits and implement these strategic objectives will depend in part on successfully realizing growth opportunities and potential synergies through the debt refinancing, the greater supply optionality and other acquisition opportunities. There is a risk that some or all of the expected benefits and strategic objectives will fail to materialize, or may not occur within the time periods anticipated by management. The realization of some or all of such benefits or successful implementation of strategic objectives may be affected by a number of factors, many of which are beyond the control of the Corporation. A failure to realize the anticipated benefits of or implement strategic objectives relating to the Aela Acquisition on an efficient and effective basis could have a material adverse effect on the Corporation’s financial condition, results of operations, reputation and cash flows.
The Corporation does not currently control the Aela Facilities

Although the Acquisition Agreement contains covenants on the part of the Sellers regarding the operation of the Aela Facilities prior to closing the Aela Acquisition, the Corporation will not control the Aela Facilities until completion of the Aela Acquisition and the Aela Facilities’ results may be adversely affected by events that are outside of the Corporation’s control during the intervening period. In addition, the consideration to be paid under the Acquisition Agreement could be increased in the event the Sellers increase their equity contributions to Aela as per the terms of the Acquisition Agreement. Historic and current performance of the Aela Facilities’ operations may not be indicative of success in future periods. The future performance of the Aela Facilities may be influenced by, among other factors, weather, demand and supply and economic downturns and other factors beyond the Corporation’s control. As a result of any one or more of these factors, among others, the operations and financial performance of the Aela Facilities may be negatively affected which may adversely affect the future financial results of the Corporation.

The Corporation expects to incur significant Aela Acquisition-related expenses

The Corporation expects to incur a number of costs associated with completing the Aela Acquisition. The substantial majority of these costs will be non-recurring expenses resulting from the Aela Acquisition and will consist of transaction costs related to the Aela Acquisition, including costs relating to the financing of the Aela Acquisition and obtaining the required regulatory approval. Additional unanticipated costs may be incurred.

There may be undisclosed liabilities associated with the Aela Acquisition

In connection with the Aela Acquisition, there may be liabilities that the Corporation failed to discover or was unable to quantify in the Corporation’s due diligence which the Corporation conducted prior to the execution of the Acquisition Agreement, and the Corporation may not have recourse for some or all of these potential liabilities.

In connection with the Aela Acquisition, the Corporation has obtained a representation and warranty insurance policy, with coverage of up to US$75 million, subject to an initial retention of US$6.9 million. The representation and warranty insurance policy is the sole recourse of the Corporation under the Acquisition Agreement as the Sellers’ liability is capped to US$1.00. Nevertheless, this insurance policy is subject to certain exclusions and limitations and there may be circumstances for which the insurer attempts to limit such coverage or refuses to indemnify the Corporation or where the coverage provided under the insurance policy may otherwise be insufficient or inapplicable.

While the Corporation has accounted for these potential liabilities for the purposes of making its decision to enter into the Acquisition Agreement, there can be no assurance that any such liability will not exceed the Corporation’s estimates. Any such liabilities could have a material adverse effect on the Corporation’s financial position.

The cash consideration for the Aela Acquisition will be paid in US dollars

The cash consideration for the Aela Acquisition is required to be paid in US dollars, while funds raised in the Offering, which will constitute a portion of the funds ultimately used to finance the Aela Acquisition, are denominated in Canadian dollars. See “Use of Proceeds”. As a result, increases in the value of the US dollar versus the Canadian dollar prior to the closing of the Aela Acquisition will increase the purchase price translated in Canadian dollars and thereby reduce the proportion of the purchase price for the Aela Acquisition ultimately obtained by Innergex under the Offering and the Concurrent Private Placement, which could cause a failure to realize the anticipated benefits of the Acquisition.

Information relating to the Aela Facilities and the Chilean Energy Market in this Short Form Prospectus has been obtained from the Sellers and public disclosure record

Certain information relating to the Aela Facilities and the Chilean energy market contained in this short form prospectus has been obtained from the Sellers and certain public disclosure record including Chilean governmental publications. Although the Corporation has conducted what it believes to be a prudent level of investigation and due
diligence in connection with the information provided by the Sellers and the disclosure relating to the Aela Facilities and the Chilean energy market contained in this short form prospectus, an unavoidable level of risk remains regarding the accuracy and completeness of such information. While the Corporation has no reason to believe the information provided by the Sellers or taken from such public disclosure record is misleading, untrue or incomplete, the Corporation cannot assure the accuracy or completeness of such information.

If any of the foregoing events, or other risk factor events not described herein occur, the Corporation’s business, financial condition or results of operations could suffer. In that event, the market price of the Corporation’s securities could decline and investors could lose all or part of their investment.

RELMNATION BETWEEN THE CORPORATION AND CERTAIN PERSONS

CIBC, NBF, BMO, TD and Desjardins are wholly-owned indirect subsidiaries of Canadian financial institutions that are members of a syndicate of lenders that have made credit facilities available to the Corporation. Furthermore, upon closing of the Offering, the Corporation intends to use the net proceeds of the Offering in the manner described under the “Use of Proceeds” and pending such use, the Corporation intends to repay a portion of the indebtedness under the Credit Facility, which will then be available to be drawn, as required. The indebtedness to be prepaid under the Credit Facility was principally incurred in the two previous years to fund the construction of the Hillcrest, Griffin Trail and Innivik Projects, to fund the development of certain prospective and development projects and for other general corporate purposes. Consequently, the Corporation may be considered a “connected issuer” of CIBC, NBF, BMO, TD and Desjardins under applicable Canadian securities laws.

As of February 15, 2022, the Corporation was indebted under the Credit Facility (including letters of credit) in an amount of $532,213,061.

The Corporation is in compliance with the terms of the Credit Facility. Since the execution of the credit agreement relating to the Credit Facility, the lenders have not waived a breach, on the part of the Corporation, of such credit facility, although a waiver of certain conditions of the Credit Facility was obtained in order to carry out the Offering and to give effect to the intended use of proceeds. The financial position of the Corporation has not changed in any material manner since the Credit Facility was entered into, except as disclosed herein. The indebtedness under the Credit Facility is secured, among others, by projects held by the Corporation, including the wind farm located in Baie-des-Sables, Québec and certain hydroelectric facilities located in Québec, security over certain receivables of the Corporation and its subsidiaries, pledges of partnership interests and share capital of certain subsidiaries, including certain subsidiaries holding operating facilities, of the Corporation, and guarantees provided by certain subsidiaries of the Corporation.

The decision to issue the Offered Shares and the determination of the terms of the distribution were made through negotiation among the Corporation and the Underwriters. The Canadian financial institutions which are lenders to the Corporation, including the Canadian financial institutions of which CIBC, NBF, BMO, TD and Desjardins are the respective subsidiaries, did not have any involvement in such decision or determination. As a consequence of the Offering, none of the Underwriters will receive any benefit in connection with the Offering other than their respective share of the Underwriters’ Fee.

INTEREST OF EXPERTS

Certain legal matters in connection with the Offering will be passed upon on behalf of the Corporation by McCarthy Tétrault LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As at the date hereof, (i) the partners and associates of McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares; (ii) the partners and associates of Fasken Martineau DuMoulin LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.
AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, 600 de Maisonneuve Blvd. West, Suite 1500, Montréal, Québec, H3A 0A3, and they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., at its principal office located in Montréal, Québec and Toronto, Ontario.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Ouma Sananikone, member of the Board of Directors, resides outside of Canada and has appointed Innergex Renewable Energy Inc., 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9, as agent for service of process.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.
GLOSSARY OF TERMS

The following terms used in this short form prospectus have the meanings set forth below, unless otherwise indicated:

“2020 AIF” has the meaning attributed thereto under “Documents Incorporated by Reference”;

“2020 MD&A” has the meaning attributed thereto under “Documents Incorporated by Reference”;

“2021 Offering” has the meaning attributed thereto under “Documents Incorporated by Reference”;

“4.75% Convertible Debentures” means the 4.75% unsecured subordinated convertible debentures of the Corporation maturing on June 30, 2025;

“4.65% Convertible Debentures” means the 4.65% unsecured subordinated convertible debentures of the Corporation maturing on October 26, 2026;

“Acquisition Agreement” has the meaning attributed thereto under “Recent Developments”;

“Aela” has the meaning attributed thereto under “Recent Developments”;

“Aela Acquisition” has the meaning attributed thereto under “Recent Developments”;

“Aela Facilities” has the meaning attributed thereto under “Recent Developments”;

“allowable capital loss” has the meaning attributed thereto under “Certain Canadian Federal Income Tax Considerations”;

“BMO” has the meaning attributed thereto on the front page;

“Board of Directors” means the board of directors of the Corporation;

“CDS” has the meaning attributed thereto on the front page;

“CDS Participant” has the meaning attributed thereto on the front page;

“CEN” has the meaning attributed thereto under “The Acquisition”;

“CIBC” has the meaning attributed thereto on the front page;

“Closing” has the meaning attributed thereto on the front page;

“Closing Date” has the meaning attributed thereto on the front page;

“CNE” has the meaning attributed thereto under “The Acquisition”;

“Common Shares” has the meaning attributed thereto on the front page;

“Concurrent Private Placement” has the meaning attributed thereto on the front page;

“Corporation” has the meaning attributed thereto on the front page;

“CPI” has the meaning attributed thereto under “The Acquisition”;

“CRA” has the meaning attributed thereto under “Certain Canadian Federal Income Tax Considerations”;
“Credit Facility” means the seventh amended and restated credit agreement dated December 19, 2018 between the Corporation, as borrower, certain subsidiaries as guarantors, and a syndicate of financial institutions as lenders, as amended;

“Desjardins” has the meaning attributed thereto on the front page;

“DisCos” has the meaning attributed thereto under “The Acquisition”;

“DPSP” has the meaning attributed thereto under “Eligibility for Investment”;  

“Energía Llaima” has the meaning attributed thereto under “The Acquisition”;  

“FDI” has the meaning attributed thereto under “The Acquisition”;  

“Forward-Looking Information” has the meaning attributed thereto under “Cautionary Statement on Forward-Looking Information”;  

“GDP” has the meaning attributed thereto under “The Acquisition”;  

“Griffin Trail Project” means a 225.6 MW wind facility located in Knox and Baylor Counties, near the community of Vera in north Texas;  

“Hillcrest” has the meaning attributed thereto under “Recent Developments”;  

“Hillcrest Project” means a 200 MWAC (or 265 MWDC) solar project located in Brown County, Ohio;  

“Holder” has the meaning attributed thereto under “Certain Canadian Federal Income Tax Considerations”;  

“HQI” has the meaning attributed thereto under “Concurrent Private Placement”;  

“HQI Over-Allotment Option” has the meaning attributed thereto on the front page;  

“IFRS” has the meaning attributed thereto under “General Matters”;  

“Initial Investor Presentation” has the meaning attributed thereto under “Documents Incorporated by Reference”;  

“Innavik Project” means a 7.5 MW run-of-river hydroelectric facility located in the north of Quebec;  

“Innergex” has the meaning attributed thereto on the front page;  

“Interim MD&A” has the meaning attributed thereto under “Documents Incorporated by Reference”;  

“Investor Rights Agreements” has the meaning attributed thereto under “Concurrent Private Placement”;  

“Joint Bookrunners” means CIBC, NBF, BMO and TD;  

“LTA” has the meaning attributed thereto under “Cautionary Statement on Forward-Looking Information – Risks and Uncertainties”;  

“MW” means megawatt;  

“MWAC” means megawatt alternative current;  

“MWDC” means megawatt direct current;
“MWh” means megawatt hour;

“NBF” has the meaning attributed thereto on the front page;

“Offered Shares” has the meaning attributed thereto on the front page;

“Offering” has the meaning attributed thereto on the front page;

“Offering Price” has the meaning attributed thereto on the front page;

“Over-Allotment Option” has the meaning attributed thereto on the front page;

“Over-Allotment Shares” has the meaning attributed thereto on the front page

“Preferred Shares” has the meaning attributed thereto under “Description of Securities”;

“Proposed Amendments” has the meaning attributed thereto under “Certain Canadian Federal Income Tax Considerations”;

“PPA” means power purchase agreement, energy supply agreements, electricity supply agreements or renewable energy supply agreements for power projects;

“RDSP” has the meaning attributed thereto under “Eligibility for Investment”;

“RESP” has the meaning attributed thereto under “Eligibility for Investment”;

“Revised Investor Presentation” has the meaning attributed thereto under “Documents Incorporated by Reference”;

“RRIF” has the meaning attributed thereto under “Eligibility for Investment”;

“RRSP” has the meaning attributed thereto under “Eligibility for Investment”;

“San Andrés Acquisition” has the meaning attributed thereto under “Recent Developments”;

“Sellers” has the meaning attributed thereto under “Recent Developments”;

“Series A Preferred Shares” has the meaning attributed thereto under “Description of Securities”;

“Series C Preferred Shares” has the meaning attributed thereto under “Description of Securities”;

“Subscribed Shares” means the Commons Shares which will be subscribed by HQI through the Concurrent Private Placement;

“Subscription Agreement” has the meaning attributed thereto on the front page;

“Tax Act” means the Income Tax Act (Canada), R.S.C. 1985, c.1, (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

“taxable capital gain” has the meaning attributed thereto under “Certain Canadian Federal Income Tax Considerations”;

“TD” has the meaning attributed thereto on the front page;

“Termination Fee” has the meaning attributed thereto under “The Acquisition – Acquisition Agreement”;

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“TFSA” has the meaning attributed thereto under “Eligibility for Investment”;

“TSX” has the meaning attributed thereto on the front page;

“Underwriters” has the meaning attributed thereto on the front page;

“Underwriting Agreement” has the meaning attributed thereto under “Plan of Distribution”;

“Underwriters’ Fee” has the meaning attributed thereto on the front page; and

“US Securities Act” has the meaning attributed thereto on the front page.
CERTIFICATE OF THE CORPORATION

Dated: February 16, 2022

This short form prospectus, together with the documents incorporated herein by reference, constitutes, full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

By: (s) Michel Letellier
   Michel Letellier
   President and Chief Executive Officer

By: (s) Jean-François Neault
   Jean-François Neault
   Chief Financial Officer

On behalf of the Board of Directors

By: (s) Daniel Lafrance
   Daniel Lafrance
   Director

By: (s) Pierre G. Brodeur
   Pierre G. Brodeur
   Director
CERTIFICATE OF THE UNDERWRITERS

Dated: February 16, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

CIBC WORLD MARKETS INC. NATIONAL BANK FINANCIAL INC.

By: (s) James Brooks By: (s) Martin Robitaille
Name: James Brooks Name: Martin Robitaille
Title: Managing Director Title: Managing Director

BMO NESBITT BURNS INC. TD SECURITIES INC.

By: (s) Pierre-Olivier Renaud By: (s) Abe Adham
Name: Pierre-Olivier Renaud Name: Abe Adham
Title: Director Title: Managing Director

RBC DOMINION SECURITIES INC. SCOTIA CAPITAL INC.

By: (s) Robert Nicholson By: (s) Luc Ouellet
Name: Robert Nicholson Name: Luc Ouellet
Title: Managing Director Title: Managing Director

DESJARDINS SECURITIES INC. RAYMOND JAMES LTD. IA PRIVATE WEALTH INC.

By: (s) François Carrier By: (s) Alan Kelly By: (s) David Beatty
Name: François Carrier Name: Alan Kelly Name: David Beatty
Title: Managing Director Title: Director Title: Managing Director