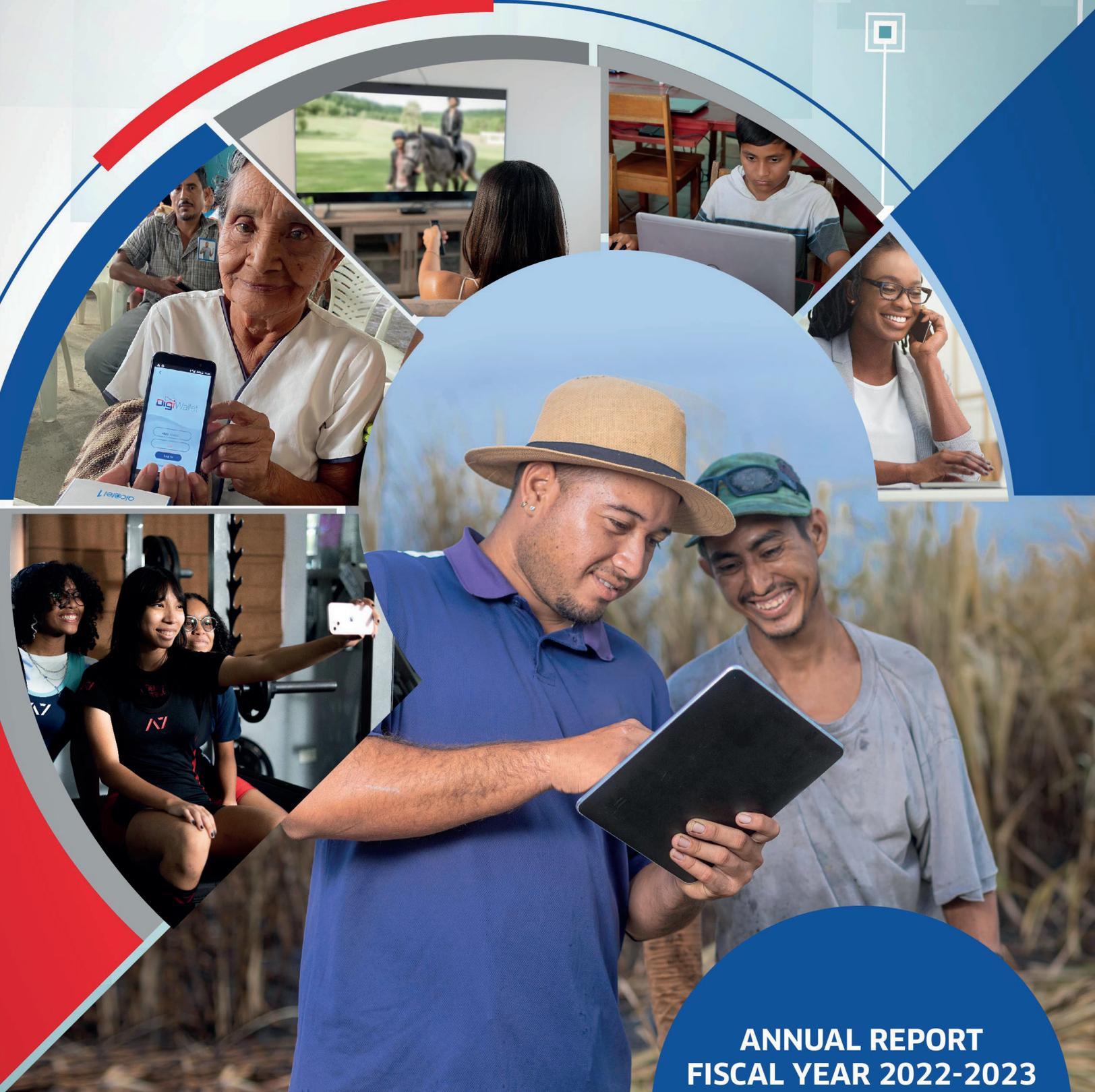


# Leading Belize's Digital Transformation!





Our National Telecom

Annual Report  
2022-2023

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Annual Report 2022-2023

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## 1.0 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 the 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 our over 500 trained and capable employees across the nation, who continue to place great emphasis 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.



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

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

# 1.1 ALTERNATIVE NETWORKS LIMITED

## Redefining the way we connect and entertain

Digi remains deliberate about innovation, and, at the beginning of the fiscal year, 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.



# PIONEERING QUAD PLAY SERVICES IN BELIZE



## 1.2 DIGIWALLET

DigiWallet (DWL) is a revolutionary mobile payment platform that has transformed the way customers conduct financial transactions. DigiWallet offers convenience, speed and safety, all important elements to users in the digital payment space.

DigiWallet is a user-friendly and hassle-free option for customers to conduct financial transactions from the comfort of their homes or on the go. Customers can pay bills, purchase goods online and send money to anyone, anywhere and anytime.

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

We welcome the confidence customers have expressed in DigiWallet and as our customer base continues to increase, we remain committed to exploring improvement opportunities as we aim to offer the best customer experience.

**As we move forward, DigiWallet is poised to remain at the forefront of digital payment technology by implementing innovative solutions to meet our customers' needs and expectations.**

# DigiWallet

*Making Financial Inclusion a Reality!*



## Redefining Financial Inclusion with Enhanced Features



- **Online Payments:** Businesses can now offer its customers the convenience of shopping online and paying with DigiWallet
- **Bulk Payments:** Convenient for mass money distribution countrywide, inclusive of salary disbursements
- **PIN Reset:** Simplified 'Forgot PIN' feature via the app's homepage
- **Wallet Level & Transaction Limits:** Accessible 'View Wallet Level' feature on the 'My Info' section allows customers to easily upgrade their wallet and transaction limits
- **Guardian Accounts:** Parents can register and monitor minors' transaction activity
- **Utility Bill Payments:** Digi, BWS & BEL payments can be made by customers or on behalf of another
- **Cash In for Free with Atlantic Bank Online:** Atlantic Bank customers can transfer money to their DigiWallet 24/7
- **More Security:** Utilizes 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
- **Enhanced Payment Method:** DigiWallet is accepted for Social Security Card Fee Payments in (Belmopan & Belize City)



### Our Distinctive Advantages

Instant cash transfers | Cash-in & cash-out | Bill payments |  
Simplified shopping |  
Purchase of Digi products & services | Safe & reliable |  
No Mobile Data or internet hotspot required

### 1.3 CHAIRMAN'S MESSAGE



**Markhelm Lizarraga**  
Chairman of the Board of Directors

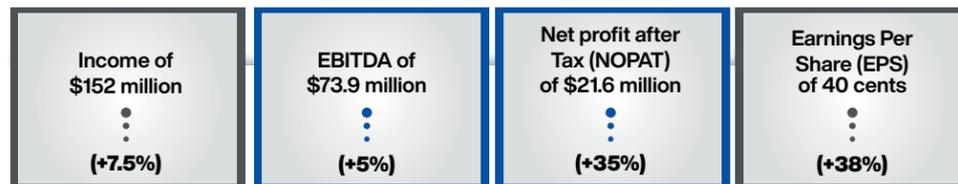
Dear Shareholders and Stakeholders,

I am pleased to present my report, summarizing the performance and achievements of Digi, Our National Telecom, for the fiscal year 2022-2023. This year has been marked by significant milestones and remarkable progress as we continue to evolve and shape the future of communication in Belize.

In a rapidly changing and competitive landscape coupled with economic hardening, Digi has once again demonstrated its resilience and adaptability, remaining at the forefront of innovation and customer-centricity. We, your new Board of Directors (BOD), have consistently strived to enhance our network infrastructure. Digi has expanded and improved our service offerings to over 50 additional areas during this fiscal year, while still

delivering unparalleled quality, experience, and value to our customers across the nation. All without the need for additional borrowing, meeting all our existing obligations, and delivering improved returns for our stakeholders.

I am delighted to announce that Digi has achieved exceptional financial results during this fiscal year. Despite the challenging global economic conditions, we have recorded robust revenue growth, reaching new heights in terms of profitability. Our prudent financial management and strategic investments have yielded substantial returns, generating value for our shareholders, and ensuring a solid foundation for future growth. Our commitment to bolstering investor confidence through our sustained efforts to improve Return on Equity (ROE) performance from 8% to 12% over the next 5 years remains.



As we reflect on another successful year at Digi, I must take a moment to acknowledge the outstanding support and commitment of our board of directors, management and staff. Their strategic insights, diverse perspectives, and staunch support have been pivotal in helping us navigate a dynamic business landscape. Our success is a testament to their dedication, and I want to express my profound gratitude to all for the invaluable contributions to our growth and prosperity.

In the fiscal year 2022-2023, Our National Telecom maintained its unwavering commitment to bring greater digital connectivity and coverage to our customers to empower and enhance lives and livelihood. We are very aware that the necessity and demand for connectivity is greater than ever, and our network is the national backbone that contributes significantly to national security, national efficiency, and national inclusiveness. Our commitment is underscored this fiscal year by the deployment of 18 new mobile cell sites and the upgrade of 17 existing sites, resulting in an expanded reach to over 23,000 residents, particularly those residing in rural and underserved communities.

In addition, ensuring nationwide fiber-optic coverage remained a top priority for us, as demonstrated by the successful rollout of 14 additional Fiber to the Home Network expansions in rural areas. This strategic initiative aims to bridge the digital divide and provide seamless connectivity to remote communities. Our network infrastructure was recently put to the test when Hurricane Lisa made landfall causing extensive damage to the Belize and Cayo Districts. Our infrastructure proved to be strong and resilient with only minor damage to the fiber network distribution in some areas of the Belize District, and no impact to our mobile network infrastructure. We take immense pride in our exemplary restoration efforts, and our teams that worked swiftly and tirelessly to restore the affected areas, setting a benchmark for disaster recovery in our industry.

Looking ahead, we remain focused on continuing to drive growth, innovation, and value creation. Our country is poised for further transformation, and Our National Telecom is leading the way. We will continue to invest in cutting-edge technologies, expanding our network coverage, and developing new digital services to meet the evolving needs of our country. We will remain the preferred telecom provider, empowering individuals, and businesses to thrive in the digital age.

I would like to express my heartfelt gratitude to our dedicated team, whose unwavering commitment and hard work have been instrumental in our success. I also extend my sincere appreciation to our valued shareholders, esteemed customers, business partners, and regulatory authorities for their continued trust and support.

I am confident that Digi will continue to seize new opportunities, overcome challenges, and deliver sustainable growth in the years to come. Together, let us continue this journey of digital transformation, connectivity, and innovation as we shape the future of communications in our beloved nation.

Digi, Our National Telecom – Leading Belize's Digital Transformation!

Thank you.  
Sincerely,

Markhelm Lizarraga  
Chairman of the Board of Directors

## 1.4 CEO's MESSAGE

**Digi's focus on innovation, affordability and accessibility secures our ability to provide customers unmatched value, exceptional mobile experiences and ultimately the best plans.**

Dear Shareholders and Stakeholders,

I am pleased to present the CEO's message for the Director's report, under the theme "Leading Belize's Digital Transformation" for the fiscal year 2022-2023. This year has been a transformative journey for Digi, Our National Telecom, as we maintained our lead in spearheading the nation's digital revolution whilst empowering individuals, businesses, and communities with cutting-edge connectivity and innovative solutions.

In an increasingly interconnected world, connectivity matters more than ever. Digi has remained committed to bridging the digital divide and ensuring that every Belizean has access to reliable, high-speed internet connectivity. During the year, we have expanded our network infrastructure, reaching more underserved areas and unlocking new opportunities for individuals to learn, work, and thrive in the digital era. We understand that connectivity is the bedrock of digital transformation, and we are dedicated to connecting Belize to a brighter future.



**Ivan N. Tesucum**  
Chief Executive Officer

### Launch of Quad Play:

Our commitment to innovation and providing holistic solutions for our customers was on prominent display with the launch of our Quad Play services - DigiONE during the year. Quad Play brings together high-speed internet, mobile, television, and landline services into a single, seamless package. This integration allows our customers to enjoy a comprehensive and convenient digital experience, tailored to their individual needs. With Quad Play, we are redefining the way Belizeans stay connected, entertained, and informed, enabling them to embrace the full potential of the digital age.

### Empowering Businesses and Industries:

Digi recognizes that digital transformation extends

beyond individuals; it also encompasses businesses and industries. We have worked closely with our corporate partners, helping them leverage digital technologies to drive efficiency, productivity, and innovation. From small enterprises to large corporations, we have provided tailored solutions such as cloud services, and cybersecurity to propel the growth of the digital economy. By empowering businesses, we have contributed to Belize's economic development and position ourselves as a trusted partner for their digital transformation journey.

### Enhancing the Customer Experience:

Delivering exceptional customer experience remains Digi's priority. We understand that in a rapidly evolving digital landscape, customers expect seamless interactions, personalized services, and prompt support. During this fiscal year, we made significant investments in enhancing our customer service channels, streamlining processes, and leveraging data analytics to gain valuable insights into customer preferences. These efforts have enabled us to deliver a superior customer experience, foster long-term relationships, and build customer loyalty.

### Sustainability and Corporate Social Responsibility:

Digi remains deeply committed to sustainability and our corporate social responsibility. We believe that responsible business practices are essential for building a better future for Belize. By integrating sustainability into our operations, we strive to create a positive impact on society and preserve the natural beauty of our beloved nation for generations to come. This was exemplified through the prioritization of the



decommissioning our copper infrastructure, leading to decreased energy usage, lower fault rates, and consequently, a reduced need for truck deployment, resulting in decreased fuel consumption.

**Looking Forward:**

Digi will continue to lead Belize's digital transformation by investing in advanced technologies, expanding our network coverage, and fostering strategic collaborations. We will remain agile, adaptive, and customer-centric, anticipating our customers' evolving needs and surpassing their expectations.

I extend my heartfelt appreciation to our dedicated employees, whose passion and commitment have been the driving force behind our success. I express gratitude as well to our esteemed shareholders, loyal customers, partners, and regulatory authorities for their trust, support, and belief in our vision.

Together, let us continue to forge ahead, leading Belize's digital transformation by connecting communities, and shaping a future where the limitless possibilities of the digital world become a reality for all.

Sincerely,

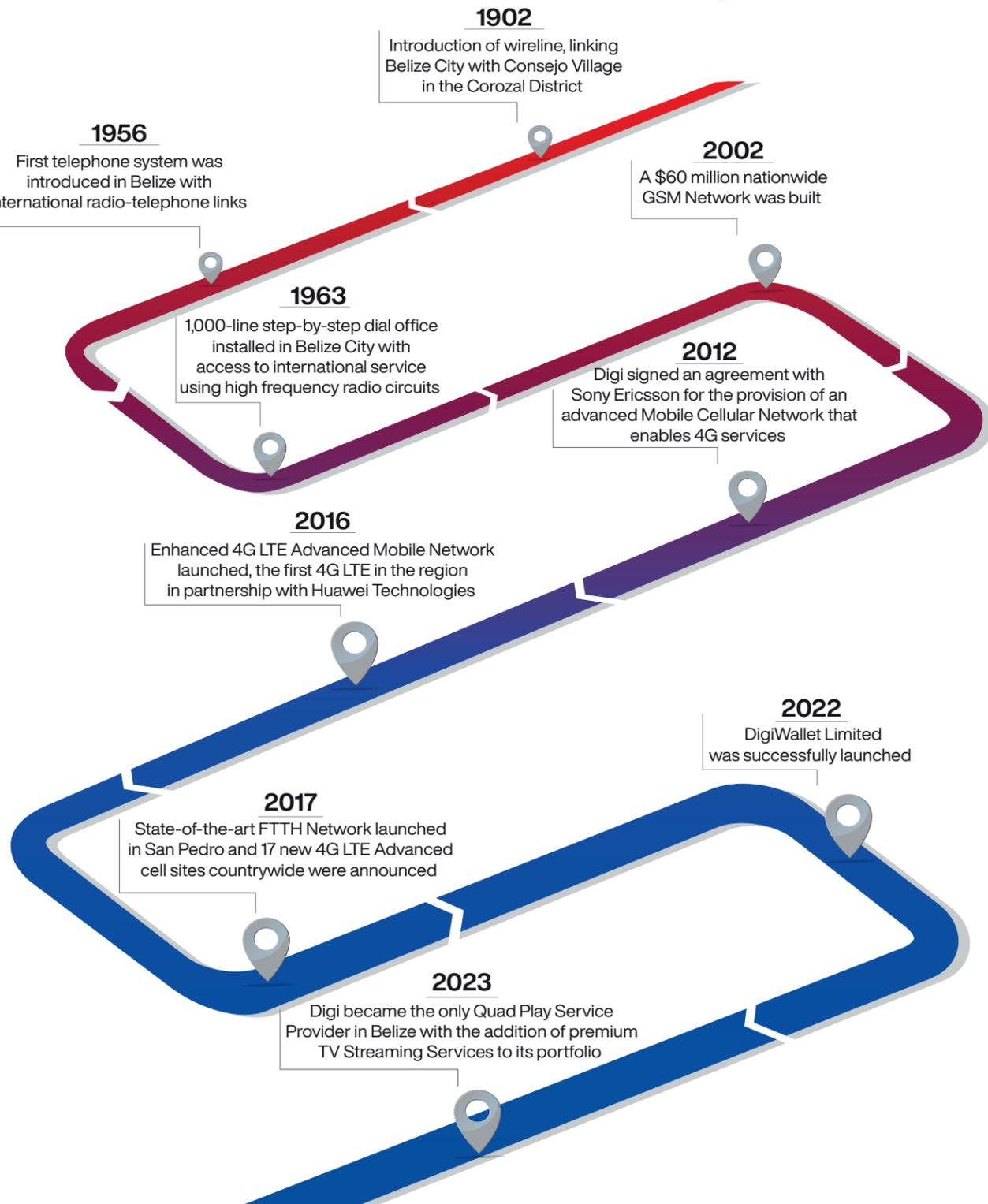


Ivan N. Tesucum  
Chief Executive Officer



# 1.5 OUR TRANSFORMATIVE JOURNEY

Simplifying our customers' lives and enhancing their digital experiences



# 1.6 OUR IDENTITY

The Essence of Who We Are



Established brand recognition and enduring values.



Unmatched network infrastructure: Leading the way in mobile and fiber connectivity.



Most comprehensive solution for business to business: The ultimate one-stop-shop.



Expansive reach and unrivaled market presence: Leading in customer base and market penetration across all segments.



# 2.0

## 2022-2023 Highlights

**2.1** Customers Served by Key Product Offerings

**2.2** DigiWallet

**2.3** Connectivity Matters

**2.4** DigiTV

**2.5** Unmatched Mobile Experience

**2.6** DigiONE

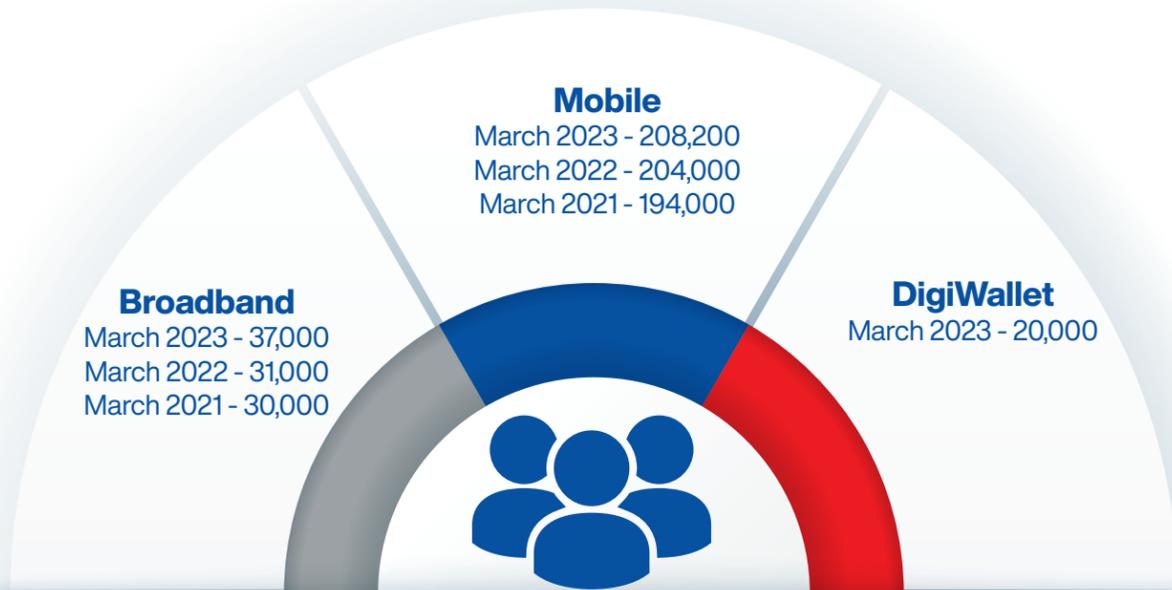
**2.7** ConnectED

**2.8** DigiBusiness

**2.9** Human Capital

**2.10** Empowering Communities

## 2.1 CUSTOMERS SERVED BY KEY PRODUCT OFFERINGS



**Delivering Exceptional Value to Our Customers through Key Product Offerings**

**Strengthening social networks and creating economic opportunities in rural areas...Digi is an anchor in the Belizean Society.**

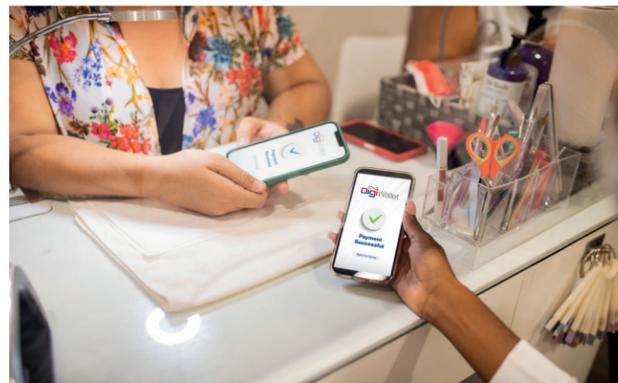
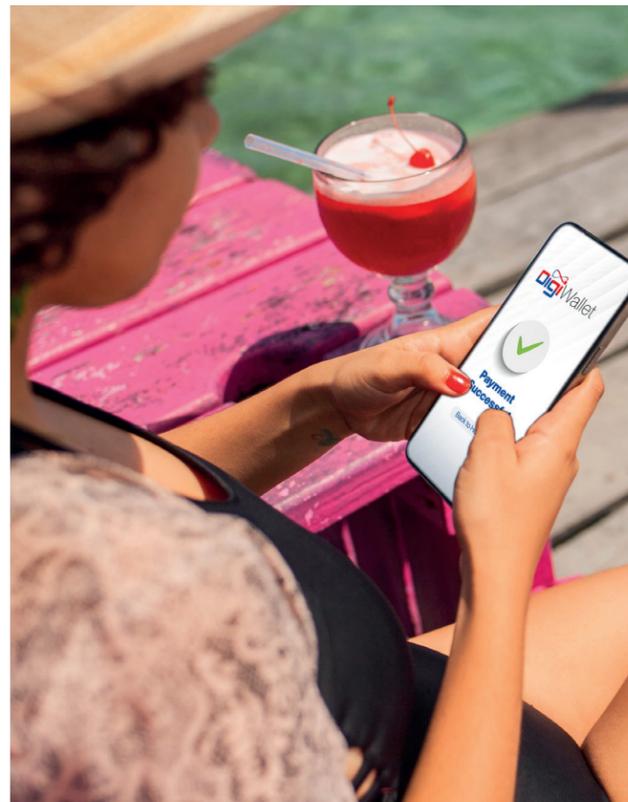


**Our National Telecom**

## 2.2 DIGIWALLET

Celebrating One Year of Making Financial Inclusion A Reality!

DigiWallet Limited (DWL), a groundbreaking mobile payment platform that has revolutionized the way people conduct financial transactions, celebrated its one-year anniversary on March 23, 2023.



In the past year, we attracted a wave of new subscribers, merchants and agents who recognize the power and convenience of our platform.

~20,000  
Subscribers

~1,400  
Merchants

~80  
Agents

**DWL forged strategic partnerships with key stakeholders, including international organizations, business establishments, government ministries and other financial institutions, to amplify our impact on society:**



Almost \$2 million distributed to over 3,000 beneficiaries via various partnerships.



Authorized mobile wallet solution for Belize Hurricane Lisa Cash Assistance Program benefiting 1,600 households.

**DWL remains committed to continuous innovation and expanding our reach to positively impact more lives.**

### 2.3 CONNECTIVITY MATTERS



As Belize's trusted telecommunications provider, Digi remains committed to driving connectivity advancements that fuel our nation's progress. Through the establishment of 18 new mobile sites, the addition of 14 FTTH sites, and 17 mobile site upgrades, we are effectively connecting communities, boosting economic growth, and driving digital inclusion for all Belizeans. We will continue to innovate, adapt, and invest in ensuring that Belize remains at the forefront of the digital revolution. We will continue to forge a future where seamless connectivity empowers every Belizean.

- FTTH Sites Developed in 2022-2023
- New Mobile Sites 2022-2023
- Mobile Sites Upgrades 2022-2023
- District



## 2.4 DIGITV

**Watch. Experience. Enjoy!**  
TV for your HOME or on the GO!

Digi successfully introduced its premium TV streaming services with the launch of DigiTV in August 2022. This groundbreaking initiative marked a significant milestone as Digi became the first quad play service provider in Belize, offering a comprehensive range of services including mobile, broadband, home phone, and now premium TV streaming.

With the introduction of DigiTV, customers have access to:

- A diverse selection of high-quality content, including popular TV shows, movies, sports, and much more.
- Seamless and convenient entertainment experience, accessible anytime, anywhere, at home or on the go.

Digi's commitment to innovation and customer satisfaction ensures that subscribers enjoy a wide array of entertainment options tailored to their preferences.

Our National Telecom continues to set new industry standards, revolutionizing the telecommunications landscape, while providing end to end solutions that cater to the evolving needs and preferences of Belizean consumers.

# DigiTV



# ENJOY YOUR FAVORITE SHOWS, MOVIES, SPORTS, LOCAL AND INTERNATIONAL NEWS AT HOME OR ON THE GO!

Over  
**100+ channels**



## 2.5 UNMATCHED MOBILE EXPERIENCE

Digi continues to work relentlessly to bring our customers better products and services enabling them to achieve, engage and experience more.

### REACHING 96% OF THE POPULATION WITH OUR 4G LTE ADVANCED MOBILE NETWORK!

We take pride in our continuous investments in network capacity and coverage, which have paved the way for our leading position. We have ensured unparalleled connectivity and a seamless mobile experience for our valued customers.

This year, we took our commitment to customer satisfaction to new heights by introducing exciting and value-added promotions. We understand our customers' diverse needs and design our plans with individuals, families, and businesses in mind. Whether providing more data for seamless browsing and streaming or offering cost-effective solutions, we have strived to exceed customers' expectations.

### THE BEST NETWORK, THE BEST VALUE & THE BEST EXPERIENCE

#### EASTER BUNDLE

In celebration of Easter, we introduced a special Easter Bundle that brought unlimited talk, text, and an impressive 4GB of high-speed LTE data at an unbeatable price of \$3.99, valid for 48 hours. This exclusive offer allowed our PrePaid customers to stay connected with their loved ones, stream their favorite content, and make the most out of their mobile experience during the festive season.



#### BRATAH DEALS

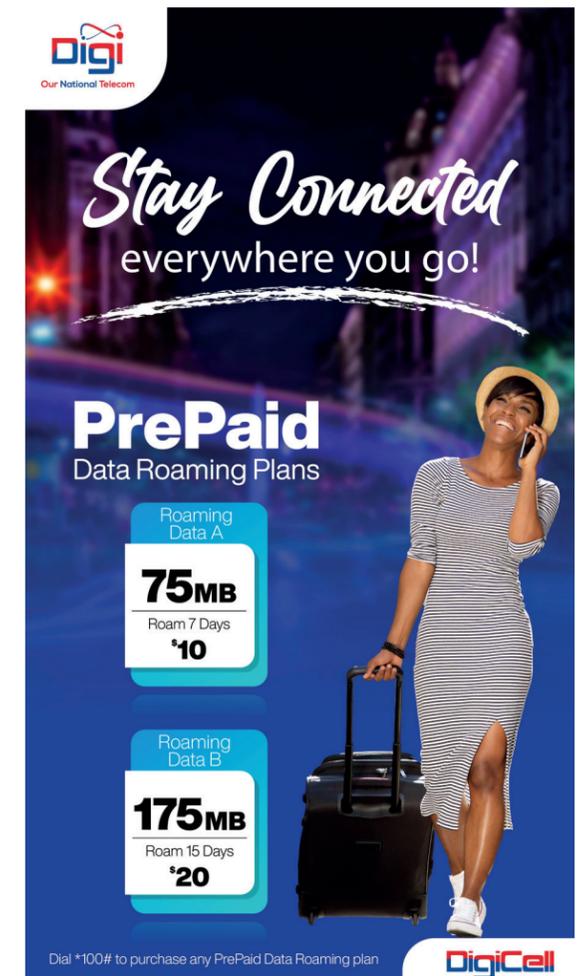
Our valued customers were treated to unbeatable savings on a wide range of Samsung devices, along with an incredible \$100 bonus credit as an added incentive. Additionally and as part of this exclusive offer, customers received 3GB of LTE data, 100 text and 100 minutes of talk time. We went the extra mile to ensure that our customers not only enjoy discounted prices on cutting-edge Samsung devices but also received generous bonuses that enhanced their overall mobile experience.



#### ROAMING DATA PLANS

Digi PrePaid and PostPaid travelers were able to stay connected wherever, whenever with our Roaming Data Plans. During the summer season, we offered even more, with roaming data plans starting as low as \$10 for 90MB, available in over 27 destinations for our PrePaid travelers.

As for our PostPaid customers, they enjoyed 350MB of roaming data for as low as \$25. Whether exploring exotic destinations or embarking on a business trip, our customers were able to enjoy seamless connectivity.





### DOUBLE DAYS & TRIPLE UP

Customers were able to TopUp and receive double the amount, starting from as low as \$1 and up to \$500. We also offered triple up when customers recharged their accounts via the DigiWallet app, maximizing their purchasing power and giving them even more opportunities to stay connected, browse the internet, and enjoy your favorite services.

### THE OFFICIAL FIFA WORLD CUP DATA PLAN

Digi kicked off the ultimate FIFA World Cup experience with our Official FIFA World Cup Data Plan! This exclusive offer became an instant sensation during the world cup season. For only \$12, customers were able to grab a fantastic 2GB of LTE data to catch all the action, stay updated with live scores, or share their excitement on social media.

### MAKE THE SWITCH

We relaunched this highly popular promotion! New customers were able to join the Digi Family from the other provider and enjoyed a host of fantastic perks. They were able to purchase a Samsung device for only \$1, received a free Digi SIM card to seamlessly transition to our network in addition to \$10 bonus credit to kickstart their Digi experience. To keep our new customers connected from the get-go, we topped it off with 1GB of LTE data.

### MIGHTY DEALS

Digi celebrated the special moments of Dads and Grads with Mighty Deals! We offered the perfect affordable device options that made the perfect gifts. Starting from as low as \$139, top-quality devices with a \$40 free bonus credit were made to customers availing of the offer. By participating in the Mighty Deals campaign, customers stood a chance to win a Samsung A52s to elevate their mobile experience.



## BOOSTING GROWTH AND BOLSTERING CUSTOMER SATISFACTION

### Digi's 2022-2023 Phenomenal Campaigns!

Digi achieved remarkable success with the launch of four impactful campaigns throughout the year, each strategically timed to maximize our product and service offerings. These campaigns not only demonstrated our commitment to our customers but also propelled us to new heights, generating significant returns for our company. We take immense pride in the outstanding results and deliverables attained through these initiatives.



BE, Digi's innovative and ongoing campaign, was specifically designed to elevate our brand and deliver significant value to our customers. With BE, we aimed to increase brand awareness, build stronger brand loyalty, enhance customer value, and position Digi at the top of consumers' minds.

Recognizing the diverse linguistic landscape of the country, the BE campaign was thoughtfully launched in both English and Spanish. Digi provided an opportunity for every Belizean to fully engage and participate in the campaign and ultimately strengthened the connection between the brand and our valued customers. This exemplified the company's unwavering commitment to inclusivity, ensuring that all Belizeans could join and experience the transformative power of connectivity. BE was strategically introduced to the market in November 2022.

### PAY IT FORWARD

In December, we gave customers the opportunity to win amazing giveaways. We introduced a unique initiative called "BE Gifted and Pay It Forward!" where Digi winners had the opportunity to pay it forward by nominating a family member to receive the same gift which they won. This campaign was another example of the creativity of the team by giving and creating moments of happiness. With this campaign Digi's focus on fostering connections, building relationships and spreading happiness throughout the community was exemplified.



### DIGI REWARDS

Digi introduced Digi Rewards, a payment and customer incentive program in December. Aimed at enhancing customer experience while driving positive financial performance for the company, this program incentivized customers to settle their outstanding account balances promptly. Under the captivating tagline, "Our way of loving you back", customers not only improved their financial standing but also had the exciting opportunity to win incredible prizes.

This initiative created positive momentum that continued into the new year, fostering a sense of financial responsibility by rewarding customers for their timely payments. At Digi, we believe in creating win-win situations, and this program exemplified our commitment to support our customers while ensuring sustained growth and success.



### EASE DI SQUEEZE

After the holiday season, Digi kicked off the exciting Ease di Squeeze Supermarket Sweepstakes. The competition was open to all existing and new Digi residential customers countrywide - DigiCell, DigiNet PrePaid and PostPaid, DigiTV and DigiWallet. Customers in each district had the opportunity to compete for a chance to win a shopping cart filled with groceries. The Ease di Squeeze Supermarket Sweepstakes brought joy and anticipation to Digi's customers, turning the post-holiday season into a thrilling adventure for all who participated.

The campaign proved to be a remarkable initiative, bringing joy and excitement to our customers. We were immensely proud of the campaign's overwhelming success, which further solidified our commitment to providing exceptional experiences and rewards to our loyal customers, while driving positive outcomes for the company.



# *First* to Market



**R  
E  
A  
D  
Y**



## **ESIM**

### **Modernizing Connectivity and Customer Experience!**

Digi remained Belize's leader in technological advancements and became the first mobile operator to introduce eSIMs to the local market. This is an industry standard digital SIM that provided an innovative and seamless digital experience for customers, while accelerating our global connectivity efforts.

Customers with eSIM compatible phones can now activate their eSIM with their desired mobile service, either PrePaid or PostPaid.

Existing Digi customers who have a physical SIM card on their eSIM compatible phone now have the option of replacing this with an eSIM, while keeping their existing number.

The eSIM also benefits tourists who frequent the country as they can now keep their Digi eSIM on their phone and activate it whenever they are in Belize.

Through the introduction of eSIMs, Digi now offers a fully digitized and unique user experience for our Mobile customers by eliminating the need for a physical SIM card in an eSIM capable phone.

**Revolutionizing the consumer device market!**

## SAMSUNG KNOX GUARD

Creating equitable opportunities with installment plans.

In today's digital landscape, security is not just a feature but a necessity. Through Samsung Knox Guard, Digi gained access to the tools and capabilities to mitigate risks, safeguard customer data, and maintain a secure network infrastructure.

In addition, Digi was able to introduce convenient installment options for devices, benefiting our customers in more ways than one.

We continue to ensure the integrity of customer data throughout the installment process, giving our customers peace of mind when purchasing devices on installments.

With the confidence that their personal and financial information is secure, customers can take advantage of our flexible payment plans, spreading the cost of their desired devices over time.



**Samsung Knox Guard enabled us to offer a seamless and secure installment experience, empowering our customers to access the latest technology without compromising on security or convenience.**





# DigiONE

One bundle. No hassle. Exceptional value.

DigiCell DigiNet DigiTel DigiTV DigiWallet

## 2.6 DIGIONE

Digi launched an exciting new bundle offering designed to provide customers with a comprehensive solution for their connectivity needs. With these bundles, Digi is the only quad play service provider in Belize.

DigiONE brings together four essential services in one place, all for one affordable price. Whether a busy professional, a student, or a family, DigiONE provides a convenient and cost-effective solution to meet customers' connectivity needs. Customers can stay connected at home and on the go, access high-speed internet, enjoy mobile connectivity, make calls from their home phone, and indulge in a wide array of entertainment options.



- ✓ SAVE up to **\$70** monthly!
- ✓ **FREE** Mobile Plan!
- ✓ Home Internet Speeds up to **200Mbps!**
- ✓ **DigiTV** on 4 Devices!
- ✓ **FREE** Home Phone!
- ✓ Get all your Favorite Services in **ONE PLACE!**



## 2.7 ConnectED

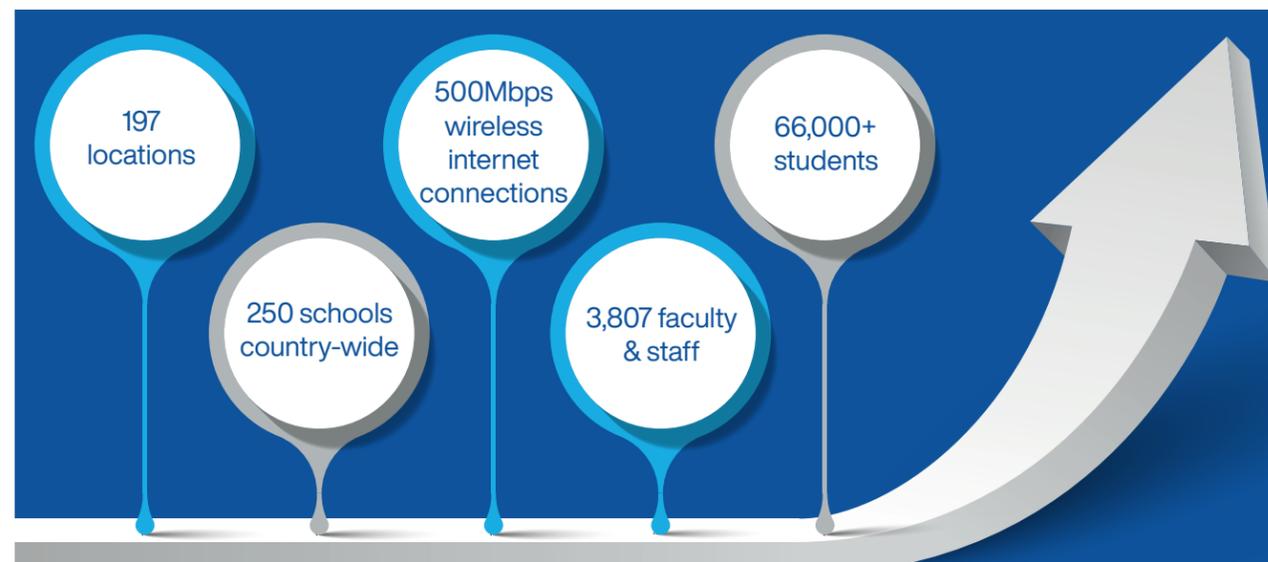
As of March 31, 2023, Digi successfully completed the installation of phase 1 of the ConnectED project in partnership with the Government of Belize through the Ministry of Education, Culture, Science and Technology (MoECST). A total of 250 schools countrywide benefited in this phase.

This groundbreaking project effectively connected students, faculty, and staff, revolutionizing the learning experience within classrooms and across educational campuses. By providing essential connectivity, ConnectED empowered students to take ownership of their education, leveraging technological tools to enhance their learning journeys. Moreover, the project offered real-time access to information and teaching aids for teachers, fostering an environment of dynamic and interactive education.

The launch of ConnectED represented a significant milestone in the digital transformation of Belize's educational system,

setting a solid foundation for future advancements.

Digi takes great pride in this investment and celebrates the remarkable achievement within a year since the project's launch.



## 2.8 DIGIBUSINESS

### Innovative Solutions for your Enterprise

Digi is proud to continue to drive DigiBusiness, with our suite of innovative solutions designed specifically for enterprises, including Micro, Small, and Medium-sized Enterprises (MSMEs). We understand that operating a business requires more than just reliable internet and mobile services; it demands innovative solutions that drive growth and efficiency.

With DigiBusiness, we go beyond the ordinary to provide comprehensive solutions to support businesses. This year, our offerings included DigiNet Business, a high-speed and dependable internet service tailored to meet the demands of modern businesses. We also provided DigiWiFi, enabling seamless connectivity for employees and customers of the businesses we served. For businesses that require uninterrupted connectivity, our Dedicated Internet Service offers a reliable and dedicated connection.

We also continued offering cutting-edge Machine-to-Machine (M2M) solutions to streamline business operations, as well as SMS Broadcast Service for businesses to reach target audiences effectively. Additionally, we continued to bring the Microsoft Experience, empowering businesses with productivity tools and cloud solutions.

**DigiBusiness is unlocking the full potential of Belizean enterprises and shaping a brighter future.**

# DigiBusiness

**DigiBusiness**  
**Learn more about our Business Solutions**  
 DigiNet Business | DigiWiFi | DigiCell | DigiTV  
 For more information contact us at [digibusiness@livedigi.com](mailto:digibusiness@livedigi.com)  
**BE EMPOWERED**

**DigiBusiness**  
**Make your communications work for YOU and YOUR business**

## 2.9 HUMAN CAPITAL

Our People Strategy aims at creating an inclusive environment that nurtures a culture of commitment to growth and progress. Heavy emphasis is placed on training and development to reinforce our shared commitment to driving success. Keen attention is also given to ensuring our systems and processes align with our desired culture as we maintain our standing as Belize's Leader in Digital Transformation. Overall employee satisfaction rating has increased 3% to 77% this year.

### Attracting Top Talent

In order to remain competitive in the ever-evolving telecommunications industry, we recognize the importance of attracting top talent. During the past year, we continued to refine our talent acquisition strategies, ensuring that we attracted individuals with diverse skill sets, industry knowledge, and a passion for innovation. By leveraging our employer brand, strengthening our recruitment processes, and utilizing various channels, we were able to attract highly qualified professionals across various domains.

AGILE



HONEST & DIRECT

CONFIDENT



FEARLESS

FUN & FRIENDLY



CONFIDENT

OWNERSHIP



TALENTED



## 2.10 EMPOWERING COMMUNITIES: A Path to Development

Our partnership with the communities we serve is rooted in our commitment to positively impact society across six strategic pillars: sports, civic responsibility, music, education, and special needs. We believe that by leveraging our resources and expertise, we can contribute to the betterment of Belize.

Through our commitment we aim to foster a society that is healthier, more inclusive, culturally enriched, and well-prepared for the future. We believe that by utilizing these pillars effectively, we can meaningfully contribute to the overall welfare and progress of our communities.



## BE FAMILY: AFTERMATH OF HURRICANE LISA

We take our corporate social responsibility seriously. In the aftermath of Hurricane Lisa, we launched a comprehensive initiative called "Be Family" to provide aid and support to both our employees and customers. Our priority was to ensure the safety and well-being of those affected by the hurricane.

As part of our "Be Family" initiative, we went beyond our usual services to provide free Wi-Fi access and phone charging stations to affected communities. We also waived fees for customers who were impacted by Hurricane Lisa and provided free data to help them stay connected with their loved ones.



In addition to our efforts to provide immediate relief, our technical teams were on the ground within hours of the hurricane passing to assess the damage and to begin restoration efforts. Additional resources from unaffected districts were deployed to accelerate the restoration process, and within days, we were able to restore 95% of our services to affected areas. Our restoration efforts were a testament of our commitment to the community, and our mission to stay connected even in the most difficult times.

In times of crisis, it is more important than ever to unite as a family. We are proud of the relentless work by our team which provided much needed support to our customers and employees. As your national telecom, we will continue to work towards creating a safer and more connected community for all.

# 3.0

## Strategic Report



- 3.1 Financial Highlights
- 3.2 Strategy Overview
- 3.3 Market Overview

Note: Numbers and percentages may vary slightly due to rounding

### 3.1 FINANCIAL HIGHLIGHTS

#### Revenue (\$ Millions)



#### Common Dividend Per Share \$0.00



#### EBITDA (\$ Millions)



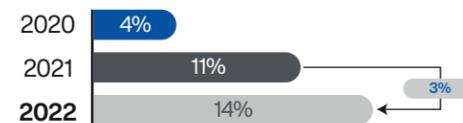
#### EBITDA Margin (%)



#### Net profit (\$ Millions)



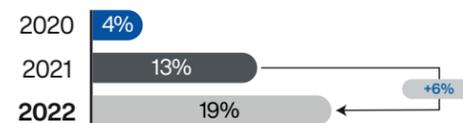
#### Net profit Margin (%)



#### Capex Investment (\$ Millions)



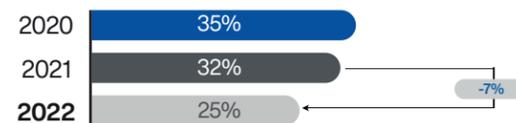
#### Capex/Revenue (%)



#### Free Cash Flow (\$ Millions)



#### Free Cash Flow Margin (%)



\*Numbers and percentages may vary slightly due to rounding



## 3.2 Strategy Overview

### Building from Strong Foundations

BTL serves over 245,000 customers countrywide. With our strong financial performance in 2022, we posted \$152 million in Consolidated Revenues or a 7.5% increase over the previous year. The year's strong revenue performance continues to be complemented with a highly efficient operating model that contributed to an exemplary EBITDA performance. Our strong performance reflects our continued effort to lay and enhance the foundations of a world class core telecommunication business supported with leading telecommunications infrastructure and customer experience. Moving ahead, BTL will not simply rely on this achievement. We are consistently delivering strong financial results year after year, and we are committed to making well-informed investment choices to sustain BTL's growth, along with its subsidiary firms. Upon the foundation of robust performance in our core business, we broadened our business focus during the year, with the acquisition of 100% ownership of Alternative Networks Limited (ANL). This strategic move has significantly enhanced our product and service portfolio, now including OTT.

BTL is the first and only Quad Player in Belize offering Fixed, Mobile, Broadband and TV Services through competitively priced Bundled Offers

The Acquisition of ANL, its assets, infrastructure and customers, positions BTL as the entertainment provider of choice in Belize and bolsters its ability to sustain its growth and strong performance.



## 3.3 Market Overview

Around the world, economic growth returned, the pace of digital disruption accelerated, and the telecoms sector showed its resilience during 2022. BTL has delivered strong and improved financial and operational results in this fiscal year, building from the foundations that have been set. BTL has continued to evolve to become the most efficient telecom service provider in Belize.

### Top 5 Telecom Trends in 2022

#### 1. 5G Technology

The fifth generation of mobile networks will have a major impact on telecommunications. With the first generation focused primarily on voice, we are now entering the age of the Worldwide Wireless Web – the WWWW- which is hinged on the mobile eco-system. 5G mobile communication brings with it a host of commercial opportunities and practical applications across several industry sectors. This mobile technology will enable much further reach and enhanced connectivity overall.

#### 2. Cloud Computing

Cloud computing refers to storing and accessing data and applications over the internet. It has many advantages, such as scalability and flexibility. In 2023, more telecom companies are likely to move to the cloud. The telecom sector is expected to move towards virtual networks along with the active transition of communication service providers to the cloud. Even today, most telecommunication companies rely on colossal computing infrastructure to operate various applications, manage data, and charge services. A switch to the cloud lowers the on-premises hardware and human resource requirements, reduces investment and operational costs, and therefore boosts revenue streams. Cloud computing will continue to trend in the telecommunications sector in 2023 with increased adoption.

#### 3. Artificial Intelligence (“AI”)

Artificial Intelligence (“AI”) is another major telecom industry trend for 2023. AI is a type of computer science that deals with creating intelligent machines. AI can detect network issues, perform self-repairs, or safeguard networks from fraudulent activity. It can also predict usage behavioral patterns in equipment operations or customer interactions. Therefore, it can help create a more efficient resolution of potential hardware defects or customer problems that can influence the user experience. AI technology can automate tasks, improve decision making and provide personalized services. In 2023, the adoption of AI applications in the telecoms industry, especially chatbots and virtual customer assistants, are likely to increase.

#### 4. Internet of Things (“IoT”)

The Internet of Things (“IoT”) is another major telecom industry trend for 2023, as 5G will also enable a new wave of IoT applications and services. IoT refers to the network of physical devices connected to the internet. These devices can communicate with each other and

share data, IoT applications, such as smart home devices and wearable technology, which are already used today. The importance of IoT comes from the remote access capability to base stations and data centres. Most players in the telecommunications industry will increase the adoption of IoT to exploit the benefits bestowed by technology. An enabling role for providing IoT infrastructure, which the telecom industry is best positioned to deliver, will allow the carriers to structure their own IoT services and offer them to the ever-growing IoT market.

## 5. Cybersecurity

With an entity's increased cloud-based connectivity comes an increase in data transfer and consequently greater exposure to cyber-attacks. For this reason, the telecoms industries will implement regulations and security measures to protect big data. Where entity's fail to take appropriate measures to protect data, they risk losing customer trust and confidence.

## Global Telecommunication and ICT Key Trends in 2022

- **Pursuing new opportunities** – Telecom operators increased investment and focus on enabling a new generation of network entertainment services, with several operators providing edge cloud gaming capabilities for cloud gaming services. In the business market, operators aimed to launch cloud-based solutions, combining unified communications, security, and remote access for workers.
- **Accelerating automation efforts** – Telecom operators' automation efforts are already having an impact on reducing costs and headcount for routine work and activities.
- **Increasing disruption from Fintech** – The Fintech sector has experienced increased growth during and after the pandemic as consumers and retailers embraced cash-less transactions and digital banking. This trend continued in 2023 and as fintech companies continue to diversify, it has the potential to spark consolidation across the industry.
- **Adoption of digital channels** – Telecom operators are continuing to promote their digital channels. These are featured in most operators' main strategic objectives to balance improved customer experience with cost savings.

## Celebrating strong business performance

Financial performance, across our business operations, is strong compared to 2021, despite persistent market challenges. Regulatory measures coupled with inflationary pressures in particular required attention, while improvements in GDP has had favorable impacts.

During the year, we completed our legacy network decommissioning program and renewed efforts

to provide safe, efficient and environmentally responsible products and services. We are actively pursuing use of solar energy solutions to help reduce our carbon footprint as well as operating costs.

In the meantime, Annual Consolidated Revenues significantly improved to \$152 million. The strong performance reflected revenues of \$58.8 million in Mobile Services, \$71 million in Fixed Internet and Voice Services, \$11 million from Roaming and International Settlements, and Information and Communications Technology (ICT) Services of \$6.4 million.

Revenue performance was offset by an increase in operating costs of \$6.8 million. This increase reflected Cost of Sales relating to M365 licenses for the Government of Belize, Hurricane Lisa restoration costs and an increase in overall General Network Maintenance. There was also an increase in General and Administration costs of \$2.8 million.

Net operating profit after tax (NOPAT) was \$21.6 million, compared to \$16 million in the previous year. This improvement demonstrated effective deployment of bold strategies to balance stakeholder demand, while protecting the Company's economic health.

## Responding to the Digital Future with New Vision and Purpose

The global digital revolution has continued to accelerate post the pandemic and is rapidly changing the world for businesses and customers alike. The change creates new white spaces, emerging gaps that provide massive opportunities for new and innovative solutions such as Fintech and the latest digital content. We are accelerating our footprint in these ground-breaking technology solutions to capture value for our shareholders and bring new possibilities to our customers.

To excel in these new spaces, BTL must transform itself across a range of levers, including the need to build new capabilities, and adopt more agile ways of working.

BTL is positioning itself to become the leading consumer ecosystem player starting with Fintech and Entertainment in a growing market for consumer digital services. We will create value and will continue to support our core telecom brands in optimizing core revenues and identifying opportunities for revenue diversification. BTL is positioned to capitalize on its existing financial, operational and brand strengths, such as its addressable market and existing customer base, strong financial performance, state of the art network infrastructure and technical capabilities.

Amongst a portfolio scope covering a wide range of potential consumer digital services, Fintech and Multimedia have been selected as priority areas for initial scale up. These areas present a sizeable and growing market opportunity. Furthermore, we are able to leverage our strategic

advantages, such as our large customer base, extensive distribution network, rich sources of data, superior network infrastructure, platforms and various technology capabilities, to realize the targeted business growth.

In Fintech, BTL aspires to become the leading player, creating a comprehensive Super-App platform in the Fintech eco-system, powered by partnerships, with use cases spanning from payments and remittance to open bank services insurance, wealth management and micro-lending.

In Multimedia, BTL aspires to create a 360-degree media and entertainment business by building a Premium Content rich entertainment solution fully integrated within its core telecommunications business. BTL will be expanding its content in video, gaming, and audio to be distributed through its direct to customer solution as well as via Business to Business.

Our aim is to achieve strong growth ambitions via a balanced combination of organic and inorganic opportunities.

## BTL Enterprise

To implement BTL's strategy for expediting growth and extracting more value from ICT-related sectors, we have identified the need to accelerate our presence in cloud computing, cybersecurity, and the Internet of Things (IoT). As a result, the company has established a distinct vision that is shaping BTL Enterprise's future growth path: "To emerge as the primary digital facilitator for enterprises and government entities in Belize."

## Adoption of Digital Channels

Telecom operators have continued to promote digital channels and these feature in most operators' main strategic objectives. Operators typically try to use digital channels to improve customer experience with operating cost savings. This trend has continued to grow and evolve during 2023 and will bring greater opportunities for our customers and shareholders.



# 4.0

## Chief Financial Officer's Review



## 4.0 CHIEF FINANCIAL OFFICER'S OVERVIEW



Ian Cleverly  
Chief Financial Officer

In 2022, we maintained a strategic focus on growth and achieved significant milestones in profitability and brand value. A notable achievement was the launch of our Digital Mobile Wallet. We also acquired Alternative Networks, exemplifying our revenue diversification strategy, and placing us firmly on the entertainment landscape, as we became the first “Quad Play” service provider in Belize.

Despite the impacts of higher inflation and the uneven revenue recovery post pandemic, BTL has delivered exceptional financial results. With this improvement in 2022, 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 offer the latest technology, building the best quality networks, and providing superior customer experience across the country. Accordingly, 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 million in 2022/23.

In addition, our disciplined and agile financial approach secured strong improvement in our Earnings before Tax, Depreciation and Amortization (EBITDA). We sustained a strong net margin performance of 14%, given the increase in overall top line revenues. Accordingly, net profit increased by \$5.5 million, compared to previous year, to \$21.6 million.

### DRIVING GROWTH AND PROFITABILITY

Our strategic approach to diversify our portfolio, over the years, continues to deliver notable growth and strong performance.

Consolidated revenues for the year were \$152 million. This reflects our deliberate customer acquisition strategy across DigiNet, B2B and Sales and Solutions. International Roaming and Settlement revenues have increased over the prior year as the tourist sector continues to improve towards pre-pandemic levels. Mobile revenues continue to recover slowly 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 VoIP solutions competing with our mobile revenue performance while data services have continued to grow.

Consolidated EBITDA as of March 2023 increased to \$73.9 million, resulting in an EBITDA margin of 49%. Despite the uneven changes in the revenue mix, EBITDA performance increased by \$3.8 million or 5.5%.

Embedded across the company's operations and corporate culture are our cost optimization programs, which continued to create value during 2022/23. These have supported our continued strategies to identify new ways to improve efficiencies. We remain keen on identifying opportunities to redefine processes and reduce operating costs. Enhancing our operating process 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 rose by 35% to \$21.6 million, while earnings per share amounted to \$0.40. This represents an increase of \$0.11 or 38% compared to prior year.

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 \$22.5 million at March 31, 2023 compared to \$22.1 million at March 31, 2022. The continued financial liquidity from operations allows for greater financial flexibility moving forward.

Consolidated capital expenditure increased by \$11.1 million compared to \$17.7 million in the previous year. This reflects a Capital Intensity Ratio of 2.3, comparable with 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 \$44 million as of March 31, 2023, compared to \$56.5 million at the end of 2022.

### Balance Sheet Highlights

<b>\$BZ millions</b>	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	\$22.5	\$22.1
Current Assets	\$51.7	\$49.5
Non Current Assets	\$269.3	\$278.7
<b>Total Equity</b>	<b>\$254.4</b>	<b>\$241.1</b>

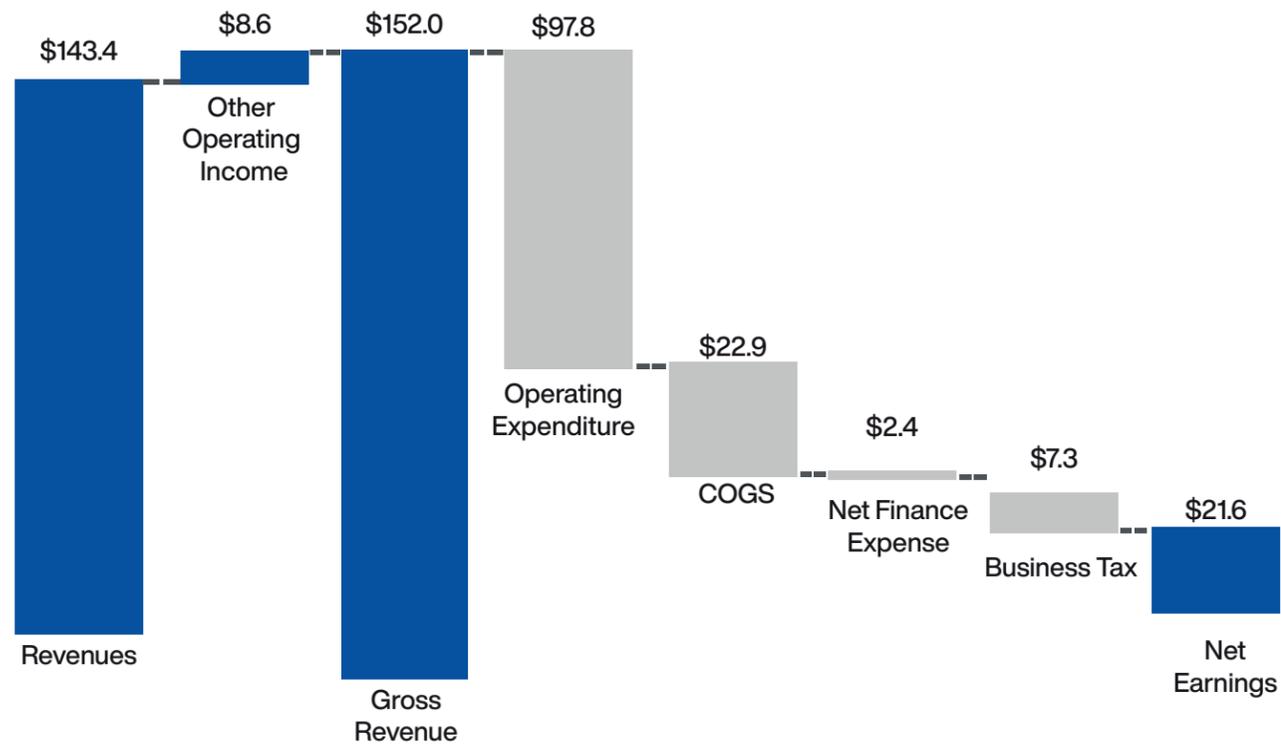
## Cash Flow Summary

<b>\$BZ millions</b>	<b>2023</b>	<b>2022</b>
Operating Activities	\$67.8	\$65.7
Investing Activities	(\$32.5)	(\$16.9)
Financing Activities	(\$34.9)	(\$31.9)
Net Change in Cash & Cash Equivalents	\$0.4	\$16.8
Cash & Cash Equivalent - Opening Balance	\$22.1	\$5.3
Cash & Cash Equivalent - Closing Balance	\$22.5	\$22.1

## NET INCOME

Net Income at March 31, 2023, was \$21.6 million or a 35% increase over prior year. This increase is directly attributed to improved revenue performance to \$152 million when compared to prior year. Fiber revenues performance increase to \$71 million compared to \$64.7 million in the previous year. International and Roaming revenues improved significantly by \$4.8 million or a 78% compared to previous year. Mobile revenues did not recover to pre pandemic levels in line with global trends, as customers continue to divert their mobile activities into wireless and fixed broadband.

## Income Statement Waterfall



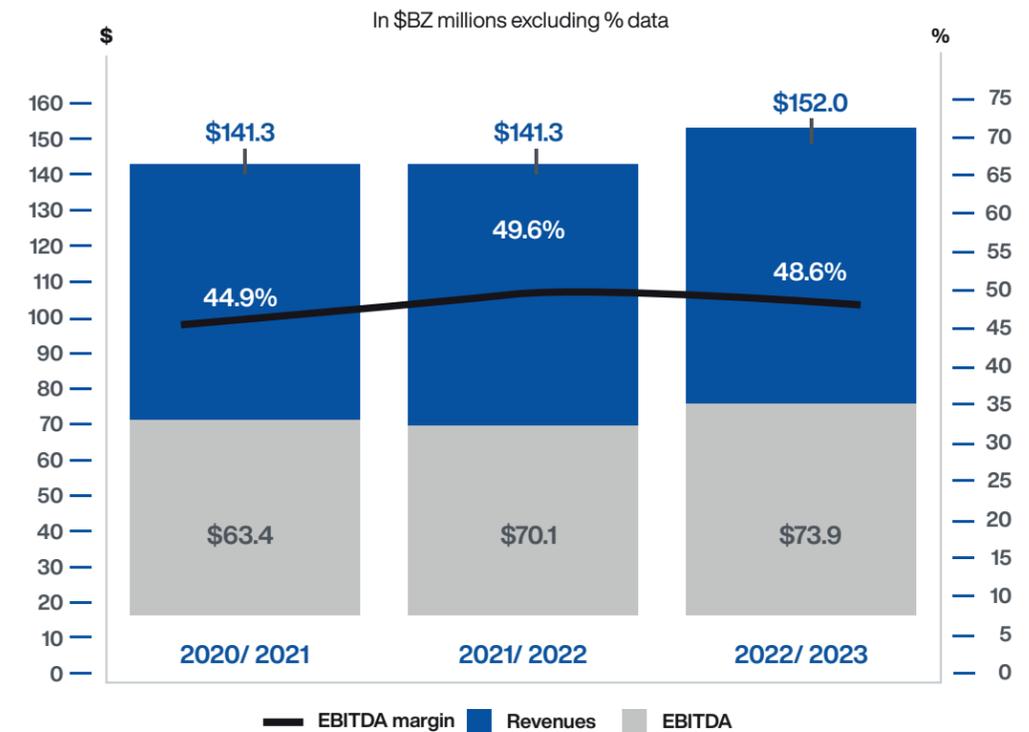
## Figures in \$BZ Millions

### CONSOLIDATED REVENUES (GROSS)

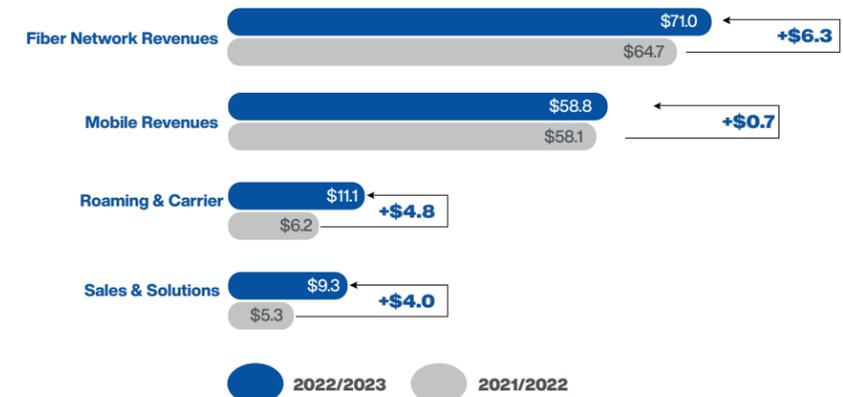
The total consolidated revenue for the fiscal year stands at \$152 million, marking a notable increase from the preceding financial year's figure of \$141.3 million. This remarkable growth can be directly attributed to significant gains in three primary revenue streams: Fiber Network Revenues surged by \$6.3 million, Sales & Solutions increased by \$4 million, and International Roaming and International Inbound Calling Revenues expanded by \$4.8 million.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) improved to \$73.9 million from \$70.1 million in March 2022. This \$3.8 million improvement or 5.5% when compared to the prior year was achieved due to strong revenue performance. 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 have reduced bad debt exposure and have enabled us to manage Working Capital efficiently.

## Revenue & EBITDA Margin



## Revenues By Network



+Positive movement represents an increase.  
-Negative movement represents decrease.

**Total FY 2022/23 revenues amounted to \$152.0 million**

Figures in \$BZ millions

## **BTL CONTINUES ITS FTTH INVESTMENTS AND MOBILE NETWORK EXPANSION WITH THE DEPLOYMENT OF NEW SITES IN RURAL AREAS INCREASING THE COMPANY'S NATIONWIDE COVERAGE, BRINGING CONNECTIVITY AND SERVICES TO THESE UNDERSERVED COMMUNITIES.**

Fiber Revenue Streams during the year were \$71 million. This represents 47% of total revenues, followed by mobile revenue of \$58.8 million or 39% of total revenues. Legacy network revenues have continued to decline as anticipated due to the decommissioning of the legacy copper network and the 100% migration of customers to the FTTH network. Fiber network revenues increased by \$6.3 million or 10% when compared to prior year. This was achieved by the quality and reliability of our FTTH DigiNet and DigiTel services.

### **MOBILE REVENUES**

Mobile Revenues have not yet returned to the pre-COVID levels. For the year, these amounted to \$58.8 million or 39% 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 have 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.

International Roaming and International Inbound Calling Revenues have increased significantly when compared to the prior year by \$4.8 million or 79%. Roaming revenues account for 7% of the company's total revenues in the current fiscal year.

### **FIBER NETWORK REVENUES**

At the close of Fiscal Year 2022/23, our FTTH network had expanded to cover over 90% of all homes. As a result, revenues grew by \$6.3 million to \$71 million compared to the previous year. Our 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. Moreover, it has enabled us to migrate our customers from the legacy copper network to our leading network infrastructure. Since the commencement of the project, our customer base has increased to 37,000 connections. We will continue to invest in our network to provide improved national coverage and speeds.

As of March 31st, 2023, the company's fiber network customer base has increased across our B2B business. This is despite the continued economic conditions which contributed to a decreased 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.

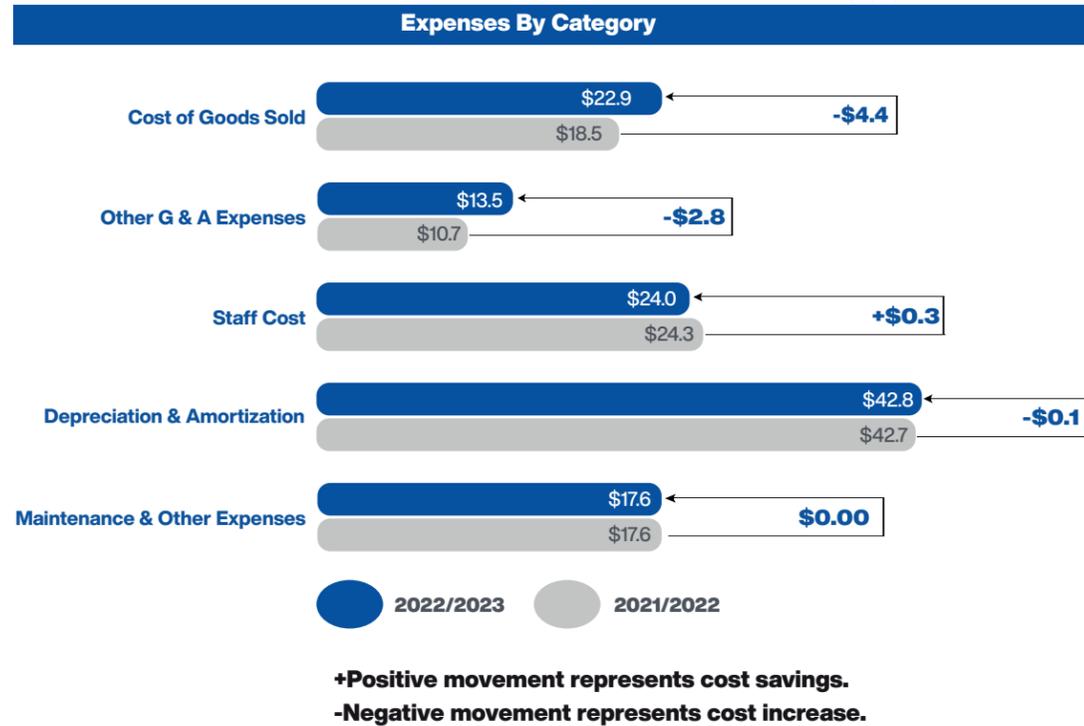
### **SALES AND SOLUTIONS REVENUES**

Sales and Solutions revenues, including emerging ICT solutions and services such as MS 365 Licenses and Cloud Partnership Agreements, account for up to 6% of total revenues during the year. This amounted to \$9.3 million when compared to \$5.3 million in prior year or a 75% increase.

One-time sales opportunities relating to Corporate Solutions increased by \$3.7 million as a result of BTL securing Microsoft license renewal contracts with various business customers. BTL, within its product portfolio, continues to offer corporate customers Microsoft 365 productivity suite licenses with the collaboration of platform products where we saw an increase in sales.

BTL will continue to partner and work with Government and the business community to expand services such as DigiWiFi for Schools and Safe Cities amongst other solutions.





**Increase in Total Operating Expense Amounted To \$6.9 Million**

Figures in \$BZ Millions

BTL's total operating expenses, excluding business tax, was \$120.7 million for the year or a 6% increase compared to prior year.

**CONSOLIDATED EXPENSES**

BTL's total operating expenses excluding business tax ended the reporting period with an increase of \$6.9 million or 6% to \$120.7 million from \$113.8 million when compared to prior year.

**DEPRECIATION & AMORTIZATION**

Depreciation and Amortization expenses increased by \$95 thousand when compared to prior year to \$42.8 million. The company continued its investment in its FTTH network, as well as further mobile site expansion into underserved rural communities. This investment has increased BTL's overall geographical coverage.

**COST OF GOODS SOLD**

Cost of Goods Sold expenses have increased by \$4.4 million or 24% when compared to prior year. Fiscal year 21/22 amounted to \$18.5 million and current fiscal year of \$22.9 million. The increase is related to M365 Licenses that BTL secured during the financial year.

**STAFF COST**

Salaries and benefits decreased by approximately \$0.3 million or 1.3% when compared with the prior financial year primarily relating to the capitalization of staff costs and other related overheads for work performed on capital projects which increased as a result of the continued capital investment of the company.

**MAINTENANCE & OTHER OPERATING EXPENSES**

Maintenance and Other operating costs over the period have remained in line with previous year at \$17.6 million.

**OTHER G & A EXPENSES**

Other General and Administrative expenses increased by \$2.8 million or 26% when compared to the prior year to \$13.5 million. This was attributed to allowances, staff activities, advertising, expenses, as well as an additional \$1.2 million relating to Hurricane Lisa restoration activities. Contributions towards sports, education and cultural development increased during the year as part of the company's wider corporate and social responsibility. During the current financial year, no additional bad debt provision expense was required as the company has been successful in improving its cash collection performance across both B2C and B2B customers which has also supported the overall improvements in the company's cash liquidity.



### Consolidated Balance Sheet, Year ended 31 March 2023

	Audited 2023	Audited 2022	Variance \$	Variance %
	BZ\$' 000	BZ\$' 000	BZ\$' 000	
<b>Assets</b>				
Current Assets	74,241	71,688	2,553	4%
Non Current Assets	269,329	278,741	(9,412)	-3%
<b>Total Assets</b>	<b>343,570</b>	<b>350,429</b>	<b>(6,859)</b>	<b>-2%</b>
<b>Liabilities</b>				
Current Liabilities	56,381	64,248	(7,867)	-12%
Non Current Liabilities	32,765	45,047	(12,282)	-27%
<b>Total Liabilities</b>	<b>89,146</b>	<b>109,295</b>	<b>(20,149)</b>	<b>-18%</b>
Retained Earnings	104,461	91,171	13,290	15%
Other Shareholders' Equity	149,963	149,963	-	0%
<b>Total Shareholders' Equity</b>	<b>254,424</b>	<b>241,134</b>	<b>13,290</b>	<b>6%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>343,570</b>	<b>350,429</b>	<b>(6,859)</b>	<b>-2%</b>

### BALANCE SHEET (AUDITED)

#### Financial Ratio Analysis

	2023	2022	2023 vs 2022	
Current Ratio	1.3	1.1	↑	18%
Return on Assets	6.2%	4.5%	↑	38%
Return on Equity	9.9%	8.6%	↑	15%

### 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 160 mobile sites and over 2,500 miles of backbone, backhaul and FTTH fiber. During 2021/22, the company invested \$17.7 million in capital expenditures. In 2022/23, however, there was an acceleration in investments to \$28.8 million. This is due to the completion of the major network expansion projects. The investments in these 12 months were geared towards improving our customers' experience, creating opportunities for us to provide the latest enhancements and capabilities for our customers. More specifically, the capital expenditure of \$28.8 million was spent on property, plant, and equipment, including the FTTH network, our 4G LTE Advanced Mobile Network and our convergent customer billing system. Our mobile investments focused on expanding into the underserved rural communities and increasing our network coverage across the country.

### RETURN ON EQUITY

For the fiscal year 2022/23, the Return on Equity increased by 1.3 to 9.9% compared to prior year. This reflects a significant improvement in the overall Net Income performance by \$5.5 million during the year. The company has a strategic focus to increase its Return on Equity from 8% to 12% over the next five years.

### SHAREHOLDER RETURNS

At March 31, 2023, Net Income was recorded at \$21.6 million; an increase of 35% compared to prior year. Consequently, the level of Earnings per Share has increased to \$0.40 cents compared to \$0.29 cents in prior year. Shareholders' Equity is \$254.4 million; an increase of 6% compared to prior year.



# 5.0 GOVERNANCE

5.1 Board of Directors

5.2 Corporate Governance

5.3 Executive Leadership Team





## 5.1 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. With a focus on the Company's sustainable success, the BOD works diligently to nurture a culture of accountability and transparency within a well-defined company structure.

To ensure effective and independent stewardship, Board members have been assigned specific duties and authority. Furthermore, sub-committees have been established to focus on crucial areas, such as technology, human resources, and audit and involves the participation of Directors with diverse and relevant professional qualifications and experience.

The composition of the Board 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: Jose Urbina, Denise Courtenay, Michael Bowen, 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 interests of the public.

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 sector, 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 served as President of the Belize Chamber of Commerce and Industry (BCCI) from 2002 to 2004; Markhelm became a member of BCCI in 1995. 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 of 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, as well as 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) at the Minister of Human Development, Families & Indigenous People's Affairs in April 2023. Prior to this, he served as CEO at the Ministry of Youth, Sports, and Transport from 2022 to 2023 and CEO in 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 program 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 at the Ministry of Youth, Sports, and E-Governance and currently, as the CEO at 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. allowed him to add practical expertise to 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.



### **Denise Courtenay, Director**

Denise Courtenay S.C. is an Attorney-at-Law who has been admitted to practice in Belize and Jamaica. She has over 30 years of professional experience in her field and was elevated to the rank of Senior Counsel in January 2005. She is currently Managing Partner at Courtenay Coye LLP and her practice areas include Conveyancing, Commercial and Banking Law, Company Law, Contract Law, Adoptions, Labor Law, Estates and Succession, Landlord and Tenant and General Practice. She has also served on the General Legal Council of the Bar Association, as well as Board Member and Chairman of Belize Elementary School, and a Board Member of the Belize Ports Authority and the National Institute for Culture and History.



### **Michael Bowen, Director**

In 2010, Michael Bowen became the CEO of Bowen & Bowen and focused the company's objectives and strategies on the Mission Statement, "Pursuing excellence for a stronger Belize." Bowen & Bowen is the holding company of several companies, including B&B Beverages (beverages), BEC Motors (automotive), Gallon Jug Estate (tourism), Cerberus (security), Belize Imports & Goods (packaged consumer goods), R & B Group (food service), and BAPCoL (energy). With renewed energy and focus, Bowen & Bowen, a third-generation family business, continues to grow and expand into new industries. Michael holds a Bachelor of Arts in Markets & Management and History from Duke University.



### **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.



#### **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 Labour 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.

## 5.2 CORPORATE GOVERNANCE

The Board of Directors ensures that the highest standard of corporate governance is observed. In so doing, 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, among others, are integrated into the decision-making process.

### Attendance

Directors and Corporate Secretary attendance to meetings of the board for the period of April 1, 2022 to March 31, 2023

MEETING	DATE	ATTENDANCE
Meeting 1	April, 21, 2022	9/11
Meeting 2	May 19, 2022	10/11
Meeting 3	June 16, 2022	11/11
Meeting 4	July 21, 2022	10/11
Meeting 5	August 11, 2022	9/11
Meeting 6	August 18, 2022	11/11
Meeting 7	September 15, 2022	10/11
Meeting 8	October 20, 2022	11/11
Meeting 9	November 17, 2022	10/11
Meeting 10	December 8, 2022	7/11
Meeting 11	December 15, 2022	10/11
Meeting 12	January 19, 2023	11/11
Meeting 13	February 9, 2023	10/11
Meeting 14	February 16, 2023	11/11
Meeting 15	March 16, 2023	10/11

### Subcommittees of the board

#### AUDIT SUB-COMMITTEE

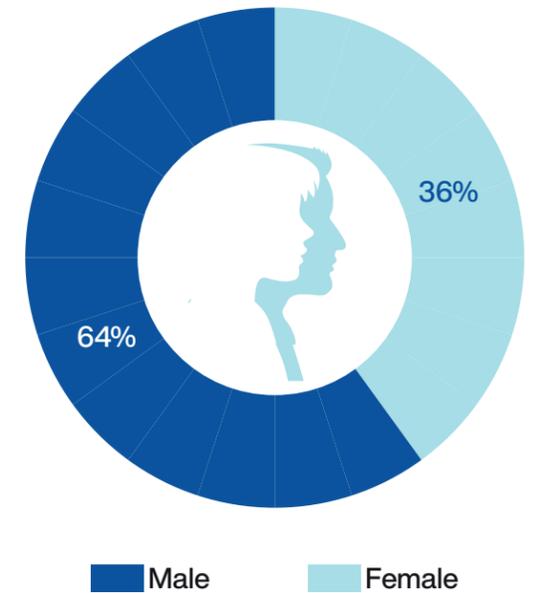
Michael Bowen, Chair  
Eric Eusey  
Nigeli Sosa  
Michael Hyde

#### HUMAN RESOURCES SUB-COMMITTEE

Denise Courtenay, Chair  
Marconi Leal  
Jose Urbina

#### TECHNOLOGY SUB-COMMITTEE

Jose Urbina, Chair  
Jermie Usher  
Emogene Habet



### Representation

#### 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.

#### INTERNATIONAL EXPERIENCE

Regional

#### LOCAL EXPERIENCE

Private Sector  
Public Sector including Statutory Bodies

#### FUNCTIONAL EXPERIENCE

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

## 5.3 EXECUTIVE LEADERSHIP TEAM



### **Ivan N. Tesucum, Chief Executive Officer**

With over 20 years of accomplished leadership, financial and operation 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.



### **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.



### **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 BSc in Electronic Engineering, a MSc in Business Administration and currently is pursuing an MSc in Big Data and Artificial Intelligence.



### **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 the Wharton University.

AUDITORS

For the end of the fiscal year 2022/2023, HLB Belize, LLP are the appointed external auditors of the company. A resolution to re-appoint them or to appoint another competent accounting firm auditors of the company for the financial year 2023/2024 will be proposed at BTL'S Annual General Meeting.

By order of the Board of Directors,

Melissa Balderamos Mahler  
Corporate Secretary  
Belize Telemedia Limited



# 6.0

## Audited Consolidated Financials



# **BELIZE TELEMEDIA LIMITED**

*Consolidated Financial Statements for the  
Years Ended March 31, 2023 and 2022 and  
Independent Auditors' Report*

## **BELIZE TELEMEDIA LIMITED**

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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors and Shareholders of: Belize Telemedia

#### Opinion

We have audited the consolidated financial statements of Belize Telemedia Limited, which comprise the consolidated statements of financial position as at March 31, 2023 and 2022 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Belize Telemedia Limited as at March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the year 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 Financial Statements* section of our report. We are independent of Belize Telemedia Limited in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 IFRS, 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 Belize Telemedia Limited'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 Belize Telemedia Limited or to cease operations, or has no realistic alternative but to do so.

[hblb.bz](http://hblb.bz)

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

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TEL: +501 227 3020 EMAIL: [info@hblb.bz](mailto: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 Belize Telemedia Limited'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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Belize Telemedia Limited 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.



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.

The engagement partner on the audit resulting in this independent auditors' report is Giacomo Sanchez.

*HLB Belize, LLP*

**Chartered Accountants  
Belize City, Belize  
August 22, 2023**

## BELIZE TELEMEDIA LIMITED

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	2h. 2i. 3.	\$ 22,527	\$ 22,151
Trade receivables	2h. 2j. 4.	23,399	27,162
Other receivables	2h. 2k. 5.	13,844	7,200
Financial lease receivable - net	2h. 2l. 6.	788	746
Prepayments	2m. 7.	5,299	4,555
Inventories	2n. 2s. 8.	8,384	9,874
Total current assets		<u>74,241</u>	<u>71,688</u>
<b>NON-CURRENT ASSETS:</b>			
Finance lease receivable - net	2h. 2l. 6.	14,371	14,096
Right-of-use assets - net	2l. 2s. 9.	800	1,318
Property, plant and equipment - net	2o. 2s. 10.	235,627	243,342
Intangible assets - net	2p. 2s. 11.	15,602	18,281
Goodwill	2q. 12.	1,580	-
Other non-current assets	2s. 13.	1,349	1,704
Total non-current assets		<u>269,329</u>	<u>278,741</u>
<b>TOTAL ASSETS</b>		<u>\$ 343,570</u>	<u>\$ 350,429</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Deferred income	2t.	\$ 2,648	\$ 3,229
Trade and other payables	2h. 2u. 14.	35,160	27,638
Lease liabilities	2h. 2l. 9.	424	517
Borrowings	2h. 2v. 15.	12,115	12,511
Dividends payable	2h. 2y. 25	5	13,754
Customer deposits	16.	6,029	6,599
Total current liabilities		<u>56,381</u>	<u>64,248</u>
<b>NON-CURRENT LIABILITIES:</b>			
Trade and other payables	2h. 2u. 14.	404	163
Lease liabilities	2h. 2l. 9.	494	903
Borrowings	2h. 2v. 15.	31,867	43,981
Total non-current liabilities		<u>32,765</u>	<u>45,047</u>
Total liabilities		<u>89,146</u>	<u>109,295</u>

Continued on page 5.

The notes on pages 9 to 48 are an integral part of these financial statements.

## BELIZE TELEMEDIA LIMITED

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED) AS AT MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>EQUITY:</b>			
Ordinary shares	2z. 17.	49,552	49,552
Preference shares	2z. 18.	48,500	48,500
Share premium	19.	15,274	15,274
Capital reserve - non distributable	20.	36,637	36,637
Retained earnings		104,461	91,171
Total equity		<u>254,424</u>	<u>241,134</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>\$ 343,570</u></b>	<b><u>\$ 350,429</u></b>

The financial statements on page 3 to 7 were approved and authorized for issue by the Board of Directors on August 22, 2023 and are signed on its behalf by:

  
Chairman

  
Director

The notes on pages 9 to 48 are an integral part of these financial statements.

## BELIZE TELEMEDIA LIMITED

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>CONTINUING OPERATIONS</b>			
Revenue	2aa. 21.	\$ 143,455	\$ 136,640
Other operating income	2aa. 21.	8,569	4,691
<b>Total revenue</b>		<u>152,024</u>	<u>141,331</u>
Operating cost	2ab. 2ac. 22.	(120,724)	(113,835)
<b>Gross profit</b>		<u>31,300</u>	<u>27,496</u>
Interest income	2ad.	1,052	987
Dividend income		3	2
Interest expense	2w.	(3,430)	(5,253)
<b>Profit before tax</b>		<u>28,925</u>	<u>23,232</u>
Business tax	2ae. 23.	(7,297)	(7,146)
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<u>21,628</u>	<u>16,086</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>\$ 21,628</u>	<u>\$ 16,086</u>
<b>Profit attributable to:</b>			
Owners of the Company		<u>\$ 21,628</u>	<u>\$ 16,086</u>
<b>Earnings per share attributable to the owners of the company:</b>			
Basic and diluted earnings per share	24.	<u>\$ 0.40</u>	<u>\$ 0.29</u>

The notes on pages 9 to 48 are an integral part of these financial statements.

**BELIZE TELEMEDIA LIMITED**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)**

	Ordinary shares	Preference shares	Share premium	Capital reserve - non distributable	Retained earnings	Total
<b>April 1, 2022</b>	\$ 49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$ 91,171	\$241,134
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	21,628	21,628
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	21,628	21,628
<b>Transactions with owners of the Company</b>						
Dividends declared to ordinary shareholders (Note 2y, 24)	-	-	-	-	(6,441)	(6,441)
Dividends declared to preferred shareholders (Note 2y, 24)	-	-	-	-	(1,940)	(1,940)
Dividends unclaimed beyond twelve years (Note 2y)	-	-	-	-	43	43
<b>Total transactions with owners of the Company</b>	-	-	-	-	(8,338)	(8,338)
<b>March 31, 2023</b>	<b>\$ 49,552</b>	<b>\$ 48,500</b>	<b>\$ 15,274</b>	<b>\$ 36,637</b>	<b>\$104,461</b>	<b>\$254,424</b>
	Ordinary shares	Preference shares	Share premium	Capital reserve - non distributable	Retained earnings	Total
<b>April 1, 2021</b>	\$ 49,552	\$ 48,500	\$ 15,274	\$ 36,637	\$ 80,097	\$230,060
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	16,086	16,086
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	16,086	16,086
<b>Transactions with owners of the Company</b>						
Dividends declared to ordinary shareholders (Note 2y, 24)	-	-	-	-	(3,072)	(3,072)
Dividends declared to preferred shareholders (Note 2y, 24)	-	-	-	-	(1,940)	(1,940)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(5,012)	(5,012)
<b>March 31, 2022</b>	<b>\$ 49,552</b>	<b>\$ 48,500</b>	<b>\$ 15,274</b>	<b>\$ 36,637</b>	<b>\$ 91,171</b>	<b>\$241,134</b>

The notes on pages 9 to 48 are an integral part of these financial statements.

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**BELIZE TELEMEDIA LIMITED**
**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Profit for the year	\$ 21,628	\$ 16,086
Adjustments for non-cash items:		
Depreciation and amortization	42,238	42,660
Gain on disposal of property, plant and equipment	(108)	(13)
Obsolescence expense	1,310	1,514
Re-measurement of expected credit loss	(1,395)	500
Business tax	7,297	7,146
Interest expense	3,430	5,253
Operating profit before working capital changes	74,400	73,146
Changes in working capital:		
Trade receivables	5,233	3,871
Other receivables	(6,644)	(3,261)
Prepayments	(744)	(2,048)
Other non-current assets	11	-
Inventories	300	(1,183)
Deferred income	(581)	339
Trade and other payables	7,676	6,085
Lease liabilities	(502)	-
Customer deposits	(685)	847
Cash provided by operating activities	78,464	77,796
Business tax paid	(7,328)	(7,100)
Interest paid	(3,312)	(5,046)
<b>Net cash provided by operating activities</b>	<b>67,824</b>	<b>65,650</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(24,687)	(13,172)
Proceeds from disposal of property, plant and equipment	1,909	73
Acquisition of intangible assets	(4,107)	(4,506)
Proceeds from finance lease	-	730
Acquisition of subsidiary	(5,649)	-
<b>Net cash used in investing activities</b>	<b>(32,534)</b>	<b>(16,875)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends provided and paid to shareholders	(22,087)	(10,125)
Repayment of borrowings	(12,510)	(21,308)
Principal elements of lease payments	(317)	(525)
<b>Net cash used in financing activities</b>	<b>(34,914)</b>	<b>(31,958)</b>
<b>Net increase in cash and cash equivalents</b>	<b>376</b>	<b>16,817</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>22,151</b>	<b>5,334</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 22,527</b>	<b>\$ 22,151</b>

The notes on pages 9 to 48 are an integral part of these financial statements.

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## BELIZE TELEMEDIA LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (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
- BTL Digicell Limited
- Business Enterprises Systems Limited
- DigiWallet Limited
- International Communication Services Limited
- Telemedia Free Zone Limited
- Telemedia Investments Limited

During the 2023 fiscal period, the following companies were dissolved (see also note 25):

- Belize Telecommunications Limited
- Belize Telecommunications (Overseas) Limited
- BTL International Inc.
- BTL Mobile Services Limited
- BTL Investments Limited

The Company operates under an Individual Telecommunications License, issued by the Public Utilities Commission ("PUC"). The License expired on December 28, 2022 and was renewed for 2 years by the PUC (see also note 32 (f)).

#### 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 Belize Telemedia Limited 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.

## BELIZE TELEMEDIA LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 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.

##### d. Foreign currency translations

Foreign currency transactions are translated 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e. Principles of consolidation (Continued)

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 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.

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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e. Principles of consolidations (Continued)

##### (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 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, 2022. In addition, commencing April 1, 2022, the following amendments which are now effective, have been adopted:

##### Reference to the Conceptual Framework (Amendments to IFRS 3)

Effective for annual reporting periods beginning on or after January 1, 2022

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

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

##### Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

Effective for annual reporting periods beginning on or after January 1, 2022

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

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

##### Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

Effective for annual reporting periods beginning on or after January 1, 2022

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Change in accounting policies (Continued)

**IFRS 9 (Annual improvements to IFRS standards 2018 - 2020)**

Effective for annual reporting periods beginning on or after January 1, 2022

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The annual improvement was adopted, but has no current impact on the financial statements.

**IFRS 16 (Annual improvements to IFRS standards 2018 - 2020)**

Effective for annual reporting periods beginning on or after January 1, 2022

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The annual improvement was adopted, but has no current impact on the financial statements.

**Standards issued but not yet effective**

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

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

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Change in accounting policies (Continued)

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

**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.

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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### g. Significant accounting judgments and estimates (Continued)

- 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 item, 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 consists 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.

#### 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### h. Financial instruments (Continued)

##### *(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.

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.

##### **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.

##### **Impairment of financial assets**

The Group recognizes loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortized cost and contract assets.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### h. Financial instruments (Continued)

The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Group recognizes loss allowances for ECLs on a financial asset in default when it meets the following criteria:

- (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realizing security if any is held; or
- (ii) the financial asset is more than 90 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over the Group is exposed to credit risk.

Measurement of ECLs:

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets:

At each reporting date, the Group assess whether financial assets carried at amortized costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position:

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### h. Financial instruments (Continued)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'bad debts recoveries' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### 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 forms 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. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group recognises lifetime expected credit losses ("ECL") for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for various factors. The factors include issues specific to the debtors, the 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. The time value of money is included where appropriate.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### k. Other receivables

Other receivables are amounts due from foreign telephone network companies, input tax, staff and management loans, deposits and other miscellaneous accounts. The carrying amount of the receivable is considered a reasonable approximation of fair value (which is measured at amortised cost) is expected to be paid within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

#### l. 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 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 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### l. Leases (Continued)

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 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.

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 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 the 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.

On the statement of financial position, right-of-use assets and lease liabilities are shown separately from other assets and liabilities.

#### m. Prepayments

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

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 includes all shipping, importation costs and delivery costs to the warehouse), direct labour and overheads that have been incurred in bringing 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. If inventories are impaired, the carrying amount is reduced to its selling price less cost to complete and sell and the impairment loss is recognized immediately in the statement of comprehensive income.

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.

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
Transmission equipment	7-10 years
Switching equipment	5-20 years
Tower equipment	10-20 years
Other plant and equipment	10-20 years
Motor vehicles	5 years
Computer equipment	3-5 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Property, plant and equipment (Continued)

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. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

r. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. 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.

t. 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.

u. 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. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 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. Provisions

Provisions for legal claims, restructuring costs and environmental restoration are recognized when the Group has a present legal or constructive obligation as a result of past events; if it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are not recognized for future operating losses.

Provisions 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.

y. 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".

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### y. Dividend distribution (Continued)

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".

#### z. 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.

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.

#### aa. 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### aa. Revenue recognition (Continued)

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 customer. Allocations are done to respective revenue streams based on the type of service usage.

##### *(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 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:

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### aa. Revenue recognition (Continued)

- (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.

#### ab. Cost of sales and operating costs

Cost of sales and operating costs are recognized in the period incurred.

#### ac. 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.

#### ad. 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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ae. Business tax

The tax expense for the period comprises of current year tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

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

Deferred taxation accounting pursuant to International Accounting Standard (IAS) 12 is not applicable.

#### af. 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.

#### ag. 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. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 196	\$ 178
Bank balances	<u>22,331</u>	<u>21,973</u>
	<u>\$ 22,527</u>	<u>\$ 22,151</u>

### 4. TRADE RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade receivables	\$ 38,570	\$ 44,835
Less: expected credit loss (ECL)	<u>(15,171)</u>	<u>(17,673)</u>
	<u>\$ 23,399</u>	<u>\$ 27,162</u>

#### Provision for credit losses as follows:

Brought forward, beginning of year	\$ 17,673	\$ 20,552
Re-measurement of ECL	<u>(1,395)</u>	500
Receivables written off during the year	<u>(1,107)</u>	<u>(3,379)</u>
Carried forward, ending of year	<u>\$ 15,171</u>	<u>\$ 17,673</u>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 5. OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Foreign telephone network administrations receivable	\$ 4,280	\$ 2,997
Input tax receivable	836	1,129
Other receivables	8,728	3,074
	<u>\$ 13,844</u>	<u>\$ 7,200</u>

### 6. FINANCE LEASE RECEIVABLE

	<u>2023</u>	<u>2022</u>
Amounts receivable under finance leases:		
No later than one year	\$ 1,177	\$ 1,036
Later than one year and no later than five years	4,707	4,143
Later than five years	12,670	12,328
Undiscounted lease payments	18,554	17,507
Less: Unearned future finance income	(3,395)	(2,665)
Net investment in finance lease	<u>\$ 15,159</u>	<u>\$ 14,842</u>

#### Current receivables:

Finance lease - gross receivable	\$ 1,177	\$ 1,036
Unearned finance income	(389)	(290)
	<u>\$ 788</u>	<u>\$ 746</u>

#### Non-current receivables:

Finance lease - gross receivable	\$ 17,377	\$ 16,471
Unearned finance income	(3,006)	(2,375)
	<u>\$ 14,371</u>	<u>\$ 14,096</u>

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

No later than one year	\$ 788	\$ 746
Later than one year and no later than five years	3,352	3,136
Later than five years	11,019	10,960
	<u>\$ 15,159</u>	<u>\$ 14,842</u>

The Group, as Lessor, has entered into a Finance Lease Agreement which gives the lessee the exclusive right to use specific strands of Dark Fiber within specified cable routes. The lease is for a period of 20 years with minimum lease payments of \$86 (Eighty Six thousand dollars per month).

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 7. PREPAYMENT

	<u>2023</u>	<u>2022</u>
Purchases	\$ 2,971	\$ 2,000
Maintenance and support services	1,200	1,564
Insurance	397	392
Other	731	599
	<u>\$ 5,299</u>	<u>\$ 4,555</u>

### 8. INVENTORIES

	<u>2023</u>	<u>2022</u>
Spares, goods for resale and other consumable supplies	\$ 9,753	\$ 11,519
Less: provision for obsolete inventories	(1,369)	(1,645)
	<u>\$ 8,384</u>	<u>\$ 9,874</u>

#### Provision for obsolete stock is comprised of:

Brought forward, beginning of year	\$ 1,645	\$ 449
Increase/ decrease in provision recognized	1,310	1,514
Stock written off	(1,586)	(318)
Carried forward, ending of year	<u>\$ 1,369</u>	<u>\$ 1,645</u>

### 9. RIGHT-OF-USE ASSETS

	Tower space	Office space	Motor vehicles	Total
<b>Right-of-use 2023</b>				
Brought forward, beginning of year	\$ 1,064	\$ 254	\$ -	\$ 1,318
Addition	-	-	-	-
Depreciation	(373)	(145)	-	(518)
Carried forward, ending of year	<u>\$ 691</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 800</u>

	Tower space	Office space	Motor Vehicles	Total
<b>Right-of-use 2022</b>				
Brought forward, beginning of year	\$ 667	\$ 399	\$ 120	\$ 1,186
Addition	811	-	-	811
Derecognition*	-	-	(120)	(120)
Depreciation	(414)	(145)	-	(559)
Carried forward, ending of year	<u>\$ 1,064</u>	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ 1,318</u>

\*Derecognition of the right-of-use assets is as a result of BTL's cancellation of lease contracts.

## BELIZE TELEMEDIA LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

#### 9. RIGHT-OF-USE ASSETS (CONTINUED)

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 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.

	<u>2023</u>	<u>2022</u>
<b>Lease liabilities:</b>		
Current	\$ 424	\$ 517
Non-current	494	903
	<u>\$ 918</u>	<u>\$ 1,420</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	\$ 470	\$ 62	\$ 408
Between one and two years	91	38	53
Between two and three years	94	28	66
Between three and four years	83	24	59
Between four and five years	81	21	60
Due after five years.	317	45	272
	<u>\$ 1,137</u>	<u>\$ 218</u>	<u>\$ 918</u>

Amounts recognized in the Consolidated Statement of Comprehensive Income:

	<u>2023</u>	<u>2022</u>
Interest expense included in finance expense	\$ 95	\$ 120
Short-term and low value leases included in operating cost	\$ 393	\$ 80

The total cash outflow relating to leases in the financial year ended March 31, 2023 was \$606,000 (2022 - \$686,228).

## BELIZE TELEMEDIA LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

#### 10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Network equipment	Other assets	Under construction	Total
<b>Cost</b>					
Brought forward, April 1, 2022	\$ 64,709	\$ 636,824	\$ 43,012	\$ 10,778	\$ 755,323
Additions	4	128	817	23,892	24,841
Transfers	-	17,024	150	(17,328)	(154)
Acquisition of subsidiary	-	3,688	2,460	-	6,148
Disposals	(2,089)	(104,637)	(572)	-	(107,298)
Carried forward, March 31, 2023	<u>62,624</u>	<u>553,027</u>	<u>45,867</u>	<u>17,342</u>	<u>678,860</u>
<b>Accumulated depreciation</b>					
Brought forward, April 1, 2022	18,630	454,880	38,471	-	511,981
Additions	1,570	30,265	2,673	-	34,508
Acquisition of subsidiary	-	1,270	971	-	2,241
Disposals	(864)	(104,110)	(523)	-	(105,497)
Carried forward, March 31, 2023	<u>19,336</u>	<u>382,305</u>	<u>41,592</u>	<u>-</u>	<u>443,233</u>
<b>Net book value</b>					
March 31, 2023	<u>\$ 43,288</u>	<u>\$ 170,722</u>	<u>\$ 4,275</u>	<u>\$ 17,342</u>	<u>\$ 235,627</u>

Assets in course of construction (Special Project Assets) at March 31, 2023 consist mainly of equipment, cables and materials for projects such as our Mobile Upgrades and Expansion, FTTH Expansion and Sales Jobs.

**BELIZE TELEMEDIA LIMITED**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

**10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Land and buildings	Network equipment	Other assets	Under construction	Total
<b>Cost</b>					
Brought forward, April 1, 2021	\$ 64,674	\$ 626,772	\$ 41,990	\$ 13,856	\$ 747,292
Additions	-	13,091	62	19	13,172
Transfers	95	1,922	1,080	(3,097)	-
Disposals	(60)	(4,961)	(120)	-	(5,141)
Carried forward, March 31, 2022	64,709	636,824	43,012	10,778	755,323
<b>Accumulated depreciation</b>					
Brought forward, April 1, 2021	17,063	427,082	35,713	-	479,858
Additions	1,627	32,705	2,872	-	37,204
Disposals	(60)	(4,907)	(114)	-	(5,081)
Carried forward, March 31, 2022	18,630	454,880	38,471	-	511,981
<b>Net book value</b>					
March 31, 2022	\$ 46,079	\$ 181,944	\$ 4,541	\$ 10,778	\$ 243,342

Transfers for the fiscal year ended March 31, 2022 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, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

**10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Other assets comprises of vehicles, computers and other equipment.

**11. INTANGIBLE ASSETS**

	2023	2022
<b>Cost</b>		
Brought forward, beginning of year	\$ 57,703	\$ 53,197
Additions	3,954	4,506
Transfer	153	-
Acquisition of subsidiary	164	-
Carried forward, ending of year	61,974	57,703
<b>Accumulated amortization and impairment</b>		
Brought forward, beginning of year	39,422	34,868
Charge for the year	6,868	4,554
Acquisition of subsidiary	82	-
Carried forward, ending of year	46,372	39,422
Carrying amount		
As at March 31	\$ 15,602	\$ 18,281

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.

**12. ACQUISITION OF SUBSIDIARIES**

On April 27, 2022, the Board resolved to acquire Alternative Networks Limited (and Parent Company, Carib Prospectors Limited). The registered businesses are a providers of fiber and wireless internet, internet protocol television, and cable television service in Belize.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out below:

Cash and cash equivalents	\$ 151
Trade receivables	75
Inventories	120
Property, plant and equipment - net	3,907
Intangible assets - net	82
	4,335
Customer deposits	115
	115
Total identifiable assets acquired and liabilities assumed	4,220
Goodwill	1,580
Total consideration	\$ 5,800

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 12. ACQUISITION OF SUBSIDIARIES (CONTINUED)

#### Net cash outflow arising on acquisition:

Cash consideration	\$	5,800
Less: cash and cash equivalent balances acquired		(151)
	\$	<u>5,649</u>

The Group acquired Alternative Networks Limited (and Parent Company, Carib Prospectors Limited) for consideration of \$5.8 million. The Group has retained 10% of the purchase price as part of the warranty arrangement.

### 13. OTHER NON-CURRENT ASSET

#### (I) Americas Region Caribbean Ring System (ARCOS-1)

	<u>2023</u>	<u>2022</u>
<b>Cost</b>		
Brought forward, beginning of year	\$ 8,103	\$ 8,103
Additions	-	-
Carried forward, ending of year	<u>8,103</u>	<u>8,103</u>
<b>Accumulated amortization and impairment</b>		
Brought forward, beginning of year	6,413	6,070
Charge for the year	344	343
Carried forward, ending of year	<u>6,757</u>	<u>6,413</u>
Carrying amount		
As at March 31	<u>\$ 1,346</u>	<u>\$ 1,690</u>

BTL is a party to the Americans 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>2023</u>	<u>2022</u>
A Group subsidiary, BTL (Overseas) Limited, holds 2,624 shares in Belize Telemedia Limited, at a cost of \$11 thousand dollars. The subsidiary was dissolved during the 2023 fiscal year.	\$ -	\$ 11
A Group subsidiary, BTL Telemedia Investments Limited, holds 500 shares in Belize Telemedia Limited, at a cost of \$3 thousand dollars.	3	3
	<u>\$ 3</u>	<u>\$ 14</u>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 14. TRADE AND OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
Trade payables	\$ 3,553	\$ 4,790
Accruals	13,964	13,326
Foreign telephone network administrations payable	174	508
Interest payable	676	794
License fees	5,561	3,819
Other payable	11,636	4,564
	<u>35,564</u>	<u>27,801</u>
Less: non-current portion	(404)	(163)
	<u>\$ 35,160</u>	<u>\$ 27,638</u>

### 15. BORROWINGS

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 will consist of eight semi-annual instalments of BZ\$3.75 million, exclusive of interest.

	<u>2023</u>	<u>2022</u>
	\$ 15,000	\$ 22,500

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.

	\$ 27,222	\$ 31,111
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Balance of BZ\$25.8 million payable to Government of Belize (GOB), at its fair value of BZ\$23 million, for full and final settlement of all claims and or obligations arising under the nationalized British Caribbean Bank Loan Agreement. The balance is to be settled over 44 months, commencing the fiscal year ended March 31, 2019.

	\$ -	\$ 437
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## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 15. BORROWINGS (CONTINUED)

	<u>2023</u>	<u>2022</u>
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 sixty monthly instalments of BZ\$67.9 thousand, inclusive of interest.	\$ 1,760	\$ 2,444
	<u>43,982</u>	56,492
Less: current portion	<u>(12,115)</u>	<u>(12,511)</u>
	<u>\$ 31,867</u>	<u>\$ 43,981</u>
Loan amounts repayable are as follows:		
2023-2024	\$ 12,115	
2024-2025	12,156	
2025-2026	4,155	
2026-2027	3,889	
2027 thereafter	<u>11,667</u>	
	<u>\$ 43,982</u>	

Borrowing costs capitalised during the year was nil (2022 - \$3 Thousand).

### 16. 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.

### 17. ORDINARY SHARES

	<u>2023</u>	<u>2022</u>
Authorized:		
100,000,000 ordinary shares of \$1 par value including 1 Special Share of \$1 par value	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Issued and fully paid:		
49,551,652 ordinary shares of \$1 par value and 1 Special Share of \$1 par value	<u>\$ 49,552</u>	<u>\$ 49,552</u>

### 18. PREFERENCE SHARES

	<u>2023</u>	<u>2022</u>
Authorized, issued and fully paid:		
48,500,000 4% non-redeemable, cumulative preference shares of \$1 par value	<u>\$ 48,500</u>	<u>\$ 48,500</u>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 19. 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.

### 20. 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.

### 21. REVENUE AND OTHER OPERATING INCOME

Revenue from contracts with customers is disaggregated by major products and services.

	<u>2023</u>	<u>2022</u>
Fixed internet and voice services	\$ 71,248	\$ 71,827
Mobile services	61,126	58,585
Roaming and international settlements	<u>11,081</u>	<u>6,228</u>
	<u>143,455</u>	136,640
ICT services	<u>6,428</u>	4,418
<b>Revenues from contracts with customers</b>	<u>149,883</u>	141,058
Other	<u>2,141</u>	273
	<u>\$ 152,024</u>	<u>\$ 141,331</u>

### 22. OPERATING COST

	<u>2023</u>	<u>2022</u>
Facilities and infrastructure	\$ 60,812	\$ 59,685
General and administrative expenses	34,125	32,054
Network and other fees	<u>25,787</u>	<u>22,096</u>
	<u>\$ 120,724</u>	<u>\$ 113,835</u>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 23. TAXATION

In accordance with the Ninth 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.

Government amended the Income and Business Tax Act (amendment No. 25 of 2019 effective January 1, 2020) 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.

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.

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.

### 24. 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>2023</u>	<u>2022</u>
<b>Profit attributable to ordinary shareholders (basic and diluted)</b>		
Profit for the year attributable to Ordinary Shareholders	\$ 21,628	\$ 16,086
Effect of dividends paid on cumulative Preference Shares	(1,940)	(1,940)
<b>Profit for the year attributable to Ordinary Shareholders (basic)</b>	<u>19,688</u>	<u>14,146</u>
Dilutive effects	-	-
<b>Profit for the year attributable to Ordinary Shareholders (diluted)</b>	<u>\$ 19,688</u>	<u>\$ 14,146</u>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 24. EARNINGS PER SHARE (CONTINUED)

	<u>2023</u>	<u>2022</u>
<b>Weighted-average number of Ordinary Shares (basic and diluted)</b>		
Outstanding Ordinary Shares	\$ 49,552	\$ 49,552
Effect of Intra-group shares (held by subsidiary companies)	(3)	(3)
<b>Weighted average number of Ordinary Shares (basic)</b>	<u>49,549</u>	<u>49,549</u>
Dilutive effects	-	-
<b>Weighted average number of Ordinary Shares (diluted)</b>	<u>\$ 49,549</u>	<u>\$ 49,549</u>
<b>Earnings per share (basic)</b>	<u>\$ 0.40</u>	<u>\$ 0.29</u>
<b>Earnings per share (diluted)</b>	<u>\$ 0.40</u>	<u>\$ 0.29</u>

### 25. DIVIDENDS

The following dividends were declared and paid by the Company:

	<u>2023</u>	<u>2022</u>
Final dividend for the year ended March 31, 2022 at 0.13 cents per Ordinary Share (March 31, 2021- 0.062 cents per share)	\$ 6,441	\$ 3,072
Final dividend for the year ended March 31, 2022 at 4 cents per Non- Redeemable Preference Share (March 31, 2021- 4 cents per share)	1,940	1,940
	<u>\$ 8,381</u>	<u>\$ 5,012</u>

### 26. DISPOSAL OF SUBSIDIARIES

The Board resolved to dissolve several of its international and local subsidiaries. The subsidiaries include:

- Belize Telecommunications Limited
- Belize Telecommunications (Overseas) Limited
- BTL International Inc.
- BTL Mobile Services Limited
- BTL Investments Limited

Consequently, the assets and liabilities were transferred to Belize Telemedia Limited (the parent company). Revenue and expenses, gains and losses relating to the dissolution were eliminated from the profit or loss of the Group's consolidated financial statements.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 26. DISPOSAL OF SUBSIDIARIES (CONTINUED)

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed during the dissolution are as set out below:

	<u>October 31, 2022</u>	
Trade receivables	\$	1,488
Other receivables		-
Due from related party		289,630
		<u>291,118</u>
Trade and other payables		-
Due to related party		126,285
		<u>126,285</u>
<b>Net assets and liabilities</b>	<b>\$</b>	<b><u>164,833</u></b>

### 27. COMMITMENTS

#### Capital commitments

	<u>2023</u>		<u>2022</u>	
Capital expenditure authorized and contracted:				
MIND billing system	\$	696	\$	473
FTTH/ NBP		3,064		14
MS E365		4,708		1,091
Huawei software upgrade		3,497		7,953
other projects		3,363		1,638
	<b>\$</b>	<b><u>15,328</u></b>	<b>\$</b>	<b><u>11,169</u></b>
<b>Capital expenditure planned but not contracted</b>	<b>\$</b>	<b><u>11,782</u></b>	<b>\$</b>	<b><u>4,945</u></b>

### 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>2023</u>		<u>2022</u>	
Sales of services:				
- Belize Social Security Board	\$	1,245	\$	1,288
- Government of Belize		14,010		18,528
- Belize Electricity Limited		2,903		2,668
- Belize Water Services Limited		524		465
	<b>\$</b>	<b><u>18,682</u></b>	<b>\$</b>	<b><u>22,949</u></b>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (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>2023</u>		<u>2022</u>	
Purchase of services:				
- Entities controlled by key management personnel	\$	4	\$	-
- Belize Electricity Limited		5,100		1,470
- Belize Water Services Limited		121		94
	<b>\$</b>	<b><u>5,225</u></b>	<b>\$</b>	<b><u>1,564</u></b>

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>2023</u>		<u>2022</u>	
Salaries and other short-term benefits	\$	6,146	\$	5,150
Termination benefits/ post-employment benefits		167		174
	<b>\$</b>	<b><u>6,313</u></b>	<b>\$</b>	<b><u>5,324</u></b>

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

	<u>2023</u>		<u>2022</u>	
Receivable from related parties:				
- Government of Belize	\$	555	\$	2,825
- Belize Social Security Board		66		66
- Belize Electricity Limited		18,815		17,521
- Belize Water Services Limited		70		57
	<b>\$</b>	<b><u>19,506</u></b>	<b>\$</b>	<b><u>20,469</u></b>

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>2023</u>		<u>2022</u>	
Payable to related parties:				
- Government of Belize	\$	-	\$	437
- Belize Electricity Limited		325		365
- Belize Water Services Limited		11		10
	<b>\$</b>	<b><u>336</u></b>	<b>\$</b>	<b><u>812</u></b>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (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>2023</u>	<u>2022</u>
<b>Financial assets at amortized cost</b>		
Cash and cash equivalents	\$ 22,527	\$ 22,151
Trade receivables	23,399	27,162
Other receivables	13,008	6,071
Financial lease receivable - net	15,159	14,842
<b>Total financial assets</b>	<u>\$ 74,093</u>	<u>\$ 70,226</u>
<b>Financial liabilities at amortized cost</b>		
Trade and other payables	\$ 21,600	\$ 14,475
Lease liabilities	918	1,420
Borrowings	43,982	56,492
Dividends payable	5	13,754
<b>Total financial liabilities</b>	<u>\$ 66,505</u>	<u>\$ 86,141</u>

### 30. 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.

#### (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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 30. FINANCIAL RISK MANAGEMENT (CONTINUED)

The expected loss rate are based on the payment profiles of sales over a period of 24 months before March 31, 2022 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, 2023 and March 31, 2022 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, 2023					
Expected loss rate	8.42%	13.65%	22.09%	32.60%	
Gross carrying amount	\$ 9,490	\$ 2,481	\$ 1,464	\$ 24,934	\$ 38,369
Loss allowance	<u>\$ 799</u>	<u>\$ 339</u>	<u>\$ 323</u>	<u>\$ 8,128</u>	<u>\$ 9,590</u>
March 31, 2022					
Expected loss rate	9.32%	15.85%	27.96%	32.75%	
Gross carrying amount	\$ 9,391	\$ 3,489	\$ 3,842	\$ 28,113	\$ 44,835
Loss allowance	<u>\$ 875</u>	<u>\$ 553</u>	<u>\$ 1,074</u>	<u>\$ 9,206</u>	<u>\$ 11,708</u>

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

	<u>2023</u>	<u>2022</u>
Opening loss allowance at beginning of year	\$ 17,673	\$ 20,552
Increase in loan loss allowance recognized during the year	(1,395)	500
Receivables written off during the year as uncollectible	(1,107)	(3,379)
<b>Carried forward, end of year</b>	<u>\$ 15,171</u>	<u>\$ 17,673</u>

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.

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 30. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (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) 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.

#### (d) 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.
- Secured \$15 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

	Within 3 months	3 months to 1 year	Between 1 and 5	Over 5 years	Total
<b>March 31, 2023</b>					
Trade and other payables	\$ 18,191	\$ 17,375	\$ -	\$ -	\$ 35,566
Lease liabilities	-	424	494	-	918
Borrowings	3,927	8,188	24,089	7,778	43,982
	<b>\$ 22,118</b>	<b>\$ 25,987</b>	<b>\$ 24,583</b>	<b>\$ 7,778</b>	<b>\$ 80,466</b>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 30. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Within 3 months	3 months to 1 year	Between 1 and 5	Over 5 years	Total
<b>March 31, 2022</b>					
Trade and other payables	\$ 8,925	\$ 18,713	\$ 163	\$ -	\$ 27,801
Lease liabilities	-	517	903	-	1,420
Borrowings	1,924	10,587	28,426	15,555	56,492
	<b>\$ 10,849</b>	<b>\$ 29,817</b>	<b>\$ 29,492</b>	<b>\$ 15,555</b>	<b>\$ 85,713</b>

#### (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.

### 31. 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:

	2023	2022
Total liabilities	\$ 89,146	\$ 109,295
Total equity	\$ 254,424	\$ 241,134
<b>Debt to equity ratio</b>	<b>0.35</b>	<b>0.45</b>

## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 32. 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. 362 of 2019, Gustavo Mendez v Belize Telemedia Limited was filed by a former employee Gustavo Mendez against BTL seeking severance payments of \$30,151. At February 19, 2020, the claim was concluded awaiting a decision to be handed down by the Court. As at March 31, 2023, the previous Judge demitted office and the matter is pending re-assignment to a different judge.
- (b) 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. BTL is currently defending the claim in the Supreme Court.
- (c) 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. At March 31, 2023, this matter is still outstanding and the Claimant has taken no further steps in the claim.
- (d) Claim No. 690 of 2014, Curtis Dale Swasey v Belize Telemedia limited et al, was filed by Mr. Curtis Dale Swasey against Belize Telemedia Limited for breach of an information Exchange Agreement. On February 23, 2016 the Court awarded \$25,000 in damages and assessed costs to the Claimant. Both the Claimant and Belize Telemedia Limited appealed to the Court of Appeal. On October 26, 2020, the Court of Appeal heard the matter and ruled in favor of BTL. On April 5, 2022, Mr. Swasey filed an application for leave to appeal to the Caribbean Court of Justice (CCJ). Mr. Swasey did not comply with the conditions of the Court therefore the appeal to the CCJ is deemed abandoned.
- (e) 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. BTL has filed an appeal and awaits the Court of Appeal to move the case forward.
- (f) 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 matter is in progress.

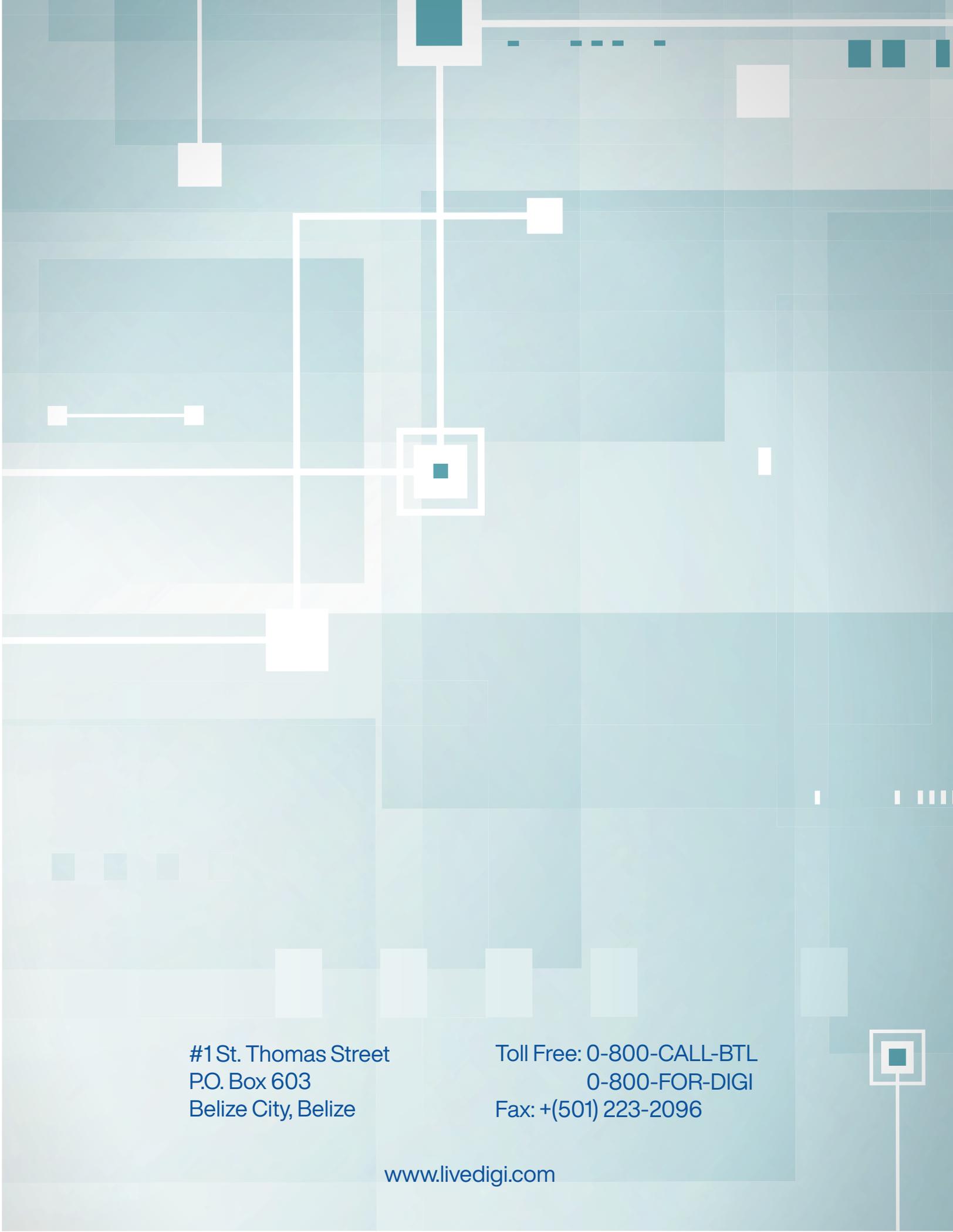
## BELIZE TELEMEDIA LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022 (IN THOUSANDS OF BELIZE DOLLARS)

### 33. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2023 reporting date and date of authorization.

\* \* \* \* \*



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