

PowerStream Holdings Inc.**Unaudited Balance Sheet**

March 31, 2016

(In thousands of dollars)

	March 31, 2016	December 31, 2015
	\$	\$
ASSETS		
CURRENT		
Cash	2,252	7,389
Accounts receivable, net of allowance	109,479	107,167
Unbilled revenue	105,159	95,184
Due from related parties	2,841	3,358
Income taxes receivable	12,259	9,734
Inventories	3,018	3,226
Prepays and other	14,336	11,855
	249,344	237,913
PROPERTY, PLANT AND EQUIPMENT	1,131,521	1,125,171
OTHER ASSETS		
Intangibles	57,517	58,096
Long-term deposits	6,078	6,078
Investment in a joint venture	8,169	8,169
Deferred tax assets	8,203	8,156
Goodwill	42,604	42,605
	1,503,436	1,486,188
LIABILITIES		
CURRENT		
Short-term debt	80,000	50,000
Accounts payable and accrued liabilities	122,073	149,997
Customer deposits	16,726	16,374
Short-term notes payable	1,439	1,439
Due to related parties	19,368	19,073
Liability for subdivision development	4,416	4,820
Current portion of finance lease obligation	360	360
Infrastructure Ontario financing	74,627	74,691
Current portion of notes payable	-	20,000
	319,009	336,754
LONG-TERM LIABILITIES		
Notes payable	182,430	162,430
Debentures payable	347,438	347,408
Post-employment benefits	18,588	18,311
Deferred revenue	140,233	138,405
Long-term portion of finance lease obligation	16,008	16,095
Other long-term liabilities	656	656
Long-term notes payable	960	960
	706,313	684,265
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	354,183	354,183
OTHER COMPREHENSIVE INCOME	2,083	2,083
RETAINED EARNINGS	121,848	108,903
	478,114	465,169
	1,503,436	1,486,188

PowerStream Holdings Inc.

Unaudited Statement of Income

Period ended March 31, 2016

(In thousands of dollars)

	March 31, 2016 (3 months)	March 31, 2015 (3 months)
	\$	\$
REVENUE		
Sale of energy	271,936	238,222
Distribution revenue	40,798	39,813
Other revenue	5,503	2,706
Total revenue	318,237	280,741
Cost of power purchased	264,370	230,458
Operating expenses	24,254	21,948
Depreciation and amortization	12,422	7,958
	17,191	20,377
Loss on derecognition of property, plant and equipment	385	99
Interest income	104	167
Interest expense	6,536	6,043
Income before income taxes	10,374	14,402
Income tax (recovery) expense	(2,571)	450
Net income for the period	12,945	13,952

PowerStream Holdings Inc. Unaudited Statements of changes in equity

Period ended March 31, 2016

(In thousands of dollars)

		Share Capital	Accumulated other comprehensive income	Retained earnings	Total
		\$	\$	\$	\$
As at January 1, 2016	354,183	2,083	108,903	465,169	
Net income	-	-	12,945	12,945	
Balance at March 31, 2016	354,183	2,083	121,848	478,114	
As at January 1, 2015	339,183	1,819	112,816	453,818	
Net income	-	-	13,952	13,952	
Balance at March 31, 2015	339,183	1,819	126,768	467,770	

PowerStream Holdings Inc.

Unaudited Statement of Cash Flows

Period ended March 31, 2016

(In thousands of dollars)

	March 31, 2016 (3 months)	March 31, 2015 (3 months)
	\$	\$
OPERATING ACTIVITIES		
Net income for the period	12,945	13,952
Adjustments to determine cash provided by operating activities:		
Depreciation of property, plant and equipment	10,476	7,149
Accretion of debentures payable	30	29
Amortization of intangible assets	1,946	809
Post-employment benefits	277	278
Loss on disposal of property, plant and equipment	385	87
Amortization of deferred revenue	702	702
Deferred income taxes	(47)	4,171
Decrease in long-term deposits	-	3,009
Decrease in other long-term liabilities	-	(394)
(Decrease) Increase in liability for subdivisions development	(404)	400
Net change in non-cash operating working capital	(43,844)	(32,460)
Net cash used in operating activities	(17,534)	(2,268)
FINANCING ACTIVITIES		
Proceeds from short-term loan	30,000	25,000
Principal payments on finance lease obligation	-	(82)
Repayment of Infrastructure Ontario debentures	(151)	(42)
Net cash generated from financing activities	29,849	24,876
INVESTING ACTIVITIES		
Proceeds received from customers (capital contributions)	1,126	1,429
Proceeds from the issuance of Class A common shares	-	-
Purchase of intangibles	(1,367)	(2,989)
Purchase of property, plant and equipment	(17,211)	(21,234)
Net cash used in investing activities	(17,452)	(22,794)
DECREASE IN CASH DURING THE PERIOD	(5,137)	(186)
CASH, BEGINNING OF PERIOD	7,389	23,723
CASH, END OF PERIOD	2,252	23,537