



The energy
of a moment

2026 - 2030 Strategic Direction



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Who we are

Our business

Hydro Ottawa Group is a diversified sustainable energy company, wholly-owned by the City of Ottawa. As a future-powered energy provider, our vision is anchored in leading the charge towards a smarter energy future. Through our subsidiaries, we deliver sustainable solutions that empower our customers and elevate our communities.

From distributing electricity to the communities we serve (Hydro Ottawa Limited), running Ontario's largest municipally-owned producer of sustainable power (Portage Power), implementing innovative energy solutions (Envari Energy Solutions), to connecting the community through fibre optics (hiboo networks), Hydro Ottawa Group is a trusted partner in creating a vibrant, sustainable National Capital Region.

We are a company with deep roots in the community, established through more than 100 years of providing an essential service to our nation's capital. Hydro Ottawa Group has a corporate responsibility to positively impact the community in which we live through investments, partnerships and creating a welcoming, respectful work environment.

Today, we are proud to continue our history of balancing growth with environmental sustainability and social responsibility, as we lead the way to a smart energy and digital future.



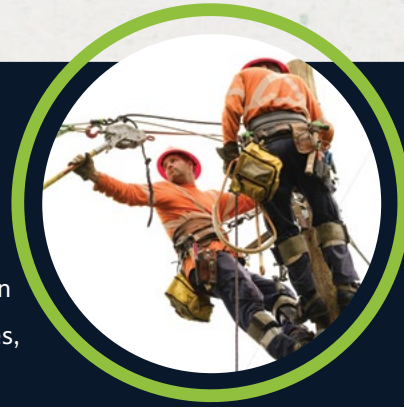
Land acknowledgement

Hydro Ottawa Group acknowledges the Indigenous peoples whose territories we work from and live in. We acknowledge the ancestral unceded territories of the First Nations peoples, Inuit and Métis who call Turtle Island home. We recognize that this land is shared through historic treaties, developed through contemporary treaties and is land that continues to be unceded territory.

Powering a brighter future

community • powered

- Safe, reliable electricity service to over 377,000 residential and commercial customers
- 1,116 km² service territory across Ottawa and Casselman
- 24/7 operations for more than 6,500 kilometres of lines, 90 substations and 40,000 transformers

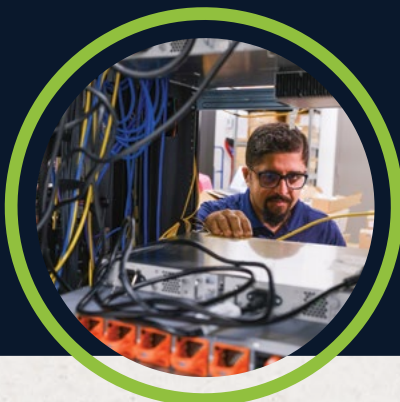


sustainability • powered

- Ontario's largest municipally-owned producer of green power, with 131 MW of capacity – enough to power 110,000 homes
- Run-of-river hydro, solar and landfill gas-to-energy plants
- Operations in Ontario, Québec and New York

energy solutions • powered

- Innovative energy solutions for businesses, governments and utilities
- Electrical, lighting, mechanical and advisory services
- One partner from project concept to completion



connectivity • powered

- National Capital Region's only municipally-owned internet service provider
- Secure, scalable, high-speed broadband network
- Digital solutions for businesses and communities

Our vision

Hydro Ottawa Group —
a leading partner in a
smart energy future

Our key pillars

Sustainability
Innovation
Community

Our commitments to stakeholders

Customers

- Provide reliable, responsive and innovative products and services
- Deliver value across the entire customer experience

Suppliers and contractors

- Maintain honest and fair relationships
- Require our work together to meet the highest health, safety and environmental standards

Employees

- Maximize opportunities for success
- Maintain a safe, secure, healthy and respectful work environment, characterized by trust, open communication and fairness

Community

- Be a responsible corporate citizen
- Make our communities better places to live and do business
- Protect and preserve the environment where we operate

Shareholder and other financial partners

- Remain accountable and responsive
- Protect your investments
- Manage risks effectively



Overview

This Strategic Direction outlines Hydro Ottawa Group's business strategy for the next five years.

It is designed to inform our shareholder, the City of Ottawa, and all other stakeholders about the most important trends shaping our business environment, and how we intend to navigate the attendant challenges and opportunities.

This refreshed strategy builds on our exceptional record of success in recent years:

- Driving sustainable growth in our community;
- Advancing local green energy and decarbonization partnerships;
- Diversifying our business lines;
- Executing our largest-ever five-year grid investment program;
- Maintaining best-in-class customer service and reliability; and
- Elevating our organizational resilience and agility.

These achievements have not come easy. In the past five years alone, we were confronted with historic disruptions in the form of a global pandemic, the most devastating storm Ottawa has ever seen and an extraordinary confluence of economic headwinds. Through it all, Hydro Ottawa Group demonstrated an ability to pivot and push forward, always

keeping the interests of our customers at the forefront. Heading into our new strategic planning term, we are battle tested and stronger than ever before.

Another hallmark of our evolution is the integration of sustainability into our business practices and growth agenda. The benefits have been far-reaching; a higher quality of life for our community; a safe and healthy work environment for our employees; and stable financial returns for our shareholder. Through our commitment to achieving net-zero operations, we have positioned ourselves to be the preferred partner in delivering transformative energy and infrastructure solutions to our customers.

Our enhanced posture will be a competitive advantage as we confront a rapidly changing and uncertain business environment. In the midst of such drivers and pressures as electrification, artificial intelligence, extreme weather, cybersecurity threats, distributed energy and evolving customer expectations, we know that turbulence and complexity are here to stay.

Through this 2026-2030 Strategic Direction, we are signalling not only how we intend to meet these challenges, but turn them into springboards for success.

We look forward to this next exciting chapter and to the opportunities ahead for building a sustainable energy future for the customers and communities who we are so fortunate to serve.



Strategic context: a time of transformation

At a breathtaking pace and on an extraordinary scale, the strategic landscape for Hydro Ottawa Group is undergoing a profound transformation. A confluence of forces is driving change and injecting complexity into our business and policy environments.

Each of these shifts presents both risks and opportunities which we must navigate successfully as we position the company for continued growth and build a sustainable energy future for our customers and community.

An era of uncertainty

Between a global pandemic, extreme storms and wildfires, historic inflation and interest rates, shocks to international supply chains, rapid technological progress, significant social change, geopolitical conflicts and the re-configuration of multilateral

trade and security alliances, the last few years have taught us that the next major disruption is just around the corner.

On the threshold of our 2026-2030 strategic planning term, the World Uncertainty Index reached the highest level in its history and was nine times higher than 20 years ago.

Whatever “normal” used to mean, we are not going back to it. We have now entered “the era of uncertainty.”

This will have enduring effects and implications for Hydro Ottawa Group — both in the short term, as we execute on immediate priorities, and over the long term, as we prepare our business, energy systems and workforce for the future we want to create. Organizational resilience, agility and risk management have all become heightened imperatives.

The new rhythm of business: continuous transformation

Persistent flux means that our posture and mindset must be oriented towards managing multiple, interdependent transformations, where one challenge is immediately accompanied or followed by a suite of others.

This is not just a matter of variety but velocity. We must build the organizational muscle to both pivot in real-time and ensure the long-term arc of our performance is bending unwaveringly towards sustained improvement.

Accelerating technological innovation

Digitization of the economy and our way of life has been an enduring change driver in our business environment. Today, however, the pace of change is not only multiplying by orders of magnitude, it is reshaping entire industries and giving rise to new, transformative economic paradigms.

According to the World Economic Forum, our present moment is no longer one of individual technology breakthroughs. Rather, it is defined by the parallel maturation, combination and acceleration of multiple foundational technologies. Traditional silos have been sidelined and superseded. Taking their place is the convergence of capabilities across numerous technological domains including artificial intelligence (AI), robotics and quantum computing.

This convergence presents the potential for unprecedented risks and benefits, the nature and scale of which are impossible to predict. Hydro Ottawa Group recognizes that we must adapt quickly or risk being left behind as this technological ecosystem unlocks new value chains, markets and revenue streams.

Human and machine collaboration

Across the economy, the question with which each organization is grappling is not *whether* to integrate AI into its operations, but *how*. AI is becoming a transformative force and is increasingly being embedded into enterprise applications and workforce models.

A burgeoning concept is the “frontier firm,” which blends human judgment with machine intelligence through hybrid teams of employees and digital agents. As the firm’s capabilities mature, AI agents move from providing assistance with daily tasks to receiving delegated responsibilities to managing entire business processes and workflows.

AI-powered systems and workforces are no longer a future-facing concept — they are today’s reality. Achieving our business objectives will require us to adopt an “AI-first” mindset, build-up our competencies, and put in place effective governance and guardrails.



Evolving cybersecurity risks

Technological progress is not without its challenges. Increased reliance on complex digital infrastructure and multiplying points of interconnection creates a much more acute risk landscape, with a wider attack surface and greater exposure to threats. In recent years, the number of cybersecurity attacks on critical infrastructure — power grids, pipelines, hospitals, telecommunications networks, government facilities — has increased exponentially.

Over the coming five-year period and beyond, the evolution of cybersecurity risks will outpace any individual organization's capacity to address them. As the proud provider of critical infrastructure services to Canada's capital, Hydro Ottawa Group takes seriously our heightened and unique responsibilities in this space. As the risk profile grows, so too does our resolve to fortify our cybersecurity defenses and safeguard our assets, employees and customers.



Protecting digital sovereignty

Digital sovereignty is gaining more visibility within business and policymaking circles in Canada. This concept refers to the ability of a country and its public and private sector institutions to exercise control over their own digital infrastructure, systems, data and technology decisions.

Several drivers are pushing this issue to the fore. Intensifying cyber threats are a major factor, including those affecting global supply chains for critical technology hardware

and software. Rising geopolitical uncertainty is also prompting concerns around dependencies on foreign-owned vendors, who may be subject to rules compelling the disclosure of data which is actually stored in Canada.

More and more, digital sovereignty is being viewed as a strategic priority for Canada. Critical infrastructure operators like Hydro Ottawa Group must therefore play their part in developing and implementing solutions to safeguard public trust in the digital architecture which is foundational to everyday life.

The energy transition

A historic transformation is underway when it comes to how energy is produced and consumed around the world. This shift is commonly referred to as “the energy transition,” which the Ontario Energy Board (the province’s independent regulator of electricity and natural gas) describes as “a global shift away from using fossil fuels to a more sustainable, renewable energy future that includes more innovation and customer choice.”

Key factors driving the energy transition are examined below. Individually and collectively, they are placing enormous pressure on energy providers like Hydro Ottawa Group, while also heralding the promise of a sustainable way of life for generations to come.

A clean energy double-double

Our 2026-2030 strategy follows on the heels of an International Energy Agency (IEA) report which found that annual global clean energy investment was set to reach US\$2.2 trillion, outweighing spending on fossil fuels by a 2:1 ratio.

In order to meet global net-zero emissions targets, annual clean energy investment will need to double to approximately US\$4.4 trillion by 2030.

Extreme weather

A leading driver of the energy transition has been the twin imperatives to reduce global greenhouse gas (GHG) emissions and adapt to the effects of climate change. Our company has embraced these imperatives on their own merits, but also on account of the front-row seat we have had for an exceptional number and pattern of severe weather events in recent years.



2017

Ottawa River 1-in-100 year flood



2018

Class EF-2 and EF-3 tornadoes; 260 km/h winds



2019

Ottawa River 1-in-1000 year flood; highest water levels on record



2022

Derecho — worst storm in Ottawa’s history



The impacts of the 2022 Derecho storm, in particular, cannot be overstated. The Derecho triggered over 1,000 individual system outages, affecting more than half of our customers, with the worst hit being without power for two weeks. The storm resulted in restoration costs equivalent to four years’ worth of emergency repairs and forced us to re-organize the remaining three and a half years in our OEB-approved capital plan. It had effects on physical infrastructure and the local tree canopy which lingered for months and years afterwards, respectively. All told, it represented the sixth most expensive natural disaster in Canadian history.

The Derecho was followed two years later by the hottest average annual global temperatures on record. Shortly thereafter, the City of Ottawa adopted a climate resiliency strategy which acknowledged that the climate has become warmer, wetter and more unpredictable, and that these trends are projected to intensify over the coming decades.

In short, the need is only growing more acute for increased use of renewable and zero-carbon energy sources (such as hydroelectric, solar and wind power, as well as district energy networks) to lower emissions, and for adaptation measures to boost infrastructure resilience in the face of climate change impacts.

2023

Spring ice storm and record number of summer lightning strikes



2025

1-in-100 year drought within our New York operating footprint



The IEA has dubbed our
current historical moment as

*“the Age of
Electricity.”*



“The Age of Electricity”

All around the world, the decarbonization of energy systems is triggering massive surges in electricity demand. Across a rising number of domains and applications, electrification and increased use of electricity are emerging as preferred solutions: for the homeowner seeking reduced costs through a heat pump; for the municipality building a world-class public transit network; or for the industrial plant pursuing more efficient operations.

The IEA has dubbed our current historical moment as “the Age of Electricity.” The agency has projected a rate of growth in global electricity demand that is at least 2.5 times higher than total demand from all other energy sources through 2030.

This shift is likewise unfolding in our own backyard:

- **Ontario:** the Independent Electricity System Operator (IESO), which manages the long-term planning of the provincial grid, is forecasting an unprecedented 65 per cent increase in demand by 2050.

As a result, the IESO is planning to undertake the largest competitive energy procurement in Ontario’s history — upwards of 7,500 MW of new capacity through the 2030s, with the bulk of it comprising renewable and electricity storage resources.

- **Ottawa:** closer to home, the IESO is projecting an increase of upwards of 166 per cent in winter demand by 2043. This would dramatically alter the local demand profile, which typically experiences peak conditions in summer when air conditioning use is high.

Electrification is also yielding a spike in requests from new customers who want to connect to our distribution grid and who would consume significant amount of electricity. If all of these requests materialize, our connection of large loads over the next five years would be three times higher than historical averages.

Together, these patterns and projections represent a challenge of a truly historical and transformational nature.

AI's insatiable energy appetite

The growth of AI and the data centres which power it are ratcheting-up the momentum of the energy transition. Data centres are highly concentrated loads, with tremendous continuous power draw. These facilities are proliferating, in step with the exponential rise in the use of AI. Many jurisdictions, including Ontario, have revised their requirements for grid planning and connections to provide additional flexibility in the face of the complex challenges and needs associated with power-hungry data centres.

Decentralization and the next-generation grid

Another main driver of the energy transition is the evolving architecture and delivery model for the electricity system. Advancements in technology are fostering a more dynamic operating environment, characterized by bidirectional flow with an expanding number of interactions and participants enabled by an integrated digital ecosystem.

Distributed energy resources (DERs) have been a mainstay of this transformation, at both the bulk and local level of the grid. The IESO defines DERs as “electricity-producing resources or controllable loads that are connected to a distribution system or connected to a host facility within the local distribution system.” DERs may include solar panels, electricity storage, electric vehicles (EVs), and controllable loads like heating and ventilation.

According to a recent IESO study, more than 10,000 MW of DER capacity is deployed in Ontario. In the lead-up to our 2026-2030 Strategic Direction term, the IESO successfully concluded the single largest procurement of battery storage resources in Canada. Over the last five years, the number of DERs connected to Hydro Ottawa Group’s distribution network also increased by almost 45 per cent.

These and other developments signal growing appetite among customers for new services and avenues for participation in the electric power system. They attest to the increasingly sophisticated and flexible technological solutions making such opportunities possible. Against this backdrop, there is rising interest in the implementation of a Distribution System Operator (DSO) model, in which local markets and DER programs are managed at the distribution level.

DERs and the grid of the future

- Lower peak demand, grid congestion and system costs
- Deferral of more costly infrastructure solutions
- Faster customer connections
- Improved reliability
- More flexible and dynamic grid operations
- Increased use of clean, non-emitting resources
- Greater customer participation and control

What is a Distribution System Operator (DSO)?

A DSO is an entity that actively manages a decentralized, two-way electricity grid, coordinating DERs in real time to meet local and system-wide needs. DSOs can facilitate local energy markets, improve grid visibility, and support the integration of non-wires solutions, all while maintaining reliability and customer choice.

(Source: Ontario Energy Association)



Canada’s “project of the century” — historic grid investment

What does the energy transition mean, in terms of future investment in the electricity system?

Simply put, it is going to require the most ambitious nation-building project in our country’s history — even larger than the Canadian Pacific Railway, St. Lawrence Seaway and Trans-Canada Highway.

In order to meet increased demand and modernize the grid, it is estimated that existing system capacity must double or triple by 2050. A leading Canadian think tank, the Public Policy Forum, has referred to the massive investment campaign as the country’s “project of the century.”

The outlook for Hydro Ottawa Group is consistent with these broader trends. For the 2026-2030 period, we are

embarking on our largest-ever distribution capital program, with annual investment exceeding \$180 million. On the generation side, we are likewise preparing a robust pipeline of renewable energy projects to help fulfill local and provincial supply needs.

The energy transition has raised questions around who should bear the costs (i.e. ratepayers or taxpayers) of the cross-cutting investments which will yield far-reaching benefits in the larger public interest. Looking ahead, the fiscal constraints on governments and energy providers alike show no signs of abating. In fact, several of Hydro Ottawa Group’s peers have sought equity injections or other financing arrangements from their municipal shareholders in order to create additional capacity. Threading this needle will require openness on the part of all stakeholders to solutions that are tailored to the scope and scale of the immense challenge at hand.



Our core objectives

Our success as a company will be measured by how we adapt to the transformative shifts in our business environment and deliver value to customers every step of the way.

For the 2026-2030 period, we have identified five overarching objectives to guide our activity:

- 1 *Build the enterprise of the future*
- 2 *Secure, nurture and deploy the talent needed for success*
- 3 *Drive profitability across all business lines*
- 4 *Enhance our social license to operate*
- 5 *Achieve net-zero operations and enable local decarbonization*

Working collaboratively with stakeholders and partners, we look forward to advancing these priorities and positioning Hydro Ottawa Group to continue delivering the essential services and sustainable energy solutions that customers value for years to come.



Build the enterprise of the future

We must not only keep up with the pace of change in our external environment, but stay ahead of it. A key element of our strategy is therefore ensuring our organization is future-proofed and future-focused.

Every customer a market segment of one

The beating heart of our company is a commitment to putting the customer at the centre of everything we do. As customer preferences evolve, we will be relentless in delivering exceptional value and enhancing the experience for all customers across our lines of business.

Foremost in our plans is augmenting the touchpoints through which customers interact with us, as well as elevating the personalization of customer experiences and communications. We will up our game by:

- Enabling engagement across multiple channels and platforms, so that customers are able to engage us however they prefer;
- Expanding self-service options and providing proactive support and information, with a view towards maximizing customer convenience, choice and control;

- Developing new programs, products, tools and services to empower customers in managing their energy use on their terms; and
- Leveraging AI, automation and data analytics to build stronger capabilities and yield richer insights.

Beyond actions alone, we know that excellence in serving customers requires the right mindset. Ours will be treating each individual customer as a market segment of one, with our services and communications tailored to their unique needs, priorities and knowledge base.

Whether it is a homeowner interested in rooftop solar, a community housing provider seeking lower costs, an institutional campus planning a district energy system, a large multinational hungry for clean energy or a small business needing better digital connectivity, Hydro Ottawa Group will be there to bring these aspirations to life.

Masters of the digital and data domains

We are proud of having fostered a “digital by default” approach to our business systems and equipped our employees to be able to work anywhere, anytime, on any device. But technological progress is moving faster and faster. We know that the field has opened up even wider for embedding advanced technology into our day-to-day operations, and that even more of the tools of our trade will be digital and web-based going forward.

Accordingly, a cornerstone of our strategy is further accelerating the digital transformation of our business.

Through new and enhanced solutions, we will strengthen organizational capacity and productivity, elevate the speed and confidence of data-driven decision-making, and achieve a new standard of performance excellence.

From boosting the deployment of predictive analytics to modernizing data integration platforms to building real-time business intelligence systems, we will endeavour to exceed customer, regulator and public expectations for technological prowess and seamless service delivery.

The next phase of our AI journey

Hydro Ottawa Group was quick to embrace AI. We are proud of such early successes as the deployment of generative AI tools for all employees, chatbots for customer support, automation of back-office processes and workflows, and emerging solutions for EV charging.

But we know that we are just beginning to scratch the surface of AI's promise and potential. A top priority for the next five years will be more deeply integrating AI systems across our enterprise and boosting the AI literacy of our workforce, while ensuring responsible oversight and governance of AI usage.

Looking ahead to 2030 and beyond, we are excited about the enormous possibilities which AI presents — from optimizing grid operations and infrastructure asset management to supporting employees in their day-to-day work with digital assistants and agents.

Maximizing the value of data

It has been called “the new gold.” In an increasingly digitized world, data is an invaluable resource and strategic asset. With over 50 billion data records (and growing), the challenge for Hydro Ottawa Group is to translate our immense data wealth into actionable insights that can drive and enrich decision-making.

In the years ahead, we will focus on unlocking value from the internal data warehouses which we have constructed and optimizing performance and investments through advanced analytics. In support of these goals, we will fortify the security of our corporate data assets and networks, and maintain high levels of rigour and discipline in our information management and privacy frameworks.



Reliable, next-generation energy systems

Ultimately, our value proposition as a sustainable energy solutions provider begins and ends with reliability. Amongst our peers in Ontario, we have consistently achieved best-in-class reliability levels and we will remain a leader on this front going forward.

In 2021-2025, we completed the largest grid investment program in our history. Amidst the converging pressures of deteriorating infrastructure, customer growth, escalating hazard exposure and the push towards electrification, we are set to significantly outpace the previous term and nearly double capital investment during the 2026-2030 period.

A linchpin for the upcoming cycle will be the orchestration of our system into an intelligent, integrated, autonomous, adaptive and flexible grid that is ready to meet the needs of the future. Guided by a formal roadmap stretching into the next decade, the modernization of our network and enabling technological infrastructure will optimize our grid operations, boost efficiencies and fortify resilience, leading to improved reliability and fewer outages for customers.

Our 2026-2030 grid investment priorities

Renewing deteriorating infrastructure: mitigating reliability risk by upgrading or replacing deteriorating and critical infrastructure.

Enhanced resilience: proactively upgrading infrastructure and implementing protections against increasingly frequent and intense severe weather events and cybersecurity threats.

Growth and electrification: expanding grid capacity to serve a growing community and ensure reliability.

Grid modernization: modernizing our system through strategic technology adoption and infrastructure upgrades to enable the energy transition.



Local needs and local control through distributed energy

Across our business lines, we are well positioned to facilitate the increased use of DERs to meet customer needs. With DERs already well integrated into system planning and operations, our package of solutions will expand and encompass the administration of customer programs, installation of distributed generation equipment, deployment of utility-scale battery storage systems and contracting with large customers for direct purchasing of clean energy.

We are excited about our flagship program, GridFlex. With Federal funding support, GridFlex will integrate and deploy AI-enhanced predictive analytics to optimize grid operations in constrained areas of our network.

Our future ambitions also extend to transforming how the grid itself is managed. Over the coming years, our goal is to move the needle from architecture to activation in standing up and stepping into a DSO role. Through the adoption of a DSO model, grid operations and investment can be optimized, customer participation and preferences maximized, local resources unlocked and costs more efficiently managed.

Significant work remains to establish the appropriate regulatory, market and operational conditions for DSOs in Ontario. We are committed to engaging as a constructive partner in helping to realize this vision and transition.



Resilience: stronger today than yesterday ... and even more tomorrow

During each of the disruptions we faced in recent years, we proved ourselves capable of overcoming whatever adversity came our way. Our resilience as an organization grew as we became better and better at adapting our operations and managing complexity.

But if those experiences taught us anything, it is that the next major disruption is just over the horizon. We know that vigilance must be our watchword and that customers depend on us to prepare for, withstand and recover from all types of emergencies and hazards.

Extreme weather

Tornadoes. Ice storms. Flooding. Drought. The worst natural disaster in Ottawa's history.

The realities of our operating environment demand that we adapt our infrastructure and business practices to more frequent and severe weather events. Fortunately, we have a robust foundation off of which to build.

Our 2026-2030 distribution rate plan was informed by a refreshed climate risk and vulnerability assessment and climate change adaptation plan, as well as a comprehensive evaluation of potential resilience investments. Over the coming years, we will implement the measures emerging from these studies, including strategic undergrounding of overhead lines and targeted storm hardening enhancements.

Similarly, on the renewable generation side, we have cultivated decades of expertise in successfully managing variability in hydrological conditions, including for the oldest continuously operating hydroelectric plant in Canada (in service since the 1890s). Mitigation measures installed after recent historic floods have provided effective reinforcement for critical plants. These will be supplemented in the years ahead by additional capital upgrades along with specialized tools such as AI applications for the management and optimization of water flows.

Cybersecurity

As a critical infrastructure provider in the capital city of a G7 country, Hydro Ottawa Group faces an inherently complex cybersecurity risk landscape. While we have forged a best-in-class program of cyber defenses and controls, we recognize that continuous improvement in protecting our mission-critical systems is imperative.

We will remain proactive and diligent in the maturation of our program, by strengthening our technology stack and network protection, and ensuring critical assets are regularly monitored and upgraded. Enhanced threat detection and response systems, employee awareness and training, table-top exercises, external partnerships, disaster recovery protocols, privacy safeguards and governance will all be essential to success.

Business continuity

With all of the disruptions and emergencies that we have navigated, our Business Continuity Management (BCM) program is now battle-tested and second-to-none. We have experienced a step change in emergency preparedness and response, courtesy of the lessons derived from recent events and the implementation of program improvements.

To fortify our posture, areas of focus will include recalibrating our BCM exercise and testing cycles with a focus on cross-functional interdependencies and enhancing role-specific training for positions with critical responsibilities.



2

Secure, nurture and deploy the talent needed for success

Our aspiration is to become a future-oriented enterprise. We therefore need high-performing and engaged employees who are able to carry out their work in a safe and supportive environment. Acquiring skills, championing safety, strengthening our culture and investing in leadership will be essential tactics in our game plan for building a workforce that can compete and win across all of the playing fields which we occupy.

Developing fit-for-purpose skills

Moving forward, we will execute and adapt our talent management plans to meet the distinct requirements of our diverse lines of business. This will require a mix of actions:

- Maintaining an active learning and development program, with upskilling aimed at meeting both the company's needs in the midst of an evolving environment as well as the needs and goals of employees as they move through their careers;
- Adding capacity to our workforce to ensure core functions are adequately staffed and supported as they deliver on critical initiatives (e.g. historic investment in distribution infrastructure; greenfield renewable power development; and implementation of community-building energy projects);

- Renewing and diversifying our workforce through training and apprenticeship programs, especially for the skilled trades, as well as mentorship and knowledge transfer from more senior employees and retirees; and
- Deepening our bench strength in specialized skill sets such as data analytics, AI, cybersecurity and DERs.

Our aim is to become a magnet and launchpad for top talent. We will secure this talent through a combination of internal development and external hiring, with the latter enabling us to acquire niche skill sets and scale up quickly, where required.

Striving for safety excellence

There is nothing more important than ensuring everyone goes home safely at the end of each and every day. Keeping our employees and members of the public safe will remain a critical priority for Hydro Ottawa Group.

As we enter our new five-year term, we are fresh off of achieving an historic milestone: 1.5 million hours worked without a lost time injury. Through ongoing enhancements to our integrated health and safety programs and certifications to best-in-class international standards, we are confident that we can achieve and sustain new levels of performance. In addition, we will continue to refine and tailor safety practices to meet the unique needs of our individual subsidiaries, and ensure they are supported from a safety perspective in the expansion and diversification of their business activities.

Maintaining a robust leadership pipeline

In recent years, we invested aggressively in preparing a new cohort of leaders. Key initiatives included succession planning for middle and upper management, creating new senior leadership positions and reshaping the executive team following the planned retirement of nearly half of its members. The upshot is that our leadership roster is stronger than it has ever been heading into a new strategic planning window. We will nevertheless be vigilant in ensuring that our leadership and succession pipelines remain full.

Through the expertise, courage and passion of our leaders, along with their teams of gifted professionals, we are well-positioned to navigate our rapidly changing business environment and build a future in which our company, customers and community can thrive.

Enhancing our organizational culture

Culture is the lifeblood of any organization. At Hydro Ottawa Group, we have cultivated a deep sense of identity, heritage and purpose through more than 100 years of serving our local community and occupying the vanguard of innovation in the sector.

The changes unfolding in our business environment are mirrored in the shifts occurring within our own company. For example, our workforce demographics have changed substantially in recent years. On average, our employees are much younger and have fewer years of experience than historical norms. This poses both challenges and opportunities, as we look to reinforce our culture and mindset in the face of increased complexity, uncertainty and risk.

Through ongoing enhancements to the employee experience and our value proposition as an employer, we hope to elevate employee engagement to new heights and secure buy-in for where we are heading as a company. A crucial part of this effort will be maintaining constructive, respectful dialogue and relationships with our union partners and fostering a collaborative approach to moving the organization forward.





3

Drive profitability across all business lines

Hydro Ottawa Group is both a community asset and an investment for our shareholder, the City of Ottawa. As a community asset, our purpose is to provide efficient and reliable services and a first-class customer experience, and to continue to be a strong strategic partner with the City, helping to deliver on its economic development and environmental agendas. As an investment, our purpose is to provide stable, reliable and growing returns, and to increase shareholder value, both in the short and long term.

Our journey as a company has been defined by robust long-term financial performance and an enduring ability to grow our revenue, diversify our business and create value for our shareholder. Since 2005, we have delivered approximately \$415 million in dividend payments to the City — funding which has provided essential support for municipal programs and services.

During our previous strategic planning term, we achieved numerous milestones. Annual consolidated revenue increased by over \$100 million (or 33 per cent), nearing \$400 million by the end of the five-year timeframe — a new record for the company. Refurbishments and acquisitions in our generation portfolio yielded a significant uptick in earnings, while our energy solutions business experienced five consecutive years of revenue growth.

We also established new lines of business, including a telecommunications subsidiary as well as joint ventures in district energy and civil construction.

While we are proud of these successes, we know that they paint an incomplete picture. Casting our glance across the 2026-2030 horizon, we are aware of the many financial pressures requiring attention and prudent management. For example:

- The relentless financial headwinds of recent years impacted our bottom line and will continue to have ripple effects going forward.
- Our latest investments in incubating new opportunities will require a window of time to generate returns.
- The execution of our substantial distribution capital program for 2026-2030 will place considerable pressure on our financing capacity.

Accordingly, a strategic imperative for the next five years is sharpening our focus on enterprise-wide profitability (both in terms of revenues and costs) and achieving self-sustaining operations for each of our diverse lines of business. In turn, this will allow us to reinvest in our capabilities and deliver broader benefits to all stakeholders.

Exploring new financing strategies and solutions

The expansion and diversification of our business activity would not have been possible without a corresponding shift in how we unlock new sources of capital. The re-structuring of our company in 2024 — through which our regulated earnings and the majority of our unregulated earnings were re-organized under separate corporate entities — was an excellent example of embracing innovative options for maintaining our financial health and ensuring conditions remain conducive to sustained growth. It had the immediate effect of improving our credit rating, while strengthening our long-term growth trajectory.

Realizing our ambitions for the future will require keeping an open mind when it comes to engaging the capital markets. Amidst heightened uncertainty in our external environment, partnerships with other actors who bring complementary resources and competencies to the table are an ideal means for minimizing risks and sharing rewards. Whether at the enterprise, subsidiary or project level, we intend to make ourselves even more of an attractive destination for outside capital and investment.

Where there is strategic alignment and sound cost-benefit assessment, we will also consider equity investment in firms that can help us achieve our business objectives and expand earnings potential.



Sustainable finance through Green Bonds

Hydro Ottawa Group has been a leader in incorporating sustainability practices into our financing decisions. We were the first municipally-owned energy provider to issue a Green Bond, through which funding is raised in the capital markets for investments in projects with environmental benefits.

In 2025, we refreshed our Green Bond framework and secured an additional round of financing which was four times oversubscribed. The proceeds will be allocated to investments in distribution infrastructure; energy efficiency projects (including smart grid technology and energy storage systems); biodiversity and conservation initiatives; and climate change adaptation and resilience capabilities for extreme weather and flood mitigation, monitoring systems and hardening of the distribution network.

The outcome of the bond issuance is a testament to the strength of our financial health and Environmental, Social and Governance (ESG) program. We look forward to the prospect of additional sustainable financing action over the course of 2026 to 2030.

Pathways for growth

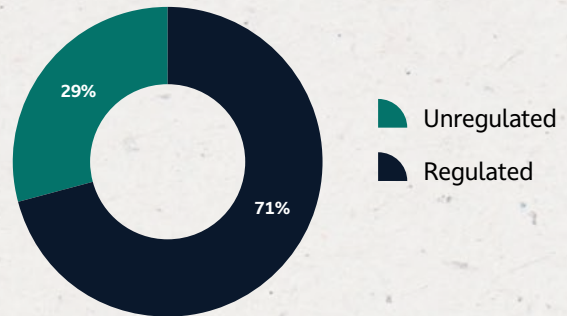
Balancing sustainment of core operations with the pursuit of new business, we will continue to compete for strategic growth and diversification opportunities over the 2026-2030 term. Outlined below are the expected areas of focus within our growth program.

As these pathways illustrate, Hydro Ottawa Group has become a “brand of brands,” with distinct business lines coming together under a unified corporate umbrella.

Given the evolving nature of our external environment, there may be opportunities to establish additional business lines over the course of this Strategic Direction term.

Revenue mix (2025)

Long-term trend of revenue growth and diversification



Electricity distribution

- Largest five-year capital investment plan in the utility's history
- Population and economic growth in Ottawa
- Increase in the number of large load customers seeking grid connection
- Robust portfolio of DER investments and initiatives
- Building our capabilities for administering local energy markets as a DSO
- Expansion of our service territory through strategic acquisitions or alliances



Renewable generation

- Competitive IESO supply procurements, representing Ontario's largest ever build-out of clean energy
- Development and acquisition of generation and storage assets (in Ontario or other jurisdictions, where there is strategic alignment)
- Partnerships with renewable energy developers, institutional investors and First Nations
- Goal of tripling our existing generating capacity



Energy solutions

- Expansion of client base, with focus on key sectors (municipalities, universities, schools, hospitals, government, infrastructure, other utilities)
- New product and service offerings
- Larger geographic footprint through partnerships with local entities in other markets
- Enhanced ecosystem of strategic partners



Our newest business line: low-carbon district energy

This strategy marks a noteworthy waypoint in our journey as a company. Hydro Ottawa Group is pleased to confirm that we will formally recognize district energy as a distinct business line over the course of the 2026-2030 term.

District energy involves the capture and distribution of thermal energy by heating or cooling water, and the subsequent transfer of that energy to buildings connected to the central system. District energy systems (DES) create economies of scale in the efficient use of energy and the significant reduction of GHG emissions.



Telecommunications solutions

- Economic growth and commercial expansion in Ottawa
- Strategic partnerships with businesses and public sector institutions
- Digitalization across economic sectors
- Acceleration of AI and data centre demand
- Heightened focus on digital sovereignty and data resilience



Our first foray into this business was through a joint venture which designed and constructed — and since commissioning in 2021, has operated — the DES at Zibi, a mixed-use community in downtown Ottawa and Gatineau, Québec. Zibi is a trailblazer on two fronts: as the first project to use post-industrial waste heat recovery for zero-carbon heating and cooling; and as the National Capital Region's first zero-carbon community.

Our experience with Zibi has opened the door to other local DES opportunities, including some which have the potential to transform the energy landscape in Ottawa. By bringing these projects to fruition, we will strengthen our DES capabilities and enrich the suite of tailored solutions we can offer to help meet unique energy needs in a localized context.



4

Enhance our social license to operate

For more than 100 years, Hydro Ottawa Group has powered the prosperity of local residents, families and businesses. As a community company, service is our heritage and our mandate. We know that public trust and confidence is essential to what we do, that these must be earned day in and day out, and that the premium on peace of mind for our customers is even higher when there is more uncertainty all around us.

During the 2026-2030 period, we will elevate our public support and engagement, and multiply our contributions to community wellbeing. Together with our partners, we will accomplish the twin goals of building-up our community and bringing a sustainable energy future within reach.

Investing in our communities

We have a proud tradition of being a company that “gives where it lives.” Over our recent strategic planning term, we contributed approximately \$2.2 million to community organizations through employee fundraising, charitable giving and sponsorships. Through our community partnerships, we support local initiatives and groups in delivering crucial programming and services to vulnerable populations, empowering youth and families, investing in mental health and wellness, and promoting sustainable energy practices.

We remain firmly committed to these efforts and will continue to seek out opportunities for maximizing their impact in the years ahead.

Bridging the digital divide

We are a founding partner in CommuniFi, a pilot project offering free community Wi-Fi for tenants at multiple Ottawa Community Housing properties. Expanded digital access will help break down barriers to essential resources like education, employment and health services, and build more connected communities.

Focusing on affordability

Cost of living and affordability are top of mind for Canadians, with many customers and families struggling with higher prices and rising pressure on household finances.

As an essential service provider, we have a responsibility to control costs. Cost containment is a key principle guiding our 2026-2030 distribution rate plan, as reflected in our expected \$25 million in productivity savings, flat headcount across multiple operational programs and the reduction of customer service charges, to name a few examples. Across our company, we are managing higher and more complex work volumes, while controlling costs, by redeploying resources and embracing technology-enabled efficiencies.

In addition, we will continue to lend a helping hand to customers in need. By offering flexible payment plans or expanding access to financial assistance programs, we can help relieve the anxiety experienced by vulnerable members of our community.



Growing the local economy

Sustainable energy is the cornerstone of economic growth and development.

Hydro Ottawa Group offers the services and solutions which are indispensable to our community's aspirations for a high quality of life and a thriving local economy:

- A safe, reliable, clean supply of electricity;
- Timely and efficient connections of new homes and businesses to the grid;
- Expertise in efficiently managing energy use and in lowering carbon emissions; and
- High-speed digital connectivity.

We are committed to deploying all of these in support of building-up our communities, and in particular, helping Ottawa achieve its vision of becoming the most liveable mid-sized city in North America.

Enabling growth is also about making conscious decisions around where we source our products and services. Over the past five years, we directly injected over \$425 million into our communities through purchases from local suppliers. In the midst of persistent global economic pressures, Hydro Ottawa Group will play our part in shoring-up local supply chains and helping home-grown businesses and producers flourish.



Engaging stakeholders

We are committed to taking into account the perspectives and needs of all our stakeholders, including customers, our shareholder and all of the communities in which we operate. We will continue to conduct our business with their interests in mind and will actively encourage their participation in shaping the future of the company.

A key area of focus will be two-way engagement on the energy transition, with our stakeholders sharing ideas and goals for using energy more sustainably and Hydro Ottawa Group presenting solutions for bringing these aspirations to life.

We will ensure that the platforms and forums for our interactions continue to evolve in a way that amplifies the voice of our stakeholders. Whether in-person or virtual, or through traditional channels or new media, we will meet people where they are at and engage them with confidence and respect.

Strengthening partnerships with First Nations

Through our investments in hydroelectric stations at Chaudière Falls and the Zibi project in the heart of the National Capital Region, we have had the privilege of

forging respectful partnerships with local First Nations. These relationships have helped ensure that development is guided by principles of shared benefits and responsible stewardship, and that these sites have incorporated important aspects of First Nations heritage.

We are keen to expand our partnerships with First Nations and step into a larger role for pursuing opportunities to advance reconciliation. These include, but are not limited to, exploring models for equity stakes in energy and infrastructure projects; procuring goods and services from Indigenous-owned businesses; and supporting Indigenous employment and career growth.

Practicing good governance

Good corporate governance is the glue that holds together responsible business practices.

Hydro Ottawa Group has established leading governance practices for a company of our size and mandate, and seeks to meet or exceed standards applicable to publicly-traded companies. We will continue to benchmark ourselves against the top-performing private and public sector organizations, including in relation to best practices in ESG reporting and disclosures.

Gender diversity leadership at the Board level

We are committed to building an organization — from leadership at the top to employees on the front-line — that reflects the diversity of the communities we serve.

Hydro Ottawa Group takes great pride in the high levels of gender diversity maintained on our Board of Directors. Our competitive advantage is sharpened when decision-making is enhanced by a broad spectrum of competencies, skills and backgrounds on the Board.

During our previous five-year term, we averaged 47 per cent female representation on our Board on an annual basis. This significantly exceeds the national average for publicly-traded companies, whose targets are equivalent to our baseline. This places us in the top-tier of private sector organizations in Canada who are benefitting from more women with a seat at the boardroom table.





EXIT

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Hydro Ottawa



5

Achieve net-zero operations and enable local decarbonization

In our previous five-year strategy, Hydro Ottawa Group made the bold commitment to become the first municipally-owned utility in Canada to achieve net-zero operations. This ambition represented a natural extension of our leadership in embracing sustainability principles and practices, and setting a high bar for environmental protection and stewardship.

We are proud of our progress and momentum. We have firmly embedded sustainability into our operations and aspirations for the future. Through this 2026-2030 Strategic Direction, we are resolutely affirming that sustainability is our calling and our culture.

Our sustainability program has matured in important ways. First, in the midst of numerous disruptions in recent years, we sharpened our prioritization of decarbonization initiatives, finding new ways of maximizing value for money.

Second, we strengthened and multiplied the synergies between our corporate net-zero program and our service offerings to customers.

Our view is that actions to reduce our own emissions should not be viewed in isolation of the solutions we implement for others. Ultimately, cleaner air and a healthier environment is the goal, irrespective of whose emissions are being mitigated.

Accordingly, our approach to sustainability for the 2026-2030 period will be two-pronged: we will keep shooting for the moon in seeking “first in Canada” net-zero status among municipal energy companies, with 2030 as our aspirational target; and we will vigorously support local partners in their decarbonization efforts.

Cutting what we can cut, controlling what we can control

In simple terms, “net-zero” involves lowering emissions to the lowest possible level, with the remainder counterbalanced by the removal of an equivalent (or greater) amount from the atmosphere — thus resulting in no overall increase in emissions.

This means that our overarching goal must be reducing emissions wherever we can across our operations. At the top of this list is our Scope 1 emissions, meaning those emissions generated from sources which Hydro Ottawa Group owns or directly controls — i.e. our administrative and operational facilities, our vehicle fleet and certain pieces of electrical equipment which utilize sulfur hexafluoride (SF₆) as an insulating gas.

We will continue to deploy a suite of solutions to lower our Scope 1 profile:

- Acquiring more electric and hybrid vehicles;
- Proactively replacing and managing assets containing SF₆; and
- Implementing recommendations emerging from carbon reduction studies commissioned for our buildings.

A secondary priority is Scope 2, which are indirect emissions associated with our operations and assets — namely, those from electricity that is purchased for our facilities, as well as line

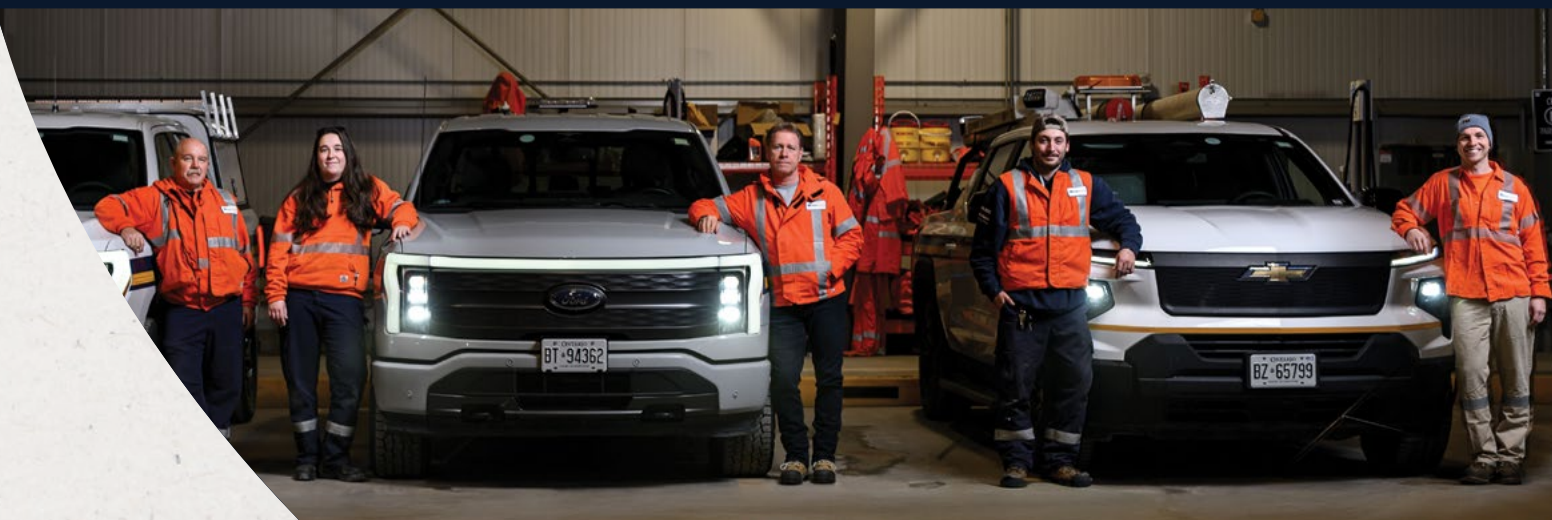
losses (which occur when electrical energy is lost in the form of heat as it flows through our distribution network and equipment).

How we reduce line losses

- Replace existing conductors with larger or more efficient ones
- Convert segments of our system to higher voltage levels
- Design capital projects with loss reduction as a built-in consideration

The common thread binding the foregoing initiatives is their focus on emissions within our control. We believe this is the most responsible approach, in light of the urgent imperative for action and the reality of finite resources. Resource constraints mean that we will be judicious and prudent in our decarbonization investments, pursuing solutions for which there is a high degree of confidence in the potential for maximum emissions reduction.

In addition, with the emissions intensity of Ontario’s supply mix continuing to rise on account of increased use of gas-fired generation, we will play our part in helping to lower the provincial emissions factor by developing more renewable energy resources.



Occupying the preferred partner seat at the decarbonization table

In recent years, we have achieved tremendous success in positioning ourselves as a go-to partner for transformative energy and infrastructure solutions in our community. We have built the capacity to deliver a broad menu of services to help customers lower their costs, use energy more efficiently and reduce their carbon footprint.

The customers who we support are as diverse as the tailored services we provide: homes, businesses, schools, community housing, hospitals, government buildings, arenas, police and fire stations, community centres, airports, hotels, malls, office towers and data centres. If it has four walls and a roof, we find a way to bring our expertise to bear in unlocking energy and environmental benefits.

A secret to our success has been the ambition to pursue sustainability at scale.

For example, we have provided critical support to the City of Ottawa in electrifying public transit through enabling investments for the Light Rail system and installing charging infrastructure for zero-emission buses. We have likewise teamed-up with the Federal government in

administering funding for deep energy retrofits for building owners through a formal program known as the Ottawa Retrofit Accelerator. Similarly, we are actively exploring opportunities for expanding district energy networks throughout Ottawa and thereby transitioning major institutions and residential developments to more resilient, sustainable energy sources.

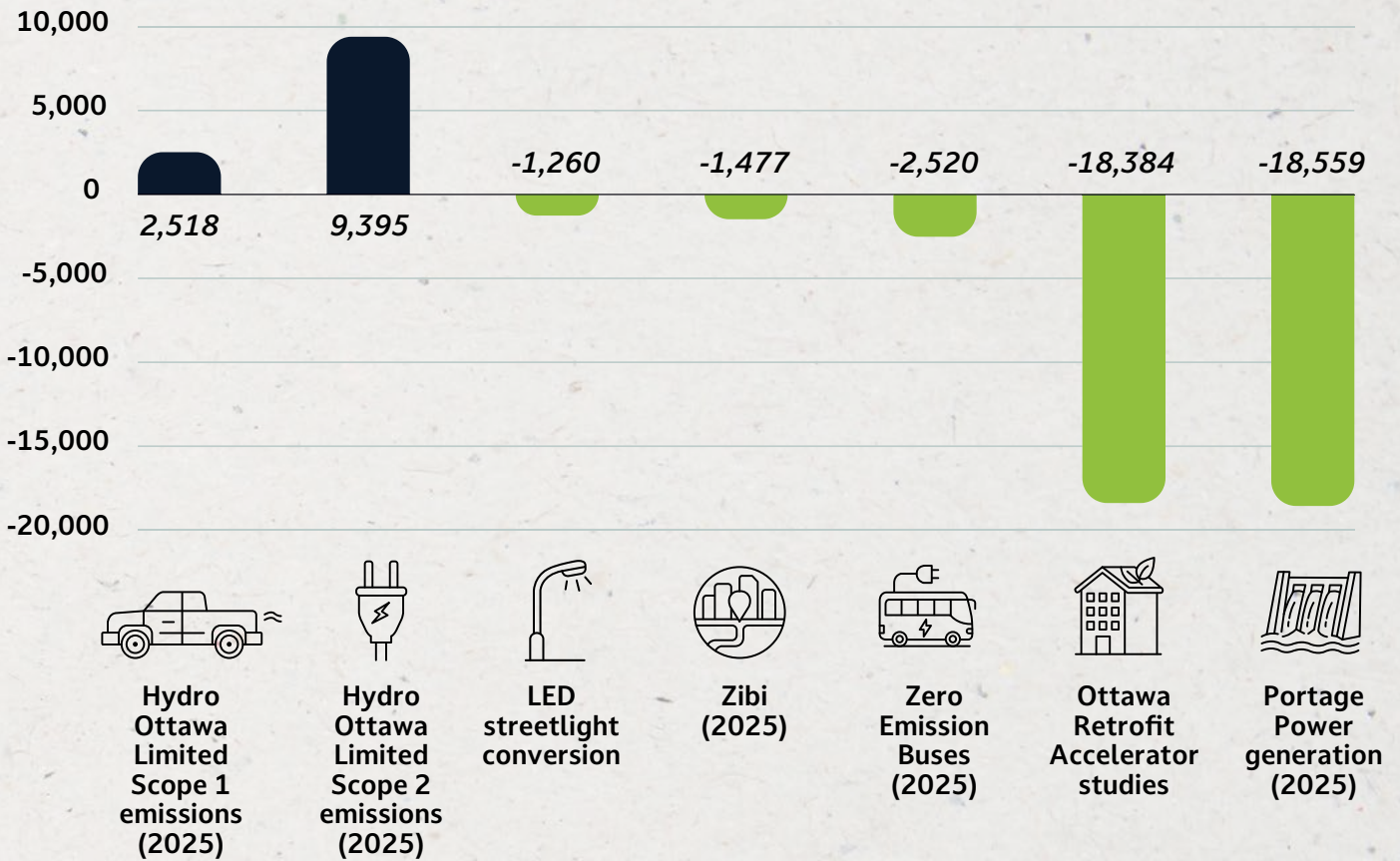
Over the 2026-2030 period, our goal is to fortify our status as the partner of first choice for clean energy and carbon reduction projects in our community. We envision a steady, growing pipeline and portfolio of clean energy projects and initiatives which we will be shepherding forward at any given time — both locally and beyond our backyard.

It is through these projects that we can best move the climate needle, as the carbon reductions we enable for others greatly exceed any cuts we can make to our own limited footprint.

When it comes to advancing sustainability and decarbonization, we want to be prime mover, force multiplier and last-mile closer. We will dream big and deliver big.



Corporate footprint vs. local decarbonization (tonnes CO₂)



Legend

LED streetlight conversion: estimated annual emission reductions associated with converting ~60,000 streetlights across Ottawa

Zibi: estimated annual emission reductions relative to business-as-usual

Zero Emission Buses: estimated annual emission reductions associated with 36 electric buses being in-service (based on OC Transpo's projected reductions per bus)

Ottawa Retrofit Accelerator studies: potential annual emission reductions associated with carbon-reduction measures identified for local building owners through 2025 studies (i.e. no certainty of actual implementation)

Portage Power generation: GHG-reduction value of production from all Ontario and Québec-based stations in 2025 (total generation multiplied by Federal government's emissions factor for Ontario's grid)



Talking the sustainability talk

In our previous five-year strategy, we committed to augmenting our corporate sustainability reporting and aligning more closely with emerging best practices in ESG disclosures. We are pleased to report that we have followed through effectively on this promise and that our public reporting has adopted a much greater focus on sustainability and ESG performance measures.

We will remain on this trajectory moving forward and continue to adapt our reporting to national and international frameworks governing the standardization of sustainability disclosures.



A committed ally in Ottawa's fight against climate change

Our shareholder, the City of Ottawa, has adopted a Climate Change Master Plan, which includes GHG reduction targets of 68 per cent by 2030 and 100 per cent by 2050, relative to a 2012 baseline. Mitigating climate change and its impacts is also a cross-cutting area of focus in the Official Plan governing growth and development for the City over the coming decades.

Hydro Ottawa Group will remain a dedicated partner in advancing the City's goals for reducing emissions, decarbonizing energy systems and fostering greater resilience in the face of climate risks. We look forward to writing a new chapter in our valued collaboration with our municipal partners and to lending whatever support we can to building a sustainable future for our city.



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Hydro Ottawa Group wishes to thank all
of the employees whose photos appear
in this Strategic Direction.

La version française du présent Orientation
strategique est affichée sur le site
groupehydroottawa.com

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