

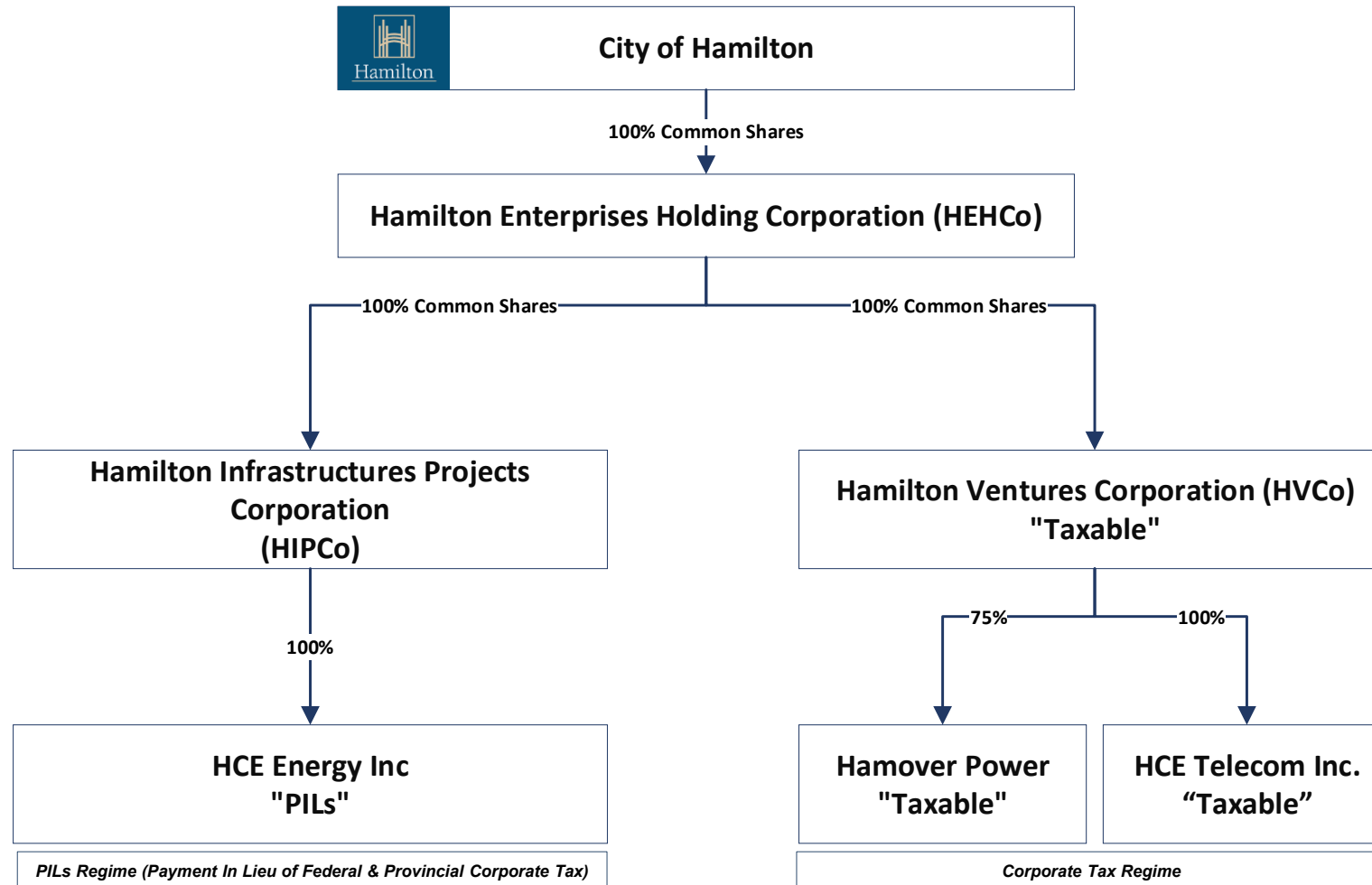
# Hamilton Enterprises Holding Corporation

## Annual General Meeting

*June 5, 2019*



# Corporate Structure as of Dec 31, 2018



# HCE – Background

---

## **Comprised of two strategic business units:**

1. Sustainable energy technologies & solutions (HCE Energy)
  - Energy generation, supply (heating, cooling, electricity and steam) and energy sharing
  - Operations and Maintenance
2. Communications & networking technologies & solutions (HCE Telecom)
  - A full-fledged asset-based communications carrier
  - Wired and wireless connectivity, internet, applications

## **Strongly positioned to support many of the City's initiatives and requirements:**

- Deliver against the City's operational requirements
- Strategic initiatives – Climate Change, Economic Development

## **Local Innovation with Broader Commercialization**

- Technology development and innovation often happens to service the City's needs and are subsequently commercialized to service the broader public sector and business community

## **Rapidly Growing our Services, Capabilities & Reach**

- We have seen strong growth in our services portfolio, assets and revenues

# A few of our Customers...

---



# Triple Bottom Line Value to Hamilton

---

## Financial Benefit

- Cost avoidance/savings delivered to the City - **\$1.7M annually**
- Value creation and Corporate growth (23% CAGR over 5 years)
  - *Growing from combined revenue of \$5.8M in 2015 to an estimated \$16M in 2019*
- Enhanced/superior services without incremental charges

## Social Benefit

- 'Intelligent Community' contributor
- Innovation developed and deployed within the community
- Energy & communications options

## Environmental Benefit

- Energy efficiencies through shared district energy
- Reduced carbon footprint (53% reduction over 3 years) per unit of energy created
- Evolving offerings to further address carbon emissions & monitoring

# 2018 Highlights

## Financial Growth

- **Growth Trend:** 2018 saw 17.3% growth in revenues with a 5 Year CAGR of 23%
- **Year over Year Growth:** 2019 growth forecast to be 34.7% over 2018
- **Expansion of Assets:** 35.3% growth in our fixed assets in 2018 over 2017
- **Project Quality:** New projects have a minimum target of 11% IRR for every project
- **Sales Momentum:** \$1.2M in new value in Q1 telecom with \$2M of value in the process of being delivered

## Greening & Growing Our Portfolio

- Commissioning more solar generation
- Commissioning our high-efficiency Combined Heating and Power plant (CHP)
- Continued growth of fibre network (Connection to Woodward)

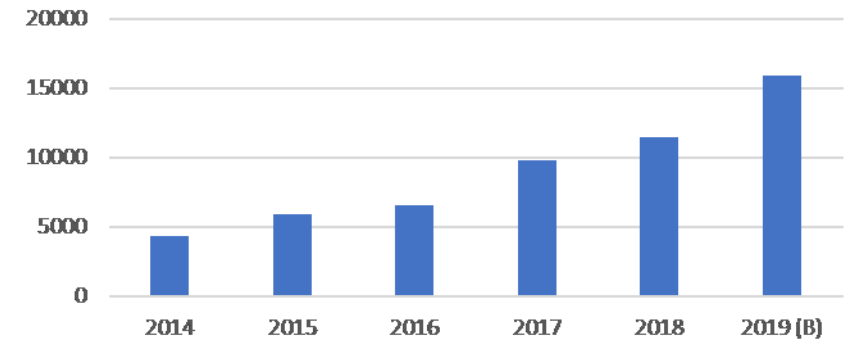
## Innovative In Services

- Developing new ways for our customers to connect
- Delivering new wireless capabilities
- Creating new services through our combined heating and power plant

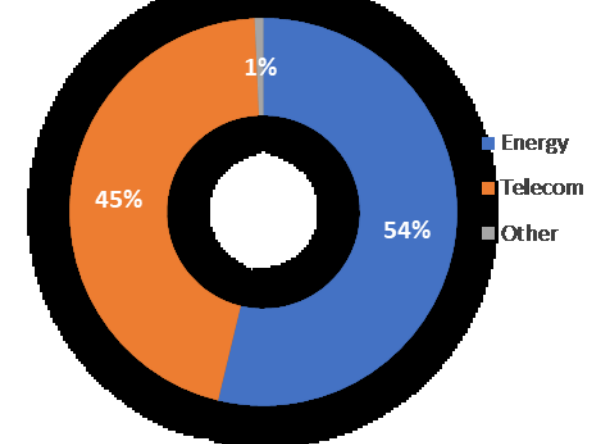
## Developing New Capabilities

- Developing methods of sustainable, low carbon energy solutions
- Development of our communications platforms for voice and contact centre services

**HCE Consolidated Revenue by Year**  
(in 000's of dollars)



**2018 Revenue Distribution**



# 2019 Snapshot - Growing & Innovating

## 3<sup>rd</sup> Generation District Energy & Energy Sharing

- Next generation energy systems and energy sharing platforms
- Highly efficient to reduce carbon
- In conjunction with McMaster

## The Atmospheric Fund Energy from Waste Heat

- Looking at ways to utilize waste heat as a source of energy from industrial consumers
- In conjunction with the Hamilton Chamber of Commerce

## Energy Peak Shaving Agreement & Operation

- Improved carbon profile – anticipated to reduce carbon emission by 3150 tons annually
- Improved savings for the City by offloading power requirements when it is most expensive

## “Internet of Things” Sensor Network

- Field trials planned for field sensor network
- Pervasive & inexpensive monitoring capability

## City Communications Enhancements

- Voice service enhancements for improved costs
- Performance and speed improvements

## Other Local Innovations

- Involved with Hamilton’s AVIN initiative
- WiFi – Popup and area coverage for connectivity

# Next Steps

---

- Finalization of strategic plan
- Continued growth and services expansion within both the energy and communications areas as well as developing the overlap opportunities
- Expanding the dialogue with the City and Public Sector on a number of fronts:
  - Helping to develop solutions to address the climate change challenge
  - More alignment with Public Works and helping with their specific needs
  - Finding more opportunities for service improvements, service enhancements and cost savings for the Public Sector through HCE Energy & Telecom services
- Monitoring of regulatory environment



# HEHCo Resolutions

---

- Receipt of audited 2018 Financial Statements
- Appointment of KPMG as the auditor for 2019