



2026

ANNUAL REPORT





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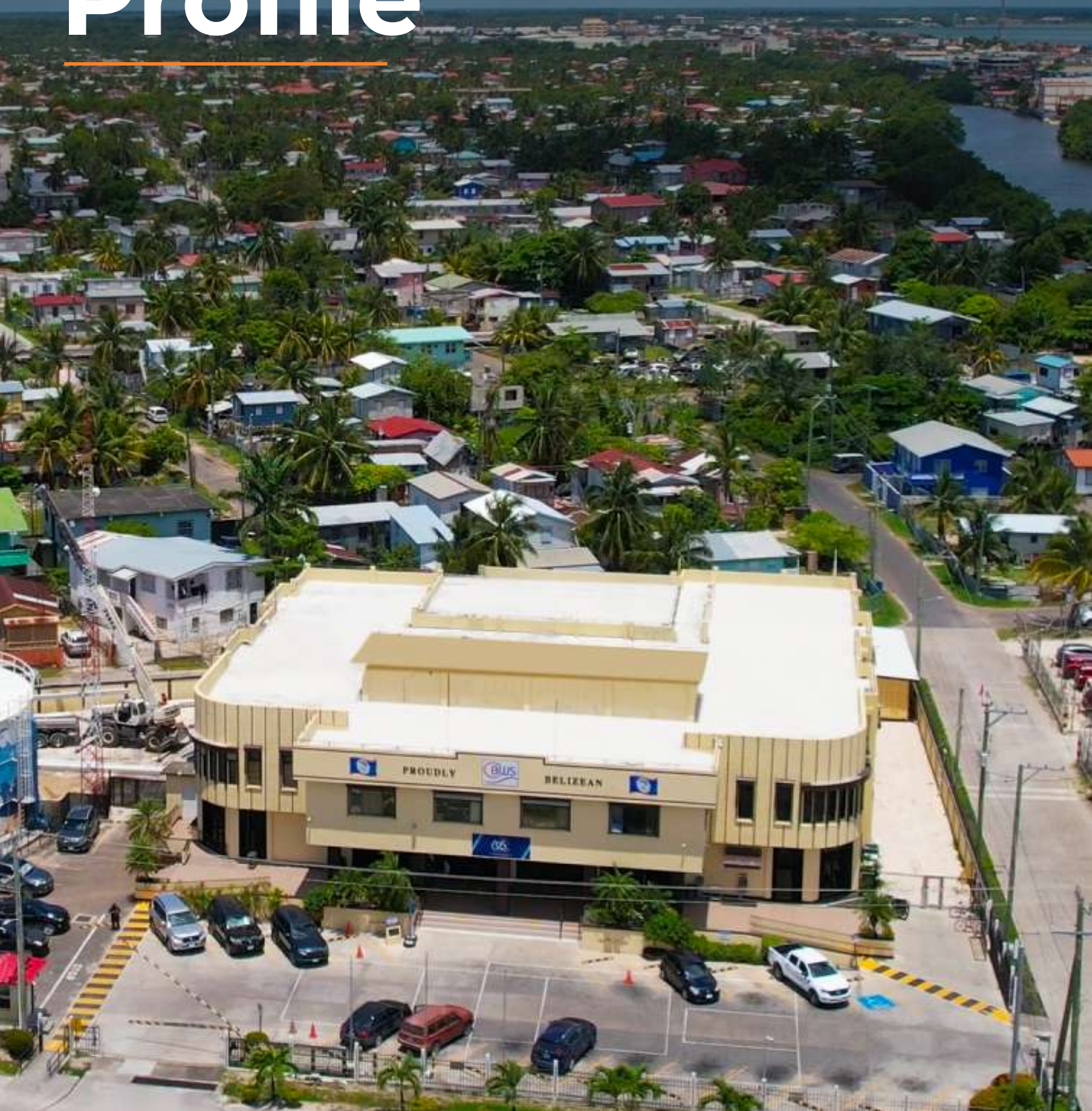
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Company Profile



Belize Water Services Limited (BWS) is the national water and sewerage utility that was vested with the Assets and Liabilities of the Water and Sewerage Authority (WASA) in March 2001. The company has issued share capital of forty million (40,000,000) shares with the Government of Belize (GOB), the majority shareholder, owning approximately 83% of the total shares; the Social Security Board holds 10% and the remaining 7% is held by some 1,500 minority shareholders.

BWS is a regulated utility - the regulatory controls include a statutory regulator, the Public Utilities Commission, the Water Industry Act (2001) and related Statutory Instruments, an operating license issued by the PUC and a Codes of Practice which is agreed by the Regulator and BWS and updated periodically.

Belize Water Services Limited operates in licensed service areas, serving all the municipalities of the country as well as some 44 villages. As at March 2026, BWS serves 69,638 connections or approximately 285,500 consumers, with a total average water demand of approximately 328 million US gallons per month. Over 60% of the water supplied is produced using conventional water treatment processes with rivers as the extraction sources. Satellite water wells are used for the majority of the other water systems; however, on the islands of Ambergris Caye and Caye Caulker, BWS distributes water which has been treated by Reverse Osmosis, an engineered process for converting sea water to drinking water.

Since its inception, BWS has continuously invested in improvement of assets and implementation of improved procedures and controls to increase its efficiency. In performing all the various investment projects, most of which are expansions or improvements to water systems,

BWS focuses on the requirements of our stakeholders, including our Customers, Employees and Shareholders.

Fundamental to meeting the company's vision, both in the short and long term, has been the initiation of a holistic strategic approach towards improving the Company's performance. This broad-based strategy, utilizing a structured approach to balance and align initiatives and metrics, provides the Company with a firm platform which builds on achievements and aims to achieve further objectives in the coming years.

The Company's head office is in Belize City, and it administrates operations via ten (10) offices across the country.

Chairman's Message



Cornelio Acosta Jr.
Executive Chairman
Belize Water Services Ltd.

From Global Standards to Regional Leadership: BWS Beyond Borders

Shareholders, fellow directors, members of management, employees, partners, and invited guests, thank you for joining us today. This Annual General Meeting is especially meaningful as BWS celebrates its 25th anniversary - a quarter-century of service to Belize. More than a measure of time, this major milestone reflects trust built connection by connection, infrastructure strengthened community by community, and knowledge passed between generations of employees. It is a moment to honour those who laid the foundation, thank those who sustain it, and recommit to the customers and communities who depend on us.

Last year, under the theme *"From Local Strength to Global Standards: Charting Belize's Water Future,"* I spoke about a company learning from the world, modernizing its systems, and preparing for the demands ahead. This year, the next chapter is taking shape. BWS is not only applying global standards; we are helping to shape regional dialogue, sharing Belizean experience, and carrying our country's voice onto international platforms.

Our core mission remains unchanged: to provide safe, reliable, affordable, and sustainable water and wastewater services to the people of Belize. As we enter the next chapter of BWS' story, international recognition has meaning only when it strengthens the service we deliver at home.

During the 2025/2026 financial year, BWS added approximately 1,800 customers, bringing the system to nearly 70,000 connections and serving about 285,500 consumers. Each connection represents someone depending on us every day. Service continuity remained above 99%; collection efficiency reached approximately 99%, and Non-Revenue Water was maintained below 23%. These results reflect a dependable utility, disciplined operations, and the daily commitment of our employees.

We also sustained a strong pace of investment. More than 150 capital projects were delivered across Belize, while the financial statements recorded BZ\$24.79 million in additions to property, plant and equipment. These investments strengthened production, storage, transmission and distribution, expanded service, and modernized critical assets.

Our financial performance was strong. Operating revenue reached BZ\$60.25 million, while gross revenue, including other income, reached BZ\$60.71 million. Profit before interest and tax rose to BZ\$12.46 million, and profit after tax more

than doubled from BZ\$2.94 million to BZ\$6.17 million. Basic earnings per share increased from 7 cents to 15 cents. At year-end, total assets stood at BZ\$413.18 million and total equity at BZ\$229.09 million.

The Board approved a dividend distribution of BZ\$512,024, equivalent to 5% of the original share price and payable to minority shareholders, with the Government of Belize directing its dividend to those shareholders. These outcomes demonstrate sound governance, disciplined expenditure control, financial resilience, and our ability to create shareholder value while continuing to invest in national infrastructure. These are especially significant in an environment of higher energy, labour, chemical, maintenance, and construction costs.

Strong performance at home gave BWS the credibility to lead beyond Belize's borders. For the first time, Belize hosted the Caribbean Water and Wastewater Association's Annual Conference and Exhibition. The 34th conference in San Pedro placed our country at the center of regional discussions on water security, sanitation, climate resilience, investment, innovation, and utility performance. The Water Declaration of San Pedro gave that gathering a lasting regional legacy and demonstrated Belize's ability to convene regional leaders.

The conference also elevated Belize within CWWA's leadership through the election of the post of President-Elect, placing BWS on the path to the Association's presidency. This is not a personal achievement but a recognition of the Company, the professionalism of our people, and Belize's capacity to contribute meaningfully to the regional water and sanitation sector. We intend to use that platform to strengthen cooperation and advance practical solutions for Caribbean utilities.

Our participation in FOCARD-APS has opened a wider corridor to utilities and sector institutions across Central America and the Dominican Republic. It strengthens BWS' role as a practical bridge between the Caribbean and Central America, creating opportunities for cooperation, professional exchange, and partnerships. Belize's geographic position is becoming a strategic

advantage, connecting two regions that share many of the same water, sanitation, and climate challenges.

During the year, BWS also provided sectoral advice and knowledge-sharing to other Caribbean utilities. Our representatives contributed as panelists at the Global Water Summit, LatinoSan, and Buenos Aires Water Week, presenting the experience of a high-performing utility from a small, climate-vulnerable country. The momentum continued after year-end when Belize was selected to host LatinoSan 2029, further confirming our growing regional and international standing.

International exposure has one central purpose: to bring value home. It gives BWS access to technical assistance and knowledge-sharing that can strengthen our people, improve project design, accelerate the adoption of proven solutions, and support more reliable, efficient, and resilient service for our customers. These relationships must deliver practical improvements in Belize.

Looking ahead, our priorities remain clear: strengthen water security, expand wastewater services, improve customer experience, modernize infrastructure, deepen the use of digital technology and data, enhance climate resilience, and continue developing our people. The successful completion of the Fourth Full Tariff Review provides a sound platform for this next phase of growth and investment. With the support of the Government of Belize and our development partners, we will continue turning plans into practical improvements for communities across the country.

We will also continue to manage with discipline. Growth must be matched by strong project execution, responsible financing, effective risk management, and clear accountability for results. Our customers should see the benefits of our investments in dependable supply, responsive service, improved efficiency, and infrastructure better prepared for droughts, storms, population growth, and changing demand.

I thank our customers and shareholders for their trust; the Government of Belize, the Public Utilities Commission, our development partners, lenders,

regulators, consultants, contractors, suppliers, and stakeholders for their collaboration; and my fellow directors and Executive Management for their leadership and stewardship.

Most importantly, I thank every BWS employee and the Belize Water Services Workers' Union.

International recognition may take place on a conference stage, but it is earned in our plants, laboratories, offices, project sites, and communities. It is earned by the people who monitor water quality, operate treatment systems, repair lines, serve customers, manage projects, safeguard our finances, and respond when Belize needs us most. When BWS is recognized abroad, it is your work that the world is recognizing.

Last year, we committed to global standards. Today, we are turning those standards into leadership, and that leadership into greater value for Belize. We will continue to lead with humility, manage with discipline, invest with purpose, and serve with pride. As we mark 25 years of BWS, we celebrate not only a proud history, but the responsibility and opportunity to build an even stronger future for Belize.

Thank you.

**Strong at home. Leading the region.
Bringing global value home.**





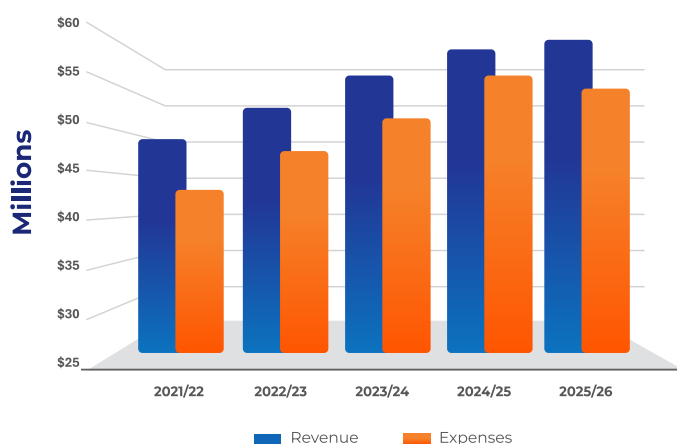
Management Discussion and Analysis

The 2025/26 fiscal year represented a significant milestone for Belize Water Services Limited (BWS), celebrating its 25th year of operations, and the final year of its Fourth Full Business Plan. Despite ongoing global inflationary pressures and a challenging economic environment, the Company delivered a strong financial performance, demonstrating resilience, operational discipline, and effective cost management. Net profit increased substantially from \$2.943 million in the prior year to \$6.174 million in the current year—representing growth of more than 110%. This achievement reflects prudent financial stewardship, improved operational efficiencies, and the Company's ability to adapt to evolving market conditions while maintaining reliable service delivery.

Coupled with steady revenue growth, this strong rebound underscores BWS's agility and disciplined execution, positioning the company for sustained financial stability and long-term success.

The Graph below shows the comparison of Revenues & Expenses and Profitability for the last 5 fiscal years.

BWS Revenues Vs Expenses



BWS 5 - Year Profitability



Financial Performance

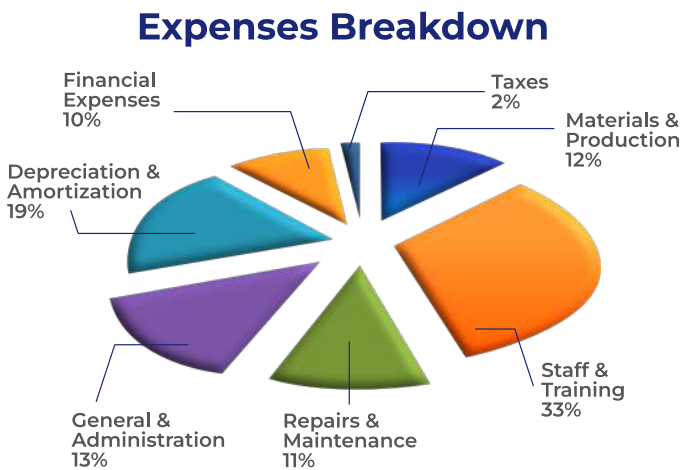
Sales & Expenses

Water consumption increased by 2.3%, contributing to a 2.7% rise in total revenue from \$59.115 million to \$60.708 million. Through prudent cost control and disciplined spending, total expenses were reduced by 2.9%, declining from \$56.171 million in the prior year to \$54.533 million.

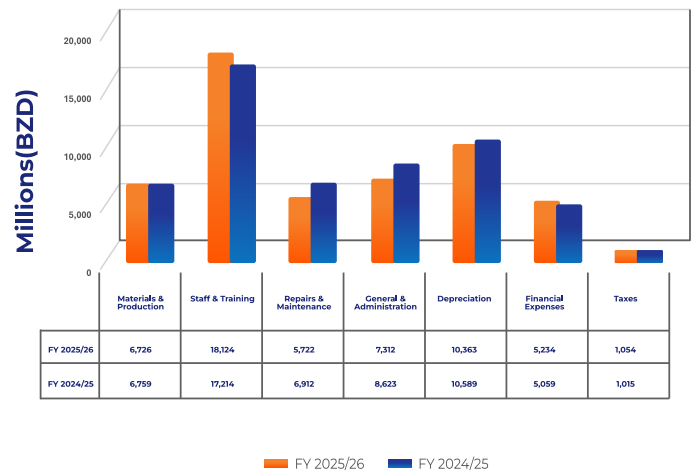
As a result of these improvements, the company's Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) margin strengthened from 33% to 38%, an increase from \$19.607 million to \$22.825 million.

Costs and Comparisons

The chart below highlights the total breakdown of expenses incurred for FY2025/26.



Expense Comparison ('000 BZD)



Dividends & Government Contributions

With 40 million shares in issue, BWS recorded net profit of \$6.174 million, resulting in a notable improvement in earnings per share (EPS) to \$0.15, up from \$0.07 in the previous year. At year-end, minority shareholders held 6,826,982 shares. With the continued support and approval of the majority shareholder, the Government of

Belize, the Board authorized a total dividend payout of \$512,024, designated exclusively for minority shareholders. This represents a dividend of \$0.075 (seven and a half cents) per share, consistent with the prior year.

The following table outlines additional direct and indirect contributions made by the Government of Belize to support the company's operations and development.

Government Contributions	2025/26	2024/25
Debt Repayment	748	764
Expansion Projects	1,457	737
GST Savings-Zero Rated Status	3,933	4,285
Total Contributions	6,138	5,786
All figures in BZ\$ '000		

Loans, Grants and Debt Servicing

At the beginning of the 2025/26 financial year, BWS had outstanding loans of \$14.5 million. A drawdown of \$1.6M was received from IDB Loan#5754. GOB continues to assist with debt repayments to the CDB for loans #5 and #10

which totalled \$0.748M in principal and interest payments. The table below shows our Loan movement and debt servicing cash requirements over the last two financial years.

Loan Movement and Debt Servicing		
Net Loan Movement	2025/26	2024/25
Beginning Balance	14,509	15,591
Draw downs/Increases	1,600	1,607
Principal Repaid	(2,168)	(2,689)
Principal Balance	13,941	14,509
Debenture	80,569	80,569
Total O/S Debt	94,510	95,078
Debt Serving		
Principal Repaid	2,168	2,689
Interest Charges	5,175	4,969
Total Debt Services	7,343	7,658
All figures in BZ\$ '000		

Assets and Refurbishment

With financial and in-kind support from the Government of Belize and private developers, the company invested a total of \$24.8 million in new assets. This included routine progression works across the country, as well as major upgrades and expansions of the water network in Corozal, Benque Viejo, Belmopan, and the Belize District, valued at \$4.2 million.

To enhance water storage capacity, residents of Orange Walk and Forest Home benefited from the installation and commissioning of two new 50,000 US-gallon tanks. Additionally, to ensure a stable and reliable water supply, a new state-of-the-art well was acquired, supporting the commissioning of wells in Benque, Lemonal,

Caye Caulker, and San Pedro Town, with an investment of \$3.1 million.

Investments were also completed in wastewater, where \$1.6 million was spent on the rehabilitation of wastewater plants in Belize City and San Pedro. This also included critical manhole replacements and pumping station upgrades in Belize City, Belmopan, and San Pedro.

The overall net investment in assets inclusive of new assets, refurbishments and maintenance was \$30.506 million in 2025/26 compared to \$44,008 in 2024/25. The table insert shows the breakdown of the Investment in Assets and Improvements over the past two fiscal years.

New Assets, Refurbishment and Maintenance	2025/26	2024/25
Plant & Equipment	3,662	15,405
Water Expansion	21,123	21,691
Total New Assets	24,784	37,096
Developer's Contribution & Grants	(5,300)	(8,005)
BWS Expenditure	19,484	29,091
Repairs & Maintenance	5,722	6,912
Total Assets & Maintenance	30,506	44,008
All figures in BZ\$ '000		

Operations Report

During the 2025/2026 fiscal year, the Company continued to operate in a challenging global environment characterized by geopolitical tensions, regional conflicts, rising energy prices, persistent inflationary pressures, supply chain disruptions, and escalating construction and operational costs. These external factors significantly increased the cost of producing, treating, and delivering potable water across our service areas. Despite these challenges, the Company remained focused on its core mandate of providing safe, reliable, and affordable water services to the communities we serve, while continuing to invest in operational efficiency, infrastructure resilience, and long-term sustainability.

Throughout the year, the Company continued to implement initiatives aimed at improving operational efficiency, reducing water losses, optimizing energy consumption, and managing the impact of rising production costs. Key efforts included proactive maintenance programs, leak detection and repair activities, pressure management, energy efficiency initiatives, and strategic infrastructure investments. Despite a difficult economic environment, the Company achieved a service continuity rate of 99.94% while maintaining stable system pressures and dependable service levels across its operations.

The comparison of the key performance indicators (KPIs) for the reporting year to the previous year is shown in the table below:

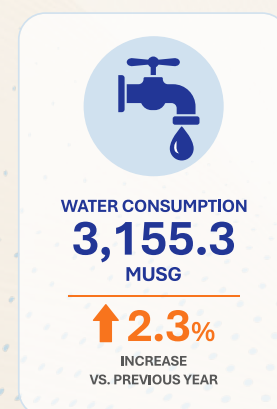
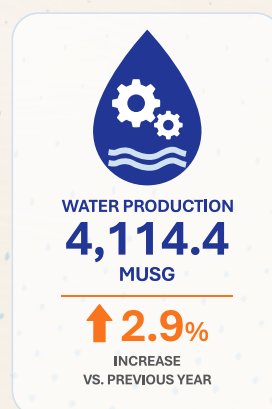
Operating KPI's	Year 2024/25	Year 2023/24	% Change
Water Production	4,114.40	3,999.40	2.9%
Water Sales	3,155.30	3,84	2.3%
Non-Revenue Water Volume	959.1	915.6	4.8%
Non-revenue %	23.31%	22.89%	-0.4%

Volume Figures are in millions of US Gallons (MUSG)

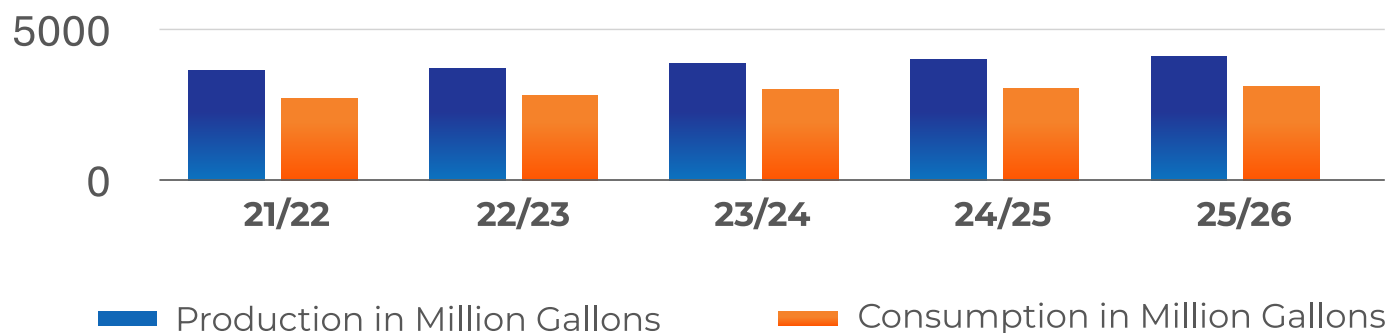
Production and Consumption:

Total water production for the fiscal year reached 4,114.4 million US gallons (MUSG), representing a 2.9% increase compared to the previous year. Potable water consumption also increased by 2.3% to 3,155.3 MUSG. These results reflect continued population growth, economic activity, and increasing demand for reliable water services across the Company's service areas. Despite ongoing inflationary pressures and rising operating costs, the Company successfully met customer demand while maintaining system reliability and service standards. The steady growth in both production and consumption

demonstrates the effectiveness of investments made in water supply infrastructure, operational improvements, and system capacity enhancements.



Production and Consumption Volumes



Non-Revenue Water (NRW) Losses:

The volume of water losses recorded for the fiscal year totaled 959.1 million US gallons (MUSG), compared to 915.6 MUSG in the previous year. Consequently, the overall Non-Revenue Water (NRW) percentage increased slightly from 22.89% to 23.31%. While this represents a modest increase, the Company continues to maintain NRW levels below 25%, a benchmark that compares favorably with many utilities across the Caribbean and Latin America. Maintaining NRW at this level is particularly noteworthy given the continued expansion of the network, aging infrastructure in some service areas, and increasing operational challenges.

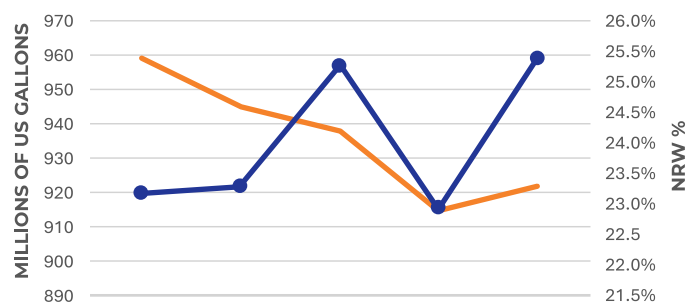
The NRW reduction program remains focused on proactive leak detection and repairs, replacement of aging water mains, identification and removal of illegal connections, pressure management, meter accuracy improvements, and enhanced data-driven monitoring. These initiatives continue to improve system efficiency, strengthen asset performance, and reduce water losses throughout the distribution network. The Company remains committed to pursuing innovative technologies and best practices to further improve NRW performance over the long term.

The Company takes pride in maintaining NRW levels at or below 25% for the fifth consecutive year. This achievement reflects the dedication of its employees, the effectiveness of its operational

strategies, and sustained investment in critical infrastructure. Throughout the fiscal year, the Company also continued implementing initiatives aimed at improving service reliability, strengthening climate resilience, enhancing operational efficiency, and supporting the long-term sustainability of water services for the people of Belize.

The Chart below highlights the movement in water loss volume and NRW percentage for the last five (5) Years:

Production and Consumption Volumes



	21/22	22/23	23/24	24/25	25/26
Water Loss	920	921.6	957.1	915.6	959.1
NRW	25.4%	24.6%	24.2%	22.9%	23.3%

Customer Service Department

Principal Achievements During 2025 -2026

During the fiscal year 2025/2026, Belize Water Services experienced steady growth in its customer base, increasing from 67,850 customers at the end of fiscal year 2024/2025 to 69,638 customers as of March 31, 2026. This represents an increase of 1,788 customers, or approximately 3% growth. This positive trend reflects the company’s ongoing expansion efforts and improved service outreach across the country.

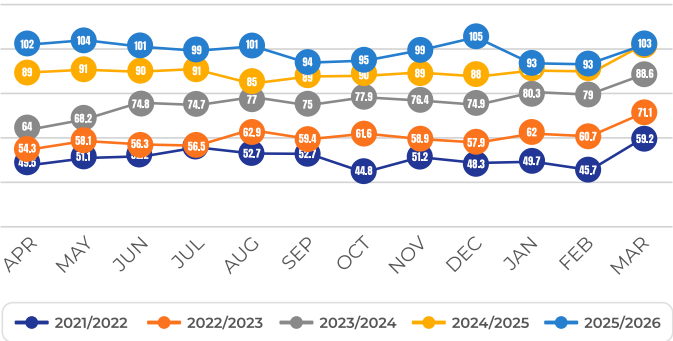
Total water sales volume also increased by 2.3%, rising from 3,084 million US gallons (MUSG) in fiscal year 2024/2025 to 3,154 MUSG in fiscal year 2025/2026. This growth contributed to gross water sales revenue of \$58,370,557 for the year.

Accounts receivable for fiscal year 2025/2026 stood at \$2.842 million. Bad debt write-offs at the end of fiscal year 2025/2026 totaled \$157,949.59, representing a significant 66% reduction compared to the \$467,598.23 written off during fiscal year 2024/2025. Efforts to strengthen debt recovery continued throughout the fiscal year, including the introduction of

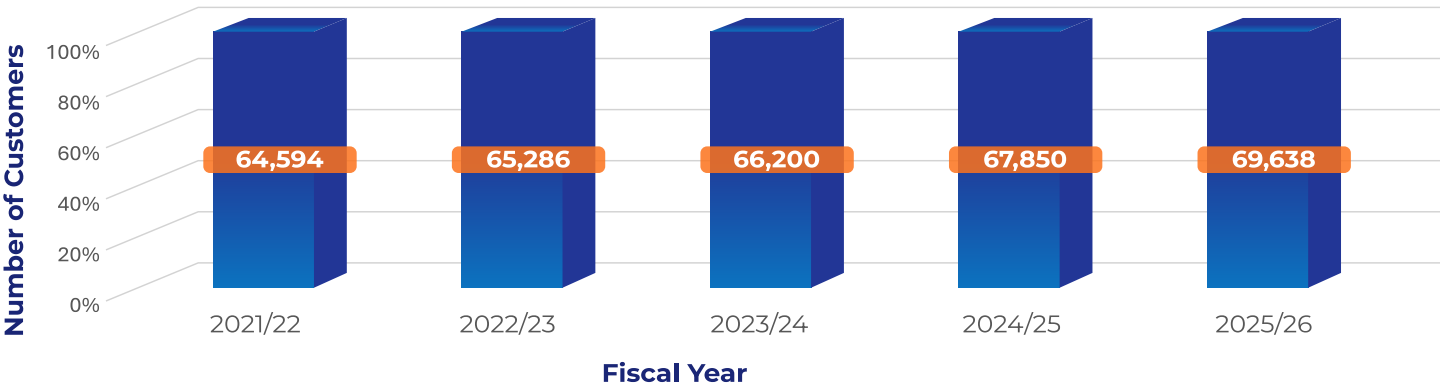
senior legal personnel within the Credit Department to commence court action proceedings for delinquent accounts.

Additionally, our collection efficiency has shown significant improvement over the past five fiscal years, increasing from 49% in fiscal year 2021/2022 to 99% by the end of fiscal year 2025/2026.

Monthly Collection Efficiency Percentage
2021 / 2022-2025 / 2026



Customer Connections



Technical Services Department (TSD)

Despite continued inflationary pressures, global supply chain disruptions, rising energy costs, climate-related challenges, and increasing customer demand, Belize Water Services (BWS) remained committed to strengthening the nation's water and wastewater infrastructure. During Fiscal Year 2025/2026, BWS successfully completed over 150 projects with a total investment of approximately \$24 million. These investments focused on improving customer service, enhancing system reliability, increasing operational resilience, supporting future growth, and ensuring long-term water security throughout Belize.

Water Distribution and Wastewater Infrastructure

BWS continued investing in the expansion, rehabilitation, and modernization of water and wastewater infrastructure countrywide. During the year, the Company provided approximately 1,267 new water service connections and 42 new sewer service connections. In addition, we have completed approximately 398 service connections through various water network expansion programmes.

The Company completed approximately 70,439 feet of new water mains and 5,013 feet of water main replacements, including the replacement of aging asbestos cement pipelines and upgrades to critical transmission and distribution infrastructure. Investments also included meter replacement and relocation programmes, District Metered Zones (DMZs), reservoir construction, booster station upgrades, well development and commissioning, sewer rehabilitation projects, and mechanical and electrical improvements throughout the country. BWS has also invested substantially in mechanical and electrical upgrades of water distribution and sewer stations countrywide with

an investment of over 6% of the total investments in wastewater collection and treatment systems.

Major Project Works

Petville Production Station and Well Commissioning – Orange Walk

BWS successfully completed and commissioned the Petville Production Station, including a new production well, well headworks, pumping equipment, electrical systems, and District Metered Zone infrastructure. This project significantly increased production capacity, enhanced system redundancy, improved pressure management, and strengthened service reliability for Orange Walk Town and surrounding communities.



Arthur Street Reservoir and Booster Station – Orange Walk

The Arthur Street Reservoir and Booster Station project further strengthened the Orange Walk water supply system through additional storage, pressure stabilization, and operational flexibility. Together with the Petville Production Station, these investments improve water security and support future development within the service area.



San Pedro Water Supply Expansion

To support the continued growth of Ambergris Caye, BWS commenced the procurement and implementation of two new 150,000-gallon-per-day Reverse Osmosis plants while simultaneously investing in new wells, transmission system improvements, smart metering initiatives, and network expansions. These investments will strengthen water security and support the continued economic and tourism development of San Pedro.



Southside Reservoir Expansion – Belize City

One of the most significant infrastructure projects started during the fiscal year was the construction of two new 250,000-gallon reservoirs adjacent to the Southside Pumping Station. This project will substantially increase storage capacity, provide operational flexibility during maintenance activities and strengthen service quality and reliability throughout Belize City. The project forms part of BWS's long-term strategy to improve water security and system resilience for the country's largest service area.



Replacement of Critical Transmission Mains

BWS completed the replacement of critical 10-inch asbestos cement transmission mains along Bliss Parade and other strategic locations countrywide. These upgrades reduce the risk of service interruptions, improve operational reliability, and support long-term infrastructure sustainability.



Water Treatment Plant and Sewer Infrastructure Upgrades

Additional major works included upgrades to the Double Run Water Treatment Plant, commencement of Phase III of the San Ignacio Water Treatment Plant Expansion, sewer collection system rehabilitation projects, lift station improvements, sludge management initiatives, and critical mechanical and electrical upgrades throughout the country.



Upcoming Projects

During Fiscal Year 2026/2027, BWS will continue investing in strategic infrastructure projects designed to improve reliability, resilience, and sustainability across its service areas. Key initiatives include:

- Commissioning of two 250,000-gallon storage reservoirs at the Southside Pumping Station in Belize City.
- Construction of a 150,000-gallon reservoir in Caye Caulker, a 125,000-gallon reservoir in Dangriga and a 50,000-gallon reservoir in Corozal.
- Commissioning of two 150,000-gallon-per-day Reverse Osmosis plants in San Pedro.
- Continued development of new production wells and expansion of transmission and distribution networks.
- Continued replacement of aging asbestos cement water mains countrywide.
- Expansion of smart metering and District Metered Zone programmes.
- Rehabilitation and modernization of wastewater treatment and collection infrastructure.
- Expansion of SCADA, automation, and digital asset management systems.

These investments will further strengthen BWS's ability to provide safe, reliable, and sustainable water and wastewater services while supporting national development and improving the quality of life for customers throughout Belize.



Project Execution Unit

Major Funded Projects

The financial year ending March 31, 2026, marked another significant period of growth and investment for Belize Water Services (BWS) through the continued implementation of major externally funded projects and the preparation of new strategic initiatives. During the reporting year, BWS completed two major project activities, commenced implementation of several new activities financed by the Inter-American Development Bank (IDB) and the World Bank, and advanced preparations for a new climate-resilient wastewater project for Caye Caulker under the IDB CLIMA initiative.

These projects continue to support BWS' long-term objective of expanding access to safe and reliable water and sanitation services, strengthening institutional and operational performance, improving climate resilience, and protecting Belize's fragile coastal and marine ecosystems. This report provides an overview of the status of these major funded initiatives.

Third Water (South Ambergris Caye Water & Sewerage Expansion) Project

BWS successfully completed the final activity under this Caribbean Development Bank (CDB)-funded project with the installation and commissioning of a new backup generator system at the San Pedro Water Treatment Facility. The new generator improves operational reliability by providing standby power support to two desalination plants serving the island. With the completion of this activity, the Third Water Project has now been fully completed.

Water Supply and Modernization Program

Under this IDB-funded program, BWS completed the Smart Meter Pilot Project in San Pedro aimed at improving customer service, leak detection, and operational efficiency through advanced metering technology. Based on favourable results from the pilot project, BWS plans to expand this initiative during the new financial year through the procurement and installation of additional smart meters for San Pedro.

BWS also commenced implementation of the Water Network Expansion (WNE) to Harmonyville, which will provide potable water access to more than 85 households, with additional future connections expected as the area develops. Additional activities initiated during the year include the countrywide implementation of new disinfection equipment and the Energy Efficiency Phase 1 Consultancy, both of which will continue into the new fiscal year. Preparatory activities also commenced for a Public Awareness Campaign and a Gender Policy Continuation Consultancy under the same IDB program.



Blue Cities and Beyond

During the reporting year, the World Bank approved the Blue Cities and Beyond Project under which BWS is benefitting from two major activities: (i) Water Network Expansion for South San Pedro; and (ii) Rehabilitation of the Belize City Wastewater Treatment Plant.

Works have commenced for the South San Pedro Water Network Expansion, which includes approximately 25,000 linear feet of new water mains and more than 150 new service connections. The project is expected to be completed during the new fiscal year and will support continued residential and tourism growth in the area.

BWS also initiated preliminary activities for the rehabilitation of the Belize City Wastewater Treatment Plant, including land surveys and detailed designs for fencing and security infrastructure. Once completed, the project is expected to improve effluent quality, increase treatment capacity, and support future wastewater expansion in Belize City.

North Ambergris Caye Water Expansion

BWS continued to work with the Government of Belize, the European Investment Bank (EIB), the Caribbean Development Bank (CDB), and COWI under the Caribbean Water and Clean Oceans Programme (CAR-WACOP) in advancing technical studies and project preparation activities for the North Ambergris Caye Water Expansion Project.

The project aims to improve access to climate-resilient water infrastructure in northern Ambergris Caye to support continued population and tourism growth. Preparatory activities and financing discussions are expected to continue during the new fiscal year.

South Caye Caulker Wastewater Management (IDB CLIMA)

During the reporting period, BWS and the Government of Belize advanced preparations for the South Caye Caulker Wastewater

Management Project under the IDB CLIMA Pilot Program. The project aims to improve coastal water quality, expand access to safely managed sanitation services, and strengthen BWS's institutional capacity for climate-resilient infrastructure planning and environmental monitoring.

The approximately USD 13 million project will include the construction of a centralized wastewater collection and treatment system for South Caye Caulker utilizing climate-resilient infrastructure and advanced treatment technologies. Government approval was received during the last fiscal year, and project preparation activities are now underway ahead of implementation during the new fiscal year. Approximately 800 households are expected to benefit from the new wastewater infrastructure once completed.



Maintenance and Security

M&E Maintenance

BWS achieved significant improvements in maintenance performance through a more structured, proactive, and planned approach to asset management. During the year, corrective maintenance was reduced by approximately 30%, allowing resources to be redirected toward preventative and planned maintenance activities. This shift strengthened the Company's ability to address asset needs before failures occur, improving reliability and service continuity.

The approximate maintenance execution mix achieved was 40% preventative maintenance, 20% corrective maintenance, and 40% planned maintenance. These are exceptional results for a utility environment and reflect the Company's commitment to improving asset performance, reducing unplanned interruptions, and supporting efficient operations.

The benefits are evident in the increased reliability of water and wastewater assets and the improved quality of service delivered to customers countrywide. Looking ahead, predictive maintenance and condition monitoring are being integrated through training and execution over the coming years further enhancing reliability for the benefit of customers.

Facilities Maintenance

The Company continued to strengthen its facilities maintenance programme, with a larger focus placed on preventative maintenance to improve performance and reduce long-term costs. More than 500 assets countrywide are maintained through planned maintenance activities, supporting the functionality, safety, and appearance of critical infrastructure including buildings, headworks, storage tanks, treatment plants, and other operational facilities.

These assets represent the public face of the national utility and play an important role in delivering reliable water and wastewater services to customers. Through planned inspections, routine upkeep, repairs, and aesthetic improvements, the Company ensures that its facilities remain fit for purpose and reflective of the standards expected by the communities it serves.

This increased focus on preventative maintenance helps reduce deterioration, extend facility lifespan, and lower overall maintenance costs over time. By protecting capital investments and improving asset reliability, the Company continues to deliver greater value to the public and all stakeholders.



Security

This fiscal year BWS continued to improve security across its countrywide operations through the installation, maintenance, and ongoing monitoring of surveillance systems at all locations. Surveillance cameras have been installed to support the protection of critical assets, deter criminal activity and vandalism, and strengthen the safety and security of employees, customers, and visitors.

Maintenance continues to be conducted to ensure these systems remain functional, reliable,

and effective. This proactive approach supports timely response, reduces operational risk, and helps safeguard the facilities that are essential to the delivery of water and wastewater services.

In addition to surveillance coverage, alarm systems are in place at remote locations to provide added protection and early notification of potential security incidents. Looking ahead, the Company will further enhance its safety infrastructure through the commissioning of a state-of-the-art fire alarm system in the coming fiscal year, reinforcing its commitment to asset protection and public safety.



Water Quality and Safety Compliance

The Water Quality Laboratory continues to proactively monitor and ensure compliance with water quality standards across all our potable water distribution and wastewater treatment systems countrywide. The laboratory remains committed to maintaining a robust quality control program aimed at safeguarding public health and protecting the environment. During this fiscal year, over 4,700 water samples were collected and analyzed from various distribution systems and project expansion areas. These monitoring efforts resulted in a 100% pass rate for microbiological analysis and a 99.8% pass rate for chemical analysis, reflecting the effectiveness and reliability of the laboratory's quality assurance processes. In addition, 396 wastewater samples were tested to ensure compliance with environmental standards. The laboratory also experienced an increase in external testing services, with 416 tests performed on behalf of external clients, demonstrating growing confidence in the laboratory's technical capabilities and service delivery.

To strengthen its credibility and operational excellence, the Water Quality Laboratory continues to pursue the ISO/IEC 17025 certification. Furthermore, management has approved the funding of the Laboratory Information Management System to support the accreditation process through secure record keeping, audit trails, and standardized reporting. Achieving these two objectives will enhance the testing protocols, improve operational efficiency, and further elevate overall laboratory performance.

With the enactment of the National Occupational Safety and Health Bill, Belize Water Services Limited (BWS) has taken a proactive approach to strengthening its workplace safety and employee engagement in occupational health and safety

matters. The company has undertaken several initiatives aimed at enhancing BWS's Safety Policies, Standard Operating Procedures, and overall safety culture. BWS has made significant investments in employee protection, including the implementation of engineering controls and other measures designed to mitigate workplace hazards and improve operational safety. In addition, the company has a Safety Committee to guide and promote a safe and healthy working environment for all employees.

BWS has also made significant investments in disaster preparedness and resilience planning. The Company has successfully adapted and implemented the Caribbean Water Utilities Insurance Collective (CWUIC) Emergency Response Plan (ERP) framework to strengthen its disaster response and recovery capabilities. The ERP is designed to address a range of natural hazards, including hurricanes, flooding, droughts, wildfires, and earthquakes, among others. This initiative has enhanced BWS's ability to respond effectively and maintain operational continuity during emergency event.



Information Technology and Strategy Department

During the year, the Information Technology and Strategy Department concentrated on creating a more connected, efficient, secure, and data-driven operating environment for BWS. The department's initiatives focused on improving access to reliable information, strengthening operational oversight, reducing processing times, and ensuring that the company's technology infrastructure can support its current and future needs.

A key priority was improving how information is managed and shared across the organization. The department continued working to interconnect departmental systems so that information can flow seamlessly between business areas. This integration will help BWS establish a single, reliable source of data, reduce duplication, improve consistency, and provide management with a more comprehensive view of the company's operations.

The department also advanced the automation of processes that previously required significant manual intervention. Greater automation will improve accuracy, shorten turnaround times, and make essential operational and management information available more quickly. These improvements support faster, data-driven decision-making throughout BWS.

The Supervisory Control and Data Acquisition (SCADA) network was expanded to provide greater visibility across BWS' water and sewer networks. Each new SCADA expansion is automatically integrated into the central monitoring room and made accessible to all authorized employees who require the tool to perform their duties. This approach ensures that operational information is available in real time to the appropriate personnel, regardless of their location.

The expanded SCADA network strengthens BWS' ability to monitor system performance, identify abnormalities, respond to disruptions, and manage critical infrastructure more effectively. Increased visibility also supports proactive maintenance, efficient resource allocation, improved coordination among operational teams, and greater reliability of water and sewer services.

Preventive maintenance remained an important part of the department's activities at all BWS office locations. Equipment, networks, servers, and other technology assets were routinely inspected, serviced, and updated. This proactive



approach helps identify potential problems before they affect operations, reduces unexpected downtime, and extends the useful life of the company's technology investments.

Cybersecurity was further strengthened in recognition of the increasing risks associated with digital operations. Tighter security measures were implemented to protect BWS' networks, systems, and data from intruders, unauthorized access, and other cyberthreats. The department continues to assess emerging risks and enhance its security controls to maintain a secure and resilient technology environment.

The Geographic Information System (GIS) was further integrated into BWS' operations, improving access to spatial information and supporting infrastructure planning, asset management, and field activities. Investments were also made in the company's network and

server environment to enhance connectivity, reliability, performance, and capacity.

To support these initiatives, the department continued strengthening its technical capabilities and promoting the use of mobile technologies. This has enabled employees to access information more effectively while working in the field and has contributed to faster responses to operational issues.

From a strategic perspective, the department continued aligning technology initiatives with BWS' long-term objectives and enterprise risk management programme. This approach ensures that technology investments support operational continuity, organizational resilience, risk reduction, improved service delivery, and sustainable growth.



Human Resources Department

The Human Resources Department continued to play an important role in supporting the Company's strategic goals by attracting, developing, and retaining a skilled and dedicated workforce. Throughout the 2025–2026 reporting year, the Department remained focused on creating a safe, inclusive, and productive work environment while ensuring compliance with applicable labour laws, company policies, and regulatory requirements. The Company also maintained a positive and collaborative working relationship with the Union Executive, fostering open communication and effective employee relations.

Our workforce remained stable with an average permanent headcount of 344 employees. We welcomed 46 new permanent employees while managing 49 separations, reflecting both the natural flow of talent and our commitment to maintaining a capable team.

During the year, key areas of focus included recruitment and retention, employee relations, compensation and benefits administration, training and development, workforce planning, and employee wellness. Human Resources worked closely with Executive, Management and department leaders to address staffing needs, support business initiatives, and strengthen employee engagement across the organization.

Training and development remain central to our commitment to the growth and advancement of our most valuable assets — our staff. Over the fiscal year, our employees successfully completed 1,474 trainings in a diverse range of programs designed to strengthen both individual capabilities and organizational performance. These initiatives encompassed specialized skills to enhance technical expertise, leadership development to prepare future leaders, financial development to improve literacy and accountability, customer service enhancement to elevate client engagement, technical certifications to validate professional competencies, defensive driving to promote safety and responsibility, and health and safety training to reinforce workplace standards and employee well-being. Collectively, these efforts underscore our dedication to building a resilient, skilled, and future-ready workforce that is equipped to meet evolving business demands, while directly contributing to improved efficiency, stronger customer relationships, enhanced compliance, and ultimately, sustained organizational growth and shareholder value.



A review of key HR policies in alignment with the Collective Bargaining Agreement (CBA) and local labour legislation was undertaken. The Department maintained ongoing compliance monitoring across areas of employee conduct, leave administration, and occupational health standards. The Company is finalizing a new Bargaining agreement with the BWSWU.

BWS continued to invest in programs and benefits designed to support the wellbeing of employees and their families. These included health and life insurance coverage, retirement benefits, annual preventative health initiatives, employee assistance programs, and educational assistance opportunities. Employees also had access to the Company's Wellness Room, which provides a quiet space for relaxation and mental wellness during the workday.

Workplace safety and security remained a priority throughout the year. The Company enhanced its safety measures through the installation of modern surveillance systems and upgraded fire detection equipment. These improvements helped to maintain a secure working environment and support employee confidence and productivity.

Overall, the Human Resources Department remains committed to supporting the Company's long-term success by promoting a workplace culture that values employee development, engagement, wellbeing, and high performance. Through its people focused initiatives and strategic partnerships across the organization, the Department continues to contribute to the achievement of the Company's business objectives and future growth.



Corporate Communication Unit

Fiscal Year 2025–2026 was a period of meaningful growth for BWS, a year defined not only by the scale of initiatives undertaken, but by the depth of commitment behind each one. From the streets of Belize City to the regional stage of the Caribbean, BWS demonstrated what it means to be more than a utility, BWS demonstrated that it is a true partner in national progress.

At the center of this work was the Corporate Communications Unit (CCU), whose efforts shaped how BWS engaged with its stakeholders, told its story, and lived its values. Through coordinated outreach, public awareness campaigns, strategic partnerships, and corporate social responsibility programs, the Unit reinforced BWS' standing as one of Belize's trusted and socially responsible institutions.

Central to the Unit's mandate was the implementation of community engagement and corporate social responsibility initiatives designed to support national development and improve the quality of life for Belizeans. Among these, BWS honored its annual commitment to the "I Am Restore Belize" Scholarship Program, providing continued educational support and opportunity for students and families across the country. Building on this foundation, the organization conducted a community outreach session in Placencia and Seine Bight in June 2025, where residents received updates on completed and upcoming projects, engaged in meaningful dialogue about service improvements, and shared valuable feedback that would inform future planning.

BWS also reinforced its role as a committed partner in national life through strategic sponsorships and collaborative engagements. During the fiscal year, the organization served as a Diamond Sponsor of the Miss Universe Belize Pageant and extended support to the Belize

Volleyball Association U-23 Female Championship, the National Celebrations Commission, and the Belize Investment Summit 2025. Collectively, these partnerships reflected BWS' dedication to youth development, cultural celebration, economic advancement, and the broader national agenda. In that same spirit of service, BWS staff observed National Service Day by visiting the Octavia Waight Centre in San Ignacio, where they spent time with residents and distributed care packages; a tangible expression of the organization's commitment to community well-being.

Support for education and creativity further defined BWS' social investment during this

Impact Summary



Total Contributions
\$344,872



Largest Sector
Community

period. The organization partnered with the Belize National Library by donating prizes for its Story Writing Competition, helping to nurture literacy and academic achievement among Belizean youth. This commitment to inclusive learning was also reflected in BWS' ongoing adoption and enhancement of a classroom space at the Stella Maris Special Education & Life Skills Learning Centre, a long-term investment in creating a supportive environment where students with special educational needs can learn and thrive.

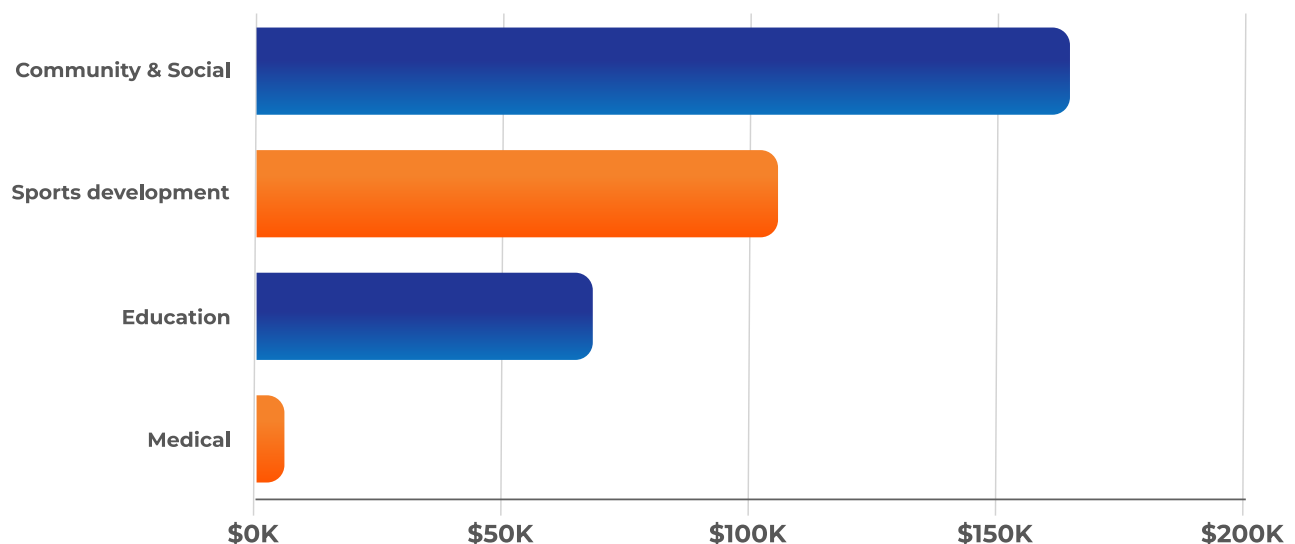
A defining highlight of the fiscal year came in October 2025, when BWS led communications and promotional efforts for the Caribbean Water and Wastewater Association (CWWA) Conference and Exhibition. Through a comprehensive campaign, the Unit placed both BWS and Belize on a regional and international stage, showcasing the country's capacity to host a premier industry event while reinforcing BWS' standing within the Caribbean water sector. The campaign generated significant visibility for the organization and the nation alike, underscoring Belize's growing leadership role in the regional water and wastewater industry.

As the year progressed, BWS continued to extend its reach to vulnerable members of the community. During the Thanksgiving season, the organization distributed meals and care

packages to individuals experiencing homelessness in Belize City, reflecting its dedication to supporting those most in need. Then, in March 2026, BWS participated in World Water Day activities, lending its voice to national awareness efforts on water conservation, environmental sustainability, and responsible resource management.

Underpinning all these initiatives was a significant financial commitment to community development. During the fiscal year, BWS contributed a total of \$344,872.45 in donations and sponsorship across a range of sectors, including community and social assistance (\$164,284.95), education (\$68,637.50), sports development (\$105,550.00), and medical assistance (\$6,400.00). These investments speak to BWS' enduring belief that the organization's success is inseparable from the well-being of the communities it serves.

The accomplishments of Fiscal Year 2025–2026 reflect a Corporate Communications Unit that is purposeful, proactive, and deeply connected to the people of Belize. Looking ahead, the Unit remains committed to expanding its outreach, deepening customer engagement, and amplifying public awareness all in service of a stronger, more prosperous nation.





Enterprise Risk Management



The Enterprise Risk Management (ERM) program continued to strengthen BWS' approach to identifying, assessing, prioritizing, mitigating, and monitoring risks across the company.

During the 2025-2026 risk assessment cycle, a comprehensive review of the Corporate Risk Register identified 353 risks across all departments. Based on BWS' risk priorities, 111 risks were selected for targeted remediation, of which 61 were successfully mitigated by the end of the cycle which contributed to a significant improvement in the company's risk profile. High-risk exposure within the remediated risks was reduced by 45%, while the proportion of low-risk items increased, reflecting the effectiveness of mitigation efforts and strengthened internal controls. The Corporate Risk Register remained a key input into the development of Internal Audit's risk-based audit plan, ensuring audit coverage remained focused on the company's highest risk areas.

During the year, ERM continued to promote greater risk awareness and accountability across the Company through ongoing monitoring of mitigation activities and regular reporting to

Management and the Board. Risk owners remained accountable for managing risks within their respective departments, reinforcing accountability across the company.

Looking ahead, ERM efforts will focus on developing the next two-year Corporate Risk Register, strengthening the monitoring and reporting of mitigation actions, integrating risk management more closely with strategic planning and decision making, enhancing the identification of emerging risks, and expanding ERM training and awareness across the organization. These initiatives will further strengthen BWS' resilience and support the achievement of its long-term strategic objectives.

ERM Highlights 2025-2026

353



Risk Identified

111



Priority Risk Selected

61



Risk Successfully Mitigated

68%



Remediation Actions Completed

45%



Reduction in High-Risk Exposure

Internal Audit Department

The Internal Audit function provides independent and objective assurance to the Board of Directors and the Audit Committee on the adequacy and effectiveness of the Company's governance, risk management, and internal control systems. The Department's mandate remains focused on safeguarding shareholder value, supporting operational integrity, and promoting accountability across the Company's water and wastewater operations.

During 2025-2026, the Department executed a risk-based internal audit plan aligned with the Company's strategic priorities, operational risk profile, and evolving regulatory environment.

Operating Context During 2025-2026

The year under review was characterized by continued pressure on the Company's operational and financial environment. Key factors included rising input and maintenance costs, increased service demand, infrastructure renewal requirements, and preparations associated with the Company's 2026 Full Tariff Review Proceeding before the Public Utilities Commission. Public disclosures during the year highlighted that the tariff review was supported by a five-year investment program intended to strengthen water production, storage capacity, system modernization, and service reliability.

Against this backdrop, Internal Audit maintained focused attention on the adequacy of controls over financial stewardship, operational efficiency, compliance, and asset protection.

Audit Coverage and Work Performed

During the year, Internal Audit completed planned and management-requested assignments covering key risk areas, including:

- Revenue assurance, billing integrity, and receivables controls;
- Cash handling and collections processes;
- Procurement, contract administration, and expenditure authorization;
- Inventory management and stores controls;
- Capital project governance and capital expenditure monitoring; and
- Information technology access management and selected cybersecurity controls.

In addition to formal audit assignments, the Department provided advisory support to management on control enhancements, policy application, and selected emerging risk matters.

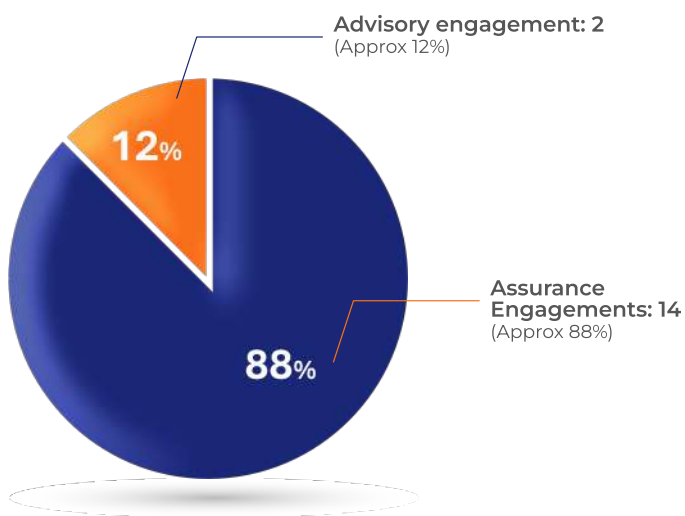


Principal Achievements During 2025 -2026

Strengthened Oversight of Key Business

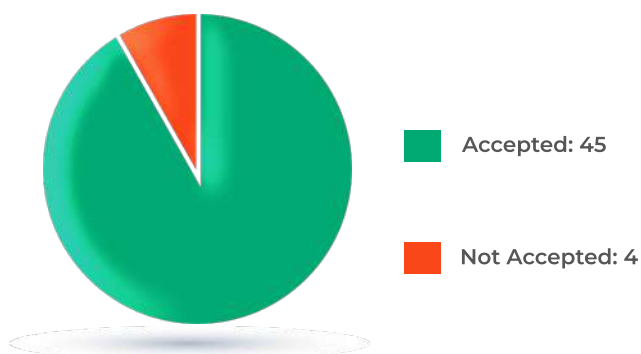
The Department completed substantial coverage of core financial and operational processes that are critical to the Company's sustainability, including revenue assurance, procurement, inventory management, and capital expenditure oversight.

Completed Engagements



Improved Visibility of Control Risks

Internal Audit provided the Audit Committee and management with timely reporting on control gaps, process vulnerabilities, and emerging operational risks requiring management attention.



Greater Focus on Operational Resilience

Audit reviews increasingly incorporated risks associated with service continuity, asset reliability, infrastructure maintenance, and control dependency on manual operational processes.

Key Audit Themes Emerging During the Year

While the Company's overall control environment remained generally stable, internal audit work identified several recurring themes requiring continued management attention:

- Inconsistent adherence to established policies and standard operating procedures;
- Delays in implementation of corrective actions in some operational areas;
- Opportunities to strengthen supporting documentation and record retention;
- Control limitations arising from manual processes and partial system automation; and
- Resource capacity constraints affecting timely execution of certain control activities.

These themes are not uncommon in utility environments with expanding service obligations and aging infrastructure; however, they remain important areas for continued management focus.

Challenges Encountered by the Internal Audit Function

Expanding Audit Universe

The breadth of the Company's operations, infrastructure footprint, and evolving regulatory obligations continued to expand the scope of audit coverage required.

Resource Constraints

Available internal audit resources necessarily required prioritization of the highest-risk areas, limiting the extent of coverage possible across all operational locations and processes.

Timing of Corrective Action Implementation

Operational demands, project execution pressures, and competing management priorities occasionally affected the pace at which audit recommendations could be fully implemented.

Evolving Technology and Cyber Risk Exposure

As business processes continue to depend more heavily on information systems and digital controls, cybersecurity, access governance, and data integrity remain increasingly important audit considerations.

Outlook for 2026-2027

In the forthcoming year, Internal Audit will continue to apply a risk-based audit approach, with particular emphasis on:

- Revenue assurance and leakage prevention;
- Capital investment governance and project execution oversight;
- Infrastructure maintenance controls and operational resilience;
- Information technology governance and cybersecurity readiness;
- Regulatory compliance obligations; and
- Follow-up of previously reported high-risk audit findings.

This focus is especially relevant as the Company moves forward with significant planned investment aimed at strengthening production capacity, storage, operational efficiency, and long-term service sustainability.

Key Performance Indicators (KPI'S)

Description of KPI	UNIT	2025/2026	2024/2025	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
PROFITABILITY											
Gross Revenue	\$' 000	60,708	59,115	55,662	52,114	48,792	44,838	51,076	48,074	46,584	45,484
Operations and Maintenance	\$' 000	37,883	39,508	35,882	34,497	30,290	29,626	31,898	29,797	29,166	28,269
EBITDA	\$' 000	22,825	19,607	19,626	17,617	18,502	15,212	19,178	18,277	17,418	17,215
EBIT	\$' 000	12,462	9,018	10,166	8,677	10,128	6,722	11,206	11,729	11,304	11,453
Net Profit (Loss)	\$' 000	6,174	2,943	4,633	4,587	5,736	3,256	8,034	8,983	8,509	8,586
EBITDA/Net Turnover	%	38%	33%	35%	34%	38%	34%	38%	38%	37%	38%
Earnings Per Share	\$	0.154	0.074	0.116	0.115	0.143	0.081	0.201	0.225	0.213	0.215
Dividends Per Share	\$	0.0128	0.0128	0.0127	0.0127	0.0127	0.0127	0.0190	0.0190	0.0190	0.0190
Retained Earnings (Deficit)	\$' 000	88,544	82,881	80,450	76,326	72,249	67,021	64,272	56,999	48,774	41,022
LIABILITIES & EQUITY											
Long Term Liabilities*	\$' 000	161,194	158,332	151,784	112,097	113,366	115,497	98,195	98,382	54,551	51,809
Current Liabilities	\$' 000	22,896	19,693	16,877	14,562	13,084	11,614	14,851	11,672	12,442	11,187
Total Equity	\$' 000	229,086	223,423	220,991	216,868	212,791	207,562	204,923	175,327	167,102	159,351
ASSETS											
Current Assets	\$' 000	38,791	41,931	55,065	28,590	34,786	37,728	21,950	28,860	32,650	33,143
Total Net Assets	\$' 000	413,176	401,448	389,653	343,527	339,240	334,674	317,969	285,381	234,096	222,348
Additions to Assets	\$' 000	24,784	32,072	27,566	15,043	14,965	9,620	26,258	23,289	19,353	19,187
BALANCE SHEET STRUCTURE											
Current Assets/Current Liabilities	No.	1.69	2.13	3.26	1.96	2.66	3.25	1.48	2.47	2.62	2.96
Gearing (LT Liabilities/Equity)	%	70%	71%	69%	52%	53%	56%	48%	56%	33%	33%
Total Assets/Total Equity	No.	1.80	1.80	1.76	1.58	1.59	1.61	1.55	1.63	1.40	1.40
Total Assets/Share Capital	No.	6.89	6.69	6.49	5.73	5.65	5.58	5.30	4.76	3.90	3.71
Return on Assets(EBIT/Avg. Assets)	%	3.1%	2.3%	2.8%	2.5%	3.0%	2.1%	3.7%	4.5%	5.0%	5.3%
WATER VOLUMES											
Water Production	MUSG	4,114.4	3,999.4	3,943.1	3,739.5	3,625.9	3,495.7	3,613.7	3,534.5	3,350.9	3,356.2
Water Sales	MUSG	3,155.3	3,084.0	2,986.0	2,817.9	2,705.5	2,606.8	2,770.5	2,695.4	2,543.0	2,505.4
Non-Revenue Water Volume	MUSG	959.1	915.4	957.2	921.6	920.4	888.9	843.2	839.1	812.4	850.8
Non-Revenue Water %	%	23.3%	22.9%	24.3%	24.6%	25.4%	25.4%	23.3%	23.7%	24.1%	25.4%
Non-Revenue Water (M /Conn/Day)	M	0.14	0.14	0.15	0.15	0.15	0.15	0.14	0.15	0.15	0.16
Non-Revenue Water (M /Km/Day)	M	5.95	5.72	6.10	6.01	6.09	5.94	5.66	5.78	5.69	6.11
CONNECTIONS											
Beginning Connections	No.	67,850	66,200	65,286	64,594	63,415	62,104	60,391	58,822	57,234	55,484
New Connections Added	No.	5,567	5,662	5,747	5,065	5,099	4,364	4,917	4,769	4,614	4,893
Requested Disconnections & transfers	No.	2,854	3,035	3,020	2,381	2,780	2,857	2,134	2,075	2,111	2,101
Disconnections - Non-payment	No.	15,221	20,653	24,851	11,215	3,681	1,486	11,444	9,941	8,807	9,539
Total Disconnections	No.	18,075	23,688	27,871	13,596	6,461	4,343	13,578	12,016	10,918	11,640
Reconnections	No.	14,296	19,676	23,038	9,223	2,541	1,290	10,374	8,816	7,892	8,497
Ending Connections	No.	69,638	67,850	66,200	65,286	64,594	63,415	62,104	60,391	58,822	57,234
Ending Sewer Connections**	No.	11,726	11,690	11,721	11,659	11,647	11,587	11,594	11,382	10,972	10,843
BILLING											
Avg. Number of Connections	No.	68,854	67,025	65,743	64,940	64,005	62,760	61,248	59,607	58,028	56,359
Water Sales Revenue	\$' 000	58,370	56,646	54,191	50,618	47,514	44,350	49,387	46,546	44,979	44,076
Avg. Usage per Connection Monthly	Gal	3,819	3,834	3,785	3,616	3,523	3,469	3,767	3,710	3,649	3,704
Avg. Sales per Connection Monthly	\$	70.65	70.42	68.70	64.99	61.71	58.88	67.44	65.32	64.73	65.33
Avg. Tariff per 1000 Gallons	\$	18.50	18.37	18.15	17.96	17.56	16.96	17.90	17.82	17.74	17.59
OPERATIONAL EFFICIENCY											
Continuity of Supply	%	99.94	99.97	99.97	99.94	99.96	99.95	99.82	99.91	99.94	99.89
Avg. No. of Staff (Permanent)	No.	344	347	329	316	296	285	298	293	294	287
Staff Per 1000 Connections	No.	5.0	5.2	5.0	4.9	4.6	4.5	4.9	4.9	5.1	5.1
Total Staff Costs	\$'000	18,123,837	17,214	15,653	15,278	13,204	12,953	13,586	12,501	11,376	10,423
Staff Costs/Emp.	\$	5,664	4,961	4,758	4,835	4,461	4,545	4,559	4,267	3,869	3,632
Revenue/Emp.	\$	176,477	170,359	169,185	164,918	164,839	157,326	171,395	164,075	158,449	158,480
COLLECTION EFFICIENCY											
Overdue Debtors/Trade Debtors	%	10.6%	1.9%	8.7%	25.0%	25.6%	29.3%	15.6%	11.0%	16.6%	10.2%
Bad Debts Write Off/Net Turnover	%	0.1%	0.8%	-0.8%	-1.0%	0.8%	4.6%	0.2%	0.2%	0.2%	0.3%
Collection Efficiency	%	99.9%	100.0%	98.9%	96.2%	93.4%	92.7%	98.6%	98.8%	98.3%	98.9%
WATER INFRASTRUCTURE											
Total Length of Mains**	Miles	1038.5	1030.5	1008.6	988.34	973.8	963.7	956.9	935.8	919.7	897.7
Total Length of Mains**	Km	1,671	1,658	1,623	1,591	1,567	1,551	1,540	1,506	1,480	1,445
Length of Mains/Connection	Ft.	78.7	80.2	80.4	79.9	79.6	80.2	81.4	81.8	82.6	82.8

KPI Description Note	Key - Units	Key - Units
**=Includes some estimated figures	MUSG = Millions of US Gallons	Gal = US Gallon
¹ See Management report for details	\$' 000 = BZ\$ Thousands	No. = Number/Count of Units/Ratio
* Reclassification of Capital Contributions	\$ = Belize Dollars	M ³ = Cubic meters (1M ³ = 264.1721Gal)

BELIZE WATER SERVICES LTD.

Financial statements & independent auditor's report
For the year ended 31 March 2026



**BELIZE WATER SERVICES
LIMITED**

Financial Statements

For the year ended 31 March 2026

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Independent auditor's report to the shareholders of Belize Water Services Limited

Opinion

We have audited the accompanying financial statements of Belize Water Services Limited which comprise of the statement of financial position as of 31 March 2026 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Belize Water Services Limited as of 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Water Services 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 these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the 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 taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we:

- (i) exercise professional judgement and maintain professional skepticism throughout the audit.
- (ii) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and 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.
- (iii) 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.
- (iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (v) 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 ability of Belize Water Services Limited to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (vi) 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.
- (vii) obtain sufficient audit evidence regarding the financial information of Belize Water Services Limited 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 scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Crowe Belize LLP

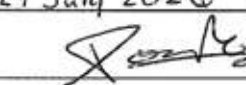
29 July 2026

Belize Water Services Limited**Statement of financial position**

As at 31 March

(In Belize dollars)

	Notes	2026	2025
Assets			
Non-current assets			
Property, plant and equipment	6	358,753,684	344,672,955
Intangible assets	7	5,122,581	5,595,582
Sinking fund investment	17	10,508,933	9,249,003
		<u>374,385,198</u>	<u>359,517,540</u>
Current assets			
Materials and supplies	8	11,201,266	9,255,756
Contract balances and other receivables	9	11,744,950	7,517,875
Cash and cash equivalents	10	15,844,551	25,157,049
		<u>38,790,767</u>	<u>41,930,680</u>
Total assets		<u>413,175,965</u>	<u>401,448,220</u>
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	60,000,001	60,000,001
Contributed capital	12	11,714,281	11,714,281
Capital reserve	13	15,276,362	15,276,362
Revaluation reserve	14	53,551,307	53,551,307
Retained earnings		88,543,624	82,881,281
Total equity		<u>229,085,575</u>	<u>223,423,232</u>
Liabilities			
Non-current liabilities			
Capital contributions	15	52,990,292	48,577,085
Long-term borrowings	16	10,971,225	11,813,287
Deferred income	28	16,663,998	17,372,717
Debentures	17	80,569,000	80,569,000
		<u>161,194,515</u>	<u>158,332,089</u>
Current liabilities			
Current portion - borrowings	16	2,969,417	2,695,644
Trade and other payables	18	19,926,458	16,997,255
		<u>22,895,875</u>	<u>19,692,899</u>
Total liabilities		<u>184,090,390</u>	<u>178,024,988</u>
Total equity and liabilities		<u>413,175,965</u>	<u>401,448,220</u>

Approved on behalf of the Board of Directors and authorized for issue on 29 July 2026Signature of Director: Name: Cornelio AcostaSignature of Director: Name: Victor Rosado

Belize Water Services Limited**Statement of comprehensive income**

For the year ended 31 March

(In Belize dollars)

	Notes	2026	2025
Operating revenue	19	60,245,391	58,409,609
Other income	23	462,499	705,007
Gross revenue		60,707,890	59,114,616
Materials and other external costs	20	(6,725,887)	(6,759,490)
Staff costs	21	(18,123,837)	(17,213,807)
Other operating charges	22	(13,183,748)	(15,559,111)
Depreciation and amortization	27	(10,363,156)	(10,589,344)
Profit on disposal of asset		150,603	24,743
Profit before interest and tax		12,461,865	9,017,607
Finance costs	24	(5,233,863)	(5,059,291)
Profit before tax		7,228,002	3,958,316
Business tax	25	(1,053,635)	(1,014,940)
Profit for the year		6,174,367	2,943,376
Total comprehensive income for the year		6,174,367	2,943,376
Basic earnings per share			
Basic earnings per share	26	0.15	0.07

Belize Water Services Limited**Statement of changes in equity**

For the year ended 31 March

(In Belize dollars)

	Attributable to equity holders of the Company					
	Share Capital	Contributed capital	Capital reserve	Revaluation reserve	Retained earnings	Total
At 1 April 2024	60,000,001	11,714,281	15,276,362	53,551,307	80,449,696	220,991,647
Profit for the year	-	-	-	-	2,943,376	2,943,376
Dividends declared (Note 32)	-	-	-	-	(511,791)	(511,791)
At 31 March 2025	60,000,001	11,714,281	15,276,362	53,551,307	82,881,281	223,423,232
At 1 April 2025	60,000,001	11,714,281	15,276,362	53,551,307	82,881,281	223,423,232
Profit for the year	-	-	-	-	6,174,367	6,174,367
Dividends declared (Note 32)	-	-	-	-	(512,024)	(512,024)
At 31 March 2026	60,000,001	11,714,281	15,276,362	53,551,307	88,543,624	229,085,575

Belize Water Services Limited

Statement of cash flows

For the year ended 31 March

(In Belize dollars)

	Notes	2026	2025
Cash flows from operating activities			
Profit for the year		6,174,367	2,943,376
Adjustments for:			
-depreciation and amortization		10,363,156	10,589,344
-(gain) on disposal of property, plant and equipment		(150,603)	(24,743)
-impairment allowance	9	(111,000)	(16,000)
		<u>16,275,920</u>	<u>13,491,977</u>
Changes in working capital:			
-contract balances and other receivables	9	(4,116,075)	765,773
-materials and supplies	8	(1,945,510)	419,418
-trade and other payables	18	2,929,203	2,806,541
Cash generated from operating activities		<u>13,143,538</u>	<u>17,483,709</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(24,785,133)	(32,072,020)
Intangible asset projects	7	(87,677)	(1,336,972)
Contributions to fixed assets	15	5,300,275	8,005,759
Proceeds from sale of property, plant and equipment		165,461	503,672
Investments	17	(1,259,930)	(3,380,087)
Net cash (used in) investing activities		<u>(20,667,004)</u>	<u>(28,279,648)</u>
Cash flows from financing activities			
Dividends	32	(512,024)	(511,791)
Proceeds from loan	16	1,600,000	1,400,000
Repayment of borrowings	16	(2,168,289)	(2,481,805)
(Decrease)/increase in deferred income	28	(708,719)	424,480
Net cash used in financing activities		<u>(1,789,032)</u>	<u>(1,169,116)</u>
Net (decrease) in cash and cash equivalents		<u>(9,312,498)</u>	<u>(11,965,055)</u>
Cash and cash equivalents, beginning of period	10	25,157,049	37,122,104
Cash and cash equivalents, end of period		<u>15,844,551</u>	<u>25,157,049</u>
Comprised of:			
Cash on hand		24,050	23,450
Bank balances		10,617,241	14,780,538
Short-term fixed deposits		5,203,260	10,353,061
		<u>15,844,551</u>	<u>25,157,049</u>

Belize Water Services Limited

Notes to the financial statements

(In Belize dollars)

1. General information

Belize Water Services Limited (BWSL) ("Company") was incorporated by the Government of Belize (GOB) on 22 January 2001 as the successor Company to the Water and Sewerage Authority ("WASA"). The Company was vested with the assets and liabilities of WASA on 23 March 2001 and is majority owned by GOB.

The Company is the monopoly water and sewerage utility for the country of Belize, serving all the municipalities of the country as well as some 44 villages which are comprised of over 69,700 connections or approximately 285,500 consumers. The registered office is at 7 Central American Boulevard, Belize City, Belize.

2. Summary of significant accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) under the historical cost convention, as modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with IFRS requires management to make 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 from those estimates.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the economic environment in which the Company operates ("functional currency"). The financial statements are presented in Belize dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Transactions in United States currency and balances at each year-end have been converted to Belize currency at the rate of U.S. \$1.00 to BZ \$2.00. Currency transaction gains and losses are reflected in earnings.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the financial statements*(In Belize dollars)***2. Summary of significant accounting policies (continued)****Property, plant and equipment (continued)**

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to reduce their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	5-40 years
Furniture, fixtures and office equipment	5 years
Computer software	3-5 years
Motor vehicles	5 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Maintenance and repairs are expensed as incurred. Extensive modifications and improvements to fixed assets are capitalized and written off together with the asset to which the work is related over its remaining useful economic life. The cost and accumulated depreciation of assets sold or retired are eliminated from the accounts and gain or loss on disposal is included in income.

Materials and supplies

Materials and supplies are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Contract rights

Contract rights are amounts due from customers for services performed or goods sold in the ordinary course of business and are stated at their amortized cost less any allowances for doubtful receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The loss allowance is calculated based on lifetime expected credit losses. Loss allowance for contract balances is \$214,000 for the year ended 2026. The carrying amount of current receivables is considered to be the same as their fair value, given their short-term nature.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the financial statements

(In Belize dollars)

2. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Cash and cash equivalents

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

Impairment of financial assets

Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the financial statements

(In Belize dollars)

2. Summary of significant accounting policies (continued)

Impairment of financial assets (continued)

Assets carried at amortized cost (continued)

Evidence of impairment may include indications that the debtors, or a group of debtors, is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For receivables, the amount of the loss is measured as the difference between the asset's carrying amount and present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the profit or loss.

Borrowings and borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Related parties

An entity is related to the Company, if:

- (i) directly, or indirectly through one or more intermediaries, the entity controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the company; or has joint control over the Company;
- (ii) the entity is an associate of the Company;
- (iii) the entity is a joint venture in which the Company is a venturer;
- (iv) the entity is a member of the key management personnel of the Company or its parent;
- (v) the entity is a close member of the family or any individual referred to in (i) or (iv);

Notes to the financial statements

(In Belize dollars)

2. Summary of significant accounting policies (continued)

Related parties (continued)

(vi) the entity is the Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the entity is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Government grants and other contributions

Government grants

Government grants received for capital expenditure which have not yet been utilized by the Company are initially recorded as deferred income and recognized in profit or loss on a systematic basis over the useful life of the associated assets. These grants are in the form of loan repayments made by Government on behalf of the Company. Government grants are stated at fair value.

Other contributions

Other contributions that are 50% or more of the value of the asset are recorded as amortizations. For high valued projects of \$250,000 or more, other contributions of \$50,000 or more are recorded as amortizations. All other contributions not meeting the previous 2 criteria are recorded as revenue.

Trade and other payables

Trade payables are measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

The average credit period on purchases of goods approximates 171 days (2025: 122 days). No interest is charged on overdue payables; the Company has financial risk management policies in place to ensure all payables are paid within the agreed credit terms. Fair value of trade and other payables is considered to be the same as carrying value given the short-term nature of the liability.

Security deposits

Security deposits are recognized as a liability upon activation of new customer accounts. Security deposits are applied to accounts in arrears after Management has deemed the account as non-billable after a suitable timeframe has elapsed during which the Company has actively pursued collection without recourse. Security deposits net of arrears are refunded upon closing of the account.

Notes to the financial statements*(In Belize dollars)***2. Summary of significant accounting policies (continued)****Liability provisions**

Liability provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Revenue from contracts with customers

The Company is in the business of producing and selling potable water and providing ancillary services to the general public. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company acts as principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer. The Company complies with IFRS 15, Revenue from Contracts with Customers.

Other income

Other income includes interest income which is recognized using the effective interest method.

Pension costs

The Company operates a defined contribution pension scheme. A defined contribution scheme is a post-employment scheme under which an entity and employees pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions payable under the defined contribution schemes are charged to the income statement in the periods during which services are rendered by employees.

Dividends

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

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements

(In Belize dollars)

2. Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

a. *Recognition and derecognition of financial instruments*

Financial instruments, other than derivative financial instruments, are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets that are regularly purchased or sold are recognized using the trade date that the Company commits to purchase or sell.

Financial instruments that are not trade receivables are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value.

Contract balances are recognized at transaction cost, if they do not contain a significant financing element (IFRS 15). Note 4 provides additional information.

Financial assets are derecognized when:

- The contractual rights to cash flows from the financial asset expire, or
- The asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred.

On derecognition, the Company recognizes the differences between carrying amount and consideration in profit or loss.

Financial liabilities are derecognized when, and only when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying value and amount paid is recognized in profit or loss.

If the terms of an existing financial liability are substantially modified, this will be considered to meet the criteria for derecognition of the original liability, and a new financial liability is recognized.

Notes to the financial statements

(In Belize dollars)

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

b. Classification and subsequent measurement of financial assets

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

i. Amortized cost

Assets measured at amortized cost are held for the purpose of obtaining contractual cash flows such as trade receivables including contract assets. Interest, when applicable, is calculated using effective interest method and included in finance income in profit or loss. Impairment is presented in a separate line in profit or loss.

ii. Fair value through other comprehensive income (FVOCI)

If in addition to above, if the business model also includes selling the assets, then these assets are measured at fair value with changes in fair value flowing through OCI. Impairment is included in profit or loss and reduces/increases the fair value gain/loss recognized in OCI reserve.

On derecognition, gains and losses are charged to profit or loss and included in other gains/ losses.

iii. Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria above are measured as FVTPL with changes in fair value presented in other gains/ losses.

For equity investments that the Company considers to be long term strategic investments, the Company has taken the election in IFRS 9 to present the changes in fair value through other comprehensive income. Unlike ii) above however, on sale of investments, the cumulative OCI gain/ loss will be transferred within equity and will not be charged through profit or loss.

c. Classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

The Company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis, within finance costs in the statement of comprehensive income.

The Company derecognizes financial liabilities when the obligations of the Company are discharged, cancelled or have expired.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Notes to the financial statements*(In Belize dollars)***2. Summary of significant accounting policies (continued)****Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any effects.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. Contractual rights acquired regarding the purchase of Consolidated Water (Belize) Limited (CWBL) is amortized over 7 years which was the remaining life of the "New Agreement for the Provision of Water from a Seawater Desalination Plant" between BWSL and CWBL. Contractual rights are presented at cost less amortization and impairment losses. With control of the contract with CWBL, BWSL gained synergies to more efficiently manage the increasing demand for potable water supply from the residents and businesses of Ambergris Caye. During 2020, CWBL was liquidated and the contractual rights were effectively transferred to BWSL retaining the synergies as described herein to continue to the benefit of the Company. (See also Note 7)

Subsequent events

The Company has evaluated subsequent events for recognition and disclosure through 27 July 2026 which is the date of the audit report.

3. Financial risk management

The Company's activities expose it to financial market risk, capital risk, liquidity risk, credit risk and operational risk. The overall risk management of the Company focuses on ensuring business continuity.

Market risk

Market risk is the risk that the value of a financial asset may be reduced because of changes in interest rates, currency exchange rates, stock prices, and other financial variables, as well as the reaction of market participants to political and economic events, whether by latent losses, as well as potential profits. Management's objective is to manage market risk and monitor the risk exposures within acceptable parameters so as to optimize rates of return.

Capital management risk*Capital management objectives, policies and approach*

- The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:
- To maintain the required level of stability of the Company thereby providing a degree of security to shareholders.

Notes to the financial statements

(In Belize dollars)

3. Financial risk management (continued)

Capital management risk (continued)

Capital management objectives, policies and approach (continued)

- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of shareholders, regulators and stakeholders.
- To maintain healthy capital ratios in order to support its business objectives and maximize shareholder value.

Approach to capital management

The Company seeks to optimize the structure and sources of capital to enable it to consistently maximize returns to its shareholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of targets which are aligned to performance objectives and facilitate the Company's focus on the creation of value for shareholders.

The primary sources of capital used by the Company are equity shareholders' funds and borrowings.

The capital requirements are forecast periodically, and approvals are made by the Board.

The Company has had no significant changes in its policies and processes to its capital structure during the past year.

The Company has enacted appropriate policies to assist expanding its operations to future development within the urban and rural areas in the country of Belize. Developers are required to contribute to infrastructural works that ease the financial burden of expansion on the Company's resources. The approved 2026–2031 regulatory framework establishes the tariffs, rates, charges, service obligations, and capital investment program applicable to BWS during the regulatory period and provides evidence of the continued regulatory authorization of BWS's operations. The Company remains subject to the regulatory oversight of the PUC and continues to provide water and sewerage services within its authorized service areas.

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***3. Financial risk management (continued)****Approach to capital management (continued)***Gearing ratio*

The gearing ratio, a measure of financial leverage between equity capital funding versus debt financing, at the end of reporting period was as follows:

	2026	2025
Debt (i)	94,509,642	97,057,714
Cash and cash equivalents	(15,844,551)	(25,157,049)
Net debt	<u>78,665,091</u>	<u>71,900,665</u>
Equity (ii)	<u>229,085,575</u>	<u>223,423,232</u>
Gearing ratio	34%	32%

(i) Debt is defined as long-term borrowings and current portion of long-term borrowings.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

Liquidity risk

Liquidity risk is defined as the risk that the Company may encounter difficulties in obtaining funds to meet its commitments and obligations on time. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which monitors the availability of liquid funds.

Credit risk

The Company's exposure to credit risk is the risk that a financial loss may take place if customers fail to meet their obligation arising mainly from credit sales. As at 31 March 2026 and 31 March 2025 the Company's trade receivables are concentrated within the country of Belize. GOB continues to be the largest customer with an outstanding balance as of 31 March 2026 of \$322,324 (2025 - \$199,157).

Operational risk

Operational risk is the risk of potential loss, directly or indirectly, related to the processes of the Company, human resources, technology, infrastructure and other external factors that are not related to credit, market or liquidity risks, such as those arising from legal and regulatory requirements and the application of generally accepted corporate standards.

The objective of the Company is to manage operational risk in order to avoid financial losses and damage to the Company's reputation.

Notes to the financial statements*(In Belize dollars)***3. Financial risk management (continued)****Operational risk (continued)**

The structure to manage operational risk has been designed to segregate duties among owners, internal governance, management, control and compliance with policies and procedures. In order to establish such methodology, the Company has assigned resources to strengthen internal control and organizational structure allowing independence among business areas, risk control and record keeping. It includes a proper operational segregation of duties in recording, reconciliation and authorization which are documented through policies, processes, and procedures that include control and security standards.

The Internal Audit Department through its activities monitors compliance with control procedures and the severity of the related risks.

The Board of Directors and the Audit Committee have jointly assumed an active role in the identification, measurement, control and monitoring of operational risks and is responsible for understanding and managing these risks.

4. Critical accounting estimates and judgments

In the implementation of the Company's accounting policies, Management used the following judgements that have the most significant effect on the amounts recognized in the financial statements.

Useful lives of property, plant and equipment

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Category	Years
Freehold and leasehold property	25 to 40 years
Plant and equipment	3 to 10 years
Infrastructure	Up to 75 years

Fair value measurements and valuation processes

The methodology used to revalue buildings was the estimated market value rates per square foot as provided by an independent consultant. The methodology for the revaluation of the water infrastructure assets utilized an average installation cost per foot, based on a costing breakdown which included pipes and fittings, bedding and restoration material, labor and supervision. Since the Company's engineering staff are the only available local personnel with the necessary expertise to conduct water infrastructure valuations, the team was responsible for the inspection and field work of this exercise. Where the installation dates were not known, reasonable estimates of the remaining useful life were determined using the condition of the asset.

Notes to the financial statements

(In Belize dollars)

4. Critical accounting estimates and judgments (continued)

Impairment of property, plant and equipment

At each reporting date the Company's management assesses whether there is any indication of impairment of property, plant and equipment. If at least one such indication exists, management estimates the recoverable amount of assets, which is calculated as the higher of fair value less costs to sell and the value in use. An asset's carrying amount is written down to its recoverable amount and the difference is charged as impairment loss immediately to profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. If the circumstances change and management decides that the value of property, plant and equipment and capital construction-in-progress has increased, the provision for impairment will be fully or partially reversed.

Impairment allowance in respect of contract balances and other receivables

Receivables are presented on the statement of financial position net of impairment allowance. The Company records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses.

Impairment of contract rights

In accordance with IAS 36, management, makes an annual assessment of the current net value of contract rights associated with the acquisition of CWBL in 2019. Assessed impairment losses are recognized as a loss whenever it is determined that the current asset value, net of amortization, is less than the remaining future value of obligations under the original contract by CWBL.

5. Application of new and revised International Financial Reporting Standards (IFRSs)

The Company adopts newly issued accounting standards and amendments in the year stipulated for adoption to the extent they are relevant to the Company's operations. The Company may adopt a newly issued standard or amendment if early adoption is permitted. The effect of adoption, if material, is disclosed in the financial statements.

Recently adopted accounting standards and amendments

Effective fiscal 2026, the Company adopted the following new and revised standards which did not have a material impact on the financial statements:

IAS 1 Classification of Liabilities with Covenants

The amendments improve information about long-term debt with covenants to enable financial statements users to understand the risks of loans becoming repayable within twelve months of the reporting period.

Notes to the financial statements

(In Belize dollars)

5. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

Recently adopted accounting standards and amendments (continued)

IFRS S1 and IFRS S2 Disclosure of Sustainability-related Financial Information

The amendments set out general requirements for a complete set of sustainability-related financial disclosures and requires disclosure of adoption status about sustainability-related risks and opportunities across an entity's value chain.

IFRS 7 Financial Instruments Disclosures

The amendments require disclosure of information about the significance of financial instruments to an entity and the nature and extent of risks arising from those financial instruments in qualitative and quantitative terms.

IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add significant measurement requirements for sale and leaseback transactions and requires an entity to explain how it accounts for sale and leaseback after the date of a transaction.

Recently issued accounting standards and amendments

The Company is considering the relevance and possible impact of the following accounting standards and amendments stipulated for adoption in fiscal 2027:

IAS 21 Lack of Exchangeability

The amendment applies to an entity when it has a transaction or operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

The amendments clarify (a) requirements for recognition and derecognition of some financial assets and liabilities (b) whether a financial asset meets the solely payments of principal and interest (SPPI) criterion (c) new disclosures for certain instruments with contract terms that can change cash flows (d) disclosures for equity instruments designated at fair value through other comprehensive income.

IFRS 18 Presentation and Disclosure in Financial Statements

The amendment relates primarily to the structure of the statement of profit or loss and requires disclosure of certain profit or loss management defined performance measures reported outside an entity's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendment enables an entity that does not have public accountability and has an ultimate or intermediate parent that complies with full IFRS disclosures to apply reduced disclosure requirements to balance the need of users with the cost savings for preparers.

Belize Water Services Limited

Notes to the financial statements

(In Belize dollars)

6. Property, plant and equipment

	Freehold and leasehold property	Plant and equipment	Infrastructure	Construction in progress	Total
Cost or valuation					
At 1 April 2025	60,652,699	118,792,677	253,003,311	4,620,634	437,069,321
Additions	142,903	3,519,340	33,535	21,089,355	24,785,133
Transfers	375,380	7,138,966	9,633,208	(17,147,554)	-
Disposals	(23,000)	(449,623)	(6,830)	-	(479,453)
At 31 March 2026	61,147,982	129,001,360	262,663,224	8,562,435	461,375,001
Accumulated depreciation					
At 1 April 2025	(4,076,371)	(52,519,912)	(35,800,083)	-	(92,396,366)
Charge	(507,334)	(5,898,461)	(4,283,750)	-	(10,689,545)
Disposals/reclass	3,261	455,926	5,407	-	464,594
At 31 March 2026	(4,580,444)	(57,962,447)	(40,078,426)	-	(102,621,317)
Net book value					
At 31 March 2026	56,567,538	71,038,913	222,584,798	8,562,435	358,753,684
At 31 March 2025	56,576,328	66,272,765	217,203,228	4,620,634	344,672,955

As at 31 March 2026, the Company maintains insurance coverage for commercial fire associated perils and burglary including catastrophic perils over buildings, plant and equipment, and water tanks countrywide valued at \$96,414,917 (2025 - \$87,780,639).

7. Intangible assets

	Contractual rights
Cost or valuation	
At 1 April 2025	12,918,598
Additions	87,677
At 31 March 2026	13,006,275
Accumulated amortization	
At 1 April 2025	(7,323,016)
Charge	(560,678)
At 31 March 2026	(7,883,694)
Net book value	
At 31 March 2026	5,122,581
At 31 March 2025	5,595,582

8. Materials and supplies

	2026	2025
Pipework and appurtenances	10,158,613	8,276,154
Spares and consumables	357,143	359,034
Fuel and chemicals	559,654	524,481
Office supplies	125,856	96,087
	11,201,266	9,255,756
Less: Provision for obsolete materials and supplies	-	-
	11,201,266	9,255,756

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***9. Contract balances and other receivables**

	2026	2025
Contact balances with customers	3,018,988	2,752,459
Allowance for doubtful debts	(214,000)	(325,000)
	<u>2,804,988</u>	<u>2,427,459</u>
Other receivables	2,386,670	2,021,972
Prepayments	6,553,292	3,068,444
	<u>11,744,950</u>	<u>7,517,875</u>

Allowance for doubtful debts consist of the following:

	2026	2025
Allowance, beginning of the year	325,000	341,000
Increase/(decrease) in allowance	46,950	451,599
Write-offs	(157,950)	(467,599)
Provision, end of the year	<u>214,000</u>	<u>325,000</u>

The Company has adopted the simplified approach for measuring the impairment of contract balance receivables as outlined in IFRS 9. The loss allowance is calculated on the basis of lifetime expected credit losses. To measure the expected credit losses, management has used historic ageing data of the value of actual contract write-offs as a percentage of outstanding balances.

The loss allowance is estimated as follows:

2026	0-30	31-60	61-90	90+	Total
Expected credit loss %	0%	0%	0%	90%	
Gross carrying amount of contract balances	3,193,133	198,531	77,063	237,778	3,706,505
Lifetime expected loss	-	-	-	214,000	214,000
2025	0-30	31-60	61-90	90+	Total
Expected credit loss %	0%	0%	0%	90%	
Gross carrying amount of contract balances	2,555,202	55,156	9,449	361,111	2,980,918
Lifetime expected loss	-	-	-	325,000	325,000

10. Cash and cash equivalents

	2026	2025
Current accounts	10,617,241	14,780,538
Short-term fixed deposits	5,203,260	10,353,061
Cash on hand	24,050	23,450
	<u>15,844,551</u>	<u>25,157,049</u>

Short-term deposits are amounts held at commercial banks which mature within 365 days and earn 0.25% to 3% interest per annum.

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***11. Share capital**

	2026	2025
Authorized		
66,666,666 ordinary shares of \$1.50 each	100,000,000	100,000,000
1 Special Rights Redeemable Preference Share	1	1
	<u>100,000,001</u>	<u>100,000,001</u>
Issued and fully paid		
40,000,000 ordinary shares of \$1.50 each	60,000,000	60,000,000
Special Rights Redeemable Preference Share	1	1
	<u>60,000,001</u>	<u>60,000,001</u>
	2026	2025
Ordinary shares outstanding are held as follows:		
Government of Belize	82.59%	82.59%
Social Security Board	10.00%	10.00%
Others	7.41%	7.41%
	<u>100.00%</u>	<u>100.00%</u>

Special Rights Redeemable Preference Share

The Special Rights Redeemable Preference Share, owned by GOB, has the following rights:

As to income

The Special Share shall not be entitled to participate in any dividends or other distributions by the Company.

As to 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 shall be subject to the provisions of the Statutes and the Articles of the Company.

As to further participation

The Special Share shall not entitle the holder thereof to participate in the profits or assets of the Company beyond such rights as are expressly set forth in the Articles of Association no. 4.

As to voting

The holder of the Special Share shall be 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 shall carry no right to vote or any other rights at any such meeting.

As to purchase and transfers

The Company shall not purchase (but may redeem as set out above) the Special Share. The Special Share may be transferred only to a Minister of GOB or any person acting on the written authority of GOB.

Notes to the financial statements*(In Belize dollars)***11. Share capital (continued)****Special Rights Redeemable Preference Share (continued)***As to appointment of Directors*

1. The holder of the Special Share shall have the right from time to time:

- a. To appoint any person who is not an existing director; or
- b. To nominate any existing director (with the consent of the director concerned) to be a director of the Company ("Government Appointed Director") but so that there shall not be more than two Government Appointed Directors at any time. The holder of the Special Share may remove one or both of the same or terminate the nomination and appoint or nominate another or others in their place.

2. At any time during which the Social Security Board is the holder of Ordinary Shares amounting to 10% or more of the issued share capital of the Company the holder of the special share may appoint any Government Appointed Director as a Chairman of the Board and at any time thereafter may terminate such appointment by notice in writing.

12. Contributed capital

Represents amounts contributed by GOB, the majority shareholder.

13. Capital reserve

Upon vesting on 23 March 2001, net assets of WASA totaling \$75,276,362 were received as consideration for the shares allotted by GOB totaling \$60,000,001 resulting in a capital reserve of \$15,276,362. This capital reserve was transferred to the Company upon formation.

14. Revaluation reserve

	2026	2025
Beginning balance	53,551,307	53,551,307
	<u>53,551,307</u>	<u>53,551,307</u>

In 2020, Management obtained ten independent appraisals dated 13 March 2020, for several parcels of land located in San Pedro, Belize. Management is in process of obtaining land titles where appropriate for these properties through the Belize Ministry of Natural Resources and Lands Registry and Land Titles Unit. The valuations were deemed necessary to establish a lease at current fair market value. Appraisals were obtained from the certified appraisal firm of Mitchell-Moody Associates, Belize. Land valuations were derived based on a comparative sales basis using square footage values for similar properties recently sold in San Pedro. The revaluation reserve was increased by \$22,322,850 for these ten properties.

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***14. Revaluation reserve (continued)**

An additional appraisal from Mitchell-Moody Associates was obtained in the amount of \$977,500 for land acquired in the acquisition of CWBL in 2019. The appraised value of this land was reallocated from contract rights as this intangible asset was originally valued at the time of acquisition without consideration of this acquired property. Note 4 discusses the impact of this transaction in further detail.

Driven by written requests from the Public Utilities Commission (PUC), the fixed asset revaluation exercise commenced in September 2014. A consultant was hired to collate all findings and develop a detailed asset register by asset type, location, value, date acquired and remaining useful life among other specifications. The Board of Directors approved the proposal by management to employ the valuation method for water infrastructure and buildings. As a result of the revaluation exercise, there was a total net gain of \$30,670,741. This breakdown includes \$1,685,277 on buildings and \$28,985,464 on water infrastructure assets. In 2017 a part of water infrastructure assets was revalued for the total net gain of \$686,792.

15. Total contributions and total amortizations

	2026	2025
Capital contributions:		
Beginning balance	55,194,188	47,188,429
Additions	5,300,275	8,005,759
	<u>60,494,463</u>	<u>55,194,188</u>
Capital contribution amortization:		
Beginning balance	(6,617,103)	(5,826,030)
Amortization	(887,068)	(791,073)
	<u>(7,504,171)</u>	<u>(6,617,103)</u>
Capital contributions - net	<u>52,990,292</u>	<u>48,577,085</u>

Capital contributions represent contributions and grants by customers and GOB towards installation and capital projects associated with maintaining infrastructure for the delivery of water to customers of the Company. Capital Contributions are amortized over the useful life of the relevant asset.

16. Long-term debt

	2026	2025
(i) Caribbean Development Bank #10	1,389,881	1,836,757
(ii) Caribbean Development Bank #5	1,526,968	1,753,186
(iii) Belize Wastewater Revolving Fund	658,678	1,040,329
(iv) Caribbean Development Bank #22	7,365,115	8,478,659
(v) IDB 5754	3,000,000	1,400,000
	<u>13,940,642</u>	<u>14,508,931</u>
Less: current portion	<u>(2,969,417)</u>	<u>(2,695,644)</u>
	<u>10,971,225</u>	<u>11,813,287</u>

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***16. Long-term debt (continued)**

The loans are payable as follows:

	2026	2025
Within 1 year	2,969,417	2,695,644
Within 2 to 5 years	7,702,511	8,790,414
Over 5 years	3,268,714	3,022,873
	<u>13,940,672</u>	<u>14,508,931</u>

(i) Unsecured Caribbean Development Bank loan #10 of \$27,660,000, guaranteed by the GOB and repayable in quarterly instalments. The interest rate on the loan fluctuates and was 2.5% as at March 2026. The loan has varying maturity dates in 2028 and 2031.

(ii) Unsecured Caribbean Development Bank loan #5 of \$16,800,000, guaranteed by the GOB and repayable in quarterly instalments. The interest rate on the loan fluctuates and was 2.0% as at March 2026. The loan has a final maturity date in 2032.

(iii) Unsecured loan (Belize Wastewater Revolving Fund) with Government of Belize, under the GRT/FM-12724-RG grant from Inter-American Development Bank, repayable by quarterly instalments. Average interest rate on the revolving loan is 2% per annum. The loan has maturity date in 2027.

(iv) Unsecured loan #22 of USD 8,517,000 was signed between Caribbean Development Bank, and the Company on 25 September 2018. The purpose of this loan is to fund the 1) purchase of 100% of shares of CWBL from Consolidate Water Co. Ltd., a Cayman Island corporation, 2) expand the related water treatment plant and 3) invest in other related improvement projects. The loan is guaranteed by GOB. The loan is repayable in quarterly instalments after 2 years of expiry of the grace period at an interest rate of 5.1% per annum. Interest capitalization as agreed was USD \$130,235 (BZD \$262,750). A total of USD \$245,079 draw down was made in fiscal year ended 31 March 2026. Principal payments commenced October 2020.

(v) Unsecured Loan Contract #5754/OC-BL from Inter-American Development Bank (IDB) for USD\$5,000,000 was signed by IDB and the Company for the Water Supply and Modernization Program on November 23, 2023. This loan is guaranteed by GOB. The Loan is repayable in 40 semiannual installments after 4 years of expiry of grace period at an interest rate based on the SOFR index last published. As of March 31, 2026, total drawdown on the loan of BZD\$3,000,000 has been made.

17. Debentures*Series 1 Debentures*

Under terms of the prospectus dated October 2020, the Company issued a \$50 million debenture offering on 2 October 2020. Debenture proceeds were targeted to be used for repayment of a loan from the Social Security Board, which was fully repaid in financial year 2021, and future capital projects for improving the quality of the water treatment and distribution system. Semi-annual interest payments will be made each 30th of December and June.

Belize Water Services Limited

Notes to the financial statements

(In Belize dollars)

17. Debentures (continued)

Series 1 Debentures (continued)

The Central Bank of Belize (CBB), as fiscal agent, manages the debenture's associated sinking fund account. The Company is responsible for ensuring that the sinking fund is adequately funded prior to the dates on which principal and interest are due. Sinking fund terms require an initial payment of \$1,000,000 on 31 October 2021. A second payment equivalent to four payments of \$375,000 or \$1,500,000 is to be followed by quarterly transfers of \$1,101,369.29 thereafter. The schedule also assumes interest earnings of 1% on account totaling an estimated \$1,723,813 for total accumulation of \$40,569,000 by maturity date of December 2030.

Series 2 Debentures

The Company issued a \$40 million Debenture Series II offering in June 2023. Debenture proceeds were targeted to be used for the purpose of enabling the Company to invest in continued asset expansion and improvement, to be fully repaid in financial year 2034. Semi-annual interest payments are to be transferred in the respective months of August and February within 10 working days of the due date. CBB, as fiscal agent, will manage the debenture's associated sinking fund account. The Company is responsible for ensuring that the sinking fund is adequately funded prior to the dates on which principal and interest are due. Sinking fund terms require an initial payment of \$1,000,000 on 30 June 2024 and a second payment of two million (\$2,000,000) in year two. A third payment of three million (\$3,000,000) in year three. Thereafter, quarterly payments of \$1,302,041.19 are to be made until June 2033. The schedule also assumes interest earnings of 1% on account totaling an estimated \$1,448,970.20 for total accumulation of \$40,000,000 by maturity date of August 2033.

	Rate of	Maturity	2026	2025
Series 1 Debentures	6.25%	31-Dec-30	40,569,000	40,569,000
Series 2 Debentures	4.5%	31-Aug-33	40,000,000	40,000,000
			80,569,000	80,569,000

	2026	2025
Sinking fund	10,508,933	9,249,003
	10,508,933	9,249,003

18. Trade and other payables

	2026	2025
Trade payables	7,486,954	5,315,517
Security deposits	4,486,183	4,359,008
Accrued expenses	1,422,705	1,349,097
Interest payable	1,164,123	1,033,764
Dividend payable	906,352	872,396
Other payables	3,417,108	2,820,755
Contract retentions payable	973,382	1,204,286
Taxes payable	69,651	42,432
	19,926,458	16,997,255

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***19. Revenue from contracts with customers**

The Company's revenue from contracts with customers are as follows:

	2026	2025
Water charges	58,188,569	56,594,995
Water connection charges	537,865	555,380
Water infrastructure charges	507,160	555,477
Services income	497,147	107,327
Other water sales	174,866	172,426
Late payment charges and penalties	360,465	485,585
Sewerage connection charges	39,675	76,102
Bad debt recovery	139,148	62,401
Discount – measured water sales	(199,504)	(200,084)
	<u>60,245,391</u>	<u>58,409,609</u>

20. Materials and other external costs

	2026	2025
Electricity costs	4,932,464	4,577,795
Plant running costs	224,946	135,094
Chemical expenses	1,418,375	1,921,451
Meter reading costs	150,102	125,150
	<u>6,725,887</u>	<u>6,759,490</u>

21. Staff costs

	2026	2025
Salaries and wages	12,300,606	11,838,411
Allowances	1,211,103	1,119,884
Other staff costs and grants	1,414,199	1,303,083
Pension plan contribution	1,068,995	1,017,597
Company health insurance	826,733	790,536
Social security expense	596,522	597,548
Training and recruitment	659,663	506,176
Redundancy costs	46,016	40,572
	<u>18,123,837</u>	<u>17,213,807</u>

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***22. Other operating charges**

	2026	2025
Repairs and maintenance	5,721,551	6,911,759
Security	2,139,343	2,190,666
Licenses and taxes	812,522	798,887
Office supplies and sundries	583,429	804,484
Meeting costs	487,058	577,684
Collection fees	534,558	541,588
Telephone	462,313	447,613
Travel	353,501	341,080
Insurance	601,415	516,692
Electricity – office	282,674	282,749
Donations	386,592	582,035
Professional fees	432,253	310,928
Advertisement and marketing	101,324	194,119
Materials	59,156	438,628
Rent	103,540	102,000
Loose tools	66,282	56,540
Other	9,287	10,060
Bad debt expense	46,950	451,599
	<u>13,183,748</u>	<u>15,559,111</u>

23. Other income

	2026	2025
Other income	136,500	(12,492)
Interest income from third parties	325,999	717,499
	<u>462,499</u>	<u>705,007</u>

24. Finance costs

	2026	2025
Bank loan interest	839,153	632,946
Debenture interest	4,335,562	4,335,562
Bank charges	46,092	37,141
Legal and processing fees	13,056	53,642
	<u>5,233,863</u>	<u>5,059,291</u>

25. Taxation

A Business Tax of 1.75% is applied on gross measured water revenues. There is no deferred tax resulting from this business tax.

A General Sales Tax of 12.5% is charged on consumer spending that is collected in stages, at the point of importation of the business' purchases and on the sales of the business' goods and services when the goods are sold, or services are provided in country. The sale of water is classified as a zero-rated item and as such no input tax is collected on such sales. Output tax on purchases and importation are to be reimbursed to the Company after 4 months as prescribed by the GST Act 49 of 2005.

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***26. Earnings per share**

Basic earnings per share are calculated by dividing the profit after tax by the weighted average number of ordinary shares outstanding during the period.

	2026	2025
Basic earnings per share		
Profit attributable to owners of the Company	6,174,367	2,943,376
Weighted average number of outstanding ordinary shares	40,000,000	40,000,000
Basic earning per share	0.15	0.07

27. Depreciation and amortization grant income and contract rights

	2026	2025
Depreciation	10,689,545	9,870,809
Contribution/Grant income amortization	(887,067)	(791,073)
Contract rights amortization	560,678	1,509,608
	10,363,156	10,589,344

28. Related party transactions

	2026	2025
Government of Belize		
<i>Trade receivables – water sales</i>		
Balance at the beginning of the year	199,157	245,745
Billed	4,430,671	3,810,567
Receipts	(4,307,504)	(3,857,155)
Adjustments	-	-
Balance at the end of the year	322,324	199,157

	2026	2025
Government of Belize		
<i>Deferred revenue</i>		
Balance at the beginning of the year	17,372,717	16,948,237
Loan payments	748,190	1,161,545
Projects fulfilled	(1,456,909)	(737,065)
	16,663,998	17,372,717

The Company receives grants in the form of loan payments made to the Caribbean Development Bank by GOB earmarked for capital expenditures. Once utilized, these funds are recognized as project contributions.

Key management personnel

The following information is presented only in respect of those employees of the Company who would be considered as key management personnel, as defined under IAS 24 (Related Party Disclosures). At 31 March 2026, the number of key management was 15.

Notes to the financial statements*(In Belize dollars)***28. Related party transactions (continued)****Compensation of key management personnel**

The remuneration of key management during the year was as follows:

	2026	2025
Salaries and other short-term benefits	3,094,421	2,461,925
Post-employment benefits	367,078	366,397
	<u>3,461,499</u>	<u>2,828,322</u>

29. Commitments and contingencies**Commitments**

Commitments for capital expenditure at 31 March 2026 totaled \$4,578,493 (2025 - \$3,167,878). Planned capital expenditure for fiscal year 2026 is \$28,998,000 (2025 - \$25,749,000).

Contingencies

In the ordinary course of business, the Company may be subject to legal and other proceedings incidental to present and former operations. The Company does not expect the outcome of these proceedings, either individually or in aggregate, to have a material adverse effect on its financial position.

30. Pension plan

The Company operates a defined contribution plan which receives a minimum of 5% gross salary from the Company and 3% from its employees. The Company pays an additional 1% of pensionable salary for each member with more than ten years of pensionable service and an additional 1% of pensionable salary for each member with more than twenty years of pensionable service. Additionally, the Company matches up to 4% for employees who opt to increase their voluntary contribution. The Plan is administered by an Independent Board of Trustees and the funds are held separately from those of the Company. During the year under review, the Company contributed \$1,068,995 (2025 - \$1,017,597) to the Plan.

31. Significant non-cash financing activities

During the reporting period, \$748,190 (2025 - \$764,867) being principal and interest payments made to the Caribbean Development Bank loan #5, and #10 on behalf of the Company for the period were forgone by GOB.

Belize Water Services Limited**Notes to the financial statements***(In Belize dollars)***32. Dividends**

The Board of Directors approved a dividend distribution of \$512,024 or 5.0% of original share price for the year ended 31 March 2026 (2025 - \$511,791). Dividends are payable by 3 August 2026 to minority shareholders on record as of 31 March 2026. GOB instructed the Company to distribute its dividend to minority shareholders.

33. Categories of financial instruments

Most of the Company's funds are held in reputable banks in the form of cash. Other assets include receivables acquired in the normal course of business for providing services. Liabilities include accounts payable incurred in the normal course of business for supplies. Categorization is as follows:

	2026	2025
Financial assets		
Trade and other receivables	5,191,658	4,449,431
Cash and cash equivalents	15,844,551	25,157,049
Total financial assets	<u>21,036,209</u>	<u>29,606,480</u>
Financial liabilities		
Borrowings	13,940,642	16,488,714
Debentures	80,569,000	80,569,000
Trade payables	7,486,954	5,315,517
Other payables and accrued expenses	7,903,321	5,342,947
Total financial liabilities	<u>109,899,917</u>	<u>107,716,178</u>

BOARD OF DIRECTORS



CORNELIO ACOSTA JR.
Executive Chairman



DR. VICTOR ROSADO
Deputy Chairman & Chairperson of
Strategy & Investment Committee



ASHTON LONGSWORTH
Director & Chairperson of
Procurement Committee



DANIEL BRICEÑO
Director & Chairperson of
Audit Committee



JOSE GARCIA
Director



CARMELITA BLANCO
Director



CLIFFORD MARTINEZ
Director



CRESENCIO SOSA JR.
Director



WENDY CASTILLO
Director



URBELINA CHUN
Board Secretary /
Executive Administrator

MANAGEMENT TEAM



CORNELIO ACOSTA JR.
Executive Chairman



RASHIDA W. CASTILLO
Chief Financial Officer



SANJAY KESHWANI
Chief Operations Officer



SUZETTE TILLETT
Chief Human Resources Officer



SEAN DUNCAN
Chief Technology
& Strategy Officer



KARINA MONTEJO
Corporate Communications
Manager



VONETTA THOMPSON
Customer Services
Manager



REINA GONZALEZ
Technical Services
Manager



ERVIN FLORES
Resident Consultant
Engineer



RAUL BRICEÑO
Maintenance & Security
Manager



HUGO RANCHARAN
Water & Wastewater Quality
Compliance Manager



DAWN SMITH
Internal Audit
Manager



ERIC RHABURN
Water & Wastewater System
Manager for West & Cayes



JUAN MARIN
Water & Wastewater System
Manager for North & South



ROBERTO TORIZ
Water & Wastewater System
Manager for Belize City



JENNIFER SCHNARR
Vehicle Fleet/ERM
Manager



MISSION STATEMENT

To improve the lives of consumers by delivering cost-effective and sustainable supply of high-quality water and wastewater services, in an environmentally and socially responsible manner, promoting employee excellence and providing a fair return to our shareholders.

VISION STATEMENT

The leading utility in the developing world, delivering excellence to stakeholders through highly trained, courteous and empowered staff.

Belize Water Services Limited

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