

Guelph Municipal Holdings Inc. (GMHI)

2022 Annual Report to Shareholders
Guelph City Council Meeting
June 14, 2023

2022 snapshot

- GMHI demonstrated its success in 2022 through the following achievements:
 - Responsibly delivered district energy services to its customers for the first half of the year.
 - Successfully negotiated the sale of its district energy assets to Cascara Energy (Cascara).

2022 snapshot

- The closing of the sale of all remaining district energy assets to Cascara relieved GMHI from the successive operating losses previously reported.
- The sole operation of GMHI going forward is to hold the City of Guelph's 4.63% investment in Alectra.

2022 snapshot

- At Alectra's recent 2022 AGM, it was reported that the merger with Alectra has provided dividends 34% greater than the standalone course of action.
- GMHI successfully delivered its first budget confirmation for 2023 of the 2022/2023 multi-year budget.

2022 financials

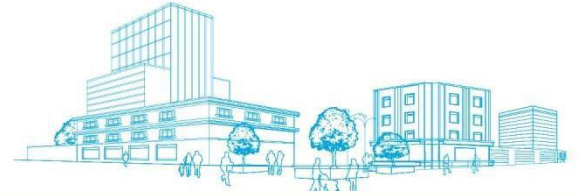
- GMHI's investment in Alectra decreased by \$1.4 million as GMHI received \$4.4 million in dividends from Alectra compared with GMHI's share of 2022 earnings (\$3.0 million).
- GMHI paid dividends totaling \$3.7 million to the City of Guelph in 2022 (\$3.5 million – 2021).

2022 financials

- GMHI paid \$3.7 million in dividends to the City in 2022 compared with earning total comprehensive income of \$2.9 million.
- The City of Guelph will recognize a loss of \$547 thousand to bring the net income from GMHI to \$3.2 million.

2023 Outlook

- First full year of operation with no responsibility for the operation of the district energy assets.
- With the focus on minimizing operating expenses, will increase the potential to maximize the declared dividend consideration to the City of Guelph as the shareholder.
- Through the shareholder's representative on the Alectra Board, the advance alignment with the City of Guelph's 2024-2027 Strategic Plan, specifically through the Environment focus.



Thank you