



Hamilton Enterprises Holding Corporation (HEHCo.) AGM

Wednesday, Oct 13th 2020

Hamilton Enterprises Holding Corporation (HEHCo.)



HEHCo. is a municipally based Integrated Utility Service Provider that is 100% owned by the **City of Hamilton**.
HEHCo. is comprised of two affiliate businesses



An Energy solutions provider focused on reducing Hamilton's carbon footprint through providing innovative district and renewable energy solutions:

- Over 3.5M sq^ft of residential and commercial property load
- Over 10MW of power generation under contract
- HCE solutions are 100% energy sharing and renewable energy based

Founded in 2015, HCE Telecom provides mission critical Internet and communication technology solutions to Municipalities, Health Care, Education, Utilities, Essential services and Enterprise businesses across the Greater Hamilton Area and Ontario. HCE solutions are designed to make communities resilient, engaged and safe.

HCE Energy – Sustainably Innovative



SOLAR PHOTOVOLTAIC

Generate 4.5 MWeDC of carbon-free electricity to be fed back into the Ontario Power Grid, using rooftop solar photovoltaic panels



SOLAR THERMAL

208 Solar Thermal collection panels harnessing the Sun's thermal energy for space heating at McMaster Innovation Park



COGENERATION

6.1 MWe of Combined Heat & Power Plants recovering heat that is otherwise wasted into the atmosphere



GEO-EXCHANGE

300 tons of carbon-free heating and cooling provided by geothermal exchange wells at McMaster Innovation Park



CHILLERS

Over 5500 tons of high efficiency centrifugal and absorption chillers making Hamilton Downtown COOL



BIOGAS CHP - O&M

1.6 MWe of electricity from biogas at Woodward Wastewater Treatment Plant



BIOGAS PURIFICATION - O&M

Renewable Natural Gas generation from Anaerobic Digestion at Woodward Wastewater Treatment Plant



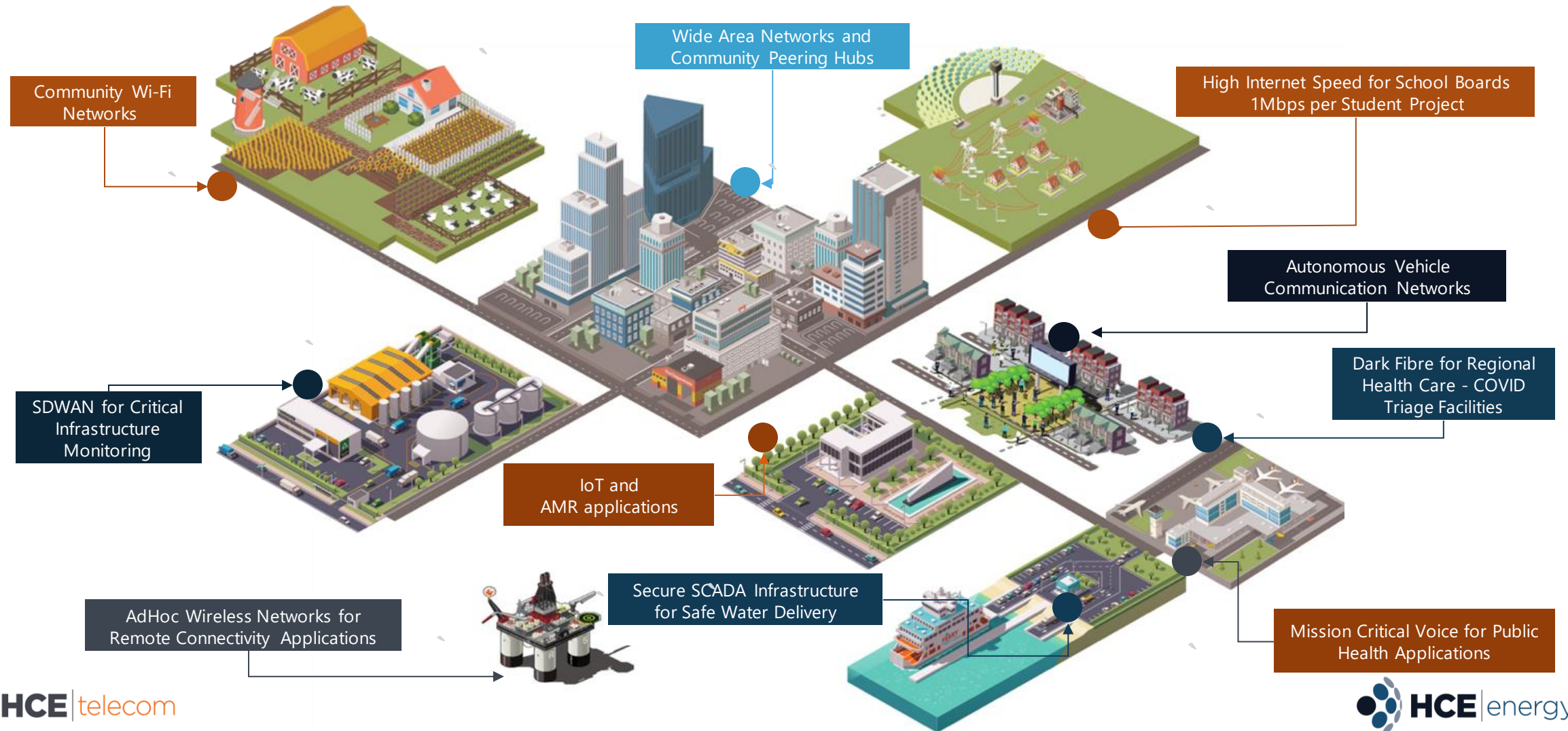
HOT WATER BOILERS

Over 21 MWt of high-efficiency conventional and condensing boilers



**HCE Energy is certified as an
Ecologo Endorsed supplier.**

HCE Telecom – Broadband for Productive and Resilient Communities



A few of our Customers...



Triple Bottom Line Value to Hamilton



To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner



We transform communities by reimagining how internet and energy technologies are delivered. We combine these to create new possibilities for better outcomes, smarter communities and a sustainable future.

Financial Benefit

- \$1.8M Cost avoidance/savings delivered to the City – GA Savings were ~ \$1.4 MM along with \$400k in Telecom
- Value creation and Corporate growth, 20.8% CAGR over 5 years
- Enhanced/superior services without incremental charges

Social Benefit

- Innovation developed and deployed within the community
- Major Contributor to Hamilton Chamber of Commerce project funded by TAF on repurposing of waste heat from Bayfront industry to reduce carbon footprint
- Major contributor into the Autonomous Vehicle Innovation Network program through Innovation Factory

Environmental Benefit

- Reduced carbon footprint (62% reduction from 2016 to 2020) per unit of electricity created
- Lead Industrial Partner with McMaster University Engineering on major OCE / NSERC Research Project ICE-Harvest focused on GHG Reduction.
- Energy efficiencies through renewables and district energy solutions

Alignment to City of Hamilton's Strategic Plan

A review of the City's Priorities highlights how HCE Technologies align.....

- Hamilton has an open, transparent, and accessible approach to City government that engages with and empowers all citizens to be involved in their community with a focus on **Digital Service and Smart City Transformation**.
- Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop with a focus on **integrated growth and development that attracts investment**.
- Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life with **universal access to the services** and supports needed to be healthy and active with a focus on **healthy communities** and lifestyles.
- Hamilton is **environmentally sustainable** with a healthy balance of natural and urban spaces with a **focus on climate change, and energy sources that are sustainable, efficient, and renewable**.
- Hamilton is supported by **state-of-the-art infrastructure**, transportation options, **buildings** and public spaces that create a dynamic city with a focus on **roads management, water – potable / waste / storm, buildings and city facilities and affordable housing**.

2019 Highlights

Financial Growth

- **Growth Trend:** 2019 saw 25.3% growth in revenues with a 5 Year CAGR of 20.8%
- **Top Line Revenue:** \$5M in 2015 to ~15M in 2020
- **EBITDA:** Year over Year EBITDA growth
- **Year over Year Growth:** 2020 growth forecast to be 3.5% over 2019
- **Project Quality:** New projects have a minimum target of 11% IRR for every project
- **Sales Momentum:** \$2.5M in sales funnel with \$4M of value in the process of being delivered

Greening & Growing Our Portfolio

- Solar PV generation portfolio has grown to 4.4 MW_{dc}
- Resiliency provided by our high-efficiency Combined Heating and Power plants is now 6.1 MW
- Continued growth of fibre network (Connection to Woodward completed)

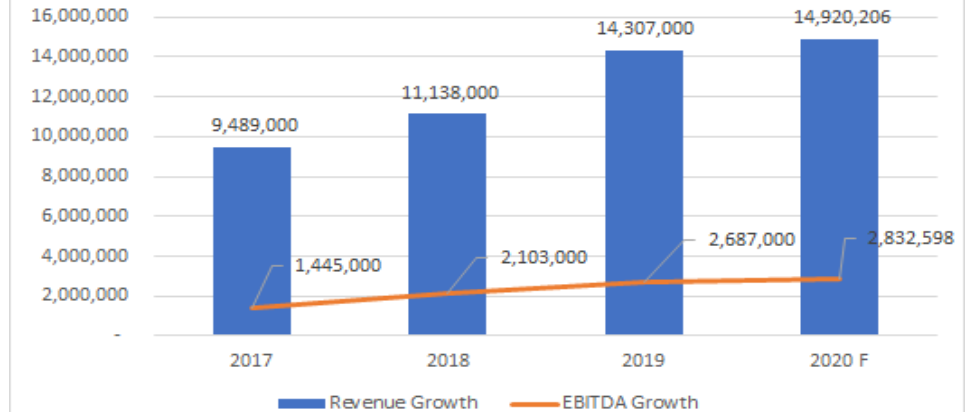
Innovative In Services

- Developing new ways for our customers to connect (Critical Network Services)
- Delivering new wireless capabilities (Smart City Sensors, Wi-Fi)
- Building on our energy assets and skills to provide new products to the market

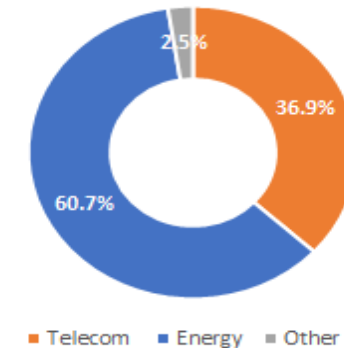
Developing New Capabilities

- Focus on low carbon energy strategies for McMaster Innovation Park and the Downtown Core
- Development of our communications platforms mission critical and smart city applications

HCE Consolidated Revenue & EBITDA by Year



2019 Revenue Distribution



2020 HEHCo. COVID Response

- Upon Ontario issuing the Pandemic Emergency Order in March 2020, HEHCo. entered into a pandemic mode of operation, with a focus towards:
 - Keeping employees and customers safe;
 - Maintaining a high level of service reliability and performance across all HCE services
 - Implementing and evolving procedures based on guidance from Hamilton Public Health
- While the impacts of COVID has caused some timing delays in contracting and delivering new revenue, the organization is projecting continued growth in 2020
- The Business foresees no permanent impairment resulting from the pandemic and has demonstrated resiliency, relevance and ability to adjust to the circumstance.

2020 HEHCo. COVID Response

- HCE has been active in delivering, in record time, the following solutions that have increased Hamilton's resilience and ability to respond to the challenges faced as a result of the pandemic:
 - Implemented a secure remote worker solution for Hamilton Public Works Water and Wastewater operations
 - Expanded the City of Hamilton's voice calling capacity required to handle the increased call volumes from Constituents
 - Constructed fiber optics to Hamilton Health Science for expanding COVID operations
 - Expedited maintenance at First Ontario Place for shelter readiness
- More broadly:
 - Solutioned to Halton Region a remote agent service to increase call capacity to Public Health officials
 - Expanded voice capacity to Lakeridge Health to handle a dramatic increase in calls related to the pandemic

Next Steps

- Expanding the dialogue with the City and Public Sector on a number of fronts:
 - Helping to develop solutions to address the climate change challenge. Downtown redevelopment, expansion of renewable energy solutions in Hamilton
 - Expanding community Internet access through Wi-Fi and 5G wireless
 - 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 & HCE Telecom services
- Continued thought leadership engagements across community
- Continued dialog and brand awareness

HEHCo. Resolutions

- Waiver of Time
- Receipt of Audited 2019 Financial Statements
- Appointment of KPMG as the Auditor for 2020
- Number & Appointment of Directors