

Enersource Corporation

2021 Financial Results

**Presentation to City of Mississauga
General Committee
June 22, 2022**

Enersource Corporation - 2021

- **Board of Directors:**

- David Warner, Chair
- Linda Kuga Pikulin, Board Member
- Pat Saito (Councillor), Board Member
- Graham McLeod, Board Member (BPC Energy)

- **CEO:**

- Shari Lichterman

2021 Board Meetings

- **4 quarterly Board Meetings in 2021:**

April 27st, June 22nd, Oct. 15th, Dec. 10th, 2021:

- met with Alectra management to review Alectra financial statements and operating matters
- review bank debt, repayments, and cash flow

- **April 29th, 2022:**

- approved the **2021** audited Enersource Financial Statements

Alectra Utilities Shareholders

Ownership %'s

Enersource Corporation	29.57%
Vaughan Holdings	20.50%
Hamilton Utilities	17.30%
Markham Enterprises	15.00%
Barrie Hydro	8.40%
St. Catharines Hydro	4.60%
Guelph	4.60%

City Investment in Enersource Corp. (90%)



	(millions)				
	2021	2020	2019	2018	2017
Opening Balance	\$498.5	\$498.8	\$502.4	\$485.0	\$281.0
City's share of Net Income in Enersource Corporation	\$28.7	\$17.4	\$10.8	\$30.3	\$14.2
Equity on gain of exchange of Investment in Enersource Hydro					\$202.7
City share of dilution gain recognized on Alectra's amalgamation with Guelph			\$1.3		
City Share of Dividend	-\$16.7	-\$17.7	-\$15.7	-\$12.9	-\$12.9
Closing Balance	\$510.5	\$498.5	\$498.8	\$502.4	\$485.0

Enersource Dividends in 2021

Received from Alectra in 2021:

- \$22.2 million (2020 23.69 million) received which represents dividends for Q4 2020 & Q1-3 2021.
- Alectra paid Enersource \$14.1 million on March 18th, 2022, representing Q4, 2021.
 - This dividend includes a special dividend of ~\$2.36M

Enersource Dividends Paid to City and Borealis in 2021:

- \$18.6 million (2020 \$19.7 million) was paid in 2021
 - 90% to City - \$16.7M
 - 10% to Borealis - \$1.9M

In May 2022, Enersource paid the entire special dividend to the City and Borealis as part of the dividend of \$7.68M

Enersource 2021 Financial Statements Summary

	(millions)			(millions)	
<u>Statement of Financial Position</u>	2021	2020	<u>Statement of Income</u>	2021	2020
Cash	\$7.5	\$7.3	Share of income in Alectra	\$30.2	\$22.3
Prepays	\$0.0	\$0.0	Share of other comprehensive loss form Investment in Alecta	\$2.1	-\$1.2
Investment in Alectra	\$607.9	\$597.8	Interest income	\$0.1	\$0.1
Interest Rate Swap	\$0.0	\$0.0	Debt expense	-\$0.8	-\$1.0
Total Assets	\$615.4	\$605.1	Admin Expenses	-\$0.2	-\$0.2
Accounts Payable	\$0.0	\$0.0	Unrealized fair value gain on interest rate swap	\$0.5	-\$0.6
Debt	\$48.1	\$50.6	Income Tax Recovery		
Interest Rate Swap	\$0.0	\$0.6	Total comprehensive income for the year	\$31.9	\$19.4
Total Liabilities	\$48.1	\$51.2	* numbers may be slightly off due to rounding		
Share Capital	\$175.7	\$175.7			
Accumulated Other Comprehensive Loss	-\$5.2	-\$7.3			
Retained Earnings	\$396.8	\$385.5			
Total Shareholders Equity	\$567.3	\$553.9			
Total Liabilities and Shareholders Equity	\$615.4	\$605.1			

* numbers may be slightly off due to rounding

Enersource Cash Flow

	(millions)		
	2021	2020	Change vs Prior Year
Cash From Operating Activities	-\$0.3	-\$0.1	-\$0.2
Dividends received from Alectra	\$22.2	\$23.6	-\$1.4
Dividends Paid to City	-\$16.7	-\$17.7	\$1.0
Dividends Paid to Borealis	-\$1.9	-\$2.0	\$0.1
Interest Income	\$0.1	\$0.1	\$0.0
Debt Repayment	-\$2.5	-\$2.5	\$0.0
Interest Repaid	-\$0.7	-\$1.0	\$0.3
Increase in Cash During Year	\$0.2	\$0.4	
Ending Cash Balance	\$7.5	\$7.3	\$0.2
<small>*amounts may be slightly off due to rounding</small>			

Forecasted Dividends in 2022

April 29th, 2022:

- Board approved Q1 quarterly dividend payment of \$7,684,420:
 - City received \$6,915,978
 - Borealis received \$768,442

Forecast for Remaining 2022 Dividend Payments (Q2 to Q4):

- Board currently forecast to pay \$5,325,000 per quarter (90/10 split City/Borealis)

THANK YOU