

grenlec

# Annual Report **2025**

Driving **Efficiency.** Delivering **Convenience.**



# Driving **Efficiency.** Delivering **Convenience.**

The launch of Grenlec's new Customer Information System (CIS) in October 2025 represented a significant milestone in advancing digital convenience for customers and operational efficiency across the organisation. Designed to modernise customer service and streamline internal processes, the new system enhances connectivity between departments and improves access to information across your Company.

Customers now benefit from faster, more convenient service options, supported by improved access to real-time account information. At the same time, team members across the organisation, including field officers, are able to access and share information more efficiently, improving coordination, responsiveness and decision-making.

The new CIS forms a key part of the Company's broader digital transformation strategy, aimed at delivering smarter service, greater efficiency and an improved customer experience.




Designed by
Sherma Mitchell
2025

# STRENGTHENING *our* ROOTS







**Celebrating Grenada's 51st anniversary of Independence**
Designer Displays 2025

grenlec

Follow us on

# Contents


| | |
|---|---|
| Corporate Information | 5 |
| Board of Directors | 6 |
| Chairman's Message | 7 |
| Management Team | 12 |
| Management Review and Analysis | 13 |
| Financial Statements | 41 |
| Independent Auditor's Report | 42 |
| Statement of Financial Position at 31 December 2025 | 45 |
| Statement of Comprehensive Income | 46 |
| Statement of Changes in Equity | 47 |
| Statement of Cash Flows | 48 |
| Notes to the Financial Statements | 49 |




# Each Team Member Contributes to Health & Safety



# Corporate **Information**

The Grenada Electricity Services Ltd. (Grenlec), a licensed provider of electricity in Grenada, Carriacou and Petite Martinique, is publicly traded on the Eastern Caribbean Securities Exchange (ECSE).

With a customer base of over 57,000, Grenlec has been providing integrated electricity generation, transmission and distribution services since 1960. We are committed to meeting the challenge of delivering safe, reliable and resilient electricity by continually investing in our people, infrastructure, services and the communities we serve. Through these investments, we are strengthening our ability to meet the evolving needs of our customers while building a more sustainable energy future.

## Directors
(As at 31 December 2025)
James Pitt — Chairman
Lazarus Antoine
Allan Bierzynski
Dorsett Cromwell
Cyril Roberts
Andrea St. Bernard
Teddy St. Louis
Hugh Thomas

## General Manager/CEO
Leroy A.E. Abraham

## Secretary
Lydia Courtney-Francis

## Registered Office
Dusty Highway
Grand Anse
St. George
Grenada

## Bankers
ACB Bank Grenada
Grand Anse
St. George, Grenada

Grenada Co-operative Bank Limited
Church Street
St. George's, Grenada

Republic Bank (Grenada) Limited
Republic House
Grand Anse
St. George, Grenada

## Attorney-At-Law
Afi Ventour & Co.
Grand Anse
St. George, Grenada

## Independent Auditor
Ernst & Young
Rodney Bay
Gros Islet
St. Lucia

# Board of **Directors**



**James Pitt**
Chairman



**Lazarus Antoine**



**Allan Bierzynski**



**Dorsett Cromwell**



**Cyril Roberts**



**Andrea St. Bernard**



**Teddy St. Louis**



**Hugh Thomas**



# Chairman's Message

2025 was a year in which your Company had to balance immediate operational demands with the need to prepare for a fundamentally different energy future. Despite a challenging environment, we made progress in strengthening the business, improving the way we operate and investing in the systems and infrastructure that will shape our future.

Lower global fuel prices reduced fuel rates to customers through the Fuel Charge and Fuel Adjustment Clause, but the underlying business remained sound. Total income was EC$246.5M, operating profit was EC$20.8M and net profit rose from EC$7.6M in 2024 to EC$8.2M. Shareholders' equity increased to EC$134.6M, while approximately EC$8.0M of debt was repaid.

For the Board, however, financial results are only one measure of progress. Our broader objective is to create a Company that operates more effectively, provides greater value to customers and shareholders alike and is better equipped to meet the demands of a changing industry and economic landscape.

## Driving Efficiency. Delivering Convenience.

Improving efficiency must be at the heart of this effort. In 2025, system losses were approximately 6.65%, one of the best results achieved by the Company. We also invested approximately EC$18.5M in generation, transmission, distribution and customer service infrastructure.

Our ageing generation fleet continues to place pressure on the business. With generating units averaging more than 20 years old, maintaining supply requires significant expenditure on maintenance and rental generation. The significant cost of renting generators and the failure of a 5.5 MW generating unit's step-up transformer during the year were further reminders that replacing ageing assets can no longer be deferred.

But our objective extends beyond maintaining the system we have today. We must find ways to produce and deliver electricity more efficiently and at lower cost. This calls for the urgent diversification of our energy mix and a shift away from reliance on fossil fuel.

We know that the price of electricity matters greatly to the households and businesses we serve. Affordability must be considered alongside reliability and the financial sustainability of the Company, consequently we must seek opportunities to bring costs down. Reducing reliance on imported fuel, improving network performance, introducing more efficient generation and expanding renewable energy will all be important in achieving this goal.

The October 2025 launch of our new Customer Information System was another significant step forward. The system is changing the way information moves through the organisation, improves collaboration and gives our teams faster access to the information they need. For customers, it is creating more convenient ways to access services and account information in addition to the added convenience of paying bills online. This is an important part of making it easier for customers to do business with Grenlec.

In 2026, we intend to accelerate our customers' adoption of digital channels and to reduce our carbon footprint through paperless billing.

## Building a Different Energy Future

The transition to renewable energy presents an important opportunity for Grenada. It can reduce our dependence on imported fossil fuels, improve energy security and lessen the impact of international fuel-price volatility.

Our approach is deliberately balanced. We must replace ageing thermal generation to protect reliability while simultaneously accelerating the development of renewable generation, battery storage and a modernised grid.

The investments required will be substantial, but they are necessary if we are to create an electricity system that is less dependent on imported fuel, establishes energy security using domestic energy sources, and is better positioned to deliver more predictable and affordable electricity over time.

During 2025, work on the Integrated Resource and Resilience Plan continued, helping to identify the generation and network investments required as renewable energy becomes a larger part of the national energy mix. The Company also completed its Cost-of-Service Study and submitted its findings to the Public Utilities Regulatory Commission (PURC). The study provides an important basis for examining the real costs of serving different customer groups and the sustainability of the existing tariff structure.

We look forward to continuing this dialogue with the Regulator and other stakeholders. Finding the right balance between customer affordability, system reliability and the financial resources needed to invest in the electricity system will be critical to the sector's future.

The anticipated Renewable Energy Regulations will also be important in providing greater clarity for the development and integration of distributed generation small scale renewable energy systems and encouraging greater investment in the sector.

## Financial Stewardship

We recognise that the investments required to transform the electricity system must be supported by sound financial management.

Operating expenses, including fuel, fell from EC$231.8M in 2024 to EC$225.8M in 2025, largely reflecting lower fuel costs. Those savings flowed through to customers under the Fuel Charge and Fuel Adjustment Clause, with the average energy charge falling to EC$0.96 per kWh, 6% below the previous year.

Operating cash generation was EC$18.5M, compared with EC$35.9M in 2024. The 2024 figure benefited substantially from insurance proceeds following Hurricane Beryl, making the year-on-year comparison unusual. Nevertheless, we continued to fund essential capital expenditure and made additional financial investments totalling EC$28.1M.

Your Board also recognises the importance of dividends to our shareholders. EC$4.5M was distributed during the first three quarters of 2025. We did not declare a fourth-quarter dividend because preserving liquidity and meeting Grenlec's investment and operational commitments were necessary at that time.

We remain conscious of our responsibility to shareholders and intend to restore dividend distributions at a level that is appropriate to the Company's financial capacity and long-term needs.

## Our People

Transformation is ultimately achieved by people, and I want to acknowledge the contribution of our employees.

Throughout the year, our teams continued to deliver for customers while managing significant operational and organisational demands. We invested in technical, professional and leadership development and strengthened our preparedness through Incident Management Response Training.

Safety also continued to receive our highest attention. Our aim is straightforward: every employee, contractor and member of the public should be protected from harm through sound practices, appropriate training and a culture in which safety is everyone's responsibility.

I thank our employees, Management and fellow Directors for their commitment, professionalism and perseverance throughout the year.

## A Clear Direction

The Board has approved a four-year Strategic Plan to guide the Company through this period of change. Its four pillars are:

- Generation, Transmission and Distribution
- Organisational Agility and Capacity
- Stakeholder Relationship Management
- Cost and Efficiency Management

Implementation is now under way, with employees at all levels actively involved in the process and the structures needed to translate the Plan into action being established.

Our priorities for the coming years include replacing ageing thermal generation, expanding utility-scale renewable energy, modernising the grid, improving digital customer services and strengthening our resilience to disasters and climate impacts.

Each of these initiatives has a common purpose, namely to build an electricity system that works better, costs less to operate and is capable of serving Grenada reliably for generations to come.

## Looking Ahead

We navigate 2026 with challenges that cannot be underestimated, but also with a much clearer sense of where we need to go.

The task before us is not simply to modernise the electricity system. It is to transform the way electricity is produced, delivered and experienced by our customers.

**Driving Efficiency. Delivering Convenience.** captures this ambition. Efficiency means examining how we use every dollar, every asset and every resource and finding better ways to deliver the service on which our customers depend. Convenience means using technology and better processes to make interacting with Grenlec simpler and more convenient.

Most importantly, we must remain steadfast in seeking ways to reduce the cost of electricity. The transition to renewable energy, replacement of ageing generation, improved network performance and greater organisational efficiency all have a role to play in achieving this objective.

The journey will take time and will require significant investment, careful decisions and collaboration across the sector. It will also require the commitment of our Board, Management and employees, working closely with customers, Government, the Public Utilities Regulatory Consultancy (PURC) and our other stakeholders.

Our long-term success depends on our ability to create sustainable value for all stakeholders. For our customers, this means delivering reliable, increasingly affordable and convenient electricity services; for our shareholders, it means safeguarding the Company's financial strength and generating sustainable returns; and for our employees, it means providing a safe, supportive and rewarding workplace with opportunities for growth and development.

These interests are interconnected, and the Board remains committed to finding the appropriate balance, making prudent decisions that meet today's needs while preserving the Company's capacity to invest, innovate and serve Grenada well into the future.

On behalf of the Board, I thank our shareholders for their confidence and continued support. I also acknowledge our employees, customers, Management, Government, regulators, suppliers and partners whose contributions are essential to our success.

James Pitt
Chairman







# Grenlec Debates

View our gallery of debaters

# **Management** Team



**Leroy A.E. Abraham**
Chief Executive Officer



**Wallace Collins**
Manager, Carriacou and Petite Martinique



**Lydia Courtney-Franics**
Financial Controller



**Anthea Davis**
Manager, People and Organisation Development



**Prudence Greenidge**
Manager, Corporate Communications



**Clive Hosten**
Chief Engineer



**Kennard Lalsingh**
Manager, Planning and Engineering



**Jeffrey Neptune**
Manager, Information Systems



**Casandra Slocombe**
Manager, Customer Services



**Nigel Vidal**
Manager, Generation



**Eric Williams**
Manager, Transmission and Distribution

# **Management Review** and Analysis

## 2025 Highlights

**Revenue**
$246.55M

**Peak Demand**
41.21MW

**System Losses**
6.65%

**Pre-tax Profits**
$11.2M

**Fuel Efficiency**
18.42kWh/IG

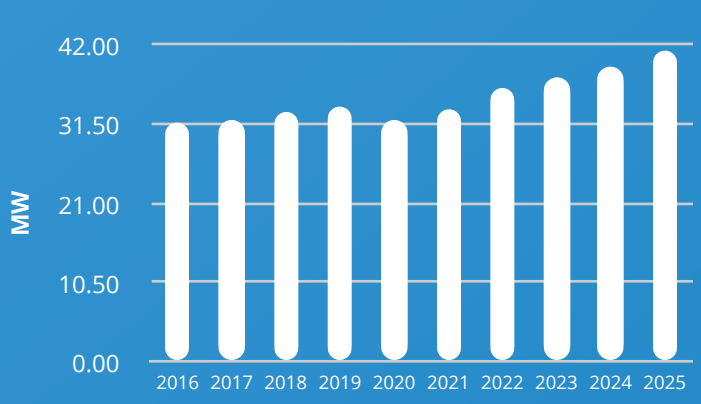
**Gross Generation**
286.22GWh

**Hurricane Reserve**
$33.91M

**Grenlec Community Partnership Initiative (GCPI)**
$0.92M

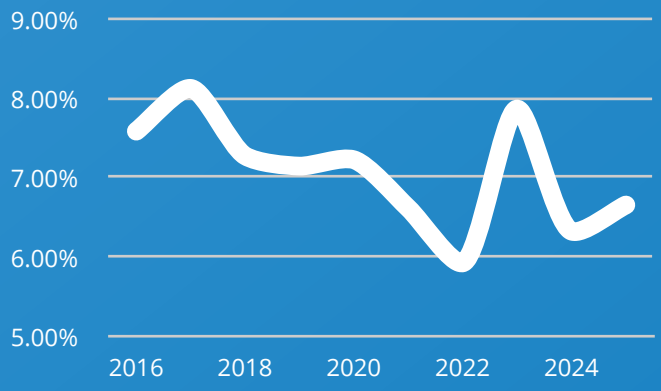
**Earnings Per Share**
$0.43

### Peak Demand 2016–2025




Peak demand increased to 41.21 MW from 39.16 MW in 2024.

### System Losses 2016–2025




Grenlec maintained system losses at approximately 6.65%, among the lowest levels achieved by the Company, demonstrating continued focus on operational efficiency and network management.

# Overview

Grenlec delivered a resilient performance in 2025. Despite lower fuel revenues and ongoing major investments, your Company improved profitability, increased shareholder equity, reduced debt, maintained strong operational performance and continued to position itself for transitioning to a more sustainable and resilient electricity system.

# Our People

Our people remain the foundation of our success. Their professionalism, commitment and resilience enable us to deliver safe, reliable service every day while driving the transformation of our business.

In 2025, we continued to invest in developing the skills and capabilities of our workforce through a broad programme of technical, leadership and professional training. These initiatives strengthened operational excellence, enhanced safety, supported innovation and equipped our employees to meet the evolving demands of the energy sector.

We also remained focused on fostering a workplace where collaboration, accountability and continuous learning are valued. By empowering our employees with the knowledge, tools and opportunities to grow, we are building a workforce that is ready to meet today's challenges and seize tomorrow's opportunities.

As we continue our transition towards a more sustainable and resilient electricity system, we recognise that our greatest asset is our people. Their expertise, dedication and willingness to embrace change will continue to drive our success and create lasting value for our customers, communities and shareholders.

## Incident Management Response Training

The experiences of Hurricane Beryl reinforced the importance of being prepared for unexpected events. In response, your Company invested in strengthening its emergency response and business continuity capabilities through a comprehensive incident management training programme.

Conducted over three months, the programme brought together employees from across the organisation to develop the skills, coordination and processes needed to respond effectively during emergencies. The initiative also supports the establishment of a structured emergency response framework, helping to ensure that critical operations can continue with minimal disruption when challenges arise.

## CARILEC Rodeo and Symposium

Our team participated in the annual CARILEC Rodeo and Symposium, providing an opportunity for knowledge exchange, professional development and the sharing of best practices with lineworkers and industry professionals from across the region. The Rodeo showcased the skills, precision and teamwork of our lineworkers as they put their technical expertise and safety practices to the test, while celebrating the essential role they play in keeping the electricity system safe, reliable and resilient.

## Grenlec Crew Supports Jamaica Public Service Company After Hurricane Melissa

Five members of Grenlec's Transmission and Distribution team made the journey to Jamaica to assist with restoration efforts following Hurricane Melissa. This regional collaboration through the Caribbean Electric Utilities Services Corporation (CARILEC), provides valuable support to members during disasters. Grenada and Grenlec benefitted from this support from other members following Hurricane IVAN and more recently, Hurricane Beryl.






**Incident Management Response Training**




**CARILEC Rodeo and Symposium**

## Safety

Safety remains our highest priority and is fundamental to everything we do. Throughout 2025, we continued to strengthen our safety culture through training, risk management, continuous improvement and a shared commitment to protecting our employees, contractors and the public.

The safety performance indicators presented in this report should be viewed in context. Three of the four key metrics were significantly influenced by a major lost time injury that occurred in 2024. As the affected employee remained away from work during 2025, the incident continued to be reflected in the reporting period in accordance with standard occupational safety reporting practices. While this impacted the reported rates, it does not diminish the Company's continued focus on preventing workplace injuries and fostering a safe and healthy working environment.

## CARILEC Occupational Health and Safety (OHS) Symposium

In November 2025, the Company co-hosted the annual CARILEC Occupational Health and Safety (OHS) Symposium, bringing together industry stakeholders, safety professionals and employees to share knowledge, discuss emerging workplace safety challenges and promote best practices. The event reinforced the importance of collaboration, continuous learning and collective responsibility in strengthening safety performance across the organisation and the region.

| Safety Metric | Notes |
|---|---|
| **Lost-Time Injury Frequency Rate** (No. of accidents x 200,000 / actual work hours) | The LTIFR reflects the frequency of lost time injuries involving employees during the reporting period. The 2025 rate was largely driven by a major lost time injury sustained in 2024, as the employee remained absent from work during the year and the associated lost time continued to be recorded in accordance with standard reporting practices. |
| **All Injury Frequency (AIF) Rate** (includes days lost because of injury, injuries for which medical treatment is sought and fatalities x 200,000 / exposure hours) | The AIFR reflects the frequency of work-related injuries involving employees during the reporting period. The 2025 rate was largely influenced by the major lost time injury sustained in 2024, which continued to be recorded in 2025 in accordance with OSHA reporting requirements, as the employee remained absent from work. |
| **Lost-Time Injury Severity Rate** (No. of lost days x 200,000 / exposure hours) | The LTISR measures the severity of lost time injuries by reflecting the number of workdays lost due to employee injuries during the reporting period. The elevated 2025 rate was largely attributable to the continuation of lost workdays associated with the major lost time injury sustained in 2024, which remained recordable in 2025 in accordance with OSHA recordkeeping requirements. |
| **Licensed Fleet Motor Vehicular Incident Frequency Rate** / 1 million | The LFMV measures the frequency of vehicle-related incidents involving employees during the reporting period. The 2025 rate indicates that vehicle-related incidents accounted for a significant proportion of the Company's overall incident profile, underscoring the continued importance of safe driving practices, defensive driving training and effective fleet risk management. |

*These key company-wide safety performance indicators are measured against Occupational Health and Safety Administration (OSHA) standards to assess and improve workplace health and safety.*

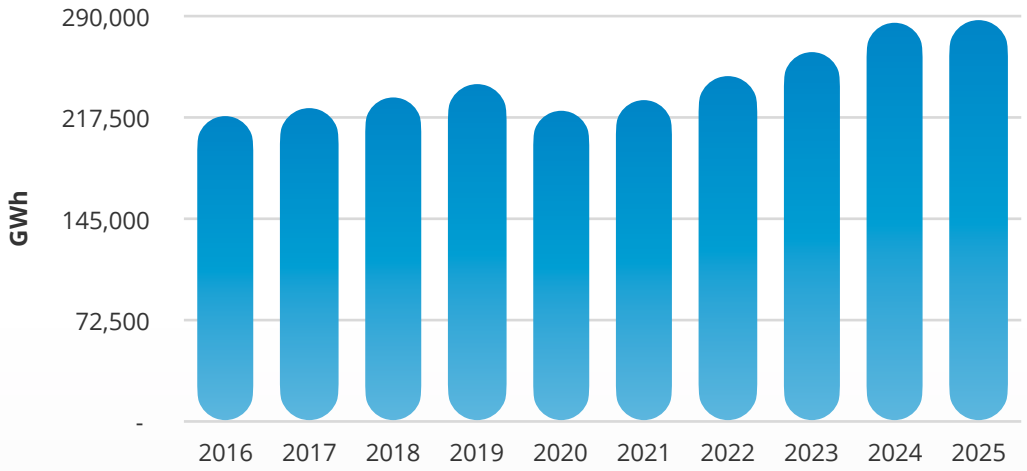



**CARILEC Occupational Health and Safety (OHS) Symposium**

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 1.8 (Moderate) | 1.125 | 0.9 | 4.2 | 1.8 |
| 2.1 (Moderate) | 1.54 | 0.8 | 3.7 | 1.3 |
| 12.6 (High) | 24.2 | 3.5 | 34 | 21.0 |
| 7.7 (High) | 3.96 | 4.8 | 7.3 | 0.0 |

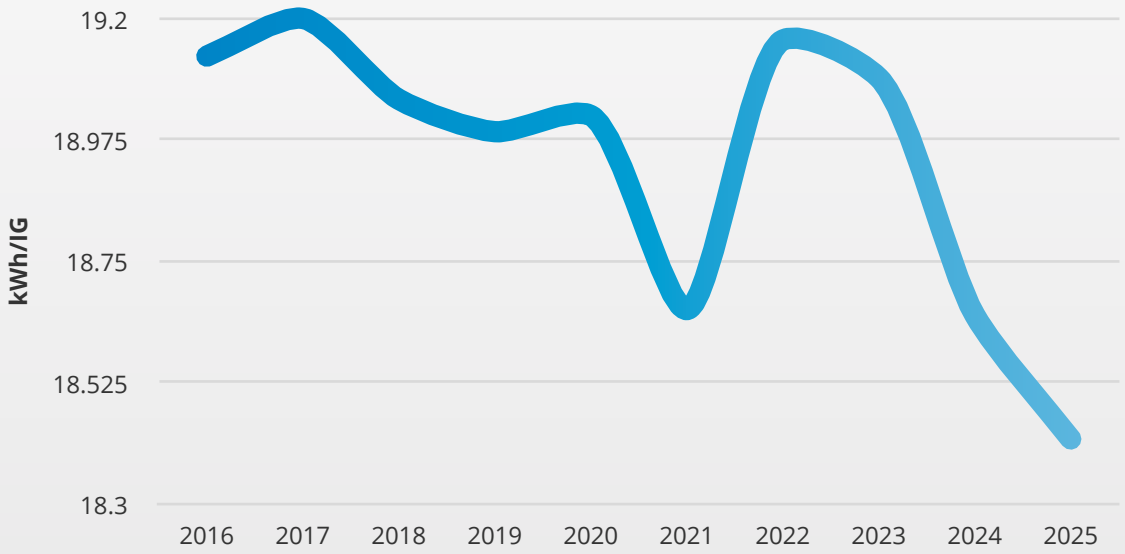
## Gross Generation

Gross generation increased to 286,223,611 kWh, up from 284,989,253 kWh in 2024.




## Fuel Efficiency

Marginal decline from 18.65kWh/IG in 2024 to 18.42kWh/IG in 2025.



# Financial Review

## 2025 at a Glance

| | 2025 | 2024 |
|---|---|---|
| Total Income | EC$246.5M | EC$252.6M |
| Net Profit | EC$8.2M | EC$7.6M |
| Earnings Per Share | EC$0.43 | EC$0.40 |
| Shareholders' Equity | EC$134.6M | EC$131.0M |
| Total Assets | EC$278.0M | EC$279.4M |
| Capital Expenditure | EC$18.5M | EC$18.7M |
| Peak Demand | 42.0 MW | 39.2 MW |
| Long-Term Debt | EC$17.4M | EC$24.0M |

## Sales

Electricity demand remained strong during 2025. Peak demand reached a record 41.21 MW, reflecting continued economic activity and increased customer usage.

Total kWh Unit Sales, including customer renewable energy remained relatively flat, with growth of less than one percent compared to 2024.

Domestic customer sales grew by 1.65%. All other sectors contracted, with Industrial & Street Lighting showing the biggest decline (4.17%), a direct result of the increase in the number of industrial customers with customer-owned PV.

| Customer Categories | 2025 GWh | 2024 GWh | % Change |
|---|---|---|---|
| Domestic | 102.82 | 101.16 | 1.64% growth |
| Commercial | 146.72 | 147.69 | -0.65% decline |
| Industrial & Street lighting | 11.24 | 11.73 | -4.17% decline |
| Total | 260.78 | 260.57 | 0.08% growth |

## Customer Numbers

The total customer base across Grenada, Carriacou and Petite Martinique grew by 538 customers.

| | 2025 | 2024 | % Change |
|---|---|---|---|
| **Number of Customers** | 57,565 | 57,027 | 0.94% |

By the end of 2024, Grenlec had completed 100% restoration of its network on Carriacou and Petite Martinique following the devastation by Hurricane Beryl in July 2024.

Throughout 2025, the Company continued to reconnect customers as they completed their repairs or rebuilds, contributing to the increase in customer numbers.

## Revenue Performance

Total income in 2025 was EC$246.5M. Fuel revenues declined as lower global fuel prices were passed to customers through the Fuel Adjustment Clause (FAC). Non-fuel revenues remained stable, highlighting the strength of the Company's underlying operations and customer demand.

## Customer Rates and Fuel Adjustment Clause

With the non-fuel charge unchanged from 2024, changes in the overall customer rate were driven primarily by movements in global fuel prices, reflected through the customer fuel charge and the Fuel Adjustment Clause (FAC).

The FAC is the mechanism through which the actual cost of fuel used for electricity generation is passed through to customers, without profit or loss to the Company. As the FAC is calculated using the average fuel costs and consumption over a three-month period, differences will naturally arise between the amount billed to customers and the actual fuel costs incurred by the Company, resulting in either an over-recovery or under-recovery.

As the FAC provides for 100% recovery of fuel costs, any over-recovery is returned to customers as a credit, while any under-recovery is subsequently recovered through a charge to customers.

At the end of 2025, the FAC reflected an over-recovery of EC$1,083,867.72, which was returned to customers through a reduction in the FAC rate implemented in February 2026.

This is the second full year that the FAC has been in operation, following the publication of the Interim Tariff Determination by the PURC in August 2023.

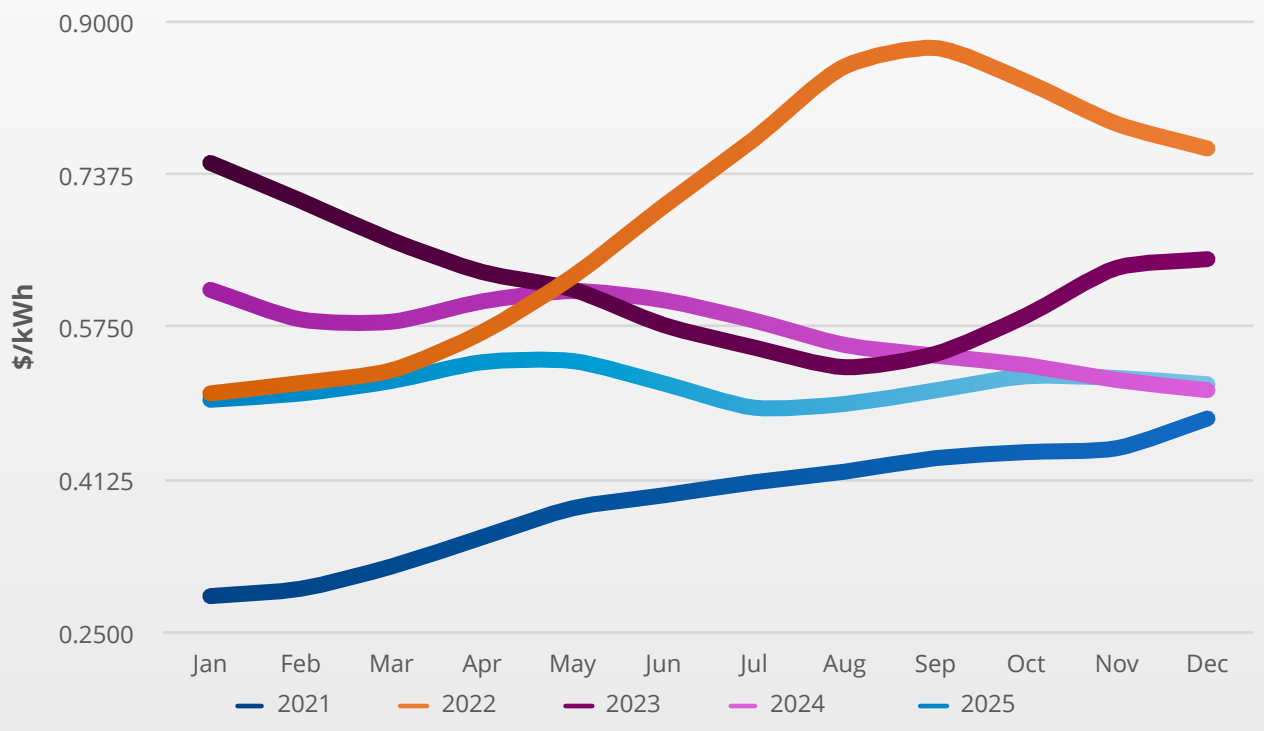
| | 2025 | 2024 | Change from 2024–2025 | Notes |
|---|---|---|---|---|
| Total Revenues (EC$M) | 246.55 | 252.60 | -2% | Primarily a factor of the lower fuel charge as global fuel prices dropped year on year |
| Average Fuel Price/Imperial Gallon paid by Grenlec (EC$) | 8.73 | 9.38 | -6.93% | A marked decline in global fuel prices over 2024 |
| Average Fuel Charge Paid by Customers (EC cents) | 50 cents/kWh | 55 cents/kWh | 5 cents | Reduction of 9.09% as a result of the decline in global fuel prices |
| Revenue from Non-Fuel Charge (EC$M) | 109.26 | 109.70 | -0.40% | Flat revenue performance year on year |

## Changes in Fuel Charge 2021–2025

With the exception of the final two months of the year, the customer fuel charge was lower in every month of 2025 than in the corresponding month in 2024, resulting in the second-lowest average fuel charge recorded over the past five years.

| Month | 2021 $/kWh | 2022 $/kWh | 2023 $/kWh | 2024 $/kWh | 2025 $/kWh |
|---|---|---|---|---|---|
| Jan | 0.2884 | 0.5042 | 0.7496 | 0.6145 | 0.4974 |
| Feb | 0.2963 | 0.5153 | 0.7092 | 0.5829 | 0.5041 |
| Mar | 0.3200 | 0.5288 | 0.6672 | 0.5805 | 0.5174 |
| Apr | 0.3511 | 0.5693 | 0.6334 | 0.6021 | 0.5374 |
| May | 0.3820 | 0.6287 | 0.6148 | 0.6131 | 0.5386 |
| Jun | 0.3957 | 0.7034 | 0.5770 | 0.6034 | 0.5148 |
| Jul | 0.4096 | 0.7750 | 0.5530 | 0.5817 | 0.4890 |
| Aug | 0.4209 | 0.8523 | 0.5321 | 0.5557 | 0.4930 |
| Sep | 0.4353 | 0.8718 | 0.5463 | 0.5443 | 0.5074 |
| Oct | 0.4417 | 0.8359 | 0.5870 | 0.5343 | 0.5224 |
| Nov | 0.4459 | 0.7911 | 0.6378 | 0.5184 | 0.5206 |
| Dec | 0.4775 | 0.7648 | 0.6471 | 0.5076 | 0.5139 |

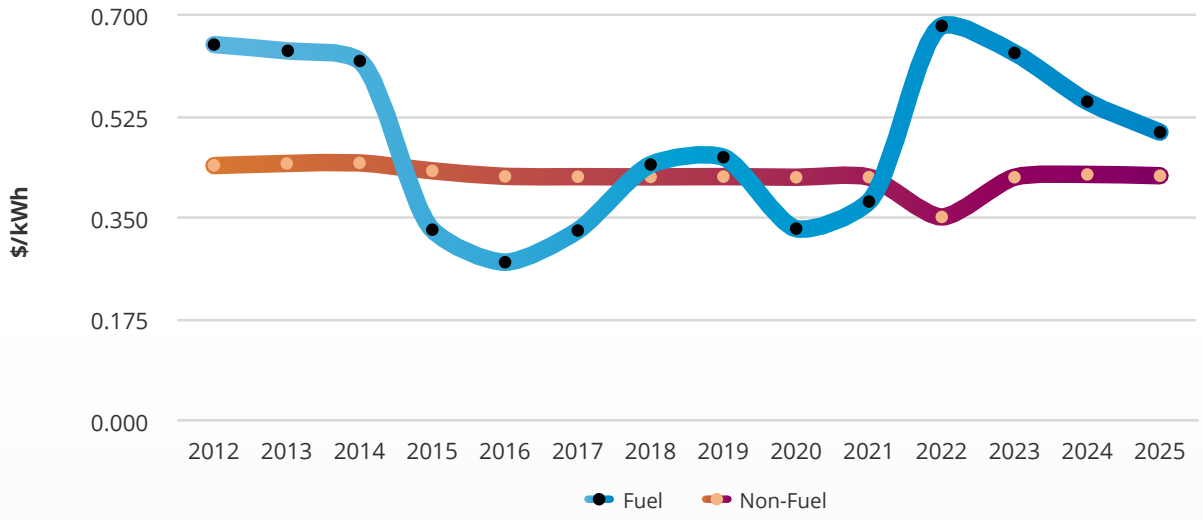
*Changes in Fuel Charge 2021–2025*




*Changes in Fuel Charge 2021–2025*

## Fuel and Non-Fuel Charges 2012–2025

As global fuel prices declined in 2025, the total energy charge dropped below the $1.00 mark, ending at an average of $0.96, a decline of 6% from 2024.




## Operating Expenses and Profitability

Operating expenses declined from EC$231.8M to EC$225.76M. The main contributing factor was the price of fuel, which declined from EC$141.02M in 2024 to EC$133.57M in 2025.

Non-fuel Operating Costs were EC$92.2M compared to EC$90.8M in 2024.

Production expenses continued to be the Company's largest area of expenditure driven by maintenance of the Company's aged generation fleet and temporary rental of generation capacity to ensure reliable service.

Operating profit was EC$20.8M. Net profit increased to EC$8.2M, representing an improvement over the 2024 performance of $7.6M. Earnings per share increased from EC$0.40 to EC$0.43. Profitability continued to be impacted by regulatory fees, generation support costs and investments in maintaining system reliability.

**Department Expenses**

| Department | 2025 ($M) | 2024 ($M) | Increase/ Decrease |
|---|---|---|---|
| Production | 42.10 | 39.02 | 7.88% |
| Administrative | 26.88 | 26.14 | 2.84% |
| Distribution services | 20.12 | 22.65 | -11.15% |
| Planning and Engineering | 3.08 | 3.05 | 1.09% |
| Total Operating Expenses | 92.19 | 90.86 | 1.46% |

## Balance Sheet and Capital Management

Total assets remained strong at EC$277.9M while shareholders' equity increased to EC$134.6M. Your Company repaid approximately EC$8.0M of debt during the year, reducing total borrowings and strengthening the balance sheet. The Hurricane Insurance Reserve remained fully funded at EC$33.9M.

The Return on Capital Invested (ROCI) decreased from 11.1% in the prior period to 9.00% in the current period. This means that the Company generated approximately EC$0.09 in after-tax operating profit for every EC$1.00 of capital invested, compared with EC$0.10 previously.

Although Net Operating Profit After Tax (NOPAT) increased slightly from EC$13.47 million to EC$13.71 million, invested capital rose more significantly from EC$133.46 million to EC$151.25 million. Consequently, the additional capital employed did not generate a proportionate increase in operating returns, resulting in the lower ROCI.

## Cash Flow and Liquidity

Operating activities generated EC$18.5M in cash, compared with EC$35.9M in 2024. The lower result largely reflects the absence of the significant insurance proceeds received from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) following Hurricane Beryl in 2024, which was a major contributor to that year's operating cash flow.

The Company continued to invest significantly in its infrastructure while increasing strategic investments and maintaining financial flexibility. Financial investments increased to EC$28.1M, strengthening the Company's capacity to support future capital programmes.

Dividends totalling EC$4.5M were paid for the first three quarters of 2025. However, in light of the Company's financial and cash flow position, the need to preserve liquidity to meet operational obligations and the continued requirement to fund critical capital investments, no dividend was declared for the fourth quarter.

Management remains committed to balancing shareholder returns with the Company's long-term financial sustainability. Dividend payments will be restored at an appropriate and sustainable level as soon as financial circumstances permit.

The combined impact of these factors resulted in the Company closing the financial year with a net cash position of negative EC$0.615M.

## Debtors Performance

At the end of 2025, trade receivables stood at EC$25.19M, compared with EC$22.89M in 2024, representing an increase of EC$2.30M or approximately 10%. The increase was primarily attributable to lower collections towards year-end. As a result, debtor days outstanding increased from 31.60 days in 2024 to 36.68 days in 2025, an increase of 5.08 days, indicating that customer balances took longer to collect. Management continues to closely monitor outstanding accounts and strengthen collection efforts to reduce arrears, improve the receivables position and support the Company's cash flow.

## Capital Investments

During 2025, Grenlec invested approximately EC$18.5M in generation, transmission, distribution and customer service infrastructure. These investments support reliability, resilience and future growth while preparing the network for increased renewable energy penetration.

| | 2025 | 2024 | Change from 2024–2025 | Notes |
|---|---|---|---|---|
| Trade Receivables EC$M | 25.19 | 22.89 | 9.92% | Increased due to lower collections at year end |
| Debtor Days Outstanding | 36.68 | 31.6 | Increased by 5.08 days | Measures the time taken to collect on credit sales |

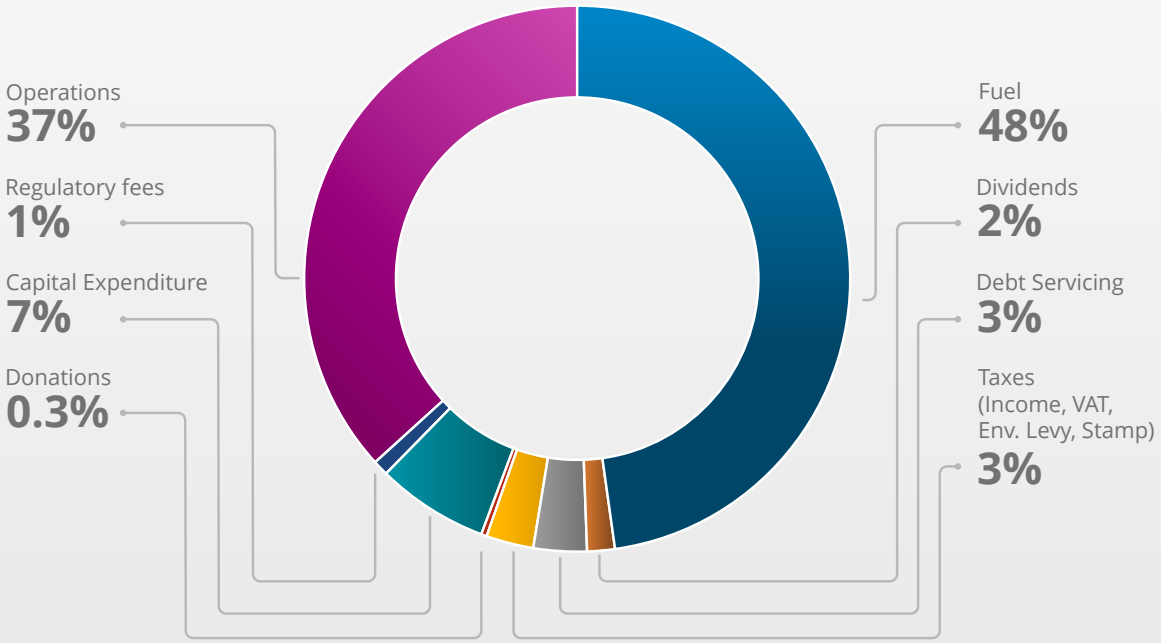
## Financial Position

| Category | 2025 EC$M | 2024 EC$M | Change from 2024–2025 | Notes |
|---|---|---|---|---|
| Total Assets (EC$M) | 277.97 | 279.44 | (1.47) | Almost 8% increase year on year and is a reflection of the capital investments |
| Total Liability (EC$M) | 143.33 | 148.41 | (5.08) | Net effect of increase in deferred income and other current liabilities |
| Net Assets (EC$M) | 134.64 | 131.03 | 3.61 | Net effect of assets and liabilities |
| Retained Earnings (EC$M) | 68.4 | 64.78 | 3.62 | Overall profitability during the year |
| Return on Invested Capital | 9% | 11% | -2.00% | Increased expenditure and lower profitability |

## How Grenlec's Dollar Was Spent

Fuel and energy production remained the largest component of expenditure, followed by employee and administrative costs, transmission and distribution operations, financing costs, taxes, regulatory fees and shareholder returns. Grenlec continues to focus on cost management while maintaining reliability and service quality.

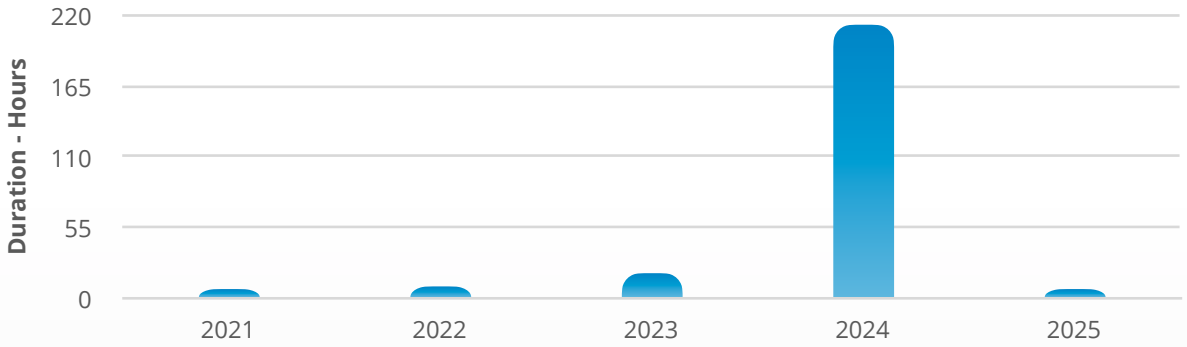
| | |
|---|---|
| Fuel | 132,905,966 |
| Dividends | 4,560,000 |
| Debt Servicing | 8,771,142 |
| Taxes (Income, VAT, Env. Levy, Stamp) | 7,805,338 |
| Donations | 919,058 |
| Capital Expenditure | 18,445,031 |
| Regulatory fees | 2,546,889 |
| Operations | 102,197,562 |
| **Total** | **$278,150,986.00** |



# Customer Service and Reliability

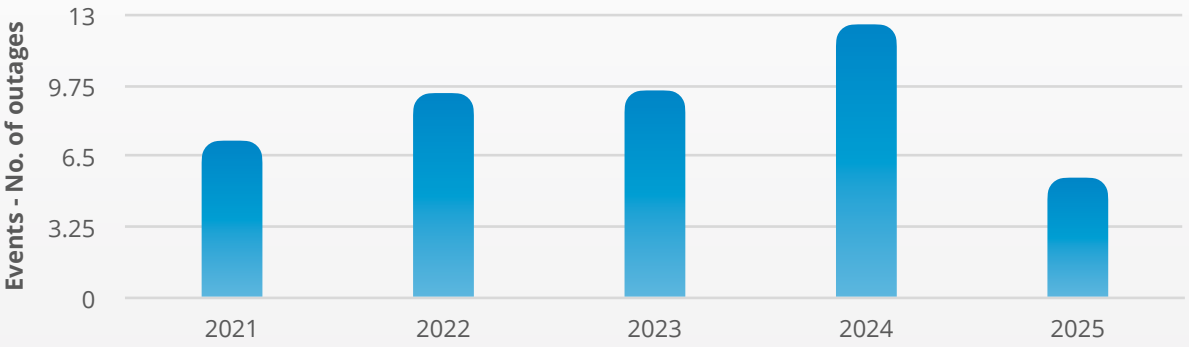
The Company continues to focus on improving service reliability and operational efficiency to meet the evolving needs of its customers. To support this, it is leveraging technology, investing in new infrastructure and systems, and maintaining a programme of regular maintenance and upgrades to strengthen service delivery and reliability.

**SAIDI — System Average Interruption Duration Index 2021–2025**



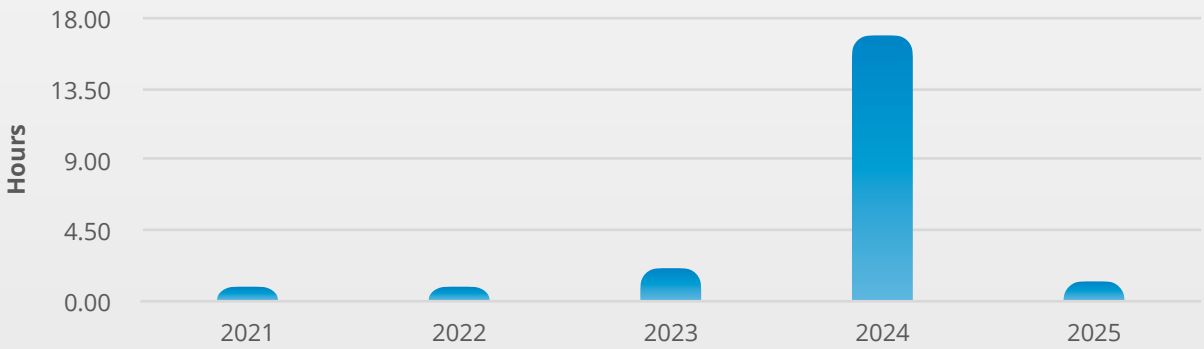

*SAIDI is the average duration of interruptions per customer during the year.*

**SAIFI — System Average Interruption Frequency Index 2021–2025**




*SAIFI is the average number of sustained interruptions per customer during the year.*

**CAIDI — Consumer Average Interruption Duration Index 2021–2025**




*CAIDI is the average duration of an interruption*

## New Customer Information System and Customer Portal

In October 2025, the Company successfully launched its new Customer Information System (CIS), marking a major step forward in operational efficiency and customer service. The upgraded system provides enhanced opportunities for integration across departments, improving the flow of information and strengthening coordination between teams.

The new CIS also supports real-time updates, enabling customers to access more timely account information while giving field teams and customer service representatives faster access to critical data. These improvements are expected to streamline processes, enhance responsiveness, and support the Company's ongoing digital transformation efforts.

## Generation Strategy

Your Company continues to operate an ageing fleet of generating units, with an average age of more than 20 years. Many of these engines are approaching or have reached the end of their expected operating life. Our generation team continues to work tirelessly to maintain reliability and ensure a consistent supply of electricity to customers during this challenging period. We deeply appreciate their commitment, as well as the contribution of employees across the Company who play a vital role in keeping the system operating.

As we consider the most sustainable and cost-effective path forward, we have taken a strategic step to explore additional options for replacing our ageing generation fleet, with the objective of improving reliability and, importantly, reducing the cost of electricity.

In 2025, the Company restarted its Request for Proposal (RFP) process and issued a new RFP for the development of an approximately 50 MW dual-fuel generation plant. The RFP invited proposals under both the Engineer, Procure and Construct (EPC) and Independent Power Producer (IPP) models. The proposed plant would be capable of operating on liquefied natural gas (LNG), providing a cleaner and potentially more efficient alternative to diesel while supporting greater diversification of the fuel mix and strengthening energy security.



**MyAccount.Grenlec.com Promo**

The Company also engaged Mott MacDonald, a leading multidisciplinary engineering consultancy, to undertake a comprehensive feasibility study of LNG options. The findings of this study, together with the responses received through the RFP process, will help inform the Company's long-term generation strategy and guide decisions on the most reliable, sustainable and cost-effective path for meeting Grenada's future electricity needs.

## Maintaining Generation Reliability

Rental generation on mainland Grenada has continued to play a critical role in maintaining the availability and reliability of electricity supply, particularly after one of the Company's 5.5 MW generating units experienced a catastrophic failure of its step-up transformer, leaving it out of service for most of 2025. The unit is expected to return to service by July 2026.








**Strengthening the Transmission and Distribution Network**

## Restoring Generation Capacity in Carriacou

In Carriacou, new generating units were commissioned in 2025 to replace the two units destroyed in the April 2023 fire, restoring critical generating capacity on the island.



## Strengthening the Transmission and Distribution Network

The Company continued to strengthen the transmission and distribution network through targeted maintenance, upgrades and infrastructure improvements. These investments are essential to maintaining the reliability and resilience of electricity supply, improving system performance and ensuring that the network is equipped to support the changing needs of customers and the transition to a more sustainable energy system.

## Carriacou South Feeder Transformer Upgrade

In November, the Company upgraded the transformer supporting the south of the island from 750/966 kVA




**Restoring Generation Capacity in Carriacou**

to a new 1,500/2,016 kVA unit. The upgrade addresses significant load growth resulting from major developments in the southern part of the island. The new transformer substantially increases the amount of electricity the South feeder can safely and reliably supply, providing additional capacity to meet current and future demand, while enhancing reliability and providing greater operational flexibility.

The original 750 kVA South feeder transformer was subsequently repurposed to replace the 500 kVA North feeder transformer. This increase in capacity will enable the Limlair Solar PV and Battery Energy Storage System (BESS) plant to operate at a higher output, supporting greater utilisation of the renewable energy facility.

## Electric Vehicle (EV) Charging Station Partnership

Your Company partnered with Green Power Grenada to install a fast EV charging station at its customer car park at Dusty Highway. The Company is providing the space to facilitate the initiative, helping to expand the availability of EV charging infrastructure for customers.

The initiative supports the growing adoption of electric vehicles in Grenada, where the Government is encouraging the transition to electric mobility through full duty and tax concessions on electric vehicles and charging stations.






**Electric Vehicle (EV) Charging Station Partnership**

## Streamlining Network Design and Field Operations

In September 2025, we introduced WorkStudio StakeOut, a mobile field application that is helping to make the process of designing, modifying and expanding our electricity distribution network more efficient.

For our field and construction teams, StakeOut has streamlined the Work Order Lifecycle, reducing the time between field staking, design approval and final commissioning and energisation. By connecting employees more effectively across different stages of the process, the system reduces duplication, improves accuracy and gives our teams better access to the information they need to get work done.

StakeOut also integrates with our Geographic Information System (GIS), enabling line drawings for network modifications to be generated more seamlessly. Its integration with our accounting software has further improved the accuracy of Bills of Materials, supporting both the Accounting and Construction teams and reducing errors in the preparation and processing of work.

For our customers, these improvements mean a more responsive service. By helping our teams move work through the system more quickly and accurately, StakeOut can contribute to faster completion of network projects and modifications, while supporting the reliable delivery of electricity.

# Renewable Energy (RE)

While the Company continues to pursue the replacement of ageing thermal generation to safeguard the reliability and resilience of electricity supply, it is equally focused on expanding renewable energy as a key component of the future energy mix. The development of renewable energy will strengthen energy security, reduce dependence on imported fuels and help manage long-term electricity costs, while supporting the transition towards a more sustainable and resilient electricity system.

## Maurice Bishop International Airport (MBIA) RE Project

Work continued in 2025 on the Maurice Bishop International Airport (MBIA) RE Project. This initiative, comprising a Battery Energy Storage System (BESS) and transmission line, will enable the integration of a 15 MW Solar IPP photovoltaic plant.

This project represents a significant addition to Grenada's renewable generation capacity and an important step in diversifying the country's energy mix. Its successful implementation is expected to reduce fuel consumption and exposure to volatile international oil prices, lower greenhouse-gas emissions and strengthen national energy security. When supported by the necessary battery-storage and grid infrastructure, the project will also contribute to the reliable integration of renewable energy and support Grenada's wider climate-resilience and sustainable-development objectives.

In 2024, the Company secured USD 18.5 million in financing from the World Bank through the Government of Grenada,



*Grenlec Secures Funding for MBIA Project Through Government of Grenada*

to support the BESS and transmission line project. In addition, the Caribbean Development Bank (CDB) is providing approximately USD 8.5 million to cover 50% of the BESS cost.

In 2025, the Company continued preparatory work to support the procurement of the various project components, advancing the initiative towards implementation.

Among them, Grenlec, the Public Utilities Regulatory Commission (PURC) and the selected Independent Power Producer (IPP) continued discussions aimed at finalising a Power Purchase Agreement for the proposed 15 MW renewable energy project at the Maurice Bishop International Airport (MBIA). The PPA will establish the commercial, technical and operational terms under which electricity generated by the project will be supplied to Grenlec's network.

This project is scheduled to be completed in the second half of 2028.

## Renewable Energy in Carriacou

The renewable energy facility at Limlair, Carriacou, which was constructed with grant funding from the United Arab Emirates and was destroyed during Hurricane Beryl, is currently being rebuilt. The facility is expected to return to service during the second half of 2026, and the Company anticipates managing the plant on behalf of the Government.

## Exploring Renewable Energy in Petite Martinique

Renewable energy deployment in Petite Martinique will be further examined during 2026–2027 as part of efforts to diversify the island's energy mix. The Company already owns land suitable for utility-scale solar photovoltaic development. While the PV installation there was destroyed during Hurricane Beryl, the Company will assess options for its possible redevelopment as part of its broader renewable energy strategy.



**Maurice Bishop International Airport (MBIA) RE Project**

# Corporate Social Responsibility: Grenlec Community Partnership Initiative (GCPI)

Grenlec continued to invest in the communities it serves through a range of programmes and initiatives focused on education, sport, culture and social development. In 2025, a total of $0.92M was expended in support of community programmes, reflecting your Company's ongoing commitment to creating meaningful value to communities beyond the provision of electricity.

# GCPI Project Highlights



# Education



## NEWLO Classroom Furniture

The NEWLO project was especially meaningful because it provided an opportunity for students to contribute by building combo-chairs for their own classrooms as part of their skills training.

**See more**

https://youtu.be/Ks6roL9jxVw

# Arts, Heritage and Culture











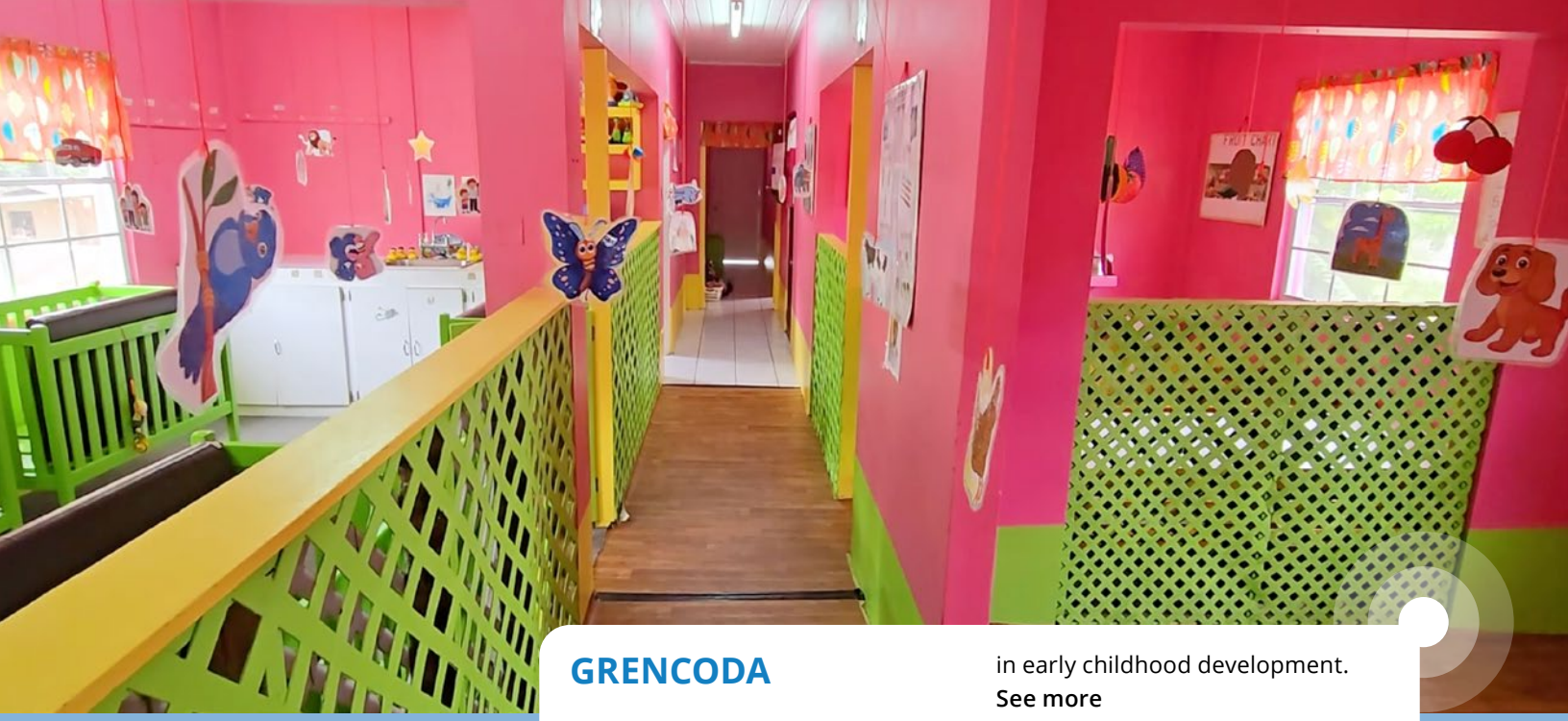
## Preserving Traditional Mas

Traditional Mas remains a vital part of Grenada's cultural expression and identity, deeply rooted in history, creativity and community participation. Its continued vitality reflects the dedication of traditional masqueraders, organisers, and cultural practitioners who work tirelessly to document, showcase and preserve these traditions for future generations. Beyond Traditional Mas, the rich cultural heritage of our Tri-Island is also expressed through longstanding events such as Lion's Ole Mas, the Carriacou Maroon & String Band Festival and Petite Martinique Whitsuntide Regatta. Led by committed organisers and supported by community partners, these events play an important role in strengthening cultural awareness, participation, and pride across our tri-island nation.

**See more**

**Traditional Mas:** https://youtu.be/sojjiq6AIuE

**Lions Ole Mas:** https://youtu.be/b9OY2XYormY



# Social Services

## GRENCODA

GRENCODA is a longstanding GCPI partner, and its impact continues to be recognised through support for initiatives such as the Ursula Baptiste Child Development Centre. Refurbishments carried out between 2024 and 2025, including roof and kitchen upgrades, helped improve the centre's facilities and support GRENCODS's ongoing work in early childhood development.
**See more**
https://youtu.be/tqla237Vgrs

## Care Institutions

Annual grants continued to be provided to a number of care institutions as part of ongoing support efforts focused on maintaining essential services and facilities.



## Rebuilding in Carriacou & Petite Martinique

In the aftermath of Hurricane Beryl, recovery efforts in Carriacou were driven by the resilience and determination of residents, various partners and communities residents working together to rebuild and outfit homes.
**See more**
https://youtu.be/0dQS2hEAeL4

# Sport





## Women's Cricket and Netball

Reviving a longstanding partnership with the Grenada Cricket Association, the team began execution of an ambitious strategy to develop women's cricket in Grenada. In addition, annual collaboration with Netball Grenada and the St. Mark's Football League continued, promoting organised sport, youth development and community engagement through healthy competitions and programmes.

# Regulatory Environment

Grenlec continues to operate within an evolving regulatory environment. In 2025, progress was made on several important matters that are expected to influence the future development, financing and operation of Grenada's electricity sector.

## Planning for the Future

Consultation with key stakeholders on the Integrated Resource and Resilience Plan continued throughout 2025, with the objective of presenting the first draft to the Public Utilities Regulatory Commission (PURC) in 2026. Even as the Company prepares to integrate utility-scale renewable energy, strategic investment in replacing portions of the ageing thermal generation fleet is essential to maintaining system reliability and ensuring adequate generation capacity.

## Renewable Energy Regulations

The Company continues to await the promulgation of the Renewable Energy Regulations, which are critical to establishing a clear and predictable framework for the development and integration of renewable energy resources. The Regulations are expected to provide greater clarity regarding licensing, grid access, technical standards, pricing arrangements and the responsibilities of utilities, independent power producers and other market participants.

The introduction of this legislation will support greater investor confidence, facilitate the orderly development of renewable energy projects and ensure that new generation is integrated safely and reliably into the national grid. It will also advance Grenada's energy-transition objectives by reducing dependence on imported fossil fuels, improving energy security and supporting more stable and sustainable electricity costs over the longer term.

## Cost-of-Service Study

During the period, Grenlec completed a Cost-of-Service Study, a comprehensive assessment of the costs associated with providing electricity service to its various customer classes. The findings were submitted to the PURC for review and consideration, followed by a series of engagements and correspondence between the parties.

The study provides an important evidence-based foundation for assessing the adequacy, fairness and sustainability of the existing tariff structure. Your Company now awaits guidance from the PURC on the next steps in the regulatory process and remains committed to working collaboratively with the Commission towards an equitable outcome that balances customer interests with the need to maintain a reliable, resilient and financially sustainable electricity service.

## Regulatory Fees

Grenlec continued to meet its obligation to pay regulatory fees to the PURC. These fees represent a significant and recurring cost associated with the regulation of the electricity sector. However, the Company has not been provided a mechanism through which these costs can be recovered from customers as is required under the Electricity Act.

Grenlec is therefore continuing to engage constructively with the PURC to establish an appropriate, transparent and sustainable mechanism for recovering these regulatory fees. The Company considers this recovery important in ensuring that the full and legitimate costs of providing electricity service are appropriately apportioned, while maintaining Grenlec's ability to meet its financial obligations and fund the substantial investments required to modernise the electricity system.

# Strategic Outlook

Over the next three (3) years, Grenlec will focus on Thermal Generation Replacement, Battery Energy Storage Systems, Utility Scale Renewable Energy, Grid Modernisation and Customer Service Transformation. These initiatives are intended to improve service reliability, strengthen resilience, support national sustainability objectives and create long-term shareholder value.

Your Company expects to undertake several transformative initiatives to modernise the electricity sector, including:

- Maurice Bishop International Airport (MBIA) Solar PV and Battery Energy Storage Project
- Grid Modernisation and Resilience Programme
- Customer Information and Digital Service Enhancement
- Disaster Resilience and Climate Adaptation Investments

Utility-scale renewable energy expansion remains central to the Company's long-term strategy. These investments will help improve energy security, enhance system resilience, reduce electricity costs over time and support the continued economic development of Grenada.

## Strategic Plan Implementation

Your Board of Directors has approved a four-year Strategic Plan focused on transforming your Company and strengthening its capacity to meet the evolving needs of our customers, employees and other stakeholders.

The Plan is built around four strategic themes:

- Generation, Transmission & Distribution
- Organisational Agility & Capacity
- Stakeholder Relationship Management
- Cost and Efficiency Management

Management has begun putting the structures and resources in place to support implementation, including engaging employees at all levels and establishing an implementation unit within the business. These efforts are intended to ensure that the Plan is effectively translated into action and that progress is sustained across the organisation.

Shareholders are recognised as a key stakeholder group and Management will continue to keep you informed of significant developments and progress as implementation advances.

## Key Message to Shareholders

While the operating environment remains challenging, your Company enters 2026 with a strong balance sheet, a clear strategic direction and a focused plan to improve profitability. The Board and Management remain committed to balancing cost-effectiveness, reliability and sustainability while continuing to deliver value to customers, employees and shareholders.

We recognise the importance of restoring value to shareholders and are committed to doing so as the Company's financial and operating position allows. Our focus is on building a stronger, more modern and resilient Company through renewed efforts to reduce costs, improve operational efficiency, expand and diversify the energy mix, and strengthen the sustainability of the business.

Sustained effort is needed from the Board, Management and employees, working together to deliver on these priorities. We are confident that the work now underway will position the Company for improved performance and enable us to deliver lasting benefits to our customers and shareholders alike.

# WINNERS' ROW
## 2025 Grenlec Debates

## CHAMPION
### St. Andrew's Anglican Secondary School

**Debaters:**
Shemmicah Lindsey
Calvin Clyne
Jenee Andrew
Kheun Smart
Desali Jones

**Coaches:**
Kadesha Hagley
Arren Hypolite

**Principal:**
Lester Blache







**Second Place:** The Anglican High School

**Debaters:**
Jayna Caton, Jahzara Date, Courtnee James, Jinnah Morain, Makiah Ramsey

**Coaches:** Jadi Caton-Malcolm, Sekou Sam

**Principal:** Kim Parris-Thomas




**Third Place:** St. Joseph's Convent, St. George

**Debaters:**
Arianna Beharry-Hamilton, Asiah Mcphoy, Teja Skinner, Tahlia Belfon, Mahaylia John

**Coaches:** Donna Lusan, Jada Glean

**Principal:** Jill Viechweg-Philbert




**Third Place:** Presentation Brothers' College

**Debaters:**
Chamar Marrast, Omar Morris, Aiden Victor, Ethan Auguste, Kelvin George

**Coaches:** Karreem Salhab, Indra Thomas

**Principal:** Marvin Phillip

## People's Choice Winners



**Ethan Auguste**
PBC



**Kaina Carter**
SGI

**Voted by audience members**
over 4,500 votes recorded on social media

Follow us on
www.grenlec.com

grenlec

# MyAccount.Grenlec.com



## Power in Your Hands

- Pay online directly to Grenlec
- Go paperless with E-billing
- View account history
- Submit service requests online
- Update your contact information

## Sign Up Today

grenlec

## Grenada Electricity Services Limited

# Financial

For The Year Ended 31 December 2025
(Expressed in Eastern Caribbean Dollars)

# Statements

Shape the future with confidence

Ernst & Young
P.O. Box BW 368,
Rodney Bay, Gros Islet,
St. Lucia, W.I.

Street Address
Mardini Building, Rodney Bay,
Gros Islet,
St. Lucia, W.I.

Tel: +758 458 4720
+758 458 4730
Fax:+758 458 4710
www.ey.com

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**
We have audited the financial statements of Grenada Electricity Services Limited ("the Company"), which comprise the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

**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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Grenada. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**
Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters are addressed in the context of our audit of the financial statements as a whole and in forming our opinions thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to communicate.

**Other information included in the Company's 2025 Annual Report**
Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion.



A member firm of Ernst & Young Global Limited

Shape the future with confidence

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED**

**Report on the Audit of the Financial Statements (Continued)**

**Other information included in the Company's 2025 Annual Report (Continued)**
In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and the Audit Committee for the Financial Statements**
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Shape the future
with confidence

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF GRENADA ELECTRICITY SERVICES LIMITED**

**Report on the Audit of the Financial Statements (Continued)**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Rishi Ramkissoon.

Ernst & Young.

CHARTERED ACCOUNTANTS
St. Lucia
3 July 2026



A member firm of Ernst & Young Global Limited

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

| | Notes | 2025 $ | 2024 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant, and equipment | 4 | 135,533,154 | 129,480,034 |
| Right-of-use assets | 5 | 2,125,819 | 2,505,396 |
| Suspense jobs in progress | 6 | 1,014,068 | 600,818 |
| Capital work in progress | 6 | 5,725,458 | 6,181,996 |
| | | 144,398,499 | 138,768,244 |
| **Current assets** | | | |
| Inventories | 8 | 36,748,231 | 33,705,590 |
| Trade and other receivables | 9 | 42,386,446 | 39,932,478 |
| Corporation tax recoverable | 24 | 3,667,075 | 5,171,742 |
| Financial assets at amortised cost | 7 | 50,028,296 | 40,322,277 |
| Cash on hand and at bank | 11 | 745,735 | 21,541,658 |
| | | 133,575,783 | 140,673,745 |
| **TOTAL ASSETS** | | 277,974,282 | 279,441,989 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Stated Capital | 12 | 32,339,840 | 32,339,840 |
| Hurricane insurance reserve | 16 | 33,909,667 | 33,909,667 |
| Retained earnings | | 68,397,264 | 64,779,566 |
| | | 134,646,771 | 131,029,073 |
| **Non-current liabilities** | | | |
| Customers' deposits | 13 | 21,780,697 | 21,338,889 |
| Long-term borrowings | 14 | 9,825,989 | 17,432,803 |
| Long-term portion of lease liabilities | 5 | 2,101,196 | 2,517,992 |
| Deferred income (CCRIF) | 19 | 20,845,981 | 21,805,691 |
| Deferred tax liability | 24 | 20,017,610 | 18,473,082 |
| | | 74,571,473 | 81,568,457 |
| **Current liabilities** | | | |
| Short-term borrowings | 14 | 7,525,281 | 6,535,967 |
| Trade and other payables | 17 | 41,456,121 | 41,467,885 |
| Current portion of lease liabilities | 5 | 369,680 | 350,064 |
| Customers' contribution to line extensions | 18 | 14,975,458 | 13,865,799 |
| Retirement benefits payable | 15 | 501,565 | 515,032 |
| Profit sharing payable | 17 | 3,927,933 | 4,109,712 |
| | | 68,756,038 | 66,844,459 |
| **TOTAL LIABILITIES** | | 143,327,511 | 148,412,916 |
| **TOTAL EQUITY AND LIABILITIES** | | 277,974,282 | 279,441,989 |

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on **3 July 2026** and signed on its behalf by:

……:Director ……:Director

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

| | Notes | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **REVENUE** | | | |
| - Non-fuel charge | 20 | 109,263,648 | 109,701,680 |
| - Fuel charge | | 133,573,270 | 141,029,641 |
| Unbilled revenue adjustments | 2(v) | 886,923 | (2,750,500) |
| Gross revenue | | 243,723,841 | 247,980,821 |
| Other income | 21 | 2,823,014 | 4,618,575 |
| Total income | | 246,546,855 | 252,599,396 |
| **LESS: OPERATING EXPENSES** | | | |
| Production expenses | | (42,097,884) | (39,024,561) |
| Diesel consumed | | (133,573,270) | (141,029,641) |
| Administrative expenses | | (26,882,149) | (26,138,904) |
| Distribution services | | (20,124,920) | (22,651,293) |
| Planning and engineering | | (3,082,498) | (3,049,273) |
| **Total operating expenses** | 22 | (225,760,721) | (231,893,672) |
| Operating profit | | 20,786,134 | 20,705,724 |
| Less: Finance costs | 23 | (1,744,088) | (1,990,804) |
| Profit for the year before allocations and taxation | | 19,042,046 | 18,714,920 |
| **ALLOCATIONS** | | | |
| Less – Regulatory fees | | (2,546,889) | (2,388,626) |
| Profit sharing | | (5,268,265) | (5,934,293) |
| | | (7,815,154) | (8,322,919) |
| Profit for the year before taxation | | 11,226,892 | 10,392,001 |
| Taxation | 24 | (3,049,194) | (2,835,345) |
| **NET PROFIT FOR THE YEAR** | | 8,177,698 | 7,556,656 |
| **TOTAL COMPREHENSIVE INCOME** | | 8,177,698 | 7,556,656 |
| **EARNINGS PER SHARE ($ per share)** | 26 | **0.43** | **0.40** |

The accompanying notes form an integral part of these financial statements.

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

| | Stated Capital (Note 12) $ | Hurricane Insurance Reserve (Note 16) $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 January 2024** | 32,339,840 | 33,909,667 | 63,302,910 | 129,552,417 |
| Dividends (Note 29) | - | - | (6,080,000) | (6,080,000) |
| Total comprehensive income | - | - | 7,556,656 | 7,556,656 |
| **Balance at 31 December 2024** | 32,339,840 | 33,909,667 | 64,779,566 | 131,029,073 |
| **Balance at 1 January 2025** | 32,339,840 | 33,909,667 | 64,779,566 | 131,029,073 |
| Dividends (Note 29) | - | - | (4,560,000) | (4,560,000) |
| Total comprehensive income | - | - | 8,177,698 | 8,177,698 |
| **Balance at 31 December 2025** | 32,339,840 | 33,909,667 | 68,397,264 | 134,646,771 |

The accompanying notes form an integral part of these financial statements.

GRENADA ELECTRICITY SERVICES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in Eastern Caribbean Dollars)

| | Notes | 2025 $ | 2024 $ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit for the year before taxation | | 11,226,892 | 10,392,001 |
| Adjustments for: | | | |
| Depreciation on property, plant, and equipment, and right-of-use assets | 4,5 | 12,814,777 | 11,340,356 |
| Loss on disposal of property, plant, and equipment | 21 | - | 581,088 |
| Movement in provision for inventory obsolescence | 8 | 39,285 | (76,073) |
| Finance costs | 23 | 1,744,088 | 1,990,804 |
| Amortisation of deferred income | 19 | (228,475) | (15,058) |
| Net change in provision for other liabilities and charges | | 914,413 | 344,406 |
| Operating surplus before working capital changes | | 26,510,980 | 24,557,524 |
| (Increase) in trade and other receivables | | (2,453,968) | (2,793,320) |
| (Increase) in inventories (net) | | (3,081,927) | (4,824,183) |
| (Decrease)/increase in trade and other payables | | (64,345) | 5,303,248 |
| (Decrease)/increase in deferred income | 19 | (731,234) | 21,820,749 |
| | | 20,179,506 | 44,064,018 |
| Income tax paid | | - | (6,269,278) |
| Interest and finance charges paid | | (1,691,507) | (1,936,507) |
| Cash provided by operating activities | | 18,487,999 | 35,858,233 |
| **INVESTING ACTIVITIES** | | | |
| Proceeds on disposal of property, plant, and equipment | | - | 182,604 |
| (Purchase)/disposal of financial assets (net) | | (9,706,019) | 68,842 |
| Purchase of property, plant, and equipment | 4,6 | (18,445,031) | (18,661,157) |
| Cash used in investing activities | | (28,151,050) | (18,409,711) |
| **FINANCING ACTIVITIES** | | | |
| Dividends paid | 29 | (4,560,000) | (6,080,000) |
| Payment of principal portion of lease liabilities | 5 | (397,180) | (306,385) |
| Repayment of borrowings | 14 | (7,978,614) | (7,076,464) |
| Customers' deposits (net) | 13 | 441,808 | 845,623 |
| Cash used in financing activities | | (12,493,986) | (12,617,226) |
| Net (decrease)/increase in cash and cash equivalents | | (22,157,037) | 4,831,296 |
| Cash and cash equivalents | | | |
| - at the beginning of year | | 21,541,658 | 16,710,362 |
| - at the end of year | 11 | (615,379) | 21,541,658 |

The accompanying notes form an integral part of these financial statements.

## 1. CORPORATE INFORMATION

Grenada Electricity Services Limited (the Company) is incorporated in Grenada. It generates and supplies electricity throughout Grenada, Carriacou, and Petite Martinique.

As at 31 December 2025, the Government of Grenada owned 71.4% of the Company's ordinary share capital.

The National Insurance Scheme holds 11.6% of the ordinary share capital, while the general public holds the remaining 17%.

The Company was issued a certificate of continuance under Section 365 of the Companies Act on 8 November 1996.

The Company operates under the Electricity Act 19 of 2016 and has a licence for exercising and performing functions relating to electricity supply in Grenada. The Company is listed on the Eastern Caribbean Securities Exchange.

The registered office is at Grand Anse, St. George's, Grenada.

## 2. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

### *(a) Basis of preparation*

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the company's accounting policies. Although those estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(b) Changes in accounting policies and disclosures*

#### *(i) New accounting standards, amendments, and interpretations*

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendment to IFRS effective as of 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. A currency is exchangeable when the entity can obtain the other currency within a timeframe that allows for a normal administrative delay and through an enforceable market mechanism. If exchangeability is lacking, an entity is required to estimate the spot exchange rate at the measurement date to reflect the rate at which an orderly exchange between market participants would occur under prevailing economic conditions. The amendments are effective for annual periods beginning on or after 1 January 2025 and prohibit restatement of comparatives.

  Management assessed these amendments and concluded that there was no impact on the Company's financial statements for the year ended 31 December 2025, as none of the Company's transactions, balances, or exposures involve currencies lacking exchangeability.

#### *(ii) Standards in issue not yet effective*

The standards and amendments that have been issued but are not yet effective for the year ended 31 December 2025, are listed below. The Company has not early adopted these pronouncements and will apply them when they become effective. The Company is currently assessing its impact.

- **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 effective for reporting periods beginning on or after 1 January 2026**
  These amendments clarify the derecognition of financial liabilities, including an option for certain electronic payment systems; assess contractual cash flows for ESG-linked and other contingent features; address non-recourse/contractually linked instruments; and introduce expanded disclosures. Retrospective application with an opening equity adjustment; prior periods need not be restated.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(b) Changes in accounting policies and disclosures (continued)***

***(ii) Standards in issue not yet effective (continued)***

- **Annual Improvements to IFRS Accounting Standards – Volume 11, effective for reporting periods beginning on or after 1 January 2026**
  The annual improvements include minor amendments to several IFRS Accounting Standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The amendments mainly clarify wording, remove inconsistencies, and update cross-references within the standards. Early adoption is permitted.

- **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 effective for reporting periods beginning on or after 1 January 2026**
  These amendments guide contracts referencing electricity generated from nature-dependent sources such as wind or solar. The amendments clarify the application of the 'own-use' exemption, permit certain forecast electricity transactions to be designated as hedged items in cash flow hedge relationships, and introduce additional disclosure requirements for such contracts.

- **IFRS 18 Presentation and Disclosure in Financial Statements- effective for reporting periods beginning on or after 1 January 2027**
  IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of financial performance, including defined categories and subtotals in the statement of profit or loss and disclosures of management-defined performance measures (MPMs). The standard also provides guidance on the aggregation and disaggregation of financial information and is applied retrospectively.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures- effective for reporting periods beginning on or after 1 January 2027**
  IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply the recognition, measurement, and presentation requirements of other IFRS Accounting Standards. Early adoption is permitted.

- **Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 for reporting periods beginning on or after 1 January 2027**
  These amendments provide guidance for entities whose functional currency is non-hyperinflationary but whose presentation currency is hyperinflationary. The amendments require translation of financial statements using the closing exchange rate and introduce additional disclosure requirements. Early adoption is permitted.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(b) Changes in accounting policies and disclosures (continued)***

***(iii) Change in Comparative Information (Customer Credit Balances)***

During the year, the Company reassessed the presentation of credit balances that had previously been included within Trade and Other Receivables in the comparative period. These amounts, which are related to customer overpayments and other credits, represent obligations to customers and therefore meet the definition of liabilities under IAS 1. In accordance with IAS 1.38 and IAS 1.40–41, the comparative information for the year ended 31 December 2024 has been reclassified to present these balances within Trade and Other Payables to ensure consistent and fair presentation.

This change in comparative affects presentation only and does not result in any change to the company's net assets for the comparative period, as the credits previously offset within receivables are now appropriately reflected as liabilities. There is no impact on the statement of comprehensive income or the statement of cash flows. As the adjustment does not materially affect the opening balances of the earliest comparative period, a third statement of financial position has not been presented, consistent with IAS 1.40A.

Comparative note disclosures relating to Trade and Other Receivables and Trade and Other Payables have been updated to reflect this change; however, the change impacts presentation only and does not affect the Company's financial performance, cash flows, or net assets.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(c) Property, plant, and equipment***

Property, plant, and equipment are stated at historical cost, less accumulated depreciation and impairment losses. Historical cost includes expenditures directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. They are recognised as income in the statement of comprehensive income.

*Subsequent expenditure*
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing and other repairs and maintenance of property, plant and equipment are recognised in the statement of comprehensive income during the financial period they are incurred.

*Depreciation*
Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably sure that the Company will obtain ownership by the end of the lease term.

Land is not depreciated. No depreciation is provided on work-in-progress until the assets are completed and available for use.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(c) Property, plant, and equipment (continued)*

*Depreciation (continued)*
The annual rates of depreciation for the current and comparative periods are as follows:

| | % per annum |
|---|---|
| Building and construction | 2.5 - 10 |
| Plant and machinery | 3.3 - 50 |
| Motor vehicles | 15 |
| Furniture and equipment | 1 - 20 |

When depreciable property, plant, and equipment other than motor vehicles and property are retired, the gross book value less proceeds net of retiral expense is charged to accumulated depreciation. For material disposals of motor vehicles and property, the asset cost and accumulated depreciation are removed with any gain or loss credited or charged to current operations.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### *(d) Current versus non-current classification*

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for trading
- Expected to be realised within twelve (12) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period

All other assets are classified as non-current.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(d) Current versus non-current classification (continued)*

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve (12) months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The terms of the liability that could, at the counterparty's option, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current, including deferred tax assets and liabilities.

### *(e) Foreign currency translation*

*Functional and presentation currency*
Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Eastern Caribbean Dollar is the Company's functional currency and presentation currency.

*Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the statement of comprehensive income.

All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other gains/(losses).

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(f) Financial investments*

The Company has classified its financial investments as loans and receivables. Management determines the classification at initial recognition and reviews the designation at every reporting date. The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise cash resources, trade, and other receivables.

#### ii. Impairment of financial assets

The Company assesses whether there is objective evidence that a financial asset is impaired at each statement of financial position date.

The Company applies a simplified approach to calculating expected credit losses for trade receivables. Therefore, the Company does not track changes in credit risk but recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company considers its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are ninety (90) days past due. However, in some instances, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(f) Financial investments (continued)***

**ii. Impairment of financial assets (continued)**

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due and shared credit risk characteristics and reflect the probability-weighted outcome, the time value of money and reasonable and supportable information available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators include the failure of a debtor to make contractual payments and the failure of the debtor to engage in a repayment plan with the Company.

Expected credit losses are presented in administrative expenses in the statement of comprehensive income. Subsequent recoveries are credited against the same line item.

Provision is made as follows:

- 100% on receivables ≥90 days
- 50% on receivables ≥60 days
- 0.4% on receivables ≥30 days
- 0.2% on receivables < 30 days

Accounts are written off against the provision when they are considered uncollectible. The total provision at 31 December 2025 amounted to $2,233,722 (2024 - $2,580,155) (Note 9).

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(f) Financial investments (continued)***

**iii. Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers or retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss recognised in other comprehensive income and accumulated in equity is recognised in the statement of comprehensive income. On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises based on the relative fair values of those parts on the date of the transfer.

The difference between the carrying amounts allocated to the part is no longer recognised, and the sum of the consideration received for the part no longer recognised, and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of comprehensive income. A cumulative gain or loss recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised based on the relative fair values of those parts.

**iv. Impairment of non-financial assets**

Assets with an indefinite life, such as land, are not subject to amortisation and are reviewed for impairment annually.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(g) Inventories***

Inventories consist of fuel, distribution, generation supplies and other materials, which are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Net realisable value is the price at which stock can be realised in the normal course of business. Cost is determined on an average cost basis and is carried in the books at cost less provision for obsolescence.

***(h) Trade receivables***

Trade receivables are amounts due from customers for electricity or other services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for expected credit losses and discounts. See Note 2f (ii) for the policy guidance on the calculation of expected credit losses for trade receivables. Trade receivables, being short-term, are not discounted.

***(i) Cash on hand and at bank***

Cash on hand and at the bank comprises cash on hand and bank and short-term demand deposits with an original maturity of three (3) months or less.

***(j) Stated Capital***

Ordinary shares are classified as equity.

***(k) Trade payables***

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. If payment is due within one (1) year or less, trade payables are classified as current liabilities. Otherwise, they are presented as non-current liabilities.

***(l) Borrowings***

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortised cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve (12) months after the date of the statement of financial position.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(m) Customers' deposits***

All customer categories are required to provide a security deposit upon opening an account with the Company. The deposit is refunded, including the accumulated interest, upon closure of the account. (See Note 13)

Given the long-term nature of the customer relationship, customer deposits are shown in the statement of financial position as non-current liabilities (i.e., not likely to be repaid within twelve (12) months of the date of the statement of financial position).

***(n) Customers' contribution to line extensions***

In certain specified circumstances, customers requiring line extensions must contribute toward the estimated capital cost of the extensions. Customer contributions from 2018 that are not eligible for a refund are recognised in income in the same period in which the costs are incurred.

Contributions more than the applicable capital cost of line extensions are recorded as other revenue in the completion period. Non-refundable contributions received for jobs not yet started or completed at the year-end are grouped with creditors, accrued charges, and provisions. Refundable contributions received for jobs not yet started or completed at the year-end, and jobs completed at year-end, are also grouped with creditors, accrued charges, and provisions. The capital costs of customer line extensions are included in property, plant, and equipment (Note 4).

***(o) Employee benefits***

*Profit-sharing scheme*
The Company operates a profit-sharing scheme, and the profit share to be distributed to unionised employees each year is based on the terms outlined in the Union Agreement. Employees receive their profit share in cash. The Company accounts for profit sharing as an expense through the statement of comprehensive income. The Company also has a gainsharing plan for management employees that is accounted for in the same manner as profit sharing.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(o) Employee benefits (continued)***

*Defined contribution scheme*
The Company operates a defined contribution scheme for its permanent employees. The Company makes monthly contributions to the Plan, and additional employee contributions are voluntary. Pension costs are accounted for based on total contributions payable in the year (Note 15).

The plan's assets are held separately by the relevant Trust. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee services in the current and prior periods.

***(p) Taxation***

*Current income tax*
The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current tax is the expected tax payable on taxable income for the period. It is calculated based on the tax rates enacted or substantially enacted at the statement of financial position date.

Management periodically evaluates positions taken in tax returns for situations in which applicable tax regulations are subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

*Deferred tax*
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realised, or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the reporting date.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(q) Deferred income*

The deferred income liability represents the net proceeds of a parametric insurance payout from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) in July 2024 related to the passage of Hurricane Beryl. These funds are expected to be used for expenses and capital items in the upcoming years. They were earmarked for use in the Company's hurricane restoration efforts which have been substantially completed and for capital projects to improve the resilience of its Transmission and Distribution network in the event of any future natural disasters, along with any other Board-approved project.

When the expenditure relates to an expense item, it is recognised as income systematically over the periods when the related costs are expensed, for which it is intended to compensate. The Company has chosen to present amounts related to an expense item as other income in the statement of comprehensive income. When the expenditure relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### *(r) Revenue recognition*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

*Non-fuel charge*
Revenues arising from the non-fuel charge are recognised over time as electricity is delivered to customers, as the customer simultaneously receives and consumes the benefits of the electricity. Revenues are recognised on an accrual basis, including both billed and unbilled revenues.

Revenues from electricity sales are recognised at rates approved by the Public Utilities Regulatory Commission (PURC) and recorded based on meter readings, which are taken on a rotational basis throughout each month.

At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated, and the corresponding unbilled revenue is recognised. The Company's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of megawatt hours ("MWh") delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions about the pattern of energy demand, weather, line losses, and inter-period changes in customer classes. The unbilled revenue receivable is included in accrued income.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(r) Revenue recognition (continued)***

*Fuel charge*
Fuel costs are passed to customers through the fuel charge mechanism, which allows for the recovery of the fuel costs required to generate electricity over time. The fuel charge mechanism was amended during the year ended December 31, 2023, through the Interim Tariff, which was promulgated by the Public Utilities Regulatory Commission (PURC) and effective October 1, 2023. This tariff instituted a Fuel Adjustment Clause (FAC) mechanism to prevent future occurrences of under- or over-recovery of fuel costs by the Utility at year-end. This mechanism will be further reviewed and adjusted, where necessary, during the full tariff review exercise. For the time being, the Company recognises fuel revenue based on the amount paid for fuel in the reporting period.

*Sundry revenue*
Sundry revenue is generated from the sale of goods and services that do not form part of the principal activity of generating, distributing, and supplying electricity. This includes pole-sharing agreements, other sales, rentals, and service fees.

Revenue from pole-sharing arrangements, equipment rental, and other services is recognised when the Company provides the assets for customer use or when the services are provided. Service fees are recognised as the various services are provided.

*Value-added tax*
Value-added taxes collected by the Company because of revenue-producing activities are excluded from revenue and are remitted to the Government of Grenada in the month following collection.

*Interest income*
Interest income is recognised on an accrual basis.

***(s) Dividends***

Dividends proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends proposed and declared after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed as a note to the financial statements.

***(t) Related parties***

Parties are related if one (1) party can control or exercise significant influence over the other party in making financial or operating decisions. Transactions entered with related parties in the normal course of business are carried out on commercial terms and conditions during the year.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(u) Finance costs*

Finance costs are recognised in the statement of comprehensive income as an expense in the period they are incurred.

### *(v) Unbilled revenue adjustments*

The provision and adjustment at 31 December 2025, with comparatives, are calculated as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Revenue for December after discounts | 21,855,804 | 20,081,958 |
| 50% of above provision at 31 December (note 9) | 10,927,902 | 10,040,979 |
| Provision at 1 January | (10,040,979) | (12,791,479) |
| Increase/(decrease) in provision during the year | 886,923 | (2,750,500) |

### *(w) Leases*

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

*Company as a lessee*
The Company applies a single recognition and measurement approach for all leases and recognises lease liabilities to make lease payments, as well as right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*
The Company recognises right-of-use assets at the lease commencement date (i.e., the date the underlying asset becomes available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

**2. MATERIAL ACCOUNTING POLICIES (continued)**

***(w) Leases (continued)***

*Right-of-use assets (continued)*
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 3 to 5 years
- Land 3 to 60 years
- Furniture and Equipment 25 years

If ownership of the leased asset transfers to the Company at the end of the lease term, or if the cost reflects the exercise of a purchase option, depreciation is calculated using the asset's estimated useful life.

The Company also assesses right-of-use assets for impairment when such indicators exist (Note 2f(iv)).

*Lease liabilities*
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, less any lease incentives receivable; variable lease payments that depend on an index or a rate; and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, as the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect accrued interest and reduced for the lease payments made. There were no lease reassessments or modifications in 2025.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### *(x) Allocations*

Allocations in the statement of comprehensive income refer to both statutory and other contracted commitments, which the Company has a legal obligation to settle. These include:

*Regulatory fees*
The Public Utilities Regulatory Commission (PURC) Act No. 20 of 2016, Section 14 (subsections 2-5 and 7), stipulates that the Company is to fund the PURC's operations through an annual assessment imposed upon it. The assessment amount shall not exceed two (2) per cent of the gross revenue derived from the services of the Company in the most recently audited financial year.

*Donations*
The Company allocates 5% of its pre-tax profits annually to its Corporate Social Responsibility program under the Grenlec Community Partnership Initiative (GCPI).

*Profit sharing*
The Company has contractual obligations with its non-management and management groups regarding the annual payment of profit-sharing and management gain-sharing, respectively. These commitments are enshrined in the Collective Bargaining Agreements of both groups.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues, and expenses. The items that may have the most effect on these financial statements are set out below.

### *(a) Impairment of non-financial assets*

Management assesses whether assets are impaired at each statement of financial position date. An asset is impaired when its carrying value exceeds its recoverable amount, and there is objective evidence of impairment. The recoverable amount is the present value of future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)**

*(b) Property, plant, and equipment*

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

*(c) Provision for expected credit losses of trade receivables*

The Company calculates ECLs for trade receivables using a provision matrix. The provision rates are based on the number of days past due.

The provision matrix is initially based on the Company's historically observed default rates. Then, the company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and economic forecast may also not reflect the customer's future actual default.

*(d) Unbilled revenue*

A provision of 50% of the current month's billing is made to record unbilled energy revenue at the end of each month. This estimate is reviewed periodically to assess reasonableness and adjusted where required. The actual energy revenue will differ from the forecast.

## 4. PROPERTY, PLANT AND EQUIPMENT

| | Land<br>$ | Building and Construction<br>$ | Plant and Machinery<br>$ | Motor Vehicles<br>$ | Furniture and Equipment<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|
| **For the year ended 31 December 2025** | | | | | | |
| Opening book value | 1,864,860 | 10,367,481 | 107,543,189 | 2,913,365 | 6,791,139 | 129,480,034 |
| Additions for the year | - | 263,013 | 11,604,353 | 1,036,455 | 5,586,760 | 18,490,581 |
| Adjustments for the year | - | - | - | - | (2,261) | (2,261) |
| Disposals for the year | - | - | - | - | - | - |
| Depreciation charge for the year (Note 22) | - | (589,683) | (9,489,725) | (949,649) | (1,406,143) | (12,435,200) |
| **NET BOOK VALUE** | 1,864,860 | 10,040,811 | 109,657,817 | 3,000,171 | 10,969,495 | 135,533,154 |
| **Balance at 31 December 2025** | | | | | | |
| Cost | 1,864,860 | 33,467,688 | 335,152,646 | 20,040,965 | 27,205,796 | 417,731,955 |
| Accumulated depreciation | - | (23,426,877) | (225,494,829) | (17,040,794) | (16,236,301) | (282,198,801) |
| **NET BOOK VALUE** | 1,864,860 | 10,040,811 | 109,657,817 | 3,000,171 | 10,969,495 | 135,533,154 |

No borrowing costs were capitalised during 2025 and 2024. The adjustments for the year refer to amounts capitalised in the previous period for which credit was received in the current year. The depreciation expense in the statement of cash flows includes the depreciation for right-of-use assets of $379,577 (2024: $369,609) (Note 5).

**4. PROPERTY, PLANT AND EQUIPMENT (continued)**

| | Land $ | Building and Construction $ | Plant and Machinery $ | Motor Vehicles $ | Furniture and Equipment $ | Total $ |
|---|---|---|---|---|---|---|
| **For the year ended 31 December 2024** | | | | | | |
| Opening book value | 1,864,860 | 10,696,556 | 104,350,550 | 2,305,920 | 3,758,088 | 122,975,974 |
| Additions for the year | - | 226,994 | 12,446,544 | 1,602,827 | 3,935,785 | 18,212,150 |
| Adjustments for the year | - | 14,581 | (1,164) | - | 12,932 | 26,349 |
| Disposals for the year | - | - | (705,252) | (44,413) | (14,027) | (763,692) |
| Depreciation charge for the year (Note 22) | - | (570,650) | (8,547,489) | (950,969) | (901,639) | (10,970,747) |
| **NET BOOK VALUE** | 1,864,860 | 10,367,481 | 107,543,189 | 2,913,365 | 6,791,139 | 129,480,034 |
| **Balance at 31 December 2024** | | | | | | |
| Cost | 1,864,860 | 33,204,675 | 323,548,293 | 19,004,510 | 21,621,297 | 399,243,635 |
| Accumulated depreciation | - | (22,837,194) | (216,005,104) | (16,091,145) | (14,830,158) | (269,763,601) |
| **NET BOOK VALUE** | 1,864,860 | 10,367,481 | 107,543,189 | 2,913,365 | 6,791,139 | 129,480,034 |

## 5. LEASES

The Company has lease contracts for various parcels of land and buildings, as well as other equipment used in its operations. Leases of land and equipment generally have terms of three (3) to sixty (60) years, while leases of buildings generally have terms of three (3) to five (5) years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| | Buildings<br>$ | Land<br>$ | Furniture and Equipment<br>$ | Total<br>$ |
|---|---|---|---|---|
| **Balance at 1 January 2024** | 550,040 | 1,861,311 | 9,367 | 2,420,718 |
| Additions | 166,003 | 288,284 | - | 454,287 |
| Depreciation expense (Note 22) | (198,013) | (170,986) | (610) | (369,609) |
| **Balance at 31 December 2024** | 518,030 | 1,978,609 | 8,757 | 2,505,396 |
| Additions | - | - | - | - |
| Depreciation expense (Note 22) | (162,510) | (216,457) | (610) | (379,577) |
| **Balance at 31 December 2025** | 355,520 | 1,762,152 | 8,147 | 2,125,819 |

Set out below are the carrying amount of lease liabilities and the movements during the period:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| As at 1 January | 2,868,056 | 2,720,154 |
| Additions | - | 454,287 |
| Accretion of interest (Note 23) | 137,501 | 151,780 |
| Payments | (534,681) | (458,165) |
| As at 31 December | 2,470,876 | 2,868,056 |
| Less: current portion | (369,680) | (350,064) |
| Long-term portion | 2,101,196 | 2,517,992 |

## 5. LEASES (continued)

No right-of-use assets were sub-leased, and there were no variable lease payments or sale-and-lease-back transactions for the year ended 31 December 2025.

The ageing of lease liabilities is as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Less than 1 year | 369,680 | 350,064 |
| Between 1 and 2 years | 292,988 | 587,130 |
| Between 2 and 5 years | 197,731 | 198,372 |
| Over 5 years | 1,610,477 | 1,732,490 |
| Total | 2,470,876 | 2,868,056 |

## 6. SUSPENSE JOBS AND CAPITAL WORK IN PROGRESS

| | Suspense Work in Progress<br>$ | Capital Work in Progress<br>$ | Total<br>$ |
|---|---|---|---|
| **For the year ended 31 December 2025** | | | |
| Opening book value | 600,818 | 6,181,996 | 6,782,814 |
| Additions and transfers for the year (net) | 413,250 | (456,538) | (43,288) |
| **NET BOOK VALUE** | 1,014,068 | 5,725,458 | 6,739,526 |
| **Balance at 31 December 2025** | | | |
| **NET BOOK VALUE** | 1,014,068 | 5,725,458 | 6,739,526 |

## 6. SUSPENSE JOBS AND CAPITAL WORK IN PROGRESS (continued)

| | Suspense Work in Progress $ | Capital Work in Progress $ | Total $ |
|---|---|---|---|
| **For the year ended 31 December 2024** | | | |
| Opening book value | 1,193,251 | 5,166,905 | 6,360,156 |
| Additions and transfers for the year (net) | (592,433) | 1,015,091 | 422,658 |
| **NET BOOK VALUE** | 600,818 | 6,181,996 | 6,782,814 |
| **Balance at 31 December 2024** | | | |
| **NET BOOK VALUE** | 600,818 | 6,181,996 | 6,782,814 |

## 7. FINANCIAL ASSETS AT AMORTISED COST

| | Interest rate (%) | Maturity | 2025 $ | 2024 $ |
|---|---|---|---|---|
| Government of Grenada - Treasury Bills | 3.00 | 2026 | 824,132 | 800,132 |
| Fixed deposit - Republic Bank (Grenada) Ltd | 0.10 | 2026 | 10,691,662 | 10,680,987 |
| Fixed deposit - Grenada Co-operative Bank Ltd. | 0.25 | 2026 | 11,413,418 | 13,043,238 |
| Fixed deposit - ACB Grenada Bank | 0.10 | 2026 | 6,189,473 | 6,183,290 |
| Corporate Paper- Eastern Caribbean Home Mortgage Bank | 3.00 | 2026 | 20,909,611 | 9,614,630 |
| | | | 50,028,296 | 40,322,277 |

Included in the above is $32,528,430 for Hurricane Insurance Reserve (Note 16), which is invested in Treasury bills and fixed deposits held with the Government of Grenada, Republic Bank (Grenada) Limited, ACB Grenada Bank, Eastern Caribbean Home Mortgage Bank (ECHMB), and the Grenada Co-operative Bank Limited.

Due to their short-term nature, the fair values of financial assets at amortised cost equal their carrying values.

## 8. INVENTORIES

| The following is a breakdown of inventories on hand: | 2025 $ | 2024 $ |
|---|---|---|
| Motor vehicle spares | 1,366,793 | 1,554,044 |
| Distribution | 11,653,931 | 11,248,997 |
| Generation spares | 22,174,358 | 19,987,477 |
| Fuel and lubricating oil | 1,015,272 | 859,364 |
| General stores | 921,289 | 1,336,651 |
| | 37,131,643 | 34,986,533 |
| Less: Obsolescence provision | (2,049,421) | (2,010,136) |
| | 35,082,222 | 32,976,397 |
| Goods in transit | 1,666,009 | 729,193 |
| | 36,748,231 | 33,705,590 |

The value of inventory adjustments recognised through the Statement of Comprehensive Income during the year is included in the respective departments' expenses of $39,285 (2024 - $76,073).

## 9. TRADE AND OTHER RECEIVABLES

| | 2025 $ | 2024 $ |
|---|---|---|
| Trade receivables | 29,152,866 | 26,173,373 |
| Less: Provision for expected credit losses (Note 2f ii,10) | (2,164,658) | (2,516,497) |
| Trade receivables- net | 26,988,208 | 23,656,876 |
| Other debtors | 1,431,695 | 1,501,299 |
| Less: Provision for expected credit losses (Note 2f ii,10) | (69,064) | (63,658) |
| | 1,362,631 | 1,437,641 |
| | 28,350,839 | 25,094,517 |
| Unbilled revenue (Note 2v) | 10,927,902 | 10,040,979 |
| Prepayments | 3,107,705 | 4,796,982 |
| | 14,035,607 | 14,837,961 |
| | 42,386,446 | 39,932,478 |

Other debtors relate to sundry revenue receivable at year-end—Note 2 (r). Due to the short-term nature of these assets, the fair values of trade and other receivables equal their carrying values.

## 9. TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade and other receivables is as follows:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Trade receivables $ | Other receivables $ | Expected credit losses $ | Trade receivables $ | Other receivables $ | Expected credit losses $ |
| 30 days | 18,054,142 | 314,652 | (26,349) | 16,165,375 | 299,967 | (31,246) |
| 31-60 days | 5,673,617 | 186,864 | (23,490) | 4,965,931 | 150,533 | (13,972) |
| 61-90 days | 820,405 | 127,393 | (309,214) | 525,927 | 109,121 | (149,268) |
| Over 90 days | 4,604,702 | 802,786 | (1,874,669) | 4,516,140 | 941,678 | (2,385,669) |
| | 29,152,866 | 1,431,695 | (2,233,722) | 26,173,373 | 1,501,299 | (2,580,155) |

## 10. MOVEMENT IN PROVISION FOR EXPECTED CREDIT LOSSES

| | | 2025 $ | 2024 $ |
|---|---|---|---|
| **(i)** | **Customers' accounts** | | |
| | Balance at 1 January | 2,516,497 | 2,529,378 |
| | (Decrease) in provision (Note 22) | (351,839) | (12,881) |
| | Balance at 31 December | 2,164,658 | 2,516,497 |
| **(ii)** | **Other debtors** | | |
| | Balance at 1 January | 63,658 | 55,539 |
| | Increase in provision (Note 22) | 5,406 | 8,119 |
| | Balance at 31 December | 69,064 | 63,658 |
| | **Total Expected Credit Losses** | 2,233,722 | 2,580,155 |

There were no direct write-offs for impaired receivables during the year to the statement of comprehensive income (2024 - nil). There was no recovery of bad debts written off during the year (2024 - Nil).

## 11. CASH ON HAND AND AT BANK

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Cash on hand | 7,200 | 7,200 |
| Republic Bank (Grenada) Limited | 530,359 | 2,414,010 |
| Grenada Co-operative Bank Limited | 208,176 | 19,120,448 |
| | 745,735 | 21,541,658 |

For the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Cash on hand and at bank | 745,735 | 21,541,658 |
| Bank overdraft (Note 14) | (1,361,114) | - |
| Cash and cash equivalents | (615,379) | 21,541,658 |

Cash and cash equivalents comprise cash on hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included in cash and cash equivalents for the purposes of the statement of cash flows. These overdrafts are presented as liabilities in the statement of financial position, as the offsetting criteria of IAS 32 are not met.

## 12. STATED CAPITAL

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Authorised | | |
| 25,000,000 ordinary shares of no-par value | | |
| Issued and fully paid | | |
| 19,000,000 ordinary shares of no-par value | 32,339,840 | 32,339,840 |

## 13. CUSTOMERS' DEPOSITS

Under the 2016 Electricity Act (EA) Schedule 1, all customers are required to provide a security deposit, which is usually equivalent to one (1) month's consumption. Interest accrued is credited to customers' accounts at a rate of 4% (2024 - 4%) per annum in the first billing cycle of the year. The cash deposit is refunded, including accumulated interest, upon termination of the account (Note 2m).

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Balance at 1 January | 21,338,889 | 20,493,266 |
| New deposits | 1,480,764 | 1,271,634 |
| Interest accrued | 821,259 | 794,181 |
| Net transfers and deposits refunded | (1,860,215) | (1,220,192) |
| Balance at 31 December | 21,780,697 | 21,338,889 |

## 14. BORROWINGS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Grenada Co-operative Bank Ltd (GCBL)** | | |
| Balance at 1 January | 23,968,770 | 31,045,234 |
| Less: Principal repayments | (7,978,614) | (7,076,464) |
| Total borrowings at 31 December | 15,990,156 | 23,968,770 |
| Less: Current portion | (6,164,167) | (6,535,967) |
| Non-current portion | 9,825,989 | 17,432,803 |

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Current portion of long-term borrowings | 6,164,167 | 6,535,967 |
| Bank overdraft | 1,361,114 | - |
| Total short-term borrowings | 7,525,281 | 6,535,967 |

**14. BORROWINGS (continued)**

On 17 July 2023, CIBC First Caribbean International Bank (Barbados) Limited's operations in Grenada were taken over by the Grenada Co-operative Bank Ltd (GCBL). At this time, a participation arrangement was entered into between the Banks, resulting in the sharing of facilities agreed between the Company and CIBC First Caribbean International Bank (Barbados) Limited. All the terms of the original loan agreements remained the same.

On 29 February 2016, the Company entered into a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of up to $48,050,000.

The loan bears interest at a rate of 4.75% per annum for the first five (5) years, and thereafter at the prime rate less 5.90%, subject to a floor of 3.60% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over twelve (12) years and repayable via 32 quarterly principal payments of $1,001,042 with a balloon payment of $16,016,667. Interest will be paid quarterly in arrears and accrue on an actual/365-day basis. The facility is collateralised by a first-priority mortgage obligation and a debenture charge over the Borrower's fixed and floating assets, stamped to cover $48,050,000.

On 15 August 2019, the Company signed a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of $3,718,000.

The loan bears interest at 4.75% per annum over the first five (5) years. Afterwards, the interest will be the prime rate less 4.90%, subject to a floor of 3.60% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over ten (10) years and repayable via thirty-two quarterly principal payments of $92,950 plus quarterly interest payments. This loan was voluntarily settled in full prior to 31 December 2025. Accordingly, no balance is outstanding under this facility at year-end.

On 16 February 2021, the Company signed a Mortgage Debenture with CIBC First Caribbean International Bank (Barbados) Limited for a credit facility of $16,200,000.

The loan bears interest at a current rate of 3.75% per annum, the prime rate minus 4.75% per annum. Presently, the prime rate is 8.50% per annum. The loan is amortised over a twelve (12) year period and repayable via 30 quarterly principal payments of $540,000 plus quarterly interest payments, after a six (6) month moratorium on principal payments.

The Company has an overdraft facility of $6 million with Grenada Co-operative Bank Limited, with 6% per annum interest. Although no interest was charged during the year ended 31 December 2025 (2024 – nil), the Company was in an overdrawn position of $1,361,114 at year-end. This amount is included in Short-term borrowings within current liabilities.

As of 31 December 2025, the Company complies with the loan covenants required by CIBC First Caribbean International Bank (Barbados) Limited/ Grenada Co-operative Bank Limited under the existing credit facilities.

## 14. BORROWINGS (continued)

The ageing of non-current borrowings is as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Between 2 and 5 years | 9,825,989 | 17,432,803 |
| Over 5 years | - | - |
| Total | 9,825,989 | 17,432,803 |

The carrying amounts and fair value of borrowings are as follows:

| | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | 2025<br>$ | 2024<br>$ | 2025<br>$ | 2024<br>$ |
| **Borrowings** | 17,351,270 | 23,968,770 | 19,691,454 | 28,437,872 |

The fair values are based on cash flows discounted at the Company's average borrowing rate of 3.67% (2024 - 3.74%). Short-term bank overdrafts amounting to $1,361,114 are included within short-term borrowings.

## 15. RETIREMENT BENEFITS PAYABLE

The Company operates a defined contribution plan for its employees. The relevant trust pays benefits accrued to employees upon resignation or retirement. Pension cost for the year was $2,987,131 (2024 - $3,019,470) in the statement of comprehensive income (Note 22).

The balance of $501,565 within the statement of financial position relates to amounts due to the non-management and management Trusts for December 2025 (2024 - $515,032).

## 16. HURRICANE INSURANCE RESERVE

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Balance at the beginning of the year | 33,909,667 | 33,909,667 |
| Add: Allocation for the year | - | - |
| Balance at the end of year | 33,909,667 | 33,909,667 |

The Company paused the annual allocation to the Hurricane Insurance Reserve in 2024. The reserve continues to be backed by short-term investments held at various financial institutions (Note 7) as self-insurance for its transmission and distribution network.

During the year, the Company redeemed a term deposit held under the Hurricane Insurance Reserve with the Grenada Co-operative Bank Limited in order to settle the outstanding balance on one of its borrowing facilities. The redemption of this investment did not affect the balance of the Hurricane Insurance Reserve recorded in equity; however, it resulted in a temporary reduction in the short-term investments backing the reserve as disclosed in Note 7. The Company intends to replenish the investment backing of the reserve in accordance with its established financial policies.

The parametric insurance premium increased to $547,789 in 2025 (2024: $485,158). The parametric insurance policy commenced on 1 September 2023 and is held with the Caribbean Catastrophe Risk Insurance Facility (CCRIF).

## 17. TRADE AND OTHER PAYABLES

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Trade creditors | 22,306,550 | 18,747,268 |
| Sundry creditors | 8,130,374 | 9,151,441 |
| Accrued expenses | 11,019,197 | 13,569,176 |
| Total trade and other payables | 41,456,121 | 41,467,885 |

As of the start of 2025, the provision for donations was $4,928,813. With a 2025 spend of $919,058, the year ended with a substantial closing provision balance of $4,009,755. The decision was made to pause the annual donation allocation until these funds have been disbursed in accordance with the GCPI policy. A review of this decision will be done in 2026. During the year, $4,566,300 of customer accounts in net credit positions previously included within Trade and Other receivables were reclassified to Trade creditors. The change is presentation-only and had no impact on profit or net assets.

The allocation for profit sharing (Note 2(x)) for the year is calculated on pre-tax profits. The profit sharing payable at year-end amounts to $3,927,933 (2024: $4,109,712) and is presented separately as a line item in the statement of financial position.

## 18. CUSTOMERS' CONTRIBUTION TO LINE EXTENSIONS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Balance at 1 January | 13,865,799 | 11,505,632 |
| Additions | 2,713,860 | 2,569,233 |
| Refunds, transfers to income, and reversals (net) | (1,604,201) | (209,066) |
| Customers' contributions at 31 December | 14,975,458 | 13,865,799 |

Included in customers' contributions at 31 December 2025 are both refundable and non-refundable contributions. Non-refundable contributions are recognised as liabilities until the related line extension works are completed and are transferred to income only upon completion. Accordingly, the year-end balance includes non-refundable contributions of $514,598 (2024: $612,364) relating to projects not completed at the reporting date.

## 19. DEFERRED INCOME (CCRIF)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **At 1 January** | 21,805,690 | - |
| Received during the year | - | 25,062,768 |
| Amortized during the year | (228,475) | (15,058) |
| Expenses charged | (731,234) | (3,242,019) |
| **At 31 December** | 20,845,981 | 21,805,691 |
| Current | - | - |
| Non-current | 20,845,981 | 21,805,691 |

The insurance payout of $25,062,768 in 2024 from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) was received in settlement of the Company's parametric insurance policy, which was triggered upon the passage of Hurricane Beryl in July 2024. (Note 2(q))

## 20. REVENUE- NON-FUEL CHARGE

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Commercial | 63,730,409 | 64,643,293 |
| Domestic | 41,898,277 | 41,200,685 |
| Industrial | 2,354,465 | 2,464,167 |
| Street lighting | 1,280,497 | 1,393,535 |
| | 109,263,648 | 109,701,680 |

## 21. OTHER INCOME

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Sundry revenue (Note 2(r)) | 2,823,014 | 5,199,663 |
| (Loss) on disposal of property, plant, and equipment | - | (581,088) |
| | 2,823,014 | 4,618,575 |

Sundry revenue includes a release from CCRIF deferred income of $959,709 (2024 – $3,257,077) (see Note 19).

## 22. EXPENSES BY NATURE

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Diesel consumed | 133,573,270 | 141,029,641 |
| Employee benefits | 30,750,352 | 30,286,794 |
| Plant maintenance | 17,505,576 | 19,924,630 |
| Depreciation (Notes 4 and 5) | 12,814,777 | 11,340,356 |
| Generator rental | 10,788,333 | 5,254,615 |
| Insurance | 5,396,428 | 4,238,652 |
| Line maintenance | 2,301,177 | 1,764,020 |
| Information technology expenses | 1,987,608 | 1,647,829 |
| Professional fees | 1,907,225 | 1,850,109 |
| General repairs and maintenance | 1,781,882 | 3,667,078 |
| Audit fees | 215,448 | 236,000 |
| Expected credit losses (Note 10) | (338,746) | (4,762) |
| Hurricane expenses | - | 2,537,377 |
| Other expenses | 7,077,391 | 8,121,333 |
| **Total operating expenses** | 225,760,721 | 231,893,672 |
| Employee benefits include: | | |
| Salaries and wages | 26,656,193 | 26,964,523 |
| Pension (Note 15) | 2,987,131 | 3,019,470 |
| National Insurance Contributions | 1,059,690 | 998,712 |
| Group Insurance | 852,627 | 797,927 |
| | 31,555,641 | 31,780,632 |
| Allocated as follows: | | |
| Operating expenses | 30,750,352 | 30,286,794 |
| Capitalised expenses | 805,289 | 1,493,838 |
| | 31,555,641 | 31,780,632 |

## 23. FINANCE COSTS

| | 2025 $ | 2024 $ |
|---|---|---|
| Customer deposit interest | 826,831 | 799,919 |
| Bank loans/bond interest | 779,756 | 1,039,105 |
| Interest- right-of-use assets (Note 5) | 137,501 | 151,780 |
| | 1,744,088 | 1,990,804 |

## 24. TAXATION

*Corporate tax expense*

| | 2025 $ | 2024 $ |
|---|---|---|
| Current taxation | 1,504,667 | 1,471,565 |
| Deferred tax | 1,544,527 | 1,363,780 |
| Taxation charge | 3,049,194 | 2,835,345 |

Income taxes in the statement of comprehensive income vary from amounts that would be computed by applying the statutory tax rate of 28% (2024- 28%) for the following reasons:

| | 2025 $ | 2024 $ |
|---|---|---|
| Profit for the year before taxation | 11,226,892 | 10,392,001 |
| Corporate tax at the applicable statutory rate 28% (2024 - 28%) | 3,143,530 | 2,909,760 |
| Tax effect of items that are adjustable in determining taxable profit: | | |
| Effect of expenses not deductible for tax purposes | (94,336) | (74,415) |
| Tax charge for the year | 3,049,194 | 2,835,345 |
| Corporate tax recoverable | (3,667,075) | (5,171,742) |

**Deferred Tax**

The deferred tax liability on the statement of financial position consists of the following components:

| | 2025 $ | 2024 $ |
|---|---|---|
| Delayed tax depreciation | 71,836,521 | 66,337,953 |
| Right-of-use assets | 2,125,819 | 2,505,396 |
| Lease liabilities | (2,470,876) | (2,868,056) |
| | 71,491,464 | 65,975,293 |
| Deferred tax liability at statutory rate 28% (2024 - 28%) | 20,017,610 | 18,473,082 |

## 25. RELATED PARTY TRANSACTIONS

i) During the year, the Company engaged in transactions with its majority shareholder, the Government of Grenada, and the National Insurance Scheme (NIS), owner of 11.6% of its shares. The following transactions were carried out with these entities:

| | | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| a) | Sale of electricity: | | |
| | NIS | 170,943 | 287,282 |
| | Government of Grenada | 17,877,974 | 19,120,724 |
| b) | Payment of dividends: | | |
| | NIS | 529,161 | 705,548 |
| | Government of Grenada | 3,255,033 | 4,340,044 |
| c) | Amounts due to related parties* | | |
| | NIS (NIS contributions for staff - December) | 173,204 | 165,279 |
| | Government of Grenada (taxes at year-end) | 2,444,331 | 2,396,981 |
| d) | Amounts due by related parties* | | |
| | NIS (electricity - December) | 12,117 | 20,191 |
| | Government of Grenada (electricity - December, tax recoverable, subsidy receivable) | 5,305,049 | 6,653,406 |

* The amounts are classified as trade payables and trade receivables, respectively.

*Terms and conditions of transactions with related parties*
The sales to and amounts due from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest-free and are settled in cash. No guarantees have been provided or received for related party receivables or payables. For the year ended 31 December 2025, the Company recognised a provision for expected credit losses of $3,219 relating to amounts owed by related parties (2024 - $2,921).

## 25. RELATED PARTY TRANSACTIONS (continued)

ii) Compensation of key management personnel of the Company:

| | 2025 $ | 2024 $ |
|---|---|---|
| Salaries and other benefits | 4,205,172 | 5,236,350 |
| Directors' Fees | 230,690 | 267,903 |
| Past employment benefit provisions | 585,458 | 499,422 |

The above amounts are recognised as an expense related to key management personnel during the reporting period.

## 26. EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit or loss for the year by the weighted average number of common shares issued during the year. Details of issued share capital are set out in Note 12.

| | 2025 $ | 2024 $ |
|---|---|---|
| Net profit for the year | 8,177,698 | 7,556,656 |
| Weighted average number of common shares | 19,000,000 | 19,000,000 |
| Earnings per share ($ per share) | 0.43 | 0.40 |

## 27. CONTINGENT LIABILITIES

*a. Customs bonds*
At the statement of financial position date, the Company was contingently liable to the Government of Grenada for customs bonds of $350,000 (2024 - $350,000).

*b. Litigation*
The Company is a party to certain legal actions brought against it by third parties. In the directors' opinion, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities. Therefore, no provision has been made in these financial statements.

## 28. CAPITAL COMMITMENTS

The Company budgeted capital expenditure of $13,601,498 for the 2025 financial year (2024 – $16,835,837). A further $5,475,791 from the 2024 capital budget was carried forward to complete ongoing projects.

At year-end, capital expenditure contracted but not yet recognised amounted to $8,661,067 (2024 – $7,359,372), relating primarily to contracts for the procurement of four high-speed unit generators scheduled for delivery and installation in 2026.

The Company is also developing plans for two major initiatives: the MBIA Battery Energy Storage System (BESS) project and a generation expansion project, both of which remain in preliminary stages with no binding commitments entered into.

No other significant capital commitments existed at the reporting date.

## 29. DIVIDENDS

During the year ended 31 December 2025, a dividend of 24 cents (2024 - 32 cents) per ordinary share amounting to $4,560,000 was declared and paid (2024 - $6,080,000).

These 2025 dividends were declared and approved quarterly as follows:

| Quarter | Declaration Date | Approval Date | Amount $ |
|---|---|---|---|
| First | 28 March 2025 | 3 April 2025 | 1,520,000 |
| Second | 18 June 2025 | 20 June 2025 | 1,520,000 |
| Third | 30 September 2025 | 2 October 2025 | 1,520,000 |
| Fourth | - | - | - |
| | | **Total** | 4,560,000 |

The Board of Directors elected not to declare a fourth-quarter dividend for 2025, consistent with its assessment of the Company's capital and operational requirements for the period.

## 30. FINANCIAL RISK MANAGEMENT

***Financial instruments by category***

| At 31 December | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Assets per statement of financial position** | **Financial assets** | **Financial assets** |
| Cash on hand and at bank (Note 11) | 745,735 | 21,541,658 |
| Financial assets at amortised cost (Note 7) | 50,028,296 | 40,322,277 |
| Trade and other receivables (less prepayments) (Note 9) | 39,278,741 | 35,135,496 |
| **Total** | 90,052,772 | 96,999,431 |
| | **Other financial liabilities at amortised cost** | **Other financial liabilities at amortised cost** |
| | **$** | **$** |
| **Liabilities per statement of financial position** | | |
| Lease liabilities (Note 5) | 2,470,876 | 2,868,056 |
| Borrowings (Note 14) | 17,351,270 | 23,968,770 |
| Trade and sundry creditors (Note 17) | 30,436,924 | 27,898,709 |
| Customers' deposits (Note 13) | 21,780,697 | 21,338,889 |
| Customers' contributions to line extensions- refundable (Note 18) | 14,460,861 | 13,253,435 |
| Retirement benefits payable (Note 15) | 501,565 | 515,032 |
| Profit sharing payable (Note 17) | 3,927,933 | 4,109,712 |
| **Total** | 90,930,126 | 93,952,603 |

***Financial risk factors***

The Company's activities expose it to various financial risks: credit risk, operational risk, liquidity risk, insurance risk, and market risk (including foreign exchange and interest rate risk). The Company's overall risk management policy minimises potential adverse effects on its financial performance and optimises shareholders' value within an acceptable level of risk. The Company's management carries out risk management under the direction of the Board of Directors.

**30. FINANCIAL RISK MANAGEMENT (continued)**

***Financial risk factors (continued)***

The Board of Directors has established committees responsible for developing and monitoring the Company's risk management policies in their specified areas. These committees report to the Board of Directors on their activities. The committees and their activities are as follows:

*Audit Committee*

The Audit Committee oversees the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

*Loans Committee*

The Loans Committee is comprised of members of management who are responsible for approving staff loan applications and ensuring that only those that meet the requirements set out in the Staff Loan and Procedure Policy are authorized.

The Company's exposure and approach to its key risks are as follows:

***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the Company's trade receivables and financial investments.

Credit risk from trade receivables is substantially reduced due to management's policies. Upon application for a new service, all customers must make a deposit, and management performs periodic credit evaluations of its general customers' financial conditions. At 31 December 2025, trade receivables net of expected credit losses exceeded the sum of customer deposits by $5,207,511 (2024 – $2,317,987). Management monitors this gap and considers overall credit risk acceptable in light of the deposit regime and ECL coverage (Note 9).

To limit its exposure to credit risk arising from financial investments, the Company places these funds with highly rated financial institutions.

Based on the above, however, management does not believe significant credit risk exists at 31 December 2025 or 2024. Note 9 discloses further analysis of the Company's trade and other receivables.

**30. FINANCIAL RISK MANAGEMENT (continued)**

***Operational risk***

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk by balancing the avoidance of financial losses and damage to the Company's reputation with overall cost-effectiveness, and to avoid control procedures that restrict initiative and creativity. The primary responsibility for developing and implementing controls to address operational risk is assigned to senior management within each business unit. The development of overall Company standards for the management of operational risk in the following areas supports this responsibility:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address identified risks.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards; and
- Risk mitigation, including insurance, as outlined below.

***Insurance risk***

Prudent management requires that a company protect its assets against catastrophe and other risks. To protect its customers and investors, the Company has fully insured its plant and machinery, buildings, computer equipment, and furniture against substantially all perils. The Company's Transmission and Distribution systems are self-insured via the hurricane reserve mechanism. Further, the Company's parametric insurance policy is intended to meet any shortfall in self-insurance.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty meeting the obligations associated with its financial liabilities, which are settled by delivering cash or another financial asset.

At year-end, the Company had drawn $1.36m on its $6.0m overdraft facility (Notes 11 and 14). During the year, a term deposit was redeemed and applied to settle outstanding borrowings (Notes 7, 14, and 16). Management monitors cash and available facilities against projected outflows and expects to replenish the reserve-backing investments in line with established financial policies.

**30. FINANCIAL RISK MANAGEMENT (continued)**

The table below summarises the Company's liquidity position:

| **Balance at 31 December 2025** | **Less than 1 year $** | **Between 1 & 2 years $** | **Between 2 & 5 years $** | **Over 5 years $** | **Total $** |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash on hand and at bank | 745,735 | - | - | - | 745,735 |
| Financial assets at amortised cost | 50,028,296 | - | - | - | 50,028,296 |
| Trade and other receivables (less prepayments) | 39,278,741 | - | - | - | 39,278,741 |
| **Total assets** | 90,052,772 | - | - | - | 90,052,772 |
| **Liabilities** | | | | | |
| Lease liabilities | 492,198 | 515,084 | 501,510 | 2,451,928 | 3,960,720 |
| Borrowings | 8,018,713 | 9,630,038 | 543,717 | - | 18,192,468 |
| Trade and sundry creditors | 30,436,924 | - | - | - | 30,436,924 |
| Customers' deposits | - | - | - | 21,780,697 | 21,780,697 |
| Customers' contribution to line extension- refundable (Note 18) | 14,460,861 | - | - | - | 14,460,861 |
| Retirement benefits payable | 501,565 | - | - | - | 501,565 |
| Profit sharing payable | 3,927,933 | - | - | - | 3,927,933 |
| **Total liabilities** | 57,838,194 | 10,145,122 | 1,045,227 | 24,232,625 | 93,261,168 |

## 30. FINANCIAL RISK MANAGEMENT (continued)

| Balance at 31 December 2024 | Less than 1 year $ | Between 1 & 2 years $ | Between 2 & 5 years $ | Over 5 years $ | Total $ |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash on hand and at bank | 21,541,658 | - | - | - | 21,541,658 |
| Financial assets at amortised cost | 40,322,277 | - | - | - | 40,322,277 |
| Trade and other receivables (less prepayments) | 35,135,496 | - | - | - | 35,135,496 |
| **Total assets** | 96,999,431 | - | - | - | 96,999,431 |
| **Liabilities** | | | | | |
| Lease liabilities | 519,938 | 820,144 | 513,994 | 2,602,920 | 4,456,996 |
| Borrowings | 7,331,450 | 7,088,707 | 11,313,967 | - | 25,734,124 |
| Trade and sundry creditors | 27,898,709 | - | - | - | 27,898,709 |
| Customers' deposits | - | - | - | 21,338,889 | 21,338,889 |
| Customers' contribution to line extension- refundable (Note 18) | 13,253,435 | - | - | - | 13,253,435 |
| Retirement benefits payable | 515,032 | - | - | - | 515,032 |
| Profit sharing payable | 4,109,712 | - | - | - | 4,109,712 |
| **Total liabilities** | 53,628,276 | 7,908,851 | 11,827,961 | 23,941,809 | 97,306,897 |

**30. FINANCIAL RISK MANAGEMENT (continued)**

***Market risk***

*(i) Foreign exchange risk*

Foreign exchange risk is the potential adverse impact on the Company's earnings and economic value due to movements in exchange rates.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity's functional currency. The Company is exposed to foreign exchange risk arising primarily from foreign currency borrowings and from the purchase of plant, equipment, and spare parts from foreign suppliers. The exchange rate of the Eastern Caribbean dollar (EC$) and the United States dollar (US$) has been formally pegged at EC$2.70=US$1.00 since July 1976.

The Company has limited exposure to foreign exchange risk, primarily from purchasing plant, equipment, and spare parts from foreign suppliers. The Company attempts to enter into transactions denominated mainly in United States dollars.

The Company has not entered into forward exchange contracts to reduce its exposure to foreign currency exchange rate fluctuations.

*(ii) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates.

Long-term borrowings also expose the company to interest rate risk. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed- and variable-rate loans and borrowings. On 31 December 2025, the Company held borrowings at both fixed and floating interest rates, with 7% of the portfolio being at fixed rates. The Company's interest rates and the terms of borrowings are disclosed in Note 14.

***Capital risk management***

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

## 30. FINANCIAL RISK MANAGEMENT (continued)

***Capital risk management (continued)***
To maintain or adjust the capital structure, the Company may, subject to Board approval as appropriate, vary the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company also monitors capital based on a target debt-to-equity ratio of 1.25:1 or less, indicating a strong financial position and flexibility. This ratio is calculated as total borrowings divided by total equity.

The debt-to-equity ratios at 31 December were as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Total borrowings (Note 14) | 17,351,270 | 23,968,770 |
| Shareholders' equity | 134,646,771 | 131,029,073 |
| Debt to equity ratio | 0.13:1 | 0.18:1 |

***Fair value estimation***
Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, a quoted price in an active market provides the best evidence of fair value. A market is considered active when quoted prices are readily and regularly obtainable from an exchange, dealer, broker, pricing service, industry group or regulatory agency, and those prices reflect actual and recurring arm's-length transactions.

Fair value measurements are required to reflect the assumptions that market participants would use in pricing an asset or liability based on the best available information, including the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model.

Due to their short-term nature, the carrying value of cash, short-term deposits, trade receivables, less impairment provision, and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes (Note 14) is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

## 31. OPERATING SEGMENTS

The Company operates in a single geographic segment, Grenada, where its primary business is the generation and supply of electricity to customers.

## 32. SUBSEQUENT EVENTS

No significant events occurred after the reporting period date affecting the financial performance, position, or changes therein for the reporting period presented in the annual financial statements.

# Grenada Electricity Services Ltd.
# Five Year Operational Record
# For The Years 2021–2025

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **PRODUCTION AND SALES** | | | | | |
| Generation - Grenlec Diesel | 281,815,898 | 280,242,467 | 259,922,593 | 243,527,112 | 224,563,914 |
| Generation - Grenlec PV | 1,004,309 | 1,404,986 | 1,287,057 | 1,292,981 | 1,408,907 |
| Generation - PV Customers | 3,403,404 | 3,341,800 | 2,979,978 | 2,827,261 | 2,940,372 |
| | | | | | |
| **Gross Generation (kWh)** | **286,223,611** | **284,989,253** | **264,189,628** | **247,647,354** | **228,913,193** |
| Auxillaries & Own Use | 6,812,997 | 6,767,043 | 6,432,099 | 6,837,635 | 7,305,921 |
| Net Generation | 279,410,614 | 278,222,210 | 257,757,529 | 240,809,719 | 221,607,272 |
| | | | | | |
| **Sales (kWh)** | | | | | |
| Domestic | 102,815,919 | 101,157,151 | 93,249,966 | 89,981,589 | 86,011,856 |
| Commercial | 146,723,720 | 147,686,997 | 133,440,851 | 125,643,876 | 110,167,815 |
| Industrial | 7,639,383 | 8,097,100 | 7,071,369 | 7,082,429 | 6,652,162 |
| Street Lighting | 3,600,322 | 3,631,444 | 3,672,950 | 3,805,355 | 4,074,943 |
| **Total Sales** | **260,779,344** | **260,572,692** | **237,435,136** | **226,513,249** | **206,906,776** |
| | | | | | |
| Sales Growth | 0.08% | 9.74% | 4.82% | 9.48% | 3.63% |
| Loss (% of Net Generation) | 6.65% | 6.32% | 7.86% | 5.92% | 6.61% |
| | | | | | |
| **NUMBER OF CUSTOMERS AT YEAR-END** | | | | | |
| Domestic | 49,881 | 49,326 | 49,771 | 48,884 | 47,568 |
| Commercial | 7,643 | 7,660 | 7,938 | 7,818 | 7,545 |
| Industrial | 41 | 41 | 41 | 39 | 39 |
| Street Lights | 9125 | 9,259 | 9,428 | 9,300 | 9,081 |
| **Total Customers** | **57,565** | **57,027** | **57,750** | **56,741** | **55,152** |
| | | | | | |
| **Average Annual usage per Customer Class (kWh)** | | | | | |
| Domestic | 2,061 | 2,051 | 1,874 | 1,841 | 1,808 |
| Commercial | 19,197 | 19,280 | 16,810 | 16,071 | 14,601 |
| Industrial | 188,565 | 197,490 | 172,472 | 181,601 | 170,568 |

## Grenada Electricity Services Ltd.
## Five Year Financial Record 2021–2025
## Expressed in EC$ & US$

| | 2025<br>EC$ | 2024<br>EC$ | 2023<br>EC$ | 2022<br>EC$ | 2021<br>EC$ |
|---|---|---|---|---|---|
| **INCOME** | **246,546,855** | **252,599,396** | **252,686,245** | **239,223,581** | **178,273,029** |
| **PROFIT BEFORE TAXES** | **11,226,892** | **10,392,001** | **28,938,687** | **12,127,689** | **19,345,100** |
| **TAXATION** | **3,049,194** | **2,835,345** | **7,653,542** | **3,624,604** | **4,498,266** |
| **NET PROFIT** | **8,177,698** | **7,556,656** | **21,285,145** | **8,503,085** | **14,846,834** |
| | | | | | |
| Stated Capital &<br>Retained Earnings | 100,737,104 | 97,119,406 | 95,642,750 | 83,867,272 | 77,834,187 |
| Hurricane Insurance Reserve | 33,909,667 | 33,909,667 | 33,909,667 | 32,000,000 | 32,000,000 |
| **SHAREHOLDERS EQUITY** | **134,646,771** | **131,029,073** | **129,552,417** | **115,867,272** | **109,834,187** |
| | | | | | |
| **REPRESENTED BY:** | | | | | |
| TOTAL ASSETS | 277,974,282 | 279,441,989 | 255,176,850 | 236,669,041 | 232,899,730 |
| TOTAL LIABILITIES | 143,327,511 | 148,412,916 | 125,624,433 | 120,801,769 | 123,065,543 |
| **NET ASSETS** | **134,646,771** | **131,029,073** | **129,552,417** | **115,867,272** | **109,834,187** |
| | | | | | |
| **FINANCIAL RATIOS** | | | | | |
| No. of shares | 19,000,000 | 19,000,000 | 19,000,000 | 19,000,000 | 19,000,000 |
| Return on Shareholders equity | 6.07% | 5.77% | 16.43% | 7.34% | 13.52% |
| Earnings Per Share | 0.43 | 0.40 | 1.12 | 0.45 | 0.78 |
| Dividends Per Share | 0.24 | 0.32 | 0.40 | 0.13 | 0.52 |
| | | | | | |
| Dividends Paid | 4,560,000 | 6,080,000.00 | 7,600,000 | 2,470,000 | 9,880,000 |

| | US$ | US$ | US$ | US$ | US$ |
|---|---|---|---|---|---|
| **INCOME** | **91,313,650** | **93,555,332** | **93,587,498** | **88,601,326** | **66,027,048** |
| **PROFIT BEFORE TAXES** | **4,158,108** | **3,848,889** | **10,718,032** | **4,491,737** | **7,164,852** |
| **TAXATION** | **1,129,331** | **1,050,128** | **2,834,645** | **1,342,446** | **1,666,024** |
| **NET PROFIT** | **3,028,777** | **2,798,761** | **7,883,387** | **3,149,291** | **5,498,827** |
| | | | | | |
| Stated Capital & Retained Earnings | 37,310,039 | 35,970,150 | 35,423,241 | 31,061,953 | 28,827,477 |
| Hurricane Insurance Reserve | 12,559,136 | 12,559,136 | 12,559,136 | 11,851,852 | 11,851,852 |
| **SHAREHOLDERS EQUITY** | **49,869,175** | **48,529,286** | **47,982,377** | **42,913,805** | **40,679,329** |
| | | | | | |
| **REPRESENTED BY:** | | | | | |
| TOTAL ASSETS | 102,953,438 | 103,497,033 | 94,509,944 | 87,655,200 | 86,259,159 |
| TOTAL LIABILITIES | 53,084,263 | 54,967,747 | 46,527,568 | 44,741,396 | 45,579,831 |
| **NET ASSETS** | **49,869,175** | **48,529,286** | **47,982,376** | **42,913,804** | **40,679,328** |
| | | | | | |
| **FINANCIAL RATIOS** | | | | | |
| No. of shares | 18,999,999 | 19,000,000 | 19,000,000 | 19,000,000 | 19,000,000 |
| Return on Shareholders equity | 6.07% | 5.77% | 16.43% | 7.34% | 13.52% |
| Earnings Per Share | 0.16 | 0.15 | 0.41 | 0.17 | 0.29 |
| | | | | | |
| Dividends Per Share | 0.09 | 0.12 | 0.15 | 0.05 | 0.19 |

## Grenada Electricity Services Ltd.
## Five Year Financial Record 2021–2025

| | 2025 EC$ | 2024 EC$ | 2023 EC$ | 2022 EC$ | 2021 EC$ | 2020 EC$ | 2019 EC$ |
|---|---|---|---|---|---|---|---|
| Profit before interest | 20,786,134 | 20,705,724 | 43,113,487 | 22,622,576 | 30,712,827 | 32,012,484 | 46,979,505 |
| Current Assets | 133,575,783 | 140,673,745 | 123,420,002 | 104,776,114 | 104,403,525 | 90,456,277 | 97,567,197 |
| Current Liabilities | 68,756,038 | 66,844,459 | 61,611,609 | 52,560,224 | 51,613,665 | 37,500,979 | 43,065,039 |
| Trade Debtors | 29,152,866 | 26,173,373 | 23,197,400 | 25,468,954 | 17,191,622 | 12,477,625 | 19,066,904 |
| Total Assets | 277,974,282 | 279,441,989 | 255,176,850 | 236,669,041 | 232,899,730 | 204,140,024 | 205,723,176 |
| Total Borrowings | 17,351,270 | 23,968,770 | 31,045,234 | 38,215,646 | 43,567,491 | 32,283,458 | 36,659,425 |
| Shareholders Equity | 134,646,771 | 131,029,073 | 129,552,417 | 115,867,272 | 109,834,187 | 106,459,945 | 100,233,731 |
| Sales | 243,723,841 | 247,980,821 | 249,854,669 | 236,586,653 | 166,198,515 | 144,000,916 | 188,911,283 |
| Net Income | 8,177,698 | 7,556,656 | 21,285,145 | 8,503,085 | 14,846,834 | 16,106,214 | 23,603,498 |
| | **2025 EC$** | **2024 EC$** | **2023 EC$** | **2022 EC$** | **2021 EC$** | **2020 EC$** | **2019 EC$** |
| Current Ratio | 1.94 | 2.10 | 2.00 | 1.99 | 2.02 | 2.41 | 2.27 |
| Days Sales Outstanding | 43.66 | 38.52 | 33.89 | 39.29 | 37.76 | 31.63 | 36.84 |
| Profit Margin | 3.36% | 3.05% | 8.52% | 3.59% | 8.93% | 11.18% | 12.49% |
| Asset Turnover | 87.68% | 88.74% | 97.91% | 99.97% | 71.36% | 70.54% | 91.83% |
| Financial Leverage | 206.45% | 213.27% | 196.97% | 204.26% | 212.05% | 191.75% | 205.24% |
| Return on Equity | 6.07% | 5.77% | 16.43% | 7.34% | 13.52% | 15.13% | 23.55% |
| ROIC | 9.85% | 11.17% | 19.73% | 10.59% | 15.14% | 16.72% | 25.98% |
| Trade Debtors as % of Sales | 11.96% | 10.55% | 9.28% | 10.77% | 10.34% | 8.66% | 10.09% |
| Non-Fuel Revenue | 109,263,648 | 109,701,680 | 99,258,112 | 78,754,519 | 85,498,702 | 82,649,287 | 90,180,659 |
| Operating Revenue | 243,723,841 | 247,980,821 | 249,854,669 | 236,586,653 | 166,198,515 | 144,000,916 | 188,911,283 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Production Costs | 42,097,884 | 39,024,561 | 25,385,123 | 18,060,381 | 16,717,143 | 20,303,232 | 16,399,774 |
| Fuel Consumed | 133,573,270 | 141,029,641 | 134,886,599 | 152,600,108 | 83,822,603 | 55,936,153 | 89,735,493 |
| Distribution Services | 20,124,920 | 22,651,293 | 21,022,722 | 17,873,706 | 14,058,152 | 10,892,373 | 10,702,129 |
| Planning & Engineering | 3,082,498 | 3,049,273 | 3,290,058 | 3,156,215 | 3,072,233 | 2,473,254 | 2,658,426 |
| Administration | 26,882,149 | 26,138,904 | 24,988,256 | 19,831,625 | 21,369,380 | 17,046,068 | 18,466,843 |
| Depreciation | 12,814,777 | 11,340,356 | 11,154,275 | 10,078,969 | 8,520,690 | 8,351,493 | 7,826,965 |
| Total Salaries & Wages | 30,750,352 | 30,286,794 | 33,789,939 | 27,869,039 | 28,931,171 | 22,820,408 | 23,482,515 |
| | **2025 EC$** | **2024 EC$** | **2023 EC$** | **2022 EC$** | **2021 EC$** | **2020 EC$** | **2019 EC$** |
| **Operating Expenses as % of Non Fuel Revenue** | | | | | | | |
| Production Costs | 38.37% | 35.57% | 25.57% | 22.93% | 19.55% | 24.57% | 18.19% |
| Fuel Consumed (of Operating Revenue) | 54.81% | 56.87% | 53.99% | 64.50% | 50.44% | 38.84% | 47.50% |
| Distribution Services | 18.35% | 20.65% | 21.18% | 22.70% | 16.44% | 13.18% | 11.87% |
| Planning & Engineering | 3.11% | 3.07% | 3.31% | 4.01% | 3.59% | 2.99% | 2.95% |
| Administration | 27.08% | 26.33% | 25.18% | 25.18% | 24.99% | 20.62% | 20.48% |
| Depreciation | 12.91% | 11.43% | 11.24% | 12.80% | 9.97% | 10.10% | 8.68% |
| Total Salaries & Wages | 28.14% | 27.61% | 34.04% | 35.39% | 33.84% | 27.61% | 26.04% |
| Profit as % of Non-Fuel Revenue | 7.48% | 6.89% | 21.44% | 10.80% | 17.36% | 19.49% | 26.17% |
| Debt / Equity | 0.13 | 0.18 | 0.24 | 0.33 | 0.4 | 0.3 | 0.37 |
| ROA (Return on Assets) | 2.94% | 2.70% | 8.34% | 3.59% | 6.37% | 7.89% | 11.47% |
| EBITDA (EC$) | 33,600,911 | 32,046,080 | 54,267,762 | 32,701,545 | 39,233,517 | 40,363,977 | 54,806,470 |
| Funded Debt (EC$) | 17,351,270 | 23,968,770 | 31,045,234 | 38,215,646 | 43,567,491 | 32,283,458 | 36,659,425 |
| Funded Debt to EBITDA (x:1) | 0.52:1 | 0.75:1 | 0.57:1 | 1.17:1 | 1.11:1 | 0.8:1 | 0.67:1 |

