

Alectra Shareholder Meeting

Hamilton Utilities Corporation (HUC)

Q2 2021



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All references in this presentation are as of April, 2021 unless otherwise stated.



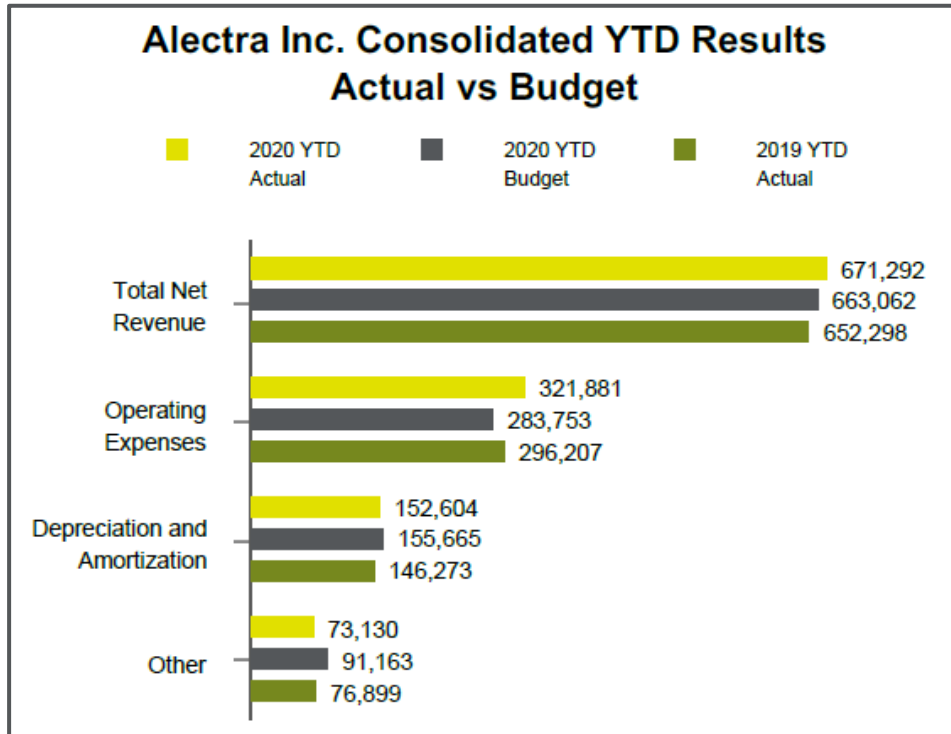
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Financial Performance

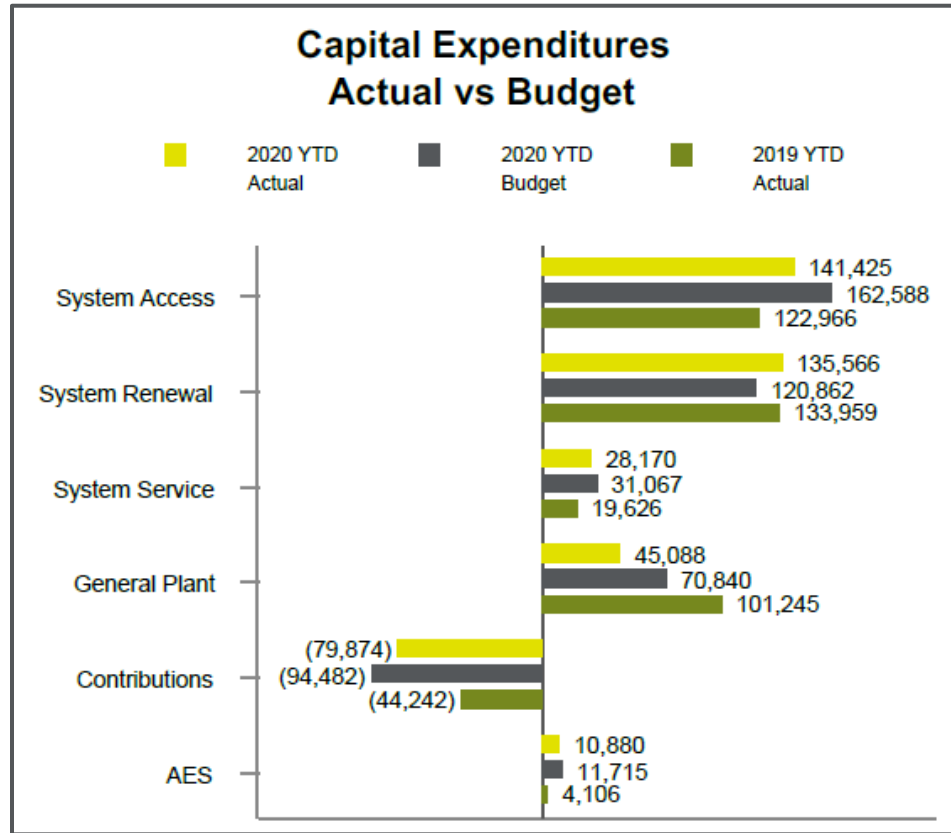
Financial Performance – Alectra Inc.



Despite the significant impacts of COVID-19 Pandemic on Alectra Inc.'s operations, the Modified IFRS **net income was \$123.7MM** on a consolidated basis for the year ended December 31, 2020, or **\$8.8MM lower than the budgeted** net income of \$132.5MM

- **Revenue**, net of cost of power for Alectra Inc. **was \$671.3MM** or **\$8.2MM favourable** to budget of \$663.1MM
 - Higher consulting revenue from U-A (\$7.8MM) and LED project revenue from Power Services (\$5.2MM); partially offset by
 - Lower distribution revenue due to lower demand in the GS>50kW customer class (\$4.6MM)
- **Expenses were \$474.5MM** or **\$35.1MM unfavourable** to the budget of \$439.4MM
 - higher provision for credit losses as a result of the Pandemic (\$23.0MM) and higher direct labour costs (\$13.3MM), partially offset by a FIT / MicroFit settlement (\$4.1MM)
- **Other expenses were \$18.0MM favourable** to budget
 - lower taxes due to lower net income before tax and higher capital cost allowance (\$9.3MM);
 - gain on derecognition of PP&E (\$6.8MM), primarily due to the sale of the Sandalwood operations centre;
 - favourable interest expense (\$2.0MM), due to lower borrowing costs, partially offset by higher fees on credit facilities.

Capital Expenditures- Alectra Inc.



Capital expenditures **were \$281.3MM or \$21.3MM lower** than the budget of \$302.6MM

Primary related to:

- lower **General Plant** costs due to the deferral of the Kennedy Road construction, Guelph transition projects and CCRA payments (\$25.8MM);
- lower **System Access** and **System Service** expenditures due to the cancellation and deferral of transit projects, delays in road authority and new connection projects, and the cancellation of Non-Wires Alternative project (\$24.1MM);

Partially offset by:

- higher **System Renewal** costs due to additional asset replacement work (\$14.7MM);
- lower customer contributions related to cancellation and deferral of transit projects (\$14.6MM)

Definitions:

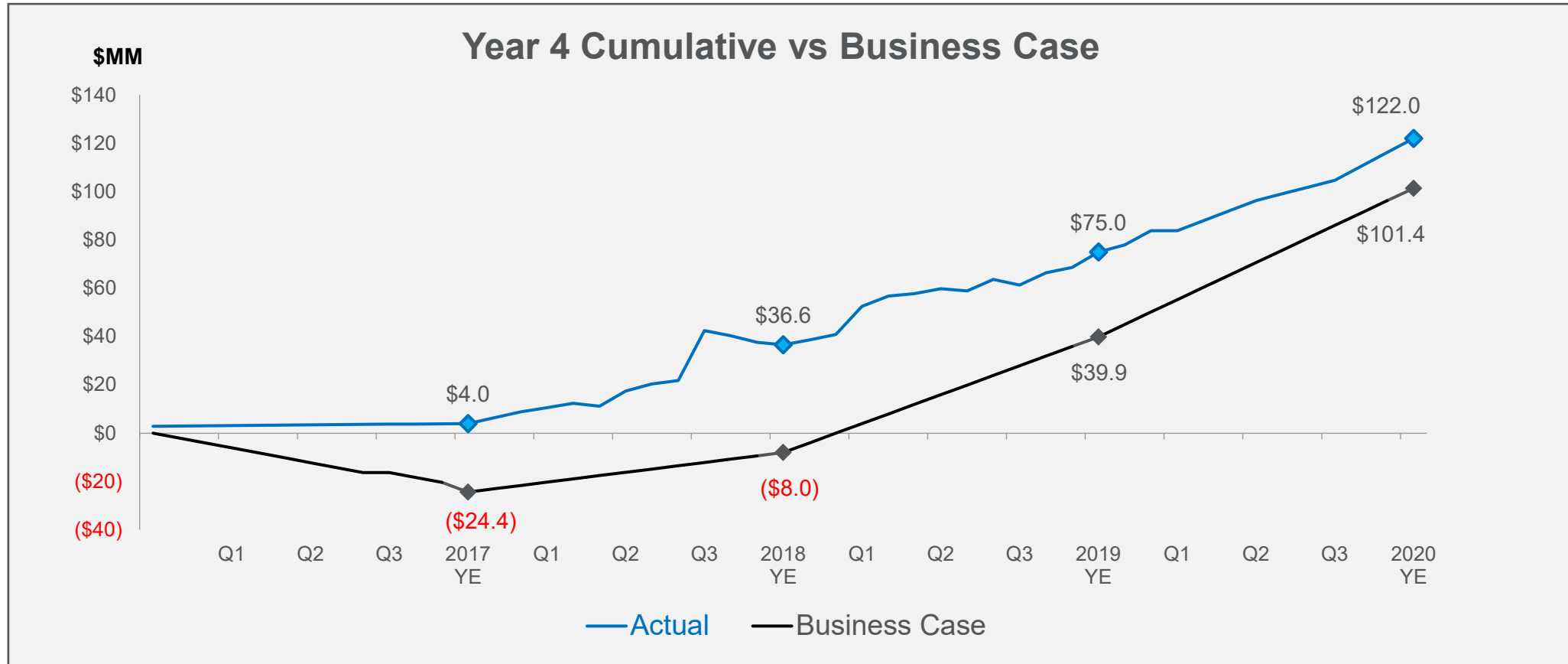
System access investments are modifications (including asset relocation) to a distributor's distribution system a distributor is obligated to perform to provide a customer (including a generator customer) or group of customers with access to electricity services via the distribution system.

System renewal investments involve replacing and/or refurbishing system assets to extend the original service life of the assets and thereby maintain the ability of the distributor's distribution system to provide customers with electricity services.

System service investments are modifications to a distributor's distribution system to ensure the distribution system continues to meet distributor operational objectives while addressing anticipated future customer electricity service requirements.

General plant investments are modifications, replacements or additions to a distributor's assets that are not part of its distribution system including land and buildings, tools and equipment, rolling stock and electronic devices and software used to support day to day business and operations activities.

Synergies - Alectra Inc.

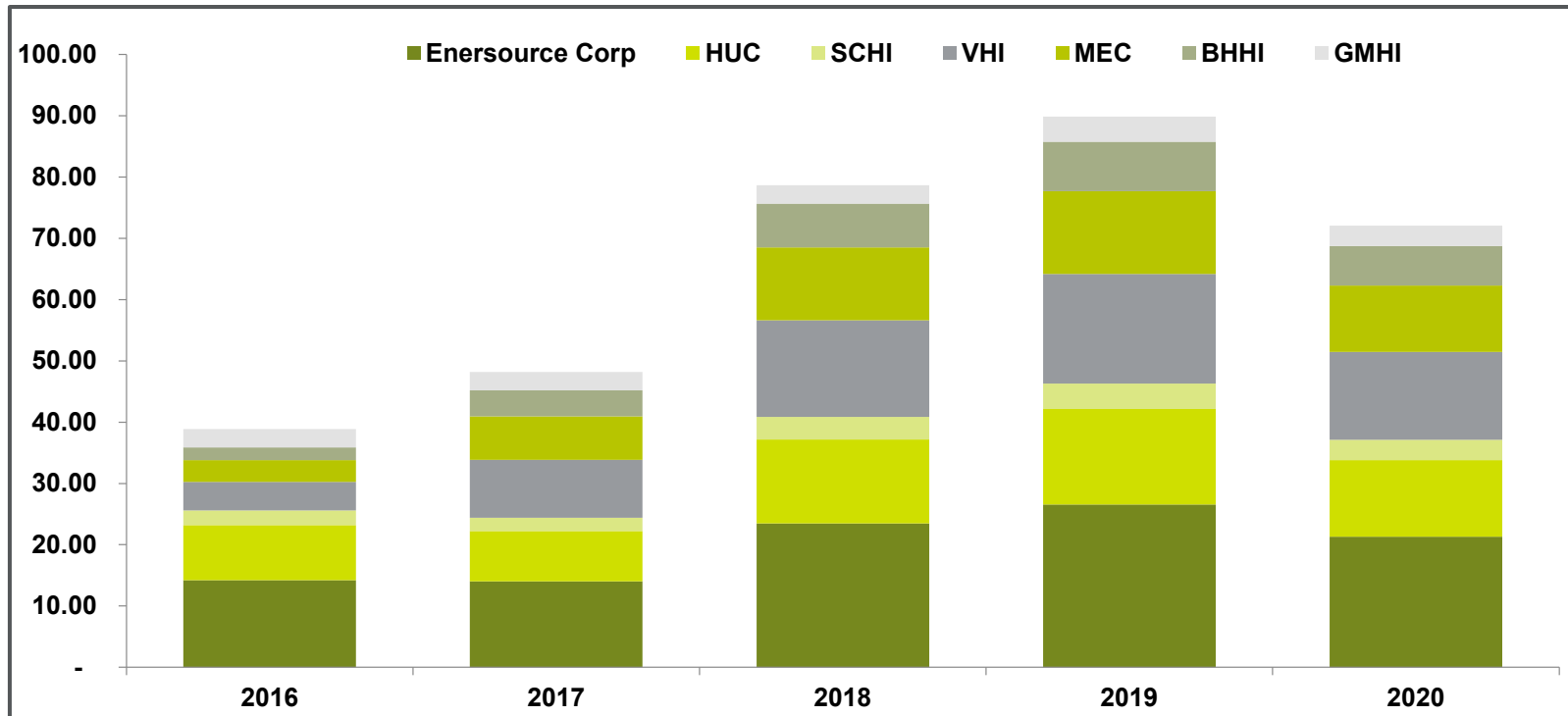


- **Net Synergies** are achieved to date are **\$20.6MM above** Alectra's business case:
 - Operating Net Synergies \$55.1MM above business case
 - Capital Net Synergies \$34.5MM below business case

Dividends – Alectra Inc.

Shared and Predecessors

Dividends on Common Shares (2016 – 2020)



\$MM	2016	2017	2018	2019	2020	Total
Dividends on Common Shares	38.9	48.2	78.7	89.9	72.1	327.8

In the first four years following Alectra merger, Alectra paid \$275.5MM to the inaugural shareholders group, or \$10MM lower than estimated in Alectra original Business Case

Note: without the merger the inaugural shareholders would have seen \$204MM in standalone dividends

The merger has provided dividends \$71.5MM greater than the standalone course of action would have provided



Community Update



Community Update - Hamilton

- In 2021, Alectra plans to invest over \$250 million across our service territory, including Hamilton, in order to continue to deliver reliable electricity to your community
- Alectra continues to bring much needed infrastructure improvements to Hamilton through our annual capital plan
 - Expanding infrastructure to accommodate load growth in the area:
 - \$19 million over the next five years
 - Replacing deteriorating infrastructure to maintain and improve reliability and service quality:
 - \$30 million over the next five years; specifically to replace and rehabilitate poor condition underground cables



Community Support in 2021

- In 2021, Alectra has committed a total of **\$1 million** in sponsorship and donations.
- The alectraCARES Community Support Program is application-based, receiving over 100 applications from community groups across our service territory each year
- **2021 Program Focus:**
 - **Pandemic relief:** supporting front-line responses to the pandemic, food security issues, providing health resources, and relief for low-income vulnerable citizens
 - **Anti-racism:** Working in concert with municipalities, we have reached out to local community groups to partner in the fight against racism
 - Initiated a scholarship program with The Directors College, McMaster University DeGroote School of Business to offer support for BIPOC candidates seeking the designation of Chartered Director (“C.Dir”)
 - **Incorporating Employee Choice:** An employee survey was distributed in late 2020. The results helped inform our donations program and indicated that employees would like to see funding directed to mental health, poverty reduction and children & education

Supporting Hamilton

- Committed over **\$82,000** to community organizations supporting Hamilton.
- Donated **\$10,000 to Food4Kids Hamilton's Weekends Without Hunger**, ensuring at-risk, school-aged children have access to food over the weekends.
- Pledged **\$5,000 to YWCA Hamilton Walk a Mile In Her Shoes** to raise awareness and funds to end violence against women.
- Contributed **\$75,000** over the last four years to **Outward Bound**, providing outdoor education and experiences to underserved youth in Hamilton.
- Continue to support **Second Harvest's FoodRescue.ca in Hamilton**. Through our partnership, Second Harvest was able to expand its program into Hamilton, connecting businesses with surplus food to non-profit foodbanks and agencies.



CONNECTING WITH COURAGE

Community Update

Alectra is continuously working to connect with our customers and municipal partners through various communications channels, including:

Ally

- Municipal shareholder quarterly newsletter;
- Provides relevant customer-related information to councillors and city staff to share with constituents;

Customer Newsletter

Provides timely and helpful electricity news that matters to our customers;

Includes articles about Alectra services, new developments, support programs, electricity prices, energy conservation, safety tips, industry news, corporate social responsibility, and much more





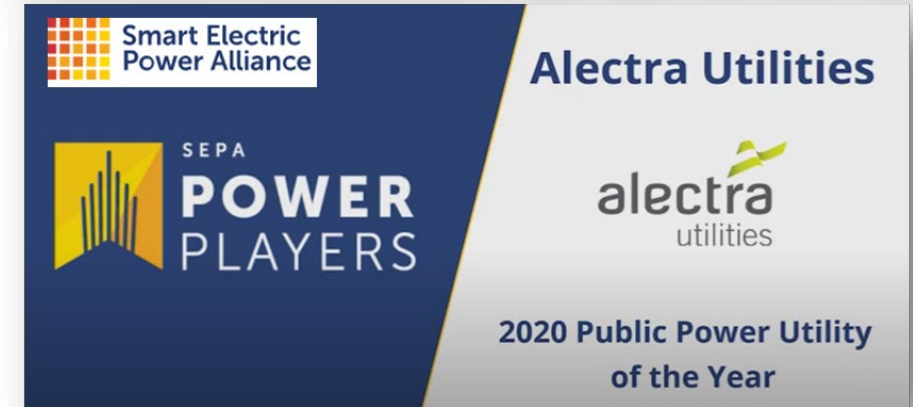
Recognition & Awards

Recognition & Awards (2020)

Corporate Knights
ranks Alectra #3 in Canada
on Best 50 Corporate Citizens list



Alectra Utilities named 2020 Public Power Utility of the Year by SEPA



Anastasia Boutziousvis, Green Energy and Technology Specialist at Alectra is recognized as a Corporate Knights 30 under 30 sustainability leader in Canada



Electricity Distributors Association
Environmental Excellence Award



Recognition & Awards (2020)

Alectra becomes the first ever recipient of the Sustainability Leadership Award presented by Sustainable Hamilton Burlington



Sustainable Hamilton Burlington · 2d
The Winner of the "Overall Sustainability Leadership Award 2019" goes to @alectranews
Congratulations!!
#8thAnnualEOR
#SHBSustainabilityAwards2019



Alectra named top fundraiser for YWCA's Walk A Mile In Her Shoes



Alectra is honoured as Co-operative Education Employer of Distinction Award by Conestoga College



Canadian
Electricity
Association

Association
canadienne
de l'électricité

Alectra receives the 2020 Tom Mitchell EV Leadership Award for Utilities, presented by Plug 'N Drive and the CEA



Awards & Recognition (2021)

- 'Best 50 Corporate Citizens' list by Corporate Knights (public in June 2021)
- Electricity Distributors Association Communications Excellence Award (May 2021)
- 'Canada's Clean50' – Caroline Karvonen, Manager, Sustainability (April 2021)
- 'Hermes Creative Award' – Alectra Utilities website (April 2021)
- 'Inspiring Local Love' Award - (United Way Halton & Hamilton) (March 2021)





Thank You

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Баярлалаа
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