



lakeland

Annual Shareholder Meeting

June 7, 2024



2023 HIGHLIGHTS | Chair, Roger Alexander

- ✓ Zero lost time accidents – meeting plan = 8 years+
- ✓ 9 additional full-time hires to support growth
- ✓ Cyber Security – deemed highest risk – upgrades to training, testing, firewalls, procedures
- ✓ Wasdell Falls Generation Station purchase
- ✓ \$2M Dividend protected – despite drought recovery reserve
- ✓ \$15.5M in capital upgrades & expansions
- ✓ Lakeland EV Charging Station project throughout municipal shareholders
- ✓ Steady broadband connection growth against more competition = 16,160 homes passed, 7,733 connections = 48% fibre optic penetration
- ✓ Updated detailed business plan utilizing 3rd party and offsite meetings with Board and Management
- ✓ Continuing portfolio review and changes
- ✓ Considerable improvement in Power reliability

2023 HIGHLIGHTS | Chair, Roger Alexander

Lakeland Vision Statement

*“BE THE LEADER IN SUSTAINABLE SOLUTIONS AND CATALYST
FOR IMPROVING THE LIVES OF OUR CUSTOMERS AND
COMMUNITIES WE SERVE.”*

2023 CONSOLIDATED ANNUAL REVIEW

2023 Human Resources | Taylor Servos

- ✓ 0 lost time accidents = 8th straight year
- ✓ Another year of major growth, hiring 9 FT employees & 14 co-op & student positions
- ✓ Promoted 12 individuals
- ✓ 100% key staff retention
- ✓ 1,400+ applications were received and over 150 interviews were conducted
- ✓ Full scale Wellness program launched including a wellness survey, fitness and nutrition challenges, and Vitality App
- ✓ Held 14 in-person events
- ✓ Donated & pledged over \$62,000 to charities and organizations within our shareholder communities. Also donated over \$3000 in hours & services.
- ✓ Further developed our “\$1,500 Lakeland Networks Bursary” awarded to graduating high-school students attending post secondary schools within the shareholder communities.
- ✓ On budget Union contract negotiations

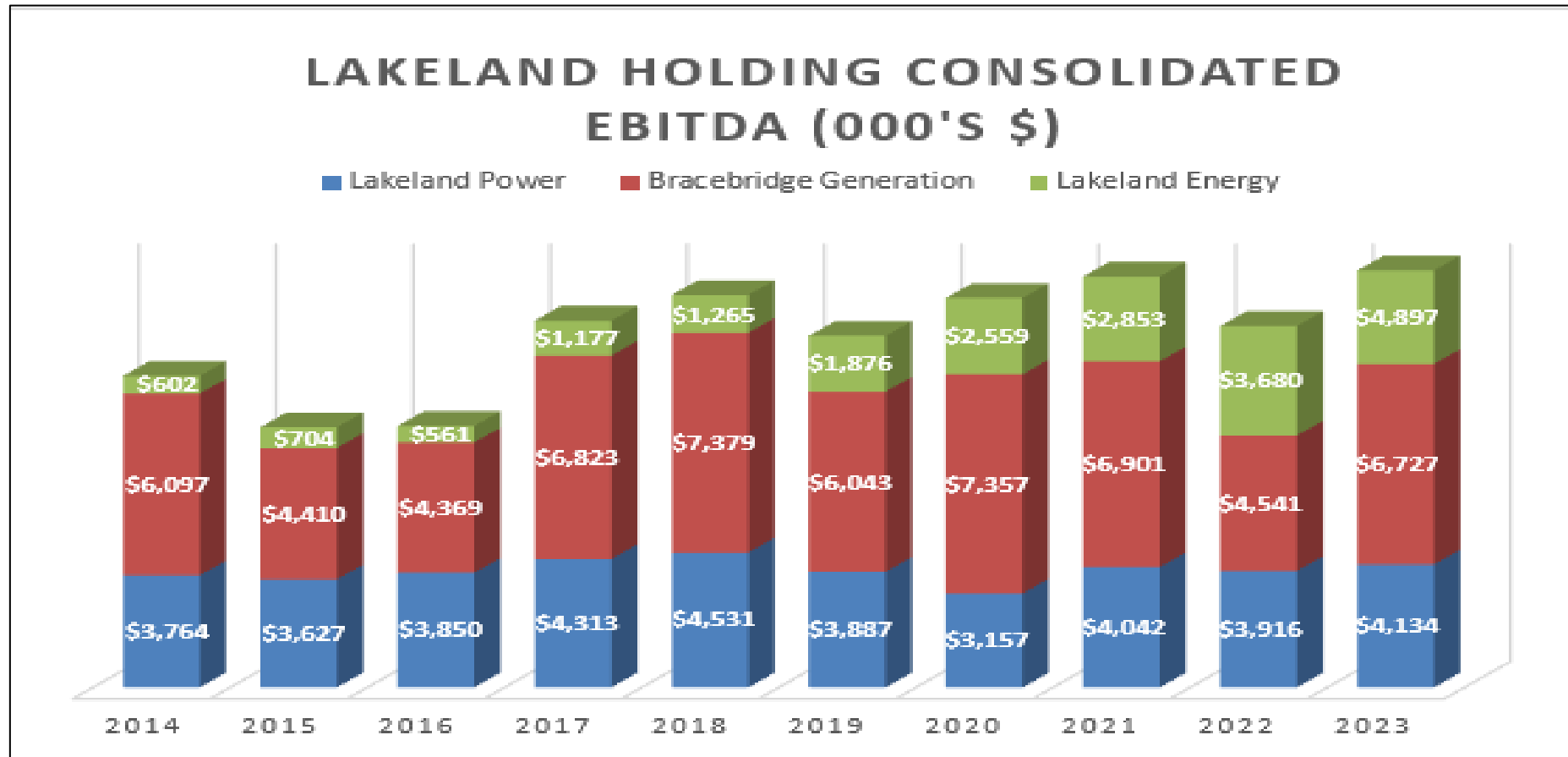
2023 Financial Highlights | Darren Bechtel

Lakeland Holding 2023 Financial Table (\$000's)	Actual 2023	Actual 2022
Total Revenues	\$70,429	\$65,205
Return on Equity %	7.69%	8.68%
EBITDA*	\$15,161	\$11,723
Net Income	\$4,936	\$3,126
Assets	\$165,938	\$157,287
Shareholder's Equity	\$64,205	\$63,553
Dividends Paid	\$2,000	\$2,000
* - Earnings before Interest, Taxes, Depreciation, and Unusual Items		
Debt & Note Payable balance	\$49,306	\$43,319

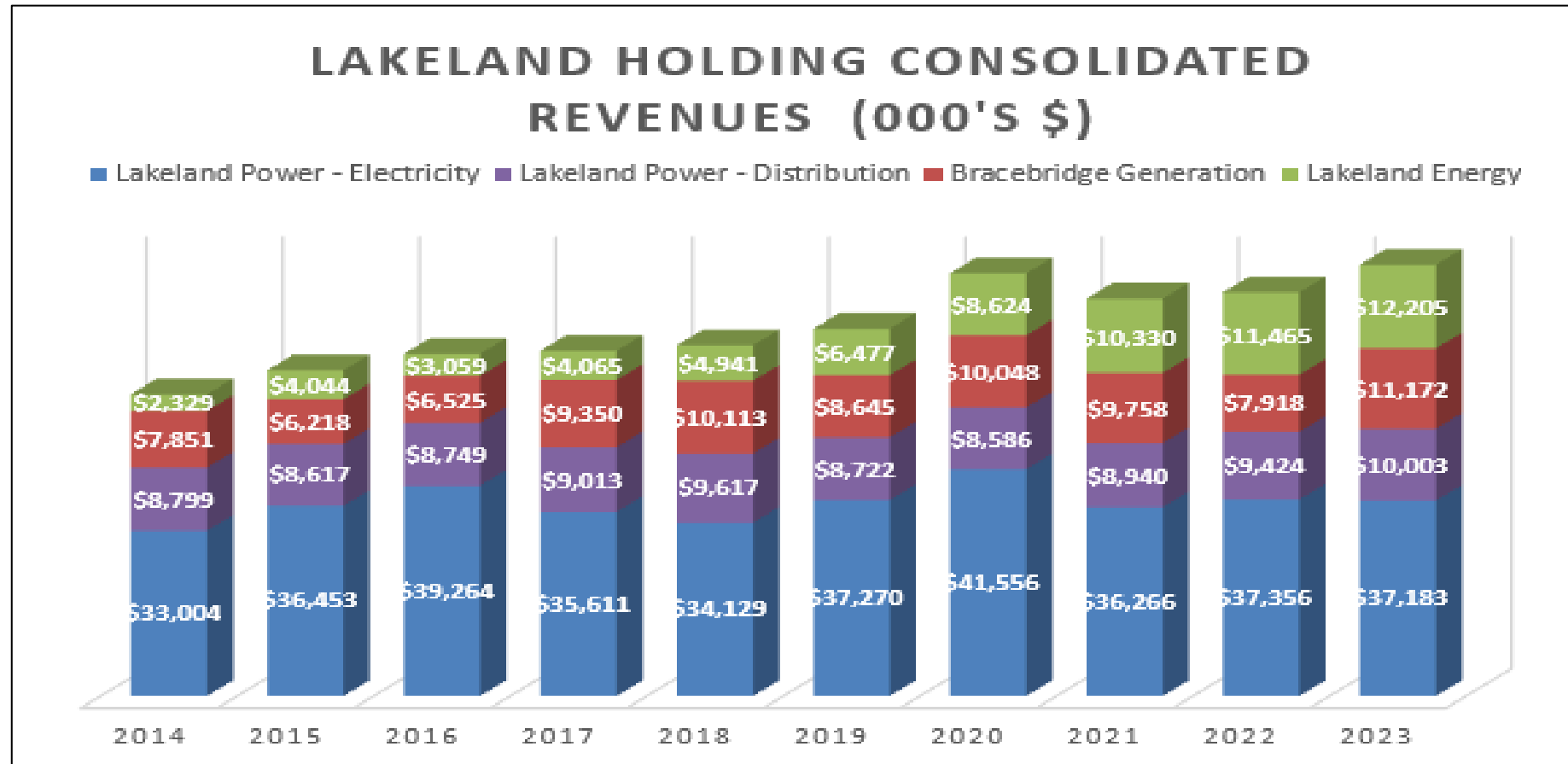
2023 Financial Highlights | Darren Bechtel

- ✓ Increased Shareholder equity by 1% over prior year in addition to maintaining \$2M dividend payment
- ✓ Investments included partial government funded projects and operational capital
- ✓ EBITDA increased by 29.3% or \$3.4 M. Predominantly from generation revenues higher compared to drought like conditions in 2022: \$2.1M impact
- ✓ Higher Energy revenues of \$1.6M due to increase in fibre connections offset by higher costs/staff increases to provide existing and future growing service: \$1.2M net
- ✓ Distribution revenue higher due to consumption and rates in addition to cost efficiencies resulted in \$218K increase

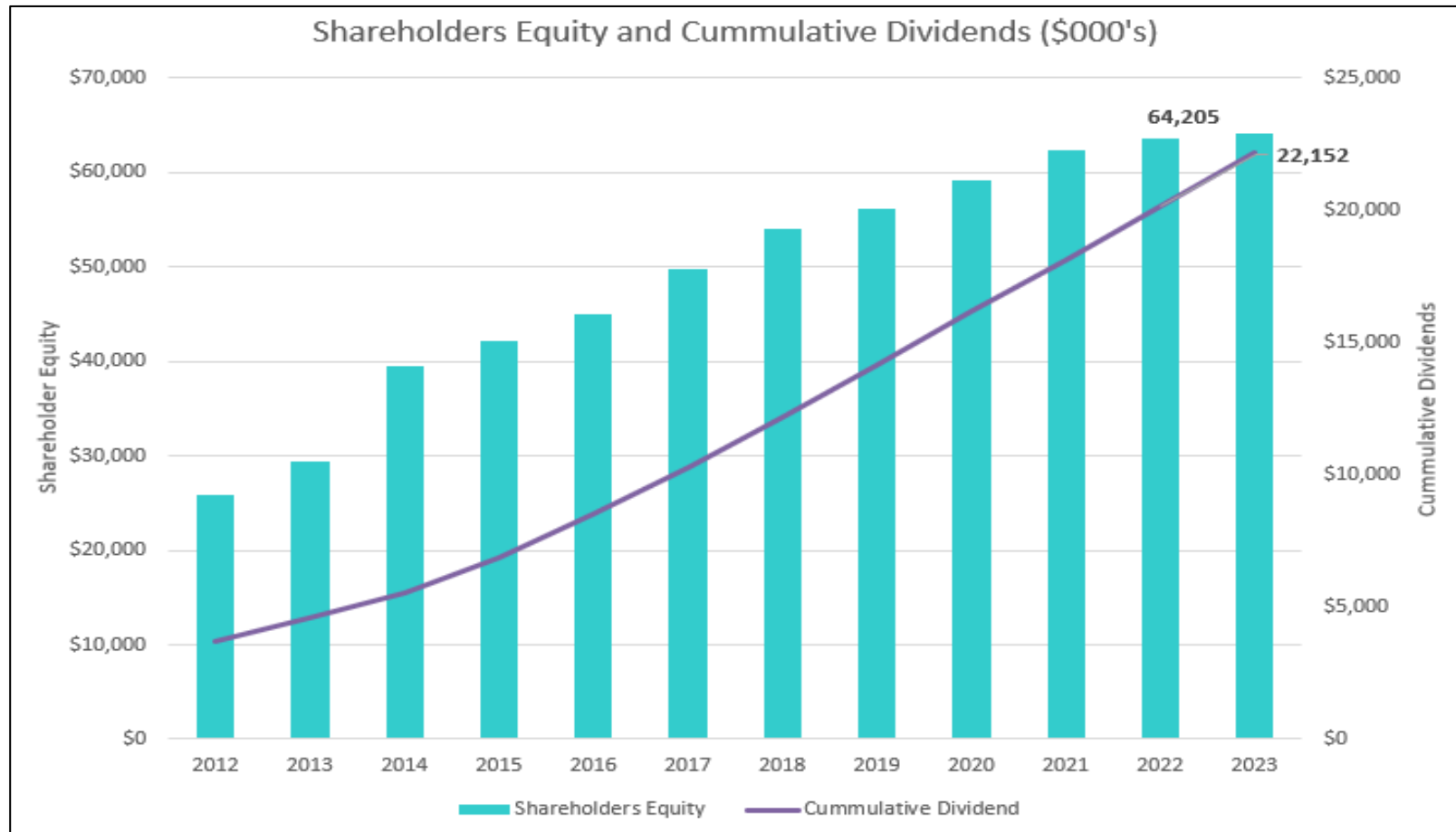
2023 Financial Highlights | Darren Bechtel



Lakeland Holding | Consolidated Revenue (000's \$)



Lakeland Holding | Dividends and Shareholder's Equity



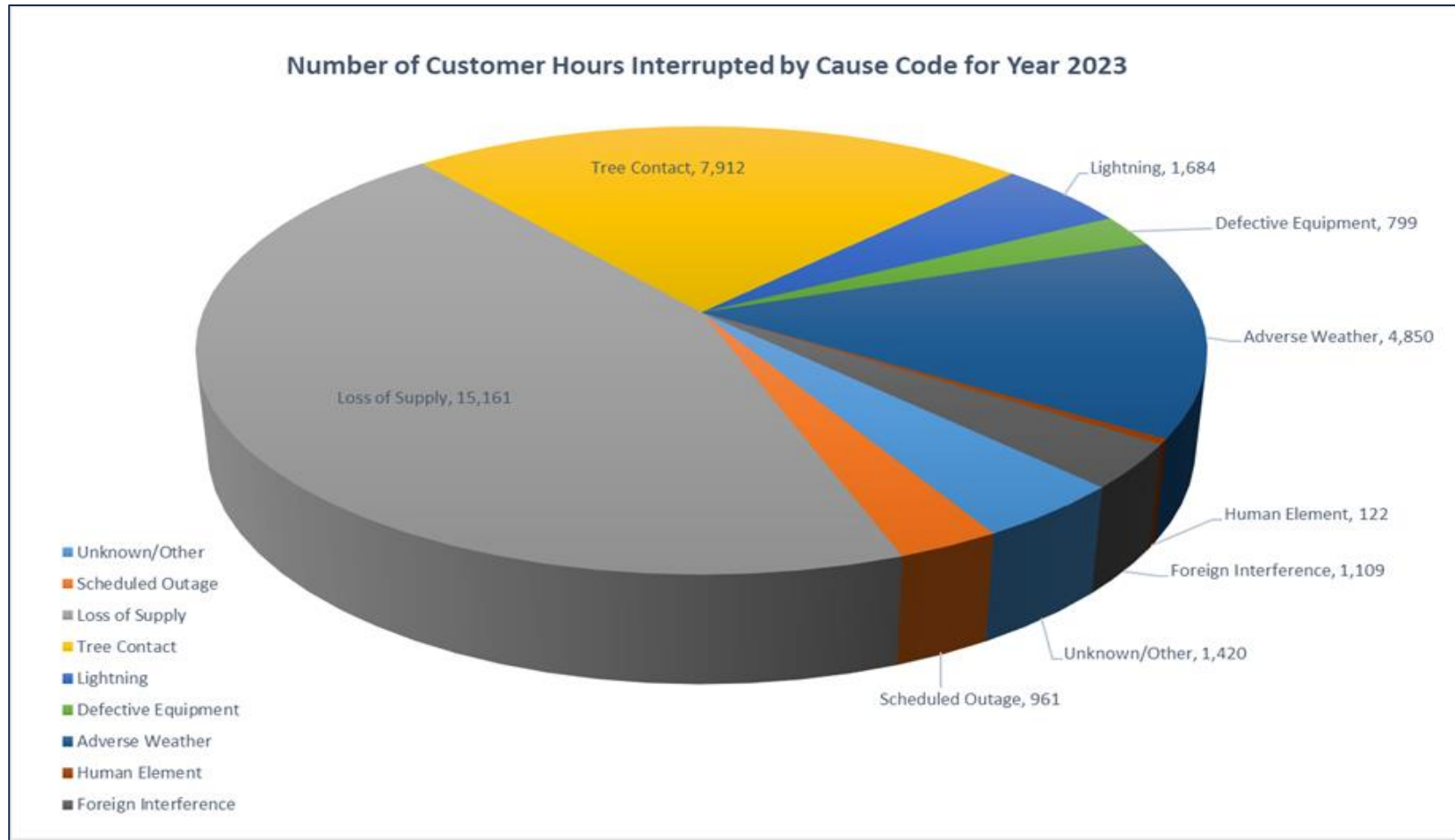
COO | Vince Kulchycki

2023 SUBSIDIARY REVIEWS

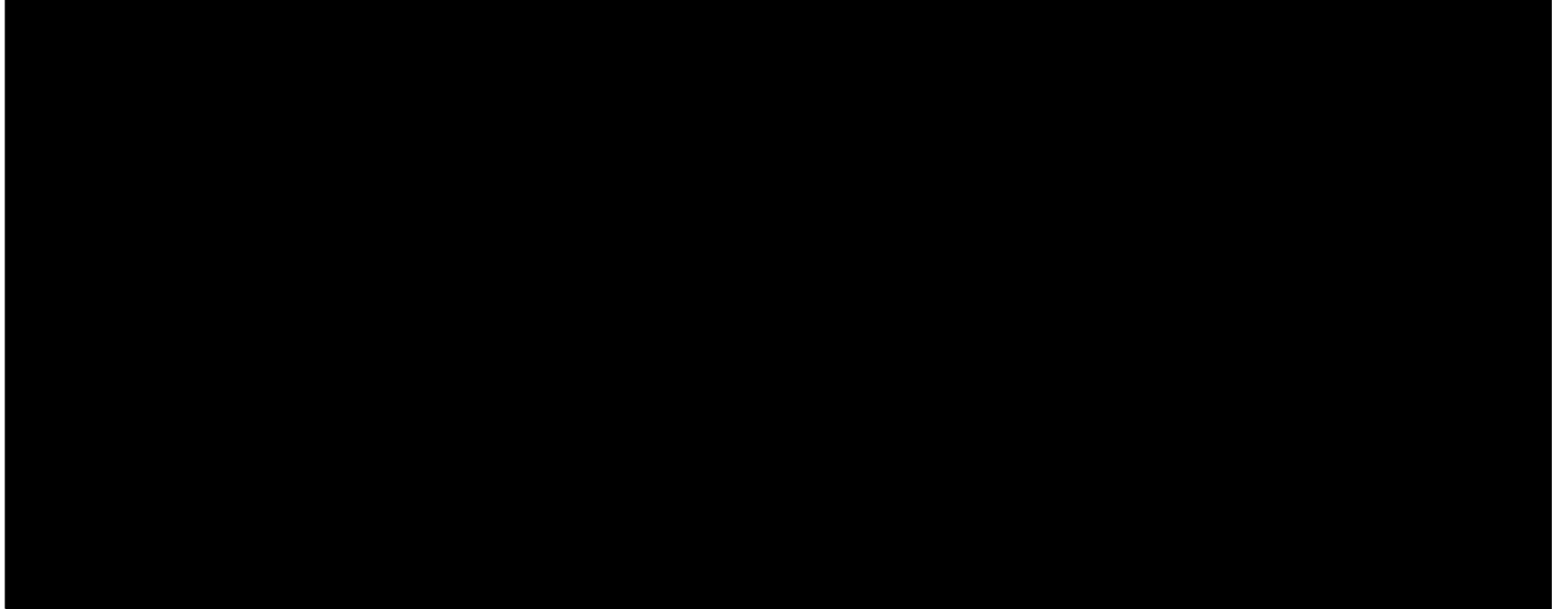
Lakeland Power | 2023 Review

- ✓ 254 additional customers connected = 14,605 total
- ✓ Incentivized and gained 480 customers on Ebilling – lowers administrative costs
- ✓ Customers experienced improved average of 0.63 outages for 1 hour 11 minutes of outage time on Lakeland Power's system
- ✓ Tree trimming completed in Burk's Falls and Bracebridge – part of 6-year cycle
- ✓ TextPower & Chat introduced for improved customer service
- ✓ Customer Satisfaction Survey = 75% - understanding bill number one problem
- ✓ May disconnect moratorium ended = \$650K accounts receivables collected
- ✓ 4 automated smart switches installed on distribution system

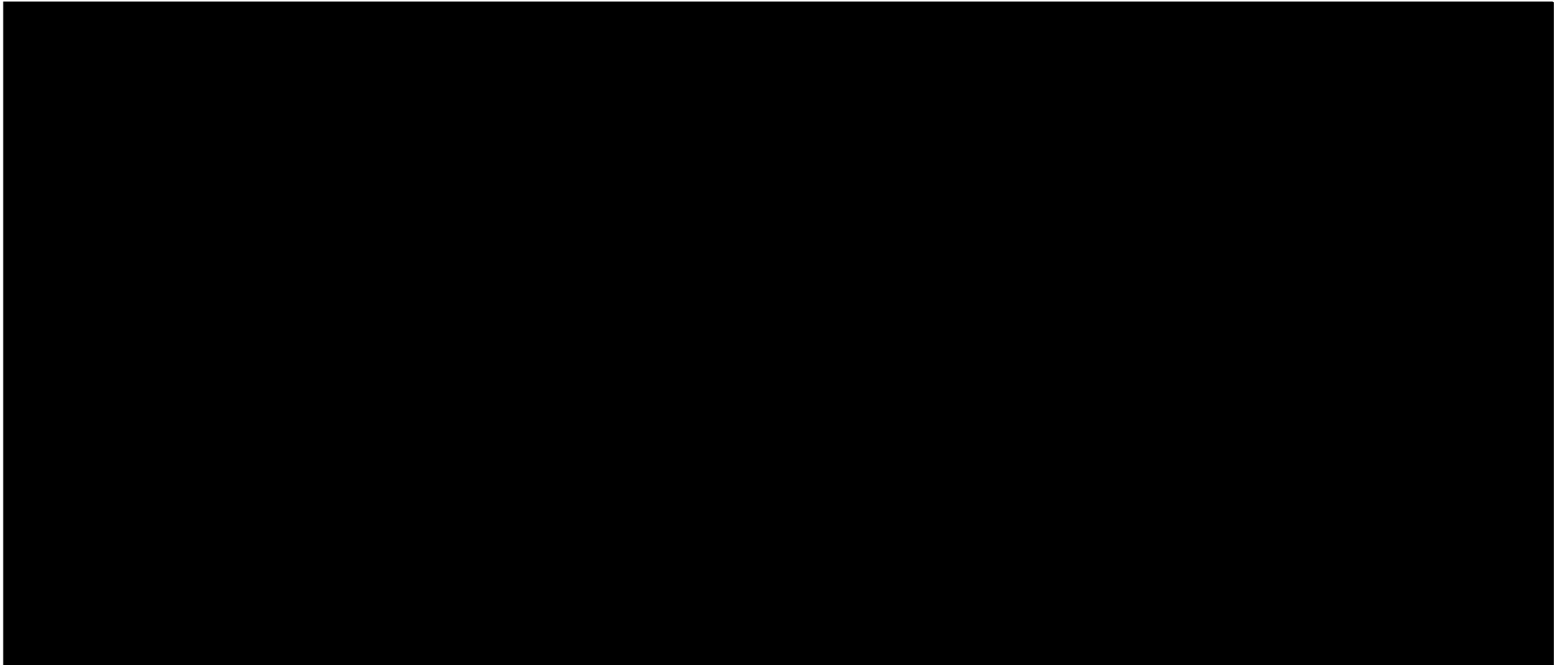
Lakeland Power | 2023 Review - Number of Customer Hours Interrupted by Cause Code 2023



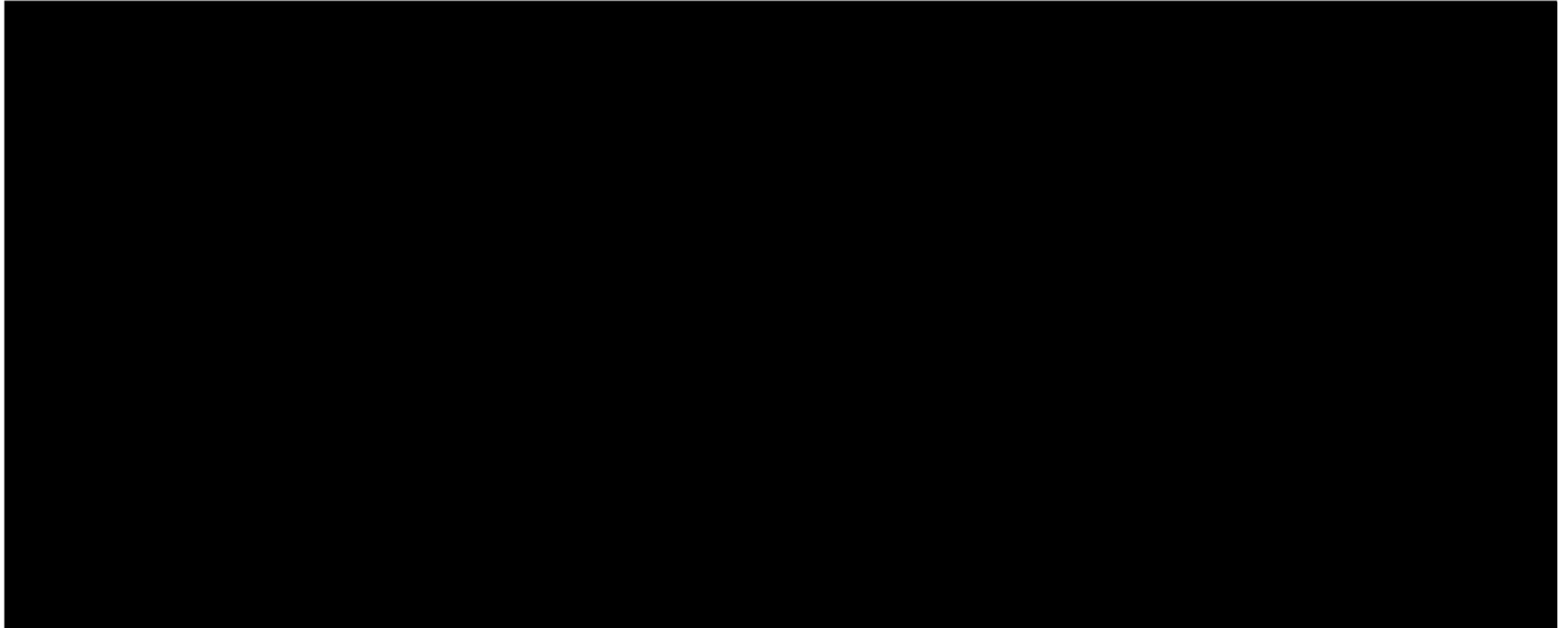
Lakeland Generation | 2023 Review



Lakeland Generation | 2023 Review-Cumulative Monthly Generation KWh



Lakeland Generation - Lakeland Solutions | 2023 Review



Lakeland Energy - Networks | 2023 Review



CEO | Chris Litschko

3 YEAR BUSINESS PLAN

Balanced scorecard approach that is **SMART** (specific, measurable, achievable, relevant, and time bound) with additional KPI's.

Lakeland Mission Statement

LEVERAGING OUR TEAM, WE ARE DEDICATED TO GROWING RESPONSIBLY,
SERVING OUR SHAREHOLDERS, CUSTOMERS AND COMMUNITIES WITH SAFE,
RELIABLE, AND QUALITY SUSTAINABLE SOLUTIONS

Lakeland Holding | Business Plan

Based on Updated 3-Year detailed business plan

- Expand Generation = waterpower, storage, solar
- Expand ISP coverage
- Add additional complementary products & services
- Participate in LT2
- New ERP system
- Utilize AI
- Improve Power Reliability & new substation in Bracebridge
- Improve Power customer satisfaction results

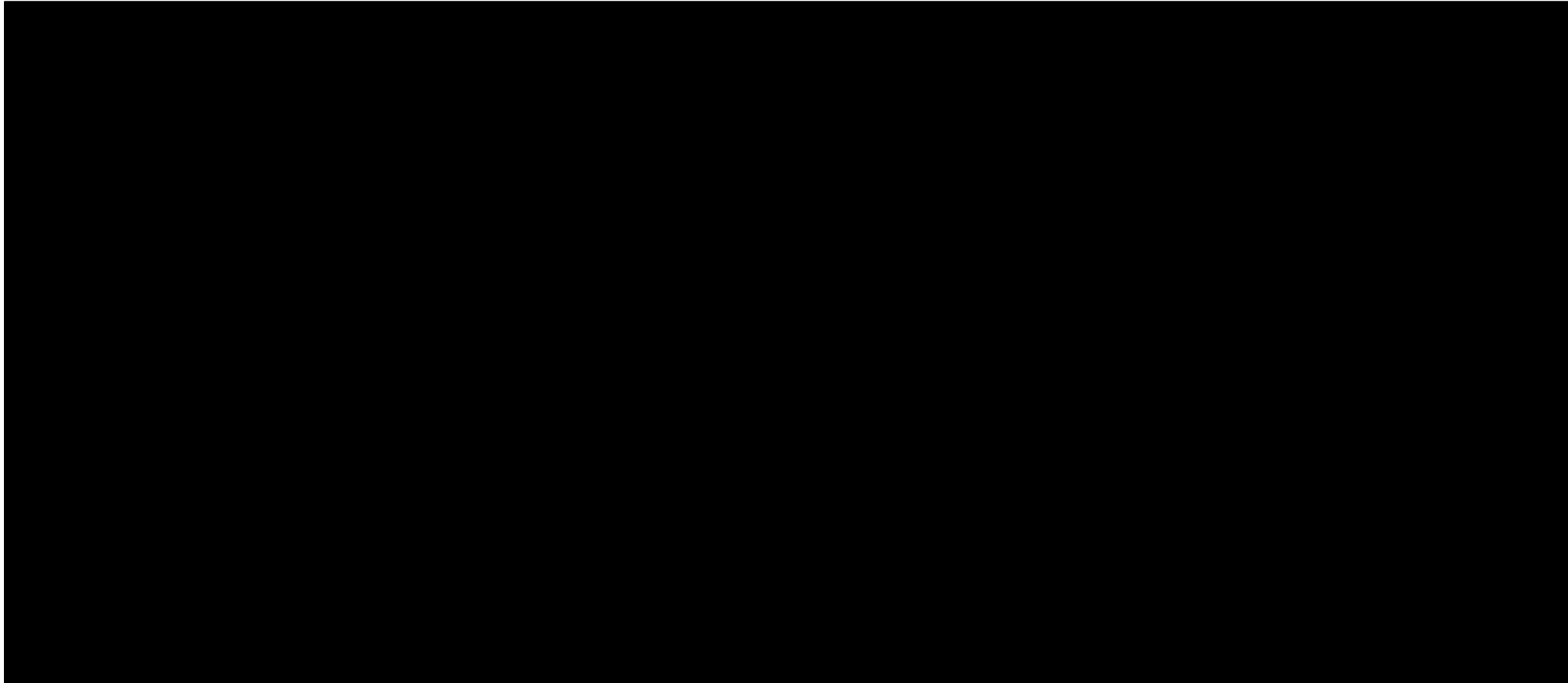
Lakeland Holding | Business Plan - People & Culture

- 0 lost time accidents
- 100% key staff retention
- Continued growth through new budgeted positions
- Increased focus on safety plans (drills) and site visits
- Increased annual reporting for incidents (including a new incident program)
- Ergonomic needs implementation
- National Day of Truth & Reconciliation Learning Day

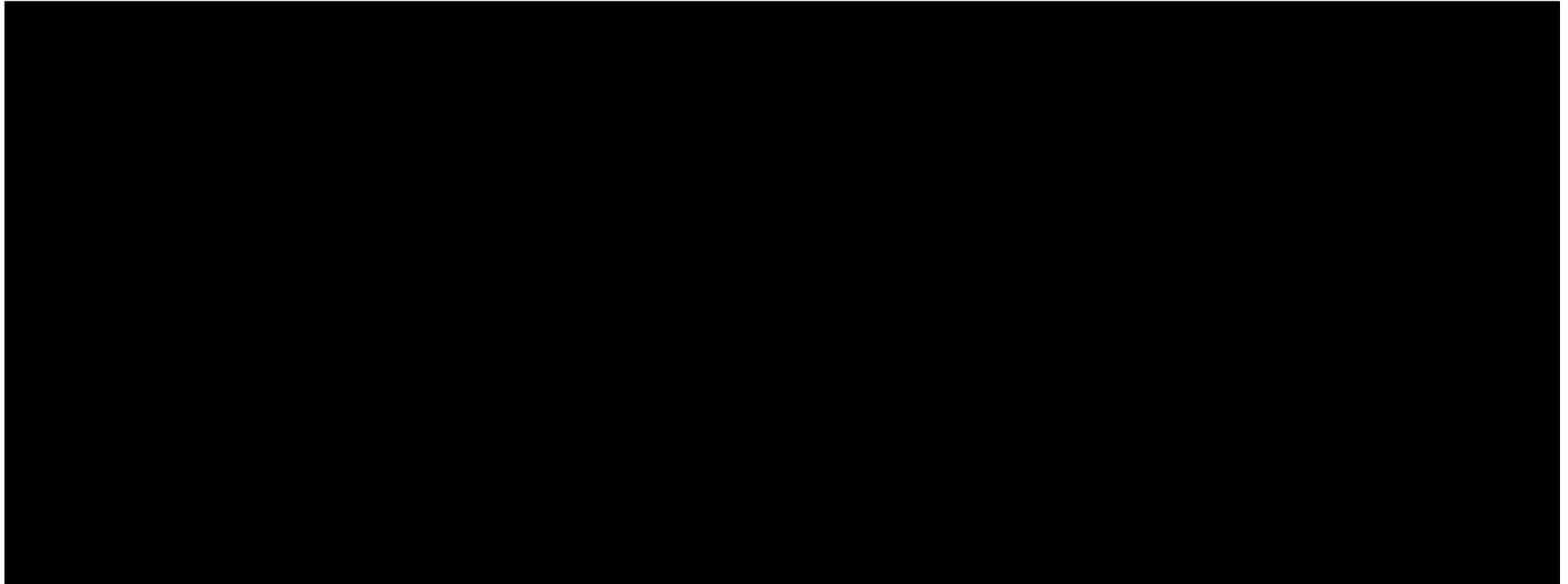
Lakeland Power | Business Plan

- Improve reliability internally – capital, mtce, automation
- Top 10% of Province in lowest number of outages, duration, and controllable costs
- Improve communications for outage notifications and updates = TextPower
- Infrared study - proactive maintenance
- Safety Survey & Improve Customer Satisfaction Survey
- Install Smart Switches – faster restoration times
- Increase Ebilling
- Ontario Energy Board Cost of Service Application

Lakeland Generation | Business Plan

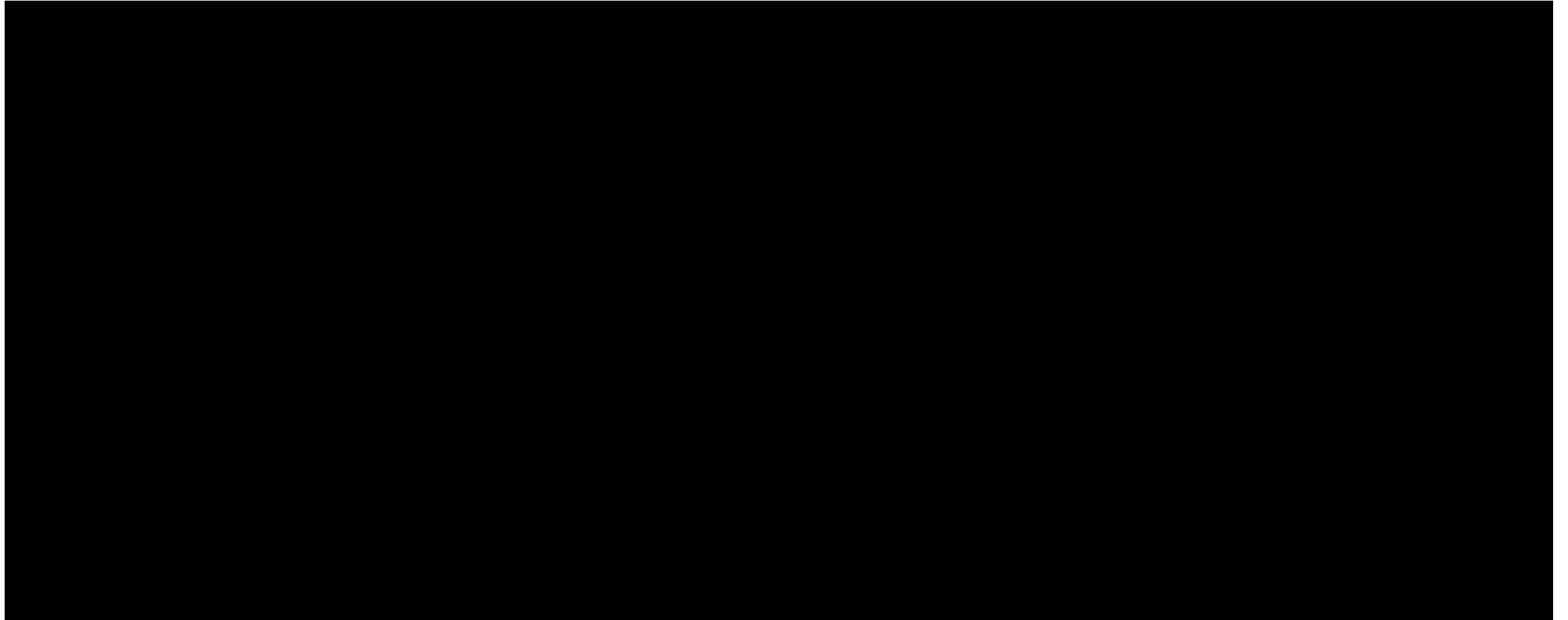


Lakeland Generation | Business Plan - Recontracting Ontario Facilities



Lakeland Generation - Lakeland Solutions | Municipal EV Charging Update

Lakeland Energy - Networks | Business Plan



The company budgets to maintain the dividend payment of \$2M

This dividend is considered healthy and appropriate industry wide. We continue to reinvest earnings for growth, increasing shareholder value.

CORPORATE GOVERNANCE REVIEW | Irene Zaguskin

KEY ACTIONS:

- ✓ Assessed Lakeland Board, Chair and Director performance
- ✓ Follow Good Governance Standards
- ✓ All Directors enrolled with Institute of Corporate Directors
- ✓ 2 Directors ICD certified and one obtaining certification
- ✓ 1 Director resigned and not replaced

BOARD OF DIRECTORS 2023/24 | Irene Zaguskin

Lakeland Holding, Bracebridge Generation, Lakeland Energy/Networks

Chair: Roger Alexander, Vice Chair: Sam Davidson

Directors: Eugene Roman, Mark Goldberg, Chris Litschko

Lakeland Power

Chair: Irene Zaguskin (Independent), Vice Chair: Phil Matthews (Independent) Directors: Cara Clairman (Independent), Mark Goldberg, Chris Litschko

Meeting Summary | Roger Alexander

- › Overall, 2023 was a very good year with results vs plan
- › Tremendous efforts by Execs, Management, Team and Board of Directors
- › Strong Performance Safety, Operationally, Financially
- › Strong fibre internet connection growth
- › Concentrating on fibre expansion
- › EV charger rollout throughout municipal shareholders
- › Purchased Wasdell Falls generation station
- › Improving Power customer satisfaction and communications
- › Diversification: electricity distribution, waterpower generation, solar generation, battery storage, broadband, potential other innovative electrical generation opportunities
- › Updated 3-Year Business Plan

Addendums

Board of Directors

Roger Alexander

Mr. Alexander was appointed to the Board of Parry Sound Hydro Corporation and subsidiaries in 2009 where he served as Chair. He joined Lakeland's board with the merger and Chaired the Human Resources Committee. He now serves as our Chair and also serves on other Boards including the West Parry Sound Health Centre. Mr. Alexander had a 22-year career with Siemens serving as division CEO/executive spanning a variety of industries such as energy, transportation, infrastructure, mining, medical and telecommunications. He was a member of the 6-member executive management group at Siemens Canada overseeing approximately \$3B in revenue and 7000 employees. He was also CEO at Areva Canada with direct line responsibility for over 1,100 employees and sales revenue in excess of \$500M including multiple manufacturing and mining sites across 14 locations in Canada. He holds an MBA from the Richard Ivey School of Business and is an Engineering Technologist (Ryerson). Mr. Alexander is also a graduate of the Director's Education Programme at the Institute of Corporate Directors where he maintains an ICD.D designation.

Phil Matthews

Mr. Matthews joined the Board in 2010 and is the immediate past Chair of the Board. He has a Master's degree in economics and is a CPA.CA. Mr. Matthews has over 50 years of business experience and retired from Ernst & Young in 2004, having served as a partner for 24 years. During his career, he dealt with a range of industries and businesses, from entrepreneurial startups to multinational public companies, providing a wide variety of services. Mr. Matthews served on the MAHC Board for 10 years and is a past Chair of MAHC.

Mark Goldberg

Mr. Goldberg was appointed to the Board in 2016 and Chairs the Environmental Health and Safety Committee. For 40 years, Mr. Goldberg has worked in telecommunications, building national networks and leading the development of competition in the industry, having held leadership roles at Bell Canada, AT&T Bell Labs, CNCP/Unitel and Sprint Canada, managing networks with annual capital budgets in the order of \$1B. For more than 25 years, he has owned a consulting firm (Mark H Goldberg & Associates Inc.) and founded The Canadian Telecom Summit. He has a B.Sc. from Western and M.Sc. from Carleton in Mathematical Statistics.

Board of Directors | cont'd

Sam Davidson

Mr. Davidson was appointed to the Board in 2015 and currently serves as Vice Chair and Chairs the Finance and Mergers & Acquisitions Committees. He is a CPA, CA and has a B. Comm and BA in economics. Mr. Davidson is a senior finance executive with 30+ years of experience having held roles in finance, operations and project management and has extensive experience in mergers and acquisitions. He has worked in the transportation, construction and building materials and real estate development industries for high growth companies ranging in size from \$20 million to \$1.3 billion. Mr. Davidson currently works as an independent finance consultant to a private equity company and advises on investments and development opportunities in its infrastructure and real estate investment arm.

Cara Clairman

Ms. Clairman was appointed to the Board in 2023 and Chairs the People & Culture Committee. She is President and CEO of Plug'n Drive, a non-profit that is accelerating the deployment of electric vehicles (EVs) to maximize their environmental and economic benefits. Ms. Clairman has taken Plug'n Drive from an idea to a thriving non-profit, recognized as a leader in the EV space. Focused on accelerating EV adoption through outreach and education for over 10 years, Plug'n Drive has developed a number of award-winning programs to encourage consumers and fleets to make the switch from gas to electric, including the EV Discovery Centre and the Mobile EV Education Trailer (MEET). Ms. Clairman has more than 25 years of experience working in the environmental and sustainability fields, including 12 years working at Ontario Power Generation, initially as OPG's environmental lawyer and later in the role Vice President of Sustainable Development. Prior to joining OPG, Ms. Clairman spent five years practicing environmental law with the Torys law firm. She holds a Bachelor of Laws from Osgoode Hall and a Masters in Environmental Studies from York University, as well as an Honours Bachelor of Science degree from Queen's University. She is the 2017 recipient of the Women in Renewable Energy 'Woman of the Year' award and the 2021 winner of the Al Cormier EV leadership award from Electric Mobility Canada. Ms. Clairman lives in a two EV household, including a Chevy Bolt and a Tesla Model 3.

Board of Directors | cont'd

Irene Zaguskin

Ms. Zaguskin, was appointed to the Board in 2019 and currently Chairs Lakeland Power. She has previously chaired the Human Resources & Nominating Committee for Lakeland Power. Ms. Zaguskin also serves on the board of PropTx Innovations Inc and is the Chief Information Officer for PwC Canada, an industry focused professional services organization. Ms. Zaguskin has experience in numerous industries including Retail, Telecom, Manufacturing, Professional services, Energy and Utility Sectors. She specializes in delivery of large-scale organization and digital transformations. Throughout her career, Ms. Zaguskin guided transformation initiatives at organizations such as Rogers, Loblaws and Canadian Tire, Enercare and TPH, harnessing digital technology to improve the experiences of millions of Canadian customers. She has also played a key role in M&As for these organizations, thereby enabling expedited growth and expansion across North America. Ms. Zaguskin holds an MBA, Computer Science and Economics undergraduate degrees, an MIT certificate in Management, and Chief Information Security Officer Certification. She is also a graduate of the Director's Education Program at the Institute of Corporate Directors, where she maintains the ICD.D designation.

Eugene Roman

Mr. Roman has served as a non-employee director of our Board since September 2022. He is currently the Principal at Design.ai Ltd, a consultancy formed in 2019 that is focused on applying design intelligence to business opportunities. He serves as Executive in Residence for AI and Applied Analytics at the Schulich School of Business in Toronto, where he conducts research on emerging areas of AI and is a mentor to students. From 2012 to 2018, Mr. Roman held the position of Executive Vice President, Digital Excellence and Technology Advisor for Canadian Tire Corporation. Mr. Roman started his career in telecommunications with Nortel Networks Corporation, Bell Canada Enterprises Inc., and OpenText Corporation, serving in senior technology and business roles in Canada, the U.S. and the U.K. Mr. Roman has extensive board experience with EPAM Ltd. and Community Trust Co Ltd. and has also been a member of the Board of Governors of York University since July 2017. Mr. Roman holds a master's degree in business administration and a bachelor's degree in economics and geography from the University of Toronto. He is a Certified Professional Accountant and a graduate of the Institute of Corporate Directors program.

Executive Team

Chris Litschko, Chief Executive Officer

Chris Litschko has a foundational role as the CEO and Board Director of Lakeland Holding and its subsidiaries, he has orchestrated notable improvements across various facets of the company. Under his leadership, expansion, strategic acquisitions, and automation have not only bolstered operational efficiency but also significantly enhanced health and safety standards, customer service quality, profitability, and shareholders' dividends. Annual revenues have grown to \$74 million with total assets amounting to \$168 million. His extensive management and executive experience traversing different regions of Ontario reflect a breadth of knowledge and adaptability. Furthermore, his team's accolades, spanning from environmental stewardship to energy innovation, underscore their commitment to excellence. Beyond his professional endeavors, Chris's involvement in diverse boards, committees, and his appointment to the Ontario Trillium Foundation's Grant Review Team illustrate a deep-rooted dedication to community service and philanthropy. His educational background, complemented by executive development programs, showcases a commitment to continuous learning and growth. Chris's support for a wide array of causes, including children's welfare, health initiatives, environmental conservation, anti-bullying efforts, women's safety, cancer research, and animal rehabilitation, exemplifies his compassionate nature and desire to make a positive impact beyond the corporate realm.

Vince Kulchycki, Chief Operating Officer

Vince Kulchycki, a native of Grimsby Ontario, graduated from Mohawk College with his certification from OACETT. His career began with electrical and PLC automation at Dofasco and quickly shifted gears to geographical information systems and distribution systems analysis with Milton Hydro. During this time, he was also running his own company, which he sold after 13 years. Vince moved on to Oakville Hydro where he was part of the team for meter shop accreditation with Measurement Canada. He joined Grimsby Hydro as an Engineering Technician responsible for all distribution system and consumer designs, GIS and designed and installed the first SCADA system in Grimsby. Mr. Kulchycki also facilitated Grimsby Power's affiliate companies design and implementation of its fibre optic network. Through his ambition for finding a growing, entrepreneurial organization, Vince made his way to Bracebridge in 2001 accepting the position of Manager of Operations for Lakeland. In 2006 he was promoted to Director of Operations & Generation and in the two years that followed became Chief Operating Officer for Lakeland Holding. Team accomplishments include expanding the generation capacity 700%, creation of a fibre optic and communications company and power distribution system automation. Mr. Kulchycki has participated on various working groups with the Electricity Distributors Association, advisory groups for Hydro One and currently sits on the Board of Directors for the Ontario Waterpower Association.

Executive Team | cont'd

Darren Bechtel, Chief Financial Officer

Darren Bechtel was promoted to Chief Financial Officer on January 16, 2023. He was born and raised in Huntsville, received his Accounting degree from Wilfrid Laurier University and his MBA from Brock University with a specialty in Finance. Darren is a Chartered Professional Accountant and continues to be a mentor for upcoming CPA Ontario students. Prior to joining Lakeland in 2012, Darren was part of the audit department at BDO in Barrie where he worked with a diverse range of clients across Central Ontario. During his 10+ years at Lakeland, Darren has played an integral role assisting Lakeland with project expansions, regulatory reporting, financial restructuring and IFRS conversion. Darren continues to participate in several industry working groups including USF, CHEC and IVS.

Taylor Servos, People & Culture Officer

Taylor Servos received her Bachelor of Social Sciences from the University of Ottawa and her Post-Graduate Certificate of Human Resources Management from Fleming College. Taylor's Human Resources career began in Ottawa with lululemon where she was a part of the leadership team and became invested in people development, health & safety, goal setting, recruitment, succession planning, and building great culture. Taylor then became a Technical Recruitment Coordinator with Export Development Canada where she provided HR support for the Business Technology Solutions Team. She specialized in recruiting senior consultants for transformational finance and technology projects within the organization and was the chair of several Work Force Planning Teams to ensure employees were properly allocated and business needs were being met. Taylor relocated to Huntsville and joined Lakeland in 2019 and is an active member of the Human Resources Professionals Association and several HR committees. Taylor spends her down time with her husband who is a local carpenter, her dogs & her horse.