



Belize Electricity Limited

Business Report

**OUR PEOPLE
IN ACTION**

WE ACT. ADAPT. and INNOVATE.





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Your Energy Solutions Provider.

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

Company Profile

Belize Electricity Limited (BEL) is the primary distributor of electricity in Belize, Central America. The Company served a Customer base of 113,698 accounts, sold 705.2 gigawatt-hours (GWh) of energy, and met peak power demand of 129.2 megawatts (MW) in 2024.

BEL owns and operates the national electricity grid which includes approximately 2,000 miles of transmission and primary distribution lines. Additionally, the Company owns 55 MW of installed generation capacity used primarily for backup supply. The national electricity grid is supplied from multiple energy sources including hydro, biomass, solar, and fossil fuels. Since 1998, the national electricity grid has been interconnected with Mexico's national electricity grid, which provided 55 MW of capacity and associated energy as well as grid support. All major service areas are connected to the national electricity grid except for the island community of Caye Caulker, which is isolated and, hence, supplied independently by BEL.

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



Edward Sutherland, Power Line Technician



Customers Accounts

113,698



Gigawatt-hours Sold

705.2



Peak Demand (MW)

129.2



Miles of Transmission Line

2,000+

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Chairman's Message

"A paradigm shift is required – one that rebalances our national priorities and reimagines how we organize to meet our energy needs. That shift must focus on reliability, stability, and empowering Customers to make informed energy choices."



E. Andrew Marshalleck, S.C.
Chairman of the Board of Directors
Belize Electricity Limited (BEL)

Rebalancing the Power Paradigm

In 2024, Belize Electricity Limited (BEL) demonstrated remarkable resilience and adaptability in the face of an increasingly complex energy landscape: A landscape in which our teams navigated significant challenges with agility and focus.

It was a year of learning and adaptation, marked by extreme weather patterns (especially during the hot months of May, June, July and August), regional supply constraints, and volatile power purchase costs, all while the regulated price to consumers remained fixed. While these challenges tested the resilience of our systems and the resolve of our teams, they reinforced an emerging imperative: *There is an urgent need for sectoral reform based on a balanced approach to securing safe, reliable and sustainable electricity for Belizeans.*

Despite realizing profits in 8 of the 12 months of the year, BEL ended the year with an overall loss of BZ\$9.7 million: a reflection of the volatility of the energy environment rather than a failure of operational management. This experience illuminated a fundamental truth: the energy sector must adapt. A model that prioritizes unlimited electricity at fixed low rates is no longer sustainable. A paradigm shift is required – one that rebalances our national priorities and reimagines how we organize to meet our energy needs. That shift must focus on reliability, stability, and empowering Customers to make informed energy choices. That paradigm shift is not the responsibility of BEL alone; policymakers, regulators and Customers must also play their part if we are to navigate even more challenging times ahead.

Rethinking Belize's Energy Model

For BEL, this means focusing on securing further sources of in-country firm power, without which the promise of variable renewable energy cannot be realized, especially given the growing

importance of reliability in Belize's energy future. For policymakers and regulators, it means rethinking long-standing assumptions about energy delivery and shifting emphasis from being primarily concerned with providing an unlimited supply of electricity at low rates to being more concerned with providing a reliable supply of electricity at stable prices. In the long run, a stable, reliable supply of electricity will prove more valuable to national development than artificially-constrained prices that send the wrong signals to consumers. All actors must work together to create a more adaptive, customer-centric energy ecosystem.

This is not to suggest that we should abandon efforts to lower electricity rates through the introduction of lower cost renewable sources of energy. This effort must, however, be done in addition to securing firm sources of power. This balance is essential to creating a stable and necessary foundation for integrating more renewable resources, including solar, biomass, hydropower, and distributed generation solutions that harness Belize's indigenous energy potential.

Secondly, in addition to new sources of firm power, there is also need for a new pricing methodology to set retail prices for consumers. This pricing methodology should allow for more dynamic pricing to reflect the actual acquisition cost of the required electricity as it varies over time. Consumers must be charged for electricity at prices that automatically adjust to match supply costs. Even now, in Quarter 2 of 2025, an internal team has been established and is actively working on the supporting model that will underpin BEL's proposal for a new pricing methodology.

A Customer-Centric Energy Future

In such an environment, the role of Customers becomes even more relevant as they are empowered to make informed choices and contribute to a more sustainable energy future. By adjusting their consumption patterns, such as shifting usage to times when

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electricity costs are lower under a Time-of-Use pricing model, Customers can achieve savings while also supporting system stability. The introduction of dynamic pricing will, therefore, result in increased charges to some Customers and reduced charges to others, depending on how they choose to use available electricity. It is important that this transition is managed equitably, with appropriate measures in place to support vulnerable Customers and ensure fair access to affordable energy solutions.

Equally critical is transforming how Customers not only use but also interact with electricity. A participatory energy model must emerge where Customers take control of their energy costs by rationalizing daily consumption and making real-time decisions about their power use. It cannot be reasonably expected of BEL to offer low retail prices at times when the cost of electricity exceeds the price. It can, however, be reasonable to expect that BEL will provide the infrastructure and the means for Customers to make informed decisions about how they will use energy.

To this end, BEL is also pushing forward to introduce smart meters and digital tools to give Customers this needed infrastructure. These internet-enabled devices will allow Customers to make those real-time decisions about their energy use, moving away from the traditional command-and-control approach and placing power, literally and figuratively, in the hands of the Customer.

Building a Resilient, Responsive Energy System

Reliable service to Customers at reasonable prices can therefore be achieved in this new environment by the combined effect of securing firm power at fixed prices, introducing renewables to lower average costs, and providing the needed infrastructure to Customers to allow them to make smart use of available power.

This is the future we must build and are building: a system where reliability and adaptability take priority, where our experience and knowledge inform modern solutions, and where Customers are empowered partners in shaping Belize’s energy future, an energy sector that is resilient, responsive, and rooted in the needs of the Belizean people.



E. Andrew Marshalleck, S.C.

Chairman of the Board of Directors
Belize Electricity Limited (BEL)



Board of Directors

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E. Andrew Marshalleck, S.C.
Chairman of the Board of Directors
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Ms. Kay Menzies
Deputy Chairperson

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Mr. Anuar Flores
Chairman, Audit & Risk Committee

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Mrs. Wendy Castillo
Director

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Mrs. Janelle Chanona Coye
Director

[Click to view biography](#)



Mr. Amir Carillo
Director

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Ms. Cynthia Garcia
Director

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Mr. Anil Hotchandani
Director

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H.E. Stuart Leslie
Director

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Mrs. Ashanti Martin
Director

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Mrs. Nigeli Sosa
Director

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Mr. Emilio Zabaneh
Director

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Leadership Team

Chief Executive Officer

JOHN MENCIAS

Master of Business Administration
Monash University, Melbourne, Australia

BSc, Computer & Electrical Engineering
University of the West Indies, Trinidad & Tobago

25* Years of
Service
WITH BELIZE ELECTRICITY LIMITED

General Manager, Energy Supply & Transmission

JOSE MORENO

BSc, Electrical Engineering
National University, Manila, Philippines

33 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

General Manager, Finance & Business Support and Chief Financial Officer

SEAN FULLER

BSc, Business Information System
University of Phoenix, United States of America

27 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

General Manager, Employee & Corporate Services and Legal Counsel

DAWN NUNEZ

Master of Business Administration
Durham University, United Kingdom

Bachelors of Law
University of London, United Kingdom
with Bar Certification from Northumbria University, UK

24 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

General Manager, Distribution Services

HERSCHEL ARMSTRONG

Professional Science Master's in Electrical Power Engineering
Washington State University, United States of America

18 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

General Manager, Commercial & Retail Services

AUSTIN CASTRO

Master of Science, Computer Information Systems & Cybersecurity
Boston University, United States of America

25 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

Manager, Strategy, Innovation & Regulatory Affairs

LEON WESTBY

Master of Business Administration
University of Massachusetts at Amherst, United States of America

M.Sc, Environmental Change and Management
Oxford University, United Kingdom

10 Years of
Service
WITH BELIZE ELECTRICITY LIMITED

*This figure represents both employment with and tenure on the Board of Directors of Belize Electricity Limited.

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Senior Management

34 Years | Denise Gillett, Manager, HR Relations & Services

25 Years | Andrea Badillo, Manager, Executive Services & Company Secretary

24 Years | Barrymore Smith, Manager, Telecommunication Services

20 Years | Vonetta Burrell, Manager, Customer Services & Relations

19 Years | Sherman Ferguson, Manager, Revenues & Customer Accounts

18 Years | Adelita Granados, Manager, Inventory & Logistics

18 Years | Elton Robinson, Manager, Facilities Management Services

17 Years | Senaida Castillo, Manager, Risk & Compliance

16 Years | Sheena Kuylen-Simpson, Manager, System Planning & Engineering

14 Years | Jemima Castaneda, Manager, Information Technology & Cybersecurity

12 Years | Ashton Webster, Manager, Distribution Operations

11 Years | Marta Castillo, Manager, Internal Audit

10 Years | Stephen Gilharry, Manager, Transmission & Substations

10 Years | Karique Marin, Manager, Distribution Planning & Engineering

9 Years | Omereyon Fregene, Manager, Energy Supply & System Control

8 Years | Leila Leslie, Manager, Corporate Communications

7 Years | Lisa Stanford, Manager, Marketing & Sales

6 Years | Rene Cuello, Manager, Budgets and Financial Reporting & Analysis

4 Years | Gillian Awe, Manager, Talent Acquisition & Development

1 Year | Melanie Lammey, Manager, Procurement Services

Belize Energy Workers Union

16 Years | Jose Escalera, President

10 Years | Aubrey Tillet, Vice President

25 Years | Marvin Mora, General Secretary

07 Years | Eddie Johnston, Assistant General Secretary

18 Years | Clarrisa Vasquez, Treasurer

20 Years | Ronald Young, Councilor

11 Years | Adolfo Oliva, Councilor

17 Years | Andy Pandey, Trustee

18 Years | Alric Moore, Trustee

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BEL's Strategic Pillars: Powering Progress with Purpose

As Belize's energy landscape evolves, BEL is guided by five strategic pillars that shape our long-term vision, drive operational excellence, and position the Company to meet the evolving needs of our nation. These pillars form the foundation of our business strategy and corporate purpose—ensuring that we deliver sustained value to our shareholders, partners, customers, and the communities we serve while navigating challenges, prioritizing investments, and adapting to the future.



Service Excellence Delivering Beyond Expectations

BEL is transforming into an agile, competitive energy solutions provider, delivering personalized experiences, timely support, and proactive solutions to Customers. We are committed to being responsive, transparent, and empathetic in every interaction, building trust and delivering value at every touchpoint.



Market Evolution Adapting and Innovating in a Changing World

BEL is redefining the traditional utility model by fostering partnerships, co-developing solutions with Customers, and opening new pathways for participation in the energy sector. We are shaping a more dynamic, inclusive, and forward-thinking energy marketplace.



Grid Reliability & Resilience A Future-Proof Energy Backbone

At the heart of BEL's operations lies a resilient and adaptive grid, a foundation that enables BEL to power homes, businesses, and industries reliably. BEL is investing in a grid that is stronger, smarter, and more resilient. The Company is investing in N-1 redundancy, automation, and enabling two-way energy flows from decentralized and customer-owned generation sources.



Energy Market Management Securing Stable and Sustainable Supply

With power purchases accounting for over 65% of costs, BEL is shaping a cost-effective, diverse and secure energy future. We are renegotiating PPAs, investing in local renewables, and applying risk management strategies to stabilize prices and ensure long-term sustainability.



Modernization & Innovation Driving Performance through Cutting-Edge Technologies

BEL is embedding innovation across operations—leveraging data, global best practices, and advanced technologies to improve decision-making, service delivery, and accelerated integration of emerging energy solutions.

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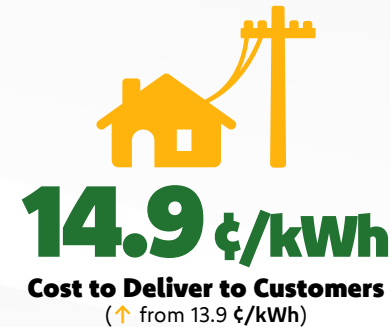
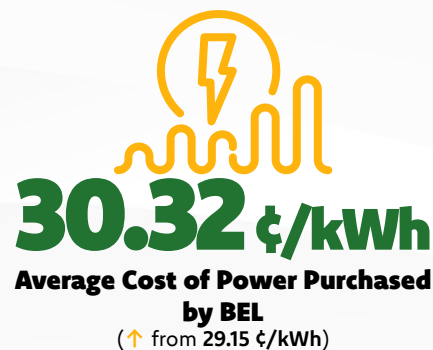
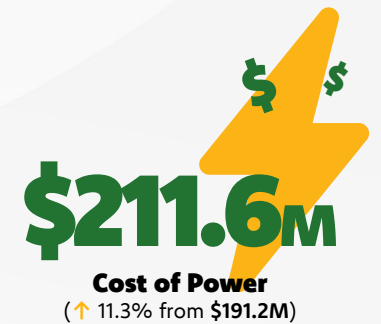
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Bladimir Alvarez, Power Line Technician



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\$153.3M

Capital Investment
(46% dedicated to local generation capacity)


809GWh

Total Net Generation
Including Power Purchased from CFE


5.3%

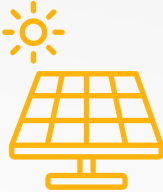
Reduction in Imported Electricity


77%

Local Generation from Renewable Sources


401GWh

Total Local Generation


6.7MWh

Of Solar Energy Generated
(by BEL's Pilot 24 kWp Solar Capacity DG at our Orange Walk Facility)



in the
SPOTLIGHT

RETHINKING INDIGENOUS ENERGY

Belize's energy future is being written with the wisdom of its past. Our local knowledge systems have long championed sustainable resource management, harmonizing energy use with environmental stewardship. Today as we bolster energy security, these invaluable lessons show that local ingenuity offers a blueprint for resilient, localized energy solutions.



Harnessing the POWER OF LEGACY

For millennia, the Maya civilization demonstrated an intricate understanding of energy, sustainability, and balance, concepts that remain central to BEL's Mission today. Their sophisticated management of natural resources underscores the value of foresight, ingenuity, and respect for nature. BEL's approach to energy transformation echoes this wisdom.

WE REMAIN GUIDED BY THE BELIEF THAT ENERGY (LIKE THE NATURAL SYSTEMS IT DRAWS FROM) IS INTERCONNECTED.

From integrating renewables and distributed generation, to deploying EV charging stations and modernizing infrastructure, BEL emphasizes stakeholder engagement, equity, and reliability in building a clean energy future.



LESSONS FROM ANITQUITY

A Sacred Connection to Nature

The ancient Maya viewed energy as a sacred force, deeply tied to natural cycles and spirituality. Reverence for their surroundings shaped agricultural and resource management practices, reinforcing environmental stewardship and sustainability practices.

Decentralized Sustainability & Resource Management

Settlements thrived on localized economic and environmental systems. Evidence from sites like Caracol and La Milpa in Belize reveals a sophisticated balance between urban centers and surrounding agricultural hubs, early models of decentralized resource management.

Efficiency & Smart Management

The built environment was also optimized for energy efficiency. Cities were strategically designed to maximize ventilation and shade, while reflective limestone and underground chambers enhanced cooling. These strategies mirror modern smart energy management practices, which emphasize efficiency in infrastructure design, demand-side management, and renewable integration.

Engineering Resilience

Faced with climate extremes, the Maya built vast reservoirs and decentralized water systems as evidenced at cities like Caracol, showcasing remarkable foresight in resource planning.

Adaptation

Despite environmental challenges, ancient civilizations displayed remarkable adaptability. While some cities declined due to sociopolitical shifts, others thrived through innovation and resource management. This legacy shows that resilience and adaptation are central to sustainability, a principle that remains deeply relevant to the energy sector today.

“...strain does not equate to collapse but more often results in adaptation.”

- Belize Institute of Archaeology, National Institute of Culture and History

Lessons from 2024: RESILIENCE THROUGH INNOVATION & ADAPTABILITY

As a leader in clean energy innovation, BEL has consistently adapted to meet the evolving energy needs of the nation. In 2024, BEL encountered challenges ranging from regulatory shifts to supply constraints and environmental threats. In response, we evolved and leaned into innovation—advancing renewable integration and strengthening infrastructure. Our approach reaffirms that collaboration, agility, and a long-term view are key to a resilient energy system.

“When we think of energy today, we picture power plants and global sustainability efforts. Yet the core challenge isn’t new. Ancient civilizations have faced similar pressures (resource scarcity and environmental strain) and responded with ingenuity, balance, and resilience.”

Their legacy reminds us that sustainability is not only a modern goal but an enduring principle. We are proud to partner with BEL in re-examining this heritage, proving that ancient wisdom still lights the path to a sustainable future.”

- Belize Institute of Archaeology

A collaborative piece



Operational & Financial Performance



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Resilience in Transition.

Overcoming Environmental Pressures and Building the Case for a Sustainable Energy Future.

Earnings

BEL entered 2024 navigating a complex energy landscape shaped by environmental pressures and shifting generation realities. Against this backdrop, the Company remained focused on maintaining service reliability while adapting to cost challenges that tested financial performance.

In 2024, BEL reported Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of \$33.0 million, reflecting a decline from \$40.5 million in 2023. This performance ultimately translated into a net loss of \$9.7 million, or \$0.14 per share, compared to a net profit of \$7.2 million, or \$0.10 per share, recorded in the prior year.

This reversal in profitability was primarily driven by significant increases in operating expenses, interest costs, and cost of power. The rise in the operating cost structure was mainly attributable to a sharp increase in regulatory fees and labor costs, while overall interest costs surged by 33% because of additional loans that had to be borrowed to finance capital investments in generation and pay for the unprecedentedly high levels of cost of power during the first half of the year.

Unusually hot and humid weather during the first half of 2024 and a longer than usual dry season constrained energy imports from Comisión Federal de Electricidad (CFE) in Mexico and reduced the availability of hydroelectric power. These environmental pressures coincided with elevated consumer demand, especially for cooling loads, compelling the Company to rely heavily on costlier thermal generation options. Although rainfall normalized during the second half of the year and the hydroelectric power output rebounded, the financial impact of earlier generation realities could not be fully reversed.

The Company's earnings performance in 2024 reflects not only the operational and environmental realities of the energy landscape in Belize but also underscores the urgent need for resilient, diversified, and sustainable generation investments – an area that will now require unprecedented prioritization amongst policy makers and the private actors to avoid generation shortages in the future.



Earnings Overview (\$MN)

For Years Ended December 31

	2024	2023	2022	2021	2020
Comprehensive Revenue	\$290.266	\$271.603	\$247.434	\$234.623	\$232.800
Cost of Power	(\$213.792)	(\$192.161)	(\$162.683)	(\$135.893)	(\$118.752)
Operating & Other Expenses	(\$46.137)	(\$38.924)	(\$36.480)	(\$31.931)	(\$35.327)
EBITDA	\$30.337	\$40.517	\$48.271	\$66.799	\$78.721
Depreciation & Amortization	(\$25.896)	(\$23.940)	(\$22.870)	(\$22.465)	(\$22.080)
EBIT	\$4.441	\$16.578	\$25.400	\$44.334	\$56.641
Interest Expense	(\$9.053)	(\$4.721)	(\$5.773)	(\$6.262)	(\$5.937)
Corporate Taxes	(\$5.041)	(\$4.702)	(\$4.285)	(\$4.062)	(\$4.042)
Net Income	(\$9.653)	\$7.155	\$15.342	\$34.010	\$46.662

Common Size Income Statement

For Years Ended December 31

	2024	2023	2022	2021	2020
Comprehensive Revenues	\$290.3	\$271.6	\$247.4	\$234.6	\$232.8
(millions of BZD)					
Cost of Power	74%	71%	66%	58%	51%
Operating Expenses	16%	13%	15%	13%	16%
Depreciation and Amortization	9%	9%	9%	10%	9%
Net Interest Expense	2%	2%	2%	3%	2%
Corporate Taxes	2%	2%	2%	2%	2%
Profit	(3%)	3%	6%	14%	20%

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Ensuring Stability through a Clear, Regulated Tariff Framework.

Tariff & Rate Overview

Belize Electricity Limited (BEL) operates within a regulated tariff environment governed by the Public Utilities Commission (PUC), which should ensure that electricity rates remain affordable for consumers while enabling continued investment in national energy infrastructure. In principle, this structure aims to reflect the true cost of electricity through periodic tariff reviews, including a Full Tariff Review Proceeding (FTRP) every four years and an Annual Review Proceedings (ARP) in the interim years. The aim is to provide a predictable environment for both Customers and investors. These tariff review proceedings determine the Mean Electricity Rate (MER), Tariff, and Fees based on three cost components comprising BEL’s Revenue Requirement:

1. **Cost of Power (“COP”)** which includes the forecasted capacity cost and variable cost of power generation and purchase, accounting for fluctuations in demand and supply conditions.
2. **Value Added of Delivery (“VAD”)**: The VAD allows the Company to recover its operating expenses, taxes, depreciation, and provides for a rate of return on the regulated asset base in the range of 8 percent to 12 percent on the Regulated Asset Base.
3. **Rate Adjustments** based on variances between the PUC Approved Tariff Basket Revenue and the actual audited revenue collected by BEL.

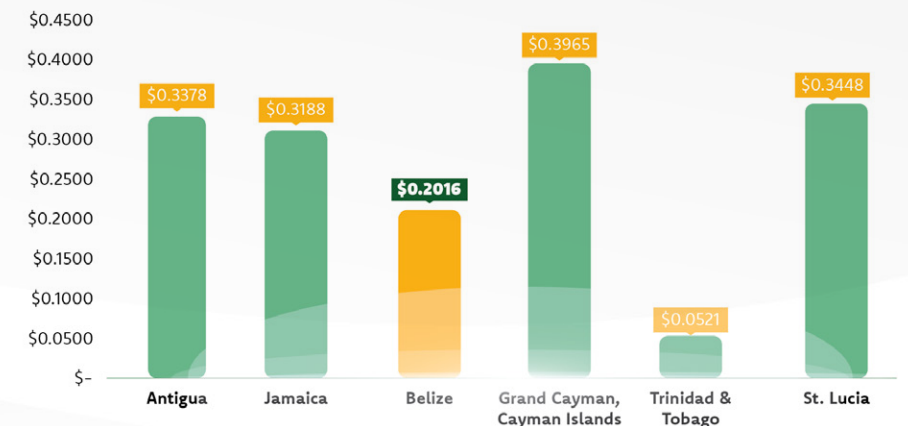
In practice, Belize’s current electricity rates have not kept pace with the real and rising cost of delivering safe, reliable and sustainable energy. Despite increased demand for electricity, higher energy import costs, and the oftentimes delayed integration of lower-cost generation sources, full cost recovery has been deferred. This model of implicit subsidization is no longer sustainable in the face of mounting system pressures and global energy price volatility.

In 2024, BEL continued to operate under the 2020 – 2024 FTRP with the MER maintained at BZ \$0.39 per kilowatt-hour. While this rate has remained stable, that stability masks an underlying financial strain caused by external market shocks and internal delays in realizing a more cost-effective generation mix.

Looking ahead, BEL is committed to working with the PUC and stakeholders to evolve toward a more cost-reflective and resilient tariff structure that enables long-term sustainability, supports investment in lower-cost indigenous energy sources, and reduces dependence on Company-enabled subsidies for the Customer-base.



Mean Electricity Rates in the Caribbean (\$USD)



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Advancing Cost-Reflective Pricing.

Piloting Modern Pricing Signals to balance fairness, efficiency, and grid readiness.

A key development in 2024 was the introduction of a Demand Charge Rate (DCR) as part of the PUC mandated Regulatory Sandbox initiative. This controlled environment enables BEL and the regulator to pilot innovative pricing mechanisms, such as demand-based and time-of-use (TOU) rates, before full-scale implementation. It reflects a progressive shift from traditional volumetric pricing toward more modern and cost-reflective rate designs.

The DCR introduces a pricing signal that better aligns customer charges with the cost of capacity during peak demand periods. It encourages energy efficiency through off-peak consumption, supports grid-friendly consumption patterns and grid reliability, promotes fairness in cost allocation, supports the long-term viability of infrastructure, and prepares the system for increasing integration of Distributed Energy Resources (DERs).

Tariff Component	Rate
Demand Charge (per KVA per month)	\$30.00
Peak Energy Charge (per kWh)	0.3500
Off-Peak Energy Charge (per kWh)	0.3000
Feed-In-Tariff (for Distributed Generation Customers)	0.1300



BEL began phased implementation by interconnecting Commercial Customers with Distributed Generation systems. The Company's implementation focused on stakeholder awareness raising, ensuring enhanced understanding of the new rate structure, and data collection, applying only the Feed-In-Tariff component. Insights from this will inform the scaling and refinement of future rate structures, including demand-based pricing and TOU models to promote equity, enable investment and facilitate clean energy integration.

Looking forward, BEL remains committed to fostering a tariff environment that is:

- Predictable for Customers and investors; promotes confidence and supports long-term planning.
- Aligned with national energy transition goals, and
- Adaptive to emerging technologies and market dynamics

“Through continued engagement with the PUC and stakeholders, BEL will continue to demand that tariff frameworks evolve responsibly to support Belize's modern energy future.”

What is a Regulatory Sandbox?

A Regulatory Sandbox is a framework that allows utilities and regulators to test innovative ideas (like new rate designs or business models) in a limited setting, without requiring immediate full-scale regulatory approval. It enables learning, data collection, and informed policymaking.

Why Demand Charges?

Traditional volumetric pricing charges Customers based only on energy use (kWh). Demand charges consider how much capacity (kW) a Customer requires during peak periods, helping utilities recover infrastructure costs more equitably rather than passing off high costs on low demand Customers.



Jose Suarez and Elkin Harris, Electrical Technicians

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Tracking Growth in a Shifting Climate.

Rising Demand and Sector Resilience Amid Record Heat & Economic Growth.

Sales and Revenues

BEL's electricity sales reached 705.2 GWh in 2024, reflecting a 7.0% increase over the 659 GWh sold in 2023. This growth is broadly consistent with expectations outlined in the Company's Business Plan, which projected continued increases in demand driven by climate change, population growth, tourism rebound, commercial sector activity, and rising consumer reliance on electrical appliances.

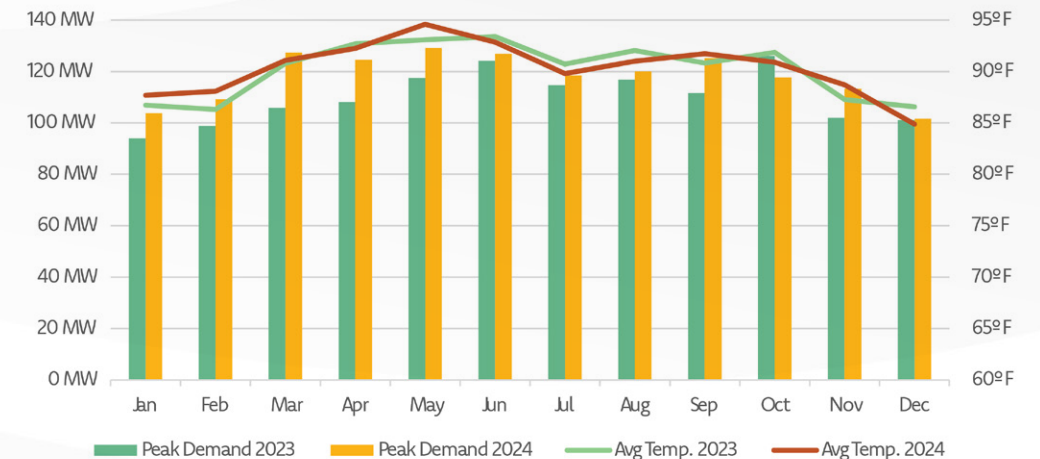
Notably, the residential sector led the increase, particularly during the hot and dry months of the first half of the year. Demand was buoyed by greater use of fans, air conditioners and refrigeration units in response to extreme heat. The commercial sector also demonstrated strong growth, reflecting post-pandemic recovery in hospitality, retail, and services, while the industrial sector saw modest but stable growth. In contrast, electricity usage for street lighting declined, attributed to BEL's ongoing transition to LED technology, which offers significant energy savings and reduced consumption.

705.2GWh
Electricity Sales grew in 2024 reflecting a 7.0% increase



Cherish Wade, Electrical Technician
Julian Alvarez, Gas Turbine Operator

Peak Demand vs Avg Temp



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Stable Rates & Strategic Planning Support Growth.

Sales and Revenues (Contd.)

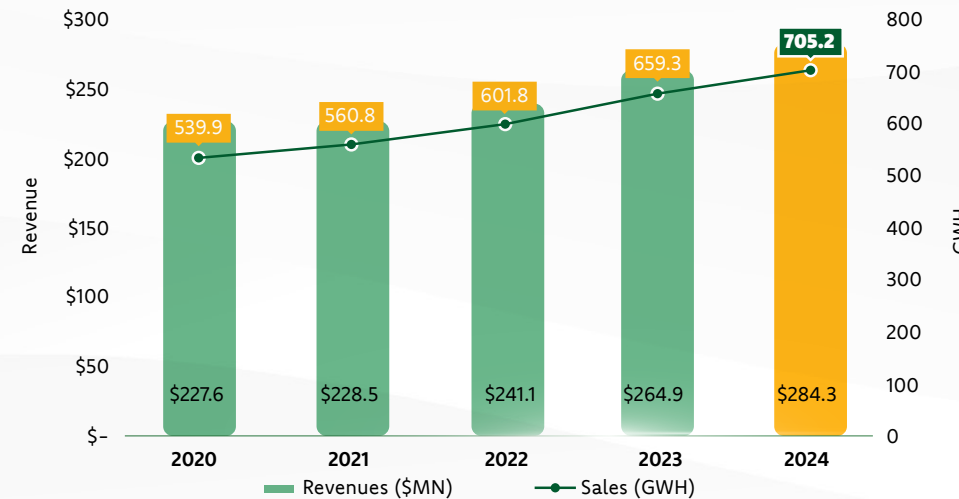
Revenues rose by 7.3% year-over-year, mirroring the increase in sale volumes. Notably, this performance was achieved under a tariff structure that has remained unchanged since 2021. While this has helped to temporarily shield Customers from rising global energy costs, it has placed increasing financial pressure on the Company and its shareholders, who have borne the cost of deferred recovery.

7.3%
Increase in Revenues

The ability to plan and allocate resources effectively amid this constrained environment reflects the Company’s priorities for financial and operational management. As Belize’s energy landscape evolves, BEL remains committed to collaborating with the PUC and other stakeholders to ensure that future rate structures more accurately reflect the actual costs of delivering safe, reliable, and sustainable energy solutions.

Electricity Sales and Revenues

(in millions of dollars and GWh)



Hector Vallejo Guerra, Customer Experience Lead

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Funding the Company’s Commitments in 2024.

Meeting Operational Needs and Investing for the Future Through Prudent Cash Flow Management.

Financing

The Company met its operational, capital investment, and debt servicing commitments in 2024 through a mix of internally generated cash flows, supplemented by strategic debt financing. Electricity sales remained the primary funding source, contributing 58% of total inflows, while long-term loans and debenture issuances provided an additional 19%. The remaining 23% was sourced from working capital adjustments, ancillary revenues, capital contributions, and cash reserves brought forward from 2023.

Total cash outflows were predominantly directed towards:



Energy purchase and generation costs (44%)



Capital expenditures (31%), reflecting the record level investment in generation assets when the national electricity supply system was under the greatest pressure from drought, high demand, and volatile regional energy markets.

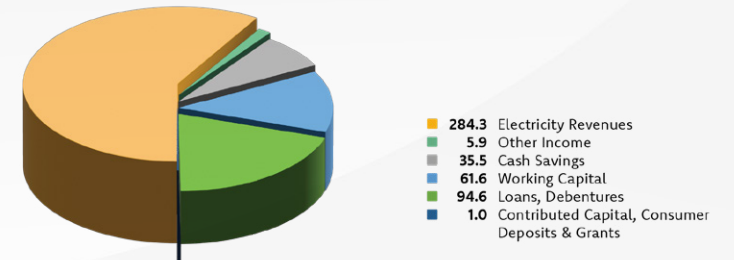


Additional allocations for operating and administrative expenses (11%)

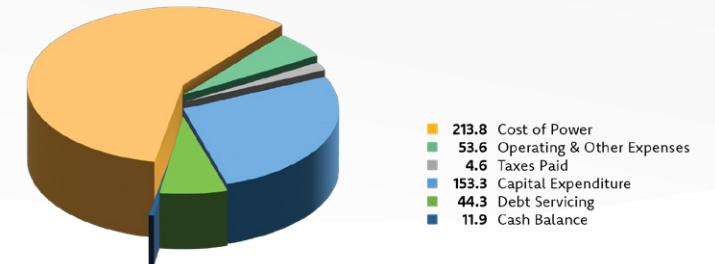


and tax and debt servicing obligations (10%). The Company retained 4% of total funds for forward-year operations and contingencies.

Source of Funds
(in millions of dollars)



Use of Funds
(in millions of dollars)



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Powering a Growing Nation.

Navigating Global Market Volatility and Surging Domestic Demand to Sustain Grid Reliability.

Cost of Power

In 2024, Cost of Power rose by 11.3% to \$213.8 million, up from \$192.2 million in 2023. This increase was driven by higher levels of energy purchases which itself caused a shift toward the use of more expensive thermal sources to meet unprecedented demand during the first half of the year. As a result, the average unit cost of power rose to 30.32 cents per kilowatt-hour (kWh), up from 29.15 cents per kWh in 2023.

The global energy market in 2024 remained volatile. Commodity prices for oil and natural gas stayed elevated due to lingering geopolitical instability, supply chain challenges, and higher demand across large markets in North America and Europe.

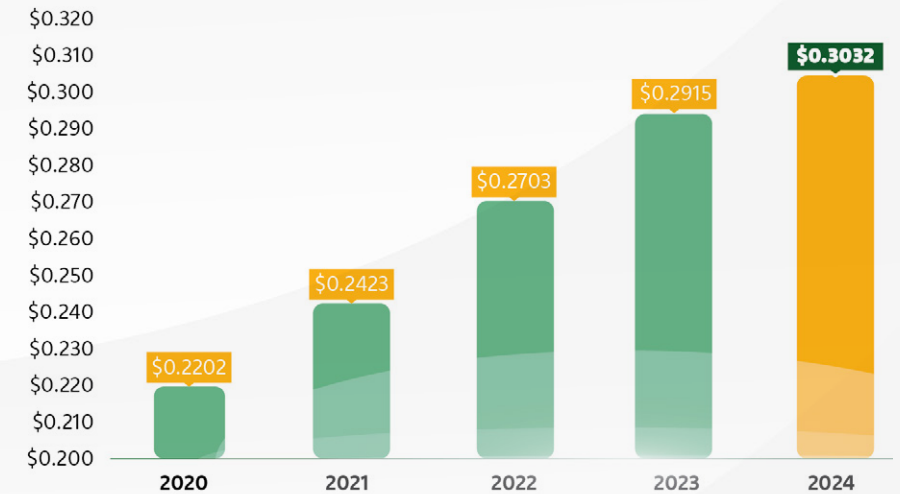
These global pressures were compounded by local environmental factors:

- Severe drought and heatwave conditions across Belize and the Yucatán Peninsula constrained access to traditional low-cost hydroelectric supply; resulting in unprecedented demand for electricity whilst limiting electricity supply
- BEL experienced substantial reductions in imports from Mexico during the months of April through to June as CFE implemented regular capacity curtailments during their evening peak demand period to manage generation shortages on their end.
- To maintain grid stability and meet the needs of Customers, BEL had to substantially increase thermal generation, resulting in an 18% year-over-year increase in fossil-fuel based energy production.

Although hydropower generation rebounded in the second half of the year and import curtailments from CFE were eventually lifted, the average cost of power at the end of the year remained elevated due to the impact of early year conditions, and the Company was unable to recover from the high generation costs. Consequently, the average unit cost of power increased, driving a material rise in total energy expenditure.

Average Cost of Power

(per kilowatt hour sold)



Energy Production by Source

(Megawatt hour)



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Building Stability through Smart System Investments.

How Proactive Investments Under the LCEP will Pave the Way for Greater Energy Security and Stable Costs.

Cost of Power (Contd.)

To mitigate future volatility in energy supply and high energy cost, BEL is actively executing its Least Cost System Expansion Plan 2023–2042 (LCEP).

In addition to the increase in firm generation capacity already added in 2024, key near-term and medium-term priorities include:



Adding 40 to 60 MW of Battery Energy Storage Systems (BESS)
in five strategic locations: San Pedro, Ladyville, Orange Walk, Stann Creek and Belmopan.



Adding up to 80 MW
of in-country renewable generation



Exploring LNG conversion of thermal assets
to improve fuel diversity, reduce emissions, and increase reliability.

These developments are intended to reduce dependency on imports and improve system resilience. The investments are also aligned with BEL’s long-term goal to achieve 75% renewable energy penetration by 2030, reduce import dependency, and stabilize electricity generation costs below \$0.25 per kWh.



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Strength Through Strategy.

Driving Infrastructure Growth While Containing Cost of Delivery.

Cost of Delivery

BEL’s total Cost of Delivery increased by 15%, driven largely by higher financing costs linked to strategic Capital investments. These critical forward-looking investments focused on expanding generation capacity and modernizing the national electricity infrastructure to support long-term reliability and energy resilience, securing Belize’s energy future.

Despite this overall increase, BEL maintained disciplined cost controls, resulting in only a modest 7% rise in the unit cost of delivering electricity which rose from \$0.139 per kWh in 2023 to \$0.149 per kWh in 2024. This outcome demonstrates our commitment to delivering reliable service while balancing infrastructure growth with cost efficiency, ensuring minimal impacts to Customers.

Minor increases were recorded in depreciation, amortization and business taxes, driven by the Company’s growing asset base. These were offset by increased energy sales, which helped to stabilize per-unit cost impacts. As a result, the unit costs for these categories remained largely in line with the previous year. Our ability to balance infrastructure growth with operational discipline reinforces our role as a forward-looking and responsible utility. This is also a testament to our leadership in delivering value to both our Customers and our country. As Belize’s energy needs continue to evolve, BEL remains focused on ensuring that investments in infrastructure directly support improved service quality, delivery and long-term energy security.

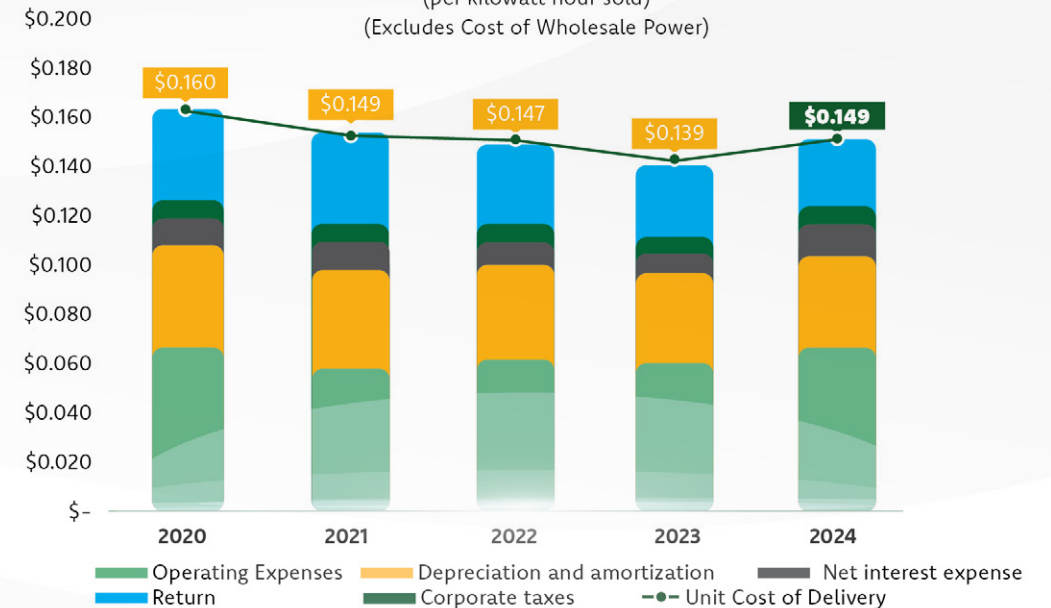
***Note that the methodology for calculating the Cost of Delivery has been revised to appropriately incorporate the required rate of return, which forms part of the Value Added of Delivery. In this calculation, the lower limit of the Rate of Return of 8% was applied.*



Alfeo Williams, Power Line Technician Leadhand

Unit Cost of Delivery

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



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Driving a Culture of Safety Across Our Operations.

Embedding Well-being, Continuous Learning, and Global Standards into Our Safety Culture.

Safety, Health, and Environment

The safety and well-being of our employees are central to our operations. For the third consecutive year, we achieved a 98% completion rate for Safety, Health, and Environment (SHE) initiatives, reflecting our commitment to protecting our workforce and maintaining operational excellence.

While eight personal injury incidents were recorded, resulting in a severity rate of 6.41, each incident was thoroughly reviewed to inform BEL’s continuous improvement cycle. Since 2022, we have advanced safety practices through enhanced SHE policies, procedures, and risk management frameworks, laying the groundwork for ISO 45001 and ISO 14001 certifications. Moving forward, BEL will intensify risk assessments, expand employee awareness programs, and establish an Operational Safety & Work Methods Department to champion a culture of safety excellence across the Company.

Safety and Health Week 2024, themed “**Eyes on the Road, Mind on the Drive: Drive Safely to Arrive Alive,**” reinforced this safety culture and the importance of safe driving and personal responsibility. Activities included interactive sessions with the Traffic and Police Departments, pedestrian crossing painting projects led by employees, recognition of top-performing drivers within the Company, and celebration of the winners of our Annual Safety and Health Week Primary School Essay Competition.



Essay Submission from primary schools across Belize on our Safety Theme.



Completion of Safety, Health, and Environment initiatives



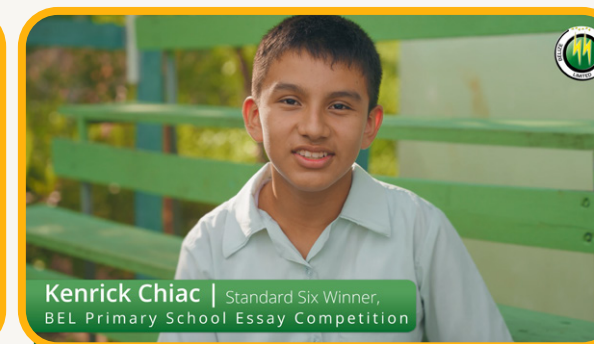
Clayann Aranda | Standard Four Winner, BEL Primary School Essay Competition

“We are all humans. So what the driver misses, another passenger in the vehicle may catch just in time to save a life.”



Ry’Asia Rivoune Zuniga | Standard Five Winner, BEL Primary School Essay Competition

“Be patient and pay attention to avoid accidents.”



Kenrick Chiac | Standard Six Winner, BEL Primary School Essay Competition

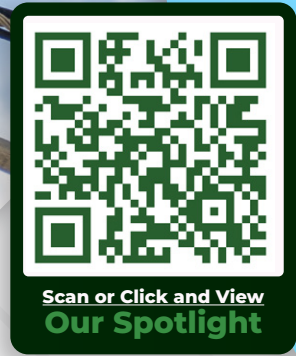
“I cannot help but wonder how many accidents can be avoided if only people would keep their eyes on the road and mind on the drive.”

[Click to View our Power Authors](#)



in the SPOTLIGHT

Molding the Best: From Apprentices to Experts in Action



Building a Stronger Workforce for Belize's Energy Future

At BEL, the power behind our operations is not just infrastructure – it's Our People. The Apprentice Power Line Technician (PLT) Program is a cornerstone of our workforce development strategy, equipping the next generation of power professionals with the expertise, discipline, and resilience needed to keep Belize's energy grid running safely and reliably.

The Journey

In 2024, BEL introduced the PLT Bootcamp as an innovative recruitment tool to identify top competent candidates. The rigorous selection process assesses physical endurance, technical aptitude, and problem-solving skills, ensuring that only the most dedicated and capable individuals move forward. Successful candidates advance to the **four-year PLT Program**:

Shaping the Future of Energy in Belize

For every apprentice who completes the PLT Program, there is more than just a career ahead – it is a commitment to keeping Belize powered, resilient, and future-ready. By forging the best, BEL is powering the future of Belize.

The Impact: Powering Belize

- Increased Grid Reliability
- Enhanced Safety Culture
- Industry Leadership

Four Year Power Line Technician Program



Year 1: Foundational Knowledge and Principles, Teamwork, and Safe Work practices



Year 2: Introduction to low voltage live-line work.



Year 3: Advanced rubber glove techniques and basic hot-stick work.



Year 4: Mastery of multi-phase circuits and complex operations and maintenance.

"Building A Stronger Workforce for Belize's Future"

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Powering Progress Through Modernization and Innovation

Strategic Investments in Generation, Grid Expansion, and Technology Lead BEL's 2024 Achievements.

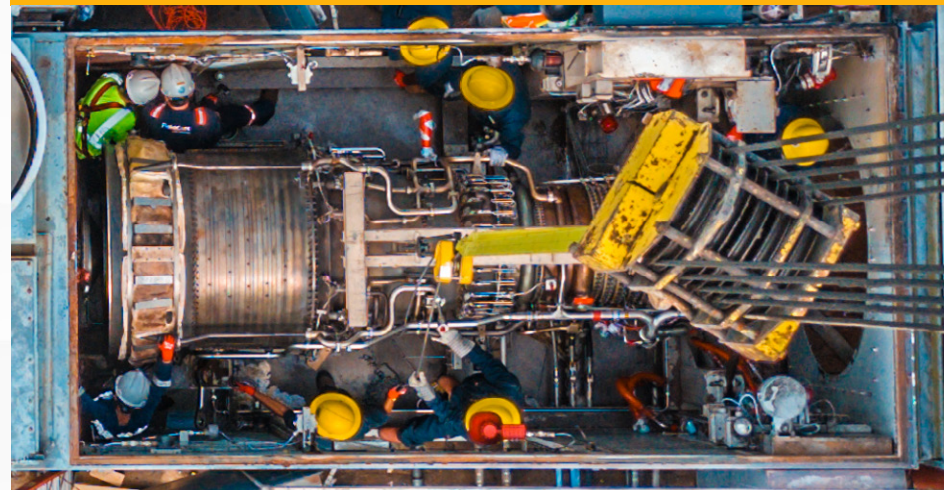
Capital Expenditure

BEL executed a record-breaking capital investment program in 2024, with \$153.3 million in capital expenditures, more than doubling the \$76.4 million invested in 2023. This increase reflects the Company's strategic focus on accelerated infrastructure development, consistent with its Business Plan priorities of achieving energy security, sustainability, reliability and long-term cost control.

Approximately 46% of capital spending was allocated to expanding local generation capacity.
Key projects included:

Upgrading the Westlake Gas Turbine from 19 MW to 30 MW, improving both firm capacity and response time during peak demand periods.

Acquisition and installation of a 21 MW Gas Turbine in San Pedro, delivering critical backup generation to the 17 MW submarine interconnection serving the island community.



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Investing in the Grid of the Future.

Advancements for a Strengthened Grid.

Capital Expenditure (Contd.)

Investments in grid modernization and expansion aimed at improving access to electricity services accounted for nearly 30% of the total. This included projects to improve service quality in growth corridors, reinforce supply to underserved rural areas, and accommodate the anticipated increasing number of distributed energy resources (DERs).

Other capital priorities included:



Continued rollout of LED streetlighting to improve energy efficiency and public safety.



Fleet modernization and facilities upgrades to support operational resilience in the face of aging and outdated assets.



System hardening and asset management.

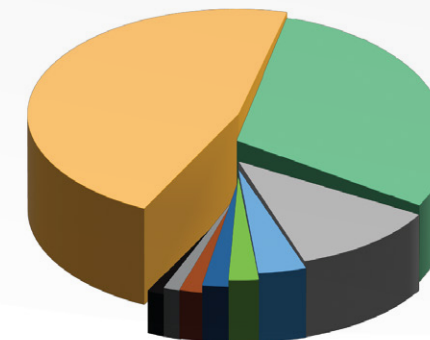
The Company also sustained its investments in safety standards and business continuity projects such as digital transformation and automation tools to improve internal efficiencies and to meet the demand of evolving operations.

These capital investments are expected to deliver long-term operational and cost benefits, reduce dependence on fossil fuels and imported power, and better position BEL to meet demand growth while advancing its renewable energy goals.



Capital Expenditure Breakdown

(in millions of dollars)



71.2	Generation
45.7	System Expansion
17.5	Reliability Improvement
5.4	General Properties
3.5	Streetlights
2.9	Transportation
2.8	Maintenance/System Improvement
2.4	Standards & Safety Improvements
1.8	Business Continuity

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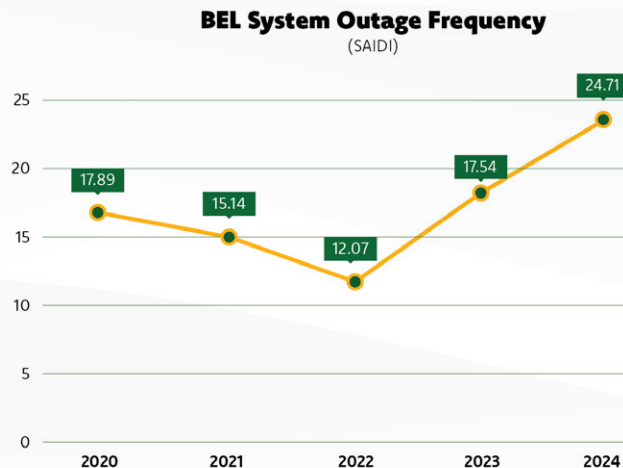
Fueling the Future with Purpose-Built Infrastructure.

Overcoming Climate-Driven Disruptions and Accelerating Grid Reliability Goals.

System Reliability

BEL experienced some reliability challenges in 2024 as Customers experienced an average of 22.30 outages for the year, up from 14.53 outages in 2023. This increase was largely driven by extreme weather conditions, including prolonged drought and high temperatures, which exacerbated contamination of infrastructure (due to dust deposits) and increased the frequency of fires affecting the network. These conditions led to a notable increase in outages and substation failures, impacting larger customer groups for extended periods.

In response, BEL is accelerating its efforts to enhance grid resilience moving towards its 2029 goal of achieving “4/4 Reliability – fewer than four outages and less than four hours of outage duration per customer annually. To meet this ambitious target, the Company is prioritizing grid upgrades to meet N-1 reliability standards, which ensure uninterrupted service even during equipment failures.

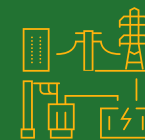


Faron Flores, Power Line Technician Leadhand

Our 4/4 Reliability Strategy

The 4/4 Reliability Plan – less than four outage events and less than four hours of outage experienced by Customers per year – will include designing and operating the grid so that if one part of the system (like a power line or transformer) experiences an issue, the rest of the system can continue to operate without interruptions to Customers. This approach, known as N-1 reliability, ensures that there is always a backup in place to handle faults or failures, minimizing outages and maintaining consistent power supply to homes and businesses.

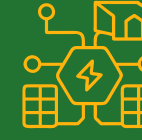
What 4/4 Means:



Fewer Disruptions



Faster Recovery



Future-Ready Grid

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Laying the Groundwork for a Smarter Stronger Grid.

Investments to support reliable power.

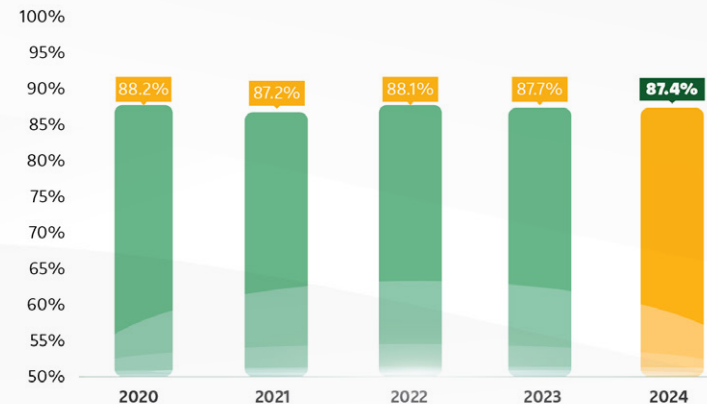
System Reliability (Contd.)

Key projects to support improved service reliability include the installation of a Mobile Gas Turbine, which took place in 2024, and (in the medium term) battery storage solutions, along with major grid upgrades in the Belize District and Belmopan. These improvements will enhance system redundancy, accommodate future load growth, and lay the foundation for integrating renewable energy into the grid.

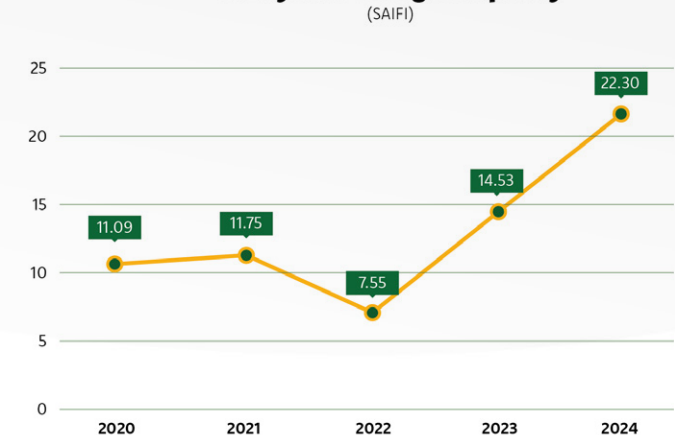
System losses increased modestly to 12.6% in 2024 from 12.3% in 2023, reflecting ongoing pressures from load growth and climate change. In response, BEL is implementing a range of strategic initiatives including the installation of new capacitors across the grid and the reconductoring of circuits. The Distributed Generation (DG) project will also play a role. By integrating localized renewable energy sources, transmission network losses can be reduced. Complementing these efforts is the Power VIII Project and the rollout of 110,000 Advanced Metering Infrastructure (AMI) units over the next three to five years. Together, these grid modernization efforts will optimize energy flows, support sustainable growth, and help to reduce overall system losses.



Network Efficiency



BEL System Outage Frequency (SAIFI)





in the SPOTLIGHT

Resources in Action: The Local Generation Landscape in Belize & Strengthening Energy Security

Energy security and cost stability are at the heart of Belize's electricity strategy. A diverse and reliable local generation mix is key to mitigating price volatility and ensuring long-term sustainability. BEL continues to collaborate with Independent Power producers (IPPs) to optimize local hydro, biomass, and solar generation, reducing reliance on costly imports.

2024 Focus: The West-Lake GT Upgrade and the San Pedro Mobile GT Installation

A significant milestone for Belize's energy security in 2024 was the West Lake GT Upgrade and the San Pedro Mobile GT Installation. These investments bolster our ability to manage peak demand, improve grid reliability, and provide crucial backup power, ensuring minimal disruptions to customers. By strategically enhancing our generation infrastructure, BEL is fortifying the nation's power supply against external shocks and reinforcing long-term energy stability.



Scan or Click and View Our Spotlight

Belize's Generation Mix:

Hydropower:

A cornerstone of our renewable generation, providing consistent, cost-effective energy.

Solar PV:

Expanding as a key player in Belize's renewable energy future, contributing to energy diversification.



Biomass:

Leveraging Belize's agricultural resources for sustainable energy production.

Gas Turbines (GTs):

Providing critical backup power and rapid-response generation for grid stability.

Strengthening local generation also enhances our ability to weather regional energy disruptions. By investing in Belize's energy resources, BEL is actively reinforcing national resilience, fostering economic growth, and securing stable, cost-effective electricity supply.



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Creating Shared Value through Community Investment.

Aligning Business Strategy with Community and National Development Goals.

Corporate Social Responsibility (CSR) is a reflection of BEL's core Company Values: "We give back to our Community and Protect our Environment." It is integral to how we power Belize, creating shared value across economic, social, and environmental dimensions. In 2024, we supported 85 organizations and 21 community events nationwide, focusing on education, health, culture, human welfare, and national development. Our CSR approach is strategic and needs-driven, aligning initiatives with national priorities, climate action goals, and the long-term prosperity of the communities we serve.

Key areas of impact include:



Education & Empowerment:

Scholarships, mentorships, and workforce readiness programs supported human capital development.



Community Infrastructure:

Public lighting projects, including the Burrell Boom Lamp Pole Upgrades and enhanced street lighting in Orange Walk, improved safety and accessibility. Community sports facility lighting fostered youth engagement and inclusion.



Economic Opportunities:

Initiatives supporting small businesses and entrepreneurs underscored the connection between energy access, economic growth, and social well-being.

BEL's commitment extends beyond financial contributions as our employees actively volunteer their time and expertise to uplift communities.

A highlight of the year was **National Service Day 2024**, where employees across all service areas honoured the legacy of Rt. Hon. George C. Price by giving back through acts of public service. These collective efforts demonstrate how we Live Our Values by not only powering Belize, but also serving Belize, building stronger, more resilient communities for a brighter future.



Adelita Granados, Manager, Inventory & Logistics

“Participation in National Service Day exemplifies how the Company lives its values — not only by powering Belize, but by serving Belize.”

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Advancing Belize's Sustainable Energy Future.

BEL's Contribution to National Energy and Development Priorities.

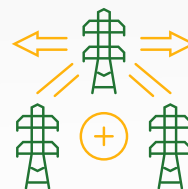
Climate Action

BEL remains committed to advancing Belize's climate goals and supporting national development priorities under the Nationally Determined Contributions (NDCs) and National Energy Policy 2023. Guided by the principles of sustainability, resilience, and innovation, BEL plays a catalytic role in the national transition to a low-emission, climate-resilient energy system.

In 2024, BEL aligned operational and strategic initiatives with national and international climate action frameworks by:



Enhancing renewable energy integration, including onboarding new distributed solar capacity and supporting utility-scale project planning;



Expanding grid flexibility and modernization to improve resilience against extreme weather and climate-related disruptions;



Participating in policy consultations and multi-stakeholder engagements to inform evolving regulatory and climate policy frameworks, including Distributed Generation licensing and demand-side energy solutions.



Advancing electrification of transportation, including the public EV charging network and support to the Government's fleet transition strategy;



Ruben Tulcey, Distribution Technician | **Mikhael Rodriguez**, Planning Engineer

We are a partner to the Government of Belize in achieving its climate targets, including a 75% renewable energy penetration by 2030. The Company's proactive approach to climate action not only reduces dependence on fossil fuels, but also enhances energy security, promotes economic resilience, and supports equitable development across all communities.

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Building a Reliable, Customer-Centric EV Ecosystem for Belize

Electric Mobility Program

We continue to play a leading role in Belize's transition to cleaner, more sustainable transportation through the expansion of electric vehicle (EV) infrastructure, strategic partnerships, and real-world learning. In 2024, BEL's national EV charging network included 11 stations registering over 1,145 charge sessions. 2024 marked a critical learning phase as BEL acquired deepened understanding of driver needs and behaviors, as well as infrastructure performance. These insights will inform future expansion and enhance the EV user experience.

Our leadership extended to support a growing public E-mobility market. Through the Belize City Council's E-Mobility Pilot Project funded by UNDP and the European Union, BEL enabled the integration of 5 EVs into the municipal fleet and the deployment of 2 fully electric city buses. In just six months, the buses transported 66,993 passengers, delivering quieter, emissions-free rides that residents have praised for their comfort and reliability.

"The E-bus makes it easier to get around the city. Especially when I'm taking out my mom. The E-bus is the only bus that is wheelchair friendly, and I am very grateful that they introduced the E-bus to Belize."

Ms. Ofelia Carillo, Belize City Resident

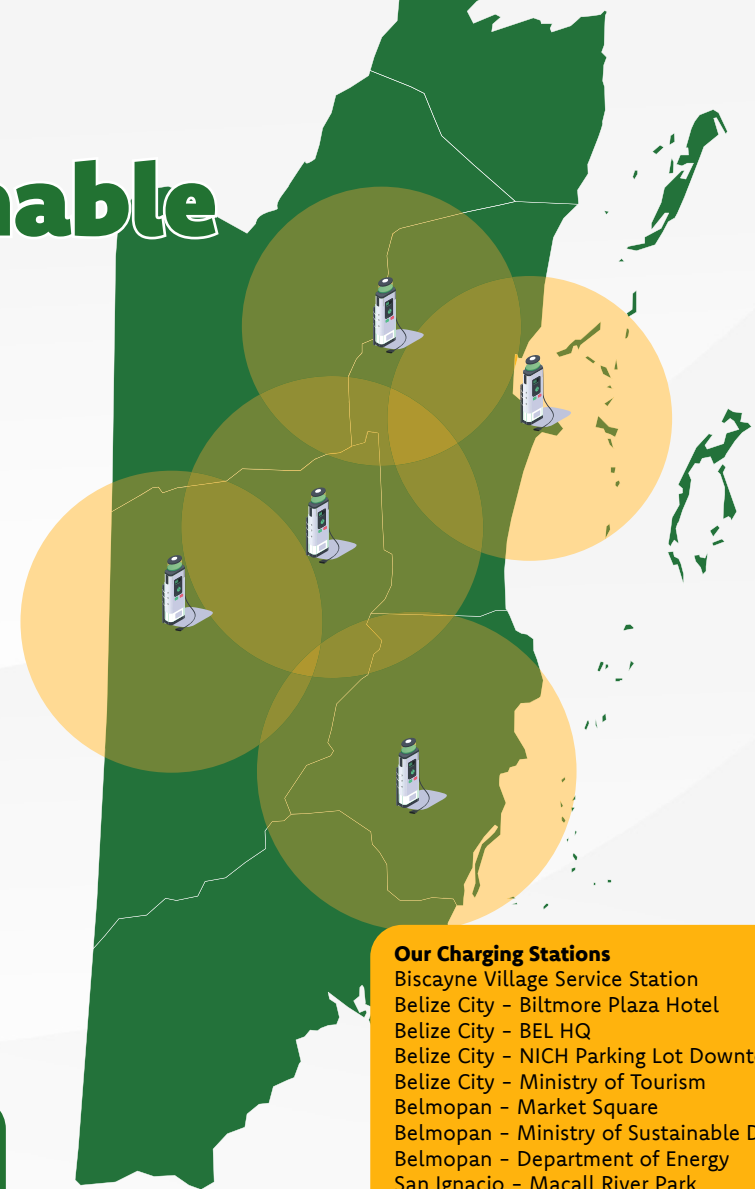


"I like that the E-bus is clean, comfortable, and dependable. The overall experience is better. What makes it convenient for me as a student is you can charge your phone and use the WIFI, all while riding the bus."

Ms. Leyah Neal, Student

TO VIEW EXPERIENCES

CLICK HERE



Our Charging Stations

Biscayne Village Service Station
Belize City – Biltmore Plaza Hotel
Belize City – BEL HQ
Belize City – NICH Parking Lot Downtown
Belize City – Ministry of Tourism
Belmopan – Market Square
Belmopan – Ministry of Sustainable Development
Belmopan – Department of Energy
San Ignacio – Macall River Park
Dangriga – Xiabel Gas Station

Looking ahead, 2025 marks the entry of E-taxis into the national E-Mobility landscape. These pilots are supported by BEL's charging infrastructure and offer drivers a chance to benefit from lower operational costs. As EV adoption expands, BEL is also supporting the integration of digital ride-hailing platforms, enabling commuters to access, and pay for transportation services with greater ease. The electrification of transport is driving broader digital transformation in Belize, strengthening the link between sustainable mobility, innovation, and national development.

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Powering Personalized Energy Experiences.

Meeting Customers Where They Are

For BEL, “Meeting Customers Where They Are” means more than physical presence. It’s about understanding and responding to the diverse needs, locations, and realities of the people we serve. Whether in remote villages, growing areas, or digitally underserved communities, we are committed to making electricity services accessible, reliable, and responsive.

In 2024, BEL expanded its Mobile Outreach and Pop-Up Service Centers, deepening our engagement in areas where in-person, face-to-face support remain essential. These events brought account services, education on energy management, and assistance with digital platforms directly to Customers, bridging geographic and technological gaps that limit access. This resulted in 27 Mobile Customer Service Events, 791 Customer Engagements, and 570 On-site Service Requests Processed.



27
Mobile Customer Service Events
(in communities across Belize)



791
Customer Engagements



570
On-Site Service Requests

This initiative is part of BEL's broader commitment to equity in the energy transition, ensuring no Customer is left behind as we modernize how we deliver our services. We recognize that true customer centricity requires flexibility, empathy, and innovation. Looking ahead, we intend to expand these services further by fully integrating Mobile Customer Care Units capable of being deployed anywhere, upgrading our BEL 24-7 App for greater ease of transaction, and setting up in-person appointments to resolve more complex Customer inquiries.



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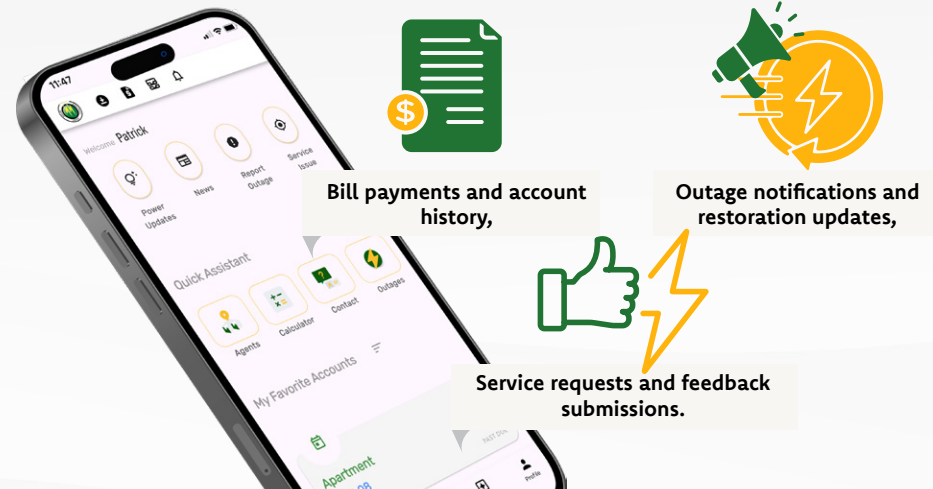
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Powering Personalized Energy Experiences.

Customer-Centric Innovations.

Digital Self-Service Tools: Energy at Your Fingertips

Our commitment to a modern, customer-centric utility experience is reflected in the continued success of the BEL 24/7 App, which now serves as a central hub for secure, mobile, and seamless customer interactions for.



In 2024, the app saw 22,246 new downloads, bringing the total downloads to 81,072. With over 14,000 digital interactions recorded in 2024 alone, the BEL 24/7 App has become more than a service portal; it's a vital touchpoint in our customer relationship model. The increasing reliance on digital tools underscores the importance of continued innovation as BEL transitions to a utility of the future.



“The BEL 24-7 app has become a central platform for customer engagement, supporting a modern, frictionless utility experience from the palm of one’s hand.”



SCAN ME



BEL
24-7

for all your Customer Services needs.

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Empowering Customers Through Clean Energy Innovation.

Enabling Greater Participation in the Energy Ecosystem.

Distributed Generation

BEL is actively staking its claim as a leader in the Distributed Generation space, responding to growing Customer demand for clean energy solutions and advancing the systems, partnerships, and innovations necessary to support Belize's energy transition.

In 2024, BEL expanded its support for customer-sited renewable energy, particularly rooftop solar, by streamlining interconnection processes and aligning with the new Electricity Licensing and Consent Regime introduced by the PUC. Clearer pathways empowered Customers to explore solar as an option for managing costs and contributing to grid resilience. Our actions are consistent with insights from a Customer engagement survey that affirmed our Customers expect us to lead in clean energy innovation, emphasizing the trust in BEL to deliver safe, reliable and sustainable energy solutions. This trust reinforces BEL's responsibility to shape the future of distributed energy in a way that benefits both individual Customers and the broader national grid.

A milestone innovation in 2024 was the introduction of the Demand Charge Rate (DCR) Regulatory Sandbox, a pilot rate structure introducing Time-of-Use pricing (peak / off-peak), a Feed-In-Tariff, and incentives for load shifting, demand management, and smarter consumption behavior. This pricing model not only empowers Customers to reduce bills through better energy habits, but also tests scalable strategies for integrating DG in a balanced, efficient way.

In parallel, BEL also implemented a rooftop solar pilot at its Orange Walk facility. The system, consisting of two grid-tied rooftop arrays with a combined capacity of 24 kWp, now supplies up to 60% of the building's daytime energy use. Between commissioning in October and year-end, it generated approximately 6.7 MWh of clean electricity, reducing operational emissions, and serving as a living lab for DG integration.

As we look ahead, BEL remains committed to making distributed energy accessible, affordable, and impactful. Through regulatory engagements, pilot projects, and Customer-centered innovation, BEL is not just supporting the clean energy movement, we are leading it.



“BEL also advanced work in back-end analytics and customer data integration to enable real-time usage insights, for greater personalization in energy service delivery.”

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Energy Education for Everyday Impact.

Energy Literacy & Conservation

We intensified our efforts to promote energy conservation and efficiency through targeted public campaigns, school programs, and tailored advisory services.

Tools and messaging focused on:



Understanding and managing energy usage;



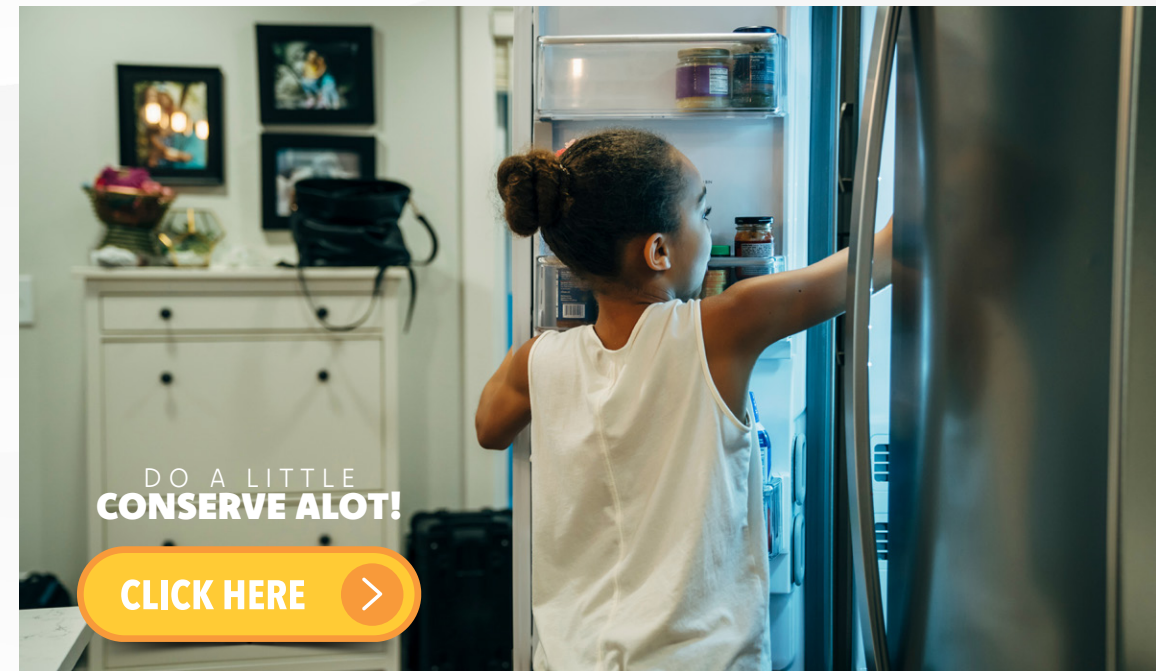
Interpreting billing and consumption patterns;



Adopting low-cost practices and energy-efficient appliances.

This educational approach strengthens long-term affordability and encourages responsible energy citizenship.

Together, these initiatives reflect BEL's deep commitment to customer-centricity, delivering on its promise to meet customers where they are, power their goals, and build a connected, efficient, and inclusive energy ecosystem for all Belizeans.



“Empowering Belizeans. Building the Energy Future—Together.”



in the SPOTLIGHT

Power Partners: Adapting to an Evolving Energy Landscape



A New Energy Model—Built on Collaboration

As we transition to a smarter, more renewable grid, collaboration will be key. With better forecasting, technology, and customer engagement, BEL is building a future where Customers don't just consume power—they help shape the energy system.

Navigating Change

Global energy shifts are creating ripple effects in Belize, contributing to rising demand, highlighting the need for infrastructure upgrades, and causing regional supply disruptions. But in 2024, BEL turned pressure into progress, proving that smart planning, strong partnerships, and customer collaboration can drive transformation.

The Power Partner Effect:

Key businesses with backup capacity went offline during critical periods, helping prevent widespread load shedding for thousands of households.

This is the Future of Energy



Scan or Click and View Our Spotlight

How It Worked

- 1** Energy Event Identified
- 2** BEL's Control Centre Responds In Real-Time
- 3** Customer Service Engages And Informs Power Partners
- 4** Power Partners Shift To Backup Supply
- 5** Grid Stabilized Resulting In Less Disruption To Wider Public

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Navigating Global Challenges with a Localized, Strategic Focus.

Strategic Outlook: 2025 and Beyond

As the global energy landscape shifts, Belize's electricity sector stands at a crossroads, facing a distinct set of challenges and opportunities. Our nation is experiencing rapid shifts with rising public expectations, increasing electricity demand, climate volatility, reduced imports from Mexico, and the accelerated digitalization of services driven by electrification, especially in transport and commerce. This reality is reshaping how energy must be produced, delivered, and managed.

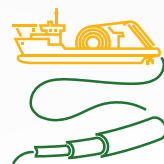
While global growth is expected to slow to 2.8% in 2025 amid ongoing trade tensions, policy uncertainties, and deceleration in major economies, domestic electricity demand is projected to grow by 6.5%. This is fueled by tourism recovery, new business activity, and increased use of electricity-enabled devices and solutions such as electric vehicles, air conditioning, and induction cooking systems. In parallel, reduced energy imports from Mexico and mounting climate pressures are exposing the grid to higher volatility and reliability risks.

Moreover, at the time of publishing of this 2024 Annual Report, the Government of Belize had launched (in February 2025) the Belize Energy Resilience and Sustainability Project in partnership with the World Bank and the Government of Canada. The overall objectives are to ensure national energy security, infrastructure and expanding renewable energy deployment, further reinforcing the grid against climate and supply-related risks. This initiative reflects the growing international recognition of the importance of decarbonization and local energy resilience in the face of global uncertainty.

“These trends underscore a powerful reality: electricity is no longer just a service. It is the backbone of Belize's digital and economic transformation. To meet these challenges and opportunities, BEL is executing a forward-looking strategy focused on resilience, innovation, and inclusive Customer service.”

Meeting Rising Demand with Infrastructure and Innovation

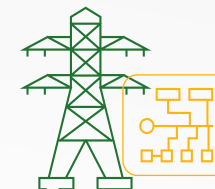
BEL's focus will be on building critical infrastructure, improving grid reliability, and customer empowerment. The Company will be:



Completing the Caye Caulker Submarine Interconnection with associated substation works, which will improve the capacity and the reliability of the supply to and within the island community.



Commissioning the upgraded Magazine Road Substation and associated feeder expansion in Belize City to enhance grid stability, feeder configuration flexibility, and support the growing urban load centres.



Advancing future resilience and capacity growth projects including feasibility studies for the Second Submarine Cable to San Pedro and the La Democracia to Dangriga 115 kV Interconnection project, both supported by grant funding from the Caribbean Development Bank (CDB).



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Strategic Outlook: 2025 and Beyond (Contd.)

Digitalization & Smart Grid Enablement

Deploying the first 30,000 Advanced Metering Infrastructure (AMI) smart meters to modernize customer engagement and enable demand-side management capabilities and the implementation of time-of-use rates and dynamic pricing models.

AMI will enable:

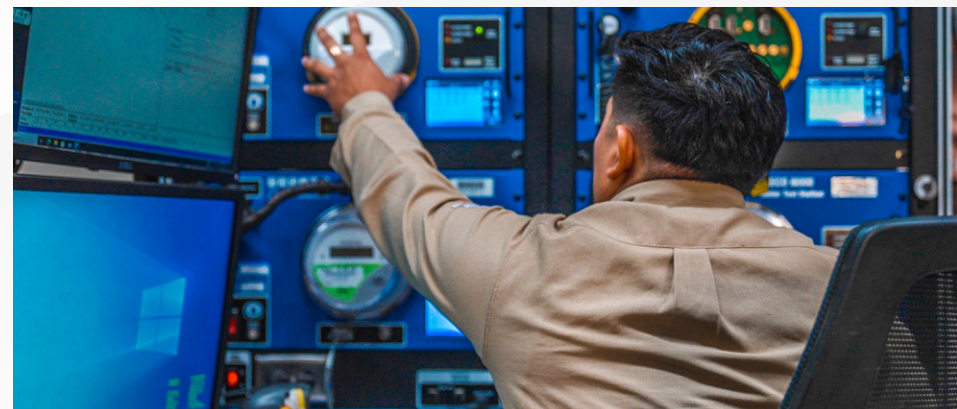
- Real time consumption data for Customers and BEL,
- Bi-directional energy flows to support rooftop solar and other Distributed Energy Resources,
- Launching of a state-of-the-art energy management system, and
- New capabilities within the BEL 24-7 App for personalized energy insights.

Empowering Customers and Building a Culture of Energy Awareness

In tandem with AMI deployment, BEL will launch an expansive Customer Education and Engagement Campaign to promote energy literacy, conservation, and participation in the energy transition. This campaign will focus on interpreting energy bills and usage patterns, managing consumption through personalized insights, encouraging the adoption of energy-efficient appliances and supporting DG adoption.

Our "Electrification of Everything" campaign will gain further traction in 2025, with initiatives that encourage the switch from fossil fuel-based systems to electric powered alternatives in mobility, cooking, cooling, and industrial processes. BEL's strategic support for EV infrastructure (including its charging network, fleet electrification partnerships, and pilot transit initiatives) will continue to unlock new opportunities for sustainable urban development and low-carbon transportation.

We will also continue to expand our support for DG, enabling Residential and Commercial Customers to interconnect renewable systems under the evolving licensing framework. Additionally, BEL is advancing the deployment of Battery Energy Storage Systems (BESS) and assessing the viability of hybrid energy projects that blend solar, diesel, and storage technologies to improve grid stability, reduce costs, and support islanded operations during disruptions.



Moreover, as EV adoption expands, electrification will enable commuters to locate, access and pay for electric transport services with greater ease. This convergence of electrification and digital innovation signals a broader transformation. Electricity is enabling Belize's digital economy, unlocking value across mobility, commerce, and daily life.

“BEL is advancing the deployment of Battery Energy Storage Systems (BESS) and assessing the viability of hybrid energy projects that blend solar, diesel, and storage technologies to improve grid stability, reduce costs, and support islanded operations during disruptions.”

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Charting the Course for a Smarter Energy Future.

Future Energy Pathways: Redefining Possibilities

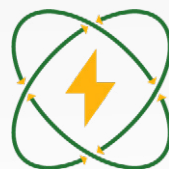
As the global energy transition accelerates, BEL is actively shaping a future where the electricity ecosystem is dynamic, inclusive, and participatory. The traditional one-way model of electricity supply is giving way to a more complex, bi-directional grid, where customers are also producers, where energy is managed in real-time, and where digital tools and decentralized systems drive both resilience and opportunity.

Future energy pathways will include:



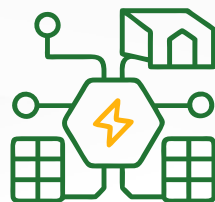
Integrated Energy Solutions:

Tailored to each Customer segment, combining solar, storage, demand-side tools, and dynamic pricing.



Energy-as-a-Service Models:

Allowing Customers to subscribe to cleaner energy options without upfront investments.



Microgrids and Community Energy Projects:

Especially in remote or climate-vulnerable areas.



AI-Driven Energy Forecasting and Management:

Allowing BEL to optimize load, improve grid stability, and enhance planning accuracy.



These possibilities are no longer theoretical—they are emerging realities that BEL is preparing for today.

As we enter a new chapter, BEL's commitment remains clear: to provide innovative, reliable, and inclusive energy solutions that drive Belize's progress. Together, with our partners, Customers, and communities, we will continue to illuminate the path ahead—not just responding to change, but adapting as it arises, and leading it.

“BEL's commitment remains clear: to provide innovative, reliable, and inclusive energy solutions that drive Belize's progress.”

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Financial & Operating Statistics

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 - 2011 Average
FINANCIAL STATISTICS										
<small>(Belize thousands of dollars except as noted)</small>										
Energy Revenues	284,323	264,900	241,108	228,540	227,597	247,657	215,141	207,227	197,001	208,698
Net Profit (Loss)	(9,653)	7,155	15,342	34,010	46,662	3,089	(4,371)	17,773	27,292	13,397
Dividends Paid	3	21	13,698	27,609	6,902	-	13,805	20,017	27,859	5,355
Net Fixed Assets	771,895	646,823	595,472	544,211	523,388	507,506	473,793	464,612	450,599	434,646
Capital Expenditures	153,321	76,398	77,159	44,157	40,085	39,546	30,604	33,558	38,898	22,821
Total Assets	890,839	805,171	727,590	643,277	668,452	590,292	546,157	554,966	545,811	499,088
Capital Contribution	49,302	50,642	49,474	48,772	50,740	51,471	51,398	50,199	49,856	40,174
Long Term Debt (including Lease Liabilities)	89,994	31,037	26,671	28,487	27,720	26,052	9,993	10,531	2,564	4,008
Debentures (including subscriptions)	215,859	214,653	187,735	97,735	122,735	87,700	77,500	77,500	77,500	75,656
Shareholders' Equity (excluding Contributed Capital)	386,159	395,812	388,658	387,119	380,718	340,959	337,869	359,419	361,663	326,175
Financial Indicators										
Rate of Return on Net Fixed Assets	-0.1%	2.1%	4.0%	8.3%	11.3%	1.8%	-0.2%	5.0%	7.5%	4.9%
Rate of Return on Investment ¹	-7%	5%	11%	25%	34%	2%	-3%	13%	20%	9.7%
Rate of Return on Shareholders' Equity	-2.5%	1.8%	4.0%	8.9%	12.9%	0.9%	-1.3%	4.9%	7.5%	4.0%
Earnings/Loss (\$ per share)	(0.14)	0.10	0.22	0.49	0.68	0.04	(0.06)	0.26	0.40	0.20
Dividends Declared for Years Ended (\$ per share)				0.20	0.20	0.20	0.10	0.20	0.54	0.09
Book Value per Share	5.59	5.73	5.63	5.61	5.52	4.94	4.90	5.21	5.24	4.73
Gearing Ratio ²	51%	47%	42%	33%	36%	36%	31%	29%	28%	29%
OPERATING STATISTICS										
Reliability of the Transmission & Distribution System										
Average duration of power outages - SAIDI	24.71	17.54	12.07	15.14	17.89	15.07	12.01	13.12	19.3	20.7
Average number of power outages - SAIFI	22.30	14.53	7.55	11.75	11.09	7.47	9.93	11.54	13.2	14.7
System Outages due to IPPs, Hurricane & Vandalism										
Average duration of power outages - SAIDI	6.87	0.81	15.65	1.86	0.58	1.78	2.17	1.11	24.42	2.6
Average number of power outages - SAIFI	5.39	1.64	3.85	2.90	1.21	3.80	3.85	4.3	6.6	4.5
Sales (MWH)										
Commercial	280,278	254,813	299,249	265,033	249,848	305,646	289,712	286,664	281,892	214,836
Industrial	367,650	347,633	37,855	18,742	19,511	19,527	20,836	30,466	32,567	38,742
Residential	35,197	33,289	239,852	252,092	245,265	239,192	218,989	209,180	199,843	201,629
Street Lighting	22,103	23,528	24,858	24,926	24,645	23,986	24,896	26,168	26,619	25,427
Total	705,229	659,262	601,815	560,793	539,269	588,351	554,434	552,478	540,921	480,635
Mean Electricity Rates (MER) \$/kWh										
	0.4032	0.4018	0.4006	0.4075	0.4220	0.4209	0.3880	0.3751	0.3642	0.4342
Customer Accounts (numbers)										
Industrial, Commercial & Street Lighting	22,890	22,583	22,603	18,028	17,901	18,076	18,266	18,210	18,003	13,804
Residential	90,808	87,878	85,986	89,264	85,921	82,895	79,448	76,255	72,632	68,742
Total	113,698	110,461	108,589	107,292	103,822	100,971	97,714	94,465	90,635	82,546

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 - 2011 Average
OPERATING STATISTICS										
Number of Employees	421	366	344	321	314	312	314	316	311	285
Number of Customer Accounts per Employee	270	302	316	334	331	324	311	299	291	290
Net Generation (MWh)										
BEL-owned Diesel Generation	53,193	42,560	14,226	10,858	8,943	33,173	16,848	15,514	14,354	10,954
Purchased Power - Fortis Belize	215,470	164,398	225,329	146,936	228,514	64,614	232,480	267,650	247,012	229,065
Purchased Power - Hydro Maya	11,267	12,092	13,437	10,390	13,473	9,954	15,131	14,509	13,491	11,651
Purchased Power - BAL/BAPCOL	39,069	35,446	14,310	39,551	10,612	85,147	37,051	19,436	17,497	3,855
Purchased Power - Belcogen	44,487	41,456	59,027	24,426	47,195	68,533	71,897	63,939	78,886	66,723
Purchased Power - CFE	407,711	430,666	323,311	380,195	270,239	383,726	235,155	230,138	243,429	226,111
Purchased Power - SSEL (Santander)	37,156	26,451	34,754	33,082	34,137	23,387	21,937	18,401	18,401	
Purchased Power - JICA & PSF (Solar)	734	944	924	595	568	650	593	573		374
Total	809,087	754,013	685,318	646,034	613,681	669,185	631,093	630,159	614,669	548,733
Other										
Total System Losses	12.6%	12.3%	11.9%	12.8%	11.8%	11.7%	11.9%	12.0%	11.6%	12.2%
Peak Demand (MW)	129.2	128.3	110.3	103.5	102.7	105.6	104.2	104.5	96.0	85.9



BELIZE ELECTRICITY LIMITED

Financial Statements for the Years Ended
December 31, 2024 and 2023 and
Independent Auditors' Report



BELIZE ELECTRICITY LIMITED
(Parent Only)

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Belize Electricity Limited, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years 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, 2024 and 2023, and of its financial performance and its cash flows for the years 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 (the "Company") 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 the Company'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 the Company or to cease operations or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

hlb.bz

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HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 the Company 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.

HLB Belize, LLP
Chartered Accountants
Belize City, Belize
June 4, 2025

Belize Electricity Limited

(Parent Only)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

<u>Assets</u>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current assets:			
Cash and cash equivalents	4d. 4e. 30.	\$ 16,933	\$ 35,464
Short-term investment	4d. 30.	-	5,000
Trade receivables	4d. 4f. 5. 30.	22,174	22,129
Other receivables	4d. 4f. 30.	3,385	2,919
Prepayments	4g.	13,138	39,851
Materials and supplies	4h. 4k. 8.	61,717	51,584
Total current assets		117,347	156,947
Non-current assets:			
Property, plant and equipment	4i. 4k. 6.	771,895	646,823
Intangible assets	4j. 4k. 7.	1,585	1,401
Equity instrument in subsidiary	4l. 9.	12	-
Total non-current assets		773,492	648,224
Total Assets		\$ 890,839	\$ 805,171
Liabilities and Equity			
Current liabilities:			
Trade and other payables	4d. 4m. 4o. 10. 30.	\$ 86,605	\$ 45,536
Taxes payable	4p. 11.	2,661	2,895
Short-term debt	4d. 12. 30.	10,000	34,000
Long-term debt	4d. 4n. 13. 30.	17,167	3,125
Lease liability	4d. 4q. 14. 30.	788	772
Total current liabilities		117,221	86,328
Non-current liabilities:			
Capital contributions	15.	49,302	50,642
Deferred grant contribution	4d. 16. 30.	19,038	13,947
Long-term debt	4d. 4n. 13. 30.	78,026	18,281
Lease liability	4d. 4q. 14. 30.	11,968	12,756
Debentures	4d. 17. 30.	215,859	214,653
Consumer deposits	18.	13,266	12,752
Total non-current liabilities		387,459	323,031
Total Liabilities		504,680	409,359
Equity:			
Share capital	4r. 19.	138,046	138,046
Additional paid in capital		5,741	5,741
Insurance reserve	20.	5,000	5,000
Revaluation reserve	6.	5,112	5,112
Retained earnings		232,260	241,913
Total equity		386,159	395,812
Total Liabilities and Equity		\$ 890,839	\$ 805,171

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on June 4, 2025 and are signed on its behalf by:


Chairman


Director


Chief Executive Officer

The above financial statements should be read in conjunction with the accompanying notes.

Belize Electricity Limited

(Parent Only)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Revenue	4s. 21.	\$ 284,323	\$ 264,900
Cost of power	4t. 22.	<u>(213,792)</u>	<u>(192,161)</u>
Gross profit		70,531	72,739
Other income	23.	5,862	6,629
Operating expenses	4u. 24.	<u>(72,033)</u>	<u>(62,865)</u>
Profit before net interest expenses and taxes		4,360	16,503
Interest income	4s.	82	75
Interest expense	4u. 25.	<u>(9,054)</u>	<u>(4,721)</u>
Net interest expense		(8,972)	(4,646)
(Loss) profit before business tax		(4,612)	11,857
Business tax	4p. 26.	<u>(5,041)</u>	<u>(4,702)</u>
(Loss) profit for the year		(9,653)	7,155
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		\$ (9,653)	\$ 7,155
(Loss) earnings per share	27.		
Total (loss) earnings per share attributable to ordinary equity holders:			
Basic and diluted		<u>\$ (0.14)</u>	<u>\$ 0.10</u>

The above financial statements should be read in conjunction with the accompanying notes.

Belize Electricity Limited

(Parent Only)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

	Share capital	Additional paid in capital	Insurance reserve	Revaluation reserve	Retained earnings	Total
Balance, January 1, 2024	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 241,913	\$ 395,812
Comprehensive loss:						
Loss for the year	-	-	-	-	(9,653)	(9,653)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(9,653)	(9,653)
Balance, December 31, 2024	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 232,260	\$ 386,159

	Share capital	Additional paid in capital	Insurance reserve	Revaluation reserve	Retained earnings	Total
Balance, January 1, 2023	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 234,758	\$ 388,657
Profit for the year	-	-	-	-	7,155	7,155
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	7,155	7,155
Balance, December 31, 2023	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 241,913	\$ 395,812

The above financial statements should be read in conjunction with the accompanying notes.

Belize Electricity Limited

(Parent Only)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

	<u>2024</u>	<u>2023</u>
Operating activities		
(Loss) profit for the year	\$ (9,653)	\$ 7,155
Adjustment for:		
Amortization of intangible assets	475	526
Depreciation	27,590	24,940
Gain on disposal of property, plant and equipment	-	(265)
Remeasurement of credit loss	(650)	(1,272)
Obsolescence expense	467	426
Amortization of capital contribution	(1,862)	(1,799)
Business tax	5,041	4,702
Interest income	(82)	(75) *
Interest expense	9,054	4,721
Changes in items of working capital:		
Trade and other receivables	26,852	(32,277)
Materials and supplies	(10,600)	(7,023)
Trade and other payables	40,821	(1,337)
Cash generated from (used in) operating activities	<u>87,453</u>	<u>(1,578)</u>
Business tax paid	(5,034)	(4,681)
Net cash generated from (used in) operating activities	<u>82,419</u>	<u>(6,259)</u>
Investing activities		
Purchase of property, plant and equipment	(153,321)	(76,398)
Proceeds from sale of property, plant and equipment	-	265
Interest received	82	75 *
Equity investment in subsidiary	(12)	-
Net cash used in investing activities	<u>(153,251)</u>	<u>(76,058)</u>
Financing activities		
Proceeds from short-term debt	10,000	34,000
Transfer of short-term investment	5,000	-
Proceeds from long-term debt	83,370	8,589
Proceeds from debentures issue	1,206	26,918
Proceeds received from grant contribution	5,091	4,074
Repayment of long-term debt	(9,583)	(2,604)
Repayment of short-term debt	(34,000)	-
Payment of lease liability	(772)	(757)
Dividends paid	(3)	(21)
Interest paid	(9,044)	(4,672) *
Consumer deposits	514	326
Capital contributions	522	2,967
Net cash generated from financing activities	<u>52,301</u>	<u>68,820</u>
Net changes in cash and cash equivalents	<u>(18,531)</u>	<u>(13,497)</u>
Cash and cash equivalents, January 1	35,464	48,961
Cash and cash equivalents, December 31	<u>\$ 16,933</u>	<u>\$ 35,464</u>

* Reclassified for comparative purposes

The above financial statements should be read in conjunction with the accompanying notes.

Belize Electricity Limited

(Parent Only)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

1. General information

Belize Electricity Limited (“the Company”) transmits and supplies electricity to consumers throughout the country of Belize. The Company is a public limited liability company incorporated and domiciled in Belize. Its registered office is located at 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. In September 2015, as part of the settlement, the Government of Belize and Fortis Inc., by way of the Electricity Acquisition (Settlement) Act Chapter 221:01 Revised Edition 2020, settled in part with shares totaling 33.3% shareholding in the Company, making Fortis Inc. one of the major shareholders. Following the settlement, the Government of Belize and the Social Security Board combined own majority shares, totaling 63.8% shareholding in the Company. There are also some 1,522 minority shareholders.

The Company exercises control over its subsidiary Synergy Power Belize (SPV) Limited, with further details of its holding disclosed in Note 9 to these financial statements:

These are the separate financial statements of Belize Electricity Limited, which were authorized for issue in accordance with a resolution of the Board of Directors.

The accounting policies that are used in the preparation of these separate financial statements are consistent with the accounting policies used in the preparation of the consolidated financial statements of Belize Electricity Limited as set out in those financial statements.

Regulation

The Electricity Act, Chapter 221 and Statutory Instrument No. 145 of 2005, Electricity (Tariffs, Fees, and Charges) Bylaws 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. Its primary duty is to ensure that the Company's services 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.

Additionally, the PUC is responsible for the award of licenses, monitoring compliance, and enforcing compliance with license conditions. The Company's 15-year license expired in 2015 was automatically renewed for another 10 years and will expire in 2025. The Company will make an application for license renewal for a further 10-year period under the Electricity Licensing and Consent Regulations, which were passed into law in March 2024.

Belize Electricity Limited

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

1. General information (Continued)

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), Tariff, and Fees based on three cost components comprising BEL's Revenue Requirement.

- The first component is the cost of power ("COP") which includes the capacity cost and variable cost of generation based on the latest forecasts and assumptions at the time of review.
- The second component of the electricity cost is the Value Added of Delivery ("VAD"); the VAD component allows the Company to recover its operating expenses, taxes, and depreciation, and provides for a rate of return on the regulated asset base in the range of 6.5 percent to 10 percent for current full Tariff Period 2024-2028.
- 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 October 30, 2024, the PUC recognized variances (regulatory account balance) in favor of BEL of \$27.7 million in its Final Decision on the 2024 Full Tariff Review Proceeding.

2. Statement of compliance with IFRS and going concern assumption

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

They have been prepared under the assumption that the Company operates on a going concern basis, which assumes the Company will be able to discharge its liabilities as they fall due.

3. New or revised standards or interpretation

The accounting policies adopted are consistent with those used in the previous financial year except some accounting pronouncements which have become effective from January 1, 2024 and have therefore been adopted.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

These amendments do not have a material impact on the Company's financial statements.

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Company.

- IFRS 18 Presentation and Disclosures in Financial Statements
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

3. New or revised standards or interpretation (Continued)

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Material accounting policies

a. 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.

b. 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.

(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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

c. 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.

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 the 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.

Management is guided by the principles in IFRS 9 for judgments and estimates determining the allowance for impairment losses for trade receivables, see Note 4 (d).

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 4 (q).

d. 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 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

d. Financial instruments (Continued)

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 financial assets are categorized in Note 30.

Impairment of financial assets

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 the impairment of trade receivables collectively based on their shared credit risk characteristics.

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 financial liabilities are categorized in Note 30.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

e. 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.

f. 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.

g. Prepayments

Prepayments represent materials, 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 or the goods are received.

h. Materials and supplies

Materials and supplies are the cost of materials and supplies held in the Company's various inventory warehouses, 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.

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.

i. 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. Repair 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 their appropriate classification of property and equipment.

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

k. Impairment of non-financial assets

Property, plant and equipment, intangible assets, and materials and supplies 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'). A 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).

l. Equity instruments

Equity instruments are measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognized in profit or loss.

After application of the cost method, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investment in subsidiaries. The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognizes the amount in the income statement.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company in the consolidated financial statements. They are deconsolidated from the date that control ceases.

m. 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.

n. 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

o. Dividends

Dividend to the Company's shareholders is determined by the Board of Directors on the advice of Management in accordance with the Company's dividend policy which is to maintain a target dividend yield on the original investment in respect of each financial year (expressed as a percentage of original share par-value) that is not less than the higher of the net interest rate payable on the Company's most recent debenture issue and the coupon rate of the most recent issue of the Government of Belize's 10 year treasury notes, but subject always to the Company's overriding cash flow needs to ensure safe and reliable operation of its business, to fund its capital investment programs in accordance with its business plans, and to maintain adequate cash buffers against the cost of power variability.

Dividend 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 until such time as it is paid out.

p. Business tax

The tax charge is calculated on the basis of the tax laws in effect as of the date of the statement of financial position. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

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

q. Leases

The Company distinguishes between capital and operating leases in accordance with IFRS 16.

Capital leases are capitalized as a right-of-use asset and measured at the net present value of the total amount of the stream 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

r. 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.

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 as the amount of the consideration to which the Company expects to be entitled in exchange for the transfer of goods or services to Customers. This principle is applied in accordance with 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) Sale of electricity: Revenue from the sale of electricity is measured based on kilowatt-hours delivered to Customers via the billing of energy sales based on monthly customer meter readings multiplied by the price per kilowatt-hour determined from the applicable tariff schedule authorized by the PUC.

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

t. Cost of power

Cost of power includes the cost of power purchased from the Company's suppliers of power, principally: Comisión Federal De Electricidad (CFE from Mexico); the hydroelectric power plants owned and operated by Fortis Belize Limited (FBL) – a Fortis Inc. owned Company; biomass-based co-generation electric power plants, owned and operated by Belize Co-Generation Energy Limited (Belcogen) and Santander Sugar Energy Ltd (SSEL); and power generated from the Company's own diesel-generated power plant facilities. Costs are recognized as incurred when energy is received by the Company.

u. Interest expense and operating expenses

Interest expenses and operating expenses are recognized in the period incurred. Interest expenses are stated net of capitalized interest.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

4. Material accounting policies (Continued)

v. 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 the defined contribution pension plan is charged to expense as the contributions become payable.

While in pensionable service, each participant pays contributions at the rate of 4% per annum of 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

Termination benefits are recognised in accordance with the labor laws of Belize, the Collective Bargaining Agreement (CBA) between the Company and the Belize Energy Workers Union (BEWU), and Company policy. Employees with at least three years or more of continuous employment are entitled to termination benefits in accordance with the BEL Pension Rules.

5. Trade receivables

	<u>2024</u>	<u>2023</u>
Consumers	\$ 26,500	\$ 27,105
Less: Expected credit loss	<u>(4,326)</u>	<u>(4,976)</u>
	<u>\$ 22,174</u>	<u>\$ 22,129</u>
Expected credit loss is comprised as follows:		
Balance, January 1	\$ 4,976	\$ 6,248
Remeasurement of credit loss	<u>(650)</u>	<u>(1,272)</u>
Balance, December 31	<u>\$ 4,326</u>	<u>\$ 4,976</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

6. Property, plant, and equipment

Year ended December 31, 2024

	Land and buildings	Plant, machinery and equipment	Right-of-use assets	Assets under construction	Total
Cost (c) /Valuation (v)	(c),(v)	(c),(v)	(c)	(c)	
January 1, 2024	\$ 28,064	\$ 870,660	\$ 17,061	\$ 86,901	\$ 1,002,686
Additions	-	-	-	153,321	153,321
Transfers	3,236	143,436	-	(147,331)	(659)
December 31, 2024	<u>31,300</u>	<u>1,014,096</u>	<u>17,061</u>	<u>92,891</u>	<u>1,155,348</u>
Accumulated Depreciation					
January 1, 2024	10,525	341,204	4,134	-	355,863
Additions	609	26,128	853	-	27,590
December 31, 2024	<u>11,134</u>	<u>367,332</u>	<u>4,987</u>	<u>-</u>	<u>383,453</u>
Net Book Value					
December 31, 2024	<u>\$ 20,166</u>	<u>\$ 646,764</u>	<u>\$ 12,074</u>	<u>\$ 92,891</u>	<u>\$ 771,895</u>

	Land and buildings	Plant, machinery and equipment	Right-of-use assets	Assets under construction	Total
Cost (c) /Valuation (v)	(c),(v)	(c),(v)	(c)	(c)	
January 1, 2023	\$ 28,064	\$ 795,491	\$ 17,061	\$ 94,343	\$ 934,959
Additions	-	-	-	76,398	76,398
Transfers	-	83,734	-	(83,840)	(106)
Disposals	-	(8,565)	-	-	(8,565)
December 31, 2023	<u>28,064</u>	<u>870,660</u>	<u>17,061</u>	<u>86,901</u>	<u>1,002,686</u>
Accumulated Depreciation					
January 1, 2023	10,525	325,682	3,281	-	339,488
Additions	-	24,087	853	-	24,940
Disposals	-	(8,565)	-	-	(8,565)
December 31, 2023	<u>10,525</u>	<u>341,204</u>	<u>4,134</u>	<u>-</u>	<u>355,863</u>
Net Book Value					
December 31, 2023	<u>\$ 17,539</u>	<u>\$ 529,456</u>	<u>\$ 12,927</u>	<u>\$ 86,901</u>	<u>\$ 646,823</u>

The transfer total of \$0.659 million (2023: \$0.106 million) represents the cost of assets under construction that was transferred to Intangible Assets (see Note 7).

A depreciation charge of \$2.169 million (2023: \$1.527 million) in respect of generation assets owned and used by the Company was allocated to the cost of power (see Note 22). Additions also include capitalized interest of \$7.516 million (2023: \$7.438 million). See Note 25.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

6. Property, plant, and equipment (Continued)

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 Belize Telemedia Limited (BTL) that confers on the Company exclusive rights to Dark Fiber owned by BTL and spanning specific locations throughout the country of Belize for a period of twenty years.

7. Intangible assets

Year ended December 31, 2024

	Computer	Transmission	Total
Cost			
January 1, 2024	\$ 12,127	\$ 2,757	\$ 14,884
Transfers	659	-	659
December 31, 2024	<u>12,786</u>	<u>2,757</u>	<u>15,543</u>
Accumulated Amortization			
January 1, 2024	10,726	2,757	13,483
Additions	475	-	475
December 31, 2024	<u>11,201</u>	<u>2,757</u>	<u>13,958</u>
Net Book Value			
December 31, 2024	<u><u>\$ 1,585</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,585</u></u>

Year ended December 31, 2023

	Computer	Transmission	Total
Cost			
January 1, 2023	\$ 12,021	\$ 2,757	\$ 14,778
Transfers	106	-	106
December 31, 2023	<u>12,127</u>	<u>2,757</u>	<u>14,884</u>
Accumulated Amortization			
January 1, 2023	10,200	2,757	12,957
Additions	526	-	526
December 31, 2023	<u>10,726</u>	<u>2,757</u>	<u>13,483</u>
Net Book Value December 31, 2023	<u><u>\$ 1,401</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,401</u></u>

Transfer total of \$0.659 million (2023: \$0.106 million) represents the cost of assets under construction that was transferred to Intangible Assets (see Note 6).

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

8. Materials and supplies

	<u>2024</u>	<u>2023</u>
Bulk stores	\$ 57,673	\$ 46,956
Fuel and oil	5,787	6,422
	<u>63,460</u>	<u>53,378</u>
Less: provision for damaged and obsolete spares	(1,743)	(1,794)
	<u>\$ 61,717</u>	<u>\$ 51,584</u>
Provision for damaged and obsolete spares		
Balance, January 1	\$ 1,794	\$ 1,968
Provision Made	467	426
Write-off	(518)	(600)
Balance, December 31	<u>\$ 1,743</u>	<u>\$ 1,794</u>

9. Equity instrument in subsidiary

Equity Instrument in subsidiary consists of 1 ordinary share, \$1 par value, in Synergy Power Belize (SPV) Limited, which represents 100% ownership interest.

10. Trade and other payables

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 79,253	\$ 38,033
Payroll liabilities	1,922	2,753
Refunds and other costs	1,674	980
Stale dated checks	1,978	1,999
Dividends payable	550	553
Interest payable	390	380
EIB training fund	838	838
	<u>\$ 86,605</u>	<u>\$ 45,536</u>

11. Taxes payable

	<u>2024</u>	<u>2023</u>
Business tax	\$ 378	\$ 371
General sales tax	2,283	2,524
	<u>\$ 2,661</u>	<u>\$ 2,895</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

12. Short-term debt

	<u>2024</u>	<u>2023</u>
Holy Redeemer Credit Union Limited		
On October 31, 2023, the Company entered into a short-term loan agreement in the amount of \$15,000,000. The loan matures in February 2024 and bears an effective interest of 4% per annum, with principal repayment at the end of the period and monthly interest payments. Facility was refinanced into a long-term loan facility during the current fiscal period. See Note 13.	\$ -	\$ 15,000
Belize Bank Limited		
On December 18, 2023, the Company entered into a short-term loan in the amount of \$19,000,000. The loan matures in June 2024 and bears an effective interest of 6.25% per annum, with principal repayment at the end of the period and monthly interest payments. Facility was refinanced into a long-term loan facility during the current fiscal period. See Note 13.	-	19,000
National Bank of Belize Limited		
On October 1, 2024, the Company entered into a short-term loan in the amount of \$5,000,000. The loan matures in October 2025 and bears an effective interest of 6% per annum, with principal repayment at the end of the period and quarterly interest payments.	5,000	-
Financial Services Commission		
On October 1, 2024, the Company entered into a short-term loan in the amount of \$5,000,000. The loan matures in October 2025 and bears an effective interest of 6% per annum, with principal repayment at the end of the period and quarterly interest payments.	5,000	-
	<u>\$ 10,000</u>	<u>\$ 34,000</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

13. Long-term debt

	<u>2024</u>	<u>2023</u>
Loan No. 21/OR-BZ		
Loan amounting to US\$11,231,000 from the Caribbean Development Bank for on-lending to the Company, approved as part of the Power VI Project. Loan is repayable over 48 equal quarterly instalments bearing a variable interest rate established by the Bank periodically. Interest for 2024 was at 5.60% (2023 - 4.90%). The loan agreement includes financial covenants requiring the Company to maintain a debt service coverage ratio of 1.5:1, an average return on net fixed assets of 4%, and minimum receivable days of 35. At the end of the reporting period, the debt service coverage ratio stood at 0.52:1, and the average return on net fixed assets was 0.7% resulting from the unforeseen extraordinary high cost of power experienced in 2024. Despite these results, the Company has not reclassified the loans as current liabilities. The Company is currently engaged in the covenant waiver process and confident of a waiver from lender.	\$ 10,765	\$ 13,033

Loan No. 23/OR-BZ

Unsecured loan to the Government of Belize from the Caribbean Development Bank for on-lending to the Company. The loan was drawn down in August 2019 to finance the interconnection of Caye Caulker to the national grid. Loans are funded as follows:

Fund: EIB CALC II Tranche for US\$3,117,000 repayable in 48 quarterly instalments bearing a variable interest rate established by the Bank periodically. Additional charge of 1% per annum commitment fee on the undrawn balances. Interest for 2024 was at 3.82% (2023 - 3.12%).

Fund: Equity and Reserves for US\$3,723,000 repayable in 48 quarterly instalments bearing a variable interest rate established by the Bank periodically. Additional charge of 1% per annum commitment fee on the undrawn balances. Interest for 2024 was at 5.60% (2023 - 4.90%).

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Belize Electricity Limited

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

13. Long-term debt (Continued)

Loan No. 23/OR-BZ (Continued)

The loan agreement includes financial covenants requiring the Company to maintain a debt service coverage ratio of 1.5:1, an average return on net fixed assets of 4%, and minimum receivable days of 35. At the end of the reporting period, the debt service coverage ratio stood at 0.52:1, and the average return on net fixed assets was 0.7% resulting from the unforeseen extraordinary high cost of power experienced in 2024. Despite these results, the Company has not reclassified the loans as current liabilities. The Company is currently engaged in the covenant waiver process and confident of a waiver from lender.

<u>2024</u>	<u>2023</u>
11,885	8,373

Belize Bank Limited

Unsecured loan for \$19,000,000 at an effective interest rate of 6.25% per annum. The loan is payable as twenty-four monthly interest-only payments and thirty-six monthly principal and interest payments. The loan was refinanced to cover previously outstanding short-term debt. See Note 12. The loan contains covenants that restrict the Company from pledging securities without the Bank's prior written consent. At the end of the reporting period, the Company was in compliance with this covenant. The Company expects to remain with the covenants during 12 months after the reporting date.

19,000	-
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Holy Redeemer Credit Union Limited

Unsecured loan for \$40,000,000 at an effective interest rate of 5% per annum. The loan is payable over 60 months with monthly interest payments until the principal is fully repaid. The loan was refinanced to cover previously outstanding short-term debt. See Note 12. There are no specific covenants in place for this facility.

40,000	-
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Government of Belize

Unsecured loan for \$20,000,000 at an effective interest rate of 6.25% per annum. The loan is payable over 18 months with monthly interest and principal until the principal is fully repaid. There are no specific covenants in place for this facility.

13,543	-
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95,193	21,406
(17,167)	(3,125)
\$ 78,026	\$ 18,281

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

13. Long-term debt (Continued)

The loan is repayable as follows:

2025	\$	17,167
2026		3,625
2027		3,625
2028		3,624
2029 and thereafter		67,152
	\$	<u>95,193</u>

14. Lease Liability

	<u>2024</u>	<u>2023</u>
Capital Leases Obligation		
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%. These leases are for 20 years with monthly lease payments of \$19,396 and \$66,910 (inclusive of interest) respectively.	\$ 12,756	\$ 13,528
	<u>12,756</u>	<u>13,528</u>
Less: current portion	(788)	(772)
	<u>\$ 11,968</u>	<u>\$ 12,756</u>

The leases are repayable as follows:

Within one year	\$	788
Later than one year but not later than five years		3,313
Later than five years		8,655
	\$	<u>12,756</u>

15. Capital contributions

Capital contributions are contributions by Customers towards capital installation costs, including the Government of Belize's contributions. Capital contributions are amortized over the useful life of the relevant asset.

	<u>2024</u>	<u>2023</u>
Capital contributions brought forward	\$ 77,988	\$ 75,021
Additions	522	2,967
Capital contributions carried forward	<u>78,510</u>	<u>77,988</u>
Amortization brought forward	27,346	25,547
Additions	1,862	1,799
Amortization carried forward	<u>29,208</u>	<u>27,346</u>
Capital contributions- net	<u>\$ 49,302</u>	<u>\$ 50,642</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

16. Deferred grant contributions

	<u>2024</u>	<u>2023</u>
Energy Resilience Change Adaptation Project (ERCAP)		
Deferred grant contribution at the beginning of the year	\$ 10,908	\$ 6,834
Grant funds received during the year	<u>5,091</u>	<u>4,074</u>
Deferred grant contribution at the end of the year	<u>15,999</u>	<u>10,908</u>
European Union Co-Financed Mini-grid		
Deferred grant contribution at the beginning of the year	3,039	3,039
Grant funds received during the year	<u>-</u>	<u>-</u>
Deferred grant contribution at the end of the year	<u>3,039</u>	<u>3,039</u>
	<u>\$ 19,038</u>	<u>\$ 13,947</u>

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.

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, 2024, the total grant funds used was US\$8.0 million (December 31, 2023: US\$4.1 million). 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.

The project execution started in November 2016 and was slated for completion by May 31, 2022. An extension was sought, and approval was obtained from the World Bank with a new completion date of November 30, 2025.

In February 2022, the Company and the European Union (EU) signed an agreement for a rural electrification project to supply power to five remote communities in Belize that currently do not have access to BEL's existing supply.

In June 2022, BEL received funds of EUR€1.46 million, equivalent to BZ\$3.039 million for the project. The project was expected to be implemented over a 39-month period ending May 2025; however, an extension is being sought to extend the implementation period by 19 months. This is to account for the time taken to execute the Free Prior and Informed Consent (FPIC) Protocol to gain consent for Project execution in the three Mayan communities selected in Toledo. If approved, the Project end date will be December 2026.

As of December 31, 2024, the total grant funds used were EUR€0.145 million, equivalent to BZ\$0.302 million. Once completed, the mini-grids will be operated and maintained by BEL.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

17. Debentures

	<u>2024</u>	<u>2023</u>
<p>Series 6: 250,000 unsecured debentures of \$100 each to mature December 31, 2030, with interest payable quarterly at 6.5% per annum. The Series 6 debentures can be called by the Company at any time after December 31, 2020, until maturity by giving holders not more than 60 days' or not less than 30 days' written notice and are repayable at the option of the holders at any time on or after December 31, 2022, after giving 12 months' written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.</p>	\$ 25,000	\$ 25,000
<p>Series 7: 275,000 unsecured debentures of \$100 each to mature March 31, 2028, with interest payable quarterly at 6.0% per annum. The Series 7 debentures can be called by the Company at any time after March 31, 2022, until maturity by giving holders written notice of not more than 60 days or not less than 30 days and are repayable at the option of the holders at any time on or after March 31, 2022, after giving written notice of 12 months to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.</p>	27,500	27,500
<p>Series 8: 452,352 unsecured debentures of \$100 each to mature June 30, 2032, with interest payable quarterly at 6.0% per annum. The Series 8 debentures can be called by the Company at any time after June 30, 2026, until maturity by giving holders written notice of not more than 60 days or not less than 30 days and are repayable at the option of the holders at any time on or after June 30, 2026, after giving written notice of 12 months to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.</p>	45,235	45,235
<p>Series 9: 600,000 unsecured debentures of \$100 each to mature June 30, 2034, with interest payable quarterly at 4.25% per annum. The Series 9 debentures can be called by the Company at any time after June 30, 2028, until maturity by giving holders written notice of not more than 60 days or not less than 30 days and are repayable at the option of the holders at any time on or after June 30, 2028, after giving written notice of 12 months to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.</p>	60,000	60,000

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

17. Debentures (Continued)

	<u>2024</u>	<u>2023</u>
Series 10: 300,000 unsecured debentures of \$100 each to mature December 31, 2034, with interest payable quarterly at 4.5% per annum. The Series 10 debentures can be called by the Company at any time after December 31, 2028, until maturity by giving holders written notice of not more than 60 days or not less than 30 days and are repayable at the option of the holders at any time on or after December 31, 2031, after giving written notice of 12 months to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.	\$ 30,000	\$ 30,000
Series 11: 650,000 unsecured debentures of \$100 each to mature December 31, 2035, with interest payable quarterly at 4.5% per annum. The Series 11 debentures can be called by the Company at any time after December 31, 2029, until maturity by giving holders written notice of not more than 60 days or not less than 30 days and are repayable at the option of the holders at any time on or after December 31, 2032, after giving written notice of 12 months to the Company. The last day of subscription remains open.	28,124	26,918
	<u>\$ 215,859</u>	<u>\$ 214,653</u>

In 2023, the Company and debenture holders amended and restated the BEL Principal Indenture. The Indentures to the Debentures contain covenants, which must be complied with by the Company. The Company will not incur new debt, including additional debentures, unless total debt remains below 75% of its total capitalization and any new debentures have a longer average lifespan than existing ones. Additionally, the Company will not place liens on its assets to secure borrowed money without equally securing the debentures. At the end of the reporting period, the company was in compliance with this covenant. The company expects to comply with the covenants within 12 months after the reporting date.

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.

18. Consumer Deposits

Customers are required to make a security deposit equivalent to one month's estimated bill at the time of service connection. The deposit does not accrue interest and is fully refundable on permanent discontinuation of service.

Belize Electricity Limited

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

19. Share capital

	<u>2024</u>	<u>2023</u>
Ordinary shares:		
Authorized 100,000,000 shares of \$2.00 each	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Issued and fully paid 69,023,009 shares of \$2.00 each	<u>\$ 138,046</u>	<u>\$ 138,046</u>
Convertible redeemable preference shares:		
Authorized 12,000,000 shares of \$2.00 each	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Issued and fully paid shares of \$2.00 each	<u>Nil</u>	<u>Nil</u>

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

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 – The 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.

No Convertible Redeemable Preference Shares are outstanding since December 31, 2016.

Special share:

Authorized, issued and fully paid 1 share of \$1.00 each

The rights attached to the Special Share are as follows:

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

19. Share capital (Continued)

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 Directors and the 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.

20. 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 the setting up of a self-insurance plan for transmission and distribution assets in the form of a \$5 million reserve accumulated from amounts of \$0.5 million per annum deducted from retained earnings. On July 26, 2024, the Company transferred funds held in the Atlantic Bank Limited at maturity to a credit union account at Holy Redeemer Credit Union Limited yielding a higher interest rate.

21. Revenues

On October 28, 2020, the PUC approved a reduced Mean Electricity Rate (MER) of \$0.4018 for the period January 1, 2021, to June 30, 2021, as part of the Full Tariff Review Proceedings (FTRP) for the 2020-2024 full tariff period. On April 1, 2021, the Company submitted a proposal for the Annual Review Proceeding (ARP) 2021 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, as well as tariffs to reflect this new MER, with effect from July 1, 2021, through to June 30, 2024. Each subsequent PUC Decision, as recorded in the PUC's Final Decision on ARP 2022 and ARP 2023, has reaffirmed the MER of \$0.3999 and retained the prevailing tariffs as per ARP 2021 and these rates remained in effect through to August 31, 2024 pending the PUC's Decision on BEL's FTRP submission for the 2024-2028 full tariff period. On October 30, 2024, the PUC issued its Final Decision on FTRP 2024, increasing the MER to \$0.4090 with effect from September 1, 2024, through to June 30, 2028, however, the prevailing tariffs remain unchanged.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

22. Cost of power

	<u>2024</u>	<u>2023</u>
Power purchased	\$ 181,633	\$ 164,209
Power generation costs:		
Fuel	28,357	25,059
Operations and maintenance	1,633	1,366
Depreciation (Note 6)	2,169	1,527
	<u>\$ 213,792</u>	<u>\$ 192,161</u>

23. Other income

	<u>2024</u>	<u>2023</u>
Service installations	\$ 1	\$ 22
Rent income	2,489	2,474
Amortization of capital contributions	1,862	1,799
Sundry income	1,510	2,069
Gain on disposal of fixed assets	-	265
	<u>\$ 5,862</u>	<u>\$ 6,629</u>

24. Operating expenses

	<u>2024</u>	<u>2023</u>
Company taxes and fees	\$ 4,569	\$ 1,603
Computer hardware and software support	2,312	1,850
Contract labour	6,514	6,924
Corporate insurance	1,593	1,520
Depreciation and amortization	25,896	23,940
Donations & customer claims	1,346	429
Employee electricity discount	403	379
Employee service facility	981	1,166
Employer medical, life and social security	1,995	1,665
Employer pension	1,694	1,494
Inventory adjustments	467	426
Maintenance of grounds and buildings	856	743
Materials	798	939
Notification and advertisements	426	516
Payroll expenses - labour & wages	15,272	13,213
Professional fees	589	562
Remeasurement of credit loss	(650)	(1,272)
Stationery & office supplies and postage and subscription	153	163
Telephone & communications	1,223	1,363
Training & certification	945	1,072
Travel	610	254
Uniform & safety gear	835	582
Vegetation management	2,448	2,018
Vehicle maintenance	758	1,316
	<u>\$ 72,033</u>	<u>\$ 62,865</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

25. Interest expense

	<u>2024</u>	<u>2023</u>
Interest expense	\$ 16,306	\$ 11,874
Lease liability interest	264	279
Interest capitalized (see also Note 6)	<u>(7,516)</u>	<u>(7,432)</u>
	<u>\$ 9,054</u>	<u>\$ 4,721</u>

26. Business tax

The Company is charged a tax rate of 1.75% of its gross revenues in accordance with the Income and Business Tax Act, Chapter 55 of the Substantive Laws of Belize.

27. (Loss) Earnings per share

	<u>2024</u>	<u>2023</u>
Basic (loss) earnings per share amounts are calculated by dividing the net (loss) profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.	<u>\$ (0.14)</u>	<u>\$ 0.10</u>

Diluted (loss) earnings per share are calculated by dividing the net (loss) profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for its dilutive potential.	<u>\$ (0.14)</u>	<u>\$ 0.10</u>
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The following reflects the income and share capital data used in the basic and diluted (loss) earnings per share computations.

Net (loss) profit attributable to ordinary shareholders for basic and diluted (loss) earnings	<u>\$ (9,653)</u>	<u>\$ 7,155</u>
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Weighted average number of ordinary shares for basic earnings per share	69,023,009	69,023,009
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Effect of dilution:

Weighted average number of ordinary shares adjusted for the effect of dilution	69,023,009	69,023,009
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Basic (loss) earnings per ordinary share	<u>\$ (0.14)</u>	<u>\$ 0.10</u>
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Diluted (loss) earnings per ordinary share	<u>\$ (0.14)</u>	<u>\$ 0.10</u>
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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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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28. Related party transactions

The Government of Belize owns 32.58% of the issued and outstanding ordinary shares of the Company, the Social Security Board owns 31.27%, Fortis Cayman Inc. owns 33.3% and about 1,500 other shareholders own 2.9%.

The following transactions were carried out with related parties:

(a) Sale of power	<u>2024</u>	<u>2023</u>
Government of Belize	\$ 25,246	\$ 25,461
Belize Telemedia Limited	4,801	5,671
Social Security Board	746	702

(b) Purchases of goods and services	<u>2024</u>	<u>2023</u>
Social Security Board contribution payments	1,091	965
Social Security Board interest payments	684	76
Belize Telemedia Limited telecommunications services	1,977	2,557
Fortis Belize Limited power purchase	58,216	48,963
Government of Belize interest payments	461	-

(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:

	<u>2024</u>	<u>2023</u>
Salaries and other short-term benefits	2,573	1,410

(d) Year-end balances

	<u>2024</u>	<u>2023</u>
Receivable from related parties:		
Government of Belize	NIL	5
Social Security Board	16	42
Belize Telemedia Limited	4	-
Entities controlled by key management personnel	NIL	NIL

	<u>2024</u>	<u>2023</u>
Payable to related parties:		
Government of Belize	14,688	1,440
Social Security Board	NIL	NIL
Fortis Belize Limited	26,025	12,677
Belize Telemedia Limited - finance lease	12,756	13,528
Entities controlled by key management personnel	NIL	NIL

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

28. Related party transactions (Continued)

The receivable from and payable to related parties are generally due one month after the date of sale or purchase, except for the BTL leases which are due in accordance with the lease agreement (see Note 13). The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.

(e) Loans to related parties	NIL	NIL
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29. Commitments and contingencies

Commitments

There are no significant contracted expenditures at the end of the period that are not recognized as liabilities.

Legal issues

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business operations.

Management, based on advice from both internal and external legal counsel, 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, 2024, there were four Right of Way claims which have been submitted to arbitration under Section 36 of the Electricity Act. The Company has assessed its exposure at approximately \$683,453 for all these claims.

30. Categories of financial assets and financial liabilities

In accordance with IFRS 9, financial assets and financial liabilities are classified and 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.

	<u>2024</u>	<u>2023</u>
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 16,933	\$ 35,464
Short-term investments	-	5,000
Trade receivables	22,174	22,129
Other receivables	1,994	1,972
Staff receivables	1,391	947
Total Financial Assets	<u>\$ 42,492</u>	<u>\$ 65,512</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

30. Categories of financial assets and financial liabilities (Continued)

	<u>2024</u>	<u>2023</u>
Financial Liabilities		
Liabilities at amortised cost		
Trade and other payables	\$ 86,605	\$ 45,536
Short-term debt	10,000	34,000
Deferred grant contribution	19,038	13,947
Long term debt	95,193	21,406
Debentures	215,859	214,653
Lease liability	12,756	13,528
Total Financial Liabilities	<u>\$ 439,451</u>	<u>\$ 343,070</u>

31. 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 and operational 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.

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

Foreign exchange risk is minimized when the Company's transactions with foreign entities are denominated in US dollars versus any other unpegged exchange currency. On December 31, 2024, and 2023, the Company had no material liability denominated in a foreign currency other than the US dollar (See Note 12 and Note 13).

(b) Credit Risk

The Company has a large and diversified customer base, which helps to lower the concentration of its credit risk. The Company's credit risk exposure is concentrated as follows:

Government of Belize	8%
Residential Customers	38%
Commercial Customers	50%
Industrial Customers	4%
Industrial Customers	

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

31. Financial risk management (Continued)

(b) Credit Risk (Continued)

December 31, 2024	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
Gross carrying amount	\$ 14,761	\$ 2,432	\$ 494	\$ 182	\$ 539	\$ 8,092	\$ 26,500
Customer deposits	(7,389)	(1,217)	(247)	(91)	(4,321)	-	(13,265)
	7,372	1,215	247	91	(3,782)	8,092	13,235
Expected loss rate	2.90%	2.90%	2.90%	2.90%	95.71%	95.00%	
Total loss allowance \$	214	35	7	3	(3,620)	7,687	4,326
December 31, 2023	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
Gross carrying amount	\$ 15,208	\$ 2,223	\$ 742	\$ 189	\$ 551	\$ 8,192	\$ 27,105
Customer deposits	(7,155)	(1,046)	(349)	(89)	(4,113)	-	(12,752)
	8,053	1,177	393	100	(3,562)	8,192	14,353
Expected loss rate	2.20%	2.20%	2.20%	2.20%	84.74%	95.00%	
Total loss allowance \$	177	26	9	2	(3,018)	7,780	4,976

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 puts in place measures to mitigate this type of risk by consistently enforcing a customer deposit policy based on the level of risk exposure and regularly following up on accounts in arrears. The Company carefully monitors Customers' account balances and only resorts to service disconnection as a last measure to mitigate financial risk. However, it employs several proactive collection strategies to encourage timely payments. These strategies encompass individualized communication through SMS, email, and phone calls, alongside the highly effective Customer Rewards Program.

(c) Interest Rate Risk

The Company is exposed to interest rate risk associated with short-term borrowings and floating-rate debt. The Company mitigates this risk by maintaining a diversified debt portfolio and continuously monitoring the interest rates.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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31. Financial risk management (Continued)

(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 repay maturing debt. To mitigate liquidity risk, the Company performs rolling cash flow forecasting 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 compliance with the statement of financial position.

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

Contractual maturities of liabilities on December 31, 2024

	Within 3 months	3 months to 1 year	Between 1 and 5	Over 5 years	Total
Trade and other payables	\$ -	\$ 86,605	\$ -	\$ -	\$ 86,605
Taxes payable	2,661	-	-	-	2,661
Deferred grant contribution	-	-	19,038	-	19,038
Debentures (short-term and long-term)	-	-	52,500	163,359	215,859
Long-term debt, including lease liability	4,292	13,663	17,813	72,181	107,949
	\$ 6,953	\$100,268	\$ 89,351	\$235,540	\$432,112

Contractual maturities of liabilities on December 31, 2023

	Within 3 months	3 months to 1 year	Between 1 and 5	Over 5 years	Total
Trade and other payables	\$ -	\$ 45,536	\$ -	\$ -	\$ 45,536
Taxes payable	2,895	-	-	-	2,895
Deferred grant contribution	-	-	13,947	-	13,947
Debentures (short-term and long-term)	-	-	52,500	162,153	214,653
Long-term debt, including lease liability	973	2,924	15,694	15,343	34,934
	\$ 3,868	\$ 48,460	\$ 82,141	\$177,496	\$311,965

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

Consistent with industry best practices, the Company monitors the gearing ratio which 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Belize dollars)

32. Events after the reporting period

No adjusting nor significant non-adjusting events have occurred between the December 31, 2024, reporting date and the date of authorization.



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