

CHARGING AHEAD

Diversifying the future of **ENERGY IN BELIZE**



EV 
electric powered



2021

ANNUAL REPORT

BELIZE ELECTRICITY LIMITED

CONTENTS

COMPANY PROFILE

01 ■

REPORT TO SHAREHOLDERS

03 ■

REBOUNDING AMID THE IMPACTS OF COVID-19

05 ■

2022 OUTLOOK

51 ■

FINANCIAL & OPERATING STATISTICS

53 ■

CORPORATE INFORMATION

96 ■

COMPANY PROFILE



BELIZE ELECTRICITY LIMITED (BEL) is the primary distributor of electricity in Belize, Central America. Aggregate energy sold in 2021 was 560.8 gigawatt hours (GWh). The Company served a customer base of over 170,000 accounts with a peak power demand of 103.5 megawatts (MW) during the year.

BEL's national electricity grid connects all major municipalities within Belize via approximately 2,000 miles of transmission and primary distribution lines. The grid is supplied by local Independent Power Producers (IPP) utilizing hydroelectricity, biomass, solar energy sources, and fossil fuel; and is secured and anchored by interconnection with Mexico. BEL 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.

Consistent with the Company's commitment to diversifying its energy supply mix through the addition of indigenous low-carbon sources, generation from renewable energy accounted for 81% of locally-sourced energy supply in 2021.

The Company currently employs a total of 319 permanent staff and 17 temporary staff as well various contractors to support both its technical and administrative operations.

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

WE DELIVER SAFE, RELIABLE AND SUSTAINABLE ENERGY SOLUTIONS TO ENHANCE THE QUALITY OF LIFE AND THE PRODUCTIVITY OF ENTERPRISE AND TO SUPPORT NATIONAL DEVELOPMENT.

REPORT TO SHAREHOLDERS

CHARGING INTO RECOVERY

The demand and supply shocks created by the COVID-19 pandemic forced the world to rationalize and prioritize its use of limited resources including its use of electrical energy. The pandemic also heightened a general appreciation to heed and treat as more urgent the global climate change predicament and to implement plans to reduce emissions in the generation of electricity. The upshot has been the recognition of an exigent need to diversify energy supply and to promote energy security by relying more on renewable energy sources and less on fossil fuels. The aggressive pursuit of this goal remains critical not only to the success and long term viability of BEL but for the economic development and growth of Belize as a country.

As the health emergency created by the COVID-19 pandemic subsided in 2021, the economic ramifications and fallout from the injection of extraordinary amounts of money into the global economy to bolster demand began to manifest as inflation. The year was further plagued with supply shortages and delays caused by the earlier shutdowns at the start of the pandemic resulting in reduced inventory of critical supplies. These difficulties were further exacerbated by global shipping woes and the drying up of foreign currency reserves in tourism-dependent economies like Belize.

The multiple inflationary pressures and supply chain impacts combined to create a drag not only on economic recovery generally but also on the operations of BEL and its execution of priority capital projects. BEL saw arrears in the payment of electricity bills climb to extraordinary levels reflecting a customer base that was under financial pressure and an economy tethering on the brink of recession.

Notwithstanding these many challenges, BEL maintained a reliable supply of electricity to consumers throughout the year while at the same time realizing significant profits – the third highest in the Company’s history - for the benefit of shareholders despite successive rate reductions mandated by the Public Utilities Commission in January and July of the year.

As the pandemic impacts continue to ramify, it is now imperative that BEL move quickly to diversify sources of electricity supply and decrease its reliance on fossil fuels. The path we must pursue is clear: we must aggressively promote investment in and the realization of the generation of solar power over the short term and invest in upgrading our transmission system to include adequate battery storage to enable not only the use at night of solar power generated during the day but also to enable power to be purchased when cheaper and stored for use during the more expensive peak use periods. The savings to be realized from such a plan can stabilize the cost of power and offset the inflationary pressures likely to continue into the medium term.

With the promotion of such a targeted and aggressive investment strategy, BEL can well serve as a ballast for stabilizing prices in the wider economy, improving the finances of its customer base while at the same time securing its own economic prosperity into the future.



E. Andrew Marshalleck
Chairman

A stylized signature of E. Andrew Marshalleck in white ink, positioned above a horizontal line.

REBOUNDED

AMID THE IMPACTS OF COVID-19

Revenues increased by \$3.0 million (4%) in 2021 over 2020, driven by a rebound in energy sales as the economy slowly reopened, even as BEL leveraged its strong financial position to keep electricity prices down. The Company achieved robust net earnings of \$34.0 million (the third highest in its history) due mainly to low cost of power (though higher than 2020) and reductions in operating costs.

Cost of Power continues to be the most significant and variable element of overall cost, increasing from 51% in 2020 to 58% in 2021 underscoring the need for BEL to move forward with its power expansion strategies to increase in-country generation and reduce vulnerability to energy import price fluctuations.

Earnings Overview

For Years Ended December 31
(in millions of Belize dollars)

	2021	2020	2019	2018	2017
Comprehensive Revenue	\$235.971	\$232.987	\$253.634	\$222.854	\$214.491
Cost of Power	(\$135.893)	(\$118.752)	(\$187.796)	(\$168.683)	(\$141.636)
Operating & Other Expenses	(\$33.279)	(\$35.514)	(\$32.668)	(\$32.126)	(\$31.508)
EBITDA	\$66.799	\$78.721	\$33.169	\$22.046	\$41.346
Depreciation & Amortization	(\$22.465)	(\$22.080)	(\$20.782)	(\$18.784)	(\$16.845)
EBIT	\$44.334	\$56.641	\$12.388	\$3.262	\$24.501
Interest Expense	(\$6.262)	(\$5.937)	(\$4.902)	(\$3.810)	(\$3.042)
Corporate Taxes	(\$4.062)	(\$4.042)	(\$4.396)	(\$3.822)	(\$3.686)
Net Income	\$34.010	\$46.662	\$3.089	(\$4.371)	\$17.773

Common Size Income Statement

For Years Ended December 31

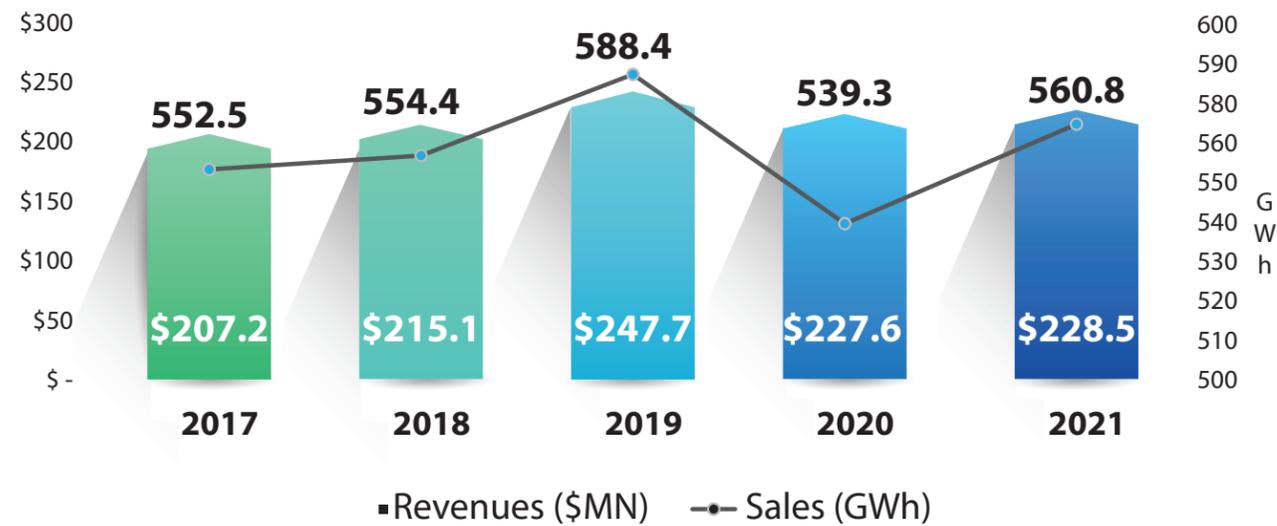
	2021	2020	2019	2018	2017
Comprehensive Revenues (millions of BZD)	\$236.0	\$233.0	\$253.6	\$222.9	\$214.5
Cost of Power	58%	51%	74%	76%	66%
Operating Expenses	14%	15%	13%	14%	15%
Depreciation and Amortization	10%	10%	8%	8%	8%
Net Interest Expense	2%	2%	2%	2%	1%
Corporate Taxes	2%	2%	2%	2%	2%
Gain (Loss) on disposal of fixed asset	0%	0%	0%	0%	0%
Profit	14%	20%	1%	(2%)	8%

ENERGY SALES UP BY 4.0%

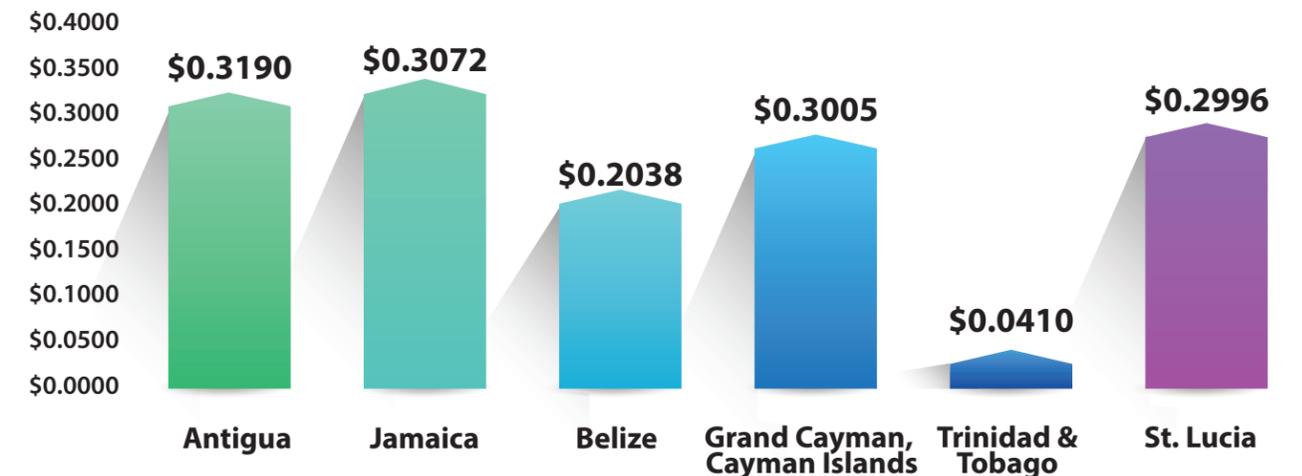
Belize held its position as one of the few Caribbean territories with electricity rates averaging below US\$ 30 cents per kWh, even as energy prices inflate worldwide.

BEL believes that any increase in rates during a pandemic-induced recession will slow the pace of economic recovery. The Company opted to bear the inflation burden until a future period where customers are better positioned to repay these costs.

Electricity Sales and Revenues

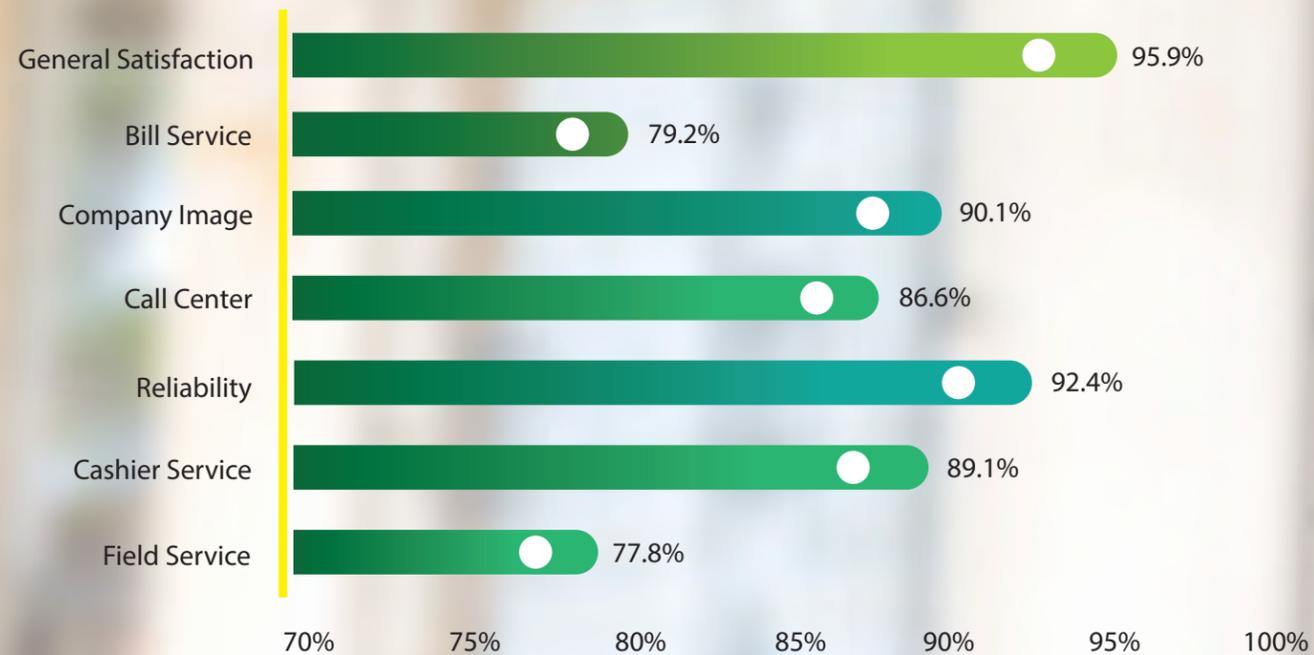


Mean Electricity Rates in the Caribbean (\$USD)



87.3%

CUSTOMER SATISFACTION



Our customers scored us an average of 87.3% in customer satisfaction across seven service quality indicators. Areas for improvement include field operations and billing services. Going forward, our focus is to modernize these services, using mobile and communication technologies to manage field service response in real time and provide customers with on-demand access to detailed billing and customer information.

Pictured: Janeli Gongora - Belize City Resident

SERVICE DELIVERY

Throughout the pandemic, we remained focus on providing a safe operating environment, maintaining a reliable supply of energy to customers and continuing to support the communities we serve.



Pictured: Kareem Lopez – Lineman Leadhand, Distribution Operations, South Zone



CUSTOMER Rewards

The Customer Rewards Program recognizes customers for keeping their accounts current by rewarding them with a range of prizes.



CLICK HERE
Customer Rewards
• winners gallery •

Pictured: Petronilo Tuz Customer Rewards December 2021 Winner

MY VISION FOR THE FUTURE OF ENERGY IN BELIZE

“Energy will be renewable, reliable, and affordable, and will enable a high quality of life for all Belizeans. Renewable and Alternative Energy should be used more in the future. Access to affordable, secure, safe, and clean energy is beneficial for all of us including the environment we live in.”

CLICK HERE
Essay Competition
• winners gallery •

651 students from primary schools and high schools countrywide participated in essay competitions in 2021. Winners received laptop computers and cash prizes for themselves and their schools to assist with COVID-19 preparedness and remote learning.

Pictured: Angeline Tuyud, First Place Winner – Second Form at Muffles College High School, Orange Walk

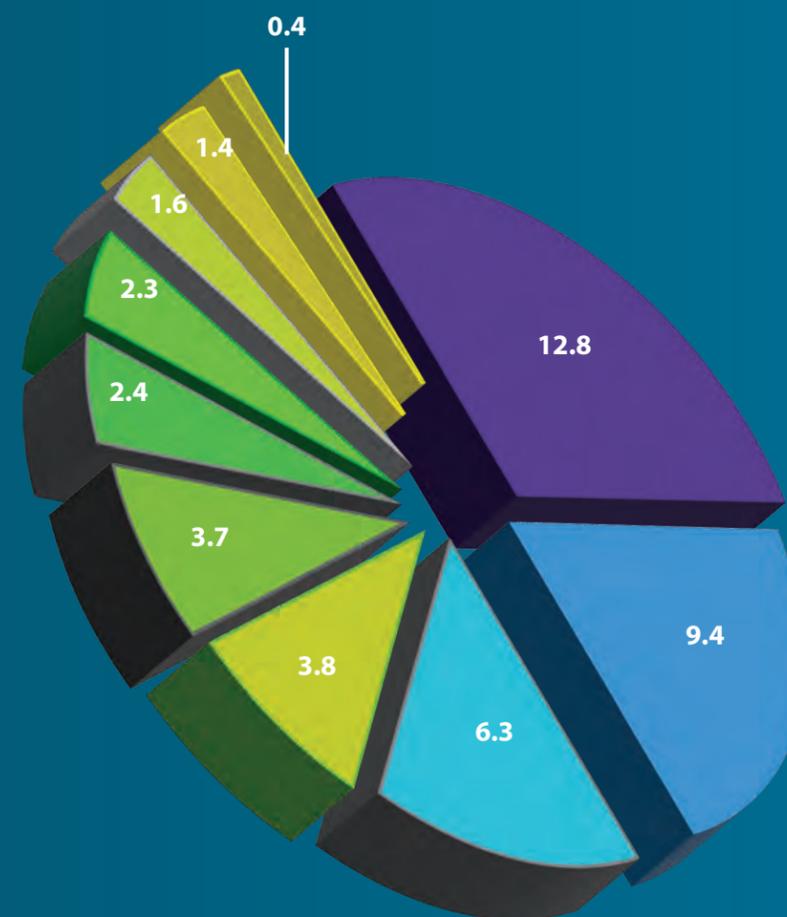
INVESTING IN A MORE EFFICIENT AND INCLUSIVE NETWORK

BEL invested \$44.2 million in 2021 to improve and extend the national grid network: a 10.2% increase in capital investments from 2020 and the second highest total annual investment in the Company's history, in spite of challenges associated with foreign exchange shortages and supply chain disruptions brought on by the COVID-19 pandemic.

Capital Investments 2017 to 2021
(in millions of dollars)



2021 Capital Expenditure Breakdown
(in millions of dollars)



- System Expansion
- Streetlights
- Reliability Improvement
- Loss Reduction
- General Properties
- Generation
- Standards & Safety Improvements
- Transportation
- Business Continuity
- Maintenance/System Improvement

MOVING TOWARDS GRID MODERNIZATION

The new Chan Chen substation in Corozal District is emblematic of the state-of-the-art technology that will come to define BEL's national grid in the near future. The substation includes automation and remote monitoring and control features that will help to quickly locate and resolve faults on the transmission line.

Dedicated Fiber Optic Links will ensure reliable communication between Chan Chen and other substations and support future advanced automation schemes.

Additionally, the substation will improve reliability in Northern Belize and support expansion plans to interconnect grid-scale renewable energy sources.



Pictured - Chan Chen Substation, Corozal

LEADING

in the Caribbean



**OVER 80% IN-COUNTRY
Renewable Energy Sources**



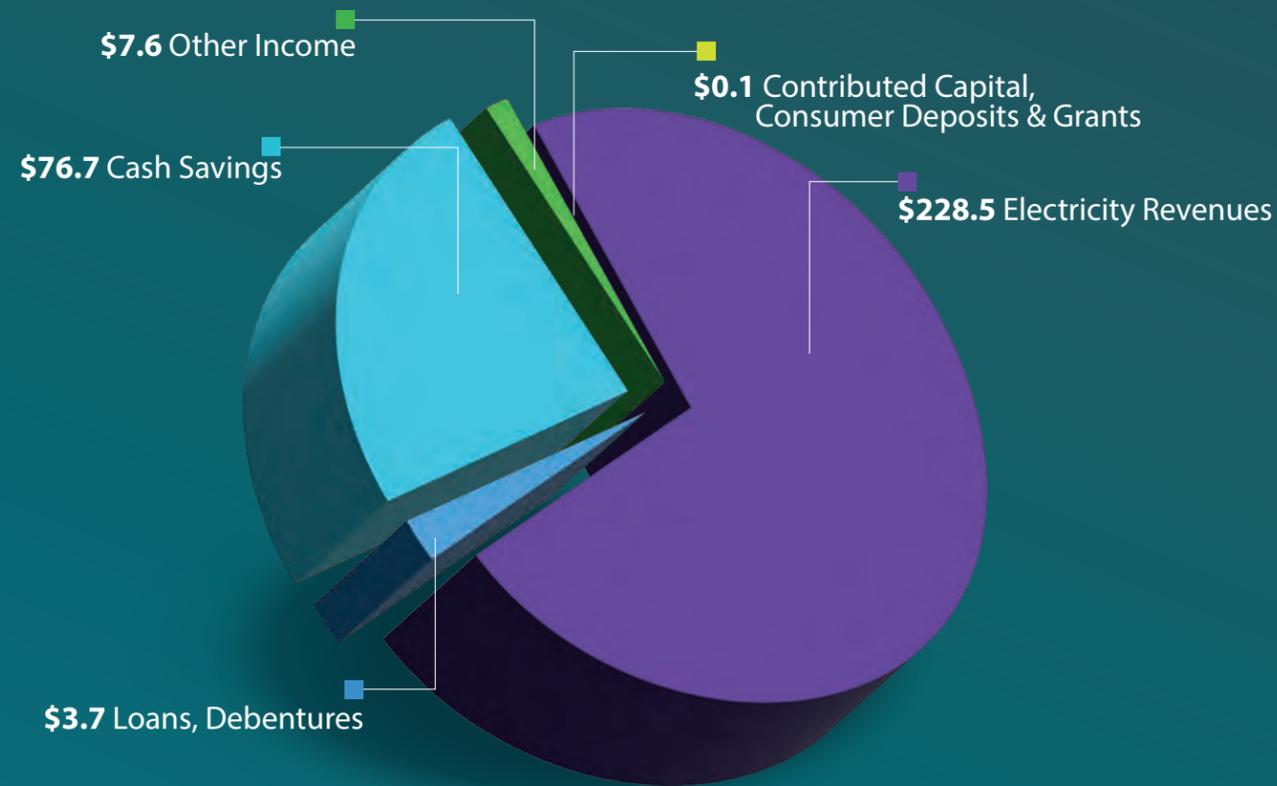
FINANCING COSTS & INVESTMENTS

BEL used \$316.6 million to finance its cost of power, operations and capital investment programs in 2021: \$228.5 million from electricity revenues plus \$76.7 million of cash brought forward from 2020 accounted for 96.4% of total financing sources.

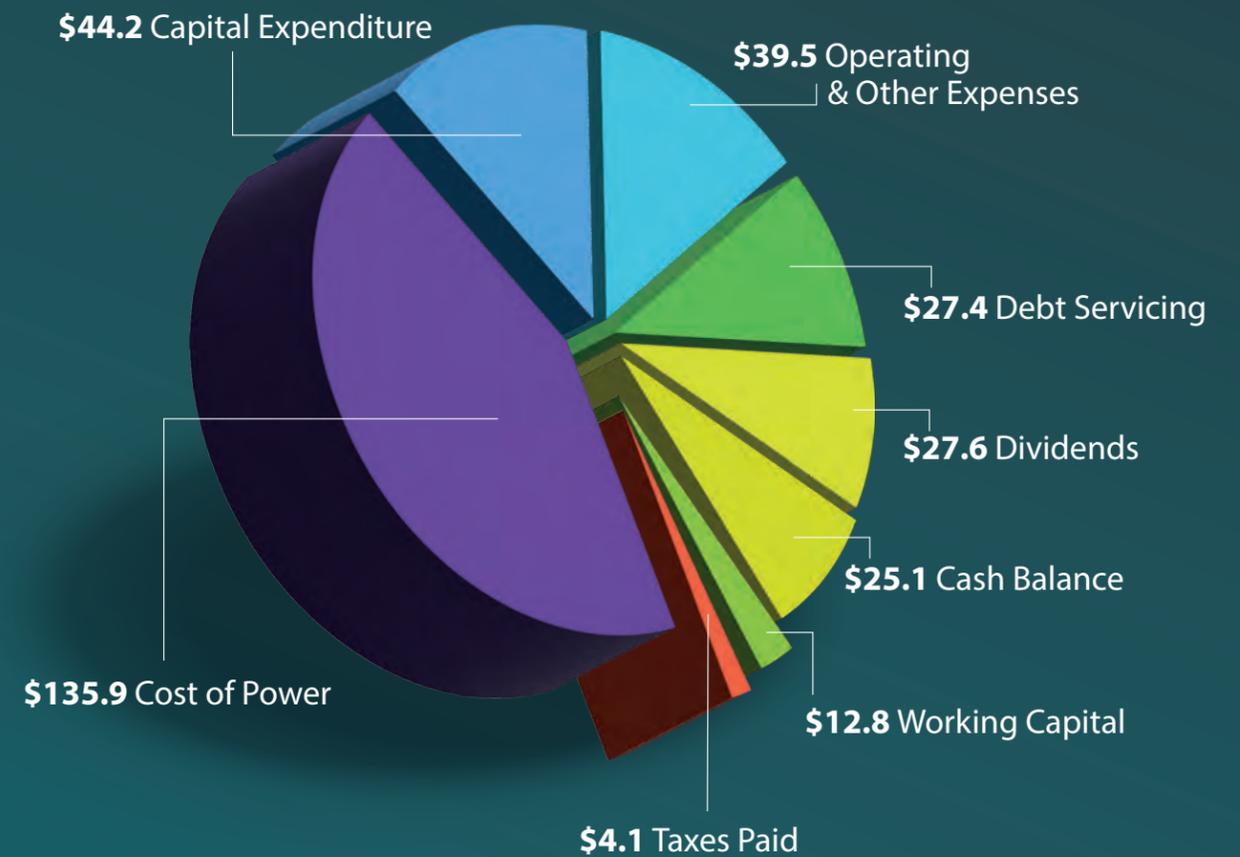
Cost of Power, as has historically been the case, remains the single most significant cost incurred by BEL and accounted for \$135.9 million, or 42.9% of total funds usage.

Dividends were declared and paid twice in 2021, each at \$0.20 per share. In April shareholders were paid returns for fiscal year 2019 followed by a second payment in October for fiscal year 2020. Total dividend payments amounted to \$27.6 million.

Sources of Funds
(in millions of dollars)



Uses of Funds
(in millions of dollars)

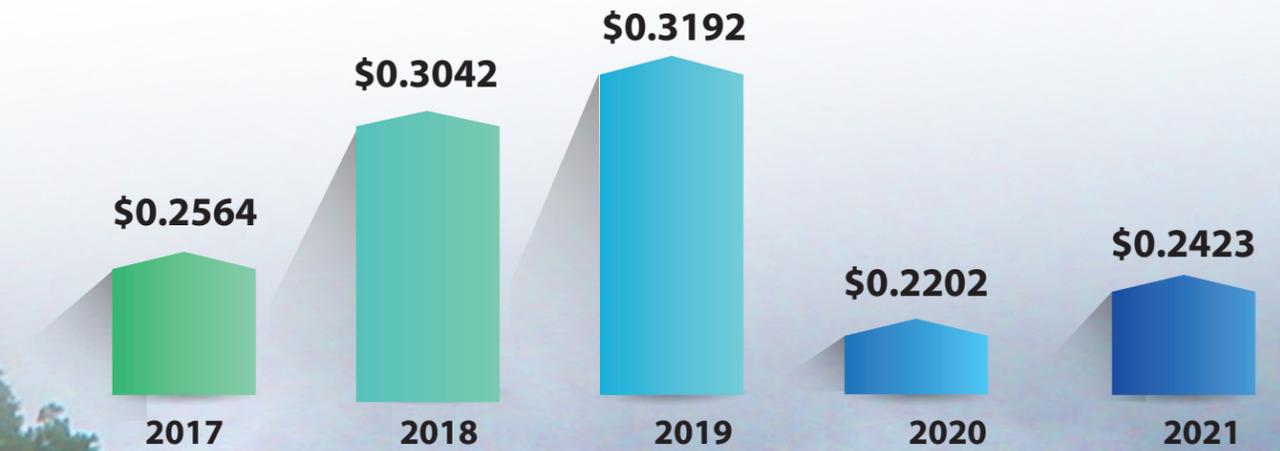


STABILIZING COST OF POWER

BEL is aiming to stabilize electricity prices to consumers by reducing the volatility in cost of power in the medium to long-term. The Company commenced a Least Cost System Expansion Plan Study in 2021 to determine the optimal mix of renewable and low-carbon energy sources that will achieve high reliability and sustainable prices for customers.

Total cost of power increased by 14.4% from \$118.8 million in 2020. The annual average unit cost of power sold was 24.23 cents per kilowatt-hour (kWh) compared to 22.02 cents per kWh in 2020.

Average Unit Cost of Power
(per kilowatt hour sold)

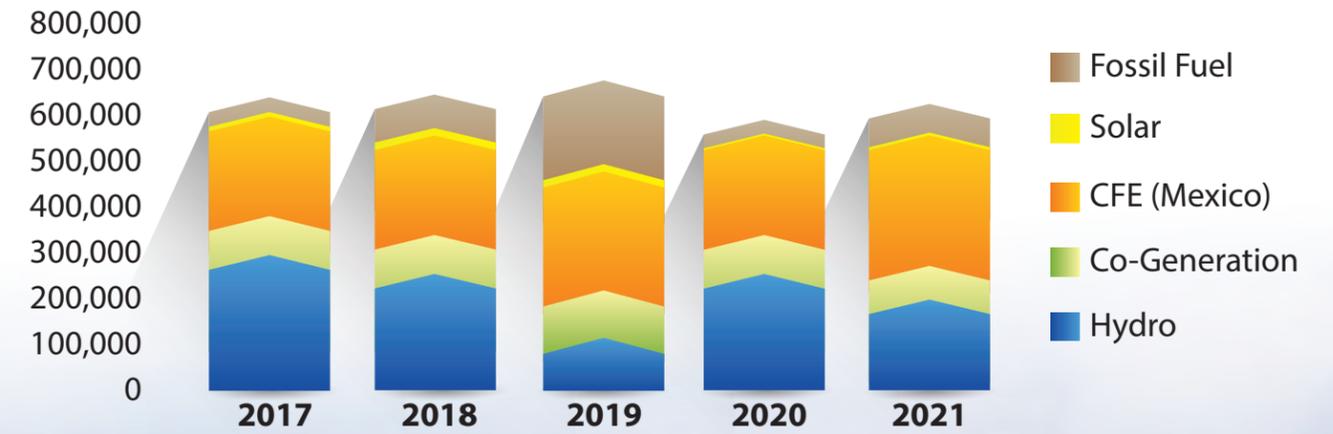


Pictured - Mollejon

Reduced in-country energy production and increased demand resulted in almost 60% of energy being sourced from Mexico (CFE), underscoring the need for increased in-country generation capacity.

Local co-generation and hydro-power played a major role in helping the Company contain cost of power inflation to 10% over 2020 prices, even as CFE prices increased by 23.8%.

Energy Production (MWh) by Source

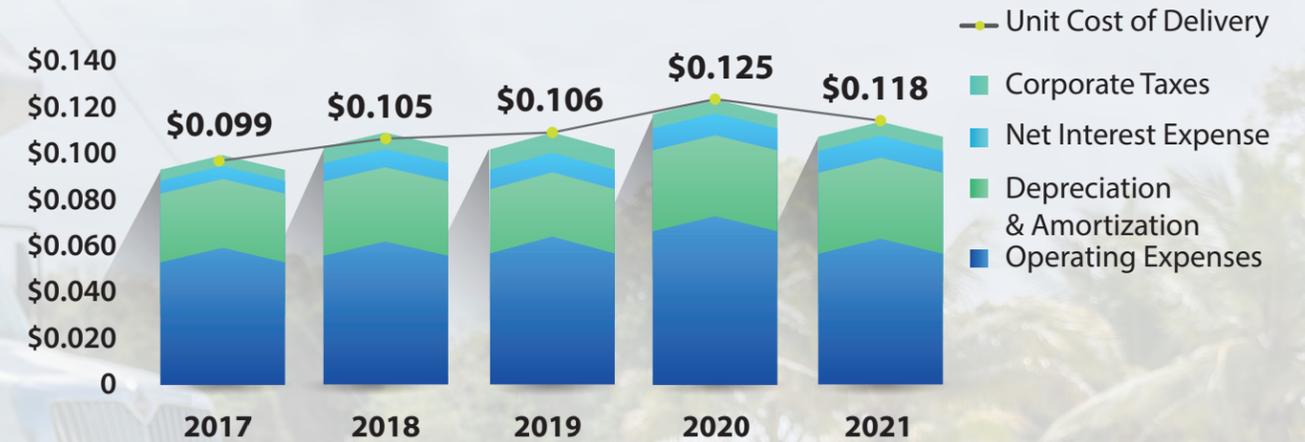


Pictured - Santander



BEL is focused on maintaining high levels of operational efficiency, aiming for high-quality, effective service delivery at reasonable cost.

Unit Cost of Delivery
(per kilowatt hour sold)
(Excludes Cost of Wholesale Power)



Operating expenses in 2021 reduced by \$2.2 million from 2020. While depreciation and amortization as well as financing costs increased in 2021, over 2020, BEL's investments have concentrated on reliability and system expansion, bolstering sales capacity and minimizing the unit cost of delivery. Future investments in grid modernization technology is expected to keep BEL competitive in this regard.

Pictured: Christopher Cho - Lineman, Distribution Operations, North Zone

99.81% SERVICE RELIABILITY

Average Service Availability (ASAI)

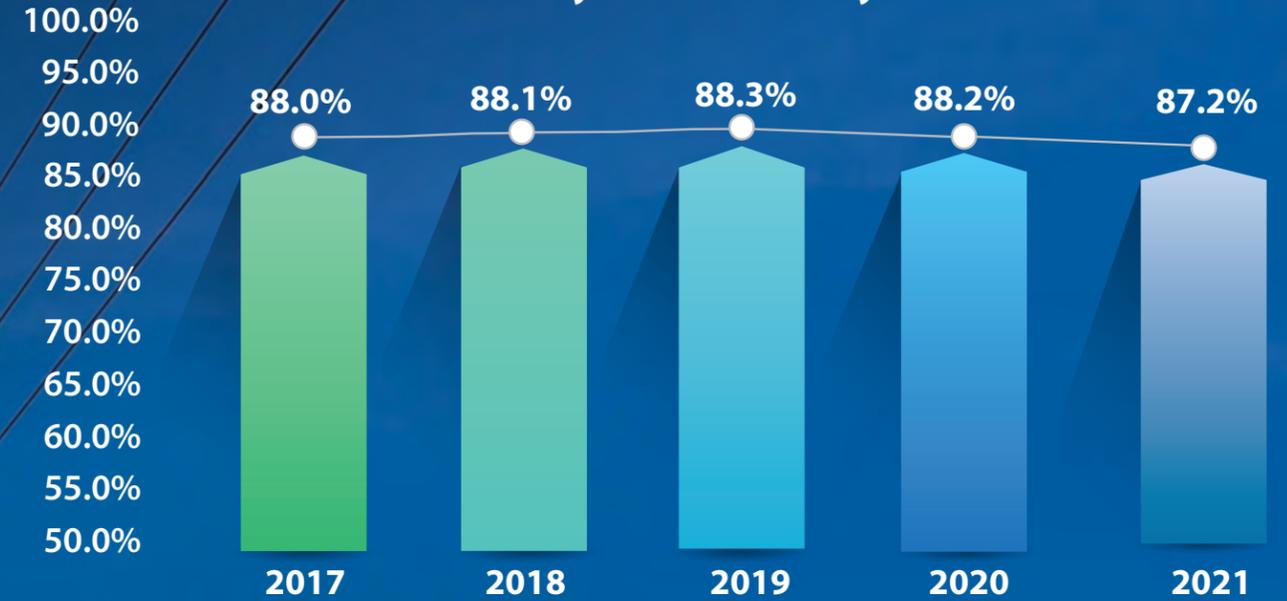


Pictured: Jose Diaz - Lineman IV, Distribution Operations, East Zone

GRID EFFICIENCY

Grid (energy transfer) efficiency decreased to 87.2% in 2021 from 88.2% in 2020. Due to an increase in load from higher sales, distribution and transmission line losses recorded increases of 0.8 and 0.2 percentage points respectively, and ultimately resulted in the reduction in efficiency.

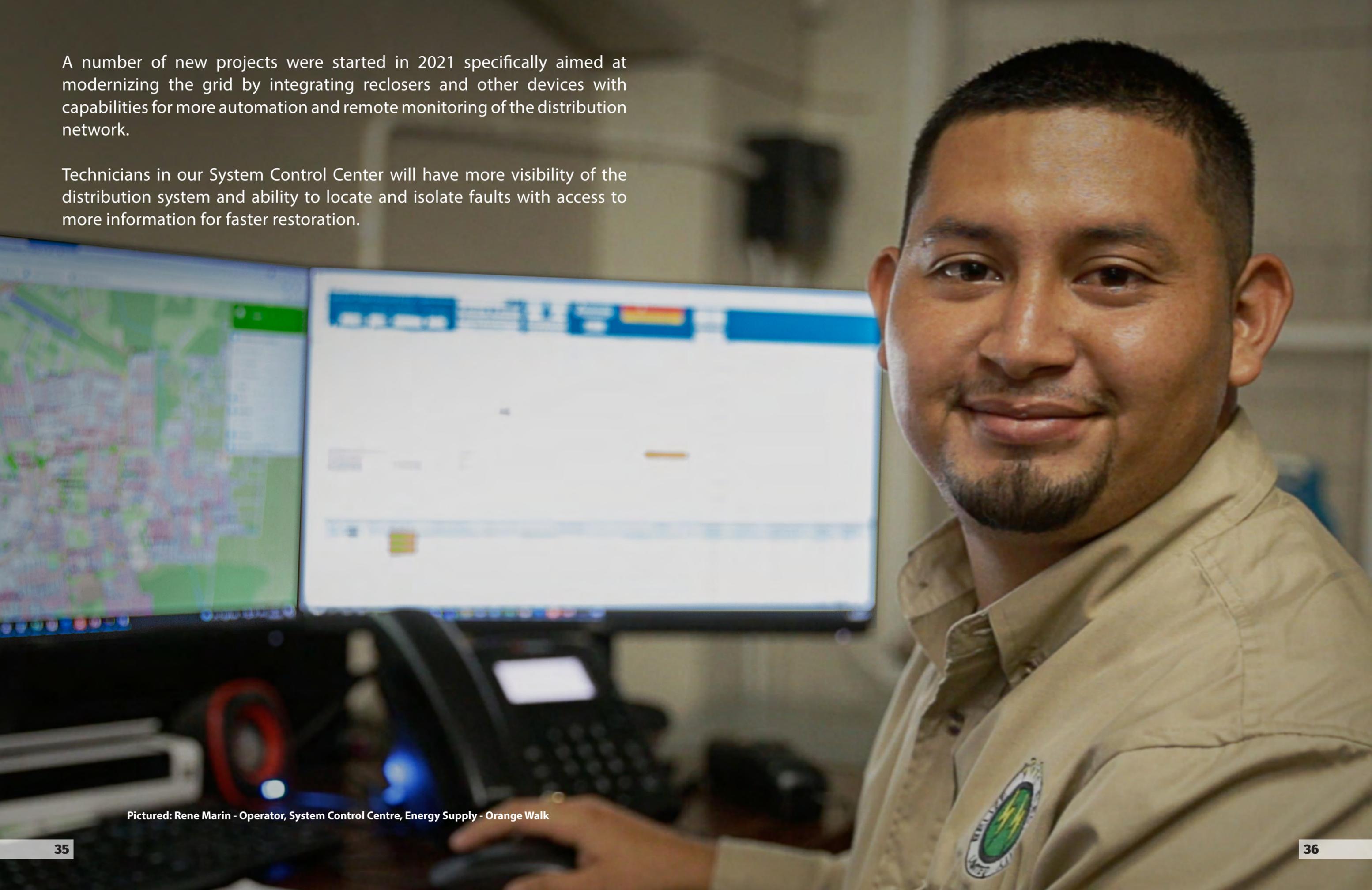
System Efficiency



Pictured: Christopher Bernard, Lineman Leadhand - Distribution Operations, South Zone

A number of new projects were started in 2021 specifically aimed at modernizing the grid by integrating reclosers and other devices with capabilities for more automation and remote monitoring of the distribution network.

Technicians in our System Control Center will have more visibility of the distribution system and ability to locate and isolate faults with access to more information for faster restoration.



Pictured: Rene Marin - Operator, System Control Centre, Energy Supply - Orange Walk

BUILDING LOCAL ENERGY CAPACITY THROUGH DISTRIBUTED GENERATION

BEL remains committed to seeking innovative solutions to invest and integrate distributed generation into the energy mix, through decentralizing energy generation and building local energy capacity in Belize. The legal and regulatory framework, as well as interconnection standards, rate structure and feed-in tariffs, are being developed in collaboration with the PUC that will allow BEL to expand its range of services to include Distributed Generation (DG). Interconnected customers enrolled in BEL's Solar PV Programs will be able to sell excess energy to the national grid thereby increasing Belize's renewable energy profile.

EXPANDING ACCESS

Over 2,400 households in over 100 communities have been connected to safe, reliable, and sustainable electricity service since 2017 through BEL's System Expansion Program.

In 2021, BEL connected the 12 communities of Petville, Indian Creek, Copper Bank, San Estevan, San Roman, Gardenia Village, Black Water Creek (West) and San Joaquin, and installed electrical infrastructure for a number of other areas that are scheduled for 2022.

The Rural Electrification Program was extended to include peri-urban communities countrywide that are in close proximity to the grid. In North Caye Caulker, 1.2 miles of high voltage lines were installed and consultations commenced with the Government and other stakeholders for the connection of remote communities via mini-grid systems.

Pictured: Otoxha, Toledo

BOLSTERING RELIABILITY AND CAPACITY

We continue to plan ahead and build a modern energy delivery infrastructure that supports the country's overall investment and economic development strategies and ensure we are able to provide safe, reliable and sustainable energy solutions in all communities across Belize.

Our vision for our island communities and their growth remains a key component of our system expansion plans. The long-delayed connection of Caye Caulker to the grid via submarine cable from Ambergris Caye is slated for completion at the end of the year 2022. The project has been substantially upgraded from its initial conception to almost twice the power transfer capacity and will be further underpinned by the planned addition of a second larger submarine cable to Ambergris Caye from the mainland, which together will bolster reliability and capacity to these two very important tourism destinations.

During the year, BEL commenced a Least Cost System Expansion Planning Study that will assist in developing a medium and long-term strategy for new investments in energy generation and transmission systems. The study will evaluate additional utility-scale generation options including other renewable sources and low carbon natural gas generation as well as alternative cross-border interconnections with Mexico and Guatemala. Interconnecting with Guatemala is one of several initiatives being pursued by the Company in support of our plans to reduce dependency on Comisión Federal de Electricidad (CFE) for baseload supply.



**Pictured: Stephen Gilharry – Manager - Transmission, Substation Operations & Maintenance - Substation Maintenance
Hilmar Vega – Lineman, Distribution Operations, North Zone**

TAKING CARE OF OUR OWN

Our Annual Safety, Health and Environment Action Plan includes activities to enhance employees' knowledge and awareness of best practices and to reinforce health-conscious behaviours.

In 2021, the Company completed 95.3% of planned activities associated with promoting COVID-19 safety. At December 31, 2021, 287 employees were fully vaccinated against COVID-19.



Pictured: Jason Bennett - Substation Maintenance Supervisor, Transmission, Substation Operations & Maintenance
Nerida Chan - Registered Nurse, Safety, Health & the Environment



EMBRACING OUR NEW WORK EXPERIENCE

Our teams continue to maximize the use of technology to deliver services from anywhere.

Training and Development provides employees with new opportunities to gain hands-on experience and exposure, to enhance their knowledge in different areas.

Pictured: Avril Bennett - Systems Administrator, Information Technology & Cybersecurity

We continued to deliver uninterrupted service in the second year of the pandemic through a mix of on-site and remote work. Customers were able to access our full line of services through phone, email, WhatsApp and the new BEL 24-7 Mobile App.



Download
BEL 24-7 APP



Pictured: Juan Novelo - Electrical Technician Leadhand, Transmission & Substation

Progressive approaches to a hybrid workplace include developing and enhancing digital tools to enable our teams to operate in the post pandemic phase.



Pictured: Chai Hung Lu – Buyer, Procurement & Inventory Management



2022 Outlook *EMERGING ENERGY SOLUTIONS*

Electricity demand is forecasted to normalize to pre-pandemic levels in 2022 with sustained annual growth of 3% or more in the medium term. Projections are subject to potentially adverse economic impacts on global supply chains as the Russian invasion of Ukraine creates instability in Europe and with its trading partners.

BEL's on-going partnership with the European Union will see \$11 million invested in connecting over 550 households across five remote villages using hybrid solar, diesel and battery technologies in a mini-grid electricity scheme.

The Company also intends to stimulate the market for electric ground transportation, and has already started building out the charging ecosystem to support this new growth area.

To support and facilitate the option for customers to self-generate where possible and sell electricity into the grid, BEL has applied to the PUC for the approval of appropriate tariffs and interconnection standards to facilitate distributed generation.

**BEL IS PREPARING FOR A FUTURE WHERE
ELECTRICITY WILL POWER EVERYTHING, EVERYWHERE!**

FINANCIAL & OPERATING STATISTICS

	2021	2020	2019	2018	2017	2016	2015 - 2011 Average	2010 - 2006 Average
FINANCIAL STATISTICS								
(Belize thousands of dollars except as noted)								
Energy Revenues	228,540	227,597	247,657	215,141	207,227	197,001	208,698	165,371
Net Profit (Loss)	34,010	46,662	3,089	(4,371)	17,773	27,292	13,397	11,491
Dividends Paid	27,609	6,902	-	13,805	20,017	27,859	5,355	6,042
Net Fixed Assets	544,211	523,388	507,506	473,793	464,612	450,599	434,646	394,158
Capital Expenditures	44,157	40,085	39,546	30,604	33,558	38,898	22,821	41,703
Total Assets	643,277	668,452	590,292	546,157	554,966	545,811	499,088	444,624
Capital Contribution	48,772	50,740	51,471	51,398	50,199	49,856	40,174	24,389
Long Term Debt (including Lease Liability)	28,487	27,720	26,052	9,993	10,531	2,564	4,008	36,590
Debentures	97,735	122,735	87,700	77,500	77,500	77,500	75,656	67,100
Shareholders' Equity (excluding Contributed Capital)	387,119	380,718	340,959	337,869	359,419	361,663	326,175	249,864
Financial Indicators								
Rate of Return on Net Fixed Assets	8.3%	11.3%	1.8%	-0.2%	5.0%	7.5%	4.9%	5.7%
Rate of Return on Investment ¹	25%	34%	2%	-3%	13%	20%	9.7%	8.3%
Rate of Return on Shareholders' Equity	8.9%	12.9%	0.9%	-1.3%	4.9%	7.5%	4.0%	5.1%
Earnings/Loss (\$ per share)	0.49	0.68	0.04	(0.06)	0.26	0.40	0.20	0.19
Dividends Declared for Years Ended (\$ per share)	-	0.20	0.20	0.10	0.20	0.54	0.09	0.11
Book Value per Share (BVPS)	5.61	5.52	4.94	4.90	5.21	5.24	4.73	3.62
Gearing Ratio ²	49%	56%	52%	45%	42%	39%	45%	76%
OPERATING STATISTICS								
Reliability of the Transmission & Distribution System								
Average duration of power outages - SAIDI	15.14	17.89	15.07	12.01	13.12	19.3	20.7	35.4
Average number of power outages - SAIFI	11.75	11.09	7.47	9.93	11.54	13.2	14.7	29.1
System Outages due to IPPs, Hurricane & Vandalism								
Average duration of power outages - SAIDI	1.86	0.58	1.78	2.17	1.11	24.42	2.6	12.8
Average number of power outages - SAIFI	2.90	1.21	3.80	3.85	4.3	6.6	4.5	6.1
Sales (MWh)								
Commercial	265,033	249,848	305,646	289,712	286,664	281,892	214,836	125,107
Industrial	18,742	19,511	19,527	20,836	30,466	32,567	38,742	25,500
Residential	252,092	245,265	239,192	218,989	209,180	199,843	201,629	223,738
Street Lighting	24,926	24,645	23,986	24,896	26,168	26,619	25,427	24,044
Total	560,793	539,269	588,351	554,434	552,478	540,921	480,635	398,389
Mean Electricity Rates (MER) \$/kWh								
	0.4075	0.4220	0.4209	0.3880	0.3751	0.3642	0.4342	0.4151
Customer Accounts (numbers)								
Industrial, Commercial & Street Lighting	18,028	17,901	18,076	18,266	18,210	18,003	13,804	711
Residential	89,264	85,921	82,895	79,448	76,255	72,632	68,742	73,380
Total	107,292	103,822	100,971	97,714	94,465	90,635	82,546	74,091
Number of Customer Accounts per Employees	334	331	324	311	299	291	290	277
Net Generation (MWh)								
Net Diesel Generation	10,858	8,943	33,173	16,848	15,514	14,354	10,954	20,657
Purchased Power - BECOL	146,936	228,514	64,614	232,480	267,650	247,012	229,065	193,112
Purchased Power - Hydro Maya	10,390	13,473	9,954	15,131	14,509	13,491	11,651	11,230
Purchased Power - BAL/BAPCOL	39,551	10,612	85,147	37,051	19,436	17,497	3,855	26,621
Purchased Power - Belcogen	24,426	47,195	68,533	71,897	63,939	78,886	66,723	24,753
Purchased Power - CFE	380,195	270,239	383,726	235,155	230,138	243,429	226,111	211,909
Purchased Power - SS	33,082	34,137	23,387	21,937	18,401	-	-	-
JICA	595	568	650	593	573	-	374	-
Total	646,034	613,681	669,185	631,093	630,159	614,669	548,733	488,282
Other								
Total System Losses	12.8%	11.8%	11.7%	11.9%	12.0%	11.6%	12.2%	12.5%
Peak Demand (MW)	103.5	102.7	105.6	104.2	104.5	96.0	85.9	73.5
Number of Employees	321	314	312	314	316	311	285	267

Certain comparative figures may have been reclassified to confirm with the current year's presentation.
¹Return on Investment: Net profit/(loss) divided by the total par value of the common shares outstanding.
²Gearing Ratio: The ratio of debt to equity.

AUDITED FINANCIAL STATEMENTS

BELIZE ELECTRICITY LIMITED

TABLE OF CONTENTS

	Page (s)
Independent auditor's report	1 - 3
Financial Statements for the year ended December 31, 2021	
Statements of financial position	4
Statements of profit or loss and other comprehensive income	5
Statements of changes in equity	6
Statements of cash flow	7
Notes to the financial statements	8 - 39

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, 2021, 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, 2021, 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.



Accountants &
business advisers

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 12, 2022

Belize Electricity Limited

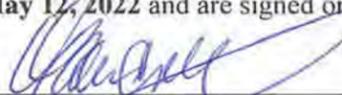
STATEMENT OF FINANCIAL POSITION

December 31, 2021

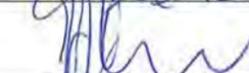
(in thousands of Belize dollars)

	Notes	December 31 2021	December 31 2020
Assets			
Current assets:			
Cash and cash equivalents	2g, 27	25,118	76,729
Short term investments	2h, 27	5,000	5,000
Trade receivables	2i, 3, 27, 28	32,127	28,820
Other receivables	2i, 27	2,236	2,253
Prepayment	2j	4,221	1,020
Materials and supplies	2k, 4	29,135	29,414
Total current assets		97,837	143,236
Non-current assets:			
Property, plant and equipment	2l, 5	544,211	523,388
Intangible assets	2m, 6	1,229	1,828
Total non-current assets		545,440	525,216
Total Assets		\$ 643,277	\$ 668,452
Liabilities and Equity			
Current liabilities:			
Trade and other payables	2p, x, 7, 27, 28	57,296	63,790
Current portion of long-term debt	2r, 10, 28	2,097	1,633
Current portion of lease liability	2y, 10, 28	742	727
Taxes payable	2q, 9, 27, 28	2,104	2,031
Total current liabilities		62,239	68,181
Non-current liabilities:			
Capital contributions	15	48,772	50,740
Deferred grant contribution	8, 27, 28	6,834	6,834
Long-term debt	2r, 10, 27, 28	14,202	12,693
Lease Liability	2y, 10, 27, 28	14,285	15,027
Debentures	11, 27, 28	97,735	122,735
Consumer deposits	12, 28	12,091	11,524
Total non-current liabilities		193,919	219,553
Total liabilities		256,158	287,734
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		233,220	226,819
Total equity		387,119	380,718
Total Liabilities and Equity		\$ 643,277	\$ 668,452

The financial statements on pages 4 to 7 were approved and authorized for issue by the Board of Directors on May 12, 2022 and are signed on its behalf by:

 Chairman

 Director

 Chief Executive Officer

The notes on pages 8 – 39 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, 2021

(in thousands of Belize dollars)

	Notes	2021	2020
Revenues	2s, 17	228,540	227,597
Cost of power	2u, 18	(135,893)	(118,752)
Gross profit		<u>92,647</u>	108,845
Other income	19	7,305	5,264
Operating expenses	2v, 20	<u>(55,744)</u>	(57,594)
Profit before interest income, interest expenses and taxes		<u>44,208</u>	56,515
Interest income	2s	126	126
Interest expense	2v, 21	<u>(6,262)</u>	(5,937)
Net interest expense		<u>(6,136)</u>	(5,811)
Profit before business tax		<u>38,072</u>	50,704
Business tax	2q, 22	<u>(4,062)</u>	(4,042)
Profit for the year from continuing operations		<u>34,010</u>	46,662
Other comprehensive income		<u>-</u>	-
Total comprehensive income for the year		<u><u>\$ 34,010</u></u>	<u><u>\$ 46,662</u></u>
Earnings per share (expressed in \$ per share)			
Total earnings per share attributable to ordinary equity holders:			
Basic	23	<u>\$ 0.49</u>	<u>\$ 0.68</u>
Diluted		<u>\$ 0.49</u>	<u>\$ 0.68</u>

The notes on pages 8 – 39 form an integral part of these financial statements.

Belize Electricity Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

	Ordinary shares	Additional paid-in capital	Insurance reserve	Revaluation reserve	Retained earnings	Total
Balance, January 1, 2020	\$ 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	<u>138,046</u>	<u>5,741</u>	<u>5,000</u>	<u>5,112</u>	<u>226,819</u>	<u>380,718</u>
<i>Comprehensive income:</i>						
Profit for the year	-	-	-	-	34,010	34,010
Total comprehensive income for the year	-	-	-	-	34,010	34,010
<i>Transactions with owners of the Company recognized directly in equity:</i>						
Dividends declared and paid (Notes 2x, 24)	-	-	-	-	(27,609)	(27,609)
Total transactions with owners	-	-	-	-	(27,609)	(27,609)
Balance, December 31, 2021	<u>\$ 138,046</u>	<u>\$ 5,741</u>	<u>\$ 5,000</u>	<u>\$ 5,112</u>	<u>\$ 233,220</u>	<u>\$ 387,119</u>

The notes on pages 8 – 39 form an integral part of these financial statements.

Belize Electricity Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

	Notes	2021	2020
Cash flow provided by			
Operating activities			
Profit for the year		34,010	46,662
Adjustments for:			
Amortization of intangible assets	6	913	964
Depreciation	5	22,878	22,313
(Gain) Loss on disposal of assets		100	383
Impairment of trade receivables		1,496	(4,119)
Obsolescence expense		(1,348)	(187)
Amortization of capital contribution		(1,479)	(1,728)
Business tax		4,062	4,042
Interest expense		6,262	5,937
Changes in items of working capital:			
Trade and other receivables		(7,988)	(3,686)
Materials and supplies		1,627	3,039
Trade and other payables		(6,415)	1,389
		54,118	75,009
Business tax paid		(4,051)	(4,093)
Interest paid		(6,278)	(7,796)
Net cash generated from operating activities		\$ 43,789	\$ 63,120
Investing activities			
Purchase of property, plant and equipment	5	(44,157)	(40,085)
Proceeds from sale of property plant and equipment		42	57
Net cash used in investing activities		\$ (44,115)	\$ (40,028)
Financing activities			
Term deposits - net		-	-
Proceeds from Short term debt		-	18,000
Proceeds from long term debt		3,655	4,049
Proceeds from debenture issue		-	45,235
Payment on short-term debt		-	(28,200)
Proceeds received from Grant	8	-	2,098
Debentures Redeemed	11	(25,000)	-
Payment on long-term debt		(1,682)	(1,198)
Payment on lease liability		(727)	(713)
Dividends paid	24	(27,609)	(6,902)
Consumer deposits		567	383
Capital contributions	15	(489)	996
Net cash (used in) generated from financing activities		\$ (51,285)	\$ 33,748
Net (decrease) increase in cash and cash equivalents		(51,611)	56,840
Cash and cash equivalents, beginning of the year		76,729	19,889
Cash and cash equivalents, end of the year		\$ 25,118	\$ 76,729

\$273 thousand is restricted for use on the Power VI Project and \$4.886 million is restricted for use on the ERCAP Belize Project (see note 8).

The notes on pages 8 – 39 form an integral part of these financial statements.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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 Cayman Inc. by way of Statutory Instrument No. 12 of 2015 settled in part with shares totaling 33.3% shareholding in the Company, making Fortis Cayman 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 determine the Mean Electricity Rate (MER), Tariffs and Fees based on three cost components comprising BEL's Revenue Requirement; 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 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 8 per cent to 12 per cent.

The third component is rate adjustments based on corrections for differences between the PUC Approved Tariff Basket Revenue (BEL Revenue Requirement) and the realized Tariff Basket Revenue (actual revenue collected by BEL based on audited financials). As of December 31, 2021, BEL estimated variance (regulatory account balance) in favour of the Company of \$22.4 million (2020 - \$30.8 million).

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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, 2021

(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, 2021**

(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
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 amendments were adopted but has no current impact on the financial statements.

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
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.

Belize Electricity Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Change in accounting policies (Continued)

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The IASB has made amendments to IAS 16 'Property, Plant and Equipment — Proceeds before Intended Use' 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. The amendments to IAS 16 prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	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)	The IASB has made amendments to IAS 1 Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendment changes the guidance for the classification of liabilities as current or non-current. It could affect the classification of liabilities, particularly for entities that previously considered Management’s intentions to determine classification and for some liabilities that can be converted into equity. All entities should reconsider their existing classification in the light of the amendment and determine whether any changes are required. Adoption of these amendments is not expected to have a significant impact on the financial statements.	January 1, 2022	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Change in accounting policies (Continued)

Provisions, contingent liabilities and contingent assets (Amendments to IAS 37)	The IASB has made amendments to IAS 37 Onerous Contracts — Cost of Fulfilling a Contract regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Adoption is not expected to impact the financial statements significantly.	January 1, 2022	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.
'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The adoption of the amendments is not expected to have a significant impact on the financial statements.	January 1, 2023	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.
Accounting policies, changes in accounting estimates and errors (Amendments to IAS 8)	On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The adoption of the amendments is not expected to have a significant impact on the financial statements.	January 1, 2023	The amendments will be adopted when they become effective. Their effect, if any, will be quantified at that time.

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, 2021

(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. The Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics. They have therefore been grouped based on the days past due (see Note 28(b)).

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, 2021

(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 comprises 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, plant 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.

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 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 expensed as the contributions become payable.

While in pensionable service, each participant pays contributions at a rate between 4% and 10% per annum of their pensionable salary with the option to increase their 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, the Collective Bargaining Agreement with the Belize Energy Workers' Union 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.

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 reflect the transfer of 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 revenue recognition process followed by the Company is carried out 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 on the basis of kilowatt-hours delivered to customers derived from monthly customer meter readings and the applicable tariffs authorized by the PUC in its annual rate-setting reviews and adjustments.

(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, 2021

(in thousands of Belize dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Grants

Grants are recognized 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 recognized 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, comprising principally: Comisión Federal De Electricidad (CFE) from Mexico; Belize Electric Company's (BECOL) hydroelectric plants in the Cayo District; Hydro Maya Limited's hydroelectric plant in the Toledo District; Belize Co-Generation Energy Limited's (Belcogen) co-generation plant in the Orange Walk District; Santander Sugar Energy Limited's (Santander) co-generation plant in the Cayo District; Blair Athol Power Company's (Bapcol) diesel/HFO-fuelled plant in the Stann Creek District; and the Company's own 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, 2021

(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

	2021	2020
Consumers (Note 28)	38,890	37,080
Less: provision for doubtful debts (Note 28)	(6,763)	(8,260)
	<u>\$ 32,127</u>	<u>\$ 28,820</u>

Provision for doubtful debts is comprised as follows:

Balance, January 1	8,260	4,141
(Decrease) Addition in provision	(1,497)	4,119
Write off	-	-
Balance, December 31	<u>\$ 6,763</u>	<u>\$ 8,260</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

4. MATERIALS AND SUPPLIES

	2021	2020
Bulkstores	28,281	26,798
Fuel and oil	3,035	4,873
	<u>31,316</u>	<u>31,671</u>
Less: provision for damaged and obsolete spares	<u>(2,181)</u>	<u>(2,257)</u>
	<u>\$ 29,135</u>	<u>\$ 29,414</u>
Provision for damaged and obsolete spares		
Balance, January 1	2,257	2,171
Provision adjustment	(76)	86
Balance, December 31	<u>\$ 2,181</u>	<u>\$ 2,257</u>

5. PROPERTY, PLANT, AND EQUIPMENT

Year Ended December 31, 2021

	Land and buildings	Plant, machinery and equipment	Right of use asset	Asset under construction	Total
Cost/Valuation					
January 1, 2021	25,378	740,045	17,061	35,632	818,116
Additions	-	-	-	44,157	44,157
Transfers	1,188	35,581	-	(37,083)	(314)
Disposals	-	(222)	-	-	(222)
December 31, 2021	<u>26,566</u>	<u>775,404</u>	<u>17,061</u>	<u>42,706</u>	<u>861,737</u>
Accumulated Depreciation					
January 1, 2021	9,366	283,787	1,575	-	294,728
Additions	565	21,460	853	-	22,878
Transfers	-	-	-	-	-
Disposals	-	(80)	-	-	(80)
December 31, 2021	<u>9,931</u>	<u>305,167</u>	<u>2,428</u>	<u>-</u>	<u>317,526</u>
Net Book Value December 31, 2021	<u>\$ 16,635</u>	<u>\$ 470,237</u>	<u>\$ 14,633</u>	<u>\$ 42,706</u>	<u>\$ 544,211</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

5. PROPERTY, PLANT, AND EQUIPMENT (Continued)

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	<u>\$ 16,012</u>	<u>\$ 456,258</u>	<u>\$ 15,486</u>	<u>\$ 35,632</u>	<u>\$ 523,388</u>

A depreciation charge of \$1.325 million (2020 - \$1.198 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 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.

6. INTANGIBLE ASSETS

	Computer software	Transmission rights	Total
Cost			
January 1, 2021	10,820	2,757	13,577
Transfer	314	-	314
Additions	-	-	-
December 31, 2021	<u>11,134</u>	<u>2,757</u>	<u>13,891</u>
Accumulated Amortization			
January 1, 2021	8,992	2,757	11,749
Transfer	-	-	-
Additions	913	-	913
December 31, 2021	<u>9,905</u>	<u>2,757</u>	<u>12,662</u>
Net Book Value December 31, 2021	<u>\$ 1,229</u>	<u>\$ -</u>	<u>\$ 1,229</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

6. INTANGIBLE ASSETS (Continued)

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 \$314 thousand (2020 –\$1.657 million) represents the cost in asset under construction that was transferred to intangible assets (see Note 5).

7. TRADE AND OTHER PAYABLES

	2021	2020
Trade Payables	51,910	58,251
Payroll liabilities	2,184	2,236
Refunds and other costs	759	939
Stale dated checks	945	918
Dividends payable	468	400
Interest Payable	192	208
EIB training fund	838	838
	<u>\$57,296</u>	<u>\$ 63,790</u>

8. DEFERRED GRANT CONTRIBUTION

	2021	2020
Deferred grant contribution at the beginning of the year	6,834	4,736
Grant funds received during the year	-	2,098
Amount set off against expenses during the year	-	-
Deferred grant contribution at the end of the year	<u>\$ 6,834</u>	<u>\$ 6,834</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

8. DEFERRED GRANT CONTRIBUTION (Continued)

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, 2021, the total grant funds used was US\$974 thousand (December 31, 2020: US\$478 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 was slated for completion by May 31, 2022; however, the Company has applied for an extension of the project.

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

	2021	2020
Business tax	310	299
General sales tax	1,794	1,732
	<u>\$ 2,104</u>	<u>\$ 2,031</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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 installments. The loan bears interest at 1.00 % per annum commitment fee on the undrawn balance and 3.30% (2020 - 3.75%) interest on the loan amount. Undrawn amount at December 31, 2021 was US\$665,482.26.

	2021	2020
	16,166	14,191

Loan No. 23/OR-BZ

Drawdown on Loan facility granted on August 6, 2019, for US\$ 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\$3,117,000 repayable in 48 quarterly installments. The 13904-EIB V (CALC11) bears interest at 1.00 % per annum commitment fee on the undrawn balance and 1.78% (2020 – 1.78%) interest on the loan amount.

The Fund 10000-EQUITY & RESERVES for US\$3,723,000 repayable in 48 quarterly installments commencing, it bears interest at 1.00 % per annum commitment fee on the undrawn balance and 3.30% (2020 - 3.75%) interest on the loan amount. Undrawn amount at December 31, 2021 was US\$6,772,328.

	133	135
--	-----	-----

Less Current portion (repayable in 12 months)

	16,299	14,326
	(2,097)	(1,633)
	<u>\$ 14,202</u>	<u>\$ 12,693</u>

The loan is repayable as follows:

2022	2,097
2023	2,097
2024	2,097
2025	2,097
2026	2,097
2027 and thereafter	5,814
	<u>\$ 16,299</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.

	2021	2020
	15,027	15,754

Less Current portion (repayable in 12 months)

	15,027	15,754
	(742)	(727)
	<u>\$ 14,285</u>	<u>\$ 15,027</u>

The leases are repayable as follows:

Within one year	742
Later than one year but no later than five years	3,863
Later than five years	10,422
	<u>\$ 15,027</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

11. DEBENTURES

	2021	2020
Series 5: 250,000 unsecured debentures of \$100 each to mature December 31, 2024 with interest payable quarterly at 7% per annum (see note (a) below).	-	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	45,235
	<u>\$ 97,735</u>	<u>\$ 122,735</u>

- (a) The Series 5 debentures could 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. On September 30, 2021, the Company exercised its call option on the \$25 million 7.0% Series 5 Debentures giving 45 days' notice.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

12. CONSUMER DEPOSITS

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

13. SHARE CAPITAL

	2021	2020
Ordinary shares:		
Authorized 100,000,000 shares of \$2.00 each	\$ 200,000	\$ 200,000
Issued and fully paid 69,023,009 shares of \$2.00 each	\$ 138,046	\$ 138,046
Convertible redeemable preference shares:		
Authorized 12,000,000 shares of \$2.00 each	\$ 24,000	\$ 24,000
Issued and fully paid shares of \$2.00 each	NIL	NIL

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.

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.

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.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

13. SHARE CAPITAL (Continued)

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 2021 (2020 - \$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, 2021

(in thousands of Belize dollars)

15. CAPITAL CONTRIBUTIONS

Capital contributions are contributions by customers towards capital installation costs. In 2021, the European Union's contributions towards rural electrification programs were refunded. Capital contributions are amortized over the useful life of the relevant asset.

	2021	2020
Capital contributions brought forward	73,051	72,055
Additions	1,149	996
Refund	<u>(1,638)</u>	<u>-</u>
Capital contributions carried forward	72,562	73,051
Amortization brought forward	22,311	20,583
Additions	<u>1,479</u>	<u>1,728</u>
Amortization carried forward	23,790	22,311
Capital contributions—net	<u>\$ 48,772</u>	<u>\$ 50,740</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 January 10, 2019, the PUC approved a MER of \$0.4138 for the period January 1 to June 30, 2019; and, on June 26, 2019, the PUC further increased the MER to \$0.4151, with no change to the prevailing tariffs, for the period July 1 to December 31, 2019.

On January 22, 2020, BEL submitted a proposal for the FTRP 2020|2024 to further 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 a reduced MER of \$0.4018 for the period January 1, 2021, to June 30, 2021. On April 1, 2021, BEL submitted a proposal to retain the prevailing tariffs and accrue cost increases in the Regulatory Account Balance, however, on June 24, 2021, the PUC further reduced the MER to \$0.3999 with effect from July 1, 2021, through to June 30, 2024.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

18. COST OF POWER

	2021	2020
Power purchased	129,672	112,568
Power generation costs:		
Fuel	4,286	4,009
Operations and maintenance	610	977
Depreciation (Note 5)	<u>1,325</u>	<u>1,198</u>
	<u>\$ 135,893</u>	<u>\$ 118,752</u>

19. OTHER INCOME

	2021	2020
Service installations	26	73
Rent income	2,504	2,109
Amortization of capital contributions	1,479	1,728
Inventory adjustments	1,348	187
Sundry income	2,048	1,550
Loss on disposal of property, plant and equipment	<u>(100)</u>	<u>(383)</u>
	<u>\$ 7,305</u>	<u>\$ 5,264</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

20. OPERATING EXPENSES

	2021	2020
Bad debt expense	(1,497)	4,119
Company taxes and fees	1,371	2,146
Computer hardware and software Support	1,246	1,091
Contract labour	5,391	4,800
Corporate insurance	1,303	1,161
Depreciation and amortization	22,465	22,080
Donations & customer claims	694	489
Employee electricity discount	351	362
Employee service facility	699	468
Employer medical, life and social security expenses	1,129	1,123
Employer pension expense	1,240	1,180
Maintenance of office equipment	1	1
Maintenance of grounds and buildings	603	609
Materials	658	506
Notification and advertisements	461	352
Payroll expenses - labour & wages	14,602	12,696
Professional fees	321	316
Stationery & office supplies and postage and subscription	87	75
Telephone & communications	998	1,145
Training & certification	372	366
Travel expenses	196	175
Uniform & safety gear	584	279
Vegetation management	1,483	1,439
Vehicle maintenance	986	616
	<u>\$ 55,744</u>	<u>\$ 57,594</u>

21. INTEREST EXPENSE

	2021	2020
Interest expense	8,521	7,596
Lease liability interest	308	323
Interest capitalized	(2,567)	(1,982)
	<u>\$ 6,262</u>	<u>\$ 5,937</u>

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.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

23. EARNINGS PER SHARE

	2021	2020
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>0.49</u>	\$ <u>0.68</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>0.49</u>	\$ <u>0.68</u>
---	----------------	----------------

The following reflects the income and share capital data used in the basic and diluted earnings per share computations.

	2021	2020
Net profit attributable to ordinary shareholders for basic and diluted earnings	<u>\$ 34,010</u>	<u>\$ 46,662</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>\$ 0.49</u>	<u>\$ 0.68</u>
Diluted earnings per ordinary share	<u>\$ 0.49</u>	<u>\$ 0.68</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.

24. DIVIDENDS

Cash dividends on ordinary shares declared and paid:	2021	2020
Final dividends paid in 2021 for the fiscal years 2019 and 2020 was at 20 cents (2020: 10 cents) per fully paid share.	27,609	6,902
	<u>\$ 27,609</u>	<u>\$ 6,902</u>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

25. RELATED PARTY TRANSACTIONS

The Company is controlled by the Government of Belize who owns 32.58% of the shares. A statutory board of the Government of Belize, the Social Security Board owns 31.27%, Fortis Cayman Inc owns 33.30% and about 1,500 other shareholders own 2.85%.

The following transactions were carried out with related parties:

	2021	2020
(a) Sale of power		
Government of Belize	24,841	26,101
Belize Telemedia Limited	4,797	5,166
Belize Social Security Board	496	450
(b) Purchases of goods and services		
Belize Social Security contribution payments	702	690
Belize Social Security interest payments	334	431
Belize Social Security dividend payments	8,632	2,158
Belize Telemedia Limited telecommunications services	1,133	1,363
Belize Electric Company Limited power purchase	40,009	51,811
Government of Belize dividend payments	8,896	2,249
Fortis Cayman Inc. dividend payments	9,194	2,298
(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	1,314	1,487
(d) Year-end balances		
Receivable from related parties:		
Government of Belize	-	-
Social Security Board	-	6
Belize Telemedia Limited	2	-
Entities controlled by key management personnel	NIL	NIL
Payable to related parties:		
Government of Belize	841	836
Social Security Board	NIL	NIL
Belize Electric Company Limited	32,608	44,342
Belize Telemedia Limited - finance lease	15,027	15,754
Entities controlled by key management personnel	NIL	NIL

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

25. RELATED PARTY TRANSACTIONS (Continued)

	2021	2020
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 - Capital expenditure contracted for at the end of the period but not recognized as liabilities are as follows:

	2021	2020
Property, plant and equipment	\$ 20,767	\$ 15,839

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, 2021, 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 - As of December 31, 2021, there were five Right of Way claims of which three have been submitted to arbitration under Section 36 of the Electricity Act. The other two claims arose recently and are likely to be submitted for arbitration. The Company has assessed its exposure at approximately \$862,000 for all 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. 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. In May 2021, both parties agreed to settle this claim through arbitration.

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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.

	2021	2020
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	25,118	76,729
Short term investments	5,000	5,000
Trade receivables	32,127	28,820
Other receivables	1,536	1,616
Staff receivables	700	637
Total Financial Assets	<u>\$ 64,482</u>	<u>\$ 112,802</u>
Financial Liabilities		
Liabilities at amortised cost		
Trade and other payables	57,296	63,790
Taxes payable	2,104	2,031
Deferred grant contribution	6,834	6,834
Long-term debt	16,299	14,326
Debentures (short-term and long-term)	97,735	122,735
Lease liability *	15,027	15,754
Total Financial Liabilities	<u>\$ 195,295</u>	<u>\$ 225,470</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, 2021

(in thousands of Belize dollars)

28. FINANCIAL RISK MANAGEMENT (continued)

(a) Foreign exchange risk (continued)

The Company's foreign exchange risks are only eliminated when transactions are denominated in local currency. When transacting in foreign currency, the use of the US dollar minimizes foreign exchange risks, since the Belize dollar is tied to the US dollar at BZ\$2 to US\$1. On December 31, 2021, and 2020, 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 its credit risk. The Company's credit risk is concentrated as follows:

Government of Belize	9%
Residential customers	43%
Commercial customers	44%
Industrial customers	3%

On that basis, the allowance as of 31 December 2021 and 31 December 2020 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 2021							
Gross carrying amount	12,891	4,112	2,933	2,267	11,850	4,837	38,890
Customer deposits	(4,008)	(1,278)	(912)	(705)	(5,188)	-	(12,091)
	<u>8,883</u>	<u>2,834</u>	<u>2,021</u>	<u>1,562</u>	<u>6,662</u>	<u>4,837</u>	<u>26,799</u>
Expected loss rate	0.5%	1.5%	2.4%	3.2%	29.8%	95.0%	
Total loss allowance \$	<u>42</u>	<u>42</u>	<u>48</u>	<u>50</u>	<u>1,985</u>	<u>4,595</u>	<u>6,763</u>
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>

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(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 minimizing holdings of variable interest rate debt and maintaining a diversified debt portfolio.

(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 always meet operational needs. Such forecasting takes into consideration the Company's debt financing plans and the Company's 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 on 31 December 2021

	Within 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	-	57,296	-	-	57,296
Taxes payable	2,104	-	-	-	2,104
Deferred grant contribution	-	-	6,834	-	6,834
Debentures (short-term and long-term)	-	-	-	97,735	97,735
Long-term debt, including lease liability	663	2,176	11,510	16,977	31,326
	\$ 2,767	\$ 59,472	\$ 18,344	\$ 114,712	\$ 195,295

Belize Electricity Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Belize dollars)

28. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk (continued)

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	590	1,770	9,591	18,129	30,080
	\$ 2,621	\$ 65,560	\$ 41,425	\$ 115,864	\$ 225,470

(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 quantum of dividends paid to shareholders annually in accordance with its Dividend Policy, issue new shares or debt, or redeem 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 impact of the pandemic continued through the year 2021 across the country. The Company started to experience a rebound in sales, especially in the Residential and Commercial sales categories. However, the global effects of the pandemic in relation to shipping adversely affected the Company's ability to obtain critical supplies from international suppliers in a timely manner. This led to extended delays in connecting new services in some cases as priority was given to using materials and supplies for maintenance, upgrades and repairs to existing services. At the end of 2021, the country's economy started to re-open, positively impacting the Company's ability to acquire US dollars and reduce USD-denominated payables that had accumulated over the previous 21 months.

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

In April of 2022, the Company issued Series 9 Debentures in the amount of 600,000 unsecured debentures each valued at \$100 to mature June 30, 2034, with interest payable quarterly at 4.25% per annum.

CORPORATE INFORMATION

BOARD OF DIRECTORS

The Government of Belize (GOB), by virtue of its Special Share, appoints the Chairman Mr. E. Andrew Marshalleck and Director Anuar Flores to BEL's Board.

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 (SSB), 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 ordinary shares, appoints three Directors: Janelle Chanona (replacing Lynn Young), James Laurito and Kay Menzies.

Director Anthony Sylvestre is appointed by the Board itself.



E. Andrew Marshalleck S.C. **Chairman, Board of Directors**

Mr. Marshalleck heads the board of directors and leads the charge on the “big-picture” decisions at Belize Electricity Limited.

Mr. Marshalleck is Senior Legal Counsel who holds a Bachelor of Science Degree in Mathematics and Economics from Regis College, Colorado and a Bachelor of Law Degree from the University of the West Indies. He attended the Norman Manley Law School in Jamaica and secured a Legal Education Certificate on September 1, 1995. He was honoured by the Norman Manley Law School with the H.H. Dunn Memorial Prize for his performance in Statutory Interpretation and Legislative Drafting and with the Chairman’s Prize on graduation. He also briefly worked as a Research Officer at the Central Bank of Belize aggregating and analysing monetary statistics.

After being called to the Bar in Belize, he took up a position as an associate at the law firm of Barrow & Co. working with Senior Counsel Denys Barrow. He became managing partner of the firm when Denys Barrow S.C. took up judicial office outside of Belize. He was elevated to the rank of Senior Counsel on December 18, 2009, by Chief Justice Abdulai Conteh. He continues as a Managing Partner of Barrow & Co. LLP to date.



Marcello Blake
Director

Marcello Blake has over twenty years' experience in food distribution, banking, human resource management, finance and marketing. He is the President of the Belize Chamber of Commerce & Industry. He serves as a director on various Boards including the Social Security Board, Social Security Board of Belize Staff Pension Scheme, and the Belize Social Investment Fund, and is the representative appointed by the Board on BEL's Pension Board of Trustees. In 2021, he was appointed to the Commission of Inquiry to investigate the sale of government assets.

Mr. Blake holds a Master of Business Administration Degree from the University of the West Indies and a Bachelor's Degree in Accounting from the University of Belize. His diverse background and experience allows BEL to continue to deliver on its commitment to improve and expand services by steering the discussions on product innovation as part of the company's plans to diversify the energy landscape in Belize.



Amir Carrillo
Director

Amir Carrillo is the proprietor and current Managing Director of Triple A Imports located in the Orange Walk District. Mr. Carrillo has more than twenty years of experience in the import and distribution business in Central America, Mexico and the Caribbean. He was the Chairman of the Board of Orange Walk Technical High School from 2018 to 2020 and currently serves as the Vice Chairman of that Board. As a member of Board of Directors at BEL, Mr. Carrillo brings a wealth of merchandise business and administrative experience that serves the Company to ensure it delivers safe, reliable and sustainable energy solutions.



Wendy Castillo
Director

Wendy Castillo is the Founder and Owner of Onyx Consultancy and Azrak Services. Ms. Castillo served as Administrator and Public Relations Officer of the National Sports Council from 2003-2008. She was also the Administrator in the Ministry of Housing and Urban Renewal and performed as a Licensed Auctioneer and Realtor in that same Ministry. She currently sits on the Holy Redeemer Credit Union (HRCU) Board as the Vice-President, having previously served as a Director on that same Board. Ms. Castillo holds a Bachelor's Degree in Biology with a minor in Education from the University of Belize and an Associate's Degree in Medical Technology also from the University of Belize. She also holds a Certificate in Anti-Money Laundering obtained in Orlando Florida. Her experience aids Board polices and promotes a strong culture of compliance that encourages ethical conduct and prudent financial management.



Janelle Chanona
Director

Ms. Chanona holds a Master's Degree with distinction in Investigative Journalism from Nottingham Trent University in Nottingham, England. Upon her return to Belize, Janelle continued her work as a journalist, anchor and editor with a national broadcast company before establishing her own production firm in June 2008. Her commitment to sustainable development and human interest issues earned her several international awards and recognition throughout her journalism and broadcast production career. In January 2014, Director Chanona shifted gears from journalism to advocacy. Since then, she has advocated for national policies that protect natural resources and, more importantly, the people who depend on them in her role as the leader of Oceana in Belize. Her presence on the Board of Directors ensures that sustainability is integrated and remains at the forefront of BEL's overall investment and operations policy decisions.



Lawrence Ellis
Director

Lawrence Ellis is one of the founding members of the Belize Cancer Society since its inception in the 1990s. Mr. Ellis is the owner of Ellis Enterprises which assists projects seeking funding. He is the majority shareholder in Belize Maintenance Ltd. He is also currently serving as a Director on the Belize Social Security Board and the Belize Business Bureau. Director Ellis's experience helps guide decisions on funding for capital Projects and outreach to those in need.



Anuar Flores
Director

Anuar Flores brings a wealth of knowledge with over forty years of experience in the financial sector. He served as Financial Comptroller and Managing Director of the Santiago Castillo Group of Companies for more than 25 years, as Director of the Angelus Press Limited, and was once the Chairman of the Corozal Free Zone. From 1993 to 1998, Mr. Flores served as a member of the Board of Directors of the Central Bank of Belize and BEL. He served again as a member of the Board of Directors of BEL during the period 2008-2019.

Director Flores holds a Master of Business Administration degree from the University of the West Indies. He is currently the Business Leader, Financial Comptroller and Director of the Big Creek Group of Companies and the Port of Big Creek in Belize. He is also a member of the Board of Directors of Price Premier Products Limited and was the Chairman of the Audit and Risk Committee of Belize Electricity Limited for the year 2021.



Anil Hotchandani
Director

Anil Hotchandani has a profound understanding of the business and financial sector both locally (Belize) and globally. He began his career as an entrepreneur and businessman in 1983 with his first acquisition of a small retail business in Belize City. Over the last 35 years, his business has grown from small retail to a conglomerate that carries a remarkably diverse portfolio – real estate, retail, wholesale, logistics and international trade. Mr. Hotchandani currently sits as Chief Executive Office and Managing Director on several of these companies.

BEL envisions a future with a diversified energy landscape and Mr. Hotchandani's deep understanding of the business sector guides discussions on investments and capital projects.



James Laurito
Director

Mr. Laurito is the former Executive Vice President, Business Development of Fortis Inc. He has served as President and Chief Executive Officer of Central Hudson Gas & Electric Corporation in New York and also as President and Chief Executive Officer of New York State Electric and Gas Corporation, and Rochester Gas and Electric Corporation. He has also served on the board of many organizations, including the Advisory Board of the Federal Reserve Bank of New York, the Edison Electric Institute, American Gas Association and the University of Rochester Medical Center.

Mr. Laurito has a Bachelor's Degree in Civil Engineering from West Virginia University with further post-graduate executive management training at Columbia University in New York. Mr. Laurito ensures that corporate policies and discussions incorporate the transition towards a cleaner and more sustainable energy future in Belize.



Kay Menzies
Director

Kay Menzies is a graduate of Loyola University, New Orleans and holds a Master's Degree in Business Administration. In her twenty years as Managing Director at Karl H. Menzies Co. Ltd. in Belize, she has led the 52-year-old import distribution company through multiple transformations.

Ms. Menzies is also the Co-Founder Socias Ltd., a technology/digital transformation company. She is also a member of the Board of Directors for Grace Kennedy Belize Ltd., Honorary Consul for the Federal Republic of Germany, as well as Prosperity Honorary Consul for the United Kingdom. She is also the President and Chief Executive Officer of Belize Electric Company Ltd. (BECOL), succeeding former Director Lynn Young.

Ms. Menzies brings to BEL extensive experience with private sector development concerns such as taxation, enabling environment, access to finance and transportation challenges, particularly through her involvement with the Belize Chamber of Commerce & Industry where she had served two terms as President and continues to assist in an advisory role to date.



Anthony Sylvestre
Director

Anthony Sylvestre holds a Bachelor's Degree in English Education and Bachelor's Degree in Law. He is an attorney-at-law by profession, but brings with him knowledge and experience from serving on various organizations, including the Belize Advisory Council, the Belize Advisory Council on the Guatemalan Claim, the Income and Business Tax Appeals Board and the Policy and the Legislative Sub Committee of the National Aids Commission.

Director Sylvestre also serves as Chairman of the Board of Trustees of the University of Belize, where he was an adjunct lecturer between 2010 and 2019, and as a Director on the Board of the Belize Infrastructure Limited. He also served as a Senator in the National Assembly from 2014 - 2016.



Emilio Zabaneh
Director

Emilio Zabaneh is a graduate of the University of Southern Louisiana in Lafayette, with a Bachelor of Arts degree in Behavioural Sciences (1994). He is a self-employed businessman investing and working with land reclamation and construction projects for the past twenty-five years.

He is described as a man of service to local community and nation through philanthropy and political leadership. He has served on as village chairman and councillor in his home village of Independence and has been involved in countless community projects in Independence and in the wider South Stann Creek area.

His vision is to work to drive down the cost of the acquisition of power supplied to Belizean consumers; to lobby to get every household, where possible, connected to the national power grid; and to help steer BEL's decisions towards finding the most cost-effective strategies for providing universal access to safe, reliable, and sustainable energy solutions across Belize.



Andrea Badillo
Corporate Secretary

Andrea Badillo is the Manager, Executive Services and Corporate Secretary at Belize Electricity Limited. She has been employed with the Company for over 20 years and has extensive experience supporting the Board of Directors. Andrea holds a Bachelor of Science Degree in Business Administration.

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

Austin Castro - Manager, Information Technology & Cybersecurity

Marta Castillo - Manager, Internal Audit

Vonetta Burrell - Manager, Corporate Communications

Kevin Petzold - Manager, Special Projects

Sheena Kuylen Simpson - Manager, Planning & Engineering

Lisa Stanford - Manager, Customer Services & Relations

Lloyd Winsor - Manager, Procurement & Inventory Management

Karique Marin - Manager, Distribution Planning & Engineering

Barrymore Smith - Manager, Telecommunication Services

Leon Westby - Manager, Strategy & Business Innovation

Senaida Castillo - Manager, Finance & Accounting

Denise Gillett - Manager, HR Relations & Services

Sherman Ferguson - Manager, Customer Accounts

Omereyon Fregene - Manager, Energy Supply

Gillian Awe - Manager, Talent Acquisition and Development

Adelita Granados - Manager, Inventory Management

Stephen Gilharry - Manager, Transmission & Substation

Ashton Webster - Manager, Distribution Operations

Andrea Badillo - Manager, Executive Services & Corporate Secretary

BELIZE ENERGY WORKERS UNION

Jose Escalera – President

Aubrey Tillett – Vice President

Marvin Mora – General Secretary

Patrick Balan – Assistant General Secretary

Ronald Young – Acting Treasurer

Gregory Kerr – Councillor

Clarissa Vasquez – Councillor

Andy Pandy – Trustee

Alric Moore – Trustee

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

2½ Miles Philip Goldson Highway

P.O. Box 327

Belize City, Belize

Central America

Telephone: +501.227.0954

Email: corporate@bel.com.bz

FISCAL AGENT

Heritage Trust and Financial Services Limited

106 Princess Margaret Drive

P.O. Box 1988/1867

Belize City, Belize

Central America



www.bel.com.bz
corporate@bel.com.bz