

December 16, 2021

Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
Toronto, ON  
M4P 1E4

Attention: Ms. Natasha Gocool

**Application for Electricity Generation Licence by Kap Power Corp. regarding the Kapuskasing Power Plant: EB-2021-0298**

Dear Ms. Gocool:

1. We are in receipt of your email dated December 6, 2021. URICA Energy Management Corporation provides a response to your information request, on behalf of Kap Power Corp. ("Kap Power") below.

**Question: Can you please submit a pro forma statement for the next 5 years for Kap Power Corp.?**

2. Attached is a five (5) year financial forecast for Kap Power. Please note that this information is highly confidential, and contains commercially sensitive information.

3. The five year forecast includes calendar year financial information for Kap Power for each of 2022, 2023, 2024, 2025 and 2026. We have included the business plan assumptions associated with the forecasted financial information. The document has also been signed by one key individual, the Kap Power Chief Financial Officer.

4. If the Board has any further questions regarding the application, or requires any further information in support of the Application, please contact the undersigned at [darin.lowther@urica.ca](mailto:darin.lowther@urica.ca) or call at 403-554-0095.

Yours truly,

*<Original signed by>*

Darin Lowther  
Lead, Regulatory

PLEASE NOTE: This material is highly confidential and contains commercially sensitive information.

### Kap Power 5 Year P&L Forecast

( CAD \$Thousands )	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Revenue	11,070	22,140	22,140	22,140	22,140
Fuel	4,980	9,960	9,960	9,960	9,960
<b>Gross Margin</b>	<b>6,090</b>	<b>12,180</b>	<b>12,180</b>	<b>12,180</b>	<b>12,180</b>
Payroll	1,130	1,164	1,199	1,235	1,272
Operating	71	73	75	78	80
Maintenance	420	433	446	459	473
Other O&M	33	34	35	36	37
G&A	98	101	104	107	110
Insurance	72	74	76	79	81
Professional Fees	1	1	1	1	1
Property Taxes	23	24	24	25	26
<b>Total Plant Expenses</b>	<b>1,848</b>	<b>1,903</b>	<b>1,961</b>	<b>2,019</b>	<b>2,080</b>
<b>EBITDA</b>	<b>4,242</b>	<b>10,277</b>	<b>10,219</b>	<b>10,161</b>	<b>10,100</b>
Capex	-	-	(990)	-	-
<b>CASHFLOW **</b>	<b>4,242</b>	<b>10,277</b>	<b>9,229</b>	<b>10,161</b>	<b>10,100</b>

\*\*Cashflow for this analysis is calculated as EBITDA less Capex (changes in working capital have NOT been included)

#### Background and assumptions:

1. Validus will be self-generating and monetizing its power and land with an on-site data center as a load host of 35 MW
2. Power generation is expected to start May 2022
3. Gas prices are locked in on a 5 year term
4. This model accounts for 3% yearly inflation
5. Validus plans to operate as a carbon neutral facility
6. Overhaul expected c2024 which is captured as a separate Capex item. All other maintenance items captured under Opex
7. The monetization structure for Kap Power is higher than Bay Power by 33%

  
Shelley Goertz  
CFO, Validus Power Corp.

12/14/2021  
Date