

ELEXICON CORPORATION ANNUAL REPORT

Revitalizing · Connecting · Transforming

2023



elexicon
CORP



elexicon
ENERGY



elexicon
GROUP

Our Purpose

Empowering through energy innovation for a cleaner, better future.

Our Beliefs

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

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ELEXICON GROUP INC.

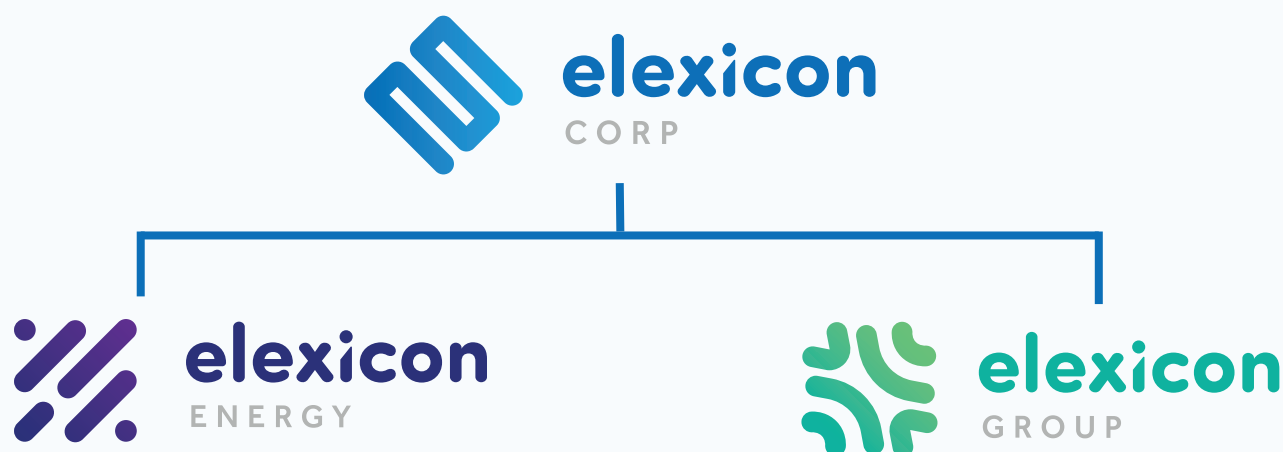
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Elexicon Corporation

Who We Are

We're powering life's most meaningful moments, as well as creating a harmonious connection between experiences and people and the environments where they dwell. Through our safe and reliable services, we illuminate, we move, we grow, we comfort, we nourish, and we educate, ultimately shaping stronger communities and a better world.



Elexicon Corporation is a holding company, 100 per cent owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville. Elexicon Corporation consists of two wholly owned subsidiary operating companies: Elexicon Energy Inc. and Elexicon Group Inc.

Elexicon Energy Inc. is a regulated electricity distribution company that delivers electricity to more than 178,000 homes and businesses located in ten municipalities in east-central Ontario. The company is regulated by the Ontario Energy Board, an independent regulator of the electricity and natural gas sector. Elexicon Energy, through its investments, is focused on grid modernization and integration of innovative technologies to its distribution network to provide reliable and cost-effective services, to meet the current and future needs of its customers. The company is defining the role of the distributor in the energy transition and electrification of the economy.

Elexicon Group Inc. operates in the non-regulated energy sector with the aim of reducing energy costs and improving sustainability for private and public sector clients. 2023 was another challenging year for Elexicon Group and the Corporation is currently reviewing its commitment to the investment in this operation.

Facts + Figures

\$6.1M

in dividends paid to
shareholder municipalities

\$360K

donated to local
charities and community
organizations

\$200K

raised for six vital
community agencies at
Exelicon Energy's Annual
Charity Golf Tournament

\$37K

raised at Dream Big,
Dream Brighter Gala in
support of Grandview Kids

\$15K

donated to Ontario Tech
University's Women
for STEM ("Science,
Technology, Engineering
and Mathematics")

178,240

residential and business
customers across ten
municipalities

41,268

transformers and
overhead switches

37,423

hydro poles and pole
structures

4,663

kilometres of overhead
wires

Facts + Figures

2,651

kilometres of underground
cables

787km²

of service territory
(almost identical to the
size of New York City at
785 km²)

63

distribution substations

92,517

customer calls answered

18,204

customer emails
responded to

267

talented and committed
employees

**Inaugural
Recipient**

of the Electricity
Distributors Association's
Sustainability Excellence
Award

**Named
Champion of
Diversity, Equity
& Inclusion**

by Energy Storage
Canada

**Selected Top
Business
(50+ Employees
Category)**

by the Ajax-Pickering
Board of Trade

Message from the Chair



Jim Macpherson

Chair of the Board of Directors,
Elexicon Corporation

Planning for the future of Elexicon

I am pleased to report on another busy year at Elexicon as we work towards how we best position ourselves for the future, to maximize the opportunities before us in the energy sector, to add value to the communities we serve, and fulfil our responsibility and obligation to provide reliable and cost-effective electricity to enable economic and social growth. I would like to thank all the members of our board(s), management, and each and every employee in the organization for their continued dedicated work in enabling us to identify and execute on our strategy and fulfil our obligations to the communities we serve.

As with last year, we continue to be challenged with the spectre of economic uncertainty and a rising cost platform, as does everyone. In this framework, as an organization, we continue to make thoughtful and prudent investment in our electricity system for the benefit of all of our stakeholders, with a laser focus on our customers, our employees and our communities.

In our drive towards the future, Elexicon will undertake a large capital expenditure over a number of years not only in our grid proper but on upgrading our technology and taking full advantage of a range of innovative tools that will allow us to do an even better job delivering our services to our customers and the communities we serve. All of this is in the context of a continuously evolving electricity sector landscape and as we adapt to changing customer needs and new governmental requirements, as they arise.

Our continued strong financial performance in 2023 reflected our core strength in our local distribution company, Elexicon Energy Inc. Our ongoing efforts in the non-regulated operations through our innovative energy solutions provider, Elexicon Group Inc., has been a challenge and we continue to evaluate our available options to properly utilize our capital investment in the non-regulated sector opportunities.

From a purely financial perspective, we performed strongly in 2023, generating operating net income of \$0.6M for the period of January 1 to December 31, 2023, invested \$89.4M in the system infrastructure, increased total assets to \$894.4M and our municipal shareholders benefited from distributions of earnings through annual dividends of \$6.1M - with those funds supporting the shareholder communities we service.



Also, during 2023, we refreshed our board composition through retirements and the planned rotation of our director compliment with a focus on ensuring we have the best skills-based composition we can. We added four new directors, some of whom commenced their tenure on January 1, 2024, including three independent directors, and a mayor's designate throughout the holding company and operating boards. In that regard, we welcome Kimberly Marshall, Mark Radha, Anne Marie Dunn and Mary Ann Dempster. For our departing directors, Leslie Rose, Doug Parker, Ron Chatterton, Dave McGregor, Paul Murphy and Adrian Foster, we thank them for their contributions during their respective terms. Our ongoing focus on Diversity, Equity and Inclusion, Indigenous Relations and Corporate, Environmental and Social Responsibility will remain an important component of our thinking and activities in 2024.

In 2023, and in light of these ongoing very difficult times for our vulnerable communities, we have continued our strong history and our commitment to supporting those in our community who are at risk by providing financial and community support. Elexicon Corporation's Corporate Giving Program provided \$360,000 to a total of 100 local charities. There has been a lot of great work done by the organization throughout the year in this regard, and is an excellent example of the character of the people that make up our great organization.

As we move into 2024, we look forward to the opportunities to refine and advance our strategy to empower our customers and communities through energy innovation for a cleaner, better future, and continue along our growth trajectory, adopting innovative solutions to respond to new and existing challenges as we work towards the net zero mandate and our work with government and industry led initiatives.



Jim Macpherson
Chair of the Board of Directors
Elexicon Corporation

Corporate Governance

Elexicon Corporation believes that good governance in business leads to great outcomes. The Corporation is governed in accordance with the Business Corporations Act (Ontario) and a Shareholders' Agreement, and provides voluntary disclosure on its corporate governance practices. Elexicon Corporation is owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville.

SHAREHOLDER BOARD MEMBERS



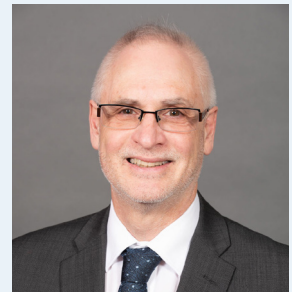
Elizabeth Roy
Mayor,
Town of Whitby



David Pickles
Regional Councillor
Ward 3,
City of Pickering
(Mayor's Designate)



Shaun Collier
Mayor,
Town of Ajax



Adrian Foster
Mayor,
Municipality of
Clarington



Neil Ellis
Mayor,
City of Belleville

INDEPENDENT BOARD MEMBERS



**Jim Macpherson
(Chair)**
President,
Macpherson &
Associates



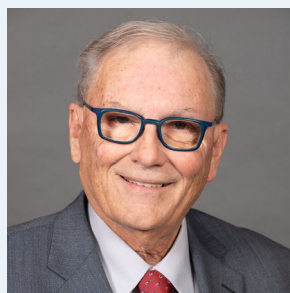
**Celina Caesar-
Chevannes**
Organization
Strategy and
Equity Consultant



Ron Chatterton
President,
Niche Advantage
Consulting Ltd.



Rachel Ingram,
General Counsel &
Secretary,
McCain Food
Groups Inc.



Doug Parker
Corporate Director



Lesley Rose
Senior Director,
Commercial
Financial Services,
RBC

2023 BOARD AND COMMITTEE ATTENDANCE

ELEXICON CORPORATION

Director	Board Meetings	Committee Meetings
Elizabeth Roy	(8/8)	
David Pickles	(8/8)	
Shaun Collier (1)	(7/8)	2/2
Adrian Foster	(7/8)	
Neil Ellis	(8/8)	
Jim Macpherson (1, 2)	(8/8)	4/4 + 3/3 = 7/7
Celina Caesar-Chevannes (2)	(8/8)	7/7
Ron Chatterton	(8/8)	
Rachel Ingram (1, 2)	(6/8)	4/4 + 2/3 = 6/7
Doug Parker (1)	(7/8)	3/4
Lesley Rose (1, 2)	(8/8)	4/4 + 3/3 = 7/7
Member of: 1. Audit, Finance & Risk Management Committee 2. Nominating Committee of the Whole*		

ELEXICON ENERGY INC.

Director	Board Meetings	Committee Meetings
Paul Murphy (1, 2)	10/10	5/5 + 6/6
Ron Chatterton (1)	10/10	6/6
Dave McGregor (2)	10/10	6/6
Nicole McNeil (1)	10/10	5/5
Doug Parker (1)	10/10	5/5
Dee Patterson (1, 3)	10/10	5/5 + 7/7 = 12/12
Jennifer Sondergaard (2, 3)	10/10	5/5 + 7/7 = 12/12
Member of: 1. Audit, Finance & Risk Management Committee 2. Human Resources, Compensation & Governance Committee 3. Nominating Committee of the Whole*		

ELEXICON GROUP INC.

Director	Board Meetings	Committee Meetings
Karen Fisher (2)	19/19	
Mike D'Amico	19/19	
Rachel Ingram**	18/18	
Darren MacDonald	18/19	
Lesley Rose (2)	19/19	
Member of: 1. Nominating Committee of the Whole*		

*The Corporation, Energy and Group Nominating Committees met as a Committee of the Whole to run an efficient and cost effective recruitment process.

**Member of the Board from January to October 2023.

2023

Financial Performance

Elexicon Corporation had a strong financial performance in 2023 and again has provided its shareholder municipalities with a solid and consistent dividend distributions. Net income after net movements in regulatory balances for the year ended December 31, 2023 was \$0.6 million.

After normalization for the unrealized loss, the net income after net movements for the year ended December 31, 2023 was \$8.0 million and the Corporation paid \$6.1 million to shareholders for reinvestment into their communities. Elexicon Corporation continued to deliver economic benefits to local communities and made capital investments of \$89.4 million.

\$169.6 million

in economic value and benefits delivered in 2023. The 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 2023, amounted to approximately \$170 million.

\$89.4 million

in capital expenditures in 2023. Investments in electricity distribution infrastructure to serve the needs of our growing communities.

\$57.5 million

in operating expenses in 2023. Property taxes, water costs, facility costs, professional fees, local purchasing, employee compensation and benefits, etc.

\$6.1 million

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

\$16.6 million

in payments to capital providers and government, and interest and payments in lieu of taxes.

Elexicon Energy Inc.



Joint Message from the Chair, and President and CEO



Indrani J. Butany
President and CEO
Elexicon Energy Inc.

Paul Murphy
Chair of the Board of
Directors
Elexicon Energy Inc.

A year of revitalizing, connecting and transforming.

It is rewarding to look back on 2023 as a year of revitalizing our business and connecting with the ever expanding Durham Region and other communities we serve. To support this growth, Elexicon Energy has been transforming our operations, completing two significant projects.

We kicked off the year with the opening of the Seaton Municipal Transformer Station, the first wholly owned and operated by Elexicon. This transformer will provide connection capacity for approximately 20,000 homes and businesses in the City of Pickering and Town of Ajax to power growth in these communities and will prepare us for the connection of renewable energy resources.

Heading further east, the second major project was the completion of the Belleville Operations Centre. The 16,000 square foot facility houses staff across our Lines, Metering, Engineering and GIS teams, all under one roof. The opening of this Centre is a perfect example of our commitment to the economic development and prosperity of our service areas.

Looking forward, we continue to focus on foundational investments that will best position us for the future. The launch of the Distribution NEXT (“Dx NEXT”) program will better connect our people, processes and technology. In order to support this initiative, we are constructing an Integrated Operations Centre at our corporate headquarters in Ajax. The facility will encompass grid control, outage management, enterprise technology and operating technology.

As the communities we serve continue to grow, so does our team to be sure we can meet our customers' needs and expectations today and tomorrow. To this end, we invested in our leadership team, adding three key roles to lead our regulatory, innovation and operational functions.

We have always understood that our people are Elexicon's most valuable resource. In order to protect them in the workplace and beyond, we are revitalizing our safety and wellness training with the launch of the Back-to-Basics safety program. This multi-year initiative provides critical error reduction techniques employees can use to lower the risk of personal injury in any situation.

In terms of sustainability, we created a comprehensive Environmental, Social and Governance ("ESG") Framework, committing to operating in an environmentally and socially responsible manner. We were proud to be the inaugural recipient of the Electricity Distributors Association's ("EDA") Sustainability Excellence Award in recognition of these efforts.

In order to further connect to the history of the areas in which we operate, we are dedicated to advancing reconciliation in direct response to Call to Action 92 issued by the Truth and Reconciliation Commission of Canada, specifically for the private sector. With the assistance of a third-party consulting firm,

we are in Phase Two of developing a comprehensive Reconciliation Action Plan ("RAP"), which includes a formal Land Acknowledgment. Our focus now lies in the Activation Strategy stage, where we will implement tangible steps toward meaningful reconciliation.

We recognize that we are at a pivotal moment in our industry. Electricity demand is increasing, and supply is under pressure, while customer needs are evolving and utility technology is transforming. We are confident we have the people and strategy to be the energy company our customers and communities deserve and expect us to be, while facilitating an efficient and orderly transition into the future.



Paul Murphy
Chair of the Board of Directors
Elexicon Energy Inc.



Indrani J. Butany
President and CEO
Elexicon Energy Inc.

Corporate Governance

Elexicon Energy is committed to maintaining and continuously evolving good governance practices. Elexicon Energy is a wholly owned subsidiary of Elexicon Corporation, which is owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville.

BOARD OF DIRECTORS



Paul Murphy
(Chair)
Corporate Director



Ron Chatterton
President,
Niche Advantage
Consulting Ltd.



Dave McGregor
Corporate Director



Nicole McNeill
President and Chief
Administrative
Officer, Municipal
Property
Assessment
Corporation



Doug Parker
Corporate Director



Dee Patterson
Corporate Director



Jennifer Sondergaard
President,
J Delta Management
Solutions

Our Why - Our Way - Our How

Elexicon Energy, with input and feedback from its employees, rewrote its Mission, Vision and Values and its One Elexicon Operating Principles into what is now referred to as 'Our Why, Our Way and Our How'. Our Why is why Elexicon exists. Our Way is the way Elexicon goes about delivering on its Why. Our How is how Elexicon behaves to deliver on its Why and its Way.

Our Why

We deliver safe and reliable energy to our communities* and create the possibilities that energize our customers' future.

Our Way: Strategic Pillars

Customer Centricity

Developing an agile operating mindset that prioritizes decisions to build and maintain a positive customer experience. Customers are the cornerstone of any service organization.

Operational Excellence

The continuous improvement of the organization's people, processes, places, safety and financial sustainability. As a newly formed organization, unifying our processes, focusing on our people and their safety (as well as the public's), and better connecting with our customers and stakeholders is key to the sustained success of the organization.

Economic Development

Enabling the organization to be a trusted strategic partner and catalyst for growth by nurturing, developing, and managing relationships with our community shareholders and the stakeholders in the areas we serve.

Strategic Investment

With a solid investment strategy, Elexicon Energy ensures we continue to provide customers with reliable, affordable energy services while building a robust grid to manage current demand while also upgrading infrastructure, as appropriate, to prepare for a changing energy landscape in the years ahead. The focus will be on investments to benefit today, prepare for tomorrow and meet the needs of our shareholders and stakeholders.

Our How:

Beliefs & Behaviours

Safe & Well

We promote a culture of safety and wellness.

Consistent

We hold self and others to a standard of excellence.

Respectful

We work with the highest integrity, valuing and showcasing appreciation for others.

Responsive

We are timely in addressing the needs of our communities*.

Collaborative

We work together, innovate and celebrate.

Clear

We ensure clarity.

*Communities: Shareholders, Customers and Team Members

Executive Leadership Team

Whether in the office or on the job, Elexicon Energy's Executive Leadership Team is committed to the pursuit of excellence. Each decision made supports the organization's position as a strong and responsible electricity distributor and helps ignite a better future for its customers and communities.



Indrani J. Butany
President and CEO



Stacia Boss
Vice President,
Human Resources
and Corporate
Services



Cynthia Chan
Chief Financial Officer



Kristine Chandler
General Counsel and
Corporate Secretary



Lincoln Frost-Hunt
Vice President,
Digital and Innovation



Kriston Romano
Vice President,
Customer Experience



Sam Sadeghi
Vice President,
Distribution
Operations and Asset
Management



Stephen Vetsis
Vice President,
Regulatory Affairs
and Stakeholder
Relations

2023 Highlights

CUSTOMER CENTRICITY

Offering customers more control over their electricity bill

In the fall, Elexicon Energy launched a new price plan to provide customers with more choice when it comes to their electricity bill. The Ultra-Low Overnight (“ULO”) price plan, announced by the Ontario government in April, gave energy companies a deadline of November 1, 2023 to implement the new price plan.

Elexicon’s Customer Care team worked fast and efficiently to transform its processes and systems required to launch the new pricing. Known as “Customer Choice”, the plan provides a third option for residential and small business customers, in addition to the existing Time-of-Use and Tiered plans. Ontario continues to have excess clean electricity during overnight hours, and ULO offers customers more flexibility in managing their electricity costs by shifting high usage activities, like charging electric vehicles, away from peak times.

Helping customers better understand their energy usage

Knowledge is power and the more customers know about their electricity usage, the more effectively they can make choices about conserving energy to save money. Green Button, an Ontario Ministry of Energy initiative, is a data standard that connects energy customers with secure access to their electricity and natural gas data, allowing them to download and share it with registered third party vendors who can help analyze the information and find ways to better manage energy costs. The province set November 1, 2023 as the deadline for energy and natural gas companies to provide their customers with access to their energy usage data in Green Button. Elexicon Energy was pleased to meet this deadline.

2023 Highlights

CUSTOMER CENTRICITY

Improving power restoration through stakeholder engagement

Elexicon Energy's service territory is one of the biggest and most geographically diverse in Ontario. The organization has endured major weather events and large power outages since its formation in 2019. Historically, its power restoration process has focused on restoring the parts of the power system with the greatest number of customers in the shortest span of time. As it looks to improve its power restoration process for its customers and communities following the 2022 derecho storm, Elexicon hosted a Critical and Priority List workshop in August.

The goal of the workshop was to seek input from community officials, key stakeholders and emergency responders on locations within their communities they feel need to be prioritized during large power outages, ultimately strengthening the organization's disaster preparedness and recovery process. So, while the aim will always be to have power restored as safely and quickly as possible, Elexicon's priority will be to restore critical infrastructure and areas first, then move on to restoring power to the largest number of customers.

When major weather events cause widespread power outages across the province, supplies and materials can be quickly depleted or hard to find, prolonging power restoration. Elexicon Energy has taken steps to improve its storm readiness.

- + Revitalized its "storm preparedness" plan by purchasing three sea containers that are fully stocked and ready for use. These supplies will help ensure customer outages during major weather events are minimized.
- + Acquired vending machines equipped with personal protective equipment such as gloves, safety glasses, locate paint, small tools, bug spray and sun block, and other items. This has created a self-sufficient environment in which departments that require supplies during emergencies or after hours can easily obtain what they need.
- + Connected with vendors to build strong supplier relationships to maintain its supply chain. This includes sending open purchase order reports to ensure the efficient receipt of equipment, hosting meetings to resolve long lead issues and find alternates, and reviewing pricing to confirm the organization is receiving the best value.
- + For the first time in 2023, Elexicon partnered with three wholly owned Indigenous companies. Elexicon continues to seek further opportunities to work with its Indigenous communities and form new and lasting partnerships.

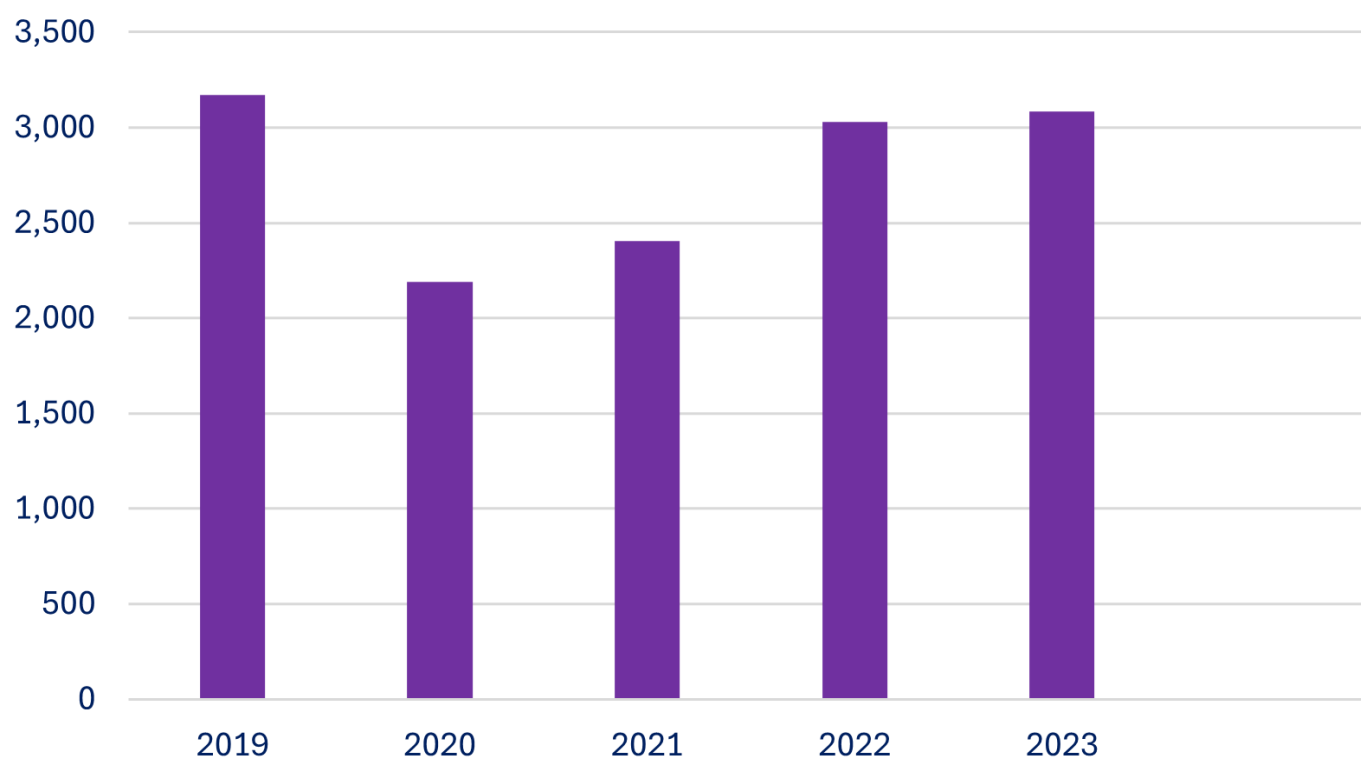
2023 Highlights

CUSTOMER CENTRICITY

Keeping up with the growth in our communities

Elexicon Energy serves some of the fastest growing communities in Canada. A significant portion of the organization's customer base is located in the Durham Region, an area that experienced a 13 per cent growth in population between 2008 and 2018. The region's population is expected to grow to 1.3 million by 2051. The City of Belleville and the Town of Gravenhurst are also experiencing significant growth. Ensuring infrastructure is in place and connecting customers to the grid is vital to our communities' growth.

Since 2019, Elexicon has averaged 2,775 new customers annually.



2023 Highlights

OPERATIONAL EXCELLENCE

DISTRIBUTION SYSTEM PERFORMANCE

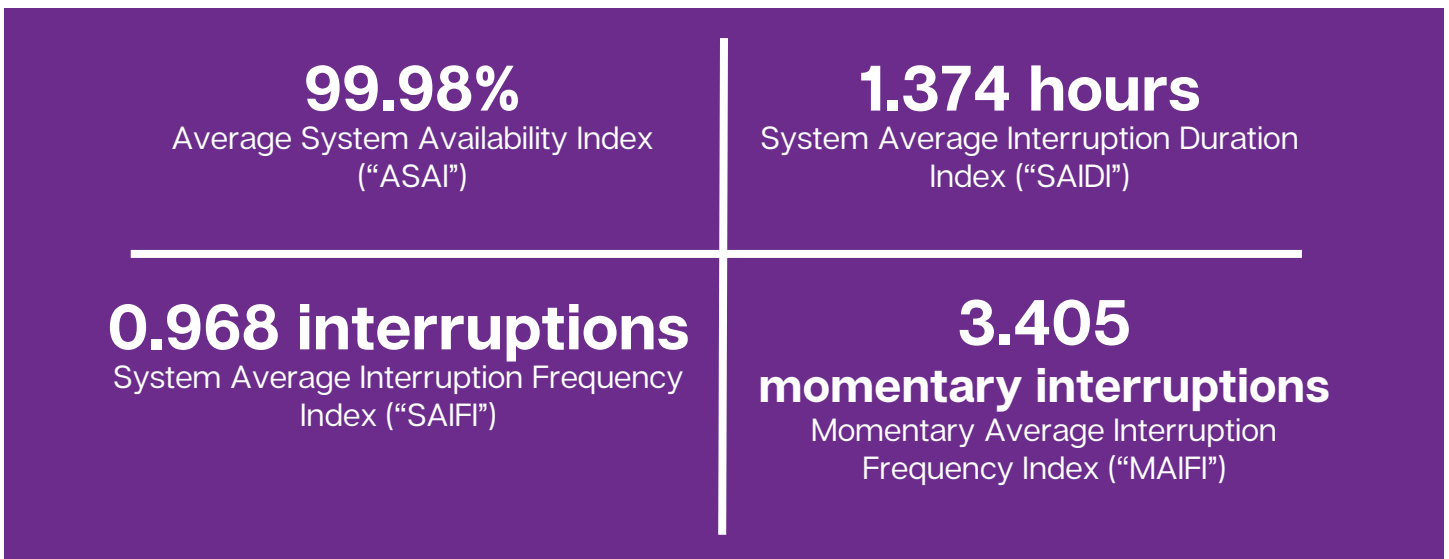
Elxicon Energy distributes power from the provincial electricity grid across its network to more than 178,000 residential and business customers in ten communities.

The organization's sophisticated electricity distribution network features intelligent monitoring systems and automated controls. At the heart of this system is a team of highly skilled operators and engineers that monitor the flow of electricity across a network of 7,300-plus kilometres of overhead lines and underground cables.

In order to keep the system running smoothly, Elxicon continually invests in proactive prevention strategies that include tree trimming, wildlife mitigation and thermographic inspection of distribution system apparatus to identify hot spots before they result in outages.

In the event that an outage cannot be restored remotely, a crew is dispatched from the nearest Operations Centre to investigate the cause, make repairs and restore power to customers as quickly and as safely as possible.

Elxicon is proud of its ability to mobilize crews and equipment from all parts of its service territory to restore power in any of its communities that suffer widespread outages due to severe weather events.



Average Service Availability Index ("ASAI") is the ratio of the total number of customer hours that service was available during a given time period to the total customer hours demanded.

System Average Interruption Duration Index ("SAIDI") is the average total duration of outages (in hours) experienced by a customer in the year.

System Average Interruption Frequency Index ("SAIFI") is the average number of times that a system customer experienced an outage during the year.

Momentary Average Interruption Frequency Index ("MAIFI") is the average number of momentary interruptions that a customer experienced during the year.

Launch of Dx NEXT

In early 2023, the organization began to lay the groundwork for Distribution NEXT (“Dx NEXT”), a five-year program that will advance how Elexicon does business. It brings together integrated and scalable tools to deliver cost-effective and resilient energy services to support the rapid growth in the communities the organization serves.

Dx NEXT provides a holistic approach, aligning its people, processes and technology in an integrated strategy that will connect every department in the organization. This will help Elexicon work more effectively as one team to accomplish its goals of being the energy

company its customers and communities deserve, while facilitating the organization’s transformation into the future.

A critical component of the Dx NEXT program is the construction of an Integrated Operations Centre (“IOC”). The construction of the new state-of-the-art facility at Elexicon’s corporate headquarters in Ajax began in September and is expected to be completed by April 2024. The IOC will house Elexicon’s System Operations team, and encompass grid control, outage management, enterprise technology and operating technology.

Launch of Back-to-Basics

At Elexicon Energy, employee safety and wellness is the number one priority. To help protect its employees in the workplace and at home, the organization launched a safety program called Back-to-Basics. This multi-year program was designed in partnership with SafeStart, an industry-leading company that provides solutions for increasing personal safety and awareness skills. SafeStart helped guide Elexicon’s Health, Safety and Environment team to revitalize its existing safety program and training with the rollout and management of this initiative.

SafeStart uses safety awareness and personal skills development concepts that focus on mitigating the human factors involved in most workplace incidents and injuries. These include rushing, frustration, fatigue, complacency and distraction, which can affect a person’s ability to recognize and respond to hazards appropriately. This transformational program will provide specific error reduction techniques employees can use to reduce the risk of personal injury in any situation.

An award winning year for Elexicon Energy

RECIPIENT OF THE EDA’S
SUSTAINABILITY EXCELLENCE AWARD



Elexicon was the inaugural recipient of the Electricity Distributors Association’s (“EDA”) Sustainability Excellence Award for its commitment to operating in an environmentally and socially responsible manner. The award marked the second consecutive year the organization has been recognized by the EDA for its sector excellence.

ESC'S CHAMPION OF DEI AWARD

At their annual awards ceremony, Energy Storage Canada ("ESC") recognized six leaders and innovators, including Elexicon Energy - naming the organization its 2023 Champion of Diversity, Equity & Inclusion ("DEI") for its demonstration of passion and commitment for DEI, with concrete metrics measuring progress and future goals.

TOP BUSINESS IN AJAX AND PICKERING

Elexicon was selected Top Business in the 50+ Employees category by the Ajax-Pickering Board of Trade. Their annual awards program recognizes local businesses, organizations and business leaders in the community who have demonstrated excellence in their commitment to quality, customer service, management skills and community involvement.

ECONOMIC DEVELOPMENT

Charity golf tournament raises new record of \$200,000

More than 350 golfers descended upon Deer Creek in Ajax for Elexicon Energy's third annual Charity Golf Tournament. The event raised a record \$200,000, exceeding the 2022 tournament total by \$56,000. The funds raised will support the work of six vital community agencies in Durham Region and Belleville: Alzheimer Society of Durham Region, Autism Home Base, Grace Inn Shelter, Ontario Tech University, Uxbridge Loaves and Fishes Food Bank, and WindReach Farm Foundation.



“The Alzheimer Society of Durham Region is incredibly honoured to have been selected as a charity recipient of Elexicon Energy's Charity Golf Tournament. Funds raised will help us expand our reach, grow our programs and services, and bring hope to the nearly 12,000 people living with dementia and their families across Durham Region. Thank you Elexicon for your unwavering support of those impacted by dementia in our community.”

Gillian Barrie, CEO

Alzheimer Society of Durham Region

“Thank you to Elexicon Energy, tournament participants and sponsors. Your generosity will help put food on the tables of hundreds of people in the Uxbridge community. We are so grateful for the support.”

Heather Stover, Board Member, Donation Coordinator & Community Liaison

Uxbridge Loaves and Fishes Food Bank

“We are immensely grateful for the support bestowed upon us by the Elexicon Energy Charity Golf Tournament. Their generosity enables Grace Inn Shelter to extend our arms further, offering solace and hope to those in need. Their contributions not only provide financial aid but also affirm the strength of our community's compassion and unity.”

Jodie Jenkins

Board Chair/Founder, Grace Inn Shelter

Dream Big, Dream Brighter Gala raises \$37,330



The second annual Dream Big, Dream Brighter fundraising event, hosted in partnership with Elexicon Energy and Grandview Kids Foundation, was a huge success - raising \$37,330. The funds will ensure the community agency can continue to help thousands of vulnerable children, youth and families in the Durham Region live life at their full potential. This is a multi-year partnership between Elexicon and Grandview Kids Foundation, and brings the two year fundraising total to almost \$70,000.

“Grandview Kids Foundation is driven to raise the funds needed to support the programs and services offered at Grandview Kids. We are continually inspired by our communities’ compassion, and Elexicon Energy has played a crucial role in our mission. We are eternally grateful for Elexicon, and their passion to recognize and uplift the amazing clients and graduates of Grandview Kids.”

Brigitte Tschinkel, Executive Director
Grandview Kids Foundation

Powering a new safety education program in Belleville

For years, Elexicon Energy has been working with the Durham Region Kids’ Safety Village in Whitby to educate children on the importance of electrical safety. In 2023, Elexicon extended this safety program to Belleville. The Children’s Safety Village Belleville is an interactive educational organization that delivers safety programs to youth of all ages and abilities in the Quinte region. Electricity safety education is critical, and this program will provide information to protect children and the entire community from electrical hazards. Elexicon has powered the City of Belleville for 23 years, and is proud to support many community events and charitable organizations.

“We are so excited to have Elexicon Energy bringing their electrical safety programming to the Children’s Safety Village in Belleville. There are so many things we need to teach our children to keep them safe and we could not possibly do that without partners like Elexicon. They not only have the expertise, but they have shown time and time again they are incredible supporters and partners of safety and children and the entire community in every possible way.”

Jean Czyczro, Board Chair
Children’s Safety Village Belleville

Seaton MTS: A first for Elexicon Energy



The Seaton Municipal Transformer Station is the first transformer station wholly owned and operated by Elexicon Energy. In 2023, the organization celebrated the completion of this important facility. Located in north Pickering, the station will provide connection capacity for approximately 20,000 homes and businesses in the City of Pickering and the Town of Ajax to support the rapid growth in these communities, and allow for the connection of renewable energy resources.

In planning the new transformer, Elexicon took the opportunity to investigate innovations that would revitalize its services to better serve customers today and into the future. The overall lower cost of having one provider for electricity transmission and distribution is an advantage for customers. The modern equipment is housed in a climate controlled indoor environment which provides greater reliability than outdoor equipment that is exposed to the elements, animal interference and other potential issues. Another customer benefit is that Elexicon will perform ongoing maintenance and repairs to the transformer, and in the case of an outage, local field staff can respond more quickly to restore power.

“This important project will have a significant impact on our community, improving the reliability and resiliency of our electricity grid while supporting the growth and prosperity of businesses and families in the area. I congratulate Elexicon on the successful completion of this critical infrastructure project and look forward to the benefits it will bring to our community for years to come.”

The Honourable Peter Bethlenfalvy,
MPP for Pickering-Uxbridge and Minister of Finance

“Congratulations to Elexicon Energy on the opening of the Seaton Municipal Transformer Station - its first wholly owned and operated municipal transformer station. Pickering is considered a municipal leader in sustainability, and as such, I'm thrilled that this new transfer station has enhanced electrical capacity to service the next generation of renewable sources such as electric vehicle chargers, solar panels and battery storage.”

Kevin Ashe, Mayor
City of Pickering

A new home for Elexicon Energy's eastern hub



Another major milestone for Elexicon Energy in 2023 was the completion of the Belleville Operations Centre. Elexicon serves over 18,000 residential and business customers in the community. With economic development in the area thriving, Elexicon is committed to enhancing its services to all customers in their future growth, creating local jobs, supporting the Government of Ontario in their goal of building homes faster, while ensuring a reliable, affordable and clean supply of electricity.



The 16,000 square foot facility connects Elexicon staff from Lines, Metering, Engineering and GIS teams, and can accommodate six large vehicles and seven small- to medium-sized vehicles. There is also storage for poles, transformers, cables and other vital resources needed for ongoing maintenance. Having this equipment on hand will help expedite restoration when outages occur, another key benefit for customers.

“This facility stands as a remarkable testament to Elexicon Energy’s commitment to grid modernization and to providing our customers with reliable energy services. As the drive towards electrification steadily gains momentum, investments of this nature, such as our cutting-edge facility, play a pivotal role in meeting the escalating demand. With the City of Belleville experiencing increasing growth, Elexicon eagerly seeks to collaborate with local industries and customers, forging enduring partnerships that will illuminate a promising path towards a prosperous future.”

Indrani Butany

President and CEO
Elexicon Energy

“This is a very exciting day for our city. Elexicon is a fantastic partner in our community and we are so pleased that they have decided to expand here. I would like to congratulate them on the incredible new facility. We look forward to what the future holds for the team here in Belleville.”

Neil Ellis, Mayor

City of Belleville

Investing in enhancements to our electricity grid

In July 2023, the Ontario Energy Board (“OEB”) approved partial funding of Elexicon Energy’s Incremental Capital Module requests included in its rate-setting mechanism application.

The OEB approved a subset of the costs for Elexicon’s Whitby Smart Grid Project, an initiative that involves the deployment of a suite of technologies. The project includes an Advanced Distribution Management System (“ADMS”) and Supervisory Control and Data Acquisition (“SCADA”) investments which will improve visibility on the status of the grid and afford Elexicon greater remote control of system assets.

The ADMS and SCADA investments will help support Elexicon’s grid modernization efforts to prepare its system for the future. This will benefit customers and communities by improving the reliability and resiliency of its distribution through reductions in outage restoration times.

Elexicon Group Inc.



Message from the Chair



The year ended December 31, 2023 was another challenging year for Elexicon Group with the departure of several senior executives, a change in the composition of its independent board and continued operating losses. As a result, we embarked on a review of the current strategic direction and the Corporation is currently reviewing its commitment to the investment in this operation to ensure we are maximizing the return on our invested capital.

A handwritten signature in black ink, appearing to read 'J Macpherson', written in a cursive style.

Jim Macpherson
Chair of the Board of Directors
Elexicon Corporation

Corporate Governance

Elexicon Group is committed to maintaining and continuously evolving good governance practices. Elexicon Group is a wholly owned subsidiary of Elexicon Corporation, which is owned by five municipal shareholders: the Town of Whitby, the City of Pickering, the Town of Ajax, the Municipality of Clarington and the City of Belleville.

As a result of some of the changes in direction for Elexicon Group throughout this year, in December 2023, the Elexicon Corporation board passed a resolution that effective January 1, 2024, the powers and responsibilities of the management and oversight of Elexicon Group would pass to the Elexicon Corporation board, and the independent board of directors for Elexicon Group was disbanded. The governance of Elexicon Group is now undertaken by the Elexicon Corporation board.

BOARD OF DIRECTORS



Karen Fisher
(Chair)
Corporate Director



Mike D'Amico**



Rachel Ingram***
General Counsel &
Secretary, McCain
Food Groups Inc.



Darren McDonald**
President,
DMAC Energy
Consulting Ltd



Lesley Rose**
C. Dir, Senior Director,
Commercial Financial
Services, RBC

* Member and Chair of the Board from January 1, 2023 to December 17, 2023

**Members of the Board from January 1, 2023 to December 31, 2023

***Member of the Board from January to October 2023.



elexicon
CORP

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