

INNOVATIVE & RESILIENT

A clear vision for the **Future of Energy**



2020
ANNUAL REPORT
BELIZE ELECTRICITY LIMITED

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BELIZE ELECTRICITY LIMITED (BEL) is the primary distributor of electricity in Belize, Central America. Aggregate energy sold in 2020 was 539.3 gigawatt hours (GWh). The Company served a customer base of 104,000 accounts with peak power demand of 102.7 megawatts (MW) during the year.

BEL's national electricity grid connects all major municipalities (Service Areas) with approximately 1,900 miles of transmission and primary distribution lines. The grid is supplied by local Independent Power Producers (IPP) utilizing hydroelectricity, biomass, petroleum, and solar energy sources; and is secured and stabilized by interconnection

with Mexico. Consistent with the Company's commitment to being environmentally responsible, renewable sources accounted for 94.4% of locally sourced energy supply in 2020. BEL also operates two diesel generation facilities, a 20MW gas turbine as a standby plant for energy security and reliability, and an off-grid power station that supplies the island of Caye Caulker.

The Government of Belize (GOB) has direct ownership of 32.58% interest in the Company, whilst the Social Security Board (SSB) owns 31.27% resulting in public sector interest of 63.85%. Fortis Cayman Inc. owns 33.30% interest and over 1,500 small shareholders own the remaining 2.85% interest in ordinary shares.

POWERING THROUGH COVID

REPORT TO SHAREHOLDERS

In the face of the COVID-19 pandemic which brought unprecedented challenges to national economies across the globe in the year 2020, BEL provided stable and reliable electricity service throughout Belize and thereby facilitated the transition of essential societal functions, including education, health checks, and governmental and commercial transactions, to electronic means. The capacity and resilience of BEL to do so is attributable to the ingenuity of our dedicated staff, historically good leadership and competent management of risks associated with the distribution of electricity in Belize.

In particular, BEL has fostered and maintained relationships with a diversified pool of Independent Power Producers, including Comisión Federal de Electricidad (CFE) of Mexico, which served Belize well even in the face of the pandemic. As commercial and industrial operations shuttered and shut down across the region in response to the pandemic causing an overall contraction in the demand for power, the price of power provided by CFE fell dramatically, and BEL was poised to and did take full advantage of the reduced prices.

The result was that BEL was able to realize significantly reduced costs, which more than offset the combined impact of declining sales

and increasing arrears in the payment of bills by consumers adversely affected by the pandemic. We were thus able to deliver reliable service to our customers without terminating or reducing the remuneration of a single employee, while demonstrating compassion for those unable to pay bills by not cutting power to any of them, donating significantly to those adversely affected by the pandemic and delivering record profits to our shareholders. The performance of BEL in the

“The performance of BEL in the face of challenging times was indeed exceptional and reflects the sterling quality of the foundation on which the company stands.”

face of challenging times was indeed exceptional and reflects the sterling quality of the foundation on which the Company stands.

As the challenges presented by the pandemic are now known and appropriate policies and practices have been put in place to deal with them, and as everyone gets used to implementing and complying with those policies and practices, the foreseeable threats posed by COVID-19 to energy transmission and distribution in Belize are largely contained. However, the risks, which have always threatened the industry remain, so that it is necessary for BEL to continue to be forward-looking and proactive in the energy sector if the capacity and resilience it demonstrated in the face of Covid-19 are to be maintained into future.

BEL must continue to build on its formidable repertoire of diversified energy sources by leading the charge to develop and connecting (to) even more low carbon and indigenous supplies of energy, while at the same time expanding integration of the grid into Guatemala and Honduras and by extension the entire Central America. With BEL well positioned to stay abreast of the economic devastation occasioned by COVID-19, the Company now has a social responsibility to assume a more prominent economic role in assisting national recovery in the near term.

It is critically important that BEL maintains significant capital investments to assist with national recovery and to aggressively pursue long-promised expansions and improvements, including the expansion and reinforcement of the grid into the islands and the introduction of natural gas and solar power to the grid in the short term and the interconnection of the grid into Central America in the medium term.

BEL must be the beacon of light and hope powering Belize through COVID-19 and beyond as it transitions from monopoly electric utility to the energy solutions provider of choice in a rapidly evolving market and industry landscape!

E. Andrew Marshalleck
Chairman



Cost of power decreased by
36.8%
 to \$118.8 million in 2020



Earnings before interest, taxes and depreciation (EBITDA) in 2020 increased to \$79.4 million from \$33.2 million in 2019. Accordingly, net income in 2020 increased to \$47.4 million or \$0.69 per share compared to \$3.1 million or \$0.04 per share in 2019.

Earnings Overview (\$MN)
 For Years Ended December 31

	2020	2019	2018	2017	2016
Comprehensive Revenues	\$232.987	\$253.634	\$222.854	\$214.491	\$203.894
Cost of Power	(\$118.752)	(\$187.797)	(\$168.683)	(\$141.636)	(\$122.879)
Operating & Other Expenses	(\$34.809)	(\$32.668)	(\$32.126)	(\$31.508)	(\$32.144)
EBITDA	\$79.426	\$33.169	\$22.046	\$41.346	\$48.871
Depreciation & Amortization	(\$22.080)	(\$20.782)	(\$18.784)	(\$16.845)	(\$15.322)
EBIT	\$57.346	\$12.387	\$3.262	\$24.501	\$33.549
Interest Expense	(\$5.937)	(\$4.902)	(\$3.810)	(\$3.042)	(\$2.751)
Corporate Taxes	(\$4.042)	(\$4.396)	(\$3.822)	(\$3.686)	(\$3.505)
Net Income	\$47.367	\$3.089	(\$4.371)	\$17.773	\$27.292

The substantial increase in earnings, achieved despite an 8.14% revenue fall associated with the impacts of the COVID-19 pandemic, is attributable primarily to lower cost of power, which fell to 51% of comprehensive revenues in 2020 from 74% in 2019. The availability of favourably-priced energy from CFE (Mexican energy imports) coupled with ample energy production from local renewable sources was crucial in reducing cost of power. Particularly, more rainfall in 2020 led to significantly increased energy production from the hydroelectric plants substituting for the more costly energy from fossil fuel generation sources relied on in 2019.

Common Size Income Statement
 For Years Ended December 31

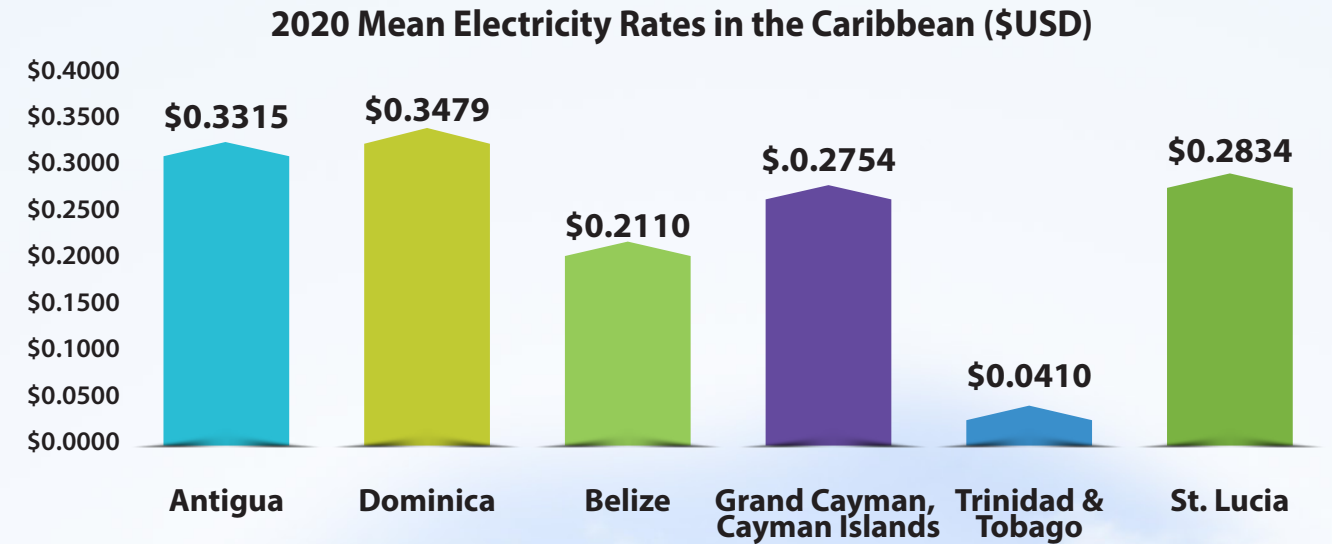
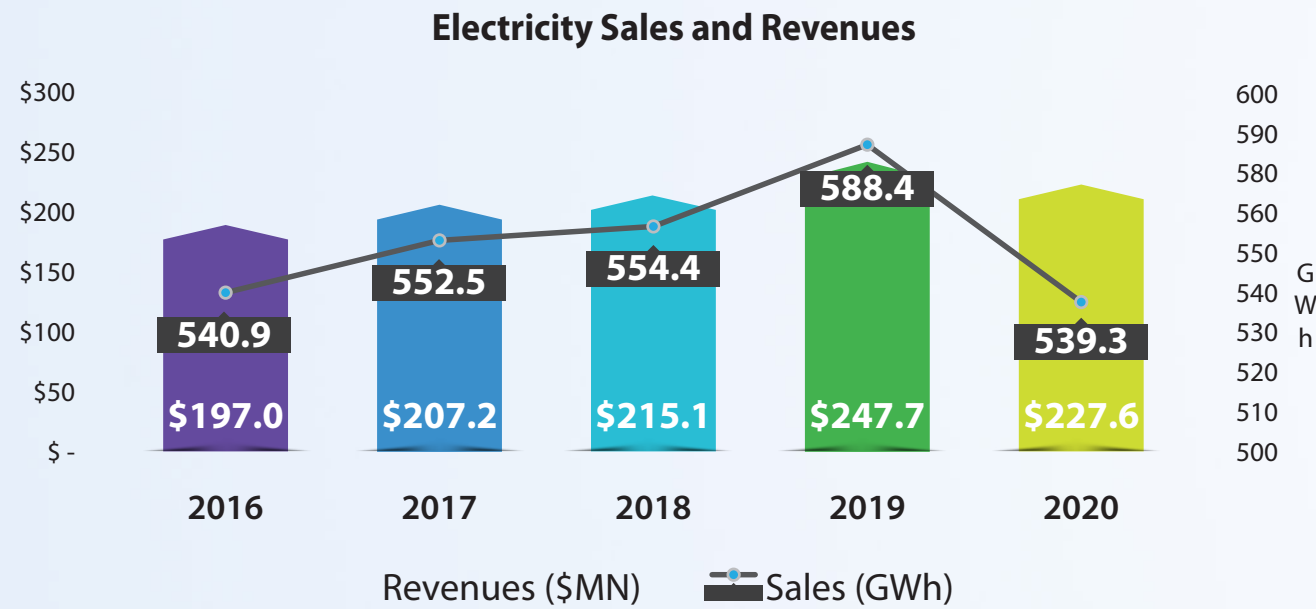
	2020	2019	2018	2017	2016
Comprehensive Revenues (\$MN)	\$233.0	\$253.6	\$222.9	\$214.5	\$203.9
Cost of Power	51%	74%	76%	66%	60%
Operating Expenses	15%	13%	14%	15%	16%
Depreciation and Amortization	9%	8%	8%	8%	8%
Net Interest Expense	2%	2%	2%	1%	1%
Corporate Taxes	2%	2%	2%	2%	2%
Gain (Loss) on disposal of fixed asset	0%	0%	1%	0%	0%
Profit	20%	1%	(2%)	8%	13%

Electricity sales contracted in 2020 by 8.3% to 539.3 giga-watt hours (GWh) from 588.4 GWh in 2019 primarily due to the impact of COVID-19 mitigation measures on commercial activity in Belize.

Safety regulations obligated many businesses to close or operate under reduced business hours resulting in a 18.3% decrease in commercial energy sales compared to 2019. Conversely, residential sales increased by 2.5% following from the closing of schools, curfew and quarantine regulations which saw customers spending more time at home. Public lighting sales also grew by 2.7% due to the installation of more streetlights while industrial sales were on par with 2019.

Consequent to the reduction in energy sales, electricity revenues fell by 8.1% to \$227.6 million in 2020 from \$247.7 million in 2019. Rates did not factor into the reduced revenues as electricity tariffs remained unchanged in 2020 from 2019.

The PUC issued its Final Decision on the 2020 Full Tariff Review Proceedings (FTRP), lowering the Mean Electricity Rate from 41.51 cents to 40.18 cents to take effect January 1, 2021 through to June 30, 2024. The decision to lower rates was premised on the assumption that cost of power would be better contained in the ensuing years.



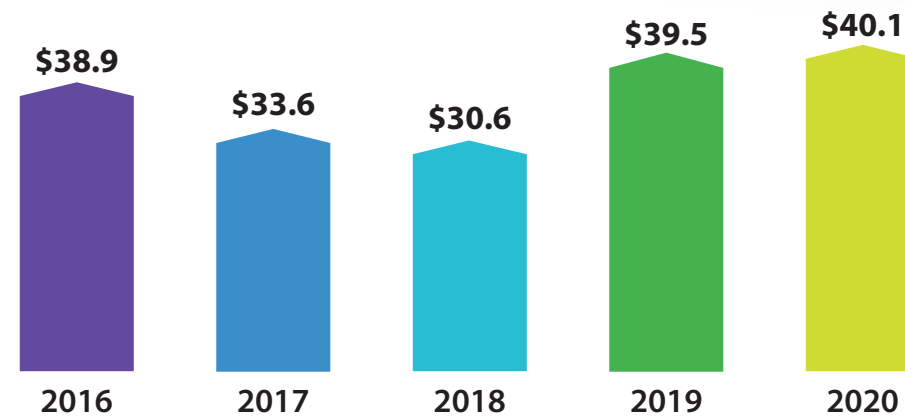
Pictured: Jose Diaz - Lineman, Distribution Operations, East Zone



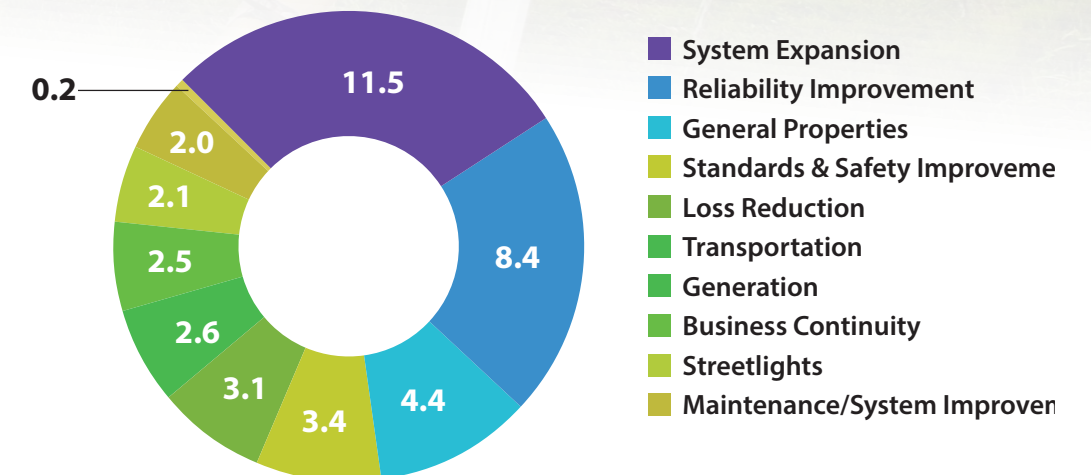
Capital investment in 2020 was \$40.1 million or an increase of 1.4% from \$39.5 million in 2019. The COVID-19 pandemic delayed several planned projects due to two factors: strict foreign currency management by local banks affecting the procurement of materials from international vendors and restriction on the movement of persons necessary to carry out works.

The Company continued its investment in the distribution network with \$18.5 million, or 46.0% of capital investments, spent on system expansion, reliability improvement, programs to enhance safety standards, and streetlight projects. Another \$7.8 million, or 19.3% of capital investments, was invested in the transmission and substation network, while projects related to generation accounted for \$2.1 million or 5.3%. Also, \$5.9 million or 14.8% of capital investments was spent on the vehicle fleet and other operational equipment and properties. Lastly, General Expenses Capitalized (GEC) and interest charged to construction accounted for \$5.8 million or 14.6% of capital investment.

Capital Investment 2016 to 2020
(\$MN)



2020 Capital Investment Breakdown
(\$MN)



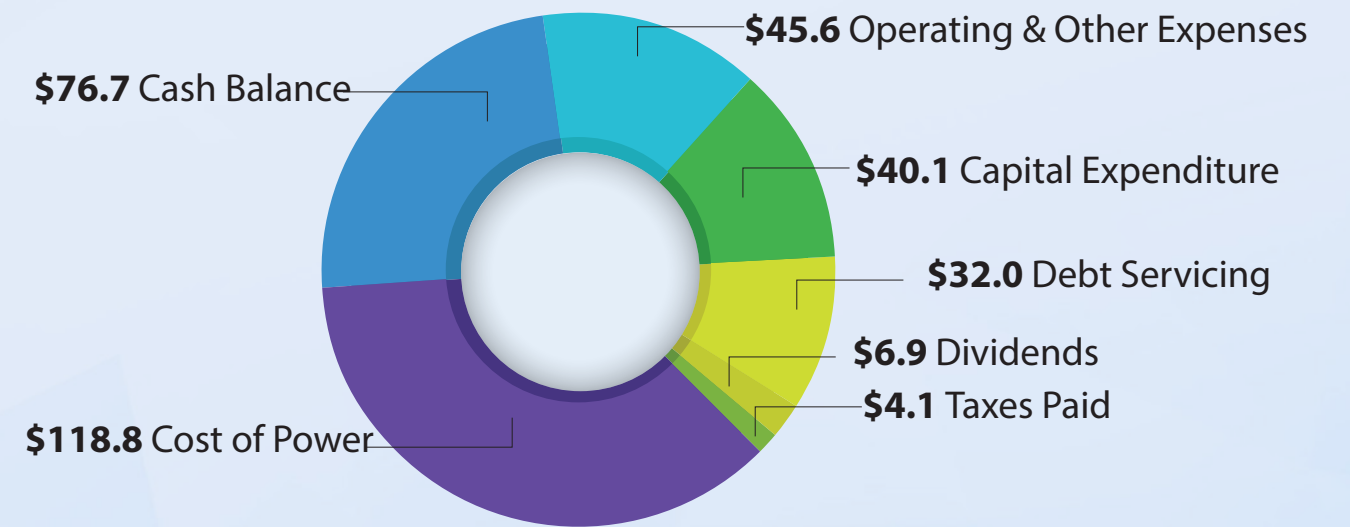
The Company financed its business costs mainly with funds generated from operations with some supplemental debt funds.

Electricity revenues accounted for 70.2% of funds required to finance business cost while loans and debentures provided a combined 20.8% of funds. Other sources of funds included balances brought over from 2019, other income, and grants at 6.1%, 1.8%, and 1.1% of all funding inflows respectively.

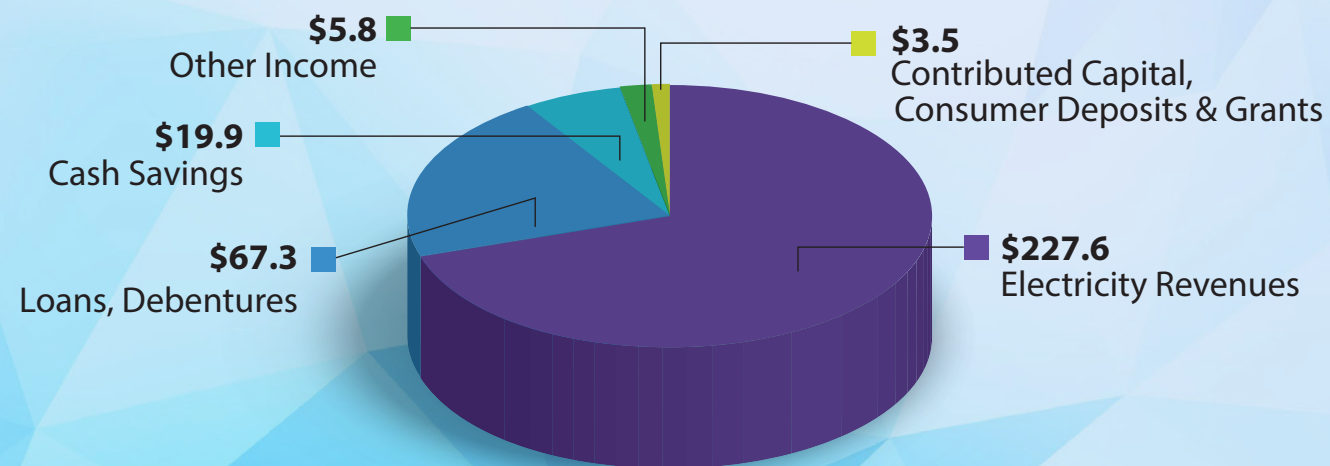
Cost of Power was the most substantial component (36.6%) of the Uses of Funds, followed by operating & other expenses at 14.1%, capital investments at 12.4%, and debt servicing at 9.9%. Dividends and taxes paid accounted for 2.1% and 1.3% of Uses of Funds respectively.

The Company carries forward \$76.7 million (23.7% of funds generated in 2020) to support its business objectives in 2021.

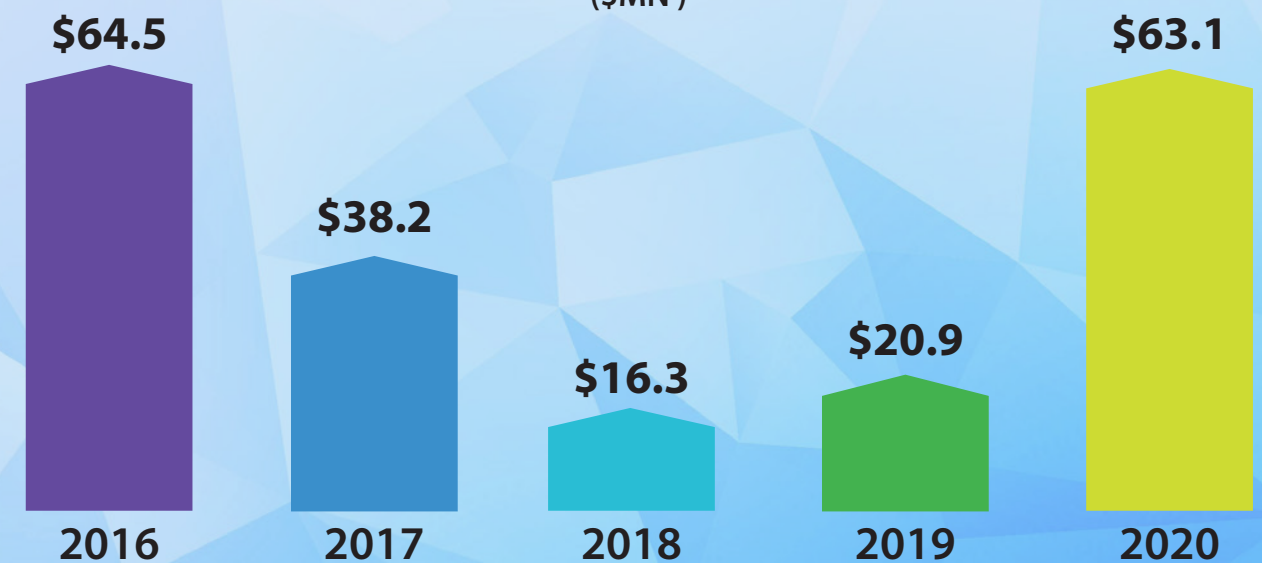
2020 Uses of Funds
(\$MN)



2020 Sources of Funds
(\$MN)



Cash from Operations
(\$MN)



OUR TRANSITION

TRANSFORMING OUR BUSINESS

In the midst of the global pandemic in 2020 when times were uncertain, **we pressed forward.**

For the safety of our customers, employees and their families, we set up remote working for all employees who could work from home to ensure services were uninterrupted.

Likewise, for those employees who were unable to work remotely, we equipped them with Personal Protective Equipment (PPE) to ensure their safety at all times. We even appointed our own COVID-19 Coordinator from among staff, whose role was to oversee and champion all aspects of the company's comprehensive and multimodal approach to protect the health and well-being of employees against the impact of the pandemic.



Pictured (clockwise): Laura Soberanis - Legal Services Supervisor, Legal Services Unit
Kadie Usher - COVID-19 Coordinator and Environmental Specialist
Joseph Bernardez - Lineman Leadhand, Distribution Operations, South Zone
Adolfo Oliva - Lineman, Distribution Operations, North Zone

89.2%

Customer Satisfaction

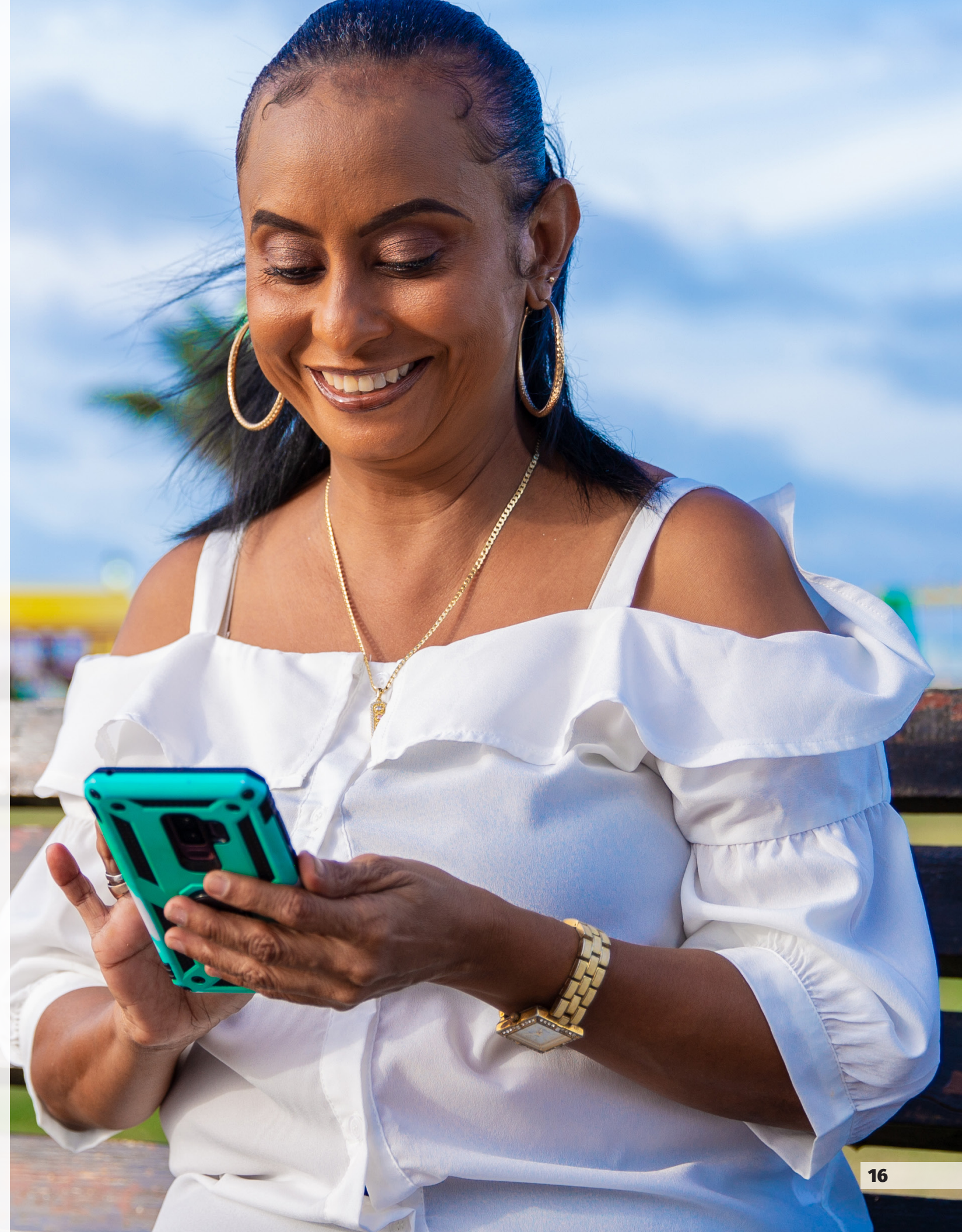
The Company received an overall score of 89.2% in the 2020 Biennial Customer Satisfaction Survey, which is a notable increase in overall customer satisfaction compared to the score of 80.1% in 2018 when the survey was last done. Improved scores were recorded for brand image and reliability as well as all areas of service delivery measures including field, cashier, call centre, and billing services.

Customer Satisfaction Survey Results



In contrast, the 2020 Service Delivery Index (SDIX) score, an internal assessment of service delivery, fell sharply to 63.4% compared to 90.8% in 2019. Procurement challenges arising during the COVID-19 pandemic led to a shortage of materials that severely impacted the completion time of service orders.

Also, remote working arrangements implemented to prevent the spread of the infection within the Company resulted in a deterioration of call handling services due to insufficient available representatives and technical issues. The number of representatives equipped to operate remotely has since been increased and technical issues are being documented for faster resolution.





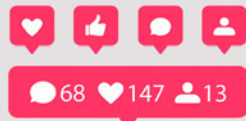
BEL 24-7 APP

Customers can now access all their account information on our new mobile platform.

DOWNLOAD TODAY!



Pictured: Rashaan Morris - BEL 24-7 App Developer and Computer Programmer, Information Technology & Cybersecurity



ENGAGING

OUR CUSTOMERS

We leveraged social media to increase our reach and enhance our engagement with our audiences.



The Watts & Whys of Energy

Our **interactive Facebook Live** series showing and explaining all the details of how we deliver safe, reliable, and sustainable energy to our customers.

Pictured: Natalie Novelo Palacio - Customer Relations Lead, Customer Services & Relations





In 2020, we provided relief during the unprecedented COVID-19 pandemic through contributions to customers, families, community organizations, and the education, health, human development and national security sectors countrywide.

- Credit of two months equivalent of electricity bills applied to all Social classification customers.
- DNA Extraction Machine and five defibrillators donated to the Ministry of Health for use in the public health system and medical lab equipment to healthcare practitioners.
- Food hampers and care packages contributed to over 2,600 marginalized families who lost their source of income due to the pandemic or were affected by flooding.
- Contributions to programs providing daily meals to individuals and families severely affected by the pandemic.
- Donations of printers, stationery and supplies to assist several schools with their distance learning programs.

Pictured: Gaspar Vasquez - Lineman, Distribution Operations, North Zone

STRATEGIC PILLARS

OUR MISSION

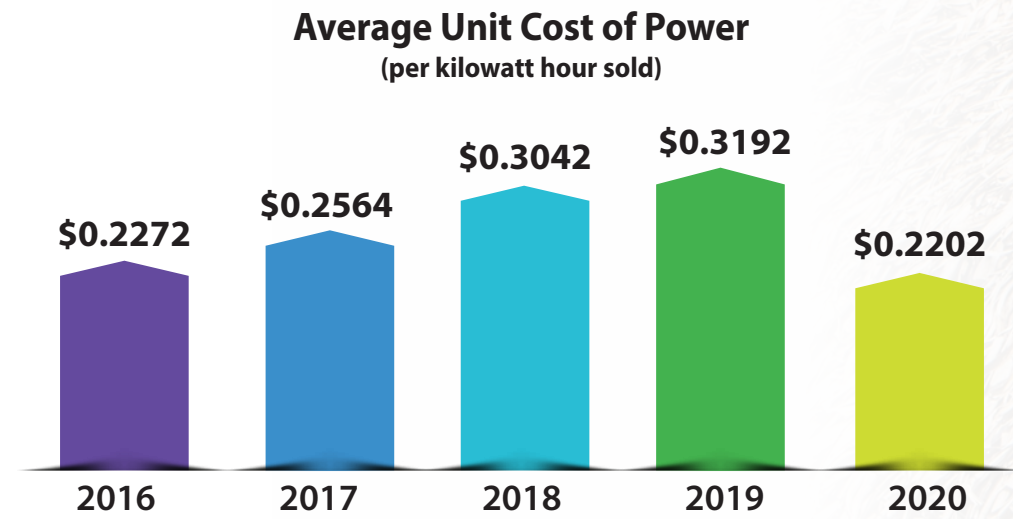
We deliver safe, reliable and sustainable energy solutions to enhance the quality of life and the productivity of enterprise and to support national development.

COST OF POWER STABILIZATION

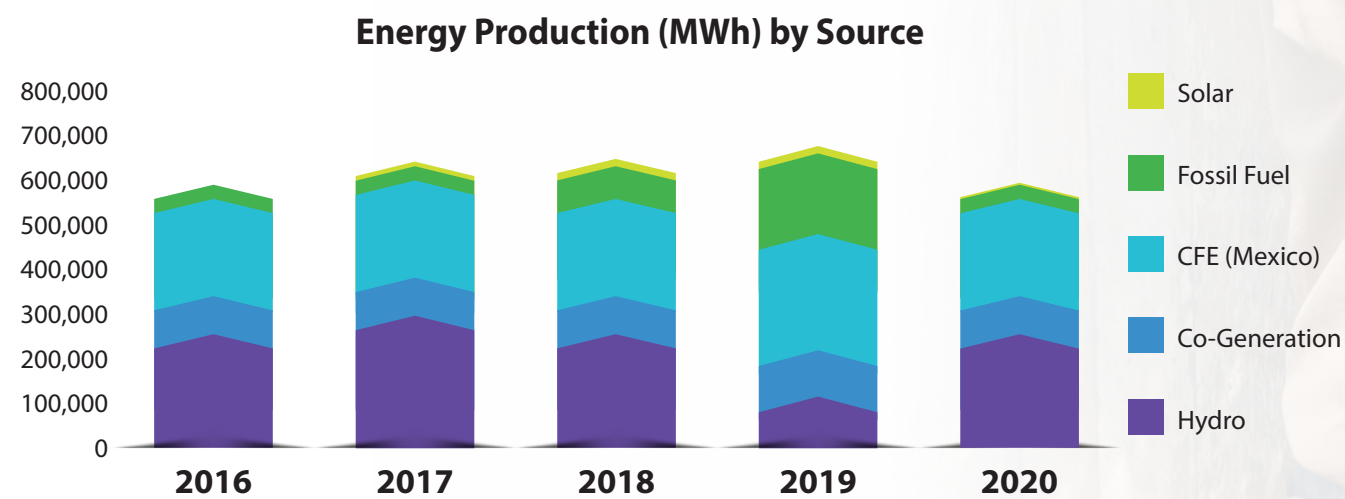


Pictured: Eddie Johnston - Lineman, Distribution Operations, South Zone

Cost of power decreased by 36.8% to \$118.8 million in 2020 from \$187.8 million in 2019. The annual average unit cost of power sold was 22.02 cents per kilowatt-hour (kWh) compared to 31.92 cents per kWh sold in 2019.



Energy prices from CFE (Mexican energy import) plunged after the demand in the oil industry contracted due to the COVID-19 pandemic, forcing world fuel prices downwards. Since Mexico relies heavily on fossil fuel for energy generation, the average unit cost of energy procured from CFE fell acutely to 12.04 cents per kWh sold in 2020 from 25.90 cents in 2019. Additionally, increased generation from the hydroelectric plants boosted local supply from renewable sources to meet 52.8% of total demand compared to 25.0% in 2019 and minimized the need for energy sourced from relatively more expensive fossil fuel sources.



Pictured: Jeser Gonzalez - Lineman, Distribution Operations, West Zone
Javier Montero - Lineman Leadhand, Distribution Operations, West Zone



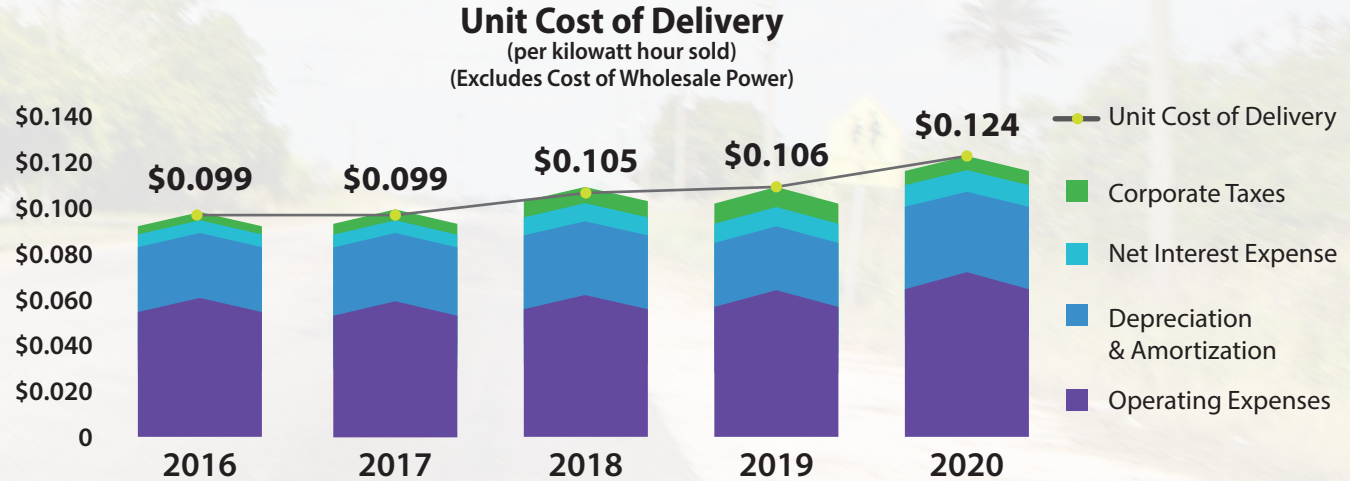
The unit cost of delivering electricity to customers increased by 16.3% to \$0.124 per kWh in 2020 from \$0.106 per kWh in 2019.

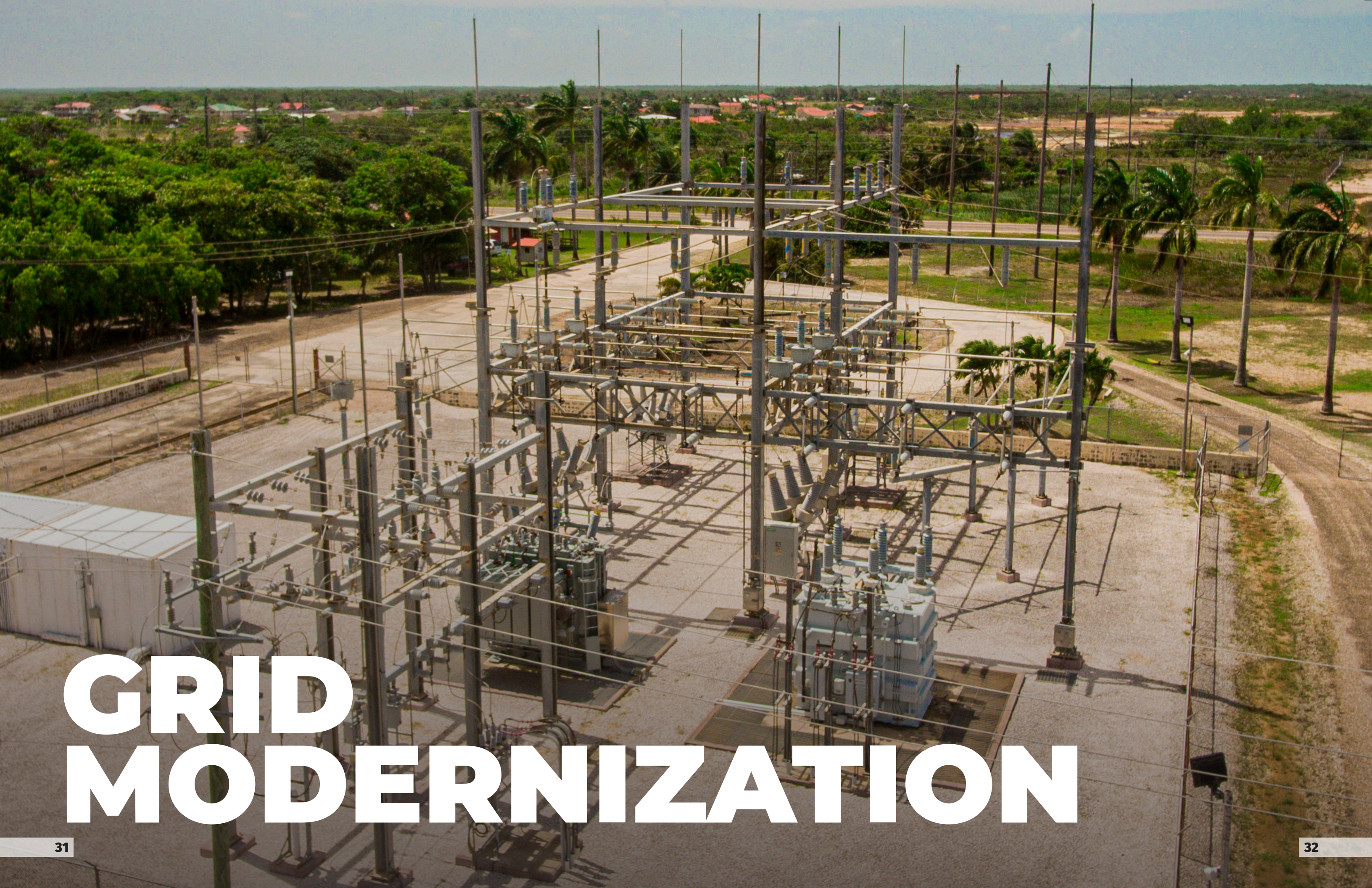
This increase was largely a consequence of a reduction in energy sales although the total cost of delivery increased by a net 6.6% over 2019. The net increase in the total cost of delivery was due to higher depreciation cost, operating expenses and finance charges which were partially offset by a reduction in business tax.

Depreciation and amortization expense increased by 6.2% to \$22.1 million in 2020 from \$20.8 million in 2019 on account of a growth in the value of assets commissioned while operating expenses increased by 6.6% to \$34.8 million.

Finance charges increased by 21.6% to \$5.8 million in 2020 from \$4.8 million in 2019 largely as a result of the issuance of additional debentures.

On the other hand, corporate tax was down 8.0% in 2020 compared to 2019 correlated with the reduction in revenues.

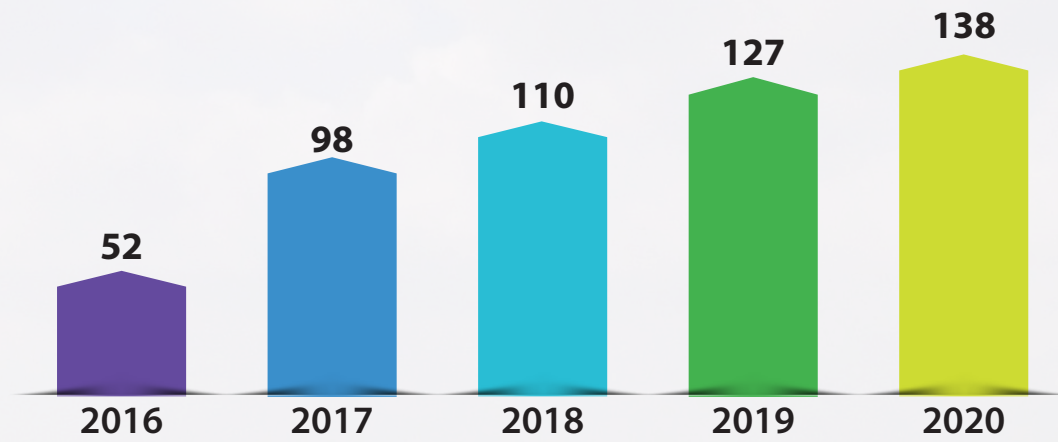




GRID MODERNIZATION

Since 2016, some 2,900 households in 138 communities have benefited from investments in system expansion.

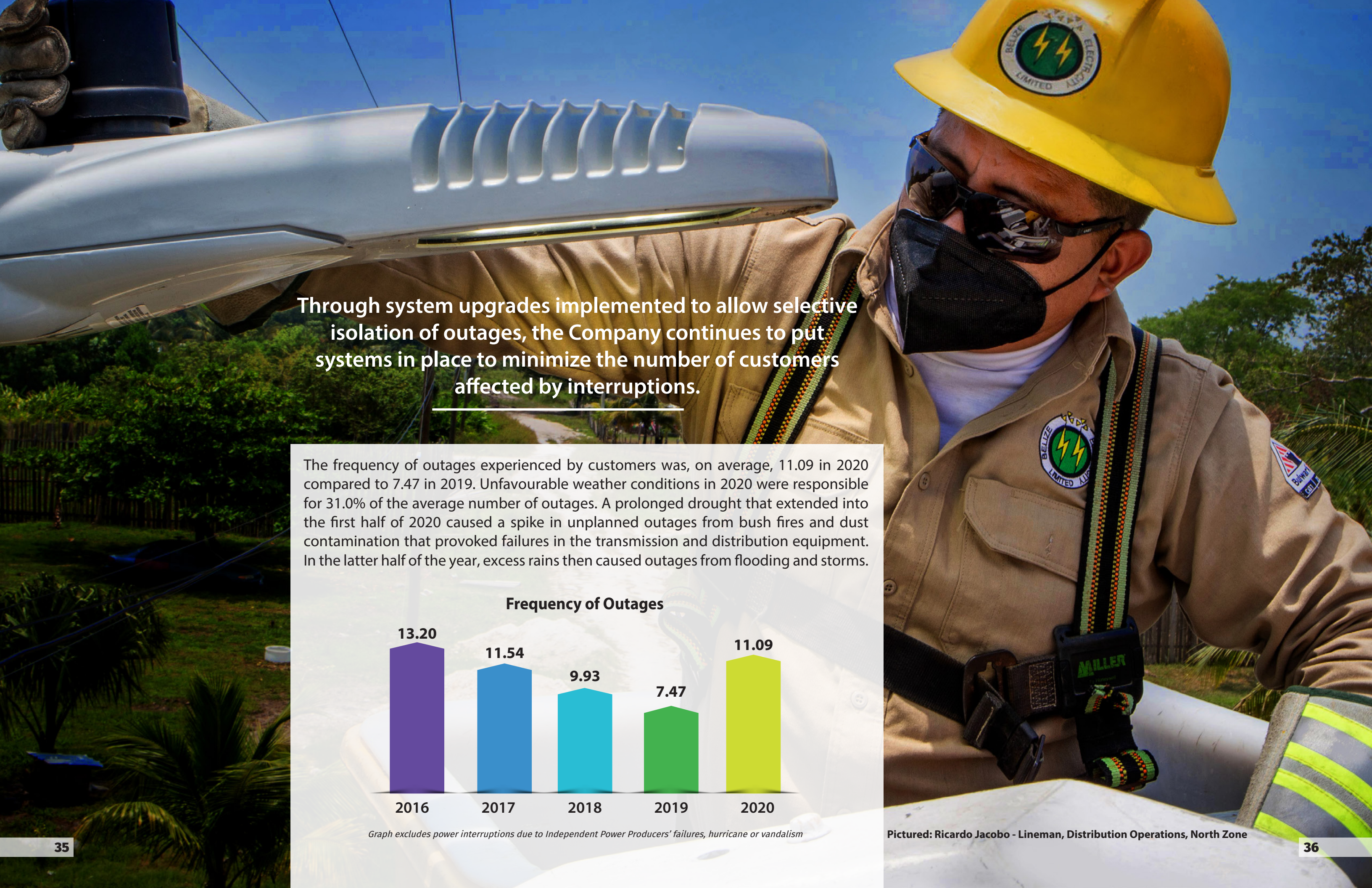
Cumulative Communities Connected



Projects aimed at increasing customer access to safe and reliable electricity countrywide resulted in 11 communities, previously off-grid, being connected during 2020 including locations in Little Belize, Buena Vista, Carmelita, Biscayne, Bullet Tree, Golden Stream, Medina Bank, San Antonio, and Jacintoville.

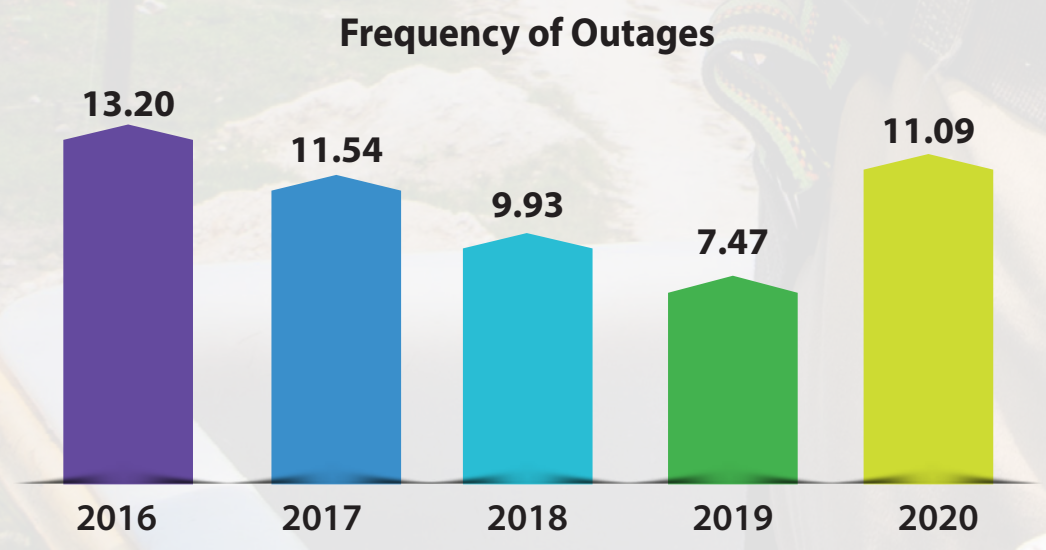


Pictured: Carmelita, Orange Walk District, Belize



Through system upgrades implemented to allow selective isolation of outages, the Company continues to put systems in place to minimize the number of customers affected by interruptions.

The frequency of outages experienced by customers was, on average, 11.09 in 2020 compared to 7.47 in 2019. Unfavourable weather conditions in 2020 were responsible for 31.0% of the average number of outages. A prolonged drought that extended into the first half of 2020 caused a spike in unplanned outages from bush fires and dust contamination that provoked failures in the transmission and distribution equipment. In the latter half of the year, excess rains then caused outages from flooding and storms.



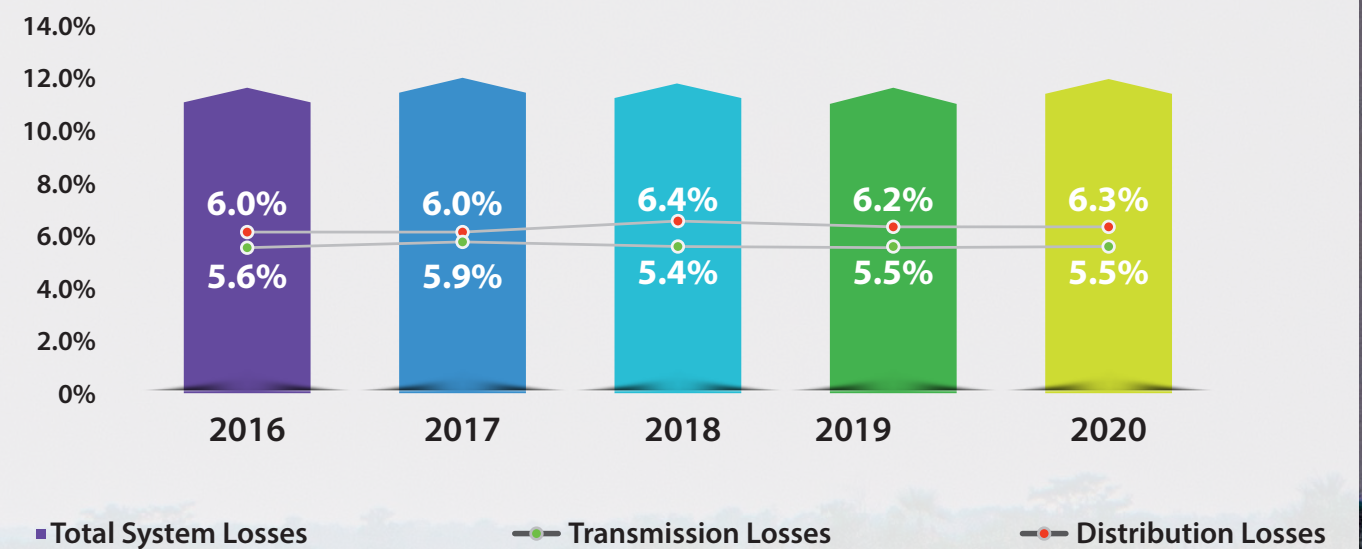
Graph excludes power interruptions due to Independent Power Producers' failures, hurricane or vandalism

Pictured: Ricardo Jacobo - Lineman, Distribution Operations, North Zone

Managing System Efficiency

Total system losses increased to 11.8% in 2020 compared to 11.7% in 2019 but remain below the regulatory threshold of 12.0%. While transmission losses remained relatively constant compared to 2020, distribution losses increased slightly.

System Losses



**Pictured left to right: Ivan Acosta - Lineman Leadhand, Distribution Operations, South Zone
Olivia Noralez - District Team Lead, Customer Relations & Services
Jose Moguel - Senior Technician, Distribution Operations, West Zone
Ashton Webster - Superintendent, Distribution Operations, East Zone
Ernest Vansen - Auto Mechanic, Distribution Operations, Transport & Equipment
Robert Hernandez - GIS Technician, Distribution Planning & Engineering**



CULTURE EVOLUTION

BREAKING BARRIERS

At BEL, we embrace diversity and inclusion and remain committed to challenging and strengthening the skillsets of the ambitious women of our team. We celebrate the valuable work and promote the contributions of trailblazing women in our company.

Sheena Simpson Manager, System Planning and Engineering

Sheena started her career at BEL in 2008 as a Trainee Engineer in the Distribution Department and through hard work and determination, steadily progressed to various managerial positions before taking on her current role as Manager, System Planning and Engineering in the Energy Supply and Transmission Division, a position which she has held since November 2019.

Graduating with a Professional Science Master's in Electrical Power Engineering from Washington State University, Sheena has become the first woman working in Belize to hold this qualification.

Sheena's achievement enhances her skills with technical education in power systems analysis, transmission and distribution systems, power system economics and electricity markets, in addition to project management, and strategies for managing our highly specialized and skilled workforce.





RAISING THE BAR

Dawn Nunez

General Manager, Employee & Corporate Services

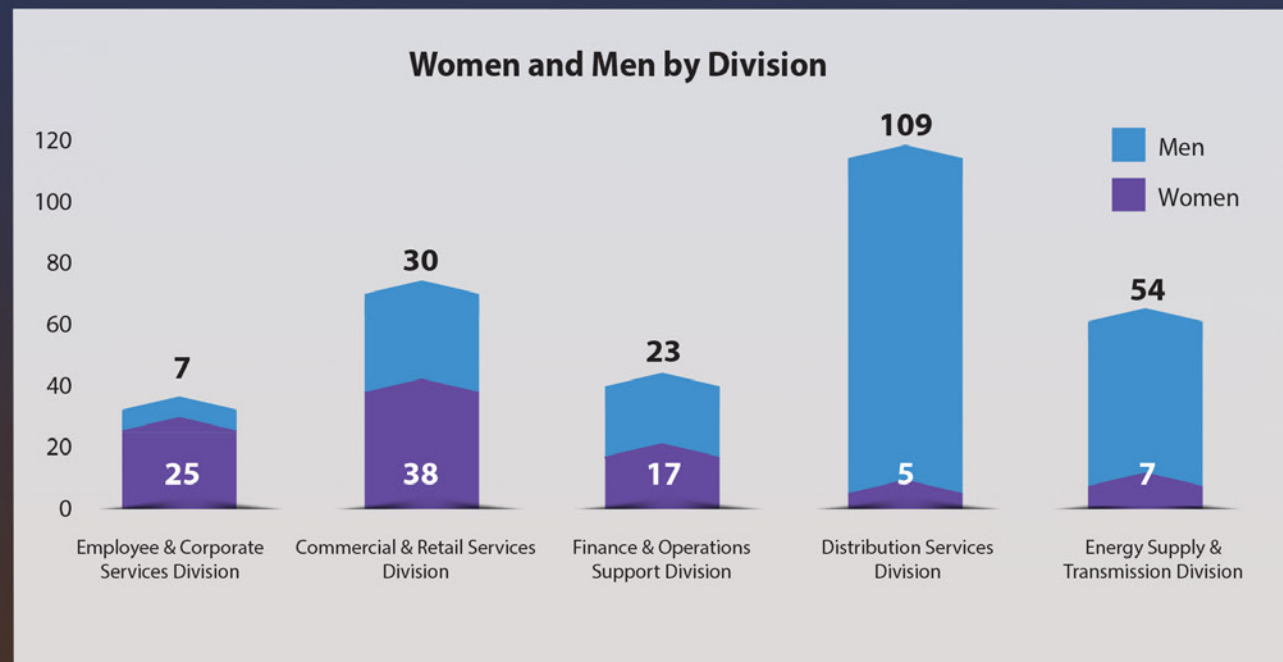
Dawn Nunez is our General Manager, Employee & Corporate Services and is BEL's first in-house legal counsel. She joined BEL in November 2000 and held the positions of Public Relations Officer, Corporate Communications Manager, and Manager, Corporate Services & Company Secretary. Throughout BEL, she has always been highly respected for her compassion, humility, sense of fair play and her commitment to getting the job done right and on time.

Dawn holds a Bachelor of Arts degree in Professional Writing from Wheeling Jesuit University, a Bachelor of Science degree in Management with a minor in Law from the University of London, and a Bachelor of Law degree from the University of London.

She was called to the Bar of England and Wales after successfully completing a Post Graduate Diploma Bar Professional Training Course at Northumbria University in the United Kingdom. Dawn is now an Attorney at Law after being called to the Bar in Belize in December 2020.

BEL is committed to maintaining an environment that fosters equal opportunities for women.

Of our 315 employees, 92 are women who form an integral part of everyday decision-making and in guiding BEL's innovation and performance strategies. In 2020, 32 women held management and leadership roles in the Company's five divisions.



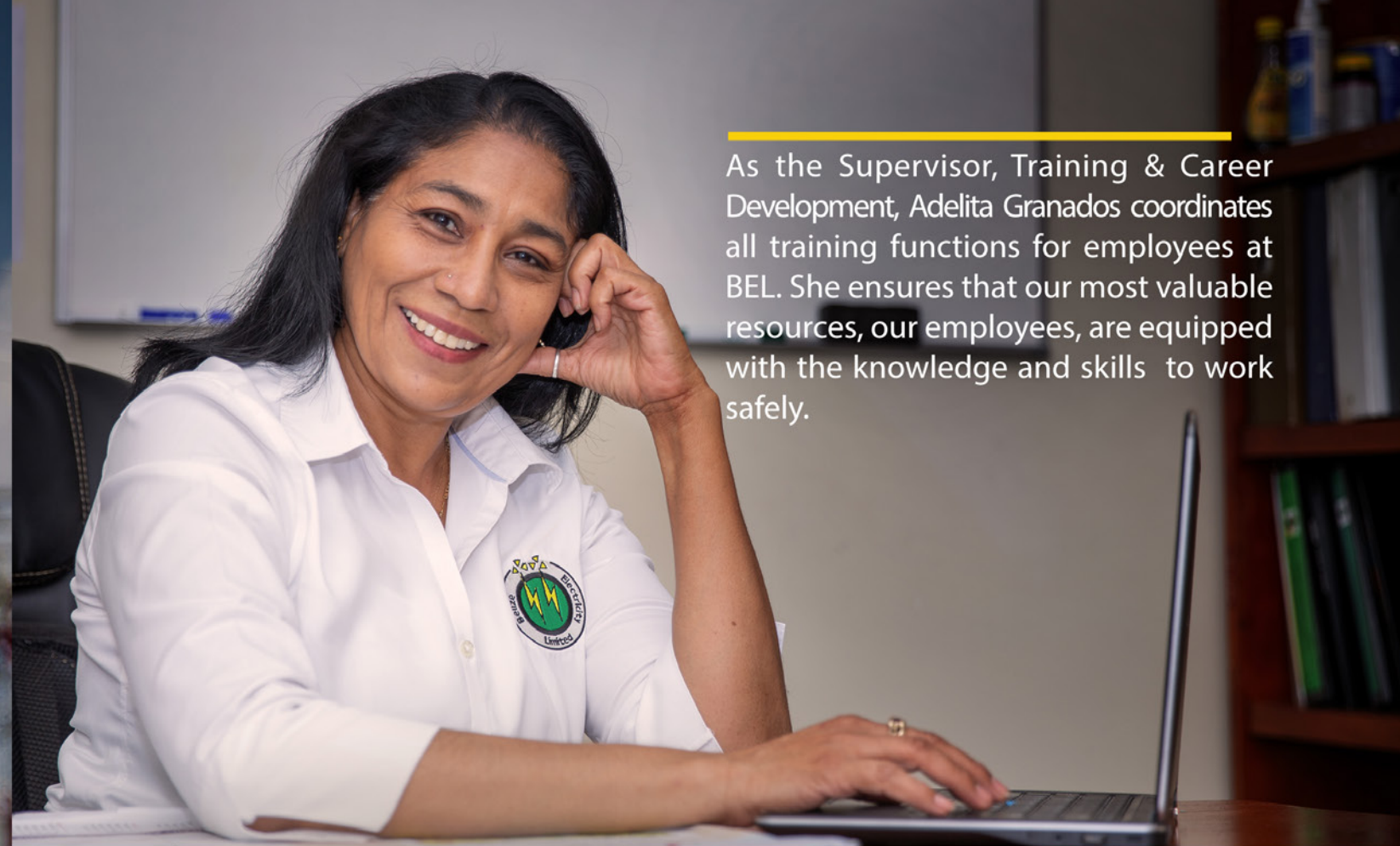
As an Engineer, Arma Arzu provides analytical support to BEL's Substation and Generation teams, including preparing designs for infrastructures and supervising field works for system improvement.



As a Technician, Clarissa Vasquez provides support to System Planning & Engineering, Transmission, Substations, System Expansion and Projects Departments. Her drawings are relevant to the development and maintenance of BEL's power supply infrastructure.

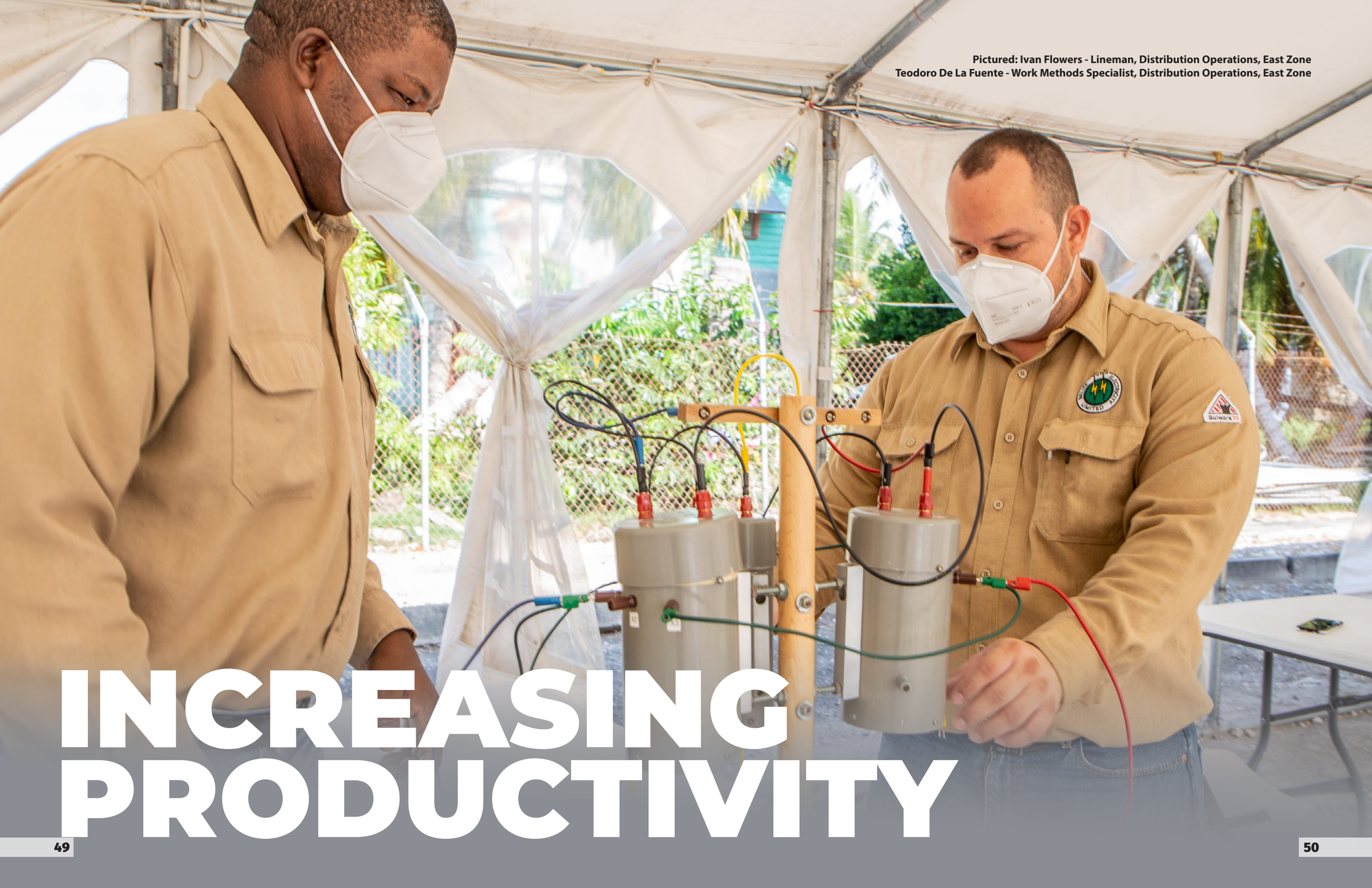


As the Supervisor, Training & Career Development, Adelita Granados coordinates all training functions for employees at BEL. She ensures that our most valuable resources, our employees, are equipped with the knowledge and skills to work safely.



Senaida Castillo has contributed to strengthening the financial oversight and management of our Company by directing, supervising and coordinating the Company's Finance & Accounting function.



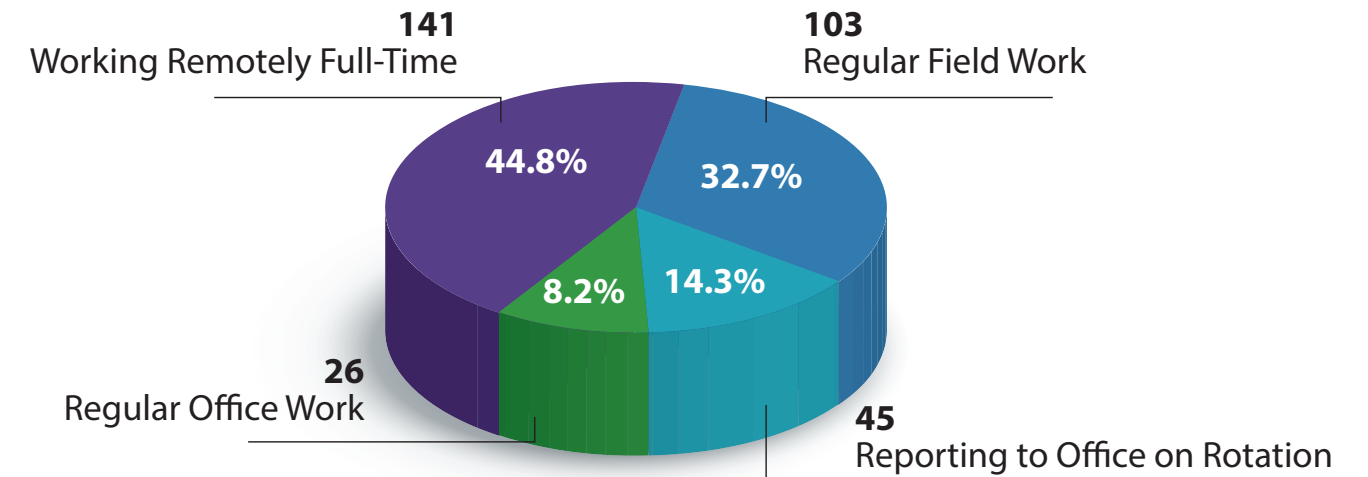


INCREASING PRODUCTIVITY

The Company revised its 2020 Safety, Health and Environment Action Plan in the first quarter to include activities directly related to containment of the COVID-19 virus. This included the establishment of a Pandemic Plan with three main objectives: safeguard the health and well-being of employees and their families, maintain continuity of safe and reliable service to customers and the public, and help to prevent and contain the spread and the impacts of COVID-19 within Belize.

The containment measures, including the transition to remote work, were effective with no major outbreaks among staff.

2020 Staff Deployment



2020 SAFETY & HEALTH WEEK

Essay Competition

Primary school students in Standards 4, 5 and 6 countrywide participated in our Health and Safety Week Essay Competition on the Theme **“Let’s do our part to control this Pandemic: Wear Masks! Wash Hands! Avoid Crowds!”**

The Revised Safety, Health and Environment Action Plan was 95.6% completed. A general improvement was evident in the Company's safety statistics for 2020. Vehicular accidents in 2020 were down to 3 or only 25% of vehicular accidents recorded in 2019 while personal injuries were down to 1 from 3. Although the number of lost days increased, lost time injury frequency reduced to 0.3 in 2020 compared to 0.9 in 2019.

Lost Time Injury Frequency



Lost Time Injury Frequency is calculated using the formula: (# of work injuries experienced per annum/exposure work hours per annum) *200,000.



Pictured: Romel Novelo - Shift Supervisor, System Control Center



Pictured: Zane Fitzpatrick - Safety Specialist, Safety, Health & the Environment



MARKET EVOLUTION

TRANSFORMING THE ENERGY SECTOR

OUR 2021 OUTLOOK

The International Monetary Fund¹ projects that Belize's Gross Domestic Product (GDP) will grow by 1.9% in 2021 following the collapse in 2020 when the economy contracted by 14.1% ascribed to the devastating economic impacts of COVID-19.

The tourism industry, which accounts for some 40% of GDP, experienced a severe decline in arrivals in 2020 and projections are for arrival numbers to remain suppressed in 2021 as Belize's main trading partners such as the United States and Europe rebounds. Economic recovery is contingent on the availability, take-up, and effectiveness of approved vaccines locally and abroad as renewed waves and new variants of the virus emerge. The effectiveness of health and economic policies supporting businesses and consumers will also be vital to a robust recovery for Belize.

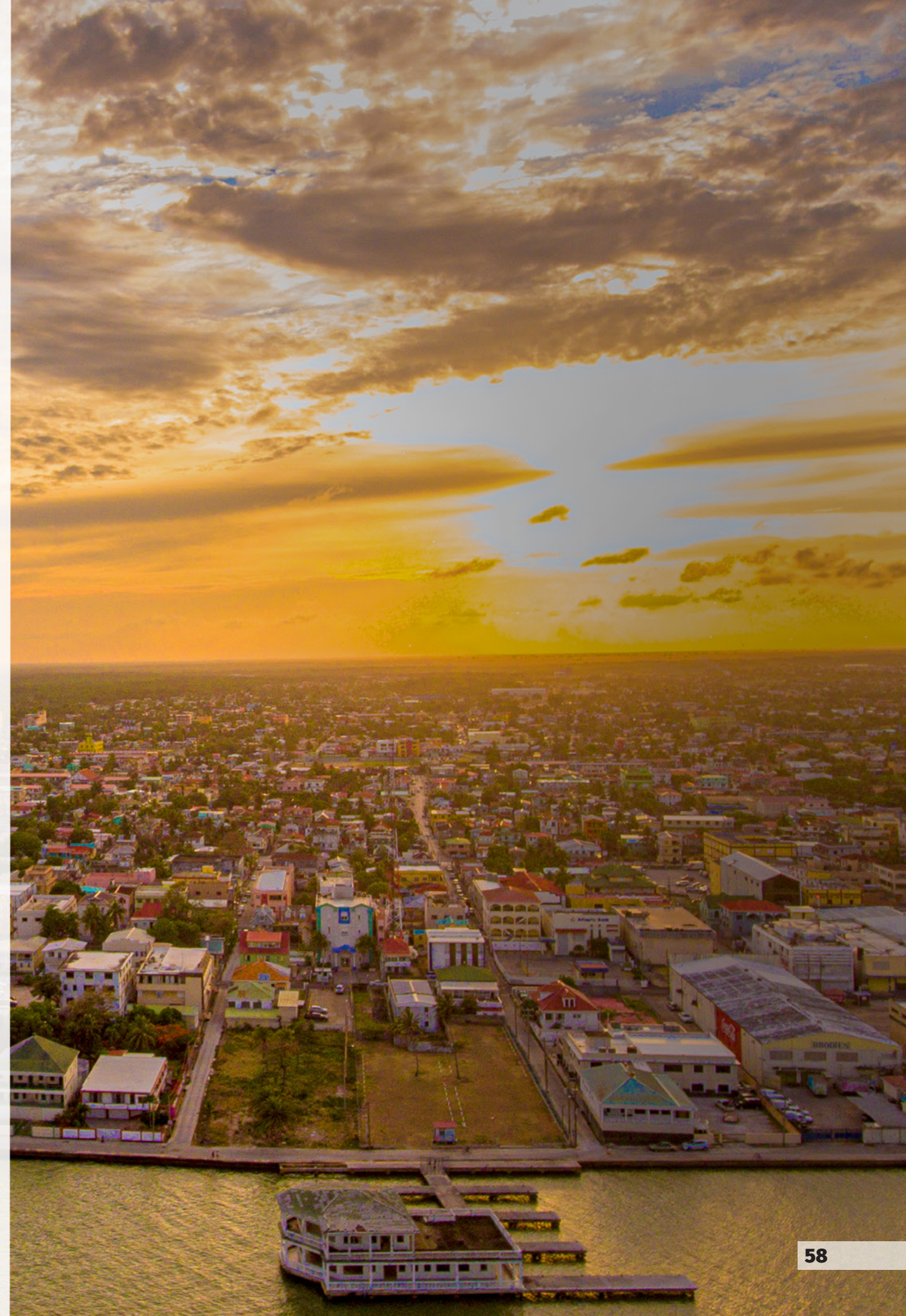
We will continue to pursue our medium and long term generation plan to stabilize the cost of power and increase in-country capacity by connecting new local renewable sources of energy.

Other major projects for 2021 include the initiation of works to interconnect Caye Caulker, with commissioning expected in 2022 as well further investments in Solar PV pilot projects and the installation of charging stations for Electric Vehicles (EV) to create alternative revenue streams while modernizing the energy services landscape in Belize.

The outlook for electricity sales in 2021 is conservative with a forecast of a 0.7% decline compared to 2020 and improving to an average annual growth rate of 6.2% from 2022 through to 2025 as the pandemic wanes. Through the installation of charging stations for Electric Vehicles (EV), BEL will stimulate additional energy sales and create alternative revenue streams while modernizing the energy services landscape in Belize.

The forecasted decline in 2021 electricity sales coupled with the reduction of the regulated mean electricity rate is expected to result in a 4.0% reduction in electricity revenues compared to 2020. As the cost of fossil fuels and imported energy begins to normalize towards the pre-pandemic level, a general increase is anticipated in the average cost of power and consequently, BEL's profit margin may taper off.

¹ Belize: Staff Concluding Statement of the 2020 Article IV Mission (2021). International Monetary Fund



THE FUTURE IS HERE!

Transforming transportation in Belize to a more Sustainable and Brighter Future.



Belize Electricity Limited
CHARGE N GO
ELECTRIC CAR

Introducing BEL's
**ELECTRIC VEHICLE
CHARGING ECOSYSTEM**
PILOT PROJECT



EV Charging Stations will be placed in most major municipalities and approximately 50 miles apart with additional stations at key transit points to give our customers adequate access throughout the country.

Customers will have the options of using a mobile app, proximity token or credit card for payment.

FINANCIAL & OPERATING STATISTICS

	2020	2019	2018	2017	2016	2015 - 2011 Average	2010 - 2006 Average
FINANCIAL STATISTICS							
(Belize thousands of dollars except as noted)							
Energy Revenues	227,597	247,657	215,141	207,227	197,001	208,698	165,371
Net Profit (Loss)	47,367	3,089	-4,371	17,773	27,292	13,397	11,491
Dividends Paid	6,902	-	13,805	20,017	27,859	5,355	6,042
Net Fixed Assets	523,388	507,506	473,793	464,612	450,599	434,646	394,158
Capital Expenditures	40,085	39,546	30,604	33,558	38,898	22,821	41,703
Total Assets	668,452	590,292	546,157	554,966	545,811	499,088	444,624
Capital Contribution	50,740	51,471	51,398	50,199	49,856	40,174	24,389
Long Term Debt	27,720	26,052	9,993	10,531	2,564	4,008	36,590
Debentures	122,735	87,700	77,500	77,500	77,500	75,656	67,100
Shareholders' Equity (excluding Contributed Capital)	381,423	340,959	337,869	359,419	361,663	326,175	249,864
Financial Indicators							
Rate of Return on Net Fixed Assets	11.5%	1.8%	-0.2%	5.0%	7.5%	4.9%	5.7%
Rate of Return on Investment ¹	34%	2%	-3%	13%	20%	9.7%	8.3%
Rate of Return on Shareholders' Equity	13.1%	0.9%	-1.3%	4.9%	7.5%	4.0%	5.1%
Earnings/Loss (\$ per share)	0.69	0.04	-0.06	0.26	0.40	0.20	0.19
Dividends Declared for Years Ended (\$ per share)	-	-	0.10	0.20	0.54	0.09	0.11
Book Value per Share (BVPS)	5.53	4.94	4.90	5.21	5.24	4.73	3.62
Gearing Ratio ²	56%	52%	45%	42%	39%	45%	76%
OPERATING STATISTICS							
Reliability of the Transmission & Distribution System							
Average duration of power outages - SAIDI	17.89	15.07	12.01	13.12	19.3	20.7	35.4
Average number of power outages - SAIFI	11.09	7.47	9.93	11.54	13.2	14.7	29.1
System Outages due to IPPs & Vandalism							
Average duration of power outages - SAIDI	0.58	1.78	2.17	1.11	24.42	2.6	12.8
Average number of power outages - SAIFI	1.21	3.80	3.85	4.3	6.6	4.5	6.1
Sales (MWh)							
Commercial	249,848	305,646	289,712	286,664	281,892	214,836	125,107
Industrial	19,511	19,527	20,836	30,466	32,567	38,742	25,500
Residential	245,265	239,192	218,989	209,180	199,843	201,629	223,738
Street Lighting	24,645	23,986	24,896	26,168	26,619	25,427	24,044
Total	539,269	588,351	554,434	552,478	540,921	480,635	398,389
Mean Electricity Rates (MER) \$/kWh							
	0.4220	0.4209	0.3880	0.3751	0.3642	0.4342	0.4151
Customer Accounts (numbers)							
Industrial, Commercial & Street Lighting	17,901	18,076	18,266	18,210	18,003	13,804	711
Residential	85,921	82,895	79,448	76,255	72,632	68,742	73,380
Total	103,822	100,971	97,714	94,465	90,635	82,546	74,091
Number of Customer Accounts per Employees	331	324	311	299	291	290	277
Net Generation (MWh)							
Net Diesel Generation	8,943	33,173	16,848	15,514	14,354	10,954	20,657
Purchased Power - BECOL	228,514	64,614	232,480	267,650	247,012	229,065	193,112
Purchased Power - Hydro Maya	13,473	9,954	15,131	14,509	13,491	11,651	11,230
Purchased Power - BAL/BAPCOL	10,612	85,147	37,051	19,436	17,497	3,855	26,621
Purchased Power - Belcogen	47,195	68,533	71,897	63,939	78,886	66,723	24,753
Purchased Power - CFE	270,239	383,726	235,155	230,138	243,429	226,111	211,909
Purchased Power - SS	34,137	23,387	21,937	18,401			
JICA	568	650	593	573		374	
Total	613,681	669,185	631,093	630,159	614,669	548,733	488,282
Other							
Total System Losses	11.8%	11.7%	11.9%	12.0%	11.6%	12.2%	12.5%
Peak Demand (MW)	102.7	105.6	104.2	104.5	96.0	85.9	73.5
Number of Employees	314	312	314	316	311	285	267

* Restated

Certain comparative figures may have been reclassified to confirm with the current year's presentation.

¹ Return on Investment: Net profit (loss) divided by the total par value of the common shares outstanding.

² Gearing Ratio: The ratio of debt to equity.

AUDITED FINANCIAL STATEMENTS

BELIZE ELECTRICITY LIMITED

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of:
Belize Electricity Limited

Opinion

We have audited the accompanying financial statements of Belize Electricity Limited, (BEL) which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Belize Electricity Limited as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Belize Electricity Limited in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing BEL's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate BEL or to cease operations or has no realistic alternative but to do so.

Those charged with governance and management, are responsible for overseeing BEL's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BEL to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of BEL to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

PKF Belize
PKF Belize
Chartered Accountants
Belize City, Belize

May 26, 2021

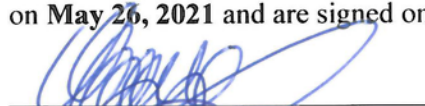


Belize Electricity Limited

STATEMENT OF FINANCIAL POSITION
December 31, 2020

(in thousands of Belize dollars)

	Notes	December 31 2020	December 31 2019
Assets			
Current assets:			
Cash and cash equivalents	2g, 27	76,729	19,889
Short term investments	2h, 27	5,000	5,000
Trade receivables	2i, 3, 27, 28	28,820	20,645
Other receivables	2i, 27	2,253	1,550
Prepayment	2j	1,020	2,094
Materials and supplies	2k.4	29,414	32,265
Total current assets		143,236	81,443
Non-current assets:			
Property, plant and equipment	2l, 5	523,388	507,506
Intangible assets	2m, 6	1,828	1,342
Total non-current assets		525,216	508,848
Total Assets		\$ 668,452	\$ 590,291
Liabilities and Equity			
Current liabilities:			
Trade and other payables	2p.x, 7, 27, 28	63,790	63,891
Current portion of long-term debt	2r, 10, 28	1,633	1,177
Current portion of lease liability	2y, 10, 28	727	713
Taxes payable	2q, 9, 27, 28	2,031	2,451
Short Term Debentures	27, 28	-	10,200
Total current liabilities		68,181	78,432
Non-current liabilities:			
Capital contributions	15	50,740	51,472
Deferred grant contribution	8, 27, 28	6,834	4,736
Long-term debt	2r, 10, 27, 28	12,693	10,298
Lease Liability	2y, 10, 27, 28	15,027	15,754
Debentures	11, 27, 28	122,735	77,500
Consumer deposits	12, 28	11,524	11,141
Total non-current liabilities		219,553	170,901
Total liabilities		287,734	249,333
Equity:			
Share capital	2w, 13	138,046	138,046
Additional paid in capital	14	5,741	5,741
Insurance reserve	16	5,000	5,000
Revaluation reserve	5	5,112	5,112
Retained earnings		226,819	187,059
Total equity		380,718	340,958
Total Liabilities and Equity		\$ 668,452	\$ 590,291

The financial statements on pages 4 to 7 were approved and authorized for issue by the Board of Directors on **May 26, 2021** and are signed on its behalf by:

 Chairman
 Director
 Chief Executive Officer

The notes on pages 8 – 37 form an integral part of these financial statements.

Belize Electricity Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

	Notes	2020	2019
Revenues	2s, 17	227,597	247,657
Cost of power	2u, 18	(118,752)	(187,797)
Gross profit		108,845	59,860
Other income	19	5,264	5,852
Operating expenses	2v, 20	(57,594)	(53,450)
Profit before interest income, interest expenses and taxes		56,515	12,262
Interest income	2s	126	125
Interest expense	2v, 21	(5,937)	(4,902)
Net interest expense		(5,811)	(4,777)
Profit before business tax		50,704	7,485
Business tax	2q, 22	(4,042)	(4,396)
Profit for the year from continuing operations		46,662	3,089
Other comprehensive income		-	-
Total comprehensive income for the year		\$ 46,662	\$ 3,089
Earnings per share (expressed in \$ per share)	23		
Total earnings per share attributable to ordinary equity holders:			
Basic		\$ 0.68	\$ 0.04
Diluted		\$ 0.68	\$ 0.04

Belize Electricity Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

	Ordinary shares	Additional paid-in capital	Insurance reserve	Revaluation reserve	Retained earnings	Total
Balance, January 1, 2019	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 183,970	\$ 337,869
<i>Comprehensive income:</i>						
Profit for the year	-	-	-	-	3,089	3,089
Total comprehensive income for the year	-	-	-	-	3,089	3,089
<i>Transactions with owners of the Company recognized directly in equity:</i>						
Dividends declared and paid (Notes 2x, 24)	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance, December 31, 2019	138,046	5,741	5,000	5,112	187,059	340,958
<i>Comprehensive income:</i>						
Profit for the year	-	-	-	-	46,662	46,662
Total comprehensive income for the year	-	-	-	-	46,662	46,662
<i>Transactions with owners of the Company recognized directly in equity:</i>						
Dividends declared and paid (Notes 2x, 24)	-	-	-	-	(6,902)	(6,902)
Total transactions with owners	-	-	-	-	(6,902)	(6,902)
Balance, December 31, 2020	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 226,819	\$ 380,718

Belize Electricity Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

	Notes	2020	2019
Cash flow provided by			
Operating activities			
Profit for the year		46,662	3,089
Adjustments for:			
Amortization of intangible assets		964	481
Depreciation		22,313	21,501
(Gain) Loss on disposal of assets		383	979
Bad debt expense	20	(4,119)	(204)
Obsolescence expense		(187)	(1,266)
Amortization of capital contribution		(1,728)	(1,687)
Business tax		4,042	4,396
Interest expense		5,937	4,902
Changes in items of working capital:			
Trade and other receivables		(3,686)	(2,196)
Materials and supplies		3,039	(8,386)
Trade and other payables		1,389	10,270
		<u>75,009</u>	<u>31,879</u>
Business tax paid		(4,093)	(4,370)
Interest paid		(7,796)	(6,592)
Net cash generated from operating activities		<u>\$ 63,120</u>	<u>\$ 20,917</u>
Investing activities			
Purchase of property, plant and equipment	5	(40,085)	(39,546)
Proceeds from sale of property plant and equipment		57	325
Net cash used in investing activities		<u>\$ (40,028)</u>	<u>\$ (39,221)</u>
Financing activities			
Term deposits - net		-	-
Proceeds from Short term debt		18,000	49,900
Proceeds from long term debt		4,049	1,488
Proceeds from debenture issue		45,235	-
Payment on short-term debt		(28,200)	(39,700)
Proceeds received from Grant	8	2,098	4,736
Payment on long-term debt		(1,198)	(1,032)
Payment on lease liability		(713)	(593)
Dividends paid	24	(6,902)	-
Consumer deposits		383	504
Capital contributions	15	996	1,761
Net cash generated from (used in) financing activities		<u>\$ 33,748</u>	<u>\$ 17,064</u>
Net increase in cash and cash equivalents		<u>56,840</u>	<u>(1,240)</u>
Cash and cash equivalents, beginning of the year		19,889	21,129
Cash and cash equivalents, end of the year		<u>\$ 76,729</u>	<u>\$ 19,889</u>

\$2.198 million is restricted for use on the Power VI Project and \$5.878 million is restricted for use on the ERCAP Belize Project (see note 8).

The notes on pages 8 – 37 form an integral part of these financial statements.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

1. GENERAL INFORMATION

Belize Electricity Limited (the ‘Company’) generates and supplies electricity to consumers throughout the country of Belize. The Company is a public limited liability company incorporated and domiciled in Belize. The address of its registered office is 2.5 miles Philip Goldson Highway, Belize City, Belize.

The Company was a majority-owned subsidiary of Fortis Inc. of Canada until June 20, 2011, when the Government of Belize acquired the majority shares from Fortis Inc. via Statutory Instrument No. 67 of 2011 as provided by the Electricity (Amendment) Act No. 4 of 2011 of the Substantive Laws of Belize. There are also some 1,500 minority shareholders. In September 2015 as part of the settlement, the Government of Belize and Fortis Inc. by way of Statutory Instrument No. 12 of 2015 settled in part with shares totaling 33.3% shareholding in the Company, making Fortis Inc. one of the major shareholders. After the settlement, the Government of Belize and the Belize Social Security Board combined to retain majority shares totaling 63.8% shareholding in the Company.

Regulation

The Electricity Act, Chapter 221 and Statutory Instrument No. 145 of 2005, Electricity (Tariffs, Fees and Charges) Byelaws 2005 of the Laws of Belize regulates and makes provision for electricity services in Belize and provides specific powers to the Public Utilities Commission (PUC) to enforce specific regulations in respect to tariffs, charges, and quality of service standards. The Statutory Instrument governs the tariffs, rates, charges and fees for the transmission and supply of electricity and for existing and new services to be charged by the Company to consumers in Belize and the mechanisms, formulas, and procedures whereby such tariffs, rates, charges and fees are calculated and determined. The PUC is authorized under the Public Utilities Commission Act to act as the regulator of utilities in Belize. The primary duty of the PUC is to ensure that the services rendered by the Company are satisfactory and that the charges imposed in respect of those services are fair and reasonable. The PUC has the power to set the rates that may be charged in respect of utility services and the standards that must be maintained with such services. Also, the PUC is responsible for the award of licenses, monitoring and enforcing compliance with license conditions. The Company’s 15-year license expired in 2015 and was automatically renewed for another 10 years and will expire in 2025.

The Company undergoes Full Tariff Review Proceedings, every four years, as well as Annual Tariff Review Proceedings. These tariff review proceedings are aimed at determining the Mean Electricity Rate (MER), Tariff and Fees based on three cost components; The first component of the electricity cost is Value Added of Delivery (“VAD”), the second is the cost of fuel and purchase cost of power (“COP”) which includes the variable cost of generation, and the cost of power based on the latest forecasts and assumptions at the time of review. The third is rate adjustments based on corrections for differences between the actual cost of power results and the most recent assumptions/forecasts as determined in the Final Decision of the previous tariff review proceeding.

A material difference between the actual and reference cost of power may also trigger a rate review proceeding. The difference between the two is recoverable or refundable under the regulations at subsequent ARPs.

The VAD component of the tariff allows the Company to recover its operating expenses, transmission and distribution expenses, taxes and depreciation, and assumes a rate of return on regulated asset base in the range of 9 per cent to 12 per cent.

S.I. No. 145 of 2005, Electricity (Tariffs, Fees and Charges) Byelaws (the law) provides for an adjustment to the approved tariffs within any Annual Review Period to correct for variances between the PUC Approved Tariff Basket Revenue (BEL Revenue Requirement) and the realized Tariff Basket Revenue (actual revenue collected by BEL). As of December 31, 2020, there was an estimated variance (regulatory account balance) in favour of BEL of \$30.8 million (2019 - \$50.931 million).

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

b. Basis of presentation

The financial statements have been prepared under the historical cost convention, except for the following:

- property, plant and equipment acquired before 2013 - measured at revalued amounts, and
- intangibles - measured at amortized cost.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The Company's functional and presentation currency is Belize dollars. The official exchange rate for the Belize dollar is fixed at BZ\$2.00 to US\$1.00.

(ii) Transactions and balances

Foreign currency transactions are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognized in the statement of comprehensive income in "(Loss) / Gain on foreign exchange (net)".

Foreign currency balances at year-end are translated into Belize dollars at the closing rates at the date of the statement of financial position.

d. Significant accounting judgments and estimates

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant accounting judgments and estimates (continued)

Estimates and judgments are continually evaluated, based on historical experience and other factors, including future expectations. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed as follows:

The most significant use of judgments

In determining the useful life of an asset, management considers, the expected usage, expected wear and tear, and technical or commercial obsolescence of the asset. The residual value represents the best estimate of the amount the Company would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The estimate for obsolete inventories is based on an evaluation of slow-moving items, particularly inventories that have not moved in line with their useful life.

For judgments and estimates determining the allowance for impairment losses for trade receivables, see Note 2 (i).

The Company applies judgment in determining whether a contract is, or contains a lease and in estimating the rate implicit in the lease. In terms of leases, management is guided by the principles in IFRS 16 Leases, see Note 2 (y).

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Change in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year except that the Company has adopted the following standards, amendments and interpretations as follows:

The following standards, amendments and interpretations are now effective and have been adopted.

Standards/ Amendments	Pronouncement	When effective	Response
Definition of a Business (Amendments to IFRS 3)	The amendments are aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.	January 1, 2020	The amendments were adopted but has no current impact on the financial statements.
Amendments to References to the Conceptual Framework in IFRS Standards	The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.	January 1, 2020	The amendments were adopted but has no significant current impact on the financial statements.
Definition of Material (Amendments to IAS 1 and IAS 8)	The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.	January 1, 2020	The amendments were adopted but has no significant current impact on the financial statements.
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	The amendments were issued as a first reaction to the potential effects the Interbank Offered Rates (IBOR) reform could have on financial reporting.	January 1, 2020	The amendments were adopted but has no significant current impact on the financial statements.

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Change in accounting policies (Continued)

The following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below.

Standards/ Amendments	Pronouncement	When effective	Response
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	January 1, 2021	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
Reference to the Conceptual Framework (Amendments to IFRS 3)	Amendment to update an outdated reference in IFRS 3 without significantly changing its requirements.	January 1, 2022	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
Annual Improvements to IFRS Standards 2018–2020	The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project. These are: IFRS 1 First time adoption of International Financial Reporting Standards, relating to a subsidiary as a first-time adopter; IFRS 9 Financial Instruments, relating to fees in the '10 per cent' test for derecognition of financial liabilities; IFRS 16 Leases, relating to lease incentives; and IAS 41 Agriculture, relating to taxation in fair value measurements	January 1, 2022	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	Amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.	January 1, 2022	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Amendments providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.	January 1, 2022	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial instruments

Financial instruments – A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for trade receivables, which do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these financial assets are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company's cash and cash equivalents, short-term investments, and trade and other receivables fall into this category of financial instruments. See also Note 27.

Impairment of financial assets

The accounting policy for the impairment of trade receivables and contract assets is described in Note 2 (i) below.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial instruments (Continued)

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequent measurement of financial liabilities

Financial liabilities at amortized cost

Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The Company's short-term debt, trade and other payables fall into this category of financial liabilities. See also note 27.

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

h. Short term investments

Short term investments represent term deposits held at the bank with maturity dates of 3 months to 1 year from the date of acquisition.

i. Trade and other receivables

Trade and other receivables represent amounts outstanding from customers for electricity charges, service and other fees and outstanding balances from non-routine transactions. Staff receivables include loans and advances made to BEL's employees.

The Company makes use of a simplified approach permitted by IFRS 9 in accounting for trade and other receivables as well as contract assets and records the loss allowance for the expected lifetime credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

j. Prepayments

Prepayments represent insurance, trade and vehicle licenses, property taxes and other costs paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is delivered.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Materials and supplies

Materials and supplies are stated at the lower of cost and net realizable value.

The cost of materials and supplies is determined on the First-in-First-out (FIFO) method during the current fiscal period.

The cost of materials and supplies comprise acquisition cost, insurance, freight, duties and all other costs incurred in placing the materials and supplies in the warehouse, ready for use. Net realizable value is the estimated selling price less applicable selling expenses.

l. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of comprehensive income during the period in which they are incurred.

Land and assets under construction are not depreciated and are carried at cost or revalued amounts. At the end of each accounting period, assets under construction are assessed for completion. Assets placed in service during the period are transferred to its appropriate classification of property and equipment.

The major categories of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives which, for the major classes of assets, are as follows:

Buildings	20 - 40 years
Plant and equipment	5 - 40 years

The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of assets are reviewed annually and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals of property, plant and equipment are determined by comparing sales proceeds with the carrying amount of assets and are recognized in the statement of comprehensive income.

During the construction or development stage of assets under construction, overhead costs and interest on loans specifically sourced to finance long-term construction and expansion projects are capitalized and included in the cost of the appropriate asset. Completed assets are transferred to property, plant and equipment at the end of the fiscal year.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Intangible assets

The Company's intangible assets are stated at cost less accumulated amortization and include acquired computer software with finite useful lives and transmission rights. These assets are capitalized and amortized on a straight-line basis in the statement of profit or loss throughout their expected useful lives as follows: Software costs are amortized over the estimated useful life of the software, five to ten years.

n. Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. To measure recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or 'CGUs'). Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

o. Employee benefits

(i) Post-employment benefits obligations:

Employees of the Company have entitlements under the Company's defined contribution pension plan. The pension plan is financially separate from the Company, is managed by a Board of Trustees and is funded by contributions from both employees and the Company.

The cost of a defined contribution pension plan is charged to expense as the contributions become payable.

While in pensionable service, each participant pays contributions at the rate of 4% per annum of his pensionable salary with the option to increase his/her contributions to a maximum of 10%, in increments of 1%. The Company matches the participant's contributions at the regular rate of 4% or at such higher rate as the member may have opted for, up to a maximum of 10%.

(ii) Termination benefits

The Company recognizes termination benefits in accordance with the labour laws of Belize, union agreements and Company policy. Employees with at least three years or more of continuous employment are entitled to a minimum of one week's pay for each year of service.

p. Trade and other payables

Trade payables represent amounts outstanding to vendors for goods and services obtained. Other payables include payroll liabilities, outstanding refunds and other short-term obligations incurred by the Company. Payables are measured at amortized cost.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Business tax

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenues and are payable within the following month.

r. Long-term debt

Long-term debts are recognized initially at the transaction price, that is, the present value of cash payable to the lender. Long-term debt is subsequently stated at amortized cost. Interest expense is recognized based on the effective interest method and is included in finance costs.

Interest expenses incurred on long-term debt to finance long-term construction or development projects are capitalized during the developmental phase.

s. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of electricity in the ordinary course of the Company's activities. Revenue is shown net of any tax, rebates and discounts.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(i) Sales of electricity: The Company measures revenues in kilowatt-hours delivered to customers via the billing of energy sales based on monthly customer meter readings. Revenue is measured based on the price per kilowatt-hour determined and authorized by the PUC in its rate-setting exercise.

(ii) Interest income: Interest income is recognized using the effective interest method.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Deferral and presentation of grants

Grants relating to costs are deferred and recognised in profit or loss as deductions from the related expenses over the period necessary to match them with the costs that they are intended to compensate. Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

u. Cost of power

Cost of power includes the cost of power purchased from the Company's suppliers of power, principally Comisión Federal De Electricidad (CFE from Mexico) and from the hydroelectric power plants, principally Belize Electric Company Limited (BECOL), a Fortis Inc. owned Company, and biomass electric power plants, principally Belize Co-Generation Energy Limited (Belcogen) in Belize, and power generated from the Company's diesel-generated power plant facilities. Cost of power is recognized in the period incurred.

v. Interest expense and operating expenses

Interest expense and operating expenses are recognized in the period incurred. Interest expenses are netted against capitalized interest.

w. Share capital

Ordinary shares and convertible redeemable preference shares are classified as equity.

Equity instruments are measured at the nominal value of the share and any excess of the fair value of the cash or other resources received or receivable over the nominal value is recognized as equity in a share premium or additional paid-in capital account.

x. Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared by the Company's Board of Directors.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

y. Lease

Lease agreements are evaluated to determine whether they are capital or operating leases under IFRS 16, Leases. Capital leases are capitalized as a right-of-use asset and measured at the net present value of the total amount of the streamline of cash payments payable under the leasing agreement (excluding finance charges and appropriate sales taxes). Right of use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease payments are discounted using the interest rate implicit in the lease. The interest rate implicit in the lease is the rate that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor.

Lease payments are allocated between principal and interest expense. The interest is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3. Trade receivables

	2020	2019
Consumers	37,080	24,786
Less: provision for doubtful debts	<u>(8,260)</u>	<u>(4,141)</u>
	<u>\$ 28,820</u>	<u>\$ 20,645</u>
Provision for doubtful debts is comprised as follows:		
Balance, January 1	4,141	4,060
Additional provision	4,119	204
Write off	-	(123)
Balance, December 31 (Note 28b)	<u>\$ 8,260</u>	<u>\$ 4,141</u>

4. Materials and supplies

	2020	2019
Bulkstores	26,798	30,976
Fuel and oil	4,873	3,460
	<u>31,671</u>	<u>34,436</u>
Less: provision for damaged and obsolete spares	<u>(2,257)</u>	<u>(2,171)</u>
	<u>\$ 29,414</u>	<u>\$ 32,265</u>
Provision for damaged and obsolete spares		
Balance, January 1	2,171	2,503
Provision adjustment	86	(332)
Balance, December 31	<u>\$ 2,257</u>	<u>\$ 2,171</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

5. Property, plant and equipment

Year ended December 31, 2019

	Land and buildings	Plant, machinery and equipment	Right of use asset	Asset under construction	Total
Cost/Valuation					
January 1, 2019	22,190	691,932	17,061	13,107	744,290
Additions	-	-	-	39,546	39,546
Transfers	2,354	33,557	-	(36,000)	(89)
Disposals	-	(2,997)	-	-	(2,997)
December 31, 2019	<u>24,544</u>	<u>722,492</u>	<u>17,061</u>	<u>16,653</u>	<u>780,750</u>
Accumulated Depreciation					
January 1, 2019	8,313	245,123	-	-	253,436
Additions	508	20,271	722	-	21,501
Disposals	-	(1,693)	-	-	(1,693)
December 31, 2019	<u>8,821</u>	<u>263,701</u>	<u>722</u>	<u>-</u>	<u>273,244</u>
Net Book Value December 31, 2019	\$ 15,723	\$ 458,791	\$ 16,339	\$ 16,653	\$ 507,506

Year Ended December 31, 2020

	Land and buildings	Plant, machinery and equipment	Right of use asset	Asset under construction	Total
Cost/Valuation					
January 1, 2020	24,544	722,492	17,061	16,653	780,750
Additions	-	-	-	40,085	40,085
Transfers	834	18,615	-	(21,106)	(1,657)
Disposals	-	(1,062)	-	-	(1,062)
December 31, 2020	<u>25,378</u>	<u>740,045</u>	<u>17,061</u>	<u>35,632</u>	<u>818,116</u>
Accumulated Depreciation					
January 1, 2020	8,821	263,701	722	-	273,244
Additions	545	20,915	853	-	22,313
Transfers	-	(207)	-	-	(207)
Disposals	-	(622)	-	-	(622)
December 31, 2020	<u>9,366</u>	<u>283,787</u>	<u>1,575</u>	<u>-</u>	<u>294,728</u>
Net Book Value December 31, 2020	\$ 16,012	\$ 456,258	\$ 15,486	\$ 35,632	\$ 523,388

A depreciation charge of \$1.198 million (2019 - \$1.199 million) was allocated to the cost of power. The fixed asset audit conducted in 2013 and 2014 by independent consultants resulted in a revaluation gain of \$5.112 million.

In 2019, the Company entered into a capital lease with BTL that confers on BEL exclusive rights to Dark Fiber owned by BTL and spanning specific locations throughout the country of Belize for twenty years.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

6. Intangible assets

Year ended December 31, 2019

	Computer software	Transmission rights	Total
Cost			
January 1, 2019	9,074	2,757	11,831
Additions	89	-	89
December 31, 2019	9,163	2,757	11,920
Accumulated Amortization			
January 1, 2019	7,340	2,757	10,097
Additions	481	-	481
December 31, 2019	7,821	2,757	10,578
Net Book Value			
December 31, 2019	\$ 1,342	\$ -	\$ 1,342

Year ended December 31, 2020

	Computer software	Transmission rights	Total
Cost			
January 1, 2020	9,163	2,757	11,920
Transfer	1,657	-	1,657
Additions	-	-	-
December 31, 2020	10,820	2,757	13,577
Accumulated Amortization			
January 1, 2020	7,821	2,757	10,578
Transfer	207	-	207
Additions	964	-	964
December 31, 2020	8,992	2,757	11,749
Net Book Value			
December 31, 2020	\$ 1,828	\$ -	\$ 1,828

Transfer total of \$1.657 million (2019 – 89 thousand) represents the cost in asset under construction that was transferred to intangible assets (see Note 5).

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

7. Trade and other payables

	2020	2019
Trade Payables	58,251	58,790
Payroll liabilities	2,236	1,856
Refunds and other costs	939	1,068
Stale dated checks	918	856
Dividends payable	400	399
Interest Payable	208	84
EIB training fund	838	838
	\$63,790	\$ 63,891

8. Deferred grant contribution

	2020	2019
Deferred grant contribution at the beginning of the year	4,736	-
Grant funds received during the year	2,098	4,736
Amount set off against expenses during the year	-	-
Deferred grant contribution at the end of the year	\$ 6,834	\$ 4,736

The ERCAP Belize Project portfolio is comprised of two grant agreements: the first between the Company and the World Bank (WB) (which includes all BEL project activities) for a total of US\$5.62 million and the second between the Government of Belize (GoB) and the WB which includes all project activities for the National Meteorological Services (NMS) and the Ministry of Energy (MOE) for a total of US\$2.38 million. As of December 31, 2020, the total grant funds used was US\$478 thousand (December 31, 2019: US\$102 thousand). For project implementation, the Company, in addition to executing specific project activities, is responsible for the overall management of the ERCAP In Belize Project portfolio. Both the MOE and NMS have respective project activities that fall under their purview for execution.

In September 2016, the two grant agreements were signed between the GoB and WB on one part and between the Company and WB in a separate agreement. Subsequently, the project was restructured and an amendment to the Grant Agreement was signed between the GoB and WB in January 2019 which designates the Company as responsible for the implementation and coordination of the project. The project execution started in November 2016 and is slated for completion by May 31, 2022.

The ERCAP In Belize Project is designed to demonstrate measures that enhance the resilience of the energy system to adverse weather and climate change impacts in Belize. It covers a comprehensive set of areas for enhancing resiliency in the energy sector, particularly as it pertains to the electricity supply.

9. Taxes payable

	2020	2019
Business tax	299	350
General sales tax	1,732	2,101
	\$ 2,031	\$ 2,451

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

10. Long - term debts

Government of Belize

a. Loan No. 21/OR-BZ

Drawdown on loan of US\$ 11,231,000 from the Caribbean Development Bank for on-lending to the Company, approved as part of the Power VI Project. Repayment is by 48 equal quarterly instalments. The loan bears interest at 1.00 % per annum commitment fee on the undrawn balance and 3.75% (2019 - 4.80%) interest on the loan amount. Undrawn amount at December 31, 2020 was US\$2,492,566.

	2020	2019
	14,191	11,475

Loan No. 23/OR-BZ

6,840,000 to finance the interconnection of the Caye Caulker to the national grid. The loan is comprised of two Funds – 13904-EIB V (CALC11) for US\$3,117,00 repayable in 48 quarterly installments commencing October 2020 at 1.78% interest per annum and 10000-EQUITY & RESERVES for US\$3,723,000 repayable in 48 quarterly installments commencing October 2020 at 3.75% per annum. The loan bears interest at 1.00 % per annum commitment fee on the undrawn balance on both funds. Undrawn amount at December 31, 2020 was US\$6,772,328.

	135	-
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Less Current portion (repayable in 12 months)

	14,326	11,475
	(1,633)	(1,177)
	<u>\$ 12,693</u>	<u>\$ 10,298</u>

The loan is repayable as follows:

2021	1,633
2022	1,633
2023	1,633
2024	1,633
2025	1,633
2026 and thereafter	6,161
	<u>\$ 14,326</u>

Capital Leases Obligation

b. BTL Leases

Capital leases with BTL conferring exclusive rights to the use of specific strands of dark fiber on BTL's fiber network, measured at the present value of minimum lease payments discounted at the interest rate implicit in the lease of 2%. Leases are for 20 years with monthly lease payment of \$19,396 and \$66,910 (inclusive of interest) respectively.

	2020	2019
	15,754	16,467

Less Current portion (repayable in 12 months)

	15,754	16,467
	(727)	(713)
	<u>\$ 15,027</u>	<u>\$ 15,754</u>

The leases are repayable as follows:

Within one year	727
Later than one year but no later than five years	3,059
Later than five years	11,968
	<u>\$ 15,754</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

11. Debentures

	2020	2019
Series 5: 250,000 unsecured debentures of \$100 each to mature December 31, 2024 with interest payable quarterly at 7% per annum.	\$ 25,000	\$ 25,000
Series 6: 250,000 unsecured debentures of \$100 each to mature December 31, 2030 with interest payable quarterly at 6.5% per annum.	25,000	25,000
Series 7: 275,000 unsecured debentures of \$100 each to mature March 31, 2028 with interest payable quarterly at 6.0% per annum.	27,500	27,500
Series 8: 452,352 unsecured debentures of \$100 each to mature June 30, 2032 with interest payable quarterly at 6.0% per annum.	45,235	-
	<u>\$ 122,735</u>	<u>\$ 77,500</u>

The Series 5 debentures can be called by the Company at any time until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.

The Series 6 debentures can be called by the Company at any time after December 31, 2020, until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after December 31, 2022, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.

The Series 7 debentures can be called by the Company at any time after March 31, 2022, until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after March 31, 2022, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.

The Series 8 debentures can be called by the Company at any time after June 30, 2026, until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after June 30, 2026, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.

The Indentures to the Debentures contain covenants, which must be complied with by the Company. In the event of a default as defined in the Indentures, the Company through the Fiscal Agent or via a Trustee appointed by the Debenture holders may be required to purchase the Debentures at their face value.

12. Consumer Deposits

The Company has a policy whereby consumers are required to make a security deposit when they first request that the Company provides them with electricity. The deposit is refundable on discontinuance of services.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

13. Share capital

	2020	2019
Ordinary shares:		
Authorized 100,000,000 shares of \$2.00 each	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Issued and fully paid 69,023,009 shares of \$2.00 each	<u>\$ 138,046</u>	<u>\$ 138,046</u>
Convertible redeemable preference shares:		
Authorized 12,000,000 shares of \$2.00 each	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Issued and fully paid shares of \$2.00 each	<u>Nil</u>	<u>Nil</u>
Special share:		
Authorized, issued and fully paid 1 share of \$1.		

The rights attached to Convertible Redeemable Preference Shares are as follows:

No Convertible Redeemable Preference Shares are outstanding since December 31, 2016. Shares outstanding during 2015 were redeemed on December 31, 2015. Rights attached to these shares below are only applicable when shares are issued and fully paid.

Dividends - the holders of the Convertible Redeemable Preference Shares are entitled to a guaranteed annual dividend of five (5%) per cent on the nominal preferred share value. If dividends declared for Ordinary shares at an annual rate exceeds the rate payable on Convertible Redeemable Preference Shares, the dividends payable on such Preference Shares shall be equal to the rate payable on Ordinary Shares.

Redemption - Unless previously converted all outstanding Convertible Redeemable Preference Shares shall be redeemed by the Company on December 31, 2015, at their nominal value of \$2.00 per share.

Voting - the Convertible Redeemable Preference Shares shall not confer unto the holders any voting rights save in accordance with the Articles of Association.

Conversion - Holder(s) of the Convertible Redeemable Preference Shares shall have the right, with the consent of the Company, at any time before the redemption of its shares to request that the Company convert any portion of the shares held by such holder(s) to Ordinary Shares provided that (a) the holder(s) shall serve a written notice of the request to the Company at least 60 days before the intended conversion and (b) the conversion shall take effect on the date next after the expiry of the fiscal year in which the written request for conversion is delivered to the Company.

Return of Capital - The Convertible Redeemable Preference Shares confer on the holders thereof the right on a winding-up or other return of capital (but not on a redemption) to repayment, in priority to any payment to the holders of Ordinary Shares and at least in parity with the holder of the Special share as defined in the Articles of Association and the holders of any other preference shares of the Company from time to time, of the amounts paid up on the Convertible Redeemable Preference Shares held by them.

Further Rights, Privileges and Obligations - The Convertible Redeemable Preference Shares Company shall confer upon the holders thereof all other rights, preferences, privileges and restrictions, attaching to the class of shares to which the Shares belong, as outlined in the Articles of Association.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

13. Share capital (Continued)

The rights attached to the Special Share are as follows.

Income - the Special Share is not entitled to participate in any income distributed by the Company.

Voting - the holder of the Special Share is entitled to receive notice of, and to attend and speak at, any general meeting or any meeting of any class of shareholders of the Company, but the Special Share does not carry a right to vote or any other rights at any such meeting.

Redemption - The holder of the Special Share may require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate to the Company. Any redemption is subject to the provisions of the statutes and the Articles of the Company.

Capital - The Special Share confers on the holder thereof the right, on a winding-up or other return of capital but not on a redemption, to repayment in priority to any payment to the holders of Ordinary Shares and at least in parity with the holders of the Preference Shares and the holders of any other preference shares of the Company from time to time, of the amount paid upon the Special Share.

Purchase and transfer - The Company shall not purchase, but may redeem the Special Share. The Special Share may be transferred only to a Minister of the Government of Belize or any person acting on the written authority of the Government of Belize.

Right to appoint Chairman - Article 4(B) of The Articles of Association of the Company states that "when determining the rights attaching to any shares, the shares held by the Government of Belize shall be deemed to include shares held by the Social Security Board or any other Public Statutory Corporation." The holder of the special share is entitled to appoint two directors to the Board of Directors of the Company, one of whom is to serve as the chairman at any time during which the holder of the special share is the holder of Ordinary shares amounting to 25% or more of the issued share capital of the Company.

14. Additional paid-in capital

In March 2003, the Company implemented a Dividend Reinvestment Program allowing shareholders to reinvest their dividends into additional ordinary shares of the Company at \$2.75 per share. The excess \$0.75 per share over par value is recorded as additional paid-in capital of \$5.741 million at the end of December 2020 (2019 - \$5.741 million). The Dividend Reinvestment Program was closed on August 2, 2006.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

15. Capital contributions

Capital contributions are contributions by customers towards capital installation costs. They include the Government of Belize's and the European Union's contributions towards rural electrification programs. Capital contributions are amortized over the useful life of the relevant asset.

	2020	2019
Capital contributions brought forward	72,055	70,294
Additions	<u>996</u>	<u>1,761</u>
Capital contributions carried forward	<u>73,051</u>	<u>72,055</u>
Amortization brought forward	20,583	18,896
Additions	<u>1,728</u>	<u>1,687</u>
Amortization carried forward	<u>22,311</u>	<u>20,583</u>
Capital contributions – net	<u>\$ 50,740</u>	<u>\$ 51,472</u>

16. Insurance reserve

The insurance coverage of the Company's transmission and distribution assets was discontinued in 1994 due to the limited availability of coverage and a significant increase in the cost of this insurance. In 1995, the Board of Directors approved a self-insurance plan for transmission and distribution assets for a total of BZ\$5 million and resolved to set aside BZ\$0.5 million per annum from retained earnings. On June 26, 2014, the Company set aside this amount in a 2.5% one-year term deposit. The term deposit is renewed on an annual basis.

17. Revenues

On December 10, 2018, BEL applied to amend the ARP 2018|2019 to further increase the MER to \$0.4150 from an MER of \$0.3930. On January 10, 2019, the PUC issued a final decision to move the MER to \$0.4138 for the period January 1 to June 30, 2019. On April 1, 2019, BEL submitted a proposal for the ARP 2019|2020 to retain the MER at \$0.4138. On June 26, 2019, the PUC approved an MER of \$0.4151 with no change to the tariffs that were in effect since January 1, 2019.

On January 22, 2020, BEL submitted a proposal for the FTRP 2020|2024 to increase the MER from \$0.4151 to \$0.4533 with effect from January 1, 2021, to June 30, 2024. On October 28, 2020, the PUC approved an MER of \$0.4018 with effect from January 1, 2021, to June 30, 2024.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

18. Cost of power

	2020	2019
Power purchased	112,568	171,591
Power generation costs:		
Fuel	4,009	14,461
Operations and maintenance	977	546
Depreciation (Note 5)	1,198	1,199
	<u>\$ 118,752</u>	<u>\$ 187,797</u>

19. Other income

	2020	2019
Service installations	73	87
Rent income	2,109	1,882
Amortization of capital contributions	1,728	1,687
Inventory adjustments	187	1,266
Sundry income	1,550	1,909
Loss on disposal of fixed assets	<u>(383)</u>	<u>(979)</u>
	<u>\$ 5,264</u>	<u>\$ 5,852</u>

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Belize dollars)

20. Operating expenses

	2020	2019
Bad debt expense	4,119	204
Company taxes and fees	2,146	1,470
Computer hardware and software Support	1,091	1,080
Contract labour	4,800	5,007
Corporate insurance	1,161	1,027
Depreciation and amortization	22,080	20,782
Donations & customer claims	489	280
Employee electricity discount	362	354
Employee service facility	468	862
Employer medical, life and social security expenses	1,123	912
Employer pension expense	1,180	1,160
Maintenance of office equipment	1	15
Maintenance of grounds and buildings	609	821
Materials	506	778
Notification and advertisements	352	298
Payroll expenses - labour & wages	12,696	13,250
Professional fees	316	370
Stationery & office supplies and postage and subscription	75	143
Telephone & communications	1,145	1,122
Training & certification	366	537
Travel expenses	175	303
Uniform & safety gear	279	624
Vegetation management	1,439	1,329
Vehicle maintenance	616	722
	<u>\$ 57,594</u>	<u>\$ 53,450</u>

21. Interest expense

	2020	2019
Interest expense	7,596	6,214
Lease liability interest	323	282
Interest capitalized	(1,982)	(1,594)
	<u>\$ 5,937</u>	<u>\$ 4,902</u>

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Belize dollars)

22. Business tax

As provided by the Income and Business Tax Act Chapter 55 of the Substantive Laws of Belize, the Company is charged a tax rate of 1.75% on its gross revenues.

23. Earnings per share

	2020	2019
Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.	\$ <u>0.68</u>	\$ <u>0.04</u>

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for its dilutive potential.	\$ <u>0.68</u>	\$ <u>0.04</u>
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The following reflects the income and share capital data used in the basic and diluted earnings per share computations.

	2020	2019
Net profit attributable to ordinary shareholders for basic and diluted earnings	\$ <u>46,662</u>	\$ <u>3,089</u>
Weighted average number of ordinary shares for basic earnings per share	69,023,009	69,023,009
Effect of dilution:		
Weighted average number of ordinary shares adjusted for the effect of dilution	69,023,009	69,023,009
Basic earnings per ordinary share	<u>\$ 0.68</u>	<u>\$ 0.04</u>
Diluted earnings per ordinary share	<u>\$ 0.68</u>	<u>\$ 0.04</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

24. Dividends

Cash dividends on ordinary shares declared and paid:	2020	2019
Final dividends paid in 2020 for fiscal year 2018 is 10 cents per share	6,902	-
	<u>\$ 6,902</u>	<u>-</u>

A dividend of \$0.20 per share (\$13.805 million) was declared on April 21, 2021, and was paid on April 30, 2021, for the year ended December 31, 2019 and therefore was not recognized as a liability at December 31, 2020.

25. Related party transactions

The Company is controlled by the Government of Belize who owns 36.9% of the shares. A statutory board of the Government of Belize, the Social Security Board owns 26.9%, Fortis Inc owns 33.3% and about 1,500 other shareholders own 2.9%.

The following transactions were carried out with related parties:

	2020	2019
(a) Sale of power		
Government of Belize	26,101	26,920
Belize Social Security Board	450	494
(b) Purchases of goods and services		
Belize Social Security contribution payments	690	497
Belize Social Security interest payments	431	431
Belize Social Security dividend payments	2,158	-
Belize Electric Company Limited power purchase	51,811	19,368
Government of Belize dividend payments	2,249	-
(c) Key management compensation		
Key management includes directors, members of the Executive, the Company Secretary and the Head of Internal Audit. The compensation paid to key management for services is shown below:		
Salaries and other short-term benefits	1,487	1,898
(d) Year-end balances		
Receivable from related parties:		
Government of Belize	-	-
Social Security Board	6	7
Belize Electric Company Limited	-	-
Entities controlled by key management personnel	NIL	NIL
Payable to related parties:		
Government of Belize	836	1,849
Social Security Board	NIL	NIL
Belize Electric Company Limited	44,342	14,458
Belize Telemedia Limited - finance lease	15,754	16,467
Entities controlled by key management personnel	NIL	NIL

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

25. Related party transactions (Continued)

	2020	2019
The receivable from and payable to related parties are due one month after date of sale or purchase, except for the BTL leases which are due in accordance with lease agreement (see Note 10). The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.		
(e) Loans to related parties	NIL	NIL

26. Commitments and contingencies

Commitments - Significant capital expenditure contracted for at the end of the period but not recognized as liabilities are as follows:

	2020	2019
Property, plant and equipment	<u>\$ 466</u>	<u>\$ 466</u>

Compliance with covenants - The indenture to the debentures and other loan agreements contain covenants that must be complied with by the Company. As at December 31, 2020, the Company was in compliance with these covenants.

Legal issues - The Company is subject to various legal proceedings and claims that arise in the ordinary course of business operations. Management believes that the amount of liability, if any, from these actions would not have a material effect on the Company's financial position or results of operations. However, these legal matters continue to require keen attention and consultation with the Company's attorneys to minimize exposure.

Other Contingencies - On December 31, 2020, there was four Right of Way claims submitted to arbitration under Section 36 of the Electricity Act. The Company has assessed its exposure at approximately \$497,000 for these claims.

Toledo Equipment Enterprise Limited (TEEL) had brought a Supreme Court claim against the Company for alleged breach of contract. TEEL claimed that it had an exclusive right to certain works in the Southern Zone of Belize under a contract with the Company and alleges that the Company breached the agreement by assigning those works to other contractors. BEL's position is that based on its interpretation of the agreement no such exclusivity was conferred on TEEL. Nonetheless, to avoid the legal cost, the Company made an offer to settle in the sum of \$30,000 which represents TEEL's estimated profit for a seven month period which remained within the Limitation period. There has been no movement on this claim during 2020.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

27. Categories of financial assets and financial liabilities

In accordance with IFRS 9, financial assets such as loans and receivables, and financial liabilities, are classified as subsequently measured at amortized cost.

Under IFRS 7, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date.

	2020	2019
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	76,729	19,889
Short term investments	5,000	5,000
Trade receivables	28,820	20,645
Other receivables	1,616	882
Staff receivables	637	668
Total Financial Assets	<u>\$ 112,802</u>	<u>\$ 47,084</u>
Financial Liabilities		
Liabilities at amortised cost		
Trade and other payables	63,790	63,891
Taxes payable	2,031	2,451
Deferred grant contribution	6,834	4,736
Long-term debt	14,326	11,475
Debentures (short-term and long-term)	122,735	87,700
Lease liability *	15,754	16,467
Total Financial Liabilities	<u>\$ 225,470</u>	<u>\$ 186,720</u>

* See Note 10 for details on the measurement of lease liability

28. Financial risk management

The Company's activities expose it to a variety of financial risks. Risk management is carried out by management under the supervision of the Board of Directors. The Company's overall risk management objective is to minimize potential adverse effects on the Company's financial performance.

(a) Foreign exchange risk

Foreign exchange risk arises when future recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

28. Financial risk management (continued)

Foreign exchange risk (continued)

This risk is mitigated by the fact that the Belize dollar is tied to the US dollar at BZ\$2 to US\$1. However, where the rate of exchange of the US dollar fluctuates against other currencies, for example, the Euro, the Company is susceptible to foreign exchange risks.

Foreign exchange risk is minimized when the Company's transactions with foreign entities are denominated in US dollars. On December 31, 2020, and 2019, the Company had no material liability denominated in a foreign currency other than the US dollar (See Note 10).

(b) Credit risk

The Company has a large and diversified customer base, which minimizes the concentration of this risk. The Company's credit risk is concentrated as follows:

Government of Belize	11%
Residential customers	44%
Commercial customers	41%
Industrial customers	3%

On that basis, the allowance as of 31 December 2020 and 31 December 2019 was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Closed accounts	Total
31 December 2020							
Gross carrying amount	12,705	5,209	3,469	2,535	8,733	4,429	37,080
Customer deposits	(6,253)	(1,618)	(1,078)	(788)	(1,787)	-	(11,524)
	<u>6,452</u>	<u>3,591</u>	<u>2,391</u>	<u>1,747</u>	<u>6,946</u>	<u>4,429</u>	<u>25,556</u>
Expected loss rate	3.6%	9.7%	14.1%	28.3%	38.0%	95.0%	
Total loss allowance \$	<u>232</u>	<u>349</u>	<u>338</u>	<u>495</u>	<u>2,638</u>	<u>4,208</u>	<u>8,260</u>
31 December 2019							
Gross carrying amount	15,233	2,224	1,054	397	1,927	3,951	24,786
Customer deposits	(9,072)	(1,000)	(474)	(179)	(416)	-	(11,141)
	<u>6,161</u>	<u>1,224</u>	<u>580</u>	<u>218</u>	<u>1,511</u>	<u>3,951</u>	<u>13,645</u>
Expected loss rate	3.00%	3.300%	3.800%	5.5%	8.5%	95.0%	
Total loss allowance \$	<u>185</u>	<u>40</u>	<u>22</u>	<u>12</u>	<u>128</u>	<u>3,753</u>	<u>4,141</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

28. Financial risk management (continued)

(b) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit and subsequent recoveries of amounts previously written off are credited against the same line item.

Management mitigates this type of risk by regularly enforcing a customer deposit policy based on the level of risk exposure and is generally guaranteed by being the sole electricity distributor nationwide.

(c) Interest Rate Risk

The Company is exposed to interest rate risk associated with short-term borrowings and floating-rate debt. The Company mitigates this risk by maintaining a diversified debt portfolio and continuously monitoring the interest rates and ensuring that the optimal interest rates are used at all possible times.

(d) Liquidity Risk

The Company's operations and financial position could be adversely affected if it fails to arrange sufficient financing to fund its capital expenditures and repayment of maturing debt. To mitigate liquidity risk, cash flow forecasting is performed which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times. Such forecasting takes into consideration the Company's debt financing plans and compliance with the statement of financial position.

The table below analyzes liabilities of the Company into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

Contractual maturities of Liabilities at 31 December 2020

	Within 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	-	63,790	-	-	63,790
Taxes payable	2,031	-	-	-	2,031
Deferred grant contribution	-	-	6,834	-	6,834
Debentures (short-term and long-term)	-	-	25,000	97,735	122,735
Long-term debt, including lease liability	590	1,770	9,591	18,129	30,080
	\$ 2,621	\$ 65,560	\$ 41,425	\$ 115,864	\$ 225,470

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Belize dollars)

28. Financial risk management (continued)

(d) Liquidity Risk (continued)

At 31 December 2019

	Within 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	47,283	16,608	-	-	63,891
Taxes payable	2,451	-	-	-	2,451
Deferred grant contribution	4,736	-	-	-	4,736
Debentures (short-term and long-term)	10,200	-	25,000	52,500	87,700
Long-term debt	473	1,417	7,706	18,346	27,942
	\$ 65,143	\$ 18,025	\$ 32,706	\$ 70,846	\$ 186,720

(e) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide optimal returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or debt or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long-term debts and debentures including 'current and non-current portions as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

29. Covid-19

On March 11, 2020, the WHO declared the novel coronavirus outbreak to be a pandemic. On March 23, 2020, Belize declared its first confirmed case of Covid-19 in Belize.

The global economic impact has been significant. The pandemic has significantly impacted Company's sales, revenue collections and cost of power versus the business plan forecasts for 2021. The Company has faced interruptions in the purchase of inventories as a result of low production capacities by suppliers.

There is also a scarcity of US dollars in Belize. This has resulted in the Company being unable to access the necessary foreign exchange to settle its obligations when they become due.

Management continues to monitor and evaluate the situation to forecast the extent of the financial impact and operational impact of Covid-19 as it progresses through 2021.

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Belize dollars)

29. Covid-19 (Continued)

The Company has no intention to liquidate or cease operations; it expects to continue to generate sufficient revenues to be able to continue to operate for the foreseeable future.

30. Events after the reporting period

Refer to note 24 for dividends declared on April 21, 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS



E. Andrew Marshalleck
Chairman

The Government of Belize (GOB), as holder of the special share, appoints the Chairman, E. Andrew Marshalleck, and one other Director, Anuar Flores. GOB, as holder of 32.58% of the ordinary shares, also appoints three more Directors: Amir Carrillo, Anil Hotchandani, and Emilio Zabaneh. The Social Security Board, as holder of 31.27% of the ordinary shares, appoints three Directors: Marcello Blake, Wendy Castillo, and Lawrence Ellis. Fortis Cayman Inc., as holder of 33.30% of the ordinary shares, appoints three Directors: James Laurito, Kay Menzies, and Lynn Young. Director Anthony Sylvestre is appointed by the Board itself.

The Company acknowledges the many invaluable contributions of former members of the Board whose service concluded in 2020:

- Rodwell Williams - Chairman
- Alan Slusher - Deputy Chairman
- Dennis Garbutt - Director
- Louis Lue - Director
- Anthony Michael - Director
- Ariel Mitchell - Director
- Rene Montero - Director
- Ramon Witz - Director



Lynn Young
Deputy Chairman



Marcello Blake
Director



Amir Carrillo
Director



Wendy Castillo
Director



Lawrence Ellis
Director



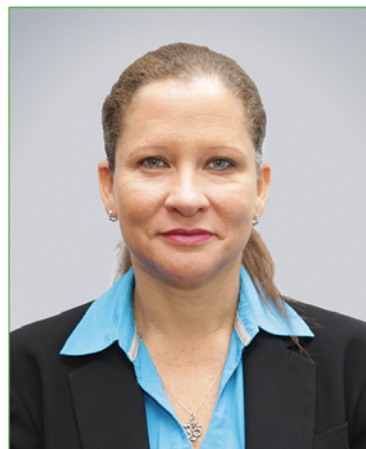
Anuar Flores
Director



Anil Hotchandani
Director



James Laurito
Director



Kay Menzies
Director



Anthony Sylvestre
Director



Emilio Zabaneh
Director



Louis Lue
Company Secretary

LEADERSHIP TEAM

John Mencias - Chief Executive Officer

Jose Moreno - General Manager, Energy Supply & Transmission Division

Sean Fuller - General Manager, Commercial & Retail Services Division

Dawn Nunez - General Manager, Employee & Corporate Services Division

Jason R. Rivers - General Manager, Finance & Operations Support Division

Herschel Armstrong - General Manager, Distribution Services Division

HEADS OF DEPARTMENTS

Vonetta Burrell - Manager, Corporate Communications

Marta Castillo - Manager, Internal Audit

Senaida Castillo - Manager, Finance & Accounting

Austin Castro - Manager, Information Technology & Cybersecurity

Diana Forman - Manager, Executive Services

Denise Gillett - Manager, HR Relations & Services

Karique Marin - Manager, Distribution Planning & Engineering

Kevin Petzold - Manager, Transmission & Substations, System Expansion and Projects

Sheena Simpson - Manager, System Planning & Engineering

Barry Smith Jr. - Manager, Telecommunications Services

Lisa Stanford - Manager, Customer Services & Relations

Leon Westby - Manager, Strategy & Business Innovation

Lloyd Winsor - Manager, Distribution Operations

BELIZE ENERGY WORKERS UNION

Rutilio Witzil – President

Natalie Novelo Palacio – Vice President

Jose Escalera – General Secretary

Marvin Mora – Assistant General Secretary

Addy Aguilar – Treasurer

Andy Pandy – Trustee

Jose Ruiz – Trustee

Gregory Kerr – Councillor

Ronald Young – Councillor

SHAREHOLDER SERVICES

For general information, shareholder publications and other requests, please contact the Company Secretary.

DIRECT DEPOSIT

Shareholders may obtain automatic electronic deposit of dividends to their designated financial institution in Belize by contacting the Securities Officer.

CORPORATE ADDRESS

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FISCAL AGENT

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P.O. Box 1988/1867

Belize City, Belize

Central America

Featured on Front Cover: Sheena Simpson, BEL's Manager, System Planning & Engineering



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