

2021

Elexicon Corporation Annual Report



Table of Contents

Elexicon Corporation

- 03 Who We Are
- 05 Chair's Message
- 06 Elexicon Corporation -
Corporate Governance
- 08 2021 Highlights

Elexicon Energy

- 09 Chair and President &
CEO Message
- 13 Corporate Governance
- 14 Who We Are
- 15 2021 Highlights

Elexicon Group

- 21 Chair and President &
CEO Message
- 22 Who We Are
- 22 Governance
- 23 2021 Highlights

Our Purpose

Empowering through energy
innovation for a cleaner, better future

Beliefs

Collaboration
Diversity, Equity, and Inclusion
Environmental and Social Well-Being
Health and Safety
Curiosity



ELEXICON Corporation

Who We Are

Power. For a cleaner, better future.

Elexicon Corporation (“Elexicon”) is 100 per cent owned by five municipal shareholders: the Town of Ajax, the City of Belleville, the Municipality of Clarington, the City of Pickering, and the Town of Whitby. Elexicon Corporation is a holding company with two subsidiaries: Elexicon Energy Inc. (“Elexicon Energy”) and Elexicon Group Inc. (“Elexicon Group” or “EGI”). Each of the subsidiaries has its own Board of Directors and is expected to operate as an independent business.

The Corporation is overseen by a Board of Directors consisting of six Independent Directors and five Dependent Shareholder Directors. The Dependent Directors are by agreement the Mayors, or Mayors’ Designates, of the Shareholder Municipalities. The Independent Directors are appointed by the Shareholder Representatives shareholder municipalities.

The core businesses of the Corporation are electricity distribution in the communities of Ajax, Beaverton, Belleville, Bowmanville, Brock, Cannington, Gravenhurst, Newcastle, Orono, Pickering, Port Hope, Port Perry, Sunderland, Uxbridge, Whitby, Brooklin and Ashburn, and innovative energy and electric vehicle solutions and services across Canada and North America.

Our success comes from the close to 260 employees at our subsidiary companies who empower our communities and customers through energy innovation for a cleaner, better future.



How we create value is just as important as what we do. We believe that collaboration helps achieve better results; curiosity sparks innovative thinking; an inclusive culture that is equitable and diverse empowers success; environmental and social stewardship gives us the social licence to serve our community; and the promotion of a healthy and safe place to work is at the cornerstone of what we do.



\$349K

donated to local charities and community organizations



\$11.38M

in dividends given to shareholder municipalities



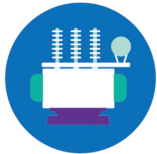
2,572

kilometres of underground cables



4,616

kilometres of overhead wires



23,150

Transformers



37,136

hydro poles + pole structures



173,066

customers served



96%

new residential / small business customers connected on time



85,538

customer calls answered



97%

customer satisfaction (Utility Pulse survey)



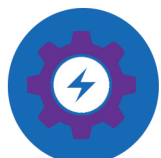
99.99%

Average system Availability Index



337MWh

in solar energy produced



4

energy generation projects built & installed



18,900+

EV charging stations installed or approved for installation across Canada from Victoria, BC to Brossard, QC



3

new distributed energy resource (DER) pilots started



102K lbs

of CO₂ emissions saved from solar projects

Chair's Message



Patrick McNeil
Chair of the Board

Building our Future Together

Much has changed this past year, largely due to the prevailing uncertainty of the COVID-19 pandemic and outlook on our economic recovery. As a corporation, this has strengthened our resolve to ensure our group of companies is enabled to respond quickly while also considering how to best serve the customer and community through thoughtful and prudent investment.

Our performance in 2021 reflected our core strength in our local distribution company, Elexicon Energy, as well as our competitive advantage through our innovative energy solutions provider Elexicon Group. Our varied geographic regions, opportunities presented by new development growth across our service territories, and diversified portfolio of energy solutions generated a net income of \$16.9M for the period of January 1 to December 31, 2021. Our municipal shareholders benefited from distributions of earnings through annual dividends of \$11.4M – with revenues supporting the shareholder communities we service.

Providing this type of certainty and solid performance is with thanks to our talented team of close to 260 employees who continue to exhibit their resilience and commitment during these turbulent times.

As a relatively recently formed corporation, the Board developed its first strategic narrative in 2021, working in tandem with the Boards and Management teams of our two subsidiaries. Together, we have the unprecedented opportunity to empower our customers and communities through energy innovation for a cleaner, better future. With this purpose serving as our guiding light, we will explore economic and investment opportunities, and work closely with our government and energy stakeholders to forge the right partnerships that drive growth and increase shareholder value.

We have already made good progress on this front with Elexicon Energy launching Canada's first pre-planned residential micro grid community in Pickering, working with partners like Opus One Solutions and Marshall Homes, and with Elexicon Group forging a new joint venture with WYSE Metering and EVSTART™ to advance our electric vehicle infrastructure solutions division.

There were also many important changes to the composition of our Board and Management teams at both Elexicon Energy and Elexicon Group. It was with a heavy heart that we said goodbye to Director, and Pickering City Councillor Ian Cumming. He was a well-respected member of our Board and community and will be missed. At the same time, we welcomed Pickering City Councillor Kevin Ashe.

The Board also focused its efforts on succession planning with both subsidiaries welcoming new leadership. Indrani Butany-DeSouza joined Elexicon Energy as its new President and Chief Executive Officer (CEO) in September and Craig Ballard as the new President and CEO of

Elexicon Group in January. Their fresh perspectives provide the dynamic leadership the Corporation requires to drive new pathways and meet the growing and changing demands and expectations of customers, regulators, government, communities and shareholders. Their approach to Diversity, Equity and Inclusion, Indigenous Relations and Corporate Environmental and Social Responsibility will be an important area of focus in 2022.

I am especially proud of our commitment to supporting the most vulnerable in our communities. Elexicon Corporation's Corporate Giving Program provided \$350,000 to local charities in 2021, including frontline workers who continue to help those impacted by the global pandemic. These collective actions reveal much about the character of the people that make up our great organization, and one that I will miss with 2021 being my last full year serving as Board Chair. I want to express my gratitude to each Director, Management and Employee – you inspire, delight and energize. Your drive to empower others in our community is a true testament to the spirit of Elexicon – thank you for giving me the opportunity to serve and I look forward to champion your continued success.

A handwritten signature in dark ink, appearing to read 'Patrick McNeil', with a stylized, looping flourish at the end.

Patrick McNeil
Elexicon Corporation
Board Chair

Ellexicon Corporation - Corporate Governance

Ellexicon Corporation believes that good governance in business leads to great outcomes. We are governed in accordance with the Business Corporations Act (Ontario) and a Unanimous Shareholders' Agreement and provide voluntary disclosure on our corporate governance practices. We are a holding company, 100 per cent owned by five municipal shareholders: the City of Pickering, Town of Ajax, Town of Whitby, City of Belleville and Municipality of Clarington which includes Bowmanville, Courtice, Newcastle and Orono.

Independent Board Members



Patrick McNeil
ICD.D
Chair,
Independent Director



Ron Chatterton
C.Dir
President, Niche
Advantage
Consulting Ltd.



Jim Macpherson
President,
Macpherson and
Associates inc.



Brian Mountford
Independent
Director



Doug Parker
CPA-CMA
Independent Director



Lesley Rose
Senior Director
CFS Finance, Senior
Commercial Markets,
RBC Financial Group

Shareholder Board Members



Shaun Collier
C.Dir
Mayor,
Town of Ajax



Adrian Foster
Mayor,
Municipality of
Clarington



Don Mitchell
Mayor,
City of Whitby



Mitch Panciuk
Mayor,
City of Belleville



Ian Cumming
Councillor,
City of Pickering,
(Mayor's Designate
Until Sept. 2021)



Kevin Ashe
Reginal Councillor,
City of Pickering
(Mayor's Designate
Since Oct. 2021)



Committees

Audit, Finance & Risk Committee

The Audit, Finance & Risk Committee reviews the Annual Financial Plan, financial statements, accounting practices and policies, auditing processes and the results of internal and external audits and related matters. It also oversees financial risk management and assesses internal controls.

Nominating Committee

The Nominating Committee, comprised solely of independent directors, with the assistance of outside consultants, identifies and evaluates potential candidates for appointment as Directors.

Governance Review Committee

As provided for in our Unanimous Shareholder's Agreement a committee was struck to review the appropriateness of the Elexicon Governance structure and composition.

Ad Hoc Divestiture Committee

As a result of one of our major shareholders expressing its wishes to sell its shareholding in Elexicon, an ad hoc divestiture committee was established to oversee the sale process and manage Elexicon's response to it.

2021 Board and Committee Attendance

ELEXICON CORPORATION

Member	Board Meetings	Committee Meetings
Patrick McNeil (Chair)(1)	14/14	4/4
Jim Macpherson (Vice Chair) (1)	13/14	4/4
Ron Chatterton	14/14	
Don Mitchell	13/14	
Adrian Foster (1)	14/14	4/4
Kevin Ashe (Mayor Ryan's Designate October 2021)	2/2	
Shaun Collier	14/14	
Mitch Panciuk	13/14	
Lesley Rose (1)	14/14	4/4
Doug Parker (1)	14/14	4/4
Brian Mountford	14/14	
Ian Cumming (Mayor Ryan's Designate March 2020)	12/12	

MEMBER OF:

1. Audit, Finance & Risk Management Committee
3. Nominating Committee (the Committee did not meet in 2021)

ELEXICON ENERGY INC.

Member	Board Meetings	Committee Meetings
Paul Murphy (Chair) (1,2)	7/7	8/8
Ron Chatterton (1, 3)	7/7	4/4
Doug Parker (1)	7/7	4/4
Ted Baker (2)	7/7	4/4
Dave McGregor (2)	7/7	4/4
Nicole McNeill (1)	7/7	4/4
Sean O'Dwyer (2)	7/7	4/4

MEMBER OF:

1. Audit, Finance & Risk Management Committee
2. Human Resources, Compensation & Governance Committee
3. Nominating Committee (the Committee met once in 2021)

ELEXICON GROUP INC.

Member	Board Meetings
Karen Fisher (Chair)	13/13
Jim Macpherson	13/13
Lesley Rose	13/13
Darren MacDonald	13/13
Murray Angus	12/13

MEMBER OF:

1. Nominating Committee (the Committee did not meet in 2021)
- *The Elexicon Group Board operates as a Committee of the Whole

2021 Highlights

Financial Performance

Elexicon Corporation had strong financial performance in 2021 and provided shareholder municipalities healthy dividends. The Corporation had a net income of \$16.9 million and paid \$11.4 million to shareholders for reinvestment in local communities. The Corporation continued to deliver local communities with economic benefits and made capital investments of \$69.4 million.

**\$136
million**

In economic value and benefits delivered in 2021. Value created by Elexicon Corporation is fundamentally measured in terms of financial performance and operational excellence. In addition, the Province of Ontario and the communities we serve derive other economic benefits that, in 2021, amounted to more than \$136 million.

**\$69.4
million**

In capital expenditures in 2021. Investments in electricity distribution infrastructure to serve the needs of our growing communities.

**\$48.6
million**

In operating expenses in 2021. Property taxes, water costs, facility costs, professional fees, local purchasing, employee compensation and benefits, etc.

**\$11.4
million**

Dividends paid or payable to our shareholders for reinvestment in our communities.

**\$6.3
million**

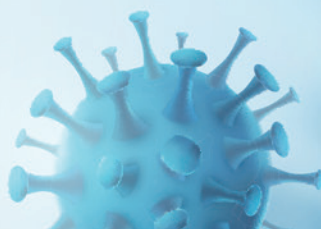
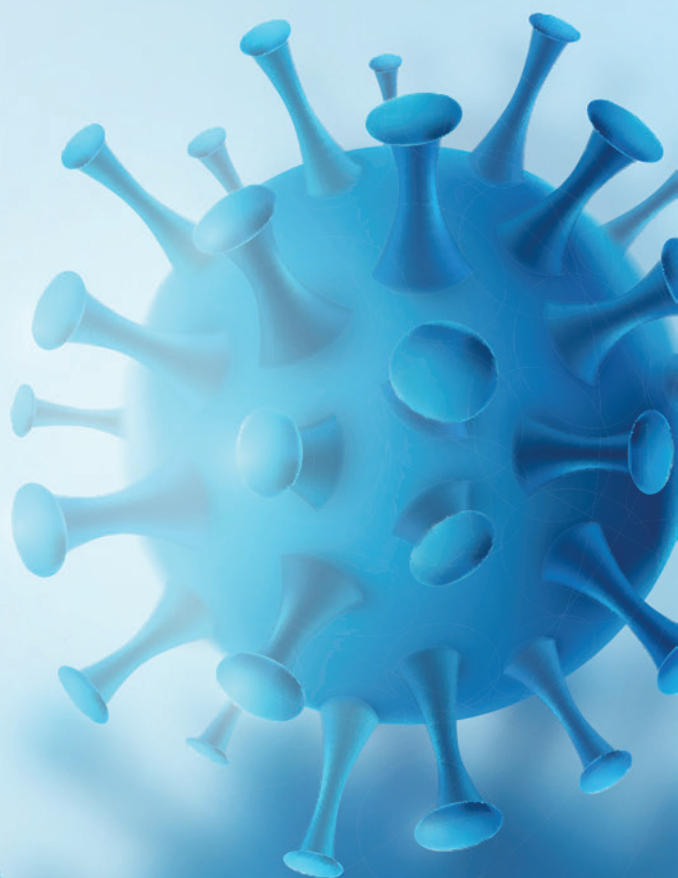
Payments to capital Providers and Government. Interest and payments in lieu of taxes.

COVID-19 Response

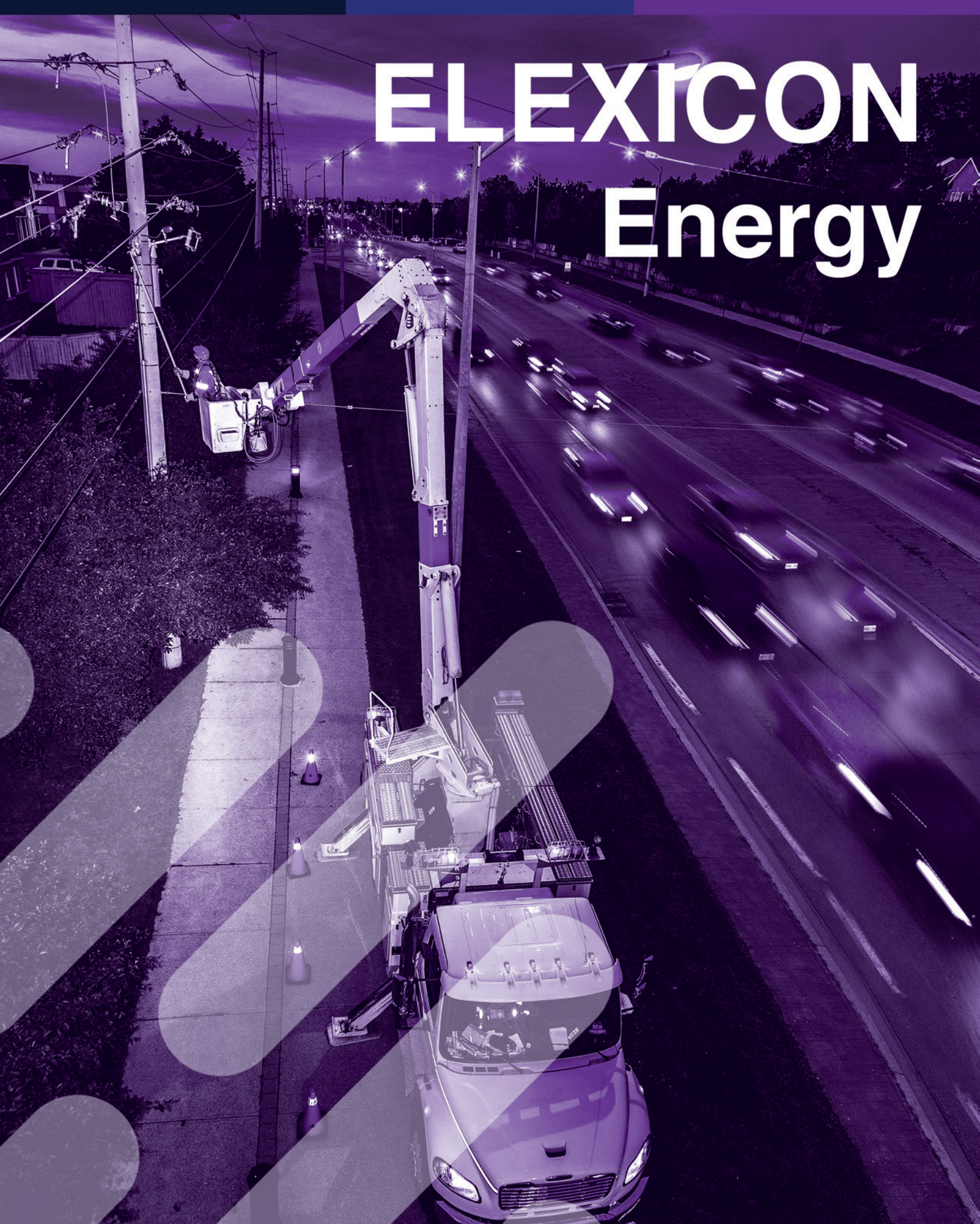
Elexicon continued to meet its goal of zero COVID-19 transmission in the workplace.

Employees who could work from home continued to do so, with the organization providing weekly on-site COVID-19 testing for front-line employees whose jobs were deemed critical. In November, Elexicon announced a mandatory Vaccination Policy. The policy applies to all employees, contractors and visitors working with or attending Elexicon work locations and worksites. By the end of the year, 90 per cent of employees were fully vaccinated. Embracing the hybrid work model, Elexicon also announced that a Safe Return to Office would start in 2022 with employees returning to the office for a minimum of two days a week.

In all, the Corporation has carefully followed the advice of public health and workplace safety experts. Our commitment to keep our employees, their families and the communities we serve safe has not waived.



ELEXICON Energy



Elexicon Energy - Chair and CEO Message



Paul Murphy
Chair of the Board

On behalf of the Board of Directors, Executive Leadership Team and employees of Elexicon Energy, we are pleased to provide you with the highlights of the 2021 fiscal year. It goes without saying that COVID-19 has emphasized how interconnected we all are from an economic, environmental and social perspective. Alongside the global pandemic, the challenges of climate change and our transition to a net zero world are serving as the catalyst for a broader transformation in our communities, across the energy sector, and here at Elexicon Energy.

Electric vehicles, smart grids, distributed energy resources, battery storage, micro grids and advanced smart meter functionalities are just a few examples of the technologies that are transforming the ways we will meet the growing energy demands and expectations of our customers as regulations permit.

As the fourth largest municipally-owned electricity distribution company in Ontario, we understand electrification will become a key driving force in our transition to net zero. Addressing emissions will be critical to decarbonizing the economy, and ultimately mitigating the impacts of climate change. We have a responsibility to our customers, our communities, shareholders and environment to ensure those sustainable solutions continue to remain affordable and reliable for both home and business. We have a 99.9% service delivery record of providing safe and reliable electricity to our customers and community that we are committed to upholding.



Indrani J. Butany-DeSouza
President & CEO

This past year, Elexicon Energy embarked on year two of its five-year Strategic Plan. In the first year, we were primarily focused on grounding the organization in the strategy's four strategic pillars of Customer Centricity, Operational Excellence, Economic Development and Strategic Investment. The development of a new strategic delivery office was initiated to ensure critical initiatives are delivered on time and on budget. In year two, we enjoyed a fresh outlook from our revitalized Executive Leadership Team, as Indrani Butany-DeSouza joined us as President and CEO. We also thanked Rob Scarffe for his 21 years of service when he retired as Vice-President of Customer Experience in June and welcomed Kriston Romano into the role. Together, Board and Management re-examined the needs of the organization to modernize its operations and begin preparing for the energy transformation underway.

With the rollout of multiple vaccines, we announced that our employees would be shifting to a hybrid workplace model to improve work-life balance, promote better collaboration and work relationships and increase productivity and employee satisfaction. Elexicon Energy also made a significant commitment to enhancing equity, diversity and inclusion in the workplace, becoming the first energy company in Canada to sign the expanded Leadership Accord with Electricity Human Resources Canada. The accord focuses on gender equality in the electricity sector as well as expanding its reach to racialized and under-represented groups. It is our goal to create a workplace that reflects the rich and diverse communities that we serve.

Through the pandemic we continued our focus on our customer. Working together with government, we implemented measures to help those who struggled financially. Our committed team of customer care advisors ensured various financial assistance programs were available to our customers to help reduce the economic stress of COVID-19. Our customers are our top priority, which is why our customer satisfaction rating remains high at 97 per cent in 2021. We achieve this high standard by making continuous investments in our customer experience.

Like many other utilities, Elexicon Energy has been affected by rapidly evolving technology advancements, aging infrastructure and increased demand for energy resources. In 2021 we invested \$22.6 million to maintain our distribution system reliability and an additional \$15.8 million to expand the system to meet service territory growth. In North Pickering construction is underway on our first fully owned municipal transformer station and designs were developed for a new Operations Centre in Belleville. We also unveiled Canada's first pre-planned residential micro grid community. This first of its kind community includes a rooftop solar array, lithium-ion battery energy storage; electric vehicle charging stations; innovative smart metering system for community use; and an integrated distribution energy service platform and is a showcase of the future public electric utility. These investments will provide our customers with reliable, sustainable, and affordable energy services and ensure we can continue to meet the rapidly changing expectations of our customers, shareholder and stakeholders. In total, we now boast an asset base of \$520.6 million including property, plant and equipment ("PP&E") as well as other intangible assets.

Finally, we continued to work with the provincial government, our shareholder municipalities and the Region of Durham to advance access to broadband internet, climate change objectives, and economic development opportunities; this included supporting the coordination of pole attachments so that every customer in our service territory has internet access, the electrification of transportation, and new greenfield development to help unlock critical housing needed in Ontario. We are enthusiastic about continuing to progress these partnership and actively support community investment.

We would like to thank all our frontline workers and our employees for their hard work and commitment this past year. We are proud of your efforts and look forward to growing Elexicon together in the coming years.



Paul Murphy
Elexicon Energy
Chair



Indrani J. Butany-DeSouza
Elexicon Energy
President & CEO



Corporate Governance

Elexicon Energy is committed to maintaining and continuously evolving its good governance practices.

Elexicon Energy Inc. is a subsidiary of Elexicon Corporation Inc. that is 100% owned by five municipal shareholders: the City of Pickering, Town of Ajax, Town of Whitby, City of Belleville and Municipality of Clarington.

Board of Directors



Paul Murphy
P.Eng.
Chair,
Independent
Director



Ted Baker
C.Dir.
Sr. Conservation
Account
Manager,
CLEAResult



Ron Chatterton
C.Dir.
President,
Niche
Advantage
Consulting Ltd.



Dave McGregor
HRCC
Independent
Director



Nicole McNeill
ICD.D
President &
Chief
Administrative
Officer,
Municipal
Property
Assessment
Corporation



Sean O'Dwyer
ICD.D
Independent
Director



Doug Parker
CPA-CMA
Independent
Director

Committees

Audit, Finance & Risk Committee

The Audit, Finance & Risk Committee assists the Board in fulfilling its oversight responsibilities in relation to the review of annual operating and capital expenditure plans, financial statements, accounting practices and policies, auditing processes and the results of internal and external audits and related matters. It also oversees financial risk management and assesses internal controls.

Human Resources, Compensation and Governance Committee

The Human Resources, Compensation and Governance Committee reviews the Corporation's governance structures and practices to ensure that the Board of Directors can fulfill its mandate. It reviews people resources and compensation practices to ensure systems are in place to attract, retain and motivate best in class employees. It also reviews and assesses the performance of the President and Chief Executive Officer, oversees the Board Assessment process, and monitors compliance with codes of conduct.

Nominating Committee

The Nominating Committee, with the assistance of outside consultants, identifies and evaluates potential candidates for appointment as Directors.

Our Vision

To empower the communities we serve and help customers seize opportunities to ignite a better future.

Our Mission

To provide our customers with reliable, affordable energy services and continuously improve to meet their needs, while ensuring the needs of our shareholders are met through sustainable growth.

Our Values

SAFETY

We prioritize the safety of our team and customers, knowing this is the foundation of a healthy home and engaged workplace.

KINSHIP

We seek every opportunity to forge personal connections with our customers and employees, because we know genuine relationships are lasting ones.

COMPETENCE

We understand that our customers' trust is built upon our knowledge, solutions and ability to make and keep our promises.

MINDFULNESS

We are mindful of our impact on the environment and make every effort to ensure we cause no undue harm during the delivery of our services.

RESPONSIVENESS

We know our customers rely on electricity to successfully navigate their day. As a result, we go above and beyond to meet their needs by proactively addressing their questions and concerns, and continuously improving our services.

Who We Are

Elexicon Energy powers life's most meaningful moments, creating connection between experiences and people and the environments where they live.

As a subsidiary of Elexicon Corporation Inc. we are the fourth largest municipally owned electricity distributor in Ontario.

We provide over 173,000 residential and business customers in parts of Durham Region and beyond with reliable and affordable energy services. Our service territories include the communities of Ajax, Belleville, Brock, Clarington, Gravenhurst, Pickering, Port Hope, Scugog, Uxbridge and Whitby.

Our 2021 Executive Leadership Team



Indrani J. Butany-DeSouza
President and CEO



Stacia Boss
Vice President,
Human Resources
and Corporate
Services



Moranne McDonnell
Vice President,
Distribution Operations



Kristine Chandler
General Counsel and
Corporate Secretary



Kriston Romano
Vice President,
Customer Experience
(Rob Scarffe Jan-June, 2021)



Falguni Shah
Vice President,
Technology and
Innovation



Kevin Whitehead
Vice President, Asset
Management



Lucy J. Lombardi
Chief Financial Officer
& Vice President,
Regulatory Affairs

2021 Highlights

Operational Excellence

Distribution System Performance

In early April, Elexicon Energy filed its new consolidated 2021-2026 Distribution Systems Plan ("DSP") with the Ontario Energy Board ("OEB"). Customer input and feedback was received by way of a survey and integrated into the plan to ensure we made the right investments to meet the needs of our communities at the right time.

We operate a sophisticated electricity distribution network that features intelligent monitoring systems and automated controls. At the heart of this system are a team of highly skilled engineers and operators who monitor the flow of electricity across a network of 7,184 kilometres of overhead lines and underground cables. To keep our system running smoothly we continued to invest in proactive prevention strategies this year. They included insulator washing, tree trimming, wildlife mitigation and thermographic inspection of distribution system apparatus to identify hot spots before they result in outages.

In 2021, we achieved an Average System Availability Index of 99.99 per cent and a System Average Interruption Duration Index of 1.17 hours.

In the event that an outage can't be restored remotely we have crews available in all of our service territories that can be dispatched quickly to investigate the cause, make repairs and restore power to the customer quickly.

99.99%
Average System
Availability Index

1.17 hours
System Average
Interruption Duration
Index

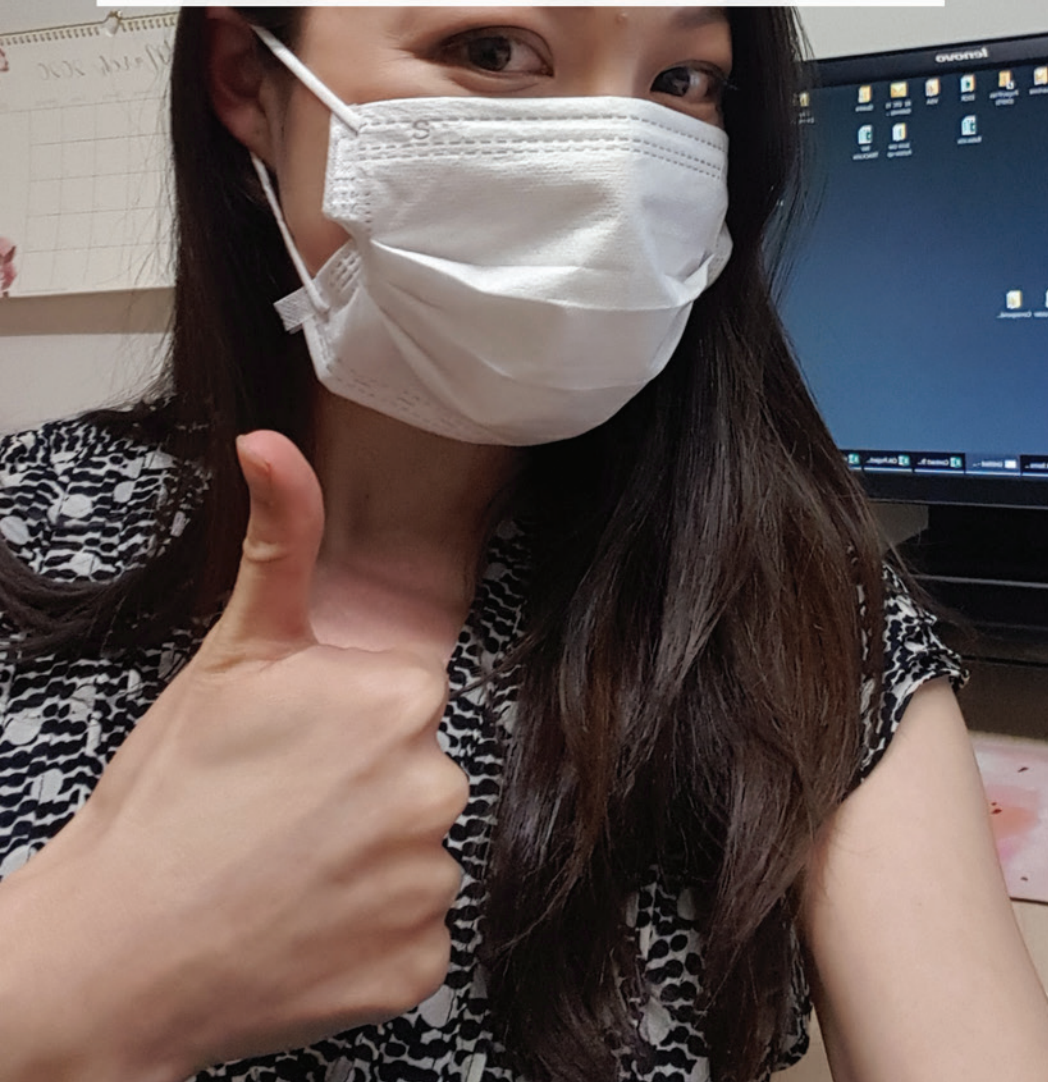
1.12
interruptions
System Average
Interruption
Frequency Index

2.45
momentary
interruptions
Momentary
Average Interruption
Frequency Index



People, Health & Safety

Our success comes from the close to 250 employees who bring our vision, values and strategy to life. In 2021, the health and safety of our people was our core focus as we continued to navigate through a global pandemic. We are very proud that we have had zero transmission of COVID-19 in Elexicon Energy's offices and worksites and zero lost time injuries. Our Health & Safety team works diligently to ensure employees, contractors and the public are not exposed to any serious injuries or safety risks as a result of business and work. Our teams and crews engage in continuous learning and safety practices, are routinely audited as part of the Electrical Safety Authority's standards and even work with the community, engaging young people through the Durham Kids Safety Village promoting electrical safety to elementary school children in our service territory.



Employee and Community Health & Safety during COVID-19

As an essential service during the pandemic, the following measures and safety protocols were implemented:

- To keep our essential workers safe (i.e. linemen, meter technicians, mechanics etc.) employees who could perform their job from home were asked to work from home and were provided with the right tools
- Mandatory Self-Screening using our new GoEvo app installed on mobile or desktop devices
- Safe distancing measures and masking
- Weekly on-site COVID-19 testing for employees whose jobs were deemed critical and 'as needed' for asymptomatic employees. More than 1,500 tests were administered in 2021.
- Company-owned vehicles were restricted to single occupancy. Additionally, field crews were placed in established cohorts and crossing districts and/or crews was strongly discouraged.
- All in-person meetings were suspended and virtual meetings were put in place
- Regular updates from the Health, Safety & Environment team, including information on how and where to get vaccinated. The team was also available by phone and email 24/7.
- Investments in new technologies, collaboration tools, equipment and furniture to optimize employee work satisfaction and communication for remote working.
- Frequent communications through our bi-weekly newsletter
- Health and Wellness programs to help employees and their families manage mental health and wellness throughout the pandemic.

Customer Centricity

Exelicon Energy is committed to providing a superior customer experience and innovative solutions to meet our customers evolving energy and information needs. Our teams work hard to earn our customers' trust, by being open, honest, fair, respectful and keeping our promises.

We are proud of our reputation in the community. In early January, UtilityPULSE, an independent survey company, conducted a customer satisfaction telephone survey of its customers, as required by the Ontario Energy Board ("OEB") every two years. Exelicon Energy scored 97 per cent for customer satisfaction, among the highest in the industry.

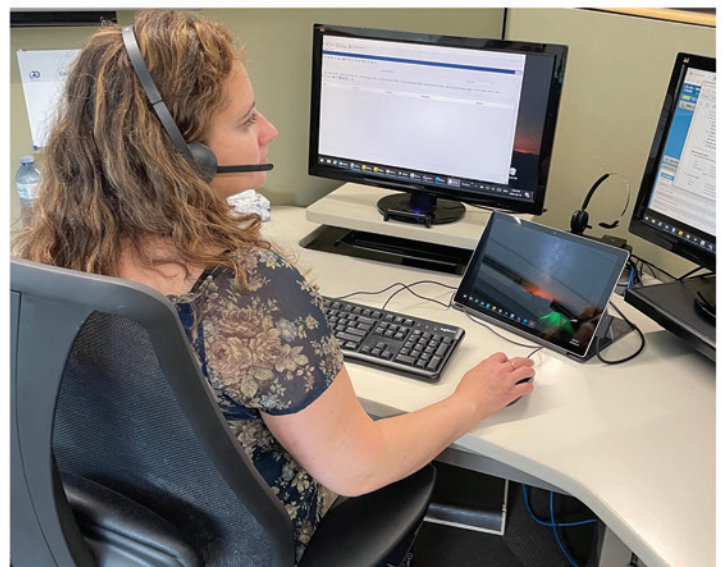


We continued to work hard to ensure the merger of our two predecessor utilities, Veridian Connections and Whitby Hydro was viewed positively by community and customer. In mid- January customers received a new-look bill statement with a clean, simple and straightforward design to better explain the cost of supplying power and how much electricity was used within the billing period. Our team of knowledgeable and professional customer service advisors were able to help over 85,500 customers in 2021, answering calls on a number of issues that range from billing inquiries to arranging new service connections. Our Customer Experience team also successfully integrated our

customer information systems ("CIS") and began reviewing current processes to find new ways to improve the way we serve our customers through their entire lifecycle while also enhancing data driven capabilities. Based on our review, we will be upgrading our CIS as well as implementing a new telephony system in 2022 to enhance the customer experience.



In 2021, we also started the process of augmenting our online capabilities by enhancing our social media presence and response levels via channels like Twitter and LinkedIn while also developing a new mobile-first website. Customers were engaged at the start of the process to ensure the design, navigation and content would meet growing digital expectations. When the site launches in the summer 2022, a new Resource Hub and navigation flow will make finding information simple and easy. It will also have Live Chat capabilities so customers can reach a customer care advisor directly from our new website.



Economic Development



Elexicon Energy's success is rooted in building meaningful relationships with our shareholders and stakeholder communities. We understand that the integrity of our organization and brand is rooted in the way we conduct business, and this is reflected in our commitments to the community, being a good partner and working closely to achieve positive outcomes to advance the economic prosperity of the municipalities we service. In 2021, planning got underway to develop a new Operations Centre in Belleville. This new facility will enable our power line crews to better service the more eastern sections of our service territories, acting as a central hub for the communities energy needs.

During the COVID-19 pandemic, we worked closely with our government and regulatory partners to ensure the lights were able to stay on for those who felt the impact of the pandemic the most, distributing approximately \$770,000 in support to both our residential and small business partners through the CEAP and CEAP Small Business Programs.

We are a strong economic development partner of the Ajax Pickering Board of Trade and Whitby and Clarington Chamber of Commerce and play an active role in the business community in many of our other service territories.

We believe it is our responsibility to be a force for good and positive change, which is why you can find many of our executives and employees actively participating in our community by volunteering on committees, boards, not-for-profit charities and organizations.

We deliver much needed assistance through corporate sponsorships programs and our Corporation's Corporate Giving Program which Elexicon Energy administers. In 2021 a total \$350,000 in funding was provided to a number of local charities and organizations that enhance the health and well-being of our planet, people and communities.

"As the Ajax Pickering hospital continues to grow, women's health care remains at the forefront of programs and services offered including obstetrics, gynecology, breast assessment and cancer care. Thanks to Elexicon Energy's support, our hospital can continue to look after you, our friends, our mothers, sisters, daughters and granddaughters." – **Tracy L. Paterson, CEO, Ajax Pickering Hospital Foundation**

"The United Way in Durham Region is grateful to Elexicon Energy for their support of our Operation Backpack. There can be no doubt that early childhood educational support plays a critical role in helping to battle the burdens of cyclical poverty." –

Robert Howard, Chief Possibility Officer & Vice President, External Relations, United Way Durham Region

"Elexicon Energy's support of Our Cancer Campaign is funding research, education, capital projects and equipment that will advance cancer care for our families, friends and neighbours throughout our region and beyond." – **Steve MacDonald, Director, Development & Campaigns, Lakeridge Health Foundation**

"The mission of the Quinte Regional Science and Technology Fair is to encourage, foster enthusiasm, develop self-confidence, inspire and support an interest in science, technology and engineering for the youth in our area, and to provide our students with the opportunity and skills to foster a lifelong love of science. With funds from Elexicon Energy, the City of Belleville/Elexicon award is given to the project at each level (Gr. 4-6, 7-8, 9-12) that best demonstrates information or an experiment that pertains to fish/animals, their habitat, protection or invasive species." – **Christopher Spencer, Co-Chair, Quinte Regional Science and Technology Fair**

Strategic Investments - Investment in Innovation

The future of energy is sustainable. This is why, in 2021, Elexicon Energy continued to make tangible investments in helping to find new ways to ensure our energy grid is more sustainable for homeowners and businesses alike without losing sight of affordability and reliability.

This includes planning efforts to support municipal EV, net-zero targets and climate adaptation, and mitigation strategies and advocacy to both provincial and federal government.

We are preparing for a world that reaches net zero emissions by 2050 with electrification playing a starring role in our energy transition economy. This includes a net zero grid by 2035. We believe electric vehicles, behind the meter solutions and Distributed Energy Resources will start to shape our future and the future utility. So do our customers. In 2021 we commissioned an engagement survey to learn more about how Elexicon's investment plan can best reflect the needs and preferences of our customers. The information was used to inform investment decision-making and our five-year Distribution System Plan.

Key projects Elexicon Energy completed and/or began in 2021



New Transformer Station in Seaton

Construction started on the Seaton Municipal Transformer Station in north Pickering. This major project is several years in the making and will be the first time Elexicon Energy will own a municipal transformer station. Ownership will decrease our reliance on Hydro One and provide connection capacity for renewable energy resources to a community of over 32,000 new customers. The station is expected to be operational by late 2022.



Canada's First Pre-Planned Micro grid

In 2021 Elexicon Energy launched Canada's first residential, nested community micro grid. In addition to being connected to the local grid, the community micro grid uses energy produced by rooftop solar panels and stored in a lithium-ion battery controlled and monitored by advanced software and communications systems from Elexicon Energy's System Control Centre. In the future this additional source of energy will be used in the event of a blackout to maintain a reliable source of energy for the 27 homeowners and can also be fed into the grid to help residents offset their electricity costs once operationalized. Elexicon was awarded with two Innovation Leadership Awards from the Canadian Electricity Association Centre of Excellence for this smart community micro grid.

Regional Bus Rapid Transit

In order to enable construction of dedicated Rapid Transit Bus Lanes in the Hwy #2 corridor of Pickering Elexicon Energy began engineering assessments and design work in 2021 to relocate existing underground feeder infrastructure located in the right of way intended for the bus lanes.

Did you know?

Elexicon Energy operates nine electric vehicle charging units located in Ajax, Clarington and Whitby. In 2021 these carports were used 2,680 times by the general public and our own fleet.

ELEXICON Group



Elexicon Group - Chair and President & CEO Message



Karen Fisher,
C.Dir, Chair

us to launch many exciting new projects and technologies.

It can be tough as a business to find your footing in a storm, especially one as unprecedented as the pandemic, but EGI made significant strides forward in several critical areas.

We refined our market and business focus, building on strategic pillars of Partnerships, Funding, People, and Clients.

Through the growth and evolution of our Envision™ program, we firmly established ourselves as the market leader in helping building owners and operators in Canada reduce their energy and utility costs while improving sustainability. We introduced several new proprietary energy saving technologies to the market and have saved our clients millions in utility costs while significantly reducing their carbon footprint.

We launched an exciting Joint Venture with WYSE Metering called EVSTART™, a new and innovative company focused exclusively on accelerating the roll out of electrical vehicle charging infrastructure and access throughout Canada. Our goal is to be the leading provider of EV charging stations and solutions in Canada in the coming years.

We partnered with the Town of Whitby in developing a major new geothermal District Energy system that will provide zero carbon heating and cooling for an entire new development and we continue to build upon our diverse portfolio of distributed generation assets that we build, own and operate.

Last, but not least, we have added many amazing new people to our team this year that are incredibly passionate about reducing energy costs and improving sustainability, from data analysts that are starting their first job out of school, to skilled electricians and technicians, to engineers and project managers and all the supporting staff

that makes it all possible.

This is what brings us joy as leaders and stewards of EGI – to bring people together to solve real problems and make a real difference.

Adversity doesn't build character – it reveals character. We came out of 2021 stronger than we went in, thanks to our outstanding and relentless team, the support of our incredible clients and partners who believed in us, and the support of our board and shareholders. To coin a hockey phrase, we go into 2022 and beyond with these two words:

Let's GOOOOOOOO!!!

Karen Fisher,
Elexicon Group
C.Dir Chair

Craig Ballard
Elexicon Group
President & CEO

Reflecting on 2021, two words come to mind more than any others for Elexicon Group Inc. ("EGI"): Resilience and Perseverance. The pandemic forced us to adapt our approach and our ways of doing business and we are incredibly proud of how our growing team responded and rose to the challenge.

Many of the services we provide are essential to our clients and through lockdowns and restrictions, we were still able to safely deliver and make progress on important projects.

We also owe a debt of gratitude to our amazing clients, suppliers and partners who supported us throughout the year and worked with

Who We Are

Vision

Canada's foremost leader in reducing utility costs and improving sustainability in the real world.

Mantra

"Energy and utilities can be way better, let's do it together".

Mission

Deliver meaningful, measurable change by helping every building, business, and city in Canada reduce their utilities consumption and costs while producing less carbon emissions.

Values

The three H's inform everything we do at Exlexicon Group.

HONEST

We tell always tell the truth to each other, our clients, and business partners, even when there's bad news or we fell short. If it's not good enough, we make it right.

HUMBLE

We are humble students. We recognize there is always something to learn from others with diverse backgrounds and experiences and we never have it all figured out. We are never afraid of admitting we don't know the answer and asking for help.

HUNGRY

We are relentless in our pursuit of progress and we are never satisfied with good enough. We always go the extra mile for clients and if we can't be the best at what we do, we aren't going to do it.

Exlexicon group Management Team



Craig Ballard
President and CEO



Lisa Barker
CPA, CA, Controller



Michael Weinerich
Director of Operations



Brian Vipond
Director of Sales



Ian Potter
Director of Sales

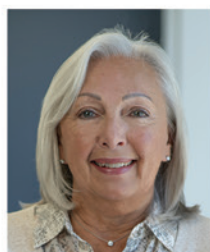


Don Seguin
A.Sc.T, Manager of Technical Services

Corporate Governance

Exlexicon Group is committed to maintaining and continuously evolving in its good governance practices. The Board of Directors operates as a Committee of the Whole to review and provide strategic, financial, risk and policy guidance and oversight to Management.

Board of Directors



Karen Fisher
C.Dir
Chair, Independent Director



Murray Angus
Independent Director, CPA,
CA, Acc.Dir



Darren MacDonald
President, DMAC Energy
Consulting Limited.



Lesley Rose
Senior Director CFS Finance,
Senior Commercial Markets,
RBC Financial Group



Jim Macpherson
President, Macpherson and
Associates inc.

2021 Highlights

Elexicon Group was created in 2019 by the merger of Whitby Hydro Energy Services and Veridian Corporation to make energy better. With a legacy of service in the energy business that goes back more than a century, it's our long history that lets us imagine the future. In 2021 we refined our market and business focus, building on our strategic pillars of Partnerships, Funding, People, and Clients. We also enhanced our service offering through our joint venture with WYSE Metering and EVSTART™.

This past year, we saw demand increase significantly from our clients to find smarter and more sustainable solutions to meet growing energy demand needs.

**2,000,000 +
kWh** of energy generated
from behind-the-meter generator
projects

1883 electric vehicle
charging stations ready for
installation across Canada

102K lbs
of CO₂ emissions saved
from solar projects

650 kW
of electrical generation
installed

337MWh
solar energy produced

\$9M in electric vehicle (EV)
government funding approved

4 energy generation
projects built and
commissioned

Some of the Highlights in 2021

Geothermal District Energy

EGL designs, builds and operates a diverse array of distributed energy assets, often in partnership with municipalities and facility owners, including state of the art District Energy systems using geothermal energy that can heat and cool major new developments with zero emissions.



Envision™ Program

In 2021 EGL launched a new innovative Utility Savings as a Service™ Envision. The program is designed to turn data and insights into utility savings and help reduce carbon emissions for our building & facilities customers. We continuously monitor rates and consumption for electricity, gas, and water, as well as greenhouse gas emissions, and benchmark costs and performance against the best practices in the industry. Using that data, our team then translates those findings into an action plan to maximize return on investment.





Electric Vehicles

EGL has an exciting new joint venture with WYSE Metering called EVSTART, and together we are putting in EV charging infrastructure where it is most needed all across Canada. We are also a proud participant in NRCAN's Zero Emission Vehicle Program and one of their approved Delivery Organizations.

EVSTART™ is installing much needed EV Charging Stations in apartment and condo buildings so residents and tenants can enjoy all the benefits of electric vehicles.



elexicon
CORP

Elexicon Corporation wishes to thank all the employees
whose photos appear in this Annual Report.

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