



Hamilton Enterprises Holding Corporation (HEHCo.) AGM

Thursday, June 10th 2021

Hamilton Enterprise 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 by supplying innovative district and renewable energy solutions:

- Over 3.5M ft² 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.

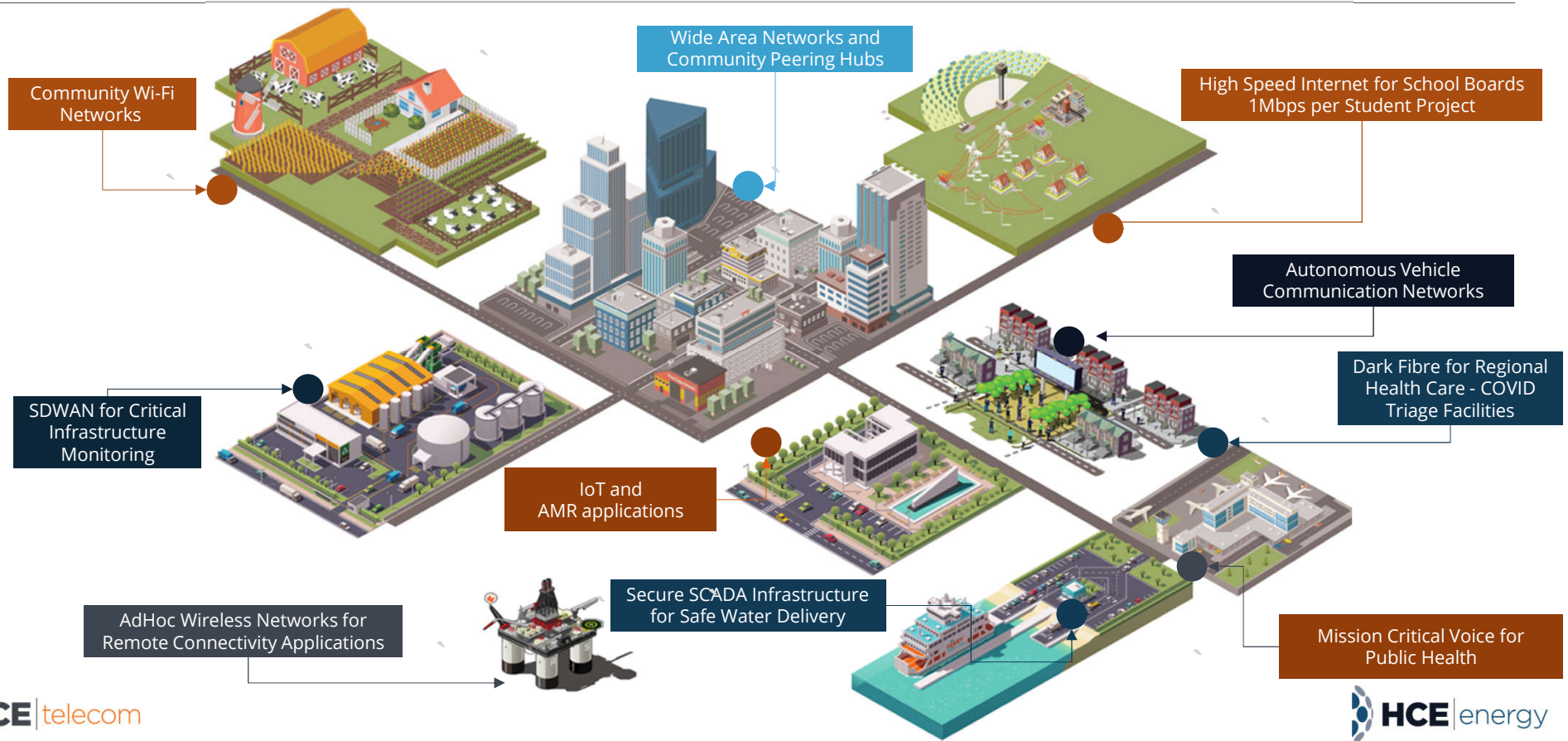
HCE Energy – Sustainably Innovative

-  **SOLAR PHOTOVOLTAIC**
Generate 3.7 Mwe 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 SERVICES**
1.6 MWe of electricity from biogas at Woodward Wastewater Treatment Plant
-  **BIOGAS PURIFICATION - O&M SERVICES**
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...



Hamilton



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

- \$1.9M Cost avoidance/savings delivered to the City – GA Savings were ~ \$1.3M along with \$600k in Telecom.
- Value creation and Corporate growth, 21.8% 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
- Quick response to enabling solutions to equip Hamilton in responding to the COVID crisis

Environmental Benefit

- Reduced carbon footprint (57% 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.
- Path to Net Zero Carbon through renewables and district energy solutions

2020 Highlights

Financial Growth

- **Growth Trend:** 2020 saw 8.5% growth in revenues with a 5 Year CAGR of 21.77%
- **Top Line Revenue:** Top Line Revenue: \$5M in 2015 to 15.5M in 2020
- **Year over Year Growth:** 2021 Revenue Growth budgeted to be 7.8% over 2020
- **Project Quality:** New projects have a minimum target of 11% IRR for every project
- **Sales Momentum:** \$2.0M in sales funnel with \$3.3M of value in the process of being delivered
- **Year over Year EBITDA and Net Income growth**

Greening & Growing Our Portfolio

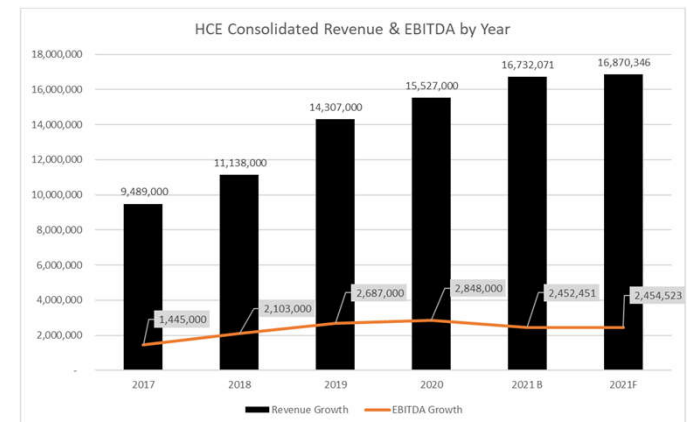
- Solar PV generation portfolio has grown to 4.4 MW_{dc}
- Resiliency provided by our high-efficiency Combined Heating and Power plants is now 6.1 MW
- Major contributor into the Hamilton Chamber of Commerce study into Industrial Waste Heat Capture with HCE continuing efforts to incorporate strategy into the Downtown District Energy system.

Innovative In Services

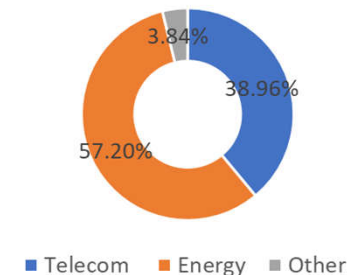
- Developing new ways to securely connect critical infrastructure through our SD-WAN
- Developing new wireless capabilities (Smart City Applications, Wi-Fi, IoT)
- Public Internet and Wi-Fi trails underway at City of Hamilton Parks, HPL and CHH

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



2020 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 Public Health
- While the impacts of COVID caused timing delays in contracting and delivering new revenue, the organization was able to sustain growth in 2020 and played an important role in enabling customers to adopt new productivity models resulting from the pandemic.
- 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

- During 2020, HCE has been active in the community delivering in record time, the following solutions that have increased the City of Hamilton's resilience and ability to respond to the challenges faced as a result of the pandemic:
 - A secure remote worker solution was implemented for Public Works Water and Wastewater operations
 - Fiber optics were constructed for Hamilton Health Sciences to expand their COVID operations
 - The City of Hamilton's voice calling capacity was expanded to handle the increased call volumes from Constituents
 - Maintenance at First Ontario Centre was expanded for shelter readiness
- More broadly:
 - Solutined to Halton Region a remote agent service to increase call capacity to Public Health officials
 - The voice capacity to Lakeridge Health was expanded to handle a dramatic increase in calls related to the pandemic

Alignment to the 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 **focused 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**.

Next Steps and Call to Action

- 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 Communities
- Continued dialog and creating brand awareness with various City Departments
- Expanding the dialogue with the City and Public Sector on several fronts:
 - Helping to develop Net Zero Carbon solutions to address the climate change challenge
 - The downtown redevelopment and the expansion of district 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

HEHCo. Resolutions

- Receipt of the 2020 Audited Financial Statements
- Appointment of the Auditor for 2021
- Number of & Appointment of Directors of the Hamilton Enterprises Holding Corporation

Questions?

Thank you