

Belize Electricity Limited

Business Report



Prepared to Lead:
Modernizing Belize's
Energy Future





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ANNUAL BUSINESS REPORT 2025

Table of Acronyms

AIFR - All Injury Frequency Rate

AMI - Advanced Metering Infrastructure

ARP - Annual Review Proceeding

BAPCOL - Blair Athol Power Company Ltd.

BEL - Belize Electricity Limited

BESS - Battery Energy Storage System

BPO - Business Process Outsourcing

BZ - Belize Dollar Prefix

BZD - Belize Dollars

CDB - Caribbean Development Bank

CEO - Chief Executive Officer

CFE - Comisión Federal de Electricidad (Mexico utility)

CFO - Chief Financial Officer

COD - Cost of Delivery

COP - Cost of Power

DG - Distributed Generation

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

EV - Electric Vehicle

FTRP - Full Tariff Review Proceeding

GIS - Geographic Information System

GOB - Government of Belize

GWh - Gigawatt-hour

HR - Human Resources

IFC - International Finance Corporation

ISO - International Organization for Standardization

KPI - Key Performance Indicator

LCEP - Least Cost Expansion Plan

LED - Light Emitting Diode

MER - Mean Electricity Rate

MW - Megawatt

MWh - Megawatt-hour

NGO - Non-Governmental Organization

O&M - Operations and Maintenance

OPEX - Operating Expenditure

PPA - Power Purchase Agreement

PUC - Public Utilities Commission

PV - Photovoltaic

RFQ - Request for Quotation

SAIDI - System Average Interruption Duration Index

SAIFI - System Average Interruption Frequency Index

SCADA - Supervisory Control and Data Acquisition

SDIX - Service Delivery Index

SH&EMS - Safety, Health and Environmental Management System

SHE - Safety, Health and Environment

SSB - Social Security Board

USD - United States Dollar



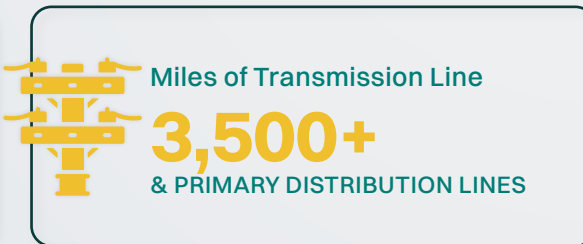
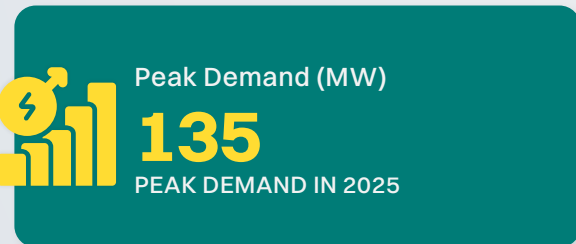
Section 1 Corporate Overview



CORPORATE OVERVIEW
Company Profile

Our National Grid, Our National Responsibility

Belize Electricity Limited (BEL) is the primary distributor of electricity in Belize, Central America. The Company served a Customer base of 116,894 accounts, sold 720.9 gigawatt-hours (GWh) of energy, and met peak power demand of 135 megawatts (MW) in 2025.



BEL owns and operates Belize’s National Electricity Grid which includes over 3,500 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 65.882% interest in the Company, whilst the Social Security Board (SSB) owns 31.265% resulting in public sector interest of 97.147%, while over 1,500 small shareholders own the remaining 2.853% interest in ordinary shares.



CORPORATE OVERVIEW

Chairman's Message


The 2025 financial year marked a period of continued transition for Belize Electricity Limited, as the Company operated within an increasingly complex energy environment shaped by rising demand, evolving market structures, and sustained cost pressures.

Electricity demand continued to grow across all major customer segments, reflecting both economic activity and the essential role of energy in national development. At the same time, the cost of supplying that energy increased, driven by higher generation costs and the operational requirements necessary to maintain reliability. These dynamics required disciplined execution and careful financial management as the Company worked to sustain service delivery while navigating constraints within the existing tariff framework.

In 2025, BEL demonstrated that even under pressure, disciplined operations and targeted investment can deliver measurable results.

These achievements reflect the dedication and professionalism of our employees, whose commitment to safe and reliable service continues to underpin the Company's performance under increasingly demanding conditions. As one of our team members, Mr. Alvino Teul a Powerline Technician IV in the Distribution Operations South Zone, aptly expressed:

“I do my best to serve our Customers faithfully and to stay involved in my community. For me, giving back is about creating hope, building unity, and leaving a positive impact wherever we can. That is what makes our work meaningful.”

—  **Alvino Teul**, Powerline Technician IV,
Distribution Operations South Zone



H.E. Ambassador Lynn Young
Executive Chairman
Belize Electricity Limited (BEL)



Their commitment is also evident in the continued advancement of our people through academic achievement, professional development, and exposure to international best practices. In 2025, several of our valuable team members successfully completed advanced academic programs, strengthening expertise in areas critical to system operations, technology, and financial management.

These investments in our people strengthen our capability, deepen our expertise, and ensure that the system we are building is supported by the leadership and discipline required to sustain it.

The Company maintained its focus on strengthening system performance, and this is reflected in improved operational outcomes. The investments in firm and dispatchable generation in 2024, together with continued grid strengthening in 2025, contributed to a significant reduction in outage frequency (11.45 instances down from 22.30 in 2024) and duration (15.82 hours down from 24.71 in 2024) and improved overall system stability, while supporting areas of growth.

The Company is also advancing a pipeline of transformative projects that will strengthen and modernize the system, as well as improve long-term costs for our Customers.

These include utility-scale solar generation, supported by battery energy storage, and expanded grid modernization initiatives. The launch of an RFQ for up to 80 MW of solar capacity in partnership with the Government of Belize and the IFC, together with the recently executed 15 MW of solar + battery Power Purchase Agreement with BAPCOL, represent important steps toward diversifying the energy mix and reducing reliance on higher-cost generation over time.

The nationwide deployment of advanced metering infrastructure (smart meters), which is supported by USD \$27.5 million financing from the CDB, will enhance system visibility, improve operational efficiency, and enable more responsive service.

These projects are further complemented by Belize's ongoing engagement with the Millennium Challenge Corporation, also in partnership with the Government of Belize and the US government, to support investments and policy reforms aimed at lowering the wholesale cost of electricity and strengthening the energy sector over the long term.

While these initiatives take time to fully implement, progress continues, and together they represent a coordinated effort to build a more resilient and cost-effective energy system.

At the system level, the year further underscored the need for a more modern and responsive energy framework. The increasing complexity (and variability) of the energy mix, the structure of electricity pricing, the increasing role of distributed generation, and the rising cost of maintaining reliability all point to the need for a regulatory and market framework that is responsive to these realities. As the energy landscape changes, it is essential that the frameworks





governing it evolve in a manner that supports both system stability and long-term sustainability.

The year was also marked by a significant transition in the Company's ownership structure, following the Government of Belize's acquisition of the shares previously held by Fortis. This development represents a shift for BEL, with the Company now operating as a predominantly nationally owned utility.

This change reinforces BEL's role at the center of the country's energy system, as a company entrusted with delivering safe, reliable, and sustainable energy solutions in service to the public. As the ownership landscape evolves, BEL remains focused on maintaining operational excellence, strengthening coordination across the sector, and ensuring long-term value for Customers and Belize.

The close of 2025 also marked a transition in Board leadership. I assumed the role of Executive Chairman in January 2026, following the conclusion of the tenure of my predecessor, whose stewardship guided the Company through a period of significant operational and strategic challenge. On behalf of the Board, I extend appreciation for his service and contributions.

As Executive Chairman, my focus is to ensure that BEL continues to operate with discipline, transparency, and a clear commitment to long term sustainability.

As we look ahead, the path forward will require continued balance. The need to maintain reliable and affordable service must be aligned with the equally important need to invest in infrastructure, diversify energy sources, and modernize how the system is managed. Achieving this balance will depend on sustained collaboration among the Company,

the regulator, policymakers, and the wider stakeholder community.

The task before us is not simply to meet demand, but to shape an energy system that is more resilient, more efficient, and better aligned with the future needs of our country.

With that in mind, BEL enters this next phase with clarity of purpose and a commitment to delivering an energy future that is more resilient, more efficient, and more affordable for all Belizeans. The objective remains unchanged: to provide Belize with safe, reliable, and sustainable energy solutions to enhance the quality of life, the sustainability of enterprise and to support national development. We do this while preparing the system to meet the needs of the future and a growing Belize.

H.E. Ambassador Lynn Young

**EXECUTIVE CHAIRMAN
BELIZE ELECTRICITY LIMITED**

 CORPORATE OVERVIEW
Board of Directors



E. Andrew Marshalleck, S.C. 

Chairman of the Board of Directors


[Click to View Biography](#)




Kay Menzies 

Deputy Chairperson of the Board


[Click to View Biography](#)




Chandra Cansino 

Director


[Click to View Biography](#)




Amir Carrillo 

Director

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Lawrence Ellis 

Director


[Click to View Biography](#)




Anuar Flores 

Director


[Click to View Biography](#)




Michael Hyde 

Director


[Click to View Biography](#)




Marconi Leal 

Director

[Click to View Biography](#)



H.E. Stuart Leslie 

Director

[Click to View Biography](#)



Ashanti Martin 

Director

[Click to View Biography](#)

The Board composition above reflects Directors serving at the end of the **2025 financial year**. During the year, changes to Board composition occurred following the conclusion of the **2024 Annual General Meeting**, as well as further transitions in **October 2025 associated with changes in** shareholding. Ms. Kay Menzies held the post of Deputy Chairperson until her departure from the Board in **October 2025**. As a result, the Directors listed above represent the composition of the Board at year-end only, while several Directors contributed to governance oversight during earlier parts of the year. Effective **January 2026**, a new Board composition was established, including the appointment of H.E. Lynn Young as Chairman, following the resignation of E. Andrew Marshalleck, who served through **December 31, 2025**.



CORPORATE OVERVIEW

Leadership Team


Chief Executive Officer 

John Mencias



Years of Service
26 Years

 **Master of Business Administration**
Monash University, Melbourne, Australia


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

General Manager, Energy Supply & Transmission 

Jose Moreno



Years of Service
34 Years


 **BSc, Electric Engineering**
National University, Manila, Philippines

General Manager, Finance & Business Support & Chief Financial Officer 

Sean Fuller



Years of Service
28 Years

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


General Manager, Employee & Corporate Services & Legal Counsel 

Dawn Sampson Nunez



Years of Service
25 Years

 **Masters of Business Administration**
Durham University, United Kingdom


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

General Manager, Commercial & Retail Services 

Austin Castro



Years of Service
26 Years

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

General Manager, Distribution & Energy Solutions 

Karique Marin



Years of Service
11 Years

 **Master of Science, Electric Power Systems Engineering**
University of Manchester, United Kingdom

¹The above reflects the Company's Leadership and Management structure at the close of the 2025 financial year. Subsequent changes to leadership structure, including the appointment of an Executive Chairman in 2026, form part of the Company's organizational evolution.

CORPORATE OVERVIEW

Senior Management & Belize Energy Workers Union Executive

Senior Management

Denise Gillett ⚡	35 Years
Manager, HR Relations & Services	
Andrea Badillo ⚡	26 Years
Manager, Executive Services & Company Secretary	
Jason Rivers ⚡	26 Years
Manager, Risk & Asset Management	
Barrymore Smith ⚡	25 Years
Manager, Telecommunication Services	
Vonetta Burrell ⚡	21 Years
Manager, Customer Services & Relations	
Sherman Ferguson ⚡	20 Years
Manager, Revenue & Customer Accounts	
Adelita Granados ⚡	19 Years
Manager, Inventory & Logistics	
Elton Robinson ⚡	19 Years
Manager, Facilities Management Services	

Senaida Castillo ⚡	18 Years
Manager, Risk & Compliance	
Sheena Kuylen-Simpson ⚡	17 Years
Manager, Transmission & Interconnection Projects	
Jemima Castaneda ⚡	15 Years
Manager, Information & Technology & Cybersecurity	
Ashton Webster ⚡	13 Years
Manager, Distribution Operations	
Elvir Gutierrez ⚡	13 Years
Manager, Distribution Planning & Engineering	
Marta Castillo ⚡	12 Years
Manager, Internal Audit	
Stephen Gilharry ⚡	11 Years
Manager, System Planning & Engineering	
Omereyon Fregene ⚡	10 Years
Manager, System Operations	
Leila Leslie ⚡	09 Years
Manager, Corporate Communications	
Rene Cuello ⚡	07 Years
Manager, Budget, Financial Reporting & Analysis	
Gillian Awe ⚡	05 Years
Manager, Talent Acquisition & Development	
Selene Solis ⚡	05 Years
Manager, Marketing & Sales	

Khadija Usher ⚡	01 Years
Manager, Wholesale Energy Markets and Strategy & Business Development	
Donna-Marie Neaves-Rostant ⚡	01 Years
Manager, Legal Services	
Ernesto Middleton ⚡	01 Years
Manager, Finance & Accounting	

Energy Workers Union Executive

Rosaenni Novelo ⚡	02 Years
President, Belize Energy Workers Union	
Karen Wade ⚡	08 Years
Vice President, Belize Energy Workers Union	
Ivan Acosta ⚡	16 Years
General Secretary, Belize Energy Workers Union	
Marvin Mora ⚡	26 Years
Asst. General Secretary, Belize Energy Workers Union	
Jamie Eck ⚡	18 Years
Treasurer, Belize Energy Workers Union	
Jenau Gray ⚡	09 Years
Councilor, Belize Energy Workers Union	
Jose Ruiz ⚡	19 Years
Councilor, Belize Energy Workers Union	

²The Executives of the BEWU were elected by Union Members in June 2025. Outgoing Executive Members include Jose Escalera, Aubrey Tillet, Eddie Johnston, Clarissa Vasquez, Ronald Young, Adolfo Oliva, Andy Pandy, and Alric Moore.

 CORPORATE OVERVIEW

Performance Highlights


Operational & Financial Performance


 Electricity Sales
720.9 GWh
↑ 2.23% FROM 705.2 GWh IN 2024

 Revenue Growth
+2.3%
INCREASE IN TOTAL REVENUES

 Average Cost of Power to BEL
31.17 ¢/kWh
↑ 2.6% FROM 30.32 ¢/kWh


 Cost to Deliver to Customers
15.7 ¢/kWh
↑ FROM 14.9 ¢/kWh


 Service Reliability (SAIFI)³
11.45
OUTAGES PER CUSTOMERS
↓ FROM 22.30 IN 2024

 Interruption per Customer (SAIDI)⁴
15.82 Hrs
AVERAGE HOURS PER CUSTOMER
↓ FROM 24.71 IN 2024



 Safety, Health & Environment
96 %
COMPLETED INITIATIVES

 Cost of Power
\$224.7MN
↑ 5.10% FROM \$213.8M

 Overall Service Delivery (SDIX)⁵
91.9%
↑ FROM 85.7% IN 2024

³System Average Interruption Frequency Index (SAIFI) is the average number of times a customer experiences a power outage over a given period. ⁴System Average Interruption Duration Index (SAIDI) is the average total time that a customer is without electricity over a given period. ⁵SDIX is a measure of the overall reliability of the power distribution system. This index helps BEL to assess its performance in maintaining service continuity and can be used to compare performance with other utilities.



CORPORATE OVERVIEW
Performance Highlights

Energy & Infrastructure Development



Capital Investment
\$106.2 MN
 IN CAPITAL EXPENDITURES
 ↓ FROM \$153.3 MN IN 2024

Total Net Generation
831.19 GWh
 ↑ FROM 809.09 GWh IN 2024
 INCLUSIVE OF POWER FROM CFE

Total Local Generation (NET)
396.98 GWh
 ↓ FROM 401.38 GWh IN 2024.

Imported Electricity
434.21 GWh
 ↑ FROM 407.71 GWh IN 2024

Distributed Generation Fed
3,288 MWh
 INTO THE NATIONAL POWER GRID

Local Generation (Renewable)
72.84%
 ↓ FROM 77.01% IN 2024



CORPORATE OVERVIEW
Performance Highlights

Partnerships & Customer Engagement



Community Engagement & Initiatives Nationwide

284 Completed

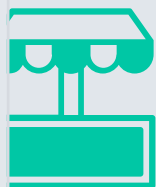
105 Community Engagements

71 Educational Initiatives

42 Sporting Events

38 Community Welfare

28 Community Lighting Initiatives



Mobile Customer Service

19 Events

Total Service Events in communities across Belize



Social Development Investment

\$295k
TOTAL INVESTMENT



EV Charging Network

11
TOTAL CHARGING STATIONS



Charging Sessions


2,328
TOTAL RECORDED SESSIONS



BEL 24-7 App Downloads

23,075 Downloads

Overall 28% User Base Growth in 2025.

 CORPORATE OVERVIEW
Strategic Pillars

Powering Progress with Purpose

BEL's strategy is anchored in five pillars that guide how we invest, operate, and evolve. As Belize's energy landscape evolves, BEL is strengthening the foundations of today while preparing to lead the transition to a more modern, resilient, and customer-driven energy future.

Grid Reliability & Resilience

We are reinforcing the backbone of the national grid, investing in stronger infrastructure, smarter systems, and greater resilience to ensure reliable power for every community, every day.

Energy Market Management

We are securing a more stable and sustainable energy supply by diversifying sources, strengthening procurement strategies, and actively shaping a cost-effective energy future for Belize.

Service Excellence

We are redefining the customer experience by becoming more responsive, accessible, and transparent, while delivering solutions that meet customers where they are and where they are going.

Modernization & Innovation

We are building a smarter energy system, leveraging data, digital technologies, and innovation to improve performance, enable new solutions, and prepare the grid for what comes next.

Market Evolution

We are opening the energy landscape by empowering customers, strengthening partnerships, and enabling greater participation in a more dynamic and sustainable energy ecosystem.



Built by Generations Committed to Connecting Communities & Powering Progress.

From the first transmission lines to a nationwide grid, Belize's electricity system was built through the hands, ingenuity, and dedication of generations of Belizeans.

In the Spotlight

Built to Serve: The Evolution of Our National Grid

SCAN HERE!





Section 2

Operational & Financial Performance





OPERATIONAL & FINANCIAL PERFORMANCE

Earnings

Balancing Growth, Cost Pressures, & System Transition

In 2025, the Company recorded Comprehensive Revenue of \$296.67million, an increase from \$290.3 million in 2024. This growth was driven by higher electricity sales and sustained demand across key sectors, reflecting the central role of electricity in supporting economic activity and national development.

However, this growth was accompanied by increased cost, particularly in Cost of Power (COP), which rose to 76% of revenues, compared to 74% in 2024 and 71% in 2023, indicative of a greater reliance on higher-cost generation sources, as well as continued exposure to fuel and import price volatility.

Operating expenses remained stable at approximately 16% of revenues, demonstrating the cost discipline across operations. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) declined to \$23.7 million, compared to \$30.3 million in 2024, and the Company recorded a net loss of \$23.3 million, compared to a net loss of \$9.7 million in the prior year.

This performance represents the increasing cost of procuring energy within the current wholesale energy market, where access to firm and lower-cost energy supply remains constrained. **As a result, the gap between actual cost of power and the timing of cost recovery has continued to place pressure on the Company and shareholders who continue to bear the financial impact of that gap.**

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

	2025	2024	2023	2022	2021
Comprehensive Revenue	\$296.670	\$290.266	\$271.603	\$247.434	\$234.623
Cost of Power	(\$224.706)	(\$213.792)	(\$192.161)	(\$162.683)	(\$135.893)
Operating & Other Expenses	(\$48.173)	(\$46.137)	(\$38.925)	(\$36.480)	(\$31.931)
EBITDA	\$23.791	\$30.337	\$40.517	\$48.271	\$66.799
Depreciation & Amortization	(\$28.932)	(\$25.896)	(\$23.940)	(\$22.870)	(\$22.465)
EBIT	(\$5.141)	\$4.441	\$16.578	\$25.400	\$44.334
Interest Expense	(\$13.024)	(\$9.054)	(\$4.721)	(\$5.773)	(\$6.262)
Corporate Taxes	(\$5.156)	(\$5.041)	(\$4.702)	(\$4.285)	(\$4.062)
Net Income	(\$23.321)	(\$9.654)	\$7.155	\$15.342	\$34.010

Common Size Income Statement From Years Ended December 31 (\$MN)

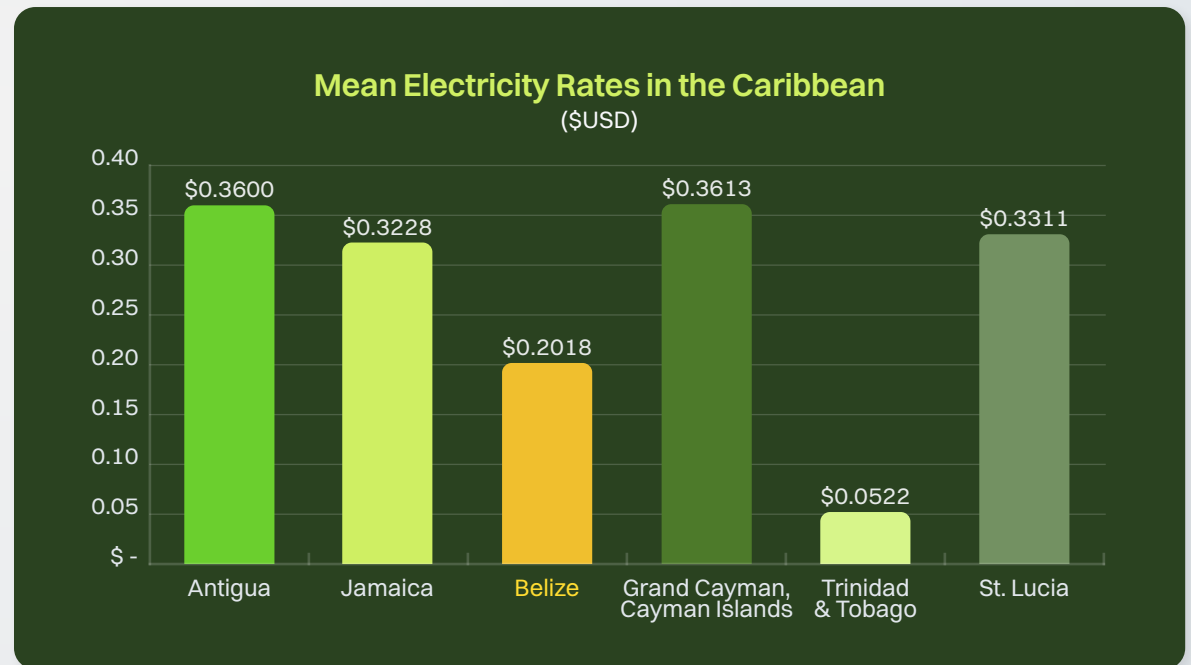
	2025	2024	2023	2022	2021
Comprehensive Revenue \$BZD	\$296.7	\$290.3	\$271.6	\$247.4	\$234.6
Cost of Power	76%	74%	71%	66%	58%
Operating Expenses	16%	16%	14%	15%	14%
Depreciation and Amortization	10%	9%	9%	9%	10%
Net Interest Expense	4%	3%	2%	2%	3%
Corporate Taxes	2%	2%	2%	2%	2%
Profit	(8%)	(3%)	3%	6%	14%

OPERATIONAL & FINANCIAL PERFORMANCE
Tariff & Rate Overview

Balancing Stability & Cost Pressures

BEL operated throughout much of 2025 under the tariff established in the 2024 Full Tariff Review Proceeding (FTRP), consisting of a Mean Electricity Rate (MER) of BZ\$0.4036 per kWh. This rate remained competitive for customers and local investors compared to regional counterparts.

The MER was maintained despite continued increases in COP, resulting in a growing gap between approved tariffs and actual system costs. At the same time, the FTRP projections anticipated stronger sales growth of approximately +7.4%; however, BEL realized an actual sales growth of 2.23% in 2025. The variance reflects both broader economic conditions and the accelerated uptake of distributed generation (DG) facilitated by recent reforms to the Electricity Licensing and Consent Regulations, 2024.



Tracking ENERGY CONSUMPTION?


The combined effect of higher-than-expected costs and lower-than-expected sales resulted in an increase in the realized MER.

In December 2025, given the significant accumulated balance in COP variances, BEL submitted a request under the 2025 ARP (Annual Review Proceeding) Amendment for a net COP recovery amount of \$84.14 million reflecting material variances in COP over the period July 1, 2023 to June 30, 2026.

The Commission approved a net recovery amount of \$65.26 million, diverging from BEL's request in multiple critical areas. This resulted in approval of approximately 61% of the requested rate increase and extending the recovery period beyond what BEL proposed, resulting in an associated increase to the MER of \$0.0337/kWh (compared to BEL's requested increase of \$0.0549/kWh).



Approved COP Recovery
\$65.26MN
APPROVED BY COMMISSION



Approved MER Increase
0.0337 ¢/kWh
APPROVED BY COMMISSION



It's in the APP.

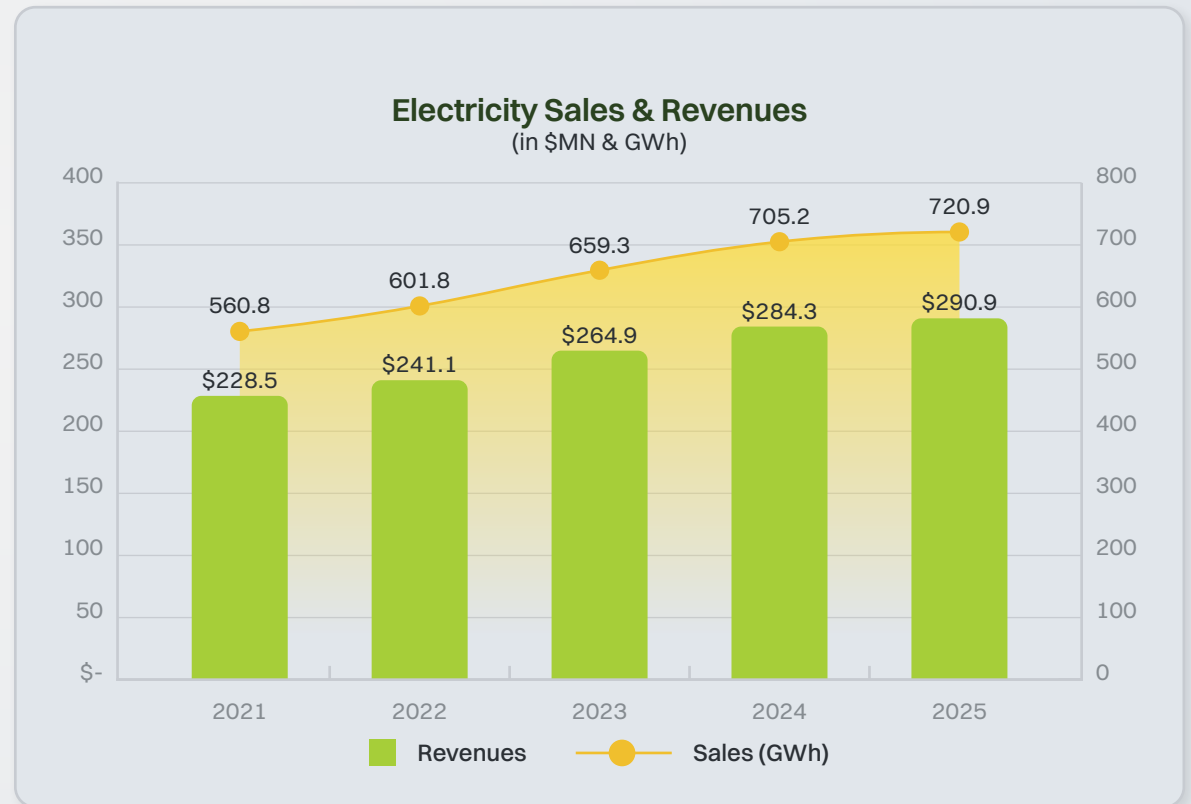


 OPERATIONAL & FINANCIAL PERFORMANCE
Sales & Revenues

Demand Growth Reflects a Stable & Reliable System

Electricity sales increased by 2.23% to 720.9 GWh in 2025, reflecting growth in demand across residential and commercial sectors. Growth in the commercial sector was particularly notable, supported by consistent and reliable power supply, which enabled key industries including tourism, agriculture, and business process outsourcing (BPOs) to operate efficiently and remain competitive.

Electricity revenues increased by 2.3% compared to 2024, in line with higher sales volumes. Performance remained below projections, however, contributing to increased pressure on cost recovery and tariff adequacy.



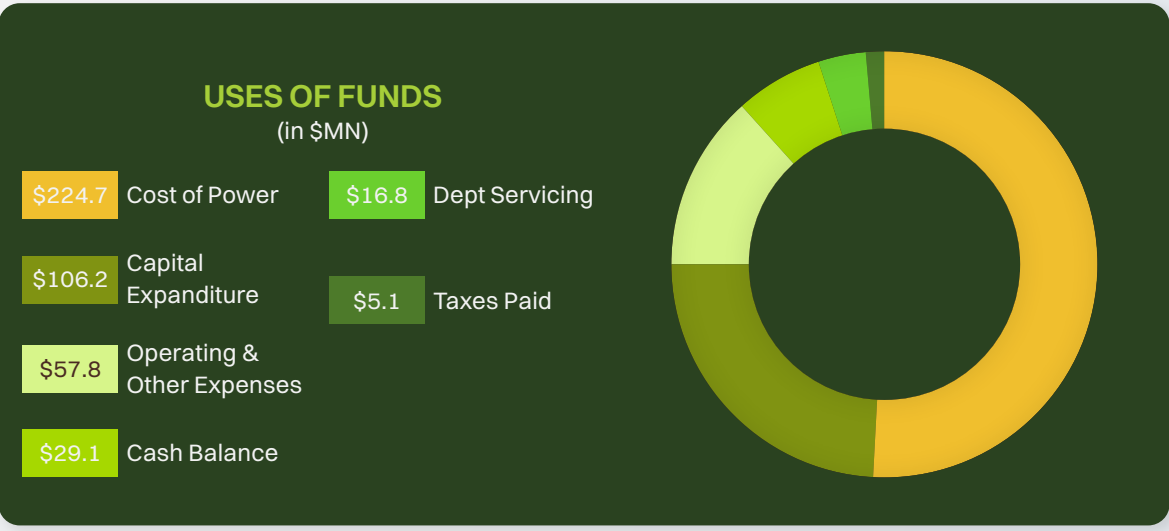
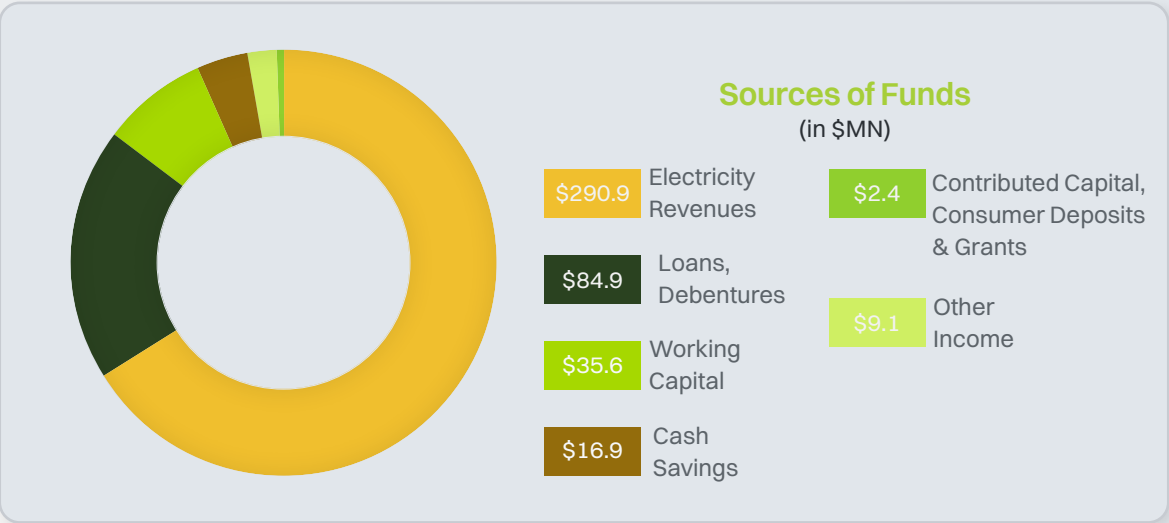


OPERATIONAL & FINANCIAL PERFORMANCE
Sources & Uses of Funds

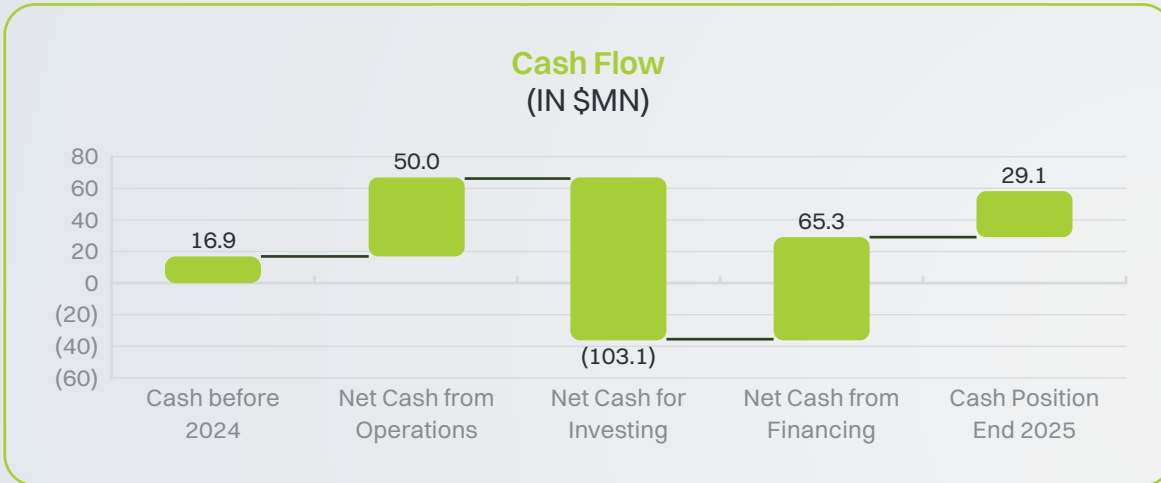
Financing Stability While Enabling Transformation

In 2025, BEL funded its operations and capital programme through a combination of internally generated cash flows and external financing, while continuing to manage liquidity pressures arising from the timing of tariff recovery under the current regulatory framework.

Electricity revenues remained the Company's principal source of funds contributing \$290.9 million, or 66.1% of total inflows, while loans and debentures provided \$84.9 million, or 19.3%.



Net cash provided by operating activities declined to \$50.0 million from \$73.5 million in 2024. At the same time, capital expenditure remained significant at \$106.2 million and debt servicing totaled \$16.8 million.



Although cash balance at the end of the year increased to \$29.1 million from \$16.9 million in the prior year, BEL’s cash profile remains closely tied to tariff-based cash generation. Under the existing mechanism, increases in purchased power costs are absorbed by the Company in the near term and recovered through the tariff after a regulatory lag. This dynamic places pressure on working capital and increases reliance on external financing.

In April 2025, BEL initiated a formal rate review with the objective of improving the timeliness of Cost of Power recovery and supporting greater alignment between system costs and tariff-based revenues.





OPERATIONAL & FINANCIAL PERFORMANCE

Cost of Power

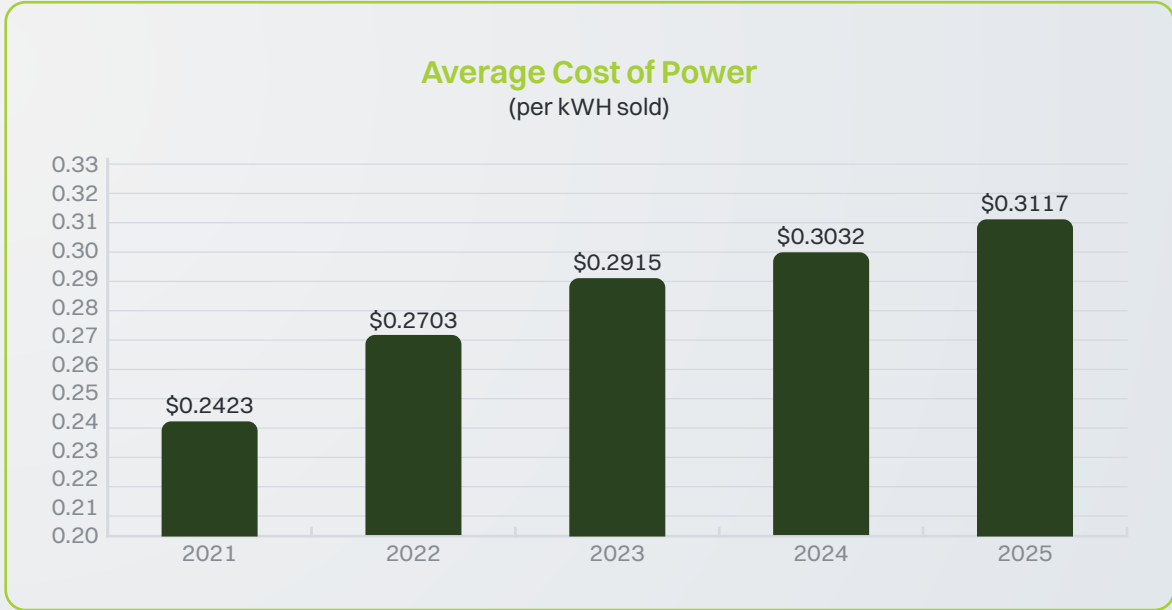
The Cost of Reliability in a Growing System

The overall Cost of Power increased by 5.10% to \$224.7 million in 2025 compared to \$213.8 million in 2024. This was driven by both higher demand and an increase in the average unit cost of energy, which rose to 31.17 cents per kWh up from 30.32 cents in the previous year.

The increase reflects a fundamental system dynamic: as demand grows, maintaining reliable service requires the use of higher cost energy sources, particularly where lower-cost domestic supply is limited. BEL depends on these higher cost sources to ensure that customers continue to receive uninterrupted electricity.

Higher energy costs also affected the Company's financial position. During the year, the average COP of \$0.3111/kWh exceeded the level built into the tariff (the regulated reference COP was \$0.2696 /kWh.) This meant that a portion of these costs was not recovered immediately, a timing difference which placed additional pressure on cash flow and required careful financial management.

The transition toward lower-cost renewable energy and storage is critical to improving long-term energy stability and affordability.

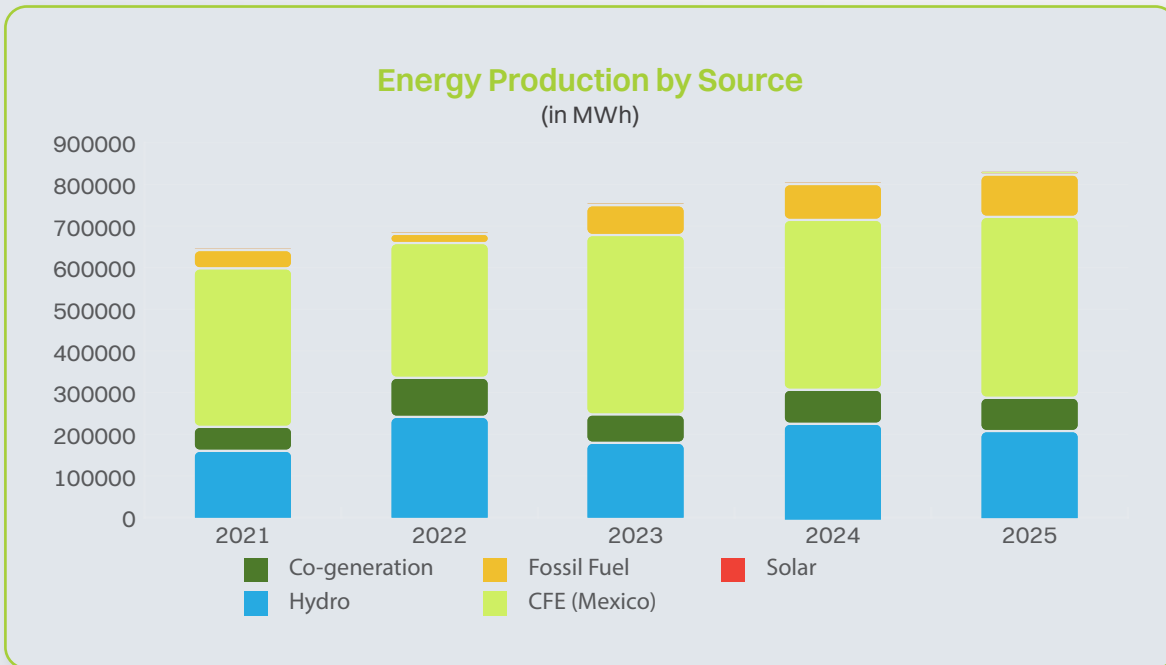



Given current conditions, elevated COP is expected to persist in the near term. Over time, improvement will depend on the integration of new low-cost renewables, supported by firm capacity in the forms of storage technology and more efficient, cleaner generation alternatives.


A more diverse mix of supply sources will strengthen energy security and improve cost stability, while also providing greater flexibility in managing supply. This includes the ability to optimize between imported and domestic energy sources as market conditions change, and energy hedging becomes possible.




A major milestone in 2025 was the signing of a PPA for the Company's first utility-scale solar photovoltaic (PV) with battery energy storage system (BESS) project and expanding the supply market to lower-cost distributed generation (DG), aligned with the Least Cost Expansion Plan (LCEP) 2023-2042. These initiatives represent a critical step toward:

Reduce Dependence on Imported Fossil Fuels.



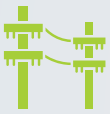
Improving Cost Stability Over Time.



Enhancing Energy Security and System Resilience.



These costs were linked to broader system conditions, including the need to expand capacity and maintain reliable supply in a constrained wholesale energy environment. While they contributed to increased expenses, they reflect the financing required to support critical investments that ensured service continuity throughout 2025.

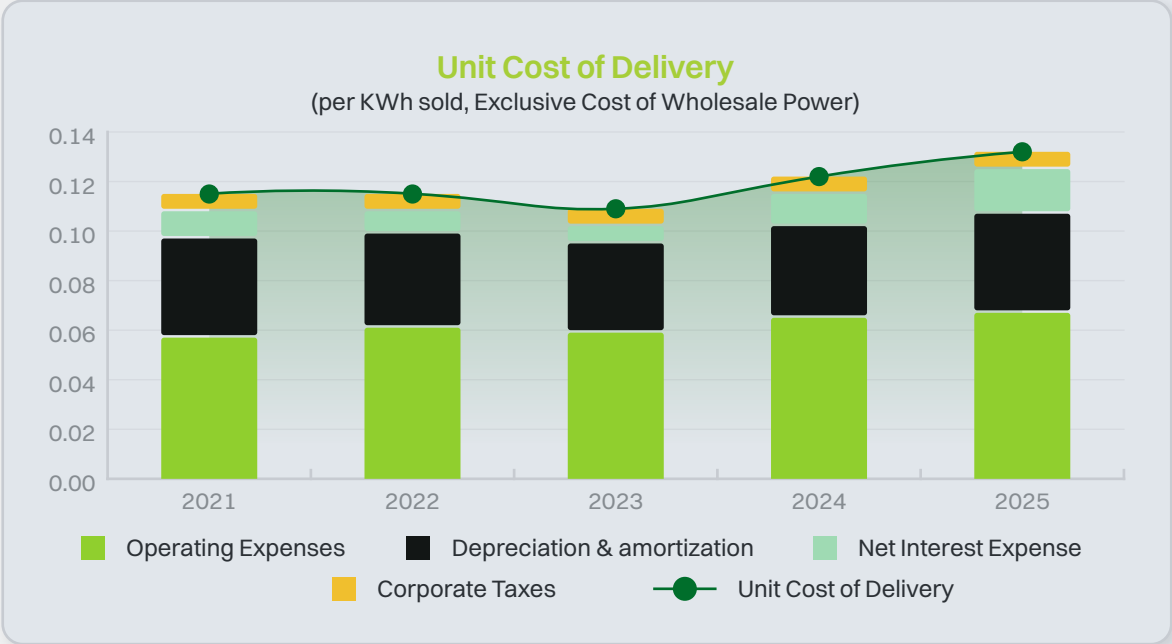


OPERATIONAL & FINANCIAL PERFORMANCE

Cost of Delivery

Managing Efficiency While Investing in the System

The unit cost of delivering electricity rose modestly by 5.4%, reaching \$0.157 per kWh, compared to \$0.149 per kWh in 2024, driven mainly by higher financing costs tied to the acquisition of the San Pedro Gas Turbine.



Overall, the relatively moderate increase in delivery costs reflects continued cost discipline, even as BEL advanced key infrastructure projects and expanded system capacity. Increases in depreciation and amortization, financing costs, and taxes reflect the impact of sustained capital investments.

OPERATIONAL & FINANCIAL PERFORMANCE
System Delivery

Improving Performance Where It Matters Most

In 2025, BEL recorded a significant improvement in its Service Delivery Index (SDIX), increasing to 91.9% from 85.7% in 2024. This reflects measurable gains in operational performance across key customer-facing areas including call management, billing delivery, and field operations and response.

A key driver of this improvement was enhanced service order management, supported by more proactive follow-up with customers. Distribution Operations and Customer Service teams worked more collaboratively to monitor and expedite high-impact service orders, particularly those related to new connections in developing areas and rural electrification initiatives.

Further, approximately 60% of the customer base can now access services through the BEL 24-7 App. Customers increasingly use the platform to obtain information, including maintenance updates, and to complete basic requests such as new service applications and meter change-outs, making it easier to manage everyday service needs.



Building a More Responsive Service Model

Meeting Customers Where They are

As part of broader transformation, BEL also continues to advance a more decentralized and agile service delivery model: Meeting Customers Where They Are in communities across Belize. The planned transition to four Customer Service Zones is expected to improve localized support, strengthen operational coordination and enhance responsiveness to customer needs.



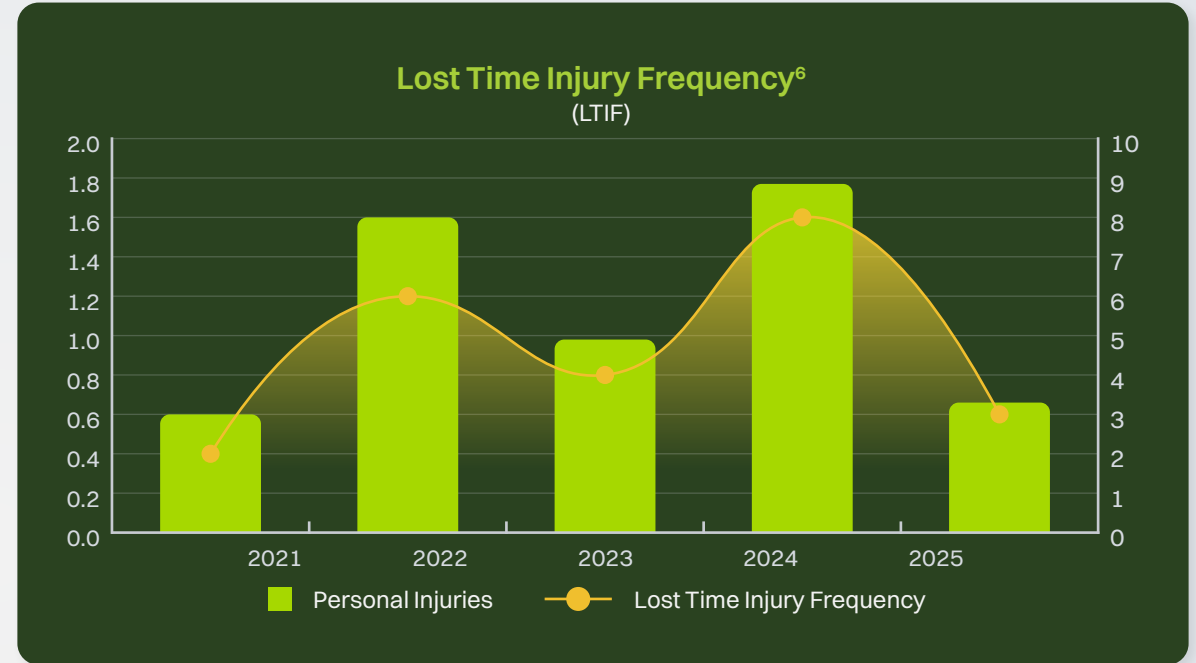


OPERATIONAL & FINANCIAL PERFORMANCE

Safety, Health, & Environment Performance

Advancing a Culture of Safety Through Systems & Accountability

BEL achieved a 96% completion rate across the Safety, Health and Environment (SHE) Action Plan in 2025. During the year, three personal injury incidents were recorded resulting in 30 lost workdays and a severity rate of 6.59. While limited in number, these incidents underscore the importance of continued risk management as system activity increases.



The Company is currently advancing the implementation of an Integrated Safety, Health & Environmental Management System (SH&EMS) to align with industry standards and ensure adherence to ISO 45001 (Occupational Health & Safety Management System) and ISO 14001 (Environmental Management System).

⁶Lost Time Injury Frequency (often abbreviated as LTIF or LTIFR) is a standard safety metric used to measure the number of workplace injuries that result in at least one full day or shift away from work. It is a key lagging indicator used by organizations to benchmark their health and safety performance

While initial groundwork began in 2023, formal rollout progressed in 2025. With its implementation, enhancements were noted in various data metrics relative to the prior year:

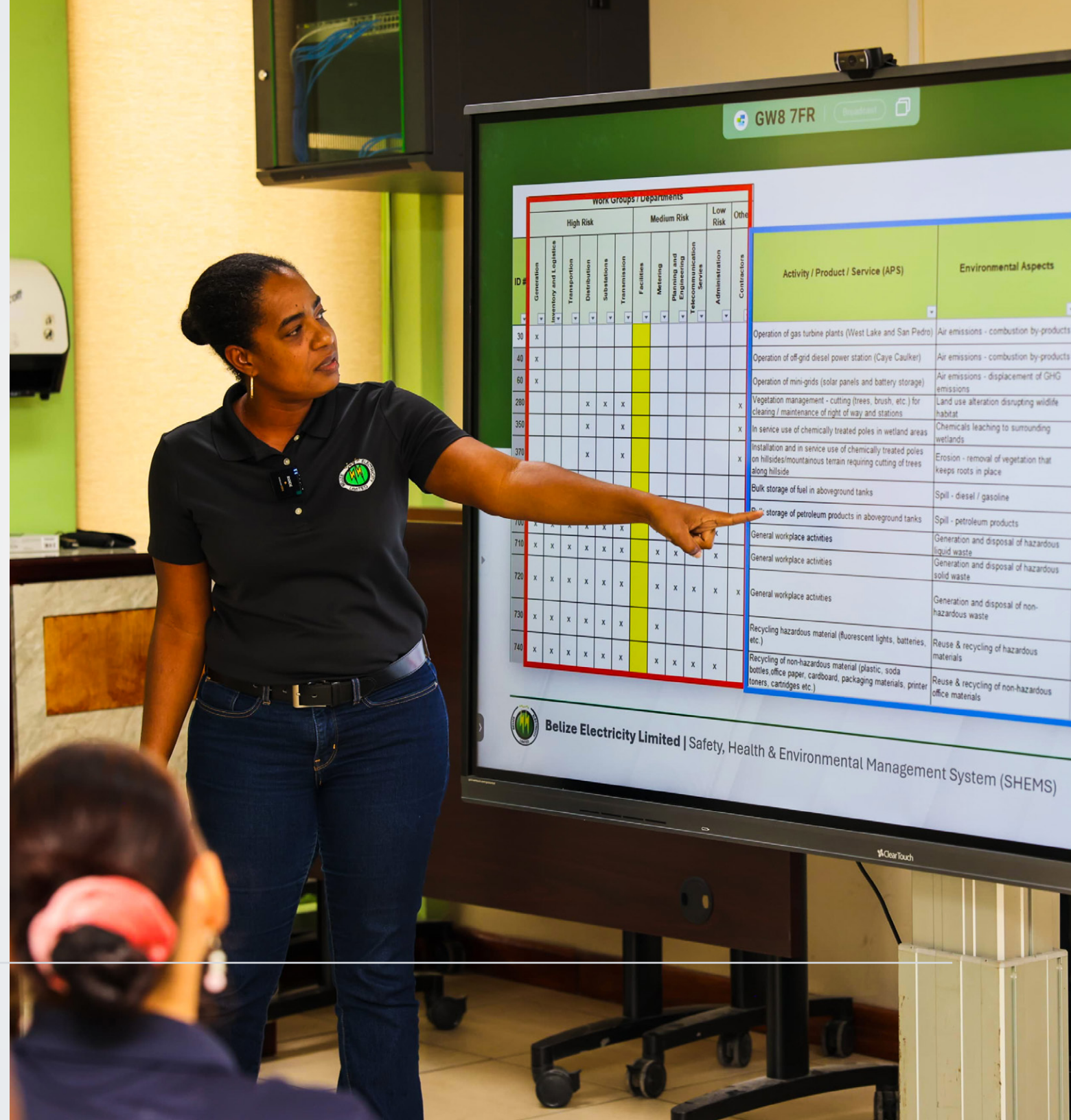
Safety Improvements

From observations compared to 2024

Event	2024	2025	% Change
Vehicle Accidents	11	6	43.8%
Personal Injuries	8	3	62.5%
Lost Days	29	30	-3.5%
AIFR ⁷	1.77	0.66	62.7%
Severity Rate	6.41	6.59	-2.8%

While BEL remains committed to the goal of zero incidents, we acknowledge that this requires sustained effort and continuous improvement. Through the ongoing implementation of the integrated management system, BEL is strengthening its safety culture, enhancing compliance, and positioning the organization for future certification.

⁷All Injury Frequency Rate





SCAN
HERE!

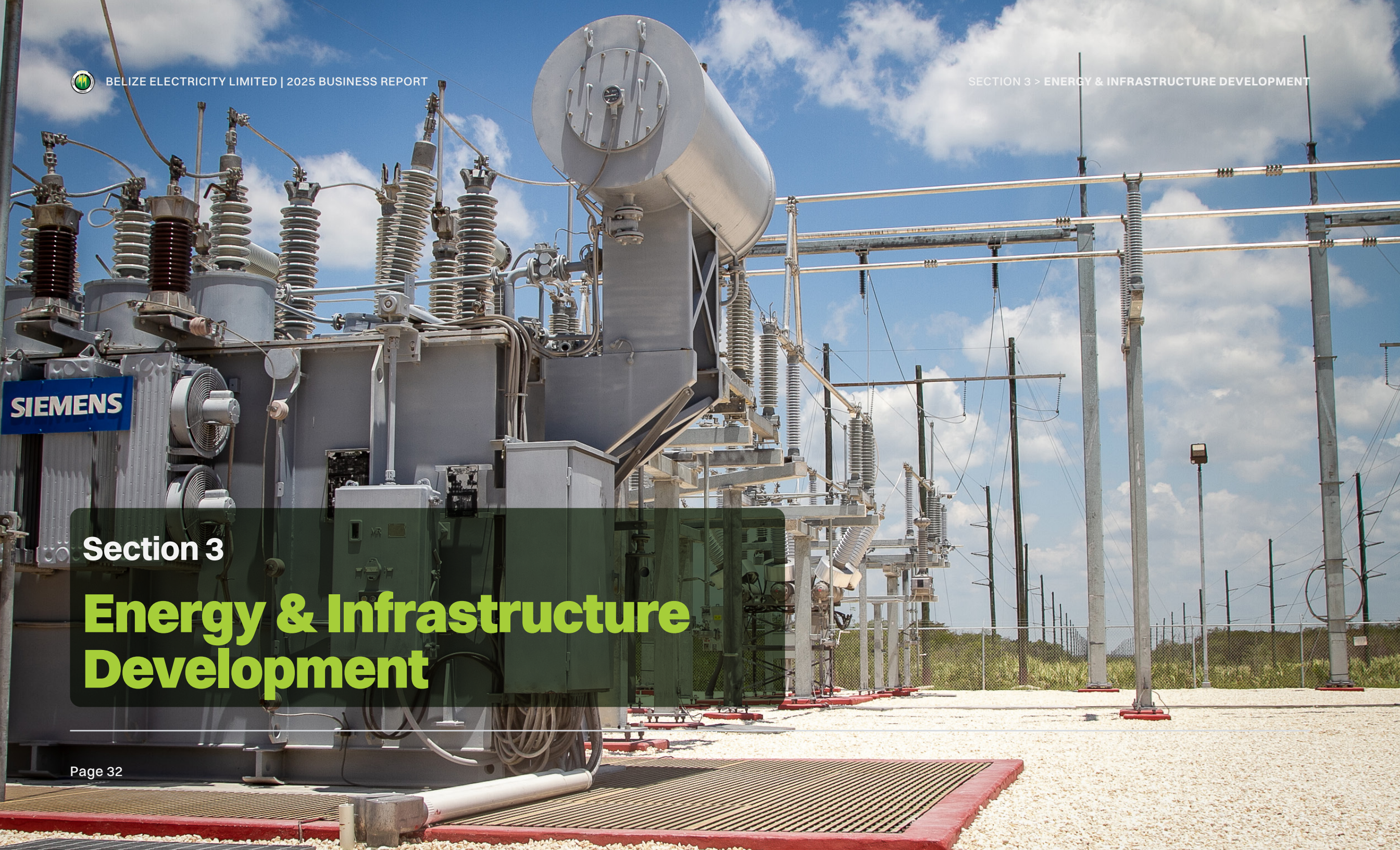


In the Spotlight

Preparing for Peak: Strengthening Reliability, Growing with Belize.

Growth means Reinforcement

As Belize's economy expands and electricity demand grows, Our National Grid must grow with it.



SIEMENS

Section 3

Energy & Infrastructure Development

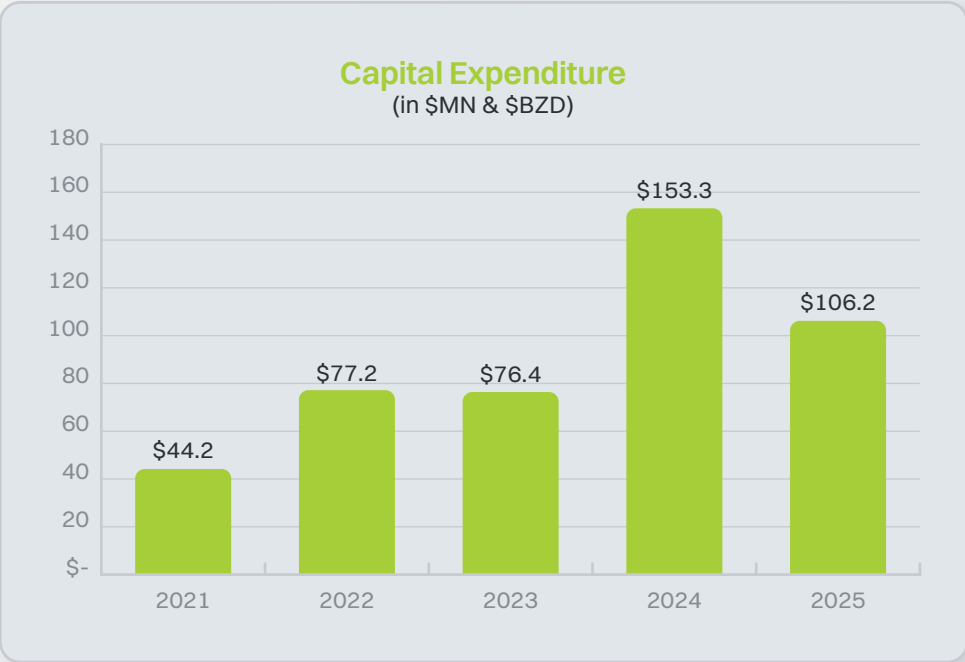


ENERGY & INFRASTRUCTURE DEVELOPMENT
Capital Expenditure

Sustaining Investment Momentum While Prioritizing Impact

 Capital Expenditure
\$106.2MN
INVESTED IN 2025

BEL invested \$106.2 million in capital expenditure as part of its ongoing multi-year investment program. While lower than 2024, this reflects a transition from a peak investment cycle to a more targeted and optimized capital program



ENERGY & INFRASTRUCTURE DEVELOPMENT
Capital Expenditure

Building on Prior Investments

In the prior year, the Company’s expenditure was significantly directed toward new generation and generation upgrades. While these investments extended beyond BEL’s typical obligations, they were necessary to address an acute and escalating generation shortfall and allowed the Company to restore in-country reserve margins.

Without these interventions, BEL would have had no practical alternative but to implement prolonged and widespread load shedding, particularly during peak demand periods. Operational assessments indicated that, absent these investments, the system would have experienced recurring energy deficits equivalent to extended daily outages.

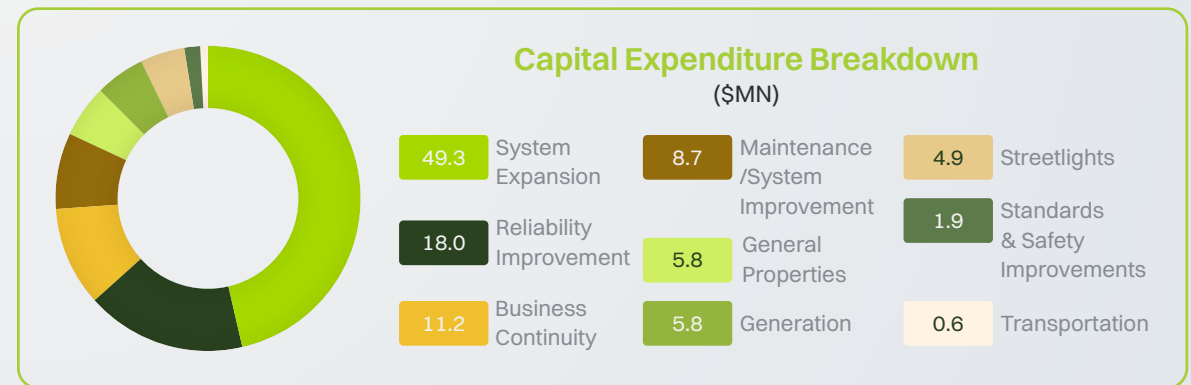
The investments undertaken in 2024, particularly in generation capacity, grid strengthening, and system modernization, continued to shape both operational performance and investment priorities in 2025. While they increased financing and depreciation costs carried into 2025, they also strengthened system capacity and reliability, enabling improved service delivery and reducing outages.

In 2025, capital allocation was therefore focused on extending and optimizing these gains.

Approximately 50% of capital investment was directed toward system expansion, supporting new customer connections, increased access to electricity and broader national development.

This investment was also supported by the continued implementation of the Company’s New Service Connection Policy, which has accelerated access to electricity for developing communities and reduced upfront connection barriers for Customers. By expanding network infrastructure ahead of growth, BEL continues to improve access, support housing and commercial development.

The remaining investments were focused on installing or replacing streetlights at no additional cost to the Government of Belize, improving system reliability through maintenance and replacement of existing network assets, as well as enhancing safety standards to ensure the safety of operations personnel and customers.





ENERGY & INFRASTRUCTURE DEVELOPMENT
Operating Expenditure (OPEX)

Operating a Growing System

Total operating costs increased in 2025, reflecting continued pressure from energy supply costs, sustained investment in infrastructure and the operational requirements of maintaining and expanding a national electricity system. These include investments in workforce capacity, contractor support, technology systems, and network maintenance to ensure reliability and service continuity.

Total operating cost is driven primarily by COP, which increased by 5.1% compared to the previous year, remaining the single largest component of BEL’s cost structure. This increase reflects higher energy prices and the continued reliance on firm and dispatchable thermal generation to maintain system reliability.

Increases in Depreciation and Amortization reflect the impact of ongoing capital investment in system expansion and modernization, while O&M costs remained relatively stable, increasing marginally in line with system growth.

It is important to distinguish between:

- **Cost of Power**, which is driven largely by external supply and pricing conditions, and
- **Controllable operating expenditure**, including General & Administrative as well as O&M expenses, which reflects the cost of staffing, maintaining, and operating the electricity system.

The increase in controllable operating expenditure in 2025 reflects the operational requirements of a growing and more complex system.

Looking ahead, continued investment in modernization and efficiency is expected to help moderate cost pressures over time. The replacement of aging assets, along with advancements in data and information systems, is expected to improve operational efficiency and reduce maintenance-related activities. Simultaneously, the continued rollout of AMI and the development of lower-cost generation projects, supported by energy storage, are anticipated to reduce reliance on high-cost energy sources, improving overall cost stability.

Operating Cost (\$MN in \$BZD)					
	2025	2024	2023	2022	2021
Cost of Power	\$224.7 (+5.10%)	\$213.8	\$192.2	\$162.7	\$135.9
Depreciation & Amortization	\$28.9 (+11.7%)	\$25.9	\$23.9	\$22.9	\$22.5
General & Administrative	\$32.9 (+6.0%)	\$31.1	\$25.1	\$23.6	\$19.4
Operating & Maintenance (O&M)	\$15.2 (+1.1%)	\$15.1	\$13.8	\$12.9	\$12.5

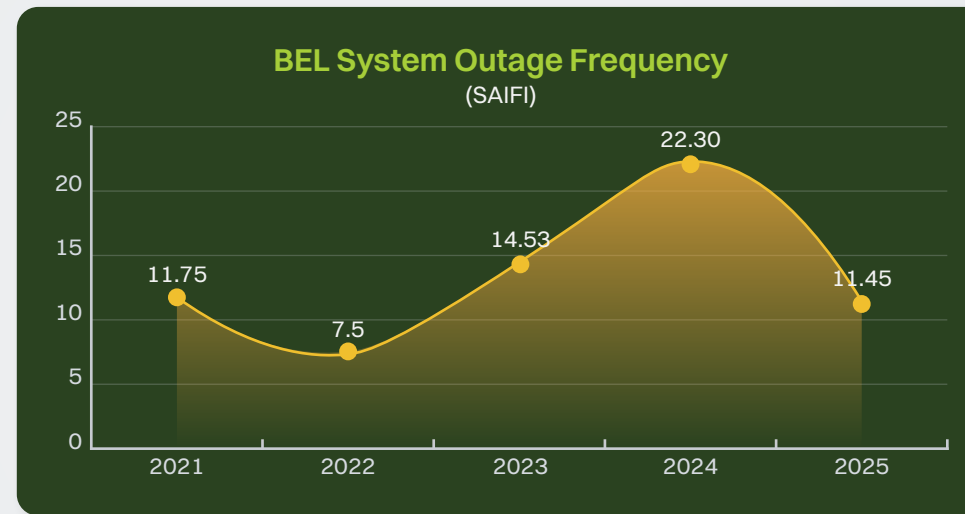
ENERGY & INFRASTRUCTURE DEVELOPMENT
System Reliability

Delivering More Through Targeted Investments

BEL's 2025 reliability performance reflects a system influenced by both high-impact events and ongoing factors.

System Average Interruption Duration Index (SAIDI) of 15.82 hours was primarily driven by a small number of high-duration events often linked to asset conditions and system interventions. These included the replacement of aging or defective equipment and targeted rehabilitation activities, which, while necessary, contributed to longer restoration times.

In contrast, System Average Interruption Frequency Index (SAIFI) of 11.45 interruptions was influenced by recurring operational and external factors, which are more frequent but shorter duration events. Key contributors included defective & corroded equipment, wildfires, weather conditions, and vegetation-related causes.



Notably, BEL achieved significant improvements in system reliability overall compared to 2024. This improvement reflects the impact of targeted investments, driven in part by the operational deployment of key generation assets, including Gas Turbines at San Pedro and Westlake. These assets assisted in maintaining system balance and ensuring consistent power supply, particularly during periods of peak demand in 2025.





Improvements in reliability reflect the impact of targeted investments, driven in part by the operational deployment of key generation assets, including Gas Turbines at San Pedro & Westlake. These assets assisted in maintaining system balance & ensuring consistent power supply, particularly during periods of peak demand in 2025.

Strengthening the Path to 4/4 Reliability

BEL remains committed to achieving its “4/4 Reliability” target by 2029. This is defined as:

- Fewer than four outages per customer annually, and
- Less than four hours of outage duration per year

Achieving this target will require continued investment in grid strengthening, redundancy, and system modernization.

 ENERGY & INFRASTRUCTURE DEVELOPMENT
System Reliability

Building the Foundation for a Smarter, More Reliable Grid

To support reliability objectives, the Company continued to advance grid modernization initiatives. The expansion of the Advanced Metering Infrastructure (AMI) program, with approximately 19,000 smart meters installed by the end of 2025, represents a significant step forward in improving system visibility, operational control, and customer engagement.

AMI is transforming both operational capability and customer experience by enabling:



Real Time Visibility into
Energy Consumption.



Faster Outage
Detection and
Response.



Enhanced System
Monitoring and Control.



AMI is a foundation and critical bridge between today's grid and the future of energy. It will enable enhanced visibility, improved service delivery, and smarter, more efficient operations for a more responsive energy system.



of continued load growth, ongoing network expansion, and the increasing impact of non-technical losses, particularly energy theft and meter tampering, which continue to present a significant operational challenge.

Distribution losses rose to 6.8% from 6.6% in 2024, indicating pressures at the network edge where customer growth and system expansion are most concentrated, while transmission line losses remained stable at 5.9%.

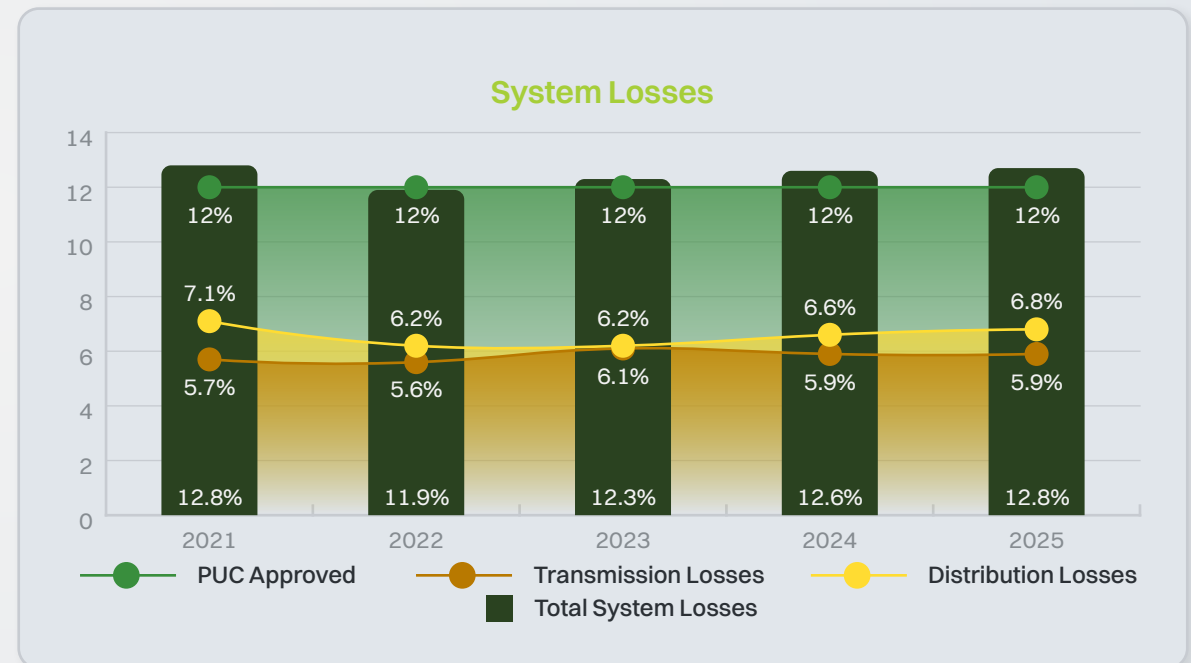


ENERGY & INFRASTRUCTURE DEVELOPMENT

Grid Efficiency

Optimizing the System to Reduce Losses & Improve Performance

In 2025, total system losses increased marginally to 12.8%, compared to 12.6% in 2024, remaining above the PUC-approved benchmark of 12.0%. This reflects the combined effects





The Company continues to actively address both technical and non-technical drivers of system losses through a coordinated and directed approach. Investments during the year focused on strengthening feeder capacity in high-growth areas to reduce overloading, improving voltage regulation through the installation of capacitor banks, and expanding distributed generation to reduce reliance on long-distance power transfers.

At the same time, the Company advanced the deployment of smart meters to enhance visibility and control across the network, while also intensifying inspection, enforcement, and customer engagement efforts to address tampering and unauthorized consumption.

The Distributed Generation (DG) program also remains an important component of BEL's loss mitigation strategy, with 3,288 MWh procured from localized sources during the year. By enabling generation closer to demand, these resources contribute to improved system efficiency while contributing to reliable and sustainable service delivery.





Digitizing Connecting Modernizing



In the Spotlight

SCAN
HERE!



Future of Electricity Systems: A Smarter Conversation with Energy

For the first time, energy won't be invisible. Smart Meters will enable visibility like never before.

Section 4

Strengthening Partnerships & Customer Engagement





STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT

Engagement

Beyond the Grid: Strengthening Connections & Enabling Participation

In 2025, BEL continued to strengthen its role not only as a provider of electricity, but as a partner in national development, customer empowerment, and regional collaboration. These efforts reflect the Company's evolution toward a more connected, responsive, and customer-focused energy provider, supporting national development while improving the overall customer experience.

 STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT
Engagement

Supporting Communities & National Development

Our community engagement efforts remained grounded in improving quality of life, expanding access to reliable energy, and strengthening national development outcomes.

BEL invested over \$250,000 in community development, supporting 105 initiatives nationwide across key development sectors including education, sports, community welfare, and public lighting. These initiatives contributed directly to safer communities, improved public spaces, and enhanced opportunities for social and economic development.

Through continued collaboration with the European Union and the Government of Belize, BEL advanced rural electrification efforts, bringing communities closer to safe, reliable electricity and enabling new opportunities for growth and inclusion. At the same time, BEL maintained commitment to community support through initiatives such as the Annual Hamper Drive, reinforcing our longstanding commitment to the communities we serve.



Community Impact

2025

- 105 Initiatives supported nationwide.
- 28 Community Lighting Projects.
- Stronger partnerships with schools, NGOs, & national institutions.

BEL also supported national institutions to support cultural heritage preservation and education initiatives, further demonstrating how energy partnerships can extend into cultural and educational development. These combined efforts reinforce BEL's role as a trusted national partner, contributing not only to energy access, but to safer, stronger, and more resilient communities across the country.





STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT
Customer Engagement & Energy Literacy


Empowering Customers Through Engagement & Education

Customer engagement remained a central focus in 2025, with expanding efforts to meet customers where they are through direct interaction, digital tools, education, and practical support.

Key initiatives included:

 Energy Efficiency & Conservation Sessions with Businesses & Institutions.

 Community Outreach Events & Interactive Customer Engagement Activities.

 Expansion of School-based Energy Education Programs to Improve Energy Awareness & Promote Safe & Efficient Electricity Use.

Through initiatives such as the Powering Up the Future Program, BEL supported customers in better understanding their energy use and the tools available to manage it.

We are not just delivering electricity. We are helping our customers understand & manage it.

 STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT
Customer Engagement & Energy Literacy

Enhancing the Customer Experience Through Digital Innovation

BEL continued to enhance customer experience through digital tools and engagement platforms designed to improve accessibility, responsiveness, and convenience.

The BEL Customer Rewards Program remained a key driver of engagement, with more than 35,000 customers maintaining eligibility monthly. The program encourages timely payments and responsible account management, reinforcing positive relationships with our customers.

At the same time, the continued expansion of digital services, including the BEL 24-7 App, has enabled customers to manage accounts, access information, and request services more efficiently.

Customers are increasingly adopting digital & self-service channels, supporting a more efficient & responsive operating model while improving overall customer experience.





STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT

Customer Engagement & Energy Literacy

Accelerating Sustainable Transportation

BEL continued to advance electric mobility in Belize, transitioning our EV Charging Network from early-stage deployment to a fully operational and revenue-generating system.

By the end of 2025:



11 Charge Stations were Fully Operational.



Energy Consumption Reached 74.6 MWh, a 114% Increase From 2024.



The National EV Fleet Grew to Over 75 Vehicles.

This growth reflects increasing adoption of electric transportation and the success of partnerships across the sector, including the introduction of an electric bus route connecting San Ignacio and Belize City. Beyond transportation, the EV program contributes to grid modernization by supporting data-driven energy management and future pricing models.

STRENGTHENING PARTNERSHIPS & CUSTOMER ENGAGEMENT

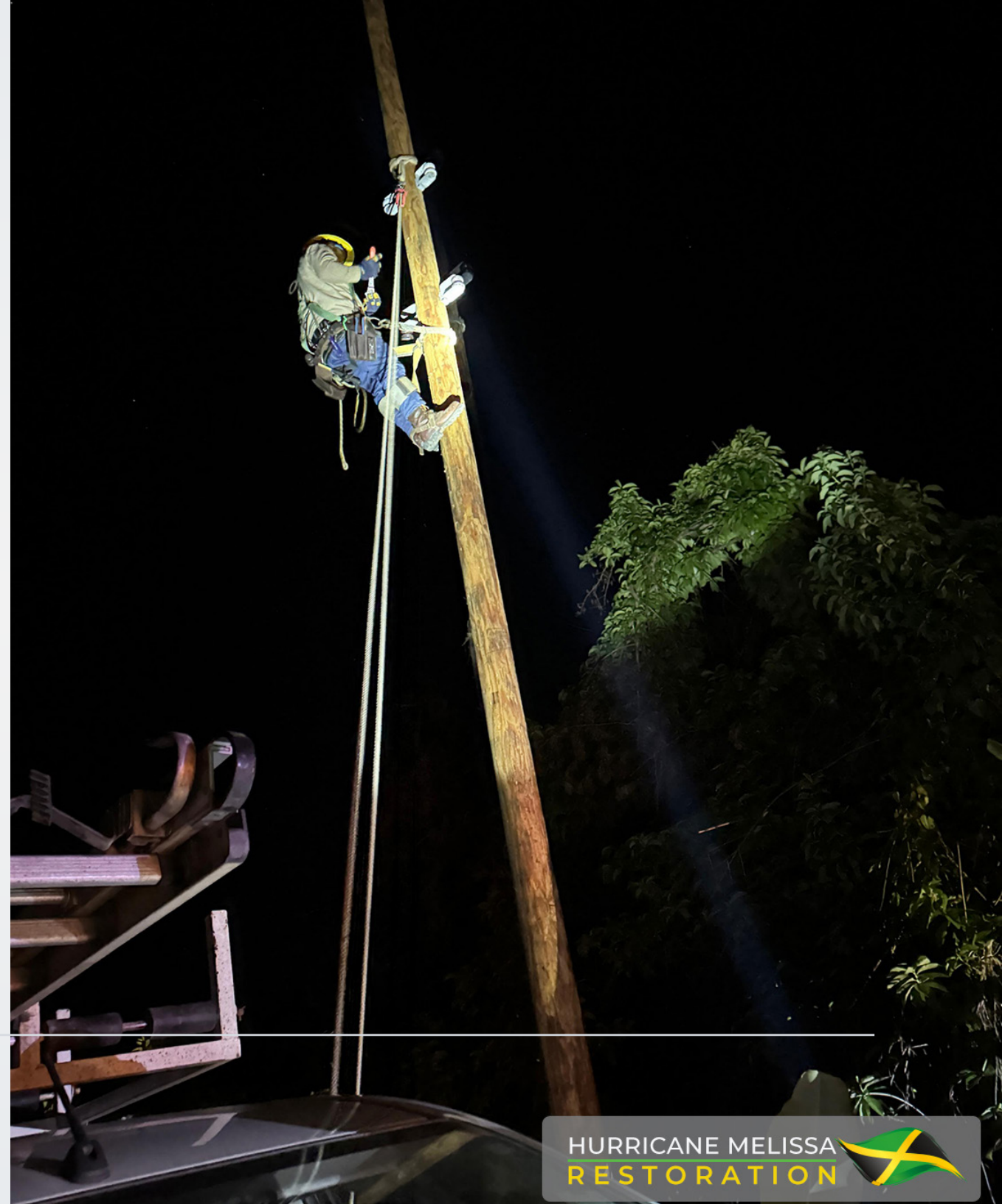
Collaborating with Regional Partners

Building Resilience Beyond Borders

BEL's impact extended beyond Belize through its continued participation in regional partnerships.

In 2025, the Company deployed a team of Power Line Technicians to Jamaica to support restoration efforts following severe weather events. This initiative reflects BEL's commitment to regional cooperation and knowledge-sharing, reinforcing the importance of collaboration in building a resilient energy ecosystem across the Caribbean.

Through strengthened partnerships, expanded community investment, and enhanced customer engagement, BEL continues to move beyond the grid by building deeper connections and enabling meaningful participation in Belize's energy future.





Meet Support Connect



Support Within Reach

Through mobile outreach, pop-up shops, and face-to-face engagement. We are bringing support closer to Customers and connecting directly with communities to make it easier for people to access the services they need.

In the Spotlight

Closer Connections: A More Connected Customer Experience



ENERGY
STORAGE

Section 5

Strategic Outlook



STRATEGIC OUTLOOK
 Looking Ahead

Positioning for a More Resilient & Modern Energy Future

Looking ahead to 2026, BEL's strategic focus remains firmly centered on strengthening the reliability, resilience and operational capability of Belize's national electricity system. As electricity demand continues to grow, the Company's priority is to ensure that the grid remains stable, responsive, and capable of supporting national development, expanding communities, and evolving customer needs.




STRATEGIC OUTLOOK
 **Looking Ahead**

Strengthening Our National Grid

BEL will continue to prioritize investments that strengthen transmission and distribution infrastructure, improve feeder capacity, and reinforce network resilience across the country. These investments are critical to reducing outages, improving restoration response, and supporting continued growth in high-demand and underserved areas.


Building on investments advanced in recent years, the Company will continue modernizing the grid through:




Transmission & Distribution Reinforcement




Feeder Expansion & Redundancy Improvements



Enhanced Outage Response Capability



Advanced Monitoring & System Visibility



Continued Deployment of AMI

These initiatives are intended to improve operational efficiency, strengthen reliability performance, and create a more responsive and intelligent electricity network capable of supporting Belize's long-term growth.

At the same time, BEL will continue efforts to reduce technical and non-technical system losses through targeted upgrades, enhanced monitoring, and sustained action against energy theft and tampering, which remain key operational and financial challenges.

STRATEGIC OUTLOOK
 **Looking Ahead**

Advancing Operational Capability & Cost Stability

As part of our modernization strategy, BEL will continue strengthening operational systems and digital capabilities to improve service delivery, outage management, and overall system performance.

AMI expansion, improved operational intelligence, and enhanced system visibility will support faster decision-making, more efficient maintenance planning, and improve customer responsiveness. These investments are expected to strengthen operational readiness while helping moderate long-term cost pressures through improved efficiency and asset management.

BEL will also continue engaging with the PUC to advance mechanisms that improve timeliness, predictability and accuracy of Cost of Power recovery while maintaining affordability and transparency. A key priority is reducing the prolonged lag between cost of power and tariff recovery through more responsive adjustment mechanisms that can smooth volatility over time and help avoid larger periodic tariff corrections.


Strengthening the recovery framework remains important to supporting investments, maintaining financial stability, and preserving reliable service for Customers.




STRATEGIC OUTLOOK
 **Looking Ahead**

Supporting the Transition to a More Modern Energy System

Building on key milestones achieved in 2025, BEL will continue advancing the transition toward a more balanced and cost-efficient energy mix. This includes:



Continued Integration of Lower-Cost Renewable Energy



Expansion of Distributed Generation



Strategic Investment in Energy Storage Technologies



Greater Flexibility in Sourcing Power to Support Reliability & Manage Price Volatility

As our Customers increasingly adopt new technologies and take a more active role in energy consumption and generation, BEL remains committed to enabling this transition while maintaining a reliable, secure, and financially sustainable electricity system for Belize.





Financial & Operating Statistics



FINANCIAL & OPERATIONAL STATISTICS

Financial & Operating Statistics

(Belize thousands of dollars except as noted)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 - 2011 Average
Financial Statistics											
Electricity Revenues	290,925	284,323	264,900	241,108	228,540	227,597	247,657	215,141	207,227	197,001	208,698
Net Profit (Loss)	-23,321	-9,653	7,155	15,342	34,010	46,662	3,089	-4,371	17,773	27,292	13,397
Dividends Paid	0	3	21	13,698	27,609	6,902	0	13,805	20,017	27,859	5,355
Net Fixed Assets	836,736	771,895	646,823	595,472	544,211	523,388	507,506	473,793	464,612	450,599	434,646
Capital Expenditures	106,231	153,321	76,398	77,159	44,157	40,085	39,546	30,604	33,558	38,898	22,821
Total Assets	961,845	890,839	805,171	727,590	643,277	668,452	590,292	546,157	554,966	545,811	499,088
Capital Contribution	49,161	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 Liability)	103,315	89,994	31,037	26,671	28,487	27,720	26,052	9,993	10,531	2,564	4,008
Debentures (including subscriptions)	272,207	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)	362,838	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	-1.4%	-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	-17%	-7%	5%	11%	25%	34%	2%	-3%	13%	20%	10%
Rate of Return on Shareholders' Equity	-6.2%	-2.5%	1.8%	4.0%	8.9%	12.9%	0.9%	-1.3%	4.9%	7.5%	4.0%
Earnings/Loss (\$ per share)	-0.34	-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 (BVPS)	5.26	5.59	5.73	5.63	5.61	5.52	4.94	4.90	5.21	5.24	4.73
Gearing Ratio ²	56%	51%	47%	42%	33%	36%	36%	31%	29%	28%	29%

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

²Gearing Ratio: The ratio of debt to capital.



FINANCIAL & OPERATIONAL STATISTICS
Financial & Operating Statistics

(Belize thousands of dollars except as noted)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 - 2011 Average
Operating Statistics											
Reliability of the Transmission & Distribution System											
Average duration of power outages - SAIDI	15.82	24.71	17.54	12.07	15.14	17.89	15.07	12.01	13.12	19.30	20.67
Average number of power outages - SAIFI	11.45	22.30	14.53	7.55	11.75	11.09	7.47	9.93	11.54	13.20	14.67
System Outages due to IPPs, Hurricane & Vandalism											
Average duration of power outages - SAIDI	2.56	6.87	0.81	15.65	1.86	0.58	1.78	2.17	1.11	24.42	2.62
Average number of power outages - SAIFI	3.39	5.39	1.64	3.85	2.90	1.21	3.80	3.85	4.30	6.60	4.53
Sales (MWH)											
Residential	291,909	280,278	254,813	239,852	252,092	245,265	239,192	218,989	209,180	199,843	201,629
Commercial	377,339	367,650	347,633	299,249	265,033	249,848	305,646	289,712	286,664	281,892	214,836
Industrial	34,592	35,197	33,289	37,855	18,742	19,511	19,527	20,836	30,466	32,567	38,742
Street Lighting	17,042	22,103	23,528	24,858	24,926	24,645	23,986	24,896	26,168	26,619	25,427
Total	720,882	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	0.4036	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	23,114	22,890	22,583	22,603	18,028	17,901	18,076	18,266	18,210	18,003	13,804
Residential	93,780	90,808	87,878	85,986	89,264	85,921	82,895	79,448	76,255	72,632	68,742
Total	116,894	113,698	110,461	108,589	107,292	103,822	100,971	97,714	94,465	90,635	82,546
Number of Customer Accounts per Employee	268	270	302	316	334	331	324	311	299	291	290



FINANCIAL & OPERATIONAL STATISTICS
Financial & Operating Statistics

(Belize thousands of dollars except as noted)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 - 2011 Average
Net Generation (MWh)											
Net Diesel Generation	53,685	53,193	42,560	14,226	10,858	8,943	33,173	16,848	15,514	14,354	10,954
Purchased Power - BECOL/FBL/HBL	193,970	215,470	164,398	225,329	146,936	228,514	64,614	232,480	267,650	247,012	229,065
Purchased Power - Hydro Maya	11,660	11,267	12,092	13,437	10,390	13,473	9,954	15,131	14,509	13,491	11,651
Purchased Power - BAL/BAPCOL	54,124	39,069	35,446	14,310	39,551	10,612	85,147	37,051	19,436	17,497	3,855
Purchased Power - Belcogen	40,984	44,487	41,456	59,027	24,426	47,195	68,533	71,897	63,939	78,886	66,723
Purchased Power - CFE	434,205	407,711	430,666	323,311	380,195	270,239	383,726	235,155	230,138	243,429	226,111
Purchased Power - SS	39,213	37,156	26,451	34,754	33,082	34,137	23,387	21,937	18,401		
JICA	0	133	332	470	595	568	650	593	573		374
PSF	59	601	612	454							
DG	3,288										
Total	831,188	809,087	754,013	685,318	646,034	613,681	669,185	631,093	630,159	614,669	548,733
Other											
Total System Losses	12.8%	12.6%	12.3%	11.9%	12.8%	11.8%	11.7%	11.9%	12.0%	11.6%	12.2%
Peak Demand (MW)	135.0	129.2	128.3	110.3	103.5	102.7	105.6	104.2	104.5	96.0	85.9
Number of Employees	436	421	366	344	321	314	312	314	316	311	285



Audited Financials for the Year Ended December 31, 2025

Belize Electricity Limited

***Financial Statements for the
Year Ended December 31, 2025
and Independent Auditors'
Report***

BELIZE ELECTRICITY LIMITED
(Parent Only)

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Belize Electricity Limited, (BEL) which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Belize Electricity Limited as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on June 4, 2025.

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 IFRS Accounting Standards as issued by the IASB, 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.



INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



INDEPENDENT AUDITOR'S REPORT (continued)

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

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BEL to cease to continue as a going concern.

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

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

**PKF Belize
Chartered Accountants
Belize City, Belize**

April 23, 2026

Belize Electricity Limited

(Parent Only)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

(in thousands of Belize dollars)

Assets	Notes	2025	2024
Current assets:			
Cash and cash equivalents	4d. 4e.	29,105	16,933
Trade receivables	4d. 4f. 5. 32.	23,239	22,174
Other receivables	4d. 4f.	3,238	3,385
Prepayment	4g.	8,818	13,138
Materials and supplies	4h. 4k. 6.	59,607	61,717
Total current assets		124,007	117,347
Non-current assets:			
Property, plant and equipment	4i. 4k. 7.	836,736	771,895
Intangible assets	4j. 4k. 8.	1,090	1,585
Equity instrument in subsidiary	4l. 9.	12	12
Total non-current assets		837,838	773,492
Total Assets		\$ 961,845	\$ 890,839
Liabilities and Equity			
Current liabilities:			
Trade and other payables	4d. 4m. 4n. 10. 32.	117,328	86,605
Short-term debt	4d. 4o. 11. 32.	15,000	10,000
Current portion of long-term debt	4d. 4o. 13. 32.	10,213	17,167
Current portion of lease liability	4d. 4p. 14. 32.	803	788
Taxes payable	4d. 4q. 12. 32.	2,818	2,661
Total current liabilities		146,162	117,221
Non-current liabilities:			
Capital contributions	15.	49,161	49,302
Deferred grant contribution	4d. 4r. 16. 32.	14,286	19,038
Long-term debt	4d. 4o. 13. 32.	92,150	78,026
Lease liability	4d. 4p. 14. 32.	11,165	11,968
Debentures	4d. 17. 32.	272,207	215,859
Consumer deposits	18. 32.	13,876	13,266
Total non-current liabilities		452,845	387,459
Total liabilities		599,007	504,680
Equity:			
Share capital	4s. 19.	138,046	138,046
Additional paid in capital	20.	5,741	5,741
Insurance reserve	21.	5,000	5,000
Revaluation reserve	7.	5,112	5,112
Retained earnings		208,939	232,260
Total equity		362,838	386,159
Total Liabilities and Equity		\$ 961,845	\$ 890,839

The financial statements on pages 4 to 7 were approved and authorized for issue by the Board of Directors on April 23, 2026 and are signed on its behalf by:


Executive Chairman


Director

The notes on pages 8 to 37 are an integral part of these financial statements.

Belize Electricity Limited

(Parent Only)

STATEMENTS OF PROFIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

	Notes	2025	2024
Revenue	4t. 22.	290,925	284,323
Cost of power	4u. 23.	(224,706)	(213,792)
Gross profit		<u>66,219</u>	<u>70,531</u>
Other income	24.	5,644	5,862
Operating expenses	4v. 25.	(77,105)	(72,033)
(Loss)/profit before interest income, interest expenses and taxes		<u>(5,242)</u>	<u>4,360</u>
Interest Income	4t.	101	82
Interest Expense	4v. 26.	(13,024)	(9,054)
Net interest expense		<u>(12,923)</u>	<u>(8,972)</u>
Loss before business tax		(18,165)	(4,612)
Business Tax	4q. 27.	(5,156)	(5,041)
Loss for the year from continuing operations		<u>(23,321)</u>	<u>(9,653)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>\$ (23,321)</u>	<u>\$ (9,653)</u>
Loss per share (expressed in \$ per share)	28.		
Total loss per share attributable to ordinary equity holders:			
Basic		<u>\$ (0.34)</u>	<u>\$ (0.14)</u>
Diluted		<u>\$ (0.34)</u>	<u>\$ (0.14)</u>

The notes on pages 8 to 37 are an integral part of these financial statements.

Belize Electricity Limited

(Parent Only)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

	Share capital	Additional paid in capital	Insurance reserve	Revaluation reserve	Retained earnings	Total
Balance January 1, 2025	138,046	5,741	5,000	5,112	232,260	386,159
<i>Comprehensive income:</i>						
Loss for the year	-	-	-	-	(23,321)	(23,321)
Total comprehensive loss for the year	-	-	-	-	(23,321)	(23,321)
Balance December 31, 2025	\$ 138,046	\$ 5,741	\$ 5,000	\$ 5,112	\$ 208,939	\$ 362,838
Balance January 1, 2024	138,046	5,741	5,000	5,112	241,913	395,812
<i>Comprehensive income:</i>						
Loss for the year	-	-	-	-	(9,653)	(9,653)
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

The notes on pages 8 to 37 are an integral part of these financial statements.

Belize Electricity Limited
(Parent Only)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands of Belize dollars)

	Notes	2025	2024
Cash flow provided by Operating activities			
Loss for the year		(23,321)	(9,653)
Adjustment for:			
Amortization of intangible assets	8	576	475
Depreciation	7	28,356	25,421
Depreciation - Cost of Power	7	4,781	2,169
Loss on disposal of assets	7, 24	322	-
Asset transfer	7, 16	4,752	-
Remeasurement of credit loss	5	121	(650)
Obsolescence expense	6	259	467
Amortization of capital contribution	15, 24	(1,896)	(1,862)
Business Tax		5,156	5,041
Interest expense		12,898	9,054
Changes in items of working capital:			
Trade and other receivable		3,279	26,852
Material and supplies		1,851	(10,600)
Trade and other payables, including general sales tax payable		30,475	40,821
		<u>67,609</u>	<u>87,535</u>
Business tax paid		(5,136)	(5,034)
Interest Paid		(12,457)	(9,044)
Net cash generated from operating activities		<u>50,016</u>	<u>73,457</u>
Investing Activities			
Purchase of property, plant and equipment		(106,231)	(153,321)
Proceeds from sale of property, plant and equipment		3,100	-
Equity investment in subsidiary		-	(12)
Net cash used in investing activities		<u>(103,131)</u>	<u>(153,333)</u>
Financing activities			
Proceeds from long-term debt		18,645	83,370
Proceeds from short-term debt		10,000	10,000
Proceeds from short-term investment		-	5,000
Proceeds from debenture issue		56,292	1,206
Proceeds received from grant		-	5,091
Payment of long-term debt		(11,475)	(9,583)
Payment of short-term debt		(5,000)	(34,000)
Payment of lease liability		(788)	(772)
Dividends Paid		-	(3)
Consumer deposits		610	514
Capital contributions		1,755	522
Deferred grant contributions		(4,752)	-
Net cash generated from financing activities		<u>65,287</u>	<u>61,345</u>
Net increase (decrease) in cash and cash equivalents		12,172	(18,531)
Cash and cash equivalents, January 1		16,933	35,464
Cash and cash equivalents, December 31		<u>\$ 29,105</u>	<u>\$ 16,933</u>

The notes on pages 8 to 37 are an integral part of these financial statements.

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

1. General Information

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

The Company was a majority-owned subsidiary of Fortis Inc. of Canada until June 20, 2011, when the Government of Belize acquired the majority shares from Fortis Inc. via Statutory Instrument No. 67 of 2011 as provided by the Electricity (Amendment) Act No. 4 of 2011 of the Substantive Laws of Belize (revised edition 2020). In September 2015, as part of the settlement, the Government of Belize and Fortis Inc. by way of Statutory Instrument No. 12 of 2015 settled in part with shares totaling 33.3% shareholding in the Company, making Fortis Inc. one of the major shareholders. In October 2025, the Government of Belize bought all of Fortis Inc.'s shares. This resulted in the Government of Belize and the Social Security Board combined own majority shares totaling 97.1% shareholding in the Company. There are also some 1,500 minority shareholders.

Regulation

The Electricity Act, Chapter 221 and Statutory Instrument No. 145 of 2005, Electricity (Tariffs, Fees, and Charges) Byelaws 2005 of the Laws of Belize regulates and makes provision for electricity services in Belize and provides specific powers to the Public Utilities Commission (PUC) to enforce specific regulations in respect to tariffs, charges, and quality of service standards. The Statutory Instrument governs the tariffs, rates, charges, and fees for the transmission and supply of electricity and for existing and new services to be charged by the Company to consumers in Belize and the mechanisms, formulas, and procedures whereby such tariffs, rates, charges, and fees are calculated and determined. The PUC is authorized under the Public Utilities Commission Act to act as the regulator of utilities in Belize. The primary duty of the PUC is to ensure that the services rendered by the Company are satisfactory and that the charges imposed in respect of those services are fair and reasonable. The PUC has the power to set the rates that may be charged in respect of utility services and the standards that must be maintained with such services. Also, the PUC is responsible for the award of licenses, monitoring, and enforcing compliance with license conditions. The Company's 15-year license expired in 2015 and was automatically renewed for another 10 years, expiring at the end of June 2025. The Company was granted a one year license extension by the PUC to the end of June 2026.

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 8 percent to 12 percent.

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).

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

2. Statement of compliance with IFRS Accounting Standards and going concern assumption

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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 that the Company has adopted the following standards, amendments, and interpretations as follows:

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

- The effects of changes in Foreign Exchange Rates (Amendments to IAS 21)

This amendment does 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
- IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards - Volume 11

4. Summary Of Material Accounting Policies

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

4a. 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.

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4b. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

4c. 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 disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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

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

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4d. Financial instruments

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

Recognition and derecognition

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

Classification and initial measurement of financial assets

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

Subsequent measurement of financial assets

Financial assets at amortized cost

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

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

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

The Company's financial assets are categorized in note 32.

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.

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4d. Financial instruments (continued)

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. In cases where Debentures are issued at a discount, the initial carrying amount is the proceeds received, which is lower than the face value of the instrument.

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 32.

4e. 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.

4f. 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.

4g. Prepayments

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

4h. Materials and supplies

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

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

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

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4i. Property, plant and equipment

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

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

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

Buildings	20 - 40 years
Plant and equipment	5 - 40 years
Right of use assets	See note 4(p)

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

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

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

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

The Company employs the revaluation model for its properties including buildings. The cost and accumulated depreciation accounts are restated proportionately with the revaluation. When a revaluation results in an increase in value, it is credited to other comprehensive income and accumulated in equity under the heading "revaluation reserve/surplus" unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it should be recognized in profit or loss. A decrease arising as a result of a revaluation should be recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4i. Property, plant and equipment (continued)

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings should not be made through profit or loss.

4j. Intangible asset

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

4k. Impairment of non-financial assets

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

4l. 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 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.

4m. Trade and other payables

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

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4n. 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.

4o. 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.

4p. Lease

The Company distinguishes between capital and operating leases. 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 THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4q. 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 on the basis of the amounts expected to be paid to the tax authorities.

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

4r. Grants

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

Deferral and presentation of grants

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

4s. 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.

4t. 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

Belize Electricity Limited

(Parent Only)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

4. Summary Of Material Accounting Policies (Continued)

4t. Revenue (continued)

- (i) Sales of electricity: The Company measures revenues as 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.

4u. 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 Hydro Belize Limited (formerly 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. Cost of power is recognized in the period incurred as the energy is received by the Company.

4v. Interest expense and operating expenses

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

4w. 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

The Company recognizes termination benefits 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.

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

5. Trade receivables

	2025	2024
Consumers	27,686	26,500
Less: Expected Credit Loss	(4,447)	(4,326)
	<u>\$ 23,239</u>	<u>\$ 22,174</u>

Expected Credit Loss is comprised as follows:

Balance, January 1	4,326	4,976
Remeasurement of credit loss	121	(650)
Balance, December 31	<u>\$ 4,447</u>	<u>\$ 4,326</u>

6. Materials and supplies

Bulkstores	56,480	57,673
Fuel and oil	4,870	5,787
	<u>61,350</u>	<u>63,460</u>
Less: provision for damaged and obsolete spares	(1,743)	(1,743)
	<u>59,607</u>	<u>61,717</u>

Provision for damaged and obsolete spares

Balance, January 1	1,743	1,794
Provision made	259	467
Inventory adjustments	338	-
Write-off	(597)	(518)
Balance, December 31	<u>\$ 1,743</u>	<u>\$ 1,743</u>

7. Property, plant and equipment

Year ended December 31, 2025

	Land and buildings (c), (v)	Plant, machinery and equipment (c), (v)	Right of use assets (c)	Assets under construction (c)	Total
Cost (c)/Valuation (v)					
January 1, 2025	32,466	1,012,935	17,061	92,892	1,155,354
Additions	-	-	-	106,231	106,231
Transfers to External Agencies	-	-	-	(4,752)	(4,752)
Transfers	3,150	123,811	-	(127,041)	(80)
Disposals	-	(22,277)	-	-	(22,277)
December 31, 2025	<u>35,616</u>	<u>1,114,469</u>	<u>17,061</u>	<u>67,330</u>	<u>1,234,476</u>

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

7. Property, plant and equipment (continued)

	Land and buildings (c), (v)	Plant, machinery and equipment (c), (v)	Right of use assets (c)	Assets under construction (c)	Total
Accumulated Depreciation					
January 1, 2025	11,739	366,734	4,986	-	383,459
Additions	741	31,543	853	-	33,137
Transfers	-	-	-	-	-
Disposals	-	(18,856)	-	-	(18,856)
December 31, 2025	<u>12,480</u>	<u>379,421</u>	<u>5,839</u>	<u>-</u>	<u>397,740</u>
Net Book Value December 31, 2025	<u>\$ 23,136</u>	<u>\$ 735,048</u>	<u>\$ 11,222</u>	<u>\$ 67,330</u>	<u>\$ 836,736</u>

Year ended December 31, 2024

	Land and buildings (c), (v)	Plant, machinery and equipment (c), (v)	Right of use assets (c)	Assets under construction (c)	Total
Cost (c)/Valuation (v)					
January 1, 2024	29,230	869,499	17,061	86,903	1,002,693
Additions	-	-	-	153,321	153,321
Transfers	3,236	143,436	-	(147,332)	(660)
December 31, 2024	<u>32,466</u>	<u>1,012,935</u>	<u>17,061</u>	<u>92,892</u>	<u>1,155,354</u>
Accumulated Depreciation					
January 1, 2024	11,130	340,606	4,133	-	355,869
Additions	609	26,128	853	-	27,590
December 31, 2024	<u>11,739</u>	<u>366,734</u>	<u>4,986</u>	<u>-</u>	<u>383,459</u>
Net Book Value December 31, 2024	<u>\$ 20,727</u>	<u>\$ 646,201</u>	<u>\$ 12,075</u>	<u>\$ 92,892</u>	<u>\$ 771,895</u>

The transfer total of \$0.080 million (2024: \$0.66 million) represents the cost of assets under construction that was transferred to Intangible Assets (see Note 8).

The transfer to External Agencies represents assets that were being developed as part of the ERCAP Grant on behalf of the Ministry of Energy and National Meteorological Service. These assets were completed during 2025 and thus handed over to these Agencies (see Note 16).

A depreciation charge of \$4.781 million (2024: \$2.169 million) in respect of generation assets owned and used by the Company was allocated to the cost of power (see Note 23). Additions also include capitalized interest of \$6.703 million (2024: \$7.516 million). See also Note 26.

The fixed asset audit conducted in 2013 and 2014 by independent consultants resulted in a revaluation gain of \$5.112 million.

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

7. Property, plant and equipment (continued)

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.

8. Intangible assets

Year ended December 31, 2025

	Computer Software	Transmission rights	Total
Cost			
January 1, 2025	12,786	2,757	15,543
Additions	81	-	81
December 31, 2025	<u>12,867</u>	<u>2,757</u>	<u>15,624</u>
Accumulated Amortization			
January 1, 2025	11,201	2,757	13,958
Additions	576	-	576
December 31, 2025	<u>11,777</u>	<u>2,757</u>	<u>14,534</u>
Net Book Value			
December 31, 2025	<u>\$ 1,090</u>	<u>\$ -</u>	<u>\$ 1,090</u>

Year ended December 31, 2024

	Computer Software	Transmission rights	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>\$ 1,585</u>	<u>\$ -</u>	<u>1,585</u>

Transfer total of \$0.080 million (2024 –\$0.66 million) represents the cost of Assets under construction that was transferred to Intangible Assets (see Note 7).

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

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

	2025	2024
Trade payables	109,426	79,253
Payroll Liabilities	2,166	1,922
Refunds and other costs	1,623	1,674
Stale dated checks	1,967	1,978
Dividends payable	533	550
Interest Payables	775	390
EIB training fund	838	838
	<u>\$ 117,328</u>	<u>\$ 86,605</u>

11. Short term debt

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 matured in October 2025 and bore 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 was set to mature in October 2025; however, it has been extended by one year with its new maturity in October 2026. It bears an effective interest of 6% per annum, with principal repayment at the end of the period and quarterly interest payments.

5,000 5,000

Government of Belize

On December 23, 2025, the Company entered into a short-term loan in the amount of \$10,000,000. The loan matures in December 2026 and bears an effective interest of 6.25% per annum, with principal repayment at the end of the period and monthly interest payments.

10,000 -
\$ 15,000 \$ 10,000

12. Taxes payable

	2025	2024
Business tax	398	378
General sales tax	2,420	2,283
	<u>\$ 2,818</u>	<u>\$ 2,661</u>

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

13. Long term debt

	2025	2024
Government of Belize via Caribbean Development Bank		
a. Loan No. 21/OR-BZ		
Unsecured loan no. 21/OR-BZ to Government of Belize 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 in 48 equal quarterly instalments bearing a variable interest rate established by the Bank periodically. Interest for 2025 was at 5.34% (2024 - 5.60%). 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 0.72:1, the average return on net fixed assets was (2.8%), and receivable days of 31. Despite these results, the Company has not reclassified the loans as current liabilities. The Company will be engaging in the covenant waiver process and expects to receive a waiver from the lender.	8,500	10,765
b. Loan No. 23/OR-BZ1 & 2		
Unsecured loan no. 23/OR-BZ to 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 1.00% per annum commitment fee on the undrawn balances. Interest for 2025 was 5.34% (2024 - 3.82%) 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 1.00 % per annum commitment fee on the undrawn balances. Interest for 2025 was 5.34% (2024 - 5.60%). 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 0.72:1, the average return on net fixed assets was (2.8%), and receivable days of 31. Despite these results, the Company has not reclassified the loans as current liabilities. The Company will be engaging in the covenant waiver process and expects to receive a waiver from the lender.	11,060	11,885

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

13. Long term debt (continued)

Government of Belize via Caribbean Development Bank (continued)	2025	2024
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c. Loan No. 23/OR-BZ3

An amendment to the Original Unsecured loan no. 23/OR-BZ to Government of Belize from the Caribbean Development Bank for on-lending to the Company. The amended loan was agreed in March 2025 to finance the variation in the scope of works for the interconnection of Caye Caulker to the national grid. The Loan is for US\$6,200,000 and is funded by the Bank's Equity and Reserves Fund. It is repayable in 48 quarterly instalments bearing a variable interest rate established by the Bank periodically. Additional charge of 1.00 % per annum commitment fee on the undrawn balances. Interest for 2025 was 5.25%.

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 0.72:1, the average return on net fixed assets was (2.8%), and receivable days of 31. Despite these results, the Company has not reclassified the loans as current liabilities. The Company will be engaging in the covenant waiver process and expects to receive a waiver from the lender.

8,059

-

Government of Belize

Unsecured loan for \$20,000,000 at an effective interest rate of 6.25% per annum. The loan was originally repayable over 18 months with monthly interest and principal payments. However, in 2025 its maturity was extended for another 12 months with a moratorium on principal payments until the loan becomes fully due at the end of December 2026. There are no specific covenants in place for this facility.

5,744

13,543

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. 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 within the covenants during 12 months after the reporting date.

19,000

19,000

Holy Redeemer Credit Union Limited

Unsecured loan for \$40,000,000 at an effective interest rate of 5.00% 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. There are no specific loan covenants in place for this facility.

40,000

40,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

13. Long term debt (continued)

Inter-American Investment Corporation (IDB Invest)

Unsecured loan for US\$15,000,000 comprising a working capital component of US\$5,000,000 at a variable interest rate and a long-term component of US\$10,000,000 at a fixed rate of interest. The working capital component has been fully drawn down in August 2025 and is repayable within 84 months. Additional charge of 0.50% per annum commitment fee on the undrawn balances. Interest for 2025 was 6.19%.

The loan agreement includes financial covenants requiring the Company to maintain a financial debt to EBITDA Ratio of 9.00:1.00, an EBITDA to financial expenses ratio of 2.00:1.00, and a financial debt to capitalization ratio of no more than 75%. At the end of the reporting period, the financial debt to EBITDA Ratio was 16, EBITDA to financial expenses ratio was 2.62, and a financial debt to capitalization ratio of 52%. The Company will be engaging in the covenant waiver process and expects to receive a waiver from the lender.

Less: Current portion (repayable in 12 months)

	2025	2024
	10,000	-
	<u>102,363</u>	95,193
	<u>(10,213)</u>	<u>(17,167)</u>
	<u>\$ 92,150</u>	<u>\$ 78,026</u>

The loan is repayable as follows:

2026	\$ 10,213
2027	\$ 9,636
2028	\$ 10,405
2029	\$ 50,396
2030	\$ 1,992
2031 and thereafter	\$ 19,721
	<u>\$ 102,363</u>

14. Lease Liability

Capital Leases Obligation

BTL Leases

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

	2025	2024
	11,968	12,756
	<u>11,968</u>	12,756
	<u>(803)</u>	<u>(788)</u>
	<u>\$ 11,165</u>	<u>\$ 11,968</u>

The leases are repayable as follows:

Within one year	803
Later than one year but not later than five years	3,380
Later than five years	7,785
	<u>\$ 11,968</u>

Belize Electricity Limited

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands of Belize dollars)

15. Capital contributions

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

	2025	2024
Capital contributions brought forward	78,510	77,988
Additions	1,759	522
Refund	(4)	-
Capital contributions carried forward	<u>80,265</u>	<u>78,510</u>
Amortization brought forward	29,208	27,346
Additions	1,896	1,862
Amortization carried forward	<u>31,104</u>	<u>29,208</u>
Capital contributions- net	<u>\$ 49,161</u>	<u>\$ 49,302</u>

16. Deferred grant contributions

	2025	2024
(A) Energy Resilience Change Adaptation Project		
Deferred grant contribution at the beginning of the year	15,999	10,908
Grant funds received during the year	-	5,091
Constructed assets transferred to other agencies	(4,752)	-
Deferred grant contribution at the end of the year	<u>11,247</u>	<u>15,999</u>
(B) European Union Mini-grid		
Deferred grant contribution at the beginning of the year	3,039	3,039
Grant funds received during the year	-	-
Amount set off against expenses during the year	-	-
Deferred grant contribution at the end of the year	<u>3,039</u>	<u>3,039</u>
Total	<u>\$ 14,286</u>	<u>\$ 19,038</u>

(A) 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/BZ\$4.75 million. As of December 31, 2025, the total grant funds used was US\$8.0 million (December 31, 2024: US\$8.0 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. During 2025 the Company transferred all assets under the grant for the NMS and MOE for a total of US\$2.38 million.

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 the revised completion date of November 30, 2025.

Belize Electricity Limited

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16. Deferred grant contributions (continued)

- (B) 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\$1.44 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 was sought and approved in April 2025, extending 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. The Project end date will be December 2026.

As of December 31, 2025, the total grant funds used were EUR\$1.015 million (2024 - EUR\$0.145 million), equivalent to BZ\$2.145 million. Once Completed, the mini-grids will be operated and maintained by BEL.

17. Debentures

	2025	2024
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.	25,000	25,000
Series 7: 275,000 unsecured debentures of \$100 each to mature March 31, 2028 with interest payable quarterly at 6.0% per annum. The Series 7 debentures can be called by the Company at any time after March 31, 2022, until maturity by giving holders not more than 60 days or not less than 30 days written notice and are repayable at the option of the holders at any time on or after March 31, 2022, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.	27,500	27,500
Series 8: 452,352 unsecured debentures of \$100 each to mature June 30, 2032 with interest payable quarterly at 6.0% per annum. The Series 8 debentures can be called by the Company at any time after June 30, 2026, until maturity by giving holders not more than 60 days or not less than 30 days written notice and are repayable at the option of the holders at any time on or after June 30, 2026, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed.	45,235	45,235
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 not more than 60 days or not less than 30 days written notice and are repayable at the option of the holders at any time on or after June 30, 2028, 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.	60,000	60,000

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17. Debentures (Continued)

	2025	2024
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 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, 2031, 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.	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 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, 2032, after giving 12 months written notice to the Company. Redemption by agreement between the Company and the Debenture holder at any time is also allowed. The last day of subscription remained open at the end of fiscal 2025.	54,472	28,124
Series 12: 300,000 unsecured debentures of \$100 each to mature October 31, 2037 with interest payable quarterly at 6% per annum. The Series 12 debentures is a private placement and can be called by the Company at any time after October 31, 2032, until maturity by giving the holder not more than 60 days or not less than 30 days written notice and are repayable at the option of the holder at any time on or after October 31, 2034, 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.	30,000	-
	<u>\$ 272,207</u>	<u>\$ 215,859</u>

The Indentures to the Debentures contain covenants, which must be complied with by the Company. These covenants include that 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 December 31, 2025 (and 2024) the Company was in compliance with this covenant. The Company expects to comply with the covenants within 12 months after the reporting period.

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

The Company requires consumers to make a security deposit equivalent to one month's estimated bill at the time of service connection. The deposit does not earn interest and is fully refundable on permanent discontinuation of service.

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19. Share capital

	2025	2024
Ordinary shares:		
Authorized 100,000,000 shares of \$2.00 each	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Issued and fully paid 69,023,009 shares of \$2.00 each	<u>\$ 138,046</u>	<u>\$ 138,046</u>
Convertible redeemable preference shares:		
Authorized 12,000,000 shares of \$2.00 each	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Issued and fully paid shares of \$2.00 each	<u>Nil</u>	<u>Nil</u>
Special share:		
Authorized, issued and fully paid 1 share of \$1.		

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

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

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

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

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

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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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. Additional paid-in capital

In March 2003, the Company implemented a Dividend Reinvestment Program allowing shareholders to reinvest their dividends into additional ordinary shares of the Company at \$2.75 per share. The excess \$0.75 per share over par value is recorded as additional paid-in capital of \$5.741 million at the end of December 2025 (2024 - \$5.741 million). The Dividend Reinvestment Program was closed on August 2, 2006.

21. 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 the funds that were held in Atlantic Bank Limited to the Holy Redeemer Credit Union Limited, which yields a higher interest rate.

22. Revenues

On October 30, 2024, the PUC issued its Final Decision on Full Tariff Review Proceedings (FTRP) 2024, increasing the average Mean Electricity Rate (MER) from \$0.3999/kWh to \$0.4090/kWh, effective September 1, 2024, through June 30, 2028. However, in response to rising electricity supply costs and unprecedented demand, BEL submitted an application on April 4, 2025, seeking to increase the average pre-tax electricity rate from \$0.40/kWh to \$0.43/kWh, effective January 1, 2026. The submission also requested PUC collaboration in reviewing and developing a Time-of-Use (TOU) tariff structure for future implementation, no later than the start of the 2026 Annual Tariff Period (ATP). The TOU structure aimed to provide more cost-reflective pricing to address rising energy import costs, inflationary pressures, and urgent grid investment needs driven by sustained peak demand.

On May 16, 2025, the Commission issued its Initial Decision, rejecting the application on the basis of Section 34(2) of the Electricity Byelaws. On June 12, 2025, the PUC issued its Final Decision, upholding the Initial Decision and reaffirming the MER of \$0.4090/kWh. They also advised that the TOU tariff proposal should be filed separately.

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22. Revenues (continued)

BEL subsequently submitted the Annual Review Proceedings (ARP) 2025 Proceedings Amendment seeking recovery of a cumulative positive Cost of Power (COP) variance of \$108,741,798, reflecting sustained under-recovery relative to the Reference Cost of Power (RCOP) embedded in tariffs. The proposed MER adjustment was initially \$0.0555/kWh (November 27, 2025), later revised to \$0.0549/kWh (December 5, 2025) to reflect financing costs for investments in key facilities, including the Caye Caulker Power Plant.

On December 30, 2025, the PUC issued its Final Decision on the ARP 2025 Proceedings Amendment, approving a MER adjustment of \$0.0337/kWh, resulting in a new MER of \$0.4427/kWh, effective January 1, 2026, through June 30, 2026.

23. Cost of power

	2025	2024
Power purchased	190,608	181,633
Power generation costs:		
Fuel	27,039	28,357
Operations and maintenance	2,278	1,633
Depreciation (Note 7)	4,781	2,169
	<u>\$ 224,706</u>	<u>\$ 213,792</u>

24. Other income

	2025	2024
Service installations	(32)	1
Rent income	2,501	2,489
Amortization of capital contributions	1,896	1,862
Sundry income	1,601	1,510
Loss on disposal of fixed assets	(322)	-
	<u>\$ 5,644</u>	<u>\$ 5,862</u>

25. Operating expenses

	2025	2024
Company taxes and fees	3,998	4,569
Computer hardware and software support	3,126	2,312
Contract labour	6,596	6,514
Corporate insurance	1,691	1,593
Depreciation and amortization	28,932	25,896
Donations & customer claims	1,615	1,346
Employee electricity discount	431	403
Employee service facility	889	981
Employer medical, life and social security	2,107	1,995
Employer pension	1,741	1,694
Inventory adjustments	259	467
Maintenance of grounds and buildings	827	856
Materials	878	798
Notification and advertisements	421	426

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25. Operating expenses (continued)

	2025	2024
Payroll expenses - labour & wages	16,301	15,272
Professional fees	570	589
Remeasurement of credit loss	121	(650)
Stationery & office supplies and postage and subscription	171	153
Telephone & communications	1,222	1,223
Training & certification	938	945
Travel	484	610
Uniform & safety gear	192	835
Vegetation management	2,444	2,448
Vehicle maintenance	1,151	758
	<u>\$ 77,105</u>	<u>\$ 72,033</u>

26. Interest expense

	2025	2024
Interest expense	19,479	16,306
Lease liability interest	248	264
Interest capitalized (see also note 7)	(6,703)	(7,516)
	<u>\$ 13,024</u>	<u>\$ 9,054</u>

27. Business tax

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

28. Loss per share

	2025	2024
Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.	<u>\$ (0.34)</u>	<u>\$ (0.14)</u>

Diluted loss per share are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for its dilutive potential.	<u>\$ (0.34)</u>	<u>\$ (0.14)</u>
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The following reflects the income and share capital data used in the basic and diluted loss per share computations.

	2025	2024
Net loss attributable to ordinary shareholders for basic and diluted earnings	<u>\$ (23,321)</u>	<u>\$ (9,653)</u>
Weighted average number of ordinary shares for basic loss per share	69,023,009	69,023,009
Effect of dilution:		
Weighted average number of ordinary shares adjusted for the effect of dilution	69,023,009	69,023,009

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28. Loss per share (continued)

	2025	2024
Basic loss per ordinary share	\$ (0.34)	\$ (0.14)
Diluted loss per ordinary share	\$ (0.34)	\$ (0.14)

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.

29. Related party transactions

The Government of Belize owns 65.88% of the shares, the Social Security Board owns 31.27%, and about 1,500 other shareholders own 2.9%.

The following transactions were carried out with related parties:

	2025	2024
(a) Sale of power		
Government of Belize	\$ 24,113	\$ 25,246
Belize Telemedia Limited	\$ 4,623	\$ 4,801
Social Security Board	\$ 742	\$ 702
(b) Purchases of goods and services		
Social Security Board contribution payments	\$ 1,146	\$ 1,091
Social Security Board interest payments	\$ 736	\$ 684
Belize Telemedia Limited telecommunications services	\$ 2,605	\$ 1,977
Hydro Belize Limited power purchase	\$ 58,509	\$ 58,216
Government of Belize interest payments	\$ 521	\$ 461
National Bank of Belize interest payments	\$ 797	\$ 63
Financial Services Commission interest payments	\$ 301	\$ 46

(c) Key management compensation

Key management includes directors, members of the Executive, the Company Secretary and the Head of Internal Audit. The compensation paid to key management for services is shown below:

Salaries and other short-term benefits	\$ 2,364	\$ 2,573
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(d) Year-end balances

Receivable from related parties:

Government of Belize	NIL	NIL
Social Security Board	NIL	\$ 16
Belize Telemedia Limited	\$ 22	\$ 4
Entities controlled by key management personnel	NIL	NIL

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29. Related party transactions (Continued)

	2025		2024
Payable to related parties:			
Social Security Board	NIL		NIL
Hydro Belize Limited	\$ 21,076	\$	26,025
Belize Telemedia Limited - finance lease	\$ 11,968	\$	12,756
Entities controlled by key management personnel	NIL		NIL

The receivable from and payable to related parties are due one month after date of sale or purchase, except for the BTL leases which are due in accordance with lease agreement (see Note 14). The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.

(e) Long-term debt/Debentures payable to related parties

Government of Belize	\$ 15,744	\$	13,543
Social Security Board	\$ 14,700	\$	14,700
National Bank of Belize	\$ 52,013	\$	5,000
Financial Services Commission	\$ 5,000	\$	5,000

30. Commitments and contingencies

Commitments

There are no significant contracted expenditures at the end of the period that are not recognized as liabilities. However, the Company is engaged in several contracts with suppliers with estimated total outstanding commitments of \$26.158 million.

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, 2025, 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 \$744,807 for all these claims.

31. 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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31. Categories of financial assets and financial liabilities (continued)

	2025	2024
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	29,105	16,933
Trade receivables	23,239	22,174
Other receivables	1,289	1,994
Staff receivables	1,950	1,391
Total Financial Assets	<u>\$ 55,583</u>	<u>\$ 42,492</u>
Financial Liabilities		
Liabilities at amortised cost		
Trade and other payables	117,328	86,605
Short-term debt	15,000	10,000
Deferred grant contribution	14,286	19,038
Long-term debt (current and non-current portion)	102,363	95,193
Debentures (non-current)	272,207	215,859
Lease liability	11,968	12,756
Total Financial Liabilities	<u>\$ 533,152</u>	<u>\$ 439,451</u>

32. 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, 2025, and 2024, the Company had no material liability denominated in a foreign currency other than the US dollar (See Notes 11 and 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:

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32. 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 at the statement of financial position date to the contractual maturity date.

Contractual maturities of Liabilities on December 31, 2025

	Within 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	81,654	35,674	-	-	117,328
Taxes payable	2,818	-	-	-	2,818
Short-term debt	-	15,000	-	-	15,000
Deferred grant contribution	70	210	1,120	12,886	14,286
Debentures (non-current)	-	-	52,500	219,707	272,207
Long-term debt, including lease liability	1,318	9,698	75,810	27,505	114,331
	\$ 85,860	\$ 60,582	\$ 129,430	\$ 260,098	\$ 535,970

Contractual maturities of Liabilities on December 31, 2024

	Within 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	-	86,605	-	-	86,605
Taxes payable	2,661	-	-	-	2,661
Short-term debt	-	10,000	-	-	10,000
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	\$ 110,268	\$ 89,351	\$ 235,540	\$ 442,112

(e) Capital management

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

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32. Financial risk management (Continued)

(e) Capital management (continued)

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.

33. Events after the reporting period

No adjusting events have occurred between the December 31, 2025 reporting date and the date of authorization.

1. Refinanced Loan

In March 2026, BEL refinanced its loan facility with the Belize Bank Limited. This refinancing included the further provision of loan funds for working capital in the amount of \$14 million, bringing the loan to \$33 million. New repayment terms include a 6.75% per annum interest rate with the loan repayable over a revised 60 months with 6 months of principal grace.

2. New Loan

In March 2026, BEL undertook a new loan facility from the Government of Belize in the amount of \$10 million. The loan is repayable over 5 years with quarterly interest-only payments until the principal becomes due as one bullet payment at the end of the 5-year term.

3. Offer of Cumulative Convertible Redeemable Preference Shares

In April 2026, the Company submitted an Offering Memorandum for the issuance of up to 12,000,000 Series B non-voting, non-cumulative convertible redeemable preference shares to the Government of Belize and the Belize Social Security Board. The shares are priced at \$9.00 each, for gross proceeds of up to \$108 million, and carry non-cumulative dividends of up to 5% per annum, payable when declared.

The shares have a 25-year term and are redeemable by conversion into ordinary shares, with an option for earlier conversion (subject to approval) at a fixed ratio of 2:1 (\$4.50 per share). The shares rank ahead of ordinary shares and have limited voting rights.