
Non-consolidated financial
information of
Barrie Hydro Holdings Inc.

December 31, 2023

Draft

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Compilation Engagement Report

To Those charged with governance of Barrie Hydro Holdings Inc.

On the basis of information provided by management, we have compiled the non-consolidated balance sheet of Barrie Hydro Holdings Inc. as at December 31, 2023, the non-consolidated statement of operations and retained earnings for the year then ended, Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information (“financial information”).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

In addition to performing this engagement, we provided tax preparation and filing services to Barrie Hydro Holdings Inc. for the year ended December 31, 2022.

Chartered Professional Accountants
Licensed Public Accountants
March 27, 2024

Non-consolidated statement of operations and retained earnings

Year ended December 31, 2023

| | 2023 | 2022 |
|---|--------------------|-------------|
| | \$ | \$ |
| Revenue | | |
| Dividend income | 7,187,718 | 8,679,275 |
| Interest revenue | 18,753 | 23,361 |
| Change in fair value of derivative financial instrument | - | 509 |
| | 7,206,471 | 8,703,145 |
| Expenses | | |
| Administration fees | 100,000 | 100,000 |
| Professional fees | 5,700 | 5,400 |
| Interest and penalties | 2,832 | 22,155 |
| Miscellaneous | 365 | 102 |
| | 108,897 | 127,657 |
| Income before undernoted item | 7,097,574 | 8,575,488 |
| Equity loss of investees | (4,015) | (3,776) |
| Income before income taxes | 7,093,559 | 8,571,712 |
| Net income | | |
| Retained earnings, beginning of year | 82,397,608 | 81,931,252 |
| Refundable taxes paid | (2,755,292) | (3,295,356) |
| Dividend refund | 2,616,426 | 2,990,000 |
| Dividends paid | (6,825,460) | (7,800,000) |
| Retained earnings, end of year | 82,526,841 | 82,397,608 |

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Non-consolidated balance sheet

As at December 31, 2023

| | 2023 \$ | 2022 \$ |
|---|--------------------|-------------|
| Assets | | |
| Current assets | | |
| Cash | 114,336 | 106,761 |
| Accounts receivable | 6,348 | 3,184 |
| Income taxes receivable | 62,858 | - |
| | 183,542 | 109,945 |
| Investment in Barrie Hydro Energy Services Inc. | 214,756 | 218,773 |
| Investment in Alectra Inc., at cost | 182,102,578 | 182,102,578 |
| | 182,500,876 | 182,431,296 |
| Liabilities | | |
| Current liabilities | | |
| Accrued liabilities | 5,699 | 5,501 |
| Income taxes payable | - | 55,444 |
| Due to related parties | 243,078 | 247,485 |
| | 248,777 | 308,430 |
| Deferred tax liability | 26,525,865 | 26,525,865 |
| | 26,774,642 | 26,834,295 |
| Shareholder's equity | | |
| Share capital | | |
| Authorized | | |
| Unlimited common shares | | |
| Stated | | |
| 1,100 common shares | 73,199,393 | 73,199,393 |
| Retained earnings | 82,526,841 | 82,397,608 |
| | 155,726,234 | 155,597,001 |
| | 182,500,876 | 182,431,296 |

Approved by

_____, Officer

_____, Officer

1. Accounting policies

Description of the basis of accounting

The basis of accounting applied in the preparation of the non-consolidated balance sheet of Barrie Hydro Holdings Inc. as at December 31, 2023 and the non-consolidated statement of operations and retained earnings for the year then ended is on the historical cost basis, reflecting cash transactions with the addition of:

- Accounts receivable;
- Investment in Alectra Inc., recorded at cost;
- Investment in Barrie Hydro Energy Services Inc., recorded using the equity method
- Derivative financial instruments, recognized at fair value;
- Accrued liabilities;
- Current income taxes receivable as at the reporting date;
- Investment income recorded on a time proportionate basis and when the right to receive payment has been established;
- Due to related parties; and
- Deferred tax liability.

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