



Guelph Municipal Holdings Inc. (GMHI)

2021 Annual Report to Shareholders
Guelph City Council Meeting
June 27, 2022

2021 snapshot

- Since the merger of GMHI's interest in Guelph Hydro Electric Systems Inc. (GHESI) with Alectra Utilities Inc (Alectra), GMHI has recognized substantial value beyond what was anticipated in the business case modelling that Council as a Shareholder was presented.
- Although better than budgeted, GMHI's interests in the district energy assets has provided, and is anticipated to deliver, successive losses from operation.

2021 snapshot

- Until GMHI's district energy model changes, this stream of operation will detract from the value that GMHI produces.
- GMHI is committed to respecting its contractual obligations related to its district energy contracts while exploring potential opportunities to exit this area of its business model.
- GMHI successfully delivered its first multi-year budget for 2022 and 2023.

2021 financials

- The assets increased by \$1.1 million while the liabilities decreased by \$137 thousand as compared to 2020.
- Comprehensive income totaled \$4.8 million compared to \$3.0 million in 2020.
- Actual dividends received from Alectra were \$3.5 million; an increase of \$2 thousand over the budgeted \$3.5 million.

2022 financial update

- As reported by the Alectra Board of Directors, the merger with Alectra has benefitted GMHI as follows:
 - Receipt of \$11.4 million in dividends vs. the forecasted \$9.0 million standalone course of action.
 - \$8.3 million betterment over the business case comprised of \$1.6 million in operating and \$6.7 million in capital net synergies.

2022 Outlook

- In GMHI's obligations to its Shareholder, City Council of the Corporation of the City of Guelph, GMHI is committed to aligning with the City's commitment to the City Council-endorsed 100% Renewable Energy, Net Zero Carbon energy and Race to Zero initiatives.



Thank you