



Our National Telecom

Leading Belize's Digital Transformation!



Annual Report
Fiscal Year 2023-2024




**Our National Telecom
Annual Report
2023-2024**

Contents

Annual Report 2023-2024

P.04

ABOUT OUR NATIONAL TELECOM

- Belize Telemedia Limited
- Alternative Networks Limited
- DigiWallet Limited
- Chairman of the Board's Statement
- CEO's Message
- Our Journey Infographic
- What Makes Us Who We Are

P.18

2023-2024 HIGHLIGHTS

- Key Product Offerings
- Connectivity Matters
- DigiONE
- Unmatched Mobile Experience
- DigiRewards
- Live Fi Free Campaign
- DigiWallet
- DigiBusiness
- Human Capital
- Community Empowerment

P.38

CHIEF FINANCIAL OFFICER'S REVIEW

- Financial Highlights
- CFO's Review

P.54

GOVERNANCE

- Board of Directors
- Corporate Governance
- Executive Leadership Team

P.66

AUDITED CONSOLIDATED FINANCIALS



Our National Telecom

Whether a business owner, homeowner, or tourist, we offer a wide array of products, services, and solutions to cater to our customers' specific needs which include:

- Mobile & International Voice, SMS, Data and Roaming Services via a 4G LTE Advanced Mobile Network
- Residential and Business Fixed Line Telephony and Voice over Broadband (VoBB) Services
- Residential and Business Broadband Services via Fiber-to-the-Home (FTTH) Network
- National and International Private Lines
- DigiBusiness Solutions
- Financial Technology (FinTech)
- OTT Streaming Services

ABOUT OUR NATIONAL TELECOM

Belize Telemedia Limited (BTL), branded as Digi, Our National Telecom, is dedicated to ensuring the connectivity of Belizeans and spearheading the advancement of Belize's digital transformation. BTL is proud to be the country's leading communications service provider and the first Quad Play company in our market.

Our coveted standing in the market is the work of over 500 trained and capable employees across the nation, who continue to ardously focus on meeting customer expectations and pursuing excellence in our operations. Our diligent execution of the Company's strategy and keen focus on fulfilling our mission keeps us at the industry's forefront.

ALTERNATIVE NETWORKS LIMITED

Transforming the landscape of connectivity and entertainment

Digi remains focused and strategic in its approach to innovation, and in 2022, acquired Alternative Networks Limited (ANL), becoming the first and only Quad Play communications service provider in Belize.

By combining our expertise in mobile, telephony and broadband services with ANL's capabilities, we have created a truly transformative offering that includes premium TV streaming services.

Our offering of an unprecedented convergence of services to meet all communication needs, has set a new industry standard, reflecting our lead in Belize's digital transformation.



Fast Home Internet starting at **\$29** Monthly

ALTERNATIVE NETWORKS LIMITED

Starter	Basic	Select	Choice
10Mbps	20Mbps	35Mbps	60Mbps
\$29 Monthly	\$49 Monthly	\$69 Monthly	\$99 Monthly

Sign up today!

Visit www.anl.bz/packages for more info.

Bundle & Save only with **ALTERNATIVE NETWORKS LIMITED**

Starter Plus	Basic Plus	Select Plus	Choice Plus
10Mbps + ANL TV	20Mbps + ANL TV	20Mbps + ANL TV	20Mbps + ANL TV
\$49 Monthly	\$79 Monthly	\$99 Monthly	\$129 Monthly

get **\$20 DigiCash** with either Select Plus or Choice Plus Plans

Sign up today!

Visit www.anl.bz/packages for more info.

180+ Channels

ANL TV Plan only \$60 Monthly

Sign up today!

Visit www.anl.bz/packages for more info.

DIGIWALLET LIMITED

Celebrating two years of Making Financial Inclusion a Reality

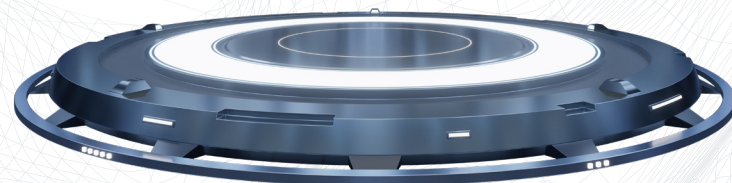
DigiWallet Limited (DWL) is a revolutionary mobile payment platform that continues to transform the way Belizeans conduct financial transactions. DigiWallet offers convenience, speed and security - all important elements to users in the digital payment space.

All transactions made via DigiWallet are secure and protected, as our platform uses advanced security protocols and encryption algorithms. Customers remain confident that their financial information is safe and secure at all times, reflecting our commitment to service excellence.



Strategic alliances with visionary stakeholders including Non-Government Organizations, government ministries, financial institutions, businesses, and the educational sector have enabled us to extend our services to the most rural and remote areas of Belize, addressing critical needs that would otherwise remain unmet.

DigiWallet



Driven by a vision for a more inclusive economy, we are dedicated to continuous product development

Online Payments: Businesses can now offer customers the convenience of shopping online and paying with DigiWallet

Bulk Payments: Convenient for mass money distribution inclusive of salary and bonus disbursements to employees

Digital Loans: Gain access to micro loans from your favorite lending institutions directly from the DigiWallet App

Bill Payments: Utility Bills (Digi, BWSL & BEL) and other service payments such as High Schools, can be made by customers or on behalf of another user

Enriched Marketplace: Get access to your favorite gaming or shopping gift cards or find amazing deals within the Marketplace

Cash via Bank to Wallet: Add funds anytime at your own convenience from any Bank or Credit Union

Cash out to Bank from Wallet: Send funds any time directly to your Bank or Credit Union directly from your DigiWallet

Wallet Level & Transaction Limits:

Accessible 'View Wallet Level' feature on the 'My Info' section allows customers to easily upgrade their wallet and transaction limits

More Security: Utilizes multifactor authentication(MFA) such as face recognition or touch ID feature for added security

Earn Loyalty Points: Loyalty points are earned on all transaction types and can be shared with friends and family or used to redeem cash back

Guardian Accounts: Parents can register and monitor minor's transaction activity

PIN Reset: Simplified "Forgot PIN" feature via the app's homepage

Enhanced Payment Method: DigiWallet can be used for High School campus payments and other closed loop payment scenarios, while also being accepted for various Business Fee Payments

Our Distinctive Advantages

Instant Cash Transfers | Cash-In & Cash-Out | Bill Payments
Simplified Shopping | Purchase of Digi Products & Services
Safe & Reliable | No Data Connection Needed
Available Anytime, Anywhere

CHAIRMAN OF THE BOARD'S STATEMENT



Markhelm Lizarraga
Chairman of the Board of Directors

Dear Shareholders and Stakeholders,

2023-2024 has been a year of significant growth as we continue to transform into a more efficient organization, laser focused on delivering improved value to all.

This year has been one of notable achievements, marked by our continuous dedication to expanding and enhancing our services to better serve our customers across Belize. Our expansion strategy saw the deployment of an additional eight mobile cell sites, bringing the total number of sites countrywide to 171, up from 146 at the commencement of plan Belize with another ten sites going live by March 2025. Our goal of providing mobile services through the Coastal Highway and Southern Highway is on track, whilst an additional two towers installed on the Coastal Highway only awaits the installation of electricity supply. At Our

National Telecom, we recognize the importance of having connectivity along our highways for the purpose of safety, security, and convenience for all Belizeans and as well, to contribute to the overall development in remote areas. Additionally, we have expanded our FTTH service to seven new areas, extending connectivity to rural communities primarily in the North and South of our country.

Our adaptability to the continuous evolution of cutting-edge technologies, such as the launch of our AI powered NetSuite Cloud application, has effectively positioned us at the forefront of industry advancements. This new solution enhances our operational efficiency, provides real-time insights, and streamlines processes, allowing us to respond more swiftly to market demands. This has underscored our role as a trailblazer in Belize's digital space. As we move ahead, our focus remains on sustaining this momentum and driving future growth through innovation, ensuring that we maintain our status as the leading force in this industry.

I am pleased to announce once again that Our National Telecom continues to deliver strong financial results. We remain deeply committed to enhancing investor confidence by continuing our path to improve Return on Equity (ROE) from 8% to 12% over a five-year period. For the third consecutive year we achieved our target of 10.8%; 1.2% away from our goal set in 2021. This reflects our continued commitment to delivering value to our shareholders and our confidence in the company's financial strength.

As we look to the future, our vision remains clear. We are dedicated to our persistent trajectory of growth and innovation. Our strategic roadmap includes evolving from a Telco to a Techco, deepening customer relationships, and further enhancing our cloud capabilities. We are confident that with our talented teams and robust strategies, we will achieve new heights.

I want to extend my heartfelt gratitude to our employees, whose dedication and hard work are the backbone of our success. To our investors, thank you for your unwavering support and trust. To our customers, your loyalty inspires us to continually strive for excellence.

I am optimistic about the future and excited about the opportunities that lie ahead for our National Telecom. Together, we will continue to drive Digi forward, embracing change and pursuing excellence with passion and integrity.

Thank you for your continued support and commitment.

Sincerely,

Markhelm Lizarraga

CHIEF EXECUTIVE OFFICER'S STATEMENT



Ivan N. Tesucum
Chief Executive Officer

Dear Shareholders, Directors, and Stakeholders,

As we reflect on the fiscal year 2023-2024, I am both honored and proud to reflect on Digi's journey under the banner of "Leading Belize's Digital Transformation." As the leading telecommunications provider in Belize, Digi, Our National Telecom, has embraced the role of spearheading the nation's digital transformation. This year has been one of innovation, expansion, and commitment to excellence, positioning Digi as a pivotal force in shaping Belize's digital future.

Strategic Achievements and Growth

In today's fast-paced digital economy, businesses and industries need more than just connectivity—they require robust, scalable, and secure digital solutions that empower them to grow, compete, and innovate. This year, we have focused on strategic investments that strengthen our infrastructure and broaden our service offerings, launching a series of key initiatives including our Social Media Plans, Unlimited Mobile Plans, enhanced DigiONE and DigiWallet offerings.

We also launched our DigiOne Business plans, providing tailored entertainment solutions to the hospitality sector, including hotels, resorts, and restaurants. This service has met the growing demand for content services in the tourism industry, offering customized DigiTV packages that enhance the guest experience and support the needs of the hospitality sector. Digi has worked tirelessly to ensure that businesses across Belize, from the smallest startups to the largest enterprises, have access to the technology and support they need to thrive. By expanding our DigiNet fiber network and enhancing our mobile services, we have guaranteed that every Belizean, regardless of location, has access to reliable, high-speed internet and advanced digital tools. These efforts have been instrumental in fostering economic growth, enabling businesses to excel in a globalized market, and improving the quality of life for our citizens. Consequently, Digi is not just a service provider; we are a catalyst for business innovation and success in Belize.

Strong Financial Performance

Our robust financial performance reflects our strategic execution and disciplined approach to growth, delivering consistent value to our stakeholders. This solid financial foundation positions us to capitalize on future opportunities and sustain long-term success in a competitive market.

**Total Revenue of
\$152.9 million
(+1%)**

**Net Profit After
Tax (NPAT) of
\$25 million
(+16%)**

**Earnings Per
Share (EPS) of
46 cents
(+15%)**

Strategic Partnerships

Throughout the past year, we have actively pursued strategic partnerships, enabling us to deliver cutting-edge technology and seamless digital experiences to our customers. By aligning with industry leaders such as Fortinet, Bitdefender, Google, and Microsoft, we have significantly enhanced our capability to provide advanced security, cloud solutions, and productivity tools, empowering Belizean businesses to thrive in the digital age. Through these partnerships, we now offer state-of-the-art security and productivity solutions as part of our portfolio, ensuring that our customers are protected against emerging cyber threats and vulnerabilities. This not only bolsters the trust and confidence of our clients but also sets a new benchmark for cybersecurity standards within Belize. Additionally, these alliances have allowed us to offer comprehensive and managed security services, providing businesses with the peace of mind they need to focus on their core operations.

Customer-Centric Innovation

Understanding that our customers are at the heart of our success, we have prioritized innovation that enhances the customer experience. Our DigiWallet app continues to revolutionize how Belizeans manage their finances, with over 30,000 registered users benefiting from the app making transactions easier, faster, and more secure. Additionally, our focus on customer feedback has led to the introduction of new features and services tailored to meet the evolving needs of our diverse clientele. This year, we have taken significant steps to ensure that every interaction with Digi is seamless, efficient, and above all, satisfying.

While we have made significant strides in enhancing customer experience and embracing new technologies, we continue to face challenges. Declining PrePaid revenues, low returns on rural network expansions, and difficulties in reaching the underbanked population remind us that obstacles remain on our path to growth and service excellence. Despite these challenges, our commitment to providing top-tier service and leading the digital transformation via connectivity across Belize is unwavering.

Outlook for the Future

As we look to the future, our vision remains clear: to continue driving Belize's digital transformation with a focus on innovation, inclusivity, and sustainability. The road ahead is filled with opportunities to further enhance our services, expand our reach, and lead in new and emerging technologies. We are committed to staying at the forefront of the digital revolution, ensuring that Digi not only meets but exceeds stakeholders' expectations. Importantly, our roadmap consists of three focus areas: continued adoption of cloud technology, right sizing our portfolio for growth and building the skills of our employees for the future.

I express my deepest gratitude to our Board of Directors, whose guidance and support have been invaluable. To our dedicated employees, your hard work and passion are the driving forces behind our success. To our shareholders, thank you for your continued trust and belief in our vision. We remain grateful for our loyal customers, partners, and regulatory authorities; your collaboration and support inspire us to aim higher each day.

As we move forward, I am confident that Digi will continue to lead Belize's digital transformation with integrity, innovation, and a commitment to excellence.

Sincerely,



Ivan N. Tesucum
Chief Executive Officer



OUR TRANSFORMATIVE JOURNEY

Simplifying our customers' lives and enhancing their digital experiences

1902
Introduction of wireline, linking Belize City with Consejo Village in the Corozal District

1956
First telephone system was introduced in Belize with international radio-telephone links

1963
1,000-line step-by-step dial office installed in Belize City with access to international service using high frequency radio circuits

2002
\$60 million nationwide GSM Network was built

2012
BTL signed an agreement with Sony Ericsson for the provision of an advanced Mobile Cellular Network that enables 4G services

2016
Enhanced 4G LTE Advanced Mobile Network launched - the first 4G LTE in the region in partnership with Huawei Technologies

2017
Strategic Evolution Underwater Link (SEUL). SubSea Fiber Optic Cable to connect mainland to San Pedro

2022
First State-of-the-art FTTH Network deployed countrywide and 17 new 4G LTE Advanced cell sites countrywide were announced

2022
DigiWallet Limited was successfully launched

2023
Digi became the only Quad Play Service Provider in Belize with the addition of premium TV Streaming Services to its portfolio

2024
28 Additional Mobile Sites added countrywide with focus on Cayes and Rural locations throughout Belize in the last three years

OUR IDENTITY

The Essence of Who We Are

Connecting Belizeans:
Digi ensures nationwide connectivity, providing access to the digital world.

Digital Transformation Leaders:
As Belize's first quad play company, Digi leads Belize's digital transformation.

Commitment to Excellence:
Our skilled team of over 500 employees prioritizes customer satisfaction and operational excellence.

Comprehensive Services:
Digi offers a wide range of products, from mobile and broadband to fixed-line telephony, catering to diverse needs.

Innovative Business Solutions:
We deliver specialized services such as our DigiBusiness Solutions and FinTech to support business growth.

Community and Culture:
Digi is a cultural ambassador, fostering an inclusive and vibrant community through our services and initiatives.

2

0

23

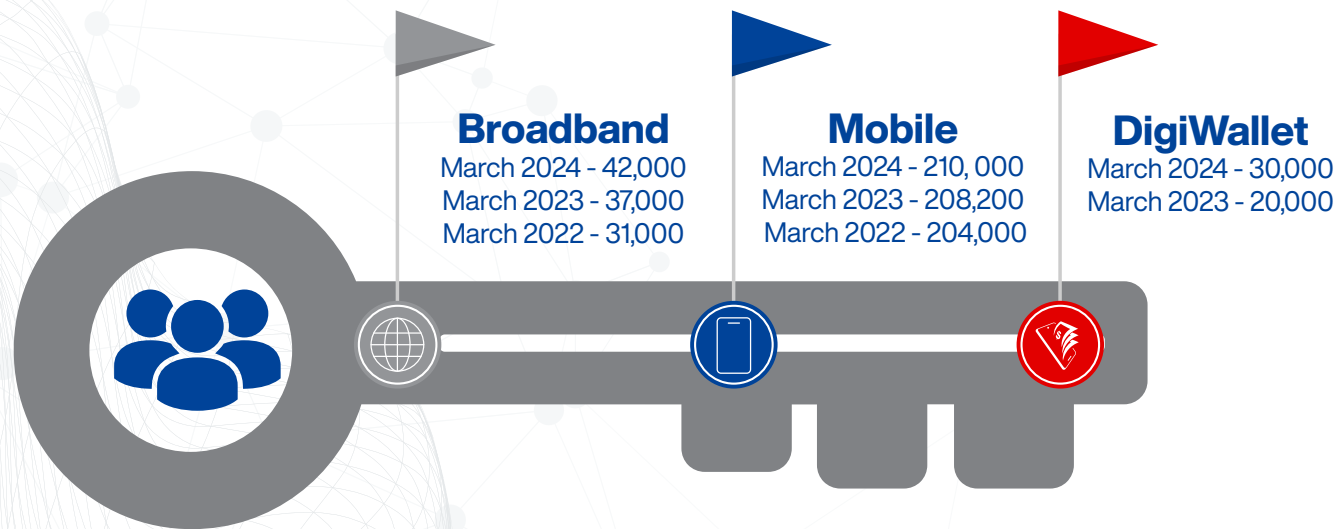
24

HIGHLIGHTS
2023-2024

DELIVERING EXCEPTIONAL VALUE TO OUR CUSTOMERS THROUGH KEY PRODUCT OFFERINGS

Over the past year, our key product offerings have reached new heights in customer satisfaction and engagement. With over 200,000 customers served, we have not only expanded our market reach but also solidified our reputation for delivering excellence. These outstanding statistics reflect our unwavering commitment to quality, innovation, and customer-centric service. Our products continue to set industry benchmarks, and we are proud to have positively impacted so many lives with our exceptional offerings.

Customers Served by Key Product Offerings



Our National Telecom



CONNECTIVITY MATTERS

Closing the digital divide

Digi has made expanding coverage to rural areas a key priority, investing over \$11 million in its mobile and FTTH expansion program over the past three years. This initiative has significantly extended connectivity in rural regions to meet the growing consumer demands and fuel the rapid growth of Belize's digital economy. Through this program, FTTH and residential internet services have expanded to 27 new locations, while Mobile 4G LTE Advanced services have been introduced or upgraded in 42 areas across the country.

Expanding rural networks presents unique challenges, such as lower population densities that result in a lower return on investment. However, through innovative approaches, strategic partnerships, and a blend of technologies, Digi has overcome these obstacles to enhance coverage throughout Belize. This investment equips our youth with cutting-edge digital resources, enabling them to thrive in the digital age, and facilitates seamless remote work opportunities for professionals, ensuring they remain connected with accessible and secure digital services.

In the last fiscal year alone, eight new mobile cell sites were installed at key locations, including Baldy Beacon, Mile 47 on the Northern Highway, Sarteneja Road, Mullin's River along the Coastal Highway, Spice Farm along the Southern Highway, Trio Village, Medina Bank, and Bladen. Additionally, FTTH services were extended to seven new areas: Cotton Tree in the Belize District; Progresso, Chan Chen, and Chunox in Corozal; Ontario in Cayo; and Sarawee and Cowpen villages in Stann Creek.

As a result of these efforts, more than 30,000 Belizeans have been connected to Digi's Mobile 4G LTE Advanced network and high-bandwidth fiber infrastructure. Recognizing that closing the digital divide requires not only expanding coverage but also increasing usage, Digi has hosted and participated in several pop-up shops and sales events in remote rural areas, promoting affordable devices and offering a variety of device financing options.



DIGIONE: One Bundle, No Hassle, Exceptional Value

With the introduction of DigiONE Bundles, our customers can now bundle all their essential services from Digi to enjoy savings.

Digi achieved a groundbreaking milestone with the launch of our DigiONE bundles, making us the first and only Internet service provider in Belize to offer Quad Play services. DigiONE combines the very best of our services into one convenient package, catering to all lifestyles.

DigiONE Bundles include:

Fastest Home Internet in Belize: Customers now experience lightning-fast speeds for all your online activities.

Content-Filled DigiTV Plans: Perfect for up to four users, offering an extensive range of channels.

Unlimited Mobile Plans: Backed by the country's largest LTE network, ensuring reliable mobile connectivity.

Convenient Home Phone Plans: Enjoy minutes to call both locally and abroad.

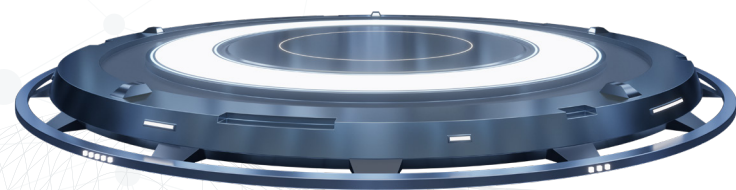
DigiONE is designed to meet the essential needs of all Belizeans while giving them the best value for their money. Our continuous Fiber network expansion ensures that DigiONE Bundles are available in both rural and urban areas.

Get MORE with DigiONE Bundles

BE FREE

MORE SPEED	30Mbps Home Internet DigiTV (2 devices) ONE Starter \$79	80Mbps Home Internet DigiTV (2 devices) ONE Essential \$109
	MORE MOBILE DATA	10 GB Data, 100 Talk & Text (Includes Prepaid or Postpaid) 120Mbps Home Internet DigiTV (4 devices) ONE Premium \$139

Sign Up Today!



DigiONE



To celebrate the launch, we organized exclusive promotions and events in each district across the country, strengthening our connection with customers and communities.

As we continue to expand our reach and improve our services, DigiONE has set a new benchmark for connectivity in Belize, offering One Bundle. No Hassle. Exceptional Value!

UNMATCHED MOBILE EXPERIENCE

Focusing on Unlimited & Social Media Plans

This year, Digi launched exciting new promotions designed to meet our customers' evolving needs, including the introduction of Unlimited Data in our PostPaid Plans and enhanced Social Media Plans.

The introduction of Unlimited Data and Social Media Plans has profoundly impacted our customer base as there has been a significant increase in customer satisfaction and loyalty. These plans have positioned Digi as a pioneer in delivering innovative mobile solutions, ensuring our customers have access to the best connectivity options available.



DIGI REWARDS

Digi's Customer Rewards Program for fiscal year 2023/24 was a game-changer in driving both customer loyalty and financial performance. By offering attractive rewards for early bill payments, we not only enhanced our bill collection efficiency, but also fostered a deeper connection with our customers. This strategic initiative showcased Digi's recognition of customers' appreciation and loyalty.

Our program established a new standard in the industry, distinguishing Digi from competitors with its unique approach to customer engagement. By creating excitement and offering valuable rewards, we strengthened our brand's reputation and cultivated a loyal customer base. This initiative not only boosted cash flow but also left a lasting positive impact, reinforcing Digi's commitment to its customers and the communities we serve.

Digi
Our National Telecom
REWARDS
Our way of loving you back

Get a chance to
WIN \$2,500

when you pay your digi bill on time

Bill must be paid by January 25, 2024

Digi
Our National Telecom
REWARDS
Our way of loving you back

Clear your Digi bill on time and get a chance to
WIN A DELL LAPTOP

7 lucky winners will be selected
Promotion valid until 31 October 2023

Digi
Our National Telecom
REWARDS
Our way of loving you back

Pay your Digi bill on time and get a chance to
WIN A SAMSUNG S23

2 lucky winners will be selected | Promotion valid until 30 November 2023

LIVE FI FREE CAMPAIGN

Digi launched its exhilarating “Live Fi Free” campaign, transforming the life of one lucky customer from each district in Belize. Each winner enjoyed the incredible benefit of having all their utilities, mortgage, grocery and gas bills paid for an entire year plus monthly savings; a gift designed to lift financial burdens and spread joy.

Notably our fortunate winners also had the heartwarming opportunity to “Pay It Forward” by selecting a family member or friend who then enjoyed the same “Live Fi Free” benefits for three months. The campaign engendered a spirit of goodwill and support throughout our communities across the country, enhancing the lives of not just the winners, but their loved ones as well.

With a total investment of \$250,000, the “Live Fi Free” campaign was a testament to Digi’s commitment to customers to help ease financial burdens, while fostering a sense of community and shared prosperity. Digi proudly stands as a pillar of support, bringing smiles and relief to households across Belize.



LiveFiFree for ONE YEAR!

\$250,000

in prizes!



DIGIWALLET: MAKING FINANCIAL INCLUSION A REALITY

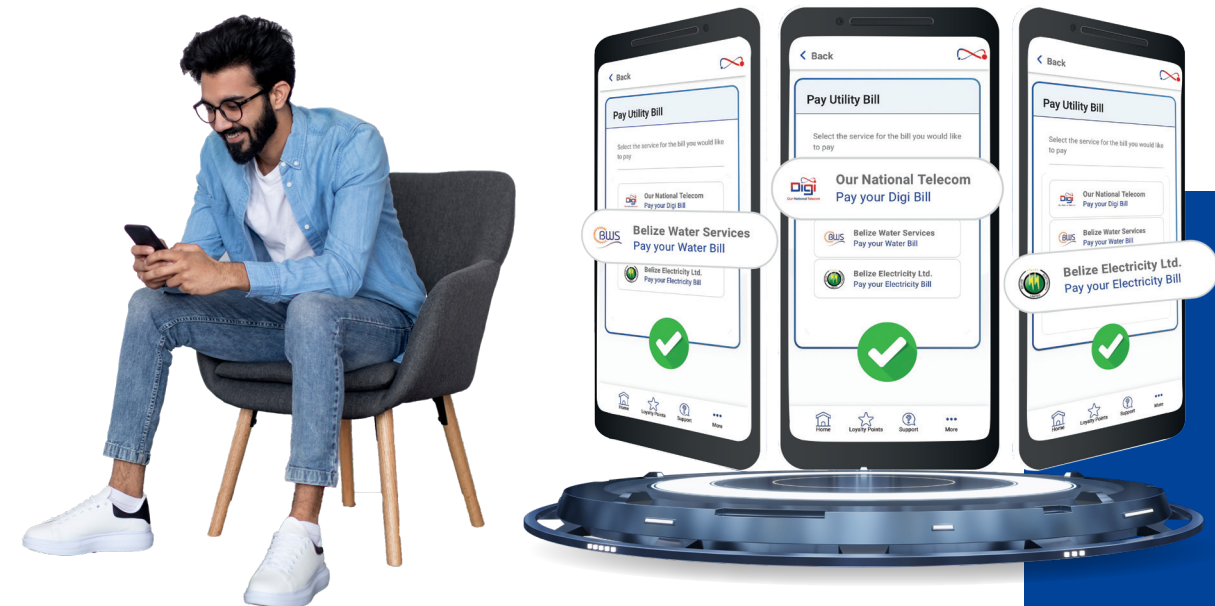
In 2023, DigiWallet reached truly unserved and remote areas in the Toledo District through a collaboration with UNICEF Belize, delivering cash assistance to 12 of the most isolated villages. This initiative enabled beneficiaries to conduct digital financial transactions within their communities, eliminating the need for an exhausting 8-hour bus ride to Punta Gorda town. Such collaborations highlight the significant advantages of our mobile wallet for social cash assistance programs and demonstrate the exceptional flexibility and powerful capabilities of DigiWallet.



The financial transaction landscape in schools was also revolutionized with DigiWallet's introduction as a payment medium on school campus. St. Catherine's Academy adopted this cutting-edge technology, allowing students to transact using a closed-loop branded school card. This innovation enhanced safety by reducing the need for students to carry cash and provides parents with a convenient digital means to fund their children.



DigiWallet's bill payment portfolio expanded significantly, adding new billers and creating a comprehensive bill payment hub for users. This enhancement ensures increased access to bill payments with added convenience, driving the platform's continuous growth and evolution. DigiWallet is at the helm of Belize's digital financial transformation, committed to innovating and revolutionizing one digital payment transaction at a time.



DigiBusiness

The DigiBusiness team has remained at the forefront of pioneering new and innovative solutions, reinforcing our commitment to “Lead Belize’s Digital Transformation.” Throughout the past year, we have actively pursued strategic partnerships with world-class organizations, enabling us to deliver cutting-edge technology and seamless digital experiences to our customers. By aligning with industry leaders such as Fortinet, Bitdefender, Google, and Microsoft, we have significantly enhanced our capability to provide advanced security, cloud solutions, and productivity tools that empower Belizean businesses to thrive in the digital age.

Our collaboration with Fortinet and Bitdefender, both renowned global leaders in cybersecurity, has significantly strengthened our security offerings. Through these partnerships, we now offer state-of-the-art security solutions with our services, ensuring that our customers are protected against emerging cyber threats and vulnerabilities. This not only bolsters the trust and confidence of our clients but also sets a new benchmark for cybersecurity standards within the country. These alliances have positioned us to offer comprehensive and managed security services, providing businesses with the confidence they need to focus on their core operations.

Our strategic partnerships with technology giants Google and Microsoft have amplified the scope of digital transformation across Belize. By leveraging our partners’ robust cloud infrastructure and suite of collaborative tools, we have enabled businesses to operate more efficiently and adapt swiftly to the evolving digital landscape. Similarly, our affiliation with Microsoft has facilitated access to their unparalleled enterprise solutions, including Microsoft 365 and Azure, enhancing productivity, and enabling scalable, resilient IT environments. These synergies have empowered Belizean enterprises to achieve greater efficiency and agility, positioning Digi Business as the preferred digital transformation partner in the country. Together, we continue to drive forward, revolutionizing Belize’s digital landscape.

DigiBusiness partners:



SMALL BUSINESS EMPOWERMENT TO DRIVE ECONOMIC GROWTH

In recognition of the vital role small businesses play in driving economic growth and innovation, Digi introduced a Small Business Team, dedicated to addressing the unique challenges and opportunities faced by small enterprises. This team focuses on delivering customized solutions that enhance operational efficiency, foster growth, and empower small business owners to achieve their full potential. With this initiative, we ensure that small businesses receive the specialized attention they deserve, helping them to thrive in a competitive marketplace and contribute meaningfully to their communities.

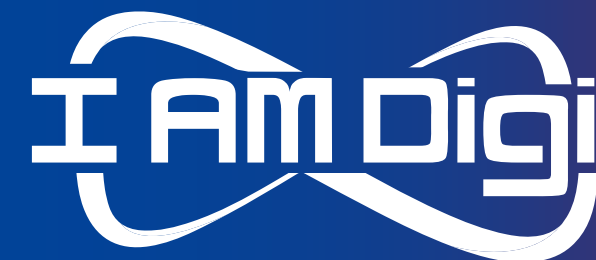




Human Capital

The strength of Digi lies in its dedicated and skilled workforce. Our commitment to fostering a supportive and innovative environment is reflected in our continuous efforts to develop, engage, and attract top talent. This year, we made significant strides in enhancing employee satisfaction, implementing key policies, and strengthening our recruitment efforts. Through the launch of the "I Am Digi" Reward & Recognition Portal, the successful rollout of essential policies, and the encouraging feedback from our e-Voice Survey, we continue to build a workplace where employees feel valued and empowered.

Looking ahead, our strategic focus will center on succession planning. By cultivating a robust leadership pipeline and investing in the development and retention of our talent, we aim to strengthen Digi's resilience and capability to navigate future challenges while sustaining growth. Our commitment to succession planning will propel us forward, ensuring that Digi remains a leader in the telecommunications sector.



Community Empowerment A Journey Towards Advancement and Sustainable Progress

Our collaboration with local communities is built on our dedication to making a positive difference across six key areas: sports, civic duty, music, education, and special needs. With an annual investment of over \$500,000, we are committed to leveraging our resources and knowledge to enhance our Belizean society, by cultivating a healthier, more inclusive, culturally vibrant, and forward-thinking society. Our ultimate objective is to notably improve the well-being and advancement of our communities.

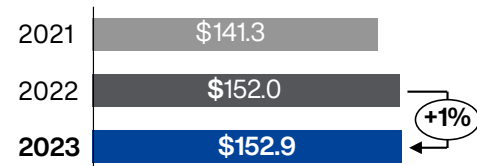


CHIEF FINANCIAL OFFICER'S REVIEW

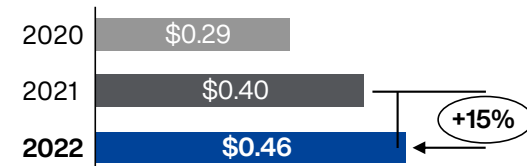


FINANCIAL HIGHLIGHTS

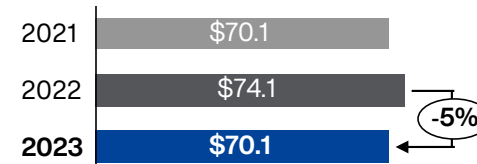
Revenues (\$ Millions)



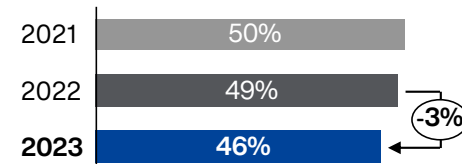
Earnings Per Share \$0.00



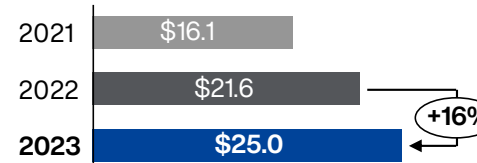
EBITDA (\$ Millions)



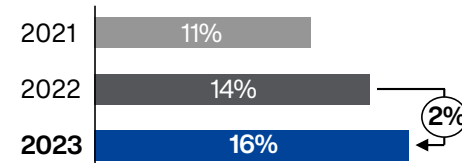
EBITDA Margin %



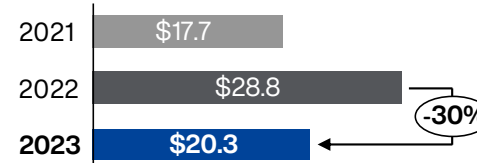
Net Profit (\$ Millions)



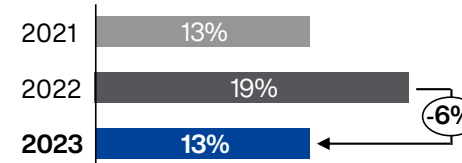
Net Profit Margin %



CAPEX Investment (\$ Millions)



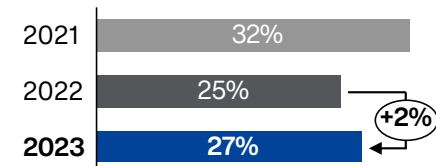
CAPEX/Revenue %



Free Cash Flow (\$ Millions)



Free Cash Flow Margin %



Numbers and percentages may vary slightly due to rounding



CHIEF FINANCIAL OFFICER'S REVIEW



Ian Cleverly
Chief Financial Officer

In 2023, we maintained our strategic focus on growth and have achieved significant milestones in profitability and brand value. A notable achievement was the launch of our DigiONE bundles and Unlimited mobile plans. BTL, as the National Telecom, is the only operator in Belize to provide Quad Play services and has launched bundled offerings to the market, demonstrating our commitment to value. We have leveraged our acquisition of Alternative Networks, exemplifying our revenue diversification strategy and firmly establishing our position in the entertainment landscape as the only Quad Play operator in Belize.

Despite the market impacts of higher inflation, and other economic factors, BTL has again delivered exceptional financial results. With this improvement in 2023, the Company is poised for continued growth and for delivering enhanced value to Shareholders.

During the year, we continued to invest in our FTTH network infrastructure, while decommissioning our legacy copper network. This supports our commitment to offering the latest technology, building the highest quality networks, and providing superior customer experience across the country. Additionally, we have significantly increased our mobile network coverage with continued investment in our mobile infrastructure bringing services to customers in the rural areas of Belize.

This strong performance supported an improved revenue trend and sustained growth momentum across our products and services, resulting in consolidated revenues of \$152.9 million in 2023/24.

We delivered a strong net margin performance of 16%, driven by continued cost optimization efforts. Accordingly, net profit increased by \$3.3 million, compared to previous year, to \$25 million.

DRIVING GROWTH AND PROFITABILITY

Our strategic approach to diversifying our portfolio over the years continued to deliver notable growth and strong performance.

Consolidated revenues for the year were \$152.9 million. This reflects our strong customer acquisition strategy across DigiNet, B2B and Sales & Solutions, as well as delivering strong growth in our DigiONE bundled services. International Roaming and Settlement revenues have declined over previous years by \$2.3 million or 21% due to increased discounts being demanded by international telecom operators, whilst roaming traffic for data has increased by 4% over the prior year. This is an ongoing challenge for regional operators as wholesale rates for data are declining overall. Voice traffic has continued to decline over recent years, while the volume of data usage has grown exponentially by 13.1 million MB or 4% in the fiscal year 2023/24. Voice minutes have reduced by 0.5 million minutes or 12% when compared to the previous year.

Mobile revenues continue to decline which is not unique to Belize as the trend is being witnessed globally across the telecom industry. Customers are continuing to take full advantage of OTT solutions competing with our mobile revenue performance, while data services have continued to grow.

Consolidated EBITDA as of March 2024 decreased to \$70.1 million, resulting in an EBITDA margin of 46%. The EBITDA performance at 46% is slightly lower when compared with prior year due to increases in operational costs and procurement. The EBITDA performance is consistent with industry standards when compared to other operators in the region.

Embedded across the company's operations and corporate culture are our cost optimization programs, which continued to create value during 2023/24. These have supported our continued strategies to identify new ways to improve efficiency. We remain keen on identifying opportunities to redefine processes and reduce operating costs. Enhancing our operating processes through digital transformation, which will support investments and new revenue streams for future growth, also remains in focus.

Overall, the company delivered healthy growth in Net Profits, which increased by 16% to \$25 million, while earnings per share increased to \$0.46. This represents an increase of \$0.06 or 15% compared to the prior year. As a result, we are generating an improved return to shareholders.

The increase in the company's profitability has been driven by several factors, including our focus on core revenues that continue to make up a sizeable part of total revenues. This, together with our actions to leverage our networks and capabilities to grow new revenue streams; our strong resolve on cost optimization efforts, lower net finance costs due to the optimized debt profile; significant improvements in customer collection activities and strategies contributed to the company's overall profitability.

ROBUST BALANCE SHEET AND CASH FLOW

Maintaining a strong financial position remains a key priority. During the year, we maintained high liquidity supported by strong cash flow, reflected in a cash balance of \$35.3 million at March 31, 2024 compared to \$22.5 million at March 31, 2023, an overall increase of \$12.8 million or 57% when compared with the fiscal 2022/23. The continued financial liquidity from operations allows for greater financial flexibility moving forward.

Consolidated capital expenditure reduced by \$8.5 million. Capital expenditure in 2023/24 amounted to \$20.3 million and in the previous year 2022/23 was \$28.8 million. This reflects a Capital Intensity Ratio of 2.3, which is comparable to prior year. Capital spending was driven by ongoing network expansion of the FTTH network and the continued mobile network expansion to rural communities increasing overall coverage across the country.

Total consolidated debt amounted to \$31.9 million as of March 31, 2024, compared to \$44 million at the end of March 2023. This is an overall reduction in consolidated debt of \$12.1 million or 28% over the previous financial period. Our Gearing Ratio is at 12%, an improvement of 5 percentage points over last year. The company continued its strategy of reducing its debt overall, and as a result was self-funded from its improved working capital performance and increased the overall cash collection performance.

Balance Sheet Highlights

\$BZ millions	2024	2023
Cash and Cash Equivalents	\$35.3	\$22.5
Current Assets	\$62.1	\$51.7
Non Current Assets	\$252.9	\$269.3
Total Equity	\$267.5	\$254.4

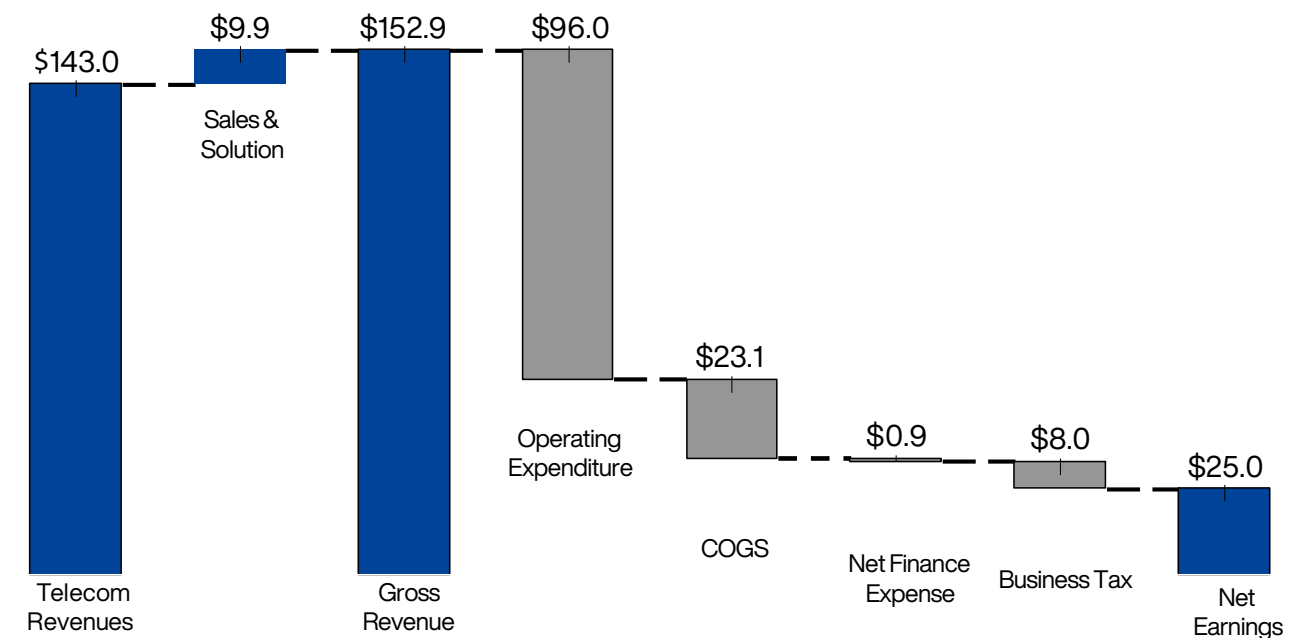
Cash Flow Summary

\$BZ millions	2024	2023
Operating Activities	\$58.0	\$67.8
Investing Activities	(\$28.9)	(\$32.5)
Financing Activities	(\$16.3)	(\$34.9)
Net Change in Cash & Cash Equivalents	\$12.7	\$0.4
Cash & Cash Equivalent - Opening Balance	\$22.5	\$22.1
Cash & Cash Equivalent - Closing Balance	\$35.3	\$22.5

NET INCOME

Net Income as at March 31, 2024, was \$25 million or a 16% increase over prior year. This increase is directly attributed to improved focus on strategic investments, while sustaining strong revenue levels at \$152.9 million when compared to prior year. Fiber revenues performance increased to \$76.7 million compared to \$72.8 million in the previous year, an increase of 5%. International and Roaming revenues decreased by \$2.3 million or 21% when compared to previous year. Mobile revenues was \$58.8 million in 2023 and \$57.5 million in 2024, a reduction of \$1.3 million. This decline in Mobile Revenues reflects shortfalls in the uptake for PrePaid services as consumers continued to rationalize wallet spend. This decline in PrePaid mobile revenues is not unique to Belize as this is a global trend, as customers continue to divert their mobile activities into wireless and fixed broadband.

Income Statement Waterfall



Figures in \$BZ Millions

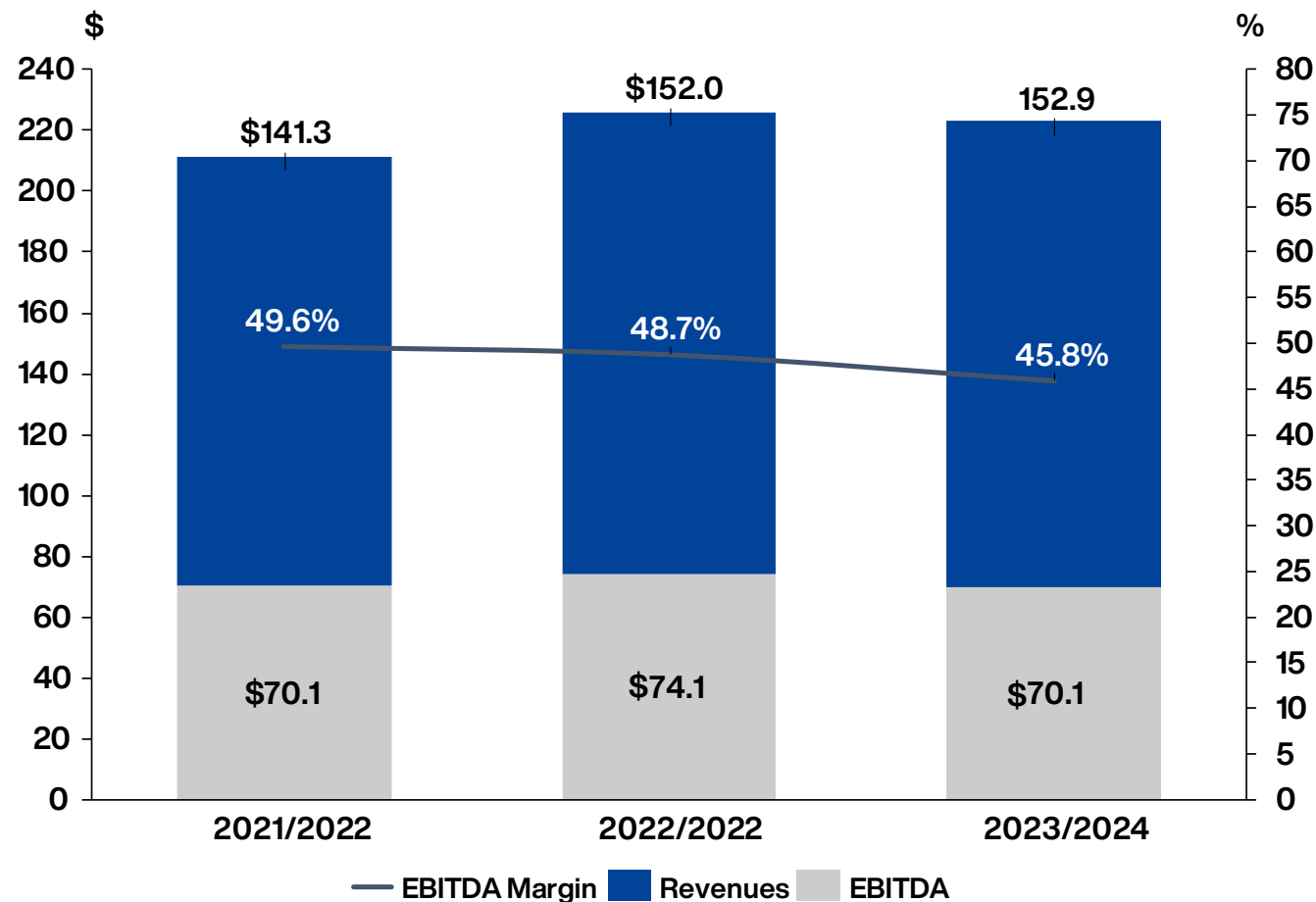
CONSOLIDATED REVENUES (GROSS)

The total consolidated revenue for the fiscal year stands at \$152.9 million, marking an increase from the preceding financial year's figure of \$141.3 million. This growth can be directly attributed to significant gains in two primary revenue streams: Fiber Network Revenues increased by \$3.8 million or 5%. Sales & Solutions increased by \$0.6 million or 7%. Decreases were recorded in two major revenue streams: Roaming and Carrier decreased by \$2.3 million or 21% and Mobile revenues decreased by \$1.3 million or 2%.

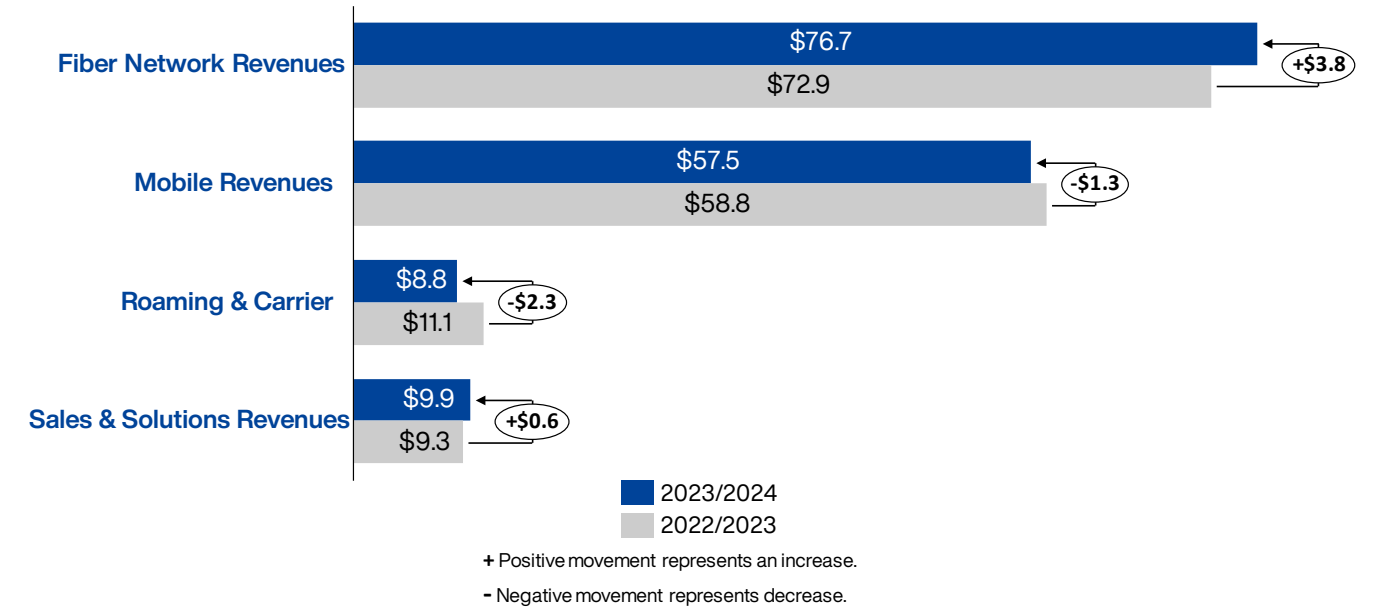
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the fiscal year 2023/24 is \$70.1 million. There has been no requirement during this financial year to utilize any of the company's credit facilities. The significant improvement in cash collection activities has reduced bad debt exposure and has enabled us to manage Working Capital efficiently.

Revenue & EBITDA Margin

In \$BZ millions excluding % data



Revenues by Network



Total Fiscal Year 2023/24 Revenues Amounted To \$152.9 Million

Figures in \$BZ Millions

BTL CONTINUED ITS DEPLOYMENT OF NEW SITES IN RURAL AREAS WITH SEVEN NEW FTTH AND EIGHT MOBILE NETWORK EXPANSIONS, INCREASING THE COMPANY'S NATIONWIDE COVERAGE, BRINGING CONNECTIVITY AND SERVICES TO THESE UNDERSERVED COMMUNITIES.

Fiber Revenue Streams during the year were \$76.7 million. This represents 50% of total revenues, followed by mobile revenue of \$57.5 million or 38% of total revenues. Fiber network revenues increased by \$3.8 million or 5% when compared to prior year. This was achieved by the quality and reliability of our FTTH DigiNet and DigiONE services.

MOBILE REVENUES

Mobile Revenues have not yet returned to pre-COVID levels. For the year, these amounted to \$57.5 million or 38% of total revenues. This reflects lower customer consumption of PrePaid services, due to the impact of lower economic activity. Customers continued to curtail discretionary spending across all sectors. This is a global trend across all markets, which has seen an uneven return of mobile revenues, as customers have maintained their switch from call and text mobile services to more data enabled bundles and packages. On a positive note, significant growth was seen in the PostPaid Market, which helped alleviate the decrease in PrePaid.

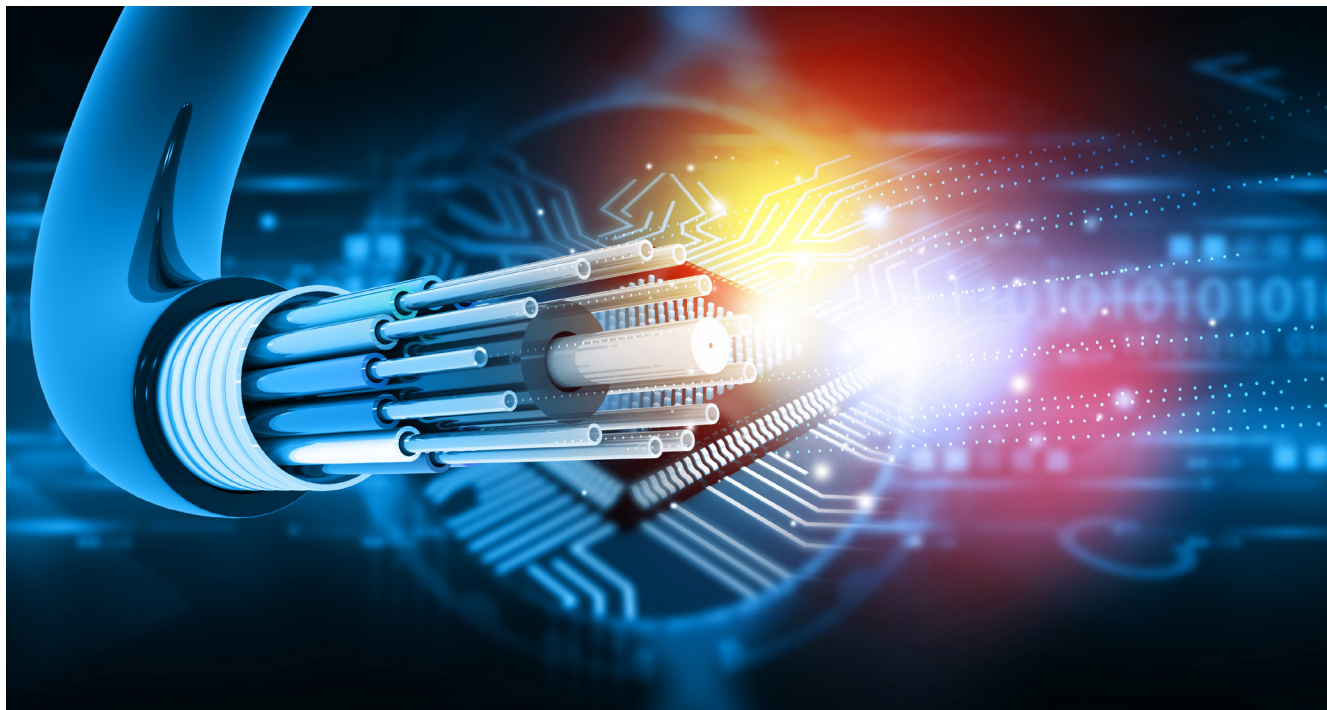
FIBER NETWORK REVENUES

At the close of fiscal year 2023/24, our FTTH network had expanded to cover over 90% of all homes. Fiber network continues to deliver its traditional wire-line services, including our premier broadband services DigiNet. The continued expansion of the DigiNet rollout, including the value-added service bundles, has been notably successful in our customer acquisition strategy. We will continue to invest in our network coverage to provide improved national coverage and speeds.

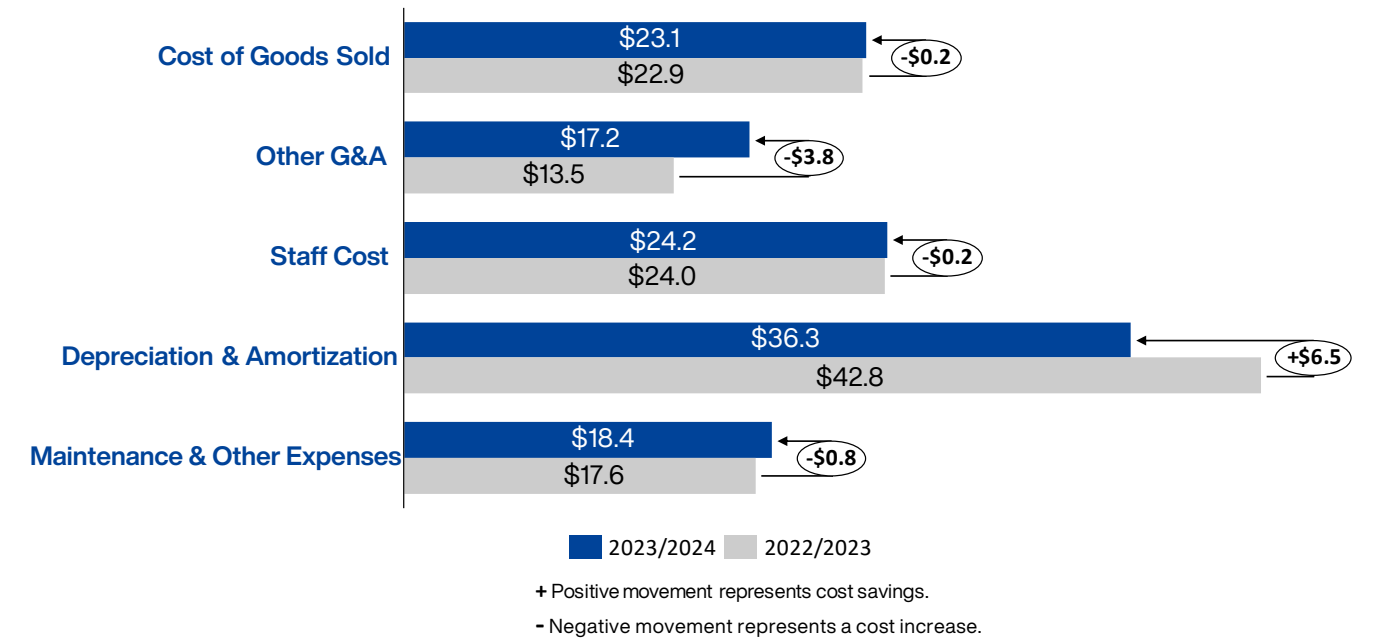
As of March 31st, 2024, the company's fiber network customer base has increased due to our valued DigiONE bundles. This was despite the continued economic conditions which contributed to a decrease in our customers' discretionary spending. In the meantime, we continued to innovate our products and services to deliver competitive prices and tangible value to Business and Residential customers.

SALES AND SOLUTIONS REVENUES

Emerging ICT solutions and services, such as Microsoft and Cloud partnership agreements, amounted to \$9.9 million, a 7% increase year over year. We are optimistic about the future as we continue to offer Microsoft productivity solutions and expand our services through strategic partnerships in the business sector.



Expenses by Category



Decrease in Total Operating Expense Amounted To \$1.6 Million

Figures in \$BZ Millions

CONSOLIDATED EXPENSES

BTL's operating expenses were \$119.1 million at the end of fiscal year 2023/24, representing a 1% decrease from \$120.7 million in prior year.

DEPRECIATION & AMORTIZATION

Depreciation and Amortization expenses decreased by \$6.5 million when compared to prior year of \$42.8 million. Depreciation decreased due to a reduction in capital intensity, with asset additions totaling \$20.3 million or \$8.5 million lower than the previous year. Additionally, the full depreciation of specific network software, cloud licenses, and property, plant, and equipment related to outside plant infrastructure during the current year contributed to the reduction in depreciation expense.

COST OF GOODS SOLD

Cost of Goods Sold expenses has increased by \$0.2 million or 1% when compared to prior year. Fiscal year 22/23 amounted to \$22.9 million and current fiscal year of \$23.1 million. The increase is related to Microsoft 365 licenses that BTL secured during the financial year.

STAFF COST

Salaries and benefits increased by approximately \$0.2 million or 1% when compared with the prior financial year, primarily driven by a lower level of staff cost capitalization as we reduced capital expenditure in the current fiscal.

MAINTENANCE & OTHER OPERATING EXPENSES

Maintenance and Other Operating Costs over the period have increased during the year by \$0.8 million when compared to the previous year. The total expenditure incurred amounted to \$18.4 million with previous year at \$17.6 million. The increase in maintenance and other operating costs reflects expansion of our overall network and ongoing maintenance activities related to power and cooling.

OTHER GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

Other G&A expenses increased to \$17.2 million or a 28% increase over prior year. This was attributed to allowances, staff activities, advertising, insurance and other expenses. Contributions towards sports, education and cultural development increased during the year as part of the company's wider corporate and social responsibility.



Consolidated Balance Sheet, Year ended 31 March

	Audited 2023	Audited 2022	Variance \$	Variance %
	BZ\$' 000	BZ\$' 000	BZ\$' 000	
Assets				
Current Assets	97,396	74,241	23,155	31%
Non Current Assets	252,866	269,329	(16,463)	-6%
Total Assets	350,262	343,570	6,692	2%
Liabilities				
Current Liabilities	61,593	56,381	5,212	9%
Non Current Liabilities	21,140	32,765	(11,625)	-35%
Total Liabilities	82,733	89,146	(6,413)	-7%
Retained Earnings	117,566	104,461	13,105	13%
Other Shareholders' Equity	149,963	149,963	-	0%
Total Shareholders' Equity	267,529	254,424	13,105	5%
Total Liabilities and Shareholders' Equity	350,262	343,570	6,692	2%

BALANCE SHEET (AUDITED)

Financial Ratio Analysis

	2023	2022	2023 vs 2022
Current Ratio	1.6	1.3	↑ 0.3
Return on Assets	7.2%	6.2%	↑ 1%
Return on Equity	10.8%	9.9%	↑ 0.9%

CAPITAL EXPENDITURES

BTL operates the largest and most extensive telecom network in Belize and has been continuously investing in same. To date, BTL has over 171 mobile sites and over 2,600 miles of backbone, backhaul and FTTH fiber. During 2023/24, the company invested \$20.3 million in capital expenditures compared to the previous year of \$28.8 million. The company is continuing with strategic investments towards the completion of its network expansion projects. These investments over the 12-month period were geared towards improving customer experience, thus creating opportunities to provide the latest technology and capabilities for our customers.

The capital investment activity is also aligned with the company's long-term strategy of diversification of products and services as we transition from Telco to Techco. This is a global trend in the telecom industry and BTL is well positioned to maximize these opportunities geared towards the country's national digital agenda over the next three years.

The company is looking at new technologies such as AI to drive operational efficiencies across the organization and looking to these technologies to reduce operating costs whilst improving the overall customer experience.

RETURN ON EQUITY

For fiscal year 2023/24 the company met its year three target of 10% by achieving a Return on Equity of 10.8%. This is an overall increase over the prior year by one percentage point. This reflects again another significant improvement in the overall Net Income performance by \$3.3 million or 16% during the year. The company has a strategic focus to increase its Return on Equity over the next two years to 11% and 12%.

SHAREHOLDER RETURNS

At March 31, 2024, Net Income was recorded at \$25 million; an increase of 16% compared to prior year. As a result, the Earnings per Share increased from \$0.40 cents to \$0.46 cents in the current year, providing to shareholders an increased dividend return when compared to the previous financial year. Shareholders' Equity for the fiscal year 2023/24 was \$268 million; an increase of 5% compared to prior year.





GOVERNANCE



BOARD OF DIRECTORS

The Board of Directors (BOD) provides strategic guidance aimed at ensuring long-term value creation for shareholders while considering the legitimate interests of all other stakeholders. Keeping sustainable success in sharp focus, the BOD works diligently to nurture a culture of accountability and transparency within a well-defined company structure.

The Board's composition reflects a balance of expertise and representation. The Government of Belize, as the holder of the Special Share, appointed the Chairman, Markhelm Lizarraga, and one additional Director, Marconi Leal. Additionally, as the holder of 49.3% of issued ordinary shares, the Government of Belize appointed four more Directors: Narda Garcia, Jose Urbina, Moises Cal, and Jermie Usher. The Social Security Board, holding 34.3% of issued ordinary shares, appointed three directors: Nigeli Sosa, Michael Hyde, and Emogene Habet. Furthermore, one Publicly Elected Director, Eric Eusey, is appointed to represent the public's interest.

Through this well-structured and diverse Board of Directors, Digi ensures effective governance, strategic decision-making, and the safeguarding of stakeholders' interests. The commitment to transparency, accountability, and sustainable success underscores Digi's dedication to excellence and responsible corporate governance.



Markhelm Lizarraga, Chairman

Markhelm Lizarraga brings to the BTL Board his extensive experience in the private and public sectors, including various statutory bodies in Belize. He is the Chairman of Southside Group, parent company of several companies that focus on consumer goods, construction, and distribution services since 1979. In previous roles, Markhelm became a member of the Belize Chamber of Commerce and Industry (BCCI) in 1995 and served as their President from 2002 to 2004. He served as Director of the Social Security Board (SSB) for over seven years and was also a member of the Board of Trustees of the SSB's Pension Fund from 2008 to 2014. These, together with other past board experiences such as at the Crimes Control Council, National Economic

Council, and the National Tax Reform Committee, have afforded Markhelm the opportunity to make substantial contributions towards improving the country's economic landscape. Representing the Business sector at parliament for over eight years commencing in 2012, he is highly regarded as having been a strong debater and advocate for accountability and transparency, earning the respect of the Belizean people. Markhelm's passion and vision for Belize's development propels his drive to continue transforming BTL while ensuring that the company sustains high performance and growth, and continues to lead the market it serves.



Marconi Leal, Deputy Chairman

Marconi Leal has career experience in both the public and private sectors. He was appointed Chief Executive Officer (CEO) within the Ministry of Human Development, Families & Indigenous Peoples' Affairs in April 2023. Prior to this, he served as CEO within the Ministry of Youth, Sports, and Transport from 2022 to 2023 and CEO within the Ministry of Public Utilities, Energy and Logistics from 2020 to 2022. Marconi has over twelve years' experience in the telecom and fast-moving consumer goods industries. He has considerable experience in product management, sales, marketing, retail, and brand management for both local and global brands. Marconi's international exposure includes Sales, Marketing and merchandizing

residency programs hosted by multinational companies in Aruba, Costa Rica, the Kingdom of the Netherlands and the United States of America. He possesses a dual undergraduate degree in Economics and Finance from the University of Indianapolis and Galen University.



Jose Urbina, Director

Jose Urbina is an accomplished professional in the fields of business, technology, engineering, and governance with over fifteen years of service and training in the telecommunications industry. He has been actively serving the Belizean populace since November 2020 through significant leadership roles with the Government of Belize, first as the CEO within the Ministry of Youth, Sports, and E-Governance and currently, as the CEO within the Ministry of Public Utilities, Energy, Logistics, and E-Governance. Jose has had the opportunity to apply his skill and knowledge as Manager of Mobile Planning and Engineering at BTL; Technology Manager at Prudential Management Firm; and Solutions and Implementation Consultant at Soar Belize.

His early experience as the Operations Manager at Centaur Communications Corporations Ltd. provided him practical expertise to complement the knowledge and skill, he had obtained from Universidad de Quintana Roo, where he earned his degree in Energy Systems Engineering. He went on to complement his experience in telecommunications with a master's degree in Business Administration from the Universidad Interamericana para el Desarrollo.



Moises Cal, Director

Moises Cal, a distinguished Belizean educator and community leader, was born in the village of Yo Creek, Orange Walk District. A graduate of Muffles High School. During his tenure as the principal of the Belize College of Agriculture, Central Farm, he pioneered a groundbreaking two-year Associate Degree Programme in Agriculture, which has significantly advanced agricultural education and practice in Belize. His innovative approach and dedication have left a lasting impact on the field, shaping the future of agriculture in the country. Beyond his contributions to education, Moises Cal has demonstrated remarkable leadership in community service. As Chairman of Belize Zone 59 for Lions Club International, he has

been instrumental in spearheading various philanthropic initiatives, including educational outreach, health programs, and environmental conservation efforts. His work with the Lions Club highlights his unwavering commitment to enhancing the quality of life in his community and beyond. Moises's holistic approach to leadership and service reflects his deep-seated passion for fostering growth and development in Belizean society.



Jermie Usher, Director

Jermie Usher is a self-employed businessman who has over 10 years management experience. He is a veteran of identifying, leveraging, developing, and managing service-oriented enterprises. Jermie began his career in 2010 when he established his first tech company. He is now an experienced entrepreneur, brand builder and career coach. He takes a vision and transforms it into reality through effective strategy development.



Nigeli Sosa, Director

Nigeli Sosa is an Economist with over 30 years of professional work experience. She started her career in 1989 as an Economist at the Central Bank of Belize up until 1997 when she joined the Belize Chamber of Commerce as the Market Information Specialist. During the period 2000 to 2007, she performed in various capacities with the Government of Belize including Director of Industry and Forestry and Deputy Financial Secretary and served on several local and international Boards. She is currently the Chairperson of the Social Security Board; the General Manager of GS-COM, a private retail business which she co-owns with her husband; and mother to three daughters and one son.



Narda Garcia, Director

Narda Garcia is the Chief Executive Officer at the Ministry of Finance, Economic Development, Investment, Civil Aviation, and Immigration. With a robust background in economic strategy and public administration, she drives pivotal reforms and investments to enhance national growth and efficiency. Garcia's leadership is marked by a commitment to sustainable development and streamlined governance.



Michael Hyde, Director

Michael Hyde has been the General Manager of KREM Radio since 1998. He is a St. John's Junior College alum and is an active philanthropist in his community, a sports and youth enthusiast and a small farmer. Michael was appointed as one of the five members representing the Government of Belize at the Social Security Board of Directors in 2020. For several years, he has served as a Board Member and Community Representative at the Welcome Resource Center, an NGO that aims to assist the mentally ill and homeless population in Belize. Michael is also an Executive Committee Member of the Belize Volunteer Blood Donors Association. With the vision of inspiring a generation of farming entrepreneurs, Michael continues to

encourage and support budding young adults to venture into this sector.



Emogene Habet, Director

Emogene Habet is the Managing Director and Operations Manager of the Belmopan Service Station Limited. She has ten years of management experience including her role as the Environment, Health, and Safety (EHS) Manager at Belize Natural Energy Limited where she had overall responsibility for the development, implementation, oversight and strategic direction of the company's EHS system and programs. She served for six years as a member of the Board of Governors of Sacred Heart College and as a project-based member of the Labor Sub-council Committee of the Belize Chamber of Commerce and Industry. Emogene holds a master's degree from the University of Westminster in London and a bachelor's degree from the University of South Florida in Tampa.

She resides in San Ignacio, Cayo with her husband and two sons.



Eric Eusey, Director

Eric Eusey is a former Commissioner of Income Tax with the Government of Belize. In January 2014, he was appointed as the Director of the Financial Intelligence Unit (FIU), a body responsible for investigating and prosecuting financial crimes with particular reference to crimes relating to money laundering and terrorist financing in Belize. Eric is the longest serving member of BTL's Board of Directors.



Melissa Balderamos Mahler, Corporate Secretary

Melissa Balderamos Mahler is an Attorney-at-Law in private practice for the past twenty years. During this time, she has amassed extensive experience in corporate, commercial, and banking law, conveyancing and real property law, debt collection, estates and succession, family law, civil litigation, mediation, and arbitration. She is a member of the Chartered Institute of Arbitrators and the International Trademark Association and currently serves on the Board of Directors of St. Catherine Academy and World Pediatric Project Belize. She is also a member of the Bar Association of Belize and serves on the General Legal Council of the Bar Association. She holds a Bachelor's of Law Degree from the University of the West Indies and a Legal Education Certificate from Norman Manley Law

School. She also holds a Bachelor's of Arts Degree in Sociology from St. Leo University.

CORPORATE GOVERNANCE

The Board of Directors ensures that the highest standard of corporate governance is observed. The Board sets and steers the Company's direction and brings independent, informed and effective judgement on decisions reserved for that governing authority. The Board also plays a crucial role in ensuring that strategy, performance, and sustainable development considerations are integrated into the decision-making process.

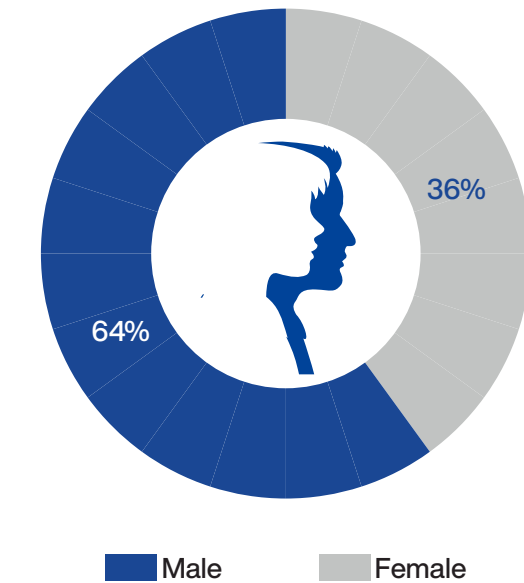
Attendance

Directors and Corporate Secretary attendance to Board meetings for the period
April 1, 2023 to March 31, 2024

MEETING	DATE	ATTENDANCE
Meeting 1	April, 20, 2023	11/11
Meeting 2	May 18, 2023	11/11
Meeting 3	June 15, 2023	11/11
Meeting 4	July 20, 2023	9/11
Meeting 5	August 17, 2023	10/11
Meeting 6	October 19, 2023	10/11
Meeting 7	November 16, 2023	8/11
Meeting 8	December 21, 2023	11/11
Meeting 9	January 18, 2024	11/11
Meeting 10	January 26, 2024	11/11
Meeting 11	February 15, 2024	9/11
Meeting 12	March 14, 2024	7/11
Meeting 13	March 21, 2024	10/11

AUDIT SUB-COMMITTEE

Eric Eusey - Chair,
Nigeli Sosa,
Michael Hyde



BOARD SKILLS AND DIVERSITY

The Board is diverse in skills and experience with members having a range of skillsets that bring value in the interest of all stakeholders.

FUNCTIONAL EXPERIENCE

- Leadership & Management
- Technology
- Business
- Engineering
- Governance
- Operations
- Sales and Marketing
- Product Management & Brand Management
- Consumer Goods
- Legal: Arbitration, Mediation, Commercial and Banking Law; Company Law; Labour Law
- Intellectual Property
- Environment, Health, and Safety
- Industry & Commerce
- Energy
- Security
- Automotive
- Tourism

EXECUTIVE LEADERSHIP TEAM



Ivan N. Tesucum, Chief Executive Officer

With over 20 years of accomplished leadership, financial and operation now experience in Belize and the USA, Ivan joined BTL in 2007 and rose through the ranks to his appointment as Chief Financial Officer in 2012. In 2019 he was promoted to the position of CEO. Prior to joining BTL, Ivan held positions with Belize Water Services as Chief Commercial Officer and Director of Operations for International Telecommunications Ltd after holding positions in finance and operations in the USA. He is a Chartered Accountant (CPA, ACCA) and holds an MBA with concentrations in Corporate Finance and International Business from the Crummer Graduate School of Business, Rollins College in Orlando, Florida, and a B.Sc. in

Business Administration with a concentration in Accounting from the University of Montana.



Ian Cleverly, Chief Financial Officer

Ian Cleverly joined the company in October 2021 and is responsible for Accounting, Financial Planning & Analysis, Treasury, Tax, Procurement, and Inventory Management. He is a qualified Chartered Accountant (ACMA, CGMA) and a member of the Chartered Institute of Management Accountants. Ian has 27 years of international telecoms, Fintech, and FMCG experience and has led finance, legal, regulatory and compliance teams in global companies with significant scale and complexity.



Leonardo Calle, Chief Operations Officer

Leonardo Calle has more than 28 years of experience in the telecommunications industry and has a passion for technology, having worked in many countries in South and Central America and the Caribbean. Leonardo has the combined experience of working with Telecom Operators such as TIGO, ENTEL and SPEEDNET, as well as Telecom Equipment Providers as Ericsson, Nokia, and Huawei. Leonardo has a BSc in Electronic Engineering, and MSc in Business Administration and currently pursuing an MSc in Big Data and Artificial Intelligence.



Kendra Santos, Chief Human Resources Officer

Kendra Santos is a human resource management and development specialist with 20 years of experience within the English and Dutch Caribbean region. In her current role, Kendra is responsible for leading Digi's overall human resources strategy. She continues to lead efforts to enhance the function and impact of HR across the company to support business objectives, as well as the needs and aspirations of its over 500 employees. Her approach includes embedding culture change through a well-defined HR strategy that incorporates senior resourcing, employee engagement, talent management, organizational redesign, operational efficiencies and labor relations. Kendra holds an Executive Masters of Business

Administration with a concentration in General Management from The University of the West Indies, Cave Hill Barbados and an undergraduate degree in Business Administration with a major in Human Resources Management/Entrepreneurship/ Leadership from Loyola Marymount University in Los Angeles, California.



Dionne Clarke-Emtage, Chief Commercial Officer

Dionne Clarke-Emtage has more than 20 years' experience working in the telecommunications industry across various jurisdictions in the Caribbean region from the start of her career at Cable & Wireless to her most recent post in Group Commercial Operations at Digicel Group. She has held a series of senior roles within the industry which have contributed to her vast experience in Retail Sales and Distribution, Customer Experience Management, Product Management, Commercial Strategy Delivery, Broadband Content Delivery, among others. She holds a Post Graduate Degree in Business Administration and Management from the University of Leicester and a Leadership Certification from Wharton University.

AUDITED CONSOLIDATED FINANCIALS

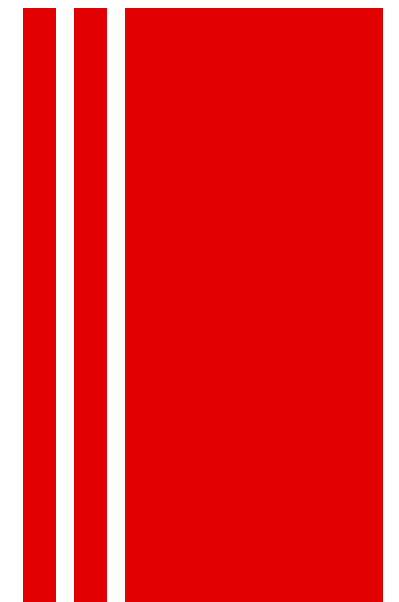


AUDITORS

For the end of the fiscal year 2023/24, HLB Belize, LLP are the appointed external auditors of the company. A resolution to re-appoint them or to appoint another competent accounting firm as auditors of the company for the financial year 2024/2025 will be proposed at BTL's Annual General Meeting.

By order of the Board of Directors,

Melissa Balderamos Mahler
Corporate Secretary
Belize Telemedia Limited



BELIZE TELEMEDIA LIMITED

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



BELIZE TELEMEDIA LIMITED

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2024 AND 2023:	
Consolidated statements of financial position	4 - 5
Consolidated statements of comprehensive income	6
Consolidated statements of changes in equity	7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9 - 40

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Belize Telemedia Limited, which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Belize Telemedia Limited as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing The Group'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 Group or to cease operations, or has no realistic alternative but to do so.

hblb.bz

Partners: Claude Burrell, CA, CISA, CDPSE | Giacomo Sanchez, CA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hblb.bz

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

Those charged with governance are responsible for overseeing The Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause The Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

HLB, Belize, LLP

**Chartered Accountants
Belize City, Belize
August 15, 2024**

BELIZE TELEMEDIA LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	2h. 2i. 4.	\$ 35,250	\$ 22,527
Short-term investments	2h. 5.	10,000	-
Trade receivables	2h. 2j. 6.	22,458	23,399
Other receivables	2h. 2k. 7.	10,919	13,844
Financial lease receivable	2h. 2l. 8.	774	788
Prepayments	2m. 9.	5,509	5,299
Inventories	2n. 2q. 10.	12,486	8,384
Total current assets		<u>97,396</u>	<u>74,241</u>
NON-CURRENT ASSETS:			
Finance lease receivable	2h. 2l. 8.	13,569	14,371
Property, plant and equipment	2o. 2q. 11.	220,155	235,627
Right-of-use assets	2l. 2q. 12.	901	800
Intangible assets	2p. 2q. 13.	15,655	15,602
Goodwill	2r. 2q.	1,580	1,580
Other non-current assets	2q. 14.	1,006	1,349
Total non-current assets		<u>252,866</u>	<u>269,329</u>
TOTAL ASSETS		<u>\$ 350,262</u>	<u>\$ 343,570</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Deferred income	2s.	\$ 2,716	\$ 2,648
Trade and other payables	2h. 2t. 15.	17,777	21,502
Accruals	2u.	15,457	13,258
Lease liabilities	2h. 2l. 12.	150	424
Customer deposits	17.	6,514	6,429
Borrowings	2h. 2v. 16.	12,150	12,115
Dividends payable	2h. 2x.	6,829	5
Total current liabilities		<u>61,593</u>	<u>56,381</u>
NON-CURRENT LIABILITIES:			
Trade and other payables	2h. 2t. 15.	500	404
Lease liabilities	2h. 2l. 12.	930	494
Borrowings	2h. 2v. 16.	19,710	31,867
Total non-current liabilities		<u>21,140</u>	<u>32,765</u>
Total liabilities		<u>82,733</u>	<u>89,146</u>

Continued on page 5.

The notes on pages 9 to 40 are an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
EQUITY:			
Ordinary shares	2y. 19.	\$ 49,552	\$ 49,552
Preference shares	2y. 18.	48,500	48,500
Share premium	20.	15,274	15,274
Capital reserve - non distributable	21.	36,637	36,637
Retained earnings		117,566	104,461
Total equity		<u>267,529</u>	<u>254,424</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 350,262</u>	<u>\$ 343,570</u>

The financial statements on pages 4 to 8 were approved and authorized for issue by the Board of Directors on August 15, 2024 and are signed on its behalf by:


Chairman


Director

The notes on pages 9 to 40 are an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Revenues from customers	2z. 22.	\$ 152,888	\$ 152,024
Operating cost	2aa. 23.	<u>120,812</u>	<u>120,724</u>
Operating profit		32,076	31,300
Interest income		1,483	1,052
Dividend income		12	3
Other income		1,732	-
Interest expense		<u>(2,376)</u>	<u>(3,430)</u>
Profit before taxation		32,927	28,925
Business tax expense	24.	<u>7,971</u>	<u>7,297</u>
Profit for the year		24,956	21,628
Other comprehensive income		-	-
Total comprehensive income		<u>\$ 24,956</u>	<u>\$ 21,628</u>
Profit attributable to:			
Owners of the Company		<u>\$ 24,956</u>	<u>\$ 21,628</u>
Earnings per share attributable to the owners			
Basic and diluted earnings per share	25.	<u>\$ 0.46</u>	<u>\$ 0.40</u>

The notes on pages 9 to 40 are an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**

	Ordinary shares	Preference shares	Share premium	Capital reserve - non distributable	Retained earnings	Total
April 1, 2023	\$49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$104,461	\$254,424
Comprehensive income						
Profit for the year	-	-	-	-	24,956	24,956
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	24,956	24,956
Transactions with owners of the Company						
Dividends declared to ordinary shareholders (Note 2y, 26)	-	-	-	-	(9,911)	(9,911)
Dividends declared to preferred shareholders (Note 2y, 26)	-	-	-	-	(1,940)	(1,940)
Total transactions with owners of the Company	-	-	-	-	(11,851)	(11,851)
March 31, 2024	\$49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$117,566	\$267,529
	Ordinary shares	Preference shares	Share premium	Capital reserve - non distributable	Retained earnings	Total
April 1, 2022	\$49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$ 91,171	\$241,134
Comprehensive income						
Profit for the year	-	-	-	-	21,628	21,628
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	21,628	21,628
Transactions with owners of the Company						
Dividends declared to ordinary shareholders (Note 2y, 26)	-	-	-	-	(6,441)	(6,441)
Dividends declared to preferred shareholders (Note 2y, 26)	-	-	-	-	(1,940)	(1,940)
Dividends unclaimed beyond twelve years (Note 2y)	-	-	-	-	43	43
Total transactions with owners of the Company	-	-	-	-	(8,338)	(8,338)
March 31, 2023	\$49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$104,461	\$254,424

The notes on pages 9 to 40 are an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED
**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**

	2024	2023
OPERATING ACTIVITIES		
Profit for the year	\$ 24,956	\$ 21,628
Adjustments for non-cash items:		
Depreciation and amortization	36,280	42,238
Gain on disposal of property, plant and equipment	(1,721)	(108)
Obsolescence expense	452	1,310
Net remeasurement of expected credit losses	1,839	(1,395)
Business tax	7,971	7,297
Interest expense	2,376	3,430
Operating profit before working capital changes	72,153	74,400
Changes in working capital:		
Trade receivables	(898)	5,233
Other receivables	2,925	(6,644)
Prepayments	(210)	(744)
Other non-current assets	-	11
Inventories	(4,554)	300
Deferred income	68	(581)
Trade and other payables	(3,394)	5,335
Accruals	2,199	2,341
Lease liabilities	162	(502)
Customer deposits	85	(685)
Cash provided by operating activities	68,536	78,464
Business tax paid	(8,029)	(7,328)
Interest paid	(2,553)	(3,312)
Net cash provided by operating activities	57,954	67,824
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,749)	(24,687)
Proceeds from disposal of property, plant and equipment	2,054	1,909
Acquisition of intangible assets	(1,517)	(4,107)
Acquisition of right-of-use assets	(686)	-
Purchase of short-term investments	(10,000)	-
Acquisition of subsidiary	-	(5,649)
Net cash used in investing activities	(28,898)	(32,534)
FINANCING ACTIVITIES		
Dividends paid	(5,027)	(22,087)
Repayment of borrowings	(12,122)	(12,510)
Principal elements of lease payments	816	(317)
Net cash used in financing activities	(16,333)	(34,914)
Net increase in cash and cash equivalents	12,723	376
Cash and cash equivalents, beginning of year	22,527	22,151
Cash and cash equivalents, end of year	\$ 35,250	\$ 22,527

The notes on pages 9 to 40 are an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

1. GENERAL INFORMATION

Belize Telemedia Limited (the Company) and its subsidiaries (together referred to as the 'Group') provide communication products, services and a broad range of voice, broadband and data communication services, including fixed and mobile telephone services, internet services, internet protocol television, and cable television services within Belize.

Belize Telemedia Limited is a public limited liability company registered under the Belize Companies Act, 2022 and domiciled in Belize. The address of its registered office is #1 St. Thomas Street, Esquivel Telecom Centre, Belize City, Belize.

The Group includes Belize Telemedia Limited (the parent company), which provides telecommunication services and its wholly-owned subsidiaries:

- Alternative Networks Limited (ANL)
- BTL Digicell Limited (DCL)
- Business Enterprises Systems Limited (BSL)
- DigiWallet Limited (DWL)
- International Communication Services Limited (ICS)
- Telemedia Free Zone Limited (TFZ)

The Company operates under an Individual Telecommunications License, issued by the Public Utilities Commission ("PUC") that expires in December 2024. Apart from continuing the claim detailed in Note 31 (d), the Company intends to apply for the renewal of the license in advance of the expiration date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Belize Telemedia Limited and its subsidiaries.

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value and assets held for sale measured at fair value less costs to sell.

c. Functional and presentation currency

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Belize dollars' (BZ\$), which is the Group's functional and presentation currency. Except as indicated, the financial information presented in Belize dollars has been rounded to the nearest thousand.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency transactions and translations

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or expense'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'sundry income/expense'.

e. Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are changed if necessary to ensure consistency with Group policies.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Principles of consolidation (Continued)

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 either in comprehensive income or as a change to other comprehensive income. A contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

(ii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to comprehensive income.

(iii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

f. Change in accounting policies

The accounting policies adopted are consistent with those used in the previous consolidated financial statements for the year ended March 31, 2023. In addition, commencing April 1, 2023, the following amendments are now effective:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Change in accounting policies (Continued)

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Effective for annual reporting periods beginning on or after January 1, 2023

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment was adopted but has no current effect on the financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

Effective for annual reporting periods beginning on or after January 1, 2023

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendment was adopted but has no current effect on the financial statements.

Standards and amendments issued but not yet effective

The standards and amendments that are issued, but not yet effective, up to the end of the reporting period are disclosed below.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

Effective for annual reporting periods beginning on or after January 1, 2024

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Non-current Liabilities with Covenants (Amendments to IAS 1)

Effective for annual reporting periods beginning on or after January 1, 2024

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Change in accounting policies (Continued)

IFRS 18 Presentation and Disclosures in Financial Statements

Effective for annual reporting periods beginning on or after 1 January 2027

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.

The standard will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

g. Significant accounting judgments and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed.

- The Group provides for bad and doubtful debts based on an evaluation of the collectability of individual debtor balances. The Group estimates expected credit losses based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.
- The estimate for obsolete inventories is based on an evaluation of slow-moving items, particularly inventories that have not moved in line with its useful life.
- The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there have been no changes to the useful life of assets.
- The Group's intangible assets mainly consist of licenses, computer software and goodwill. Licenses are amortized over their estimated useful lives of three to five years and computer software over five years.
- The Group measures non-current assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell. Fair value less costs to sell is determined through the engagement of an independent expert experienced in the sale of such assets.
- The fair value of items sold on a finance lease is estimated to be the discounted cash flows arising from the payments due under the finance lease agreement.
- The Group applies judgement in determining whether a contract is, or contains, a lease and in estimating the incremental borrowing rate of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Significant accounting judgments and estimates (Continued)

Going Concern

Management has reviewed current financial forecasts, financing arrangements, and support commitments from the shareholders and as a result have reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in the preparation of the consolidated financial statements.

h. Financial instruments

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

Financial Assets

(i) Classification

The Group classifies financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value, either through other comprehensive income or profit and loss;
- (b) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or other comprehensive income.

The Group reclassifies its financial instruments when and only when its business model for managing those assets changes.

(ii) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, in the case of a financial asset not at fair value through profit or loss ("FVPL"), the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

A financial asset is measured at amortized cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Financial instruments (Continued)

A financial asset is measured at fair value through profit or loss ("FVPL") unless it is measured at amortised cost or at fair value through other comprehensive income ("FVOCI") in accordance with the criteria mentioned in the preceding paragraphs. The classification of the Group's financial assets are listed in Note 29.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Impairment of financial assets

The Group makes use of a simplified approach permitted by IFRS 9 in accounting for trade and other receivables as well as contract assets and records the loss allowance for the expected lifetime credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses the impairment of trade receivables collectively based on their shared credit risk characteristics.

Financial Liabilities

The Group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

A financial liability (or part of it) is extinguished when the debtor either:

- (a) discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
- (b) is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

The classification of the Group's financial liabilities are listed in Note 29.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts, which are repayable on demand and which form an integral part of the Group's cash management. Bank overdraft facilities available to finance capital expenditures are included in borrowings.

j. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

k. Other receivables

Other receivables are amounts due from foreign telephone network companies, input tax, staff and management loans, deposits, and other miscellaneous accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Leases

(i) Leases where the Group is the lessor

As a lessor, the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and is classified as an operating lease if it does not.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. Subsequently, the recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Lease income from operating leases are recognised in income on a straight-line basis over the lease term. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

(ii) Leases where the Group is the lessee

For any new contracts entered, the Group considers whether the contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time on exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- (a) The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- (b) The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- (c) The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in its statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequently, lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Leases (Continued)

Lease payments included in the measurement of the lease liability are made of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised.

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments.

The Group has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

m. Prepayments

Prepayments represent costs paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is received.

n. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the "first-in" (FIFO) method. Cost comprises of direct material costs (which include all shipping, importation costs and delivery costs to the warehouse), direct labour and overheads that have been incurred in bring the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. At each reporting date, inventories are assessed for impairment.

Goods held on consignment are excluded from inventories and are covered by the Group's all-risk insurance, as declared in the listing, in the event of loss.

o. Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items and any cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income during the financial period in which they are incurred.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Property, plant and equipment (Continued)

Land and assets in the course of construction are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

Types of assets:	Useful life
Buildings (wood, concrete)	25 or 40 years
Network	5-25 years
Motor vehicles	5 years

The residual values of assets, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other Income" in the Statement of Comprehensive Income.

p. Intangible assets

(i) Licenses

Separately acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. They have a finite useful life and are subsequently carried at cost less accumulated depreciation and impairment losses.

(ii) Computer software

Computer software comprises computer software purchased from third parties. Software integral to an item of hardware equipment is classified as property, plant, equipment.

Costs associated with maintaining computer software programs are recognized as an expense when they are incurred.

q. Impairment of non-financial assets

Assets that have an indefinite useful life or assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)r. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not amortised but is reviewed for impairment at least annually.

s. Deferred income

Deferred income represents funds received from customers for services that have not yet been delivered. Deferred income is recognized as revenue in the period in which the service is provided to the customer.

t. Trade and other payables

Trade and other payables principally comprise liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

u. Accruals

Accruals are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Accruals are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used reflects current market assessments of the time value of money and the risks specific to the obligation.

v. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)v. Borrowings (Continued)

Where the terms of a financial liability are renegotiated, and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

w. Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

x. Dividend distribution

In accordance with Section 128 (B) of the Company's Articles of Association: "Unless otherwise agreed in writing by the holder of the Special Share, upon the 21st day after the publication of the audited balance sheet and accounts for each financial year (the Dividend Date), the Directors shall be deemed to have recommended and the Company in a general meeting be deemed to have declared a final dividend payable in cash such that the total dividends shall be equivalent to 45% of the Company's profits available for distribution divided by the total ordinary shares". (in addition) Section 128 (D), " The Company's profits available for distribution are its accumulated realized profits, so far as not previously utilized by distribution or capitalization, less any accumulated realized losses, so far as not previously written off in a reduction or reorganization of capital duly made".

In accordance with Section 141 of the Company's Articles of Association: "All dividends, interest or other sums payable unclaimed after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends or interest unclaimed for a period of twelve years after having been declared shall, unless the Board otherwise resolves, 'be forfeited and shall revert to the Company. The retention by the Company of, or payment into a separate account of, any unclaimed dividends, interest or other sum payable by the Company on or in respect on or in respect of any share shall not constitute the Company a trustee thereof".

y. Ordinary and Preference shares

Ordinary and Preference Shares are classified as Equity. Preference Shares are shares which entitles the holder to a fixed dividend, whose payment takes priority over that of common stock dividends.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

y. Ordinary and Preference shares (Continued)

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Where any company within the Group purchases the parent company's shares (treasury shares), the consideration paid is deducted from the equity attributable to the parent company's equity holders.

z. Revenue recognition

In accordance with IFRS 15, the Group recognizes revenue when a performance obligation specified in a contract with a customer is performed, the amount of the transaction price allocated to the performance of that obligation is identified, and the Group expects to be entitled to the said consideration in exchange for transferring the contracted goods and services to the customer. Revenue is measured based on the consideration receivable, excluding amounts collected on behalf of third parties and shown net of general sales tax, returns, rebates and discounts. Group revenue is reported after eliminating sales within the Group.

(a) Sales of services

The Group earns revenue mainly from providing the following telecommunication services: access charges, airtime usage, fixed line usage, messaging, interconnection fees, data services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages. The Group also provides internet protocol television and cable television services. Revenue for access charges, airtime usage and messaging by contract customers is recognized as revenue when the services are performed, with unbilled revenue resulting from services already provided, billed at the end of the billing cycle. Unearned revenue from services to be provided in future period is deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the credit or it expires.

Revenue from interconnection fees is recognized at the time the services are performed.

Revenue from data services is recognized when the Group has performed the related service and depending on the nature of the service, is recognized, either the gross amount billed to the customer or the amount receivable by the Group, as commission for facilitating the service.

Customer connection revenue is recognized together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue not recognized together with related equipment revenue is deferred and recognized over the period in which services are expected to be provided to the customer.

Revenue from prepaid sales is recognized based on the extent of consumption by customers. Allocations are done to respective revenue streams based on the type of service usage.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z. Revenue recognition (Continued)

(b) Sale of goods

Revenue for device sales is recognized when the device is delivered to the end customer, and the sale is considered complete. For device sales made to intermediaries, revenue is recognized if the significant risks associated with the device are transferred to the intermediary, and the intermediary has no general right of return. If the significant risks are not transferred, revenue recognition is deferred until the sale of the device to an end customer by the intermediary or the expiry of the right of return.

(c) Multiple element sales

Bundled offers that combine different elements are assessed to determine whether it is necessary to separate the different identifiable components and apply the corresponding revenue recognition policy to each element. Under IFRS 15, bundled packages that combine voice, text and data services, internet protocol television and cable television services, the total revenue will be treated as one single performance obligation and will be recognised when (or as) the obligation is satisfied.

Sales of SIMs in bundled packages:

Under IFRS 15, the total consideration in the contract must be allocated to all the products and services provided, for example, SIMs and mobile telecommunication services, based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the SIMs and telecommunication services.

Bundled packages:

When revenue arrangements include multiple deliverables, the revenue recognition criteria are applied separately to each transaction. In certain circumstances it is necessary to separate a transaction into identifiable components to reflect the separate obligations of the transaction. Deliverables are separated into individual transactions when the following two conditions are met:

- (i) the deliverable has value to the customer on a stand-alone basis and
- (ii) there is evidence of the fair value of the item. The arrangement consideration is then allocated to each separate unit of accounting based on its relative fair value.

The Group has adopted the practical expedients associated with the application of the new criteria that were adopted in the implementation of the standard with the objective of reducing the complexity in its application. The main practical expedients that the Group adopted are:

- (i) The financial component is not considered significant as the period between the moment when the promised good or service is transferred to a customer and the moment when the customer pays for that good or service is less than one year. The vast majority of contracts issued do not include a significant financing component.
- (ii) Costs to obtain a contract are recognised as expenses when incurred as the amortisation period of the asset that the Group would otherwise recognise is less than one year.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

aa. Expense recognition

Expenses are recognized in the period incurred.

ab. Employee benefits

(i) Pension obligations

The Group has two defined pension contribution plans, one for management and one for non-management staff. The defined contribution plans are pension plans under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods. The plans are administered by separate Board of Trustees and the funds are held outside the Group.

The Group pays contributions to privately administered pension plans on a mandatory or contractual basis. The contributions are recognized as staff pension expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

(ii) Termination benefits

The Group recognizes termination benefits in accordance with the labour laws of Belize and Group policy.

ac. Interest Income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

ad. Exceptional items

Exceptional items are disclosed separately in the financial statements, when it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that are shown separately due to the significance of their nature or amount.

ae. Segment reporting

The Group has one operating segment. This is based on the management and internal reporting structure, which combines the Group's business units and is consistent with the manner in which internal reporting is provided to and reviewed by the Group's Chief Operating Decision-Maker. The Group has determined the Board of Directors as its Chief Operating Decision-Maker.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, mainly credit risk, foreign currency risk, interest rate risk and liquidity risk.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers.

(i) Risk Management

Credit risk is managed on a Group basis. For cash and cash equivalents and deposits with banks and financial institutions, the Group does business with only reputable entities.

For customers, the Group has adopted credit policies which include assessing the customer's credit worthiness, requesting a deposit before credit is granted, regular review of credit limits and pursuing legal recourse to collect overdue balances.

(ii) Impairment of Financial Assets

The Group's only type of financial asset that would be subjected to the expected credit loss model is trade receivables.

Whilst cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the impairment loss identified was considered immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rate are based on the payment profiles of sales over a period of 24 months before March 31, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

On that basis, the loss allowance as at March 31, 2024 and March 31, 2023 was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
March 31, 2024					
Expected loss rate	12.95%	24.60%	25.13%	44.41%	
Gross carrying amount	\$ 9,903	\$ 2,350	\$ 573	\$ 26,869	\$ 39,695
Loss allowance	\$ 1,282	\$ 578	\$ 144	\$ 11,933	\$ 13,937
	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
March 31, 2023					
Expected loss rate	8.42%	13.65%	22.09%	32.60%	
Gross carrying amount	\$ 9,490	\$ 2,481	\$ 1,464	\$ 24,935	\$ 38,370
Loss allowance	\$ 799	\$ 339	\$ 323	\$ 8,129	\$ 9,590

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

The loss allowance for Trade Receivables as at March 31 reconciled to the opening loss allowance as follows:

	<u>2024</u>	<u>2023</u>
Opening loss allowance at beginning of year	\$ 15,171	\$ 17,673
Remeasurement of expected credit loss	1,839	(1,395)
Reclassification	227	-
Receivables written off during the year as uncollectible	-	(1,107)
Carried forward, end of year	\$ 17,237	\$ 15,171

Trade receivables are written off where there is no reasonable expectation of recovery which include failure of customer to engage in a repayment plan, and a failure to make contractual payments for a period greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit and a subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Foreign Currency Risk

Foreign currency risk - is the risk that the value of a financial transaction will fluctuate because of the changes in foreign exchange rate. The Group incurs currency risk exposure in respect of overseas trade purchases and commitments made in currencies other than Belize dollars and repayable in foreign currencies, mainly in US dollars. Its exposure to losses from currency risk is mitigated by the fact that the official exchange rate for the Belize dollar is tied to the US dollar at BZ\$2 to US\$1.

(c) Liquidity Risk

Liquidity risk - is the risk that an entity's available cash may not be sufficient to meet its ongoing working capital obligations. The Group performs cash flow forecasting to ensure that it has sufficient cash to meet operational needs whilst maintaining sufficient buffer in its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

In addition, the Group maintains the following lines of credit:

- Secured \$10 million overdraft facility. Interest is paid at 6.25%. The facility has a 365 days maturity that renews automatically at the option of the Group.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Within 3 months	3 months to 1 year	Between 1 and 5	Over 5 years	Total
March 31, 2024					
Trade and other payables	\$ 4,952	\$ 13,325	\$ -	\$ -	\$ 18,277
Lease liabilities	-	150	930	-	1,080
Borrowings	250	11,900	11,933	7,777	31,860
Customer deposits	723	-	-	-	723
Dividends payable	6,829	-	-	-	6,829
	\$ 12,754	\$ 25,375	\$ 12,863	\$ 7,777	\$ 58,769
March 31, 2023					
Trade and other payables	\$ 4,986	\$ 16,920	\$ -	\$ -	\$ 21,906
Lease liabilities	-	424	494	-	918
Borrowings	3,927	8,188	24,089	7,778	43,982
Customer deposits	400	-	-	-	400
Dividends payable	5	-	-	-	5
	\$ 9,318	\$ 25,532	\$ 24,583	\$ 7,778	\$ 67,211

(d) Interest Rate Risk

Interest rate risk - is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant exposure to interest-rate risk on its assets held in the form of bank deposits since these assets earn fixed interest rates. The Group has managed to mitigate changes in interest and interest rate risk on borrowings by negotiating fixed interest rates and terms with the local and foreign financial institutions that provide funding to the Group.

(e) Market Risk

Market risk- relates to unforeseeable factors that could occur both within the local market and also within the international telecommunication market. Local market risk examples include the impact to the Group's business arising from activities of new or existing competitors; local socio-economic factors which affect the public and changes to the regulatory environment. International market risk examples include availability of capacity from the international telecommunications market and pricing of such capacity and global socio-economic factors which impact the local market.

The Group minimizes its exposures to market risks by maintaining informational networks that allow early recognition of and response to changing market conditions and also through maintaining close contacts with its customer base, local regulatory and other governing authorities and international parties.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

4. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 254	\$ 196
Bank balances	34,996	22,331
	<u>\$ 35,250</u>	<u>\$ 22,527</u>

5. SHORT-TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
Heritage Bank Limited fixed deposit at 3.25% maturing September 18, 2024	\$ 5,000	\$ -
National Bank of Belize Limited fixed deposit at 3.5% maturing September 20, 2024	5,000	-
	<u>\$ 10,000</u>	<u>\$ -</u>

6. TRADE RECEIVABLES

	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 39,695	\$ 38,570
Less: expected credit loss (ECL)	(17,237)	(15,171)
	<u>\$ 22,458</u>	<u>\$ 23,399</u>

Provision for credit losses as follows:

Brought forward, beginning of year	\$ 15,171	\$ 17,673
Net remeasurement of expected credit losses	1,839	(1,395)
Reclassification	227	-
Receivables written off during the year	-	(1,107)
Carried forward, ending of year	<u>\$ 17,237</u>	<u>\$ 15,171</u>

7. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Foreign telephone network administrations receivable	\$ 2,552	\$ 4,280
Input tax receivable	729	836
Other receivables	7,638	8,728
	<u>\$ 10,919</u>	<u>\$ 13,844</u>

8. FINANCE LEASE RECEIVABLE

	<u>2024</u>	<u>2023</u>
Amounts receivable under finance leases:		
No later than one year	\$ 1,177	\$ 1,177
Later than one year and no later than five years	4,707	4,707
Later than five years	11,494	12,670
Undiscounted lease payments	17,378	18,554
Less: Unearned future finance income	(3,035)	(3,395)
Net investment in finance lease	<u>\$ 14,343</u>	<u>\$ 15,159</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

8. FINANCE LEASE RECEIVABLE (CONTINUED)

	<u>2024</u>	<u>2023</u>
Current receivables:		
Finance lease - gross receivable	\$ 1,177	\$ 1,177
Unearned finance income	(403)	(389)
	<u>\$ 774</u>	<u>\$ 788</u>

Non-current receivables:

Finance lease - gross receivable	\$ 16,201	\$ 17,377
Unearned finance income	(2,632)	(3,006)
	<u>\$ 13,569</u>	<u>\$ 14,371</u>

The net investment in finance lease may be analysed as follows:

No later than one year	\$ 774	\$ 788
Later than one year and no later than five years	3,440	3,352
Later than five years	10,129	11,019
	<u>\$ 14,343</u>	<u>\$ 15,159</u>

The Group, as Lessor, has entered into Finance Lease Agreements in relation to the following: (i) exclusive right to use specific strands of Dark Fiber within specified cable routes for a lease period of 20 years (ii) exclusive right to real property for a lease period of 15 years.

9. PREPAYMENTS

	<u>2024</u>	<u>2023</u>
Purchases	\$ 3,050	\$ 2,971
Maintenance and support services	1,502	1,199
Insurance	490	397
Other	467	732
	<u>\$ 5,509</u>	<u>\$ 5,299</u>

10. INVENTORIES

	<u>2024</u>	<u>2023</u>
Spares, goods for resale and other consumable supplies	\$ 14,234	\$ 9,753
Less: provision for obsolete inventories	(1,748)	(1,369)
	<u>\$ 12,486</u>	<u>\$ 8,384</u>

Provision for obsolete stock is comprised of:

Brought forward, beginning of year	\$ 1,369	\$ 1,645
Increase in provision recognized	452	1,310
Stock written off	(73)	(1,586)
Carried forward, ending of year	<u>\$ 1,748</u>	<u>\$ 1,369</u>

BELIZE TELEMEDIA LIMITED
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**
11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Network equipment and other assets	Motor vehicles	Under construction	Total
Cost					
Balance at April 1, 2023	\$ 62,624	\$ 592,145	\$ 6,749	\$ 17,342	\$ 678,860
Additions	55	384	1,516	16,794	18,749
Transfers	-	12,564	-	(12,564)	-
Disposals	(333)	(9,759)	(81)	-	(10,173)
Reclassification	-	(17,699)	-	-	(17,699)
Carried forward, March 31, 2024	62,346	577,635	8,184	21,572	669,737
Accumulated depreciation					
Brought forward, April 1, 2023	19,336	418,247	5,650	-	443,233
Additions	1,553	28,665	238	-	30,456
Disposals	-	(9,761)	(79)	-	(9,840)
Reclassification	-	(14,267)	-	-	(14,267)
Carried forward, March 31, 2024	20,889	422,884	5,809	-	449,582
Net book value					
March 31, 2024	\$ 41,457	\$ 154,751	\$ 2,375	\$ 21,572	\$ 220,155

	Land and buildings	Network equipment and other assets	Motor vehicles	Under construction	Total
Cost					
Brought forward, April 1, 2022	\$ 64,709	\$ 673,386	\$ 6,450	\$ 10,778	\$ 755,323
Additions	4	303	642	23,892	24,841
Transfers	-	17,174	-	(17,328)	(154)
Acquisition of subsidiary	-	6,053	95	-	6,148
Disposals	(2,089)	(104,771)	(438)	-	(107,298)
Carried forward, March 31, 2023	62,624	592,145	6,749	17,342	678,860
Accumulated depreciation					
Brought forward, April 1, 2022	18,630	487,600	5,751	-	511,981
Additions	1,570	32,738	200	-	34,508
Acquisition of subsidiary	-	2,150	91	-	2,241
Disposals	(864)	(104,241)	(392)	-	(105,497)
Carried forward, March 31, 2023	19,336	418,247	5,650	-	443,233
Net book value					
March 31, 2023	\$ 43,288	\$ 173,898	\$ 1,099	\$ 17,342	\$ 235,627

Transfers for the fiscal year ended March 31, 2023 from assets in the course of construction were from Mobile Expansion, FTTH, number of customer installations from Sales Jobs. These assets are expansion to our current Fiber Network and Mobile Network.

BELIZE TELEMEDIA LIMITED
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**
12. RIGHT-OF-USE ASSETS

	Tower space	Office space	Total
Cost			
Balance at April 1, 2023	\$ 1,878	\$ 689	\$ 2,567
Addition	686	-	686
Balance at March 31, 2024	2,564	689	3,253
Accumulated Depreciation			
Balance at April 1, 2023	1,195	572	1,767
Addition	468	117	585
Balance at March 31, 2024	1,663	689	2,352
Net Book Value			
March 31, 2024	\$ 901	\$ -	\$ 901

	Tower space	Office space	Total
Cost			
Balance at April 1, 2022	\$ 1,878	\$ 689	\$ 2,567
Addition	-	-	-
Balance at March 31, 2023	1,878	689	2,567
Accumulated Depreciation			
Balance at April 1, 2022	822	427	1,249
Addition	373	145	518
Balance at March 31, 2023	1,195	572	1,767
Net Book Value			
March 31, 2023	\$ 683	\$ 117	\$ 800

Right-of-use assets relate to leased office space, tower space, and vehicles, with the exception of short-term leases and leases of low-value assets. Leases are recognized on the statement of financial position as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group.

Leases of tower space, tower room and office space are generally limited to a lease term of between 3 to 5 years, with the exception of three tower space leases with terms extended between 15-20 years. Leases relating to motor vehicles are for 3 years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases related to tower and office spaces, the Group must keep these properties in a good state of repair and return the properties to their original state and condition at the end of the lease term.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

12. RIGHT-OF-USE ASSETS (CONTINUED)

	<u>2024</u>	<u>2023</u>
Lease liabilities:		
Current	\$ 150	\$ 424
Non-current	930	494
	<u>\$ 1,080</u>	<u>\$ 918</u>

The maturity analysis of undiscounted lease liabilities recognised on the Group balance sheet are as follows:

	Lease payments	Finance charges	Net present value
Within one year	\$ 363	\$ 52	\$ 311
Between one and two years	227	32	195
Between two and three years	157	36	121
Between three and four years	125	28	97
Between four and five years	103	22	81
Due after five years.	313	38	275
	<u>\$ 1,288</u>	<u>\$ 208</u>	<u>\$ 1,080</u>

Amounts recognized in the consolidated statement of comprehensive income:

	<u>2024</u>	<u>2023</u>
Interest expense included in finance expense	\$ 52	\$ 95
Short-term and low-value leases included in operating cost	\$ 393	\$ 393

The total cash outflow relating to leases in the financial year ended March 31, 2024 was \$632,000 (2023 - \$606,000).

13. INTANGIBLE ASSETS

	<u>2024</u>	<u>2023</u>
Cost		
Balance at, beginning of year	\$ 50,542	\$ 57,703
Additions	1,517	3,953
Transfer	-	154
Reclassification	17,699	-
Disposal	-	(11,432)
Acquisition of subsidiary	-	164
Carried forward, ending of year	<u>69,758</u>	<u>50,542</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

13. INTANGIBLE ASSETS (CONTINUED)

	<u>2024</u>	<u>2023</u>
Accumulated amortization and impairment		
Balance at, beginning of year	34,940	39,422
Charge for the year	4,896	6,868
Reclassification	14,267	-
Disposal	-	(11,432)
Acquisition of subsidiary	-	82
Carried forward, ending of year	<u>54,103</u>	<u>34,940</u>
Carrying amount		
As at March 31	<u>\$ 15,655</u>	<u>\$ 15,602</u>

Intangible assets consist of purchased software mainly for billing, value-added services and licenses relating to Microsoft products and any additional software utilised by the Group.

14. OTHER NON-CURRENT ASSET

(I) Americas Region Caribbean

	<u>2024</u>	<u>2023</u>
Cost		
Balance at, beginning of year	\$ 8,103	\$ 8,103
Additions	-	-
Carried forward, ending of year	<u>8,103</u>	<u>8,103</u>
Accumulated amortization and impairment		
Balance at, beginning of year	6,757	6,413
Charge for the year	343	344
Carried forward, ending of year	<u>7,100</u>	<u>6,757</u>
Carrying amount		
As at March 31	<u>\$ 1,003</u>	<u>\$ 1,346</u>

BTL is a party to the Americas Region Caribbean Ring System (ARCOS-1), an optical fiber submarine cable system available to facilitate the provision of international telecommunication services in the region. The original project cost was approximately \$801.7 million, of which BTL funded \$8.006 million.

The ARCOS-1 system became operational in March 2002. Its total cost is being amortized over its estimated service life of twenty-five years, commencing March 2002.

II. Intra-Group Shares

	<u>2024</u>	<u>2023</u>
BTL Telemedia Investments Limited, a Group subsidiary, holds 500 ordinary shares in Belize Telemedia Limited at a cost.	<u>\$ 3</u>	<u>\$ 3</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

15. TRADE AND OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 774	\$ 3,213
Foreign telephone network administrations payable	146	174
Interest payable	501	676
License fees	4,378	5,561
Other payable	12,478	12,282
	<u>18,277</u>	<u>21,906</u>
Less: non-current portion	(500)	(404)
	<u>\$ 17,777</u>	<u>\$ 21,502</u>

16. BORROWINGS

	<u>2024</u>	<u>2023</u>
Atlantic Bank Limited loan for BZ\$30 million, secured by certain properties, payable within seven years, with the payment of interest only during the first three years with the principal and interest during the remaining four years. BZ\$2 million is repayable with interest at 7% per annum. BZ\$4 million (US\$2 million) is repayable with interest at 6.25%. Repayment of principal consists of 8 semi-annual instalments of BZ\$3.75 million, exclusive of interest.	\$ 7,500	\$ 15,000
Amount drawn down on a 12-year loan of USD\$17.5 million (BZD\$35 million) from Taiwan International Cooperation and Development Fund (Taiwan ICDF), secured by majority shareholders, with payment of interest only at 5.5% per annum for the first three years, and principal and interest during the remaining nine years. Repayment of principal will consist of 18 semi-annual instalments of US\$972 thousand, exclusive of interest.	23,263	27,222
St. John's Credit Union Limited bank loan for BZ\$3.5 million, secured by fixed deposits and certain property, with interest at 5.75% per annum, repayable in six years, with payment of interest only during the first year and principal and interest during the remaining five years. Repayment of principal will consist of 60 monthly instalments of BZ\$67.9 thousand, inclusive of interest.	<u>1,097</u>	<u>1,760</u>
	31,860	43,982
Less: current portion	(12,150)	(12,115)
	<u>\$ 19,710</u>	<u>\$ 31,867</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

16. BORROWINGS (CONTINUED)

Loan amounts repayable are as follows:

	<u>2024</u>
2024-2025	\$ 12,150
2025-2026	4,155
2026-2027	3,889
2027-2028	3,889
2028 thereafter	7,777
	<u>\$ 31,860</u>

17. CUSTOMER DEPOSITS

Customer deposits comprise of upfront payments made by customers as security deposits. These security deposits are refundable at the end of the service contract, less any damage incurred on the property. Customer deposits also consist of funds owed to customers for transacting in mobile wallet services. These wallet deposits can be withdrawn at any time.

18. PREFERENCE SHARES

	<u>2024</u>	<u>2023</u>
Authorized, issued and fully paid: 48,500,000 4% non-redeemable, cumulative preference shares of \$1 par value	\$ 48,500	\$ 48,500

19. ORDINARY SHARES

	<u>2024</u>	<u>2023</u>
Authorized: 100,000,000 ordinary shares of \$1 par value including 1 Special Share of \$1 par value	\$ 100,000	\$ 100,000
Issued and fully paid: 49,551,652 ordinary shares of \$1 par value and 1 Special Share of \$1 par value	\$ 49,552	\$ 49,552

20. SHARE PREMIUM

In July 2007, a rights issue was offered to shareholders at \$3 per share. As a result of this offer, an additional 8,216,725 Ordinary Shares were issued. After the transaction was completed, the average share price was \$2.859 due to the discount offered when payments were made in US dollars.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

21. CAPITAL RESERVE - NON DISTRIBUTABLE

At the close of business, on May 29, 2007, the assets and liabilities of Belize Telecommunications Limited were vested in Belize Telemedia Limited. Within the Belize Telemedia Limited financial statements, at that date, the non-distributable portion of the excess of total assets less total liabilities, less equity shares issued and fully paid, was placed in a Non-Distributable Capital Reserve.

22. REVENUES FROM CUSTOMERS

	<u>2024</u>	<u>2023</u>
Fixed internet and voice services	\$ 77,554	\$ 72,900
Mobile and wallet services	57,703	59,594
Roaming and international settlements	8,784	11,058
	<u>144,041</u>	<u>143,552</u>
ICT services	6,401	6,428
Other operating revenue	2,446	2,044
	<u>\$ 152,888</u>	<u>\$ 152,024</u>

23. OPERATING COST

	<u>2024</u>	<u>2023</u>
Facilities and infrastructure	\$ 55,591	\$ 60,848
General and administrative	37,082	34,718
Network and operation fees	26,300	26,553
Net remeasurement of expected credit losses	1,839	(1,395)
	<u>\$ 120,812</u>	<u>\$ 120,724</u>

24. TAXATION

In accordance with the 9th Schedule of the Income and Business Tax Act, as revised, the Group is subject to business tax at a rate of 1.75% on gross revenue receipts from Internet and Data Services and Non-Telecommunication Services, internet protocol television and cable television services, 19% on gross revenue receipts from telecommunication services, and 3% on gross revenue receipts relating to rent.

Telemedia Free Zone operates under an approved Designated Processing Area (DPA) status. Benefits include exemptions from customs and excise duties, consumption tax, trade turnover tax and property and land tax.

Government of Belize amended the Income and Business Tax Act (amendment No. 25 of 2019, effective January 1, 2020) indicating that no income tax shall be payable upon the chargeable income of a company, other than a company engaged in petroleum operations. The Government of Belize is in the process of updating the Income and Business Tax Act, Chapter 55 of the Laws of Belize, Revised Edition 2020, to provide for further clarity regarding tax status with respect to DPA's.

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

24. TAXATION (CONTINUED)

A general sales tax of 12.5% is levied on goods and services. The General Sales Tax (GST) is a tax on consumer spending that is collected in stages, at the point of importation of the business purchases and on the sales of the business' good and services when the goods are sold or service is provided. The payment of tax on purchases and collection of tax on sales are netted monthly and the net tax paid to the Government of Belize. The tax is consistently excluded from the cost of goods sold of the Group.

25. EARNINGS PER SHARE

Basic Earnings per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding.

Diluted Earnings per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding adjusted for its dilutive potential.

	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders (basic and diluted)		
Profit for the year attributable to Ordinary Shareholders	\$ 24,956	\$ 21,628
Effect of dividends paid on cumulative Preference Shares	(1,940)	(1,940)
Profit for the year attributable to Ordinary Shareholders (basic)	<u>23,016</u>	<u>19,688</u>
Dilutive effects	-	-
Profit for the year attributable to Ordinary Shareholders (diluted)	<u>\$ 23,016</u>	<u>\$ 19,688</u>
Weighted-average number of Ordinary Shares (basic and diluted)		
Outstanding Ordinary Shares	\$ 49,552	\$ 49,552
Effect of Intra-group shares (held by subsidiary companies)	(3)	(3)
Weighted average number of Ordinary Shares (basic)	<u>49,549</u>	<u>49,549</u>
Dilutive effects	-	-
Weighted average number of Ordinary Shares (diluted)	<u>\$ 49,549</u>	<u>\$ 49,549</u>
Earnings per share (basic)	<u>\$ 0.46</u>	<u>\$ 0.40</u>
Earnings per share (diluted)	<u>\$ 0.46</u>	<u>\$ 0.40</u>

BELIZE TELEMEDIA LIMITED
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**
26. DIVIDENDS

The following dividends were declared by the Company:

	<u>2024</u>	<u>2023</u>
Final dividend for the year ended March 31, 2023 at 0.20 cents per Ordinary Share (March 31, 2022 - 0.13 cents per share)	\$ 9,911	\$ 6,441
Final dividend for the year ended March 31, 2023 at 4 cents per cumulative Non-Redeemable Preference Share (March 31, 2022 - 4 cents per share)	<u>1,940</u>	<u>1,940</u>
	<u>\$ 11,851</u>	<u>\$ 8,381</u>

27. COMMITMENTS
Capital commitments

Capital expenditure authorized and contracted:

	<u>2024</u>	<u>2023</u>
MIND billing system	\$ 833	\$ 696
FTTH/ NBP	1,775	3,064
MS E365	-	4,708
Huawei	2,589	3,497
NetSuite	1,621	-
Security and cloud solution	1,253	-
other projects	<u>498</u>	<u>3,363</u>
	<u>\$ 8,569</u>	<u>\$ 15,328</u>

28. RELATED PARTY TRANSACTIONS

The Government of Belize (GOB) owns 49.3% of the Ordinary Shares and 100% of the Preference Shares of the Company (Parent). The Belize Social Security Board owns 34.3% of the Ordinary Shares of the parent company. GOB is also the majority shareholder of Belize Electricity Limited.

The following transactions were carried out with related parties:

(a) Sales of goods and services

	<u>2024</u>	<u>2023</u>
Sales of services:		
- Belize Social Security Board	\$ 1,211	\$ 1,245
- Government of Belize	15,896	14,010
- Belize Electricity Limited	3,017	2,903
- Belize Water Services Limited	<u>504</u>	<u>524</u>
	<u>\$ 20,628</u>	<u>\$ 18,682</u>

BELIZE TELEMEDIA LIMITED
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)**
28. RELATED PARTY TRANSACTIONS (CONTINUED)

Goods and services are sold to related parties on the same terms and conditions that would be available to third parties.

(b) Purchases of goods and services

	<u>2024</u>	<u>2023</u>
Purchase of services:		
- Entities controlled by key management personnel	\$ 481	\$ 4
- Belize Electricity Limited	5,410	5,100
- Belize Water Services Limited	<u>214</u>	<u>121</u>
	<u>\$ 6,105</u>	<u>\$ 5,225</u>

Goods and services are bought from related parties on normal commercial terms and conditions.

(c) Key management compensation

The total remuneration paid to key management which includes executive and non-executive directors was:

	<u>2024</u>	<u>2023</u>
Salaries and other short-term benefits	\$ 6,251	\$ 6,146
Termination benefits/ post-employment benefits	<u>163</u>	<u>167</u>
	<u>\$ 6,414</u>	<u>\$ 6,313</u>

(d) Year-end balances arising from sales and purchases of goods and services:

	<u>2024</u>	<u>2023</u>
Receivable from related parties:		
- Government of Belize	\$ 1,632	\$ 555
- Belize Social Security Board	60	66
- Belize Electricity Limited	15,647	18,815
- Belize Water Services Limited	<u>86</u>	<u>70</u>
	<u>\$ 17,425</u>	<u>\$ 19,506</u>

Receivables from related parties arise mainly from the sale of telecommunication, data and related services and are due in the month following the date of sale, except for the sale of dark fiber to BEL under a finance lease agreement. Receivables are unsecured and bear no interest, except for the sale of dark fiber.

	<u>2024</u>	<u>2023</u>
Payable to related parties:		
- Belize Electricity Limited	\$ 407	\$ 325
- Belize Water Services Limited	<u>17</u>	<u>11</u>
	<u>\$ 424</u>	<u>\$ 336</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

29. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table shows the carrying amounts of financial assets and financial liabilities of each category of financial instruments held by the Group:

	<u>2024</u>	<u>2023</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 35,250	\$ 22,527
Short-term investments	10,000	-
Trade receivables	22,458	23,399
Other receivables	10,190	13,008
Financial lease receivable - net	14,343	15,159
Total financial assets	<u>\$ 92,241</u>	<u>\$ 74,093</u>
Financial liabilities at amortized cost		
Trade and other payables	\$ 18,277	\$ 21,906
Lease liabilities	1,080	918
Customer deposits	723	400
Borrowings	31,860	43,982
Dividends payable	6,829	5
Total financial liabilities	<u>\$ 58,769</u>	<u>\$ 67,211</u>

30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business, to maintain an optimal capital structure and to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a ratio of 'debt to equity'. Debt is calculated as total liabilities as shown in the statements of financial position. Total capital is calculated as total equity as shown in the statements of financial position.

The Group's policy is to keep the ratio below 2.00. The Group's 'debt to equity' ratio at March 31 was as follows:

	<u>2024</u>	<u>2023</u>
Total liabilities	\$ 82,733	\$ 89,146
Total equity	\$ 267,529	\$ 254,424
Debt to equity ratio	<u>0.31</u>	<u>0.35</u>

BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN THOUSANDS OF BELIZE DOLLARS)

31. CONTINGENCIES

Litigation - The Company is subject to various legal proceedings and claims that arise in the ordinary course of business operations. Management believes that the amount of liability, if any, from these actions would not have a material effect on the Company's financial position or results of operations. However, the following legal matters continue to require keen attention and consultation with the Company's attorneys to minimize exposure:

- (a) Claim No. 751 of 2019, Oscar Gongora v Belize Telemedia Limited was filed by a former employee Oscar Gongora against BTL seeking severance payments of \$34,344. On July 30, 2021, the claim was dismissed by the Supreme Court. Mr. Gongora has filed an appeal in respect of the High Court's decision. On January 25, 2023, the Court of Appeal handed down its decision in favor of Mr. Gongora and the matter was remitted to High Court to be heard by a different judge. The matter has not yet been assigned a judge of the High Court.
- (b) Claim No. 514 of 2011 International Telecommunications Company Limited ("INTELCO") v Belize Telemedia Limited was filed against the Company for \$49.1 million purportedly as a remainder of the purchase price for assets allegedly purchased by BTL INTELCO also seeks damages in the alternative for alleged breach of contract. The application was heard and a decision remains outstanding to be handed down. This matter is still outstanding and the Claimant has taken no further steps in the claim.
- (c) Claim No. 560 of 2020, Erven Marin et al v Belize Telemedia Limited and Civil Appeal No. 5 of 2023 relating to employee severance claims against BTL. On May 20, 2024, the Court of Appeal ruled in favor of BTL (in part) and in favor of the former employees (in part). Severance is to be paid to some employees and prescribed cost was order in part to BTL and in part to the former employees. The claimants filed an application for leave to appeal the decision of the Court of Appeal to the Caribbean Court of Justice (CCJ). The application now awaits a date in the next session in the Court of Appeal.
- (d) Claim No 190 of 2023 Belize Telemedia Limited v Public Utilities Commission. This claim is for a judicial review regarding PUC's decision to grant BTL a 2 year Individual License in December 2022 instead of renewing BTL's previous license for a 5 year term. The claim was dismissed by the High Court. BTL filed an appeal on March 25, 2024, and awaiting the matter to be called up by the Court of Appeal.

32. EVENTS AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the March 31, 2024 reporting date and date of authorization.

#1 St. Thomas Street
P.O. Box 603
Belize City, Belize

Toll Free: 0-800-CALL-BTL
0-800-FOR-DIGI
Fax: +(501) 223-2096

• www.livedigi.com