Schedule 2
FORM ECSRC – OR

(Select One)

[X] QUARTERLY FINANCIAL REPORT for the period ended **March 31, 2026**
Pursuant to Section 98(2) of the Securities Act, 2001

OR

[ ] TRANSITION REPORT
for the transition period from________________________to ______________________
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: **GRENLEC27091960G**

Grenada Electricity Services Ltd.
(Exact name of reporting issuer as specified in its charter)

Grenada W.I.
(Territory or jurisdiction of incorporation)

Dusty Highway, Grand Anse, St. George's, P.O. Box 381
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): **(473) 440-3391**

Fax number: **(473) 440-4106**

Email address: **mail@grenlec.com**

____
(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. ________________________________

CLASS	NUMBER
Ordinary Shares	**19,000,000**

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer (Ag):

Leroy Abraham

Signature

Name of Director:

James Pitt

Signature

Date 17th august 2026

Name of Chief Financial Officer:

Lydia Courtney-Francis

Signature

Date 17th August 2026

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

(a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.

(b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.

(c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.

(d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Disussion and Analysis of the Financial Condition

The following summary outlines GRENLEC's compliance with its key financial loan covenants as at March 31, 2026, together with comparative results for March 31, 2025, and December 31, 2025.

As at March 31, 2026, GRENLEC complied with two of the three financial covenants assessed. The Current Ratio and Funded Debt-to-EBITDA Ratio remained within their prescribed limits, while the Debt Service Coverage Ratio was below the required minimum. Nevertheless, the latter two ratios improved significantly compared with March 2025, reflecting stronger earnings and a lower funded-debt position. The first-quarter results should also be considered in the context of the seasonal nature of the Company's profitability and cash generation, with stronger covenant performance generally recorded by year-end.

Covenant Table

Covenant Ratio	Requirement	March 2026	March 2025	December 2025	March 2026 Status
Current Ratio	≥ 1.35:1	1.93:1	2.18:1	2.01:1	Compliant
Debt Service Coverage Ratio	≥ 1.75:1	0.82:1	0.98:1	0.66:1	Below requirement
Funded Debt to EBITDA	≤ 3.00:1	2.34:1	3.35:1	1.87:1	Compliant

The Current Ratio stood at 1.93:1, which was marginally below the December 2025 result of 2.01:1 and comfortably above the minimum requirement of 1.35:1. It was, however, lower than the 2.18:1 recorded in March 2025, indicating a reduction in the level of current assets available to cover short-term liabilities. Notwithstanding this decline, the Company maintained compliance with the covenant.

The Debt Service Coverage Ratio improved from 0.66:1 in March 2025 to 0.82:1 in March 2026. While this represents a meaningful year-on-year improvement, the ratio remained below the minimum requirement of 1.75:1 but was higher than the 0.66:1 achieved at December 2025. The first-quarter ratio reflects the timing of earnings and debt-service payments, including loan repayments made during the quarter.

The Funded Debt-to-EBITDA Ratio improved substantially from 3.35:1 in March 2025 to 2.34:1 in March 2026, bringing the ratio within the maximum covenant limit of 3.00:1. Although the ratio was higher than the particularly strong 01.87:1 achieved at December 2025, the March 2026 result demonstrates that funded debt remained supportable relative to the Company's earnings capacity.

Profit after interest for the first quarter of 2026 amounted to EC$4.62 million, compared with EC$6.02 million for the corresponding period in 2025, representing a decrease of EC$1.40 million, or approximately 23%. Despite the year-on-year reduction, profit after interest was EC$3.24 million above the budgeted EC$1.38 million. Profit before tax amounted to EC$3.18 million, compared with EC$3.25 million in March 2025, while profit after tax was EC$2.29 million, marginally below the EC$2.34 million recorded in the prior-year period but significantly ahead of the budgeted loss.

Non-fuel sales increased by approximately 6%, from EC$25.40 million in the first quarter of 2025 to EC$26.92 million in 2026, supported by a 6.4% increase in electricity sales volumes. Fuel-charge revenue declined by approximately 6%, from EC$34.52 million to EC$32.43 million, while unbilled sales adjustments were negative EC$1.34 million. Consequently, net sales declined by approximately 2.4%, from EC$59.47 million to EC$58.01 million.

The first-quarter fuel recovery rate was 102.5%, generating an over-recovery of approximately EC$0.80 million. This contributed positively to the reported profit position. On a fuel-neutral basis, profit after interest would have been EC$5.30 million, compared with the reported EC$4.62 million. Production costs excluding diesel increased by approximately 4.7% year on year, while diesel costs declined by approximately 1.9%. Total operating costs remained broadly stable at EC$47.15 million, compared with EC$47.38 million in March 2025. Corporate-services costs increased by approximately 3.6% to EC$6.55 million.

No regulatory fees were recognised during the first quarter of 2026, compared with EC$1.27 million in the corresponding period of 2025. However, the absence of this charge reflects the timing of recognition and should not be interpreted as a permanent cost reduction. Provision for profit sharing amounted to EC$1.44 million, compared with EC$1.49 million at March 2025.

From a balance-sheet perspective, shareholders' equity increased to EC$136.94 million at March 31, 2026, from EC$131.81 million at March 31, 2025. The March 2026 balance includes EC$2.29 million in current-year earnings. Non-current assets increased by approximately EC$8.93 million, or 6.5%, to EC$147.20 million, reflecting continued capital investment, including expenditure associated with the generation-replacement project. Capital expenditure during the quarter amounted to approximately EC$9.06 million, of which EC$6.78 million related to the high-speed generation project.

Cash at bank and in hand stood at EC$14.05 million at March 31, 2026, compared with EC$23.63 million at March 31, 2025—a decrease of EC$9.58 million, or approximately 41%. The Company also held EC$26.59 million in the Hurricane Fund and EC$10.97 million in other investments. These balances provide financial resources but are designated primarily for hurricane reserves and planned capital-investment requirements and are therefore not fully available to support routine operating expenditure.

Accounts receivable increased by EC$1.12 million, or approximately 3.9%, from EC$28.81 million at March 31, 2025 to EC$29.93 million at March 31, 2026. This increase, together with the reduction in unrestricted operating cash, reinforces the need for continued attention to collections and working-capital management. Current liabilities increased to EC$76.53 million from EC$72.00 million in March 2025, contributing to the reduction in the Current Ratio compared with the prior-year period.

Deferred income amounted to EC$20.73 million at March 31, 2026, compared with EC$21.74 million at March 31, 2025. This balance principally relates to funds arising from the CCRIF Hurricane Beryl insurance proceeds, which have been designated to finance approved sustainable capital projects. Although the related funds are included among the Company's cash and investment balances, their designated purpose limits their availability for general operations. Accordingly, unrestricted liquidity must continue to be closely monitored to ensure that the Company can meet its short-term operating and financial obligations while delivering its planned capital programme.

Overall, GRENLEC's financial position at March 31, 2026 remained stable, with strong performance against budget and significant year-on-year improvements in the Debt Service Coverage and Funded Debt-to-EBITDA ratios. The Current Ratio and Funded Debt-to-EBITDA Ratio were compliant, while the Debt Service Coverage Ratio remained below its minimum requirement. The decline in operating cash, higher receivables, ongoing capital-investment commitments, and the timing of regulatory fees highlight the importance of disciplined cash-flow management, sustained collection efforts, cost containment, and close monitoring of covenant performance throughout the remainder of 2026.

<u>Liquidity and Capital Resources</u>

Provide a narrative explanation of the following (but not limited to):

i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.

ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.

iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.

vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.

vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.

viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.

ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

(a) Liquidity
At the close of the first quarter of 2026, GRENLEC maintained an adequate liquidity position, recording a covenant Current Ratio of 1.51:1. This remained above the lender's minimum requirement of 1.35:1 and was marginally higher than the 1.50:1 recorded at December 31, 2025. The covenant calculation includes the EC$6.16 million current portion of borrowings among current obligations. Although compliant, the limited margin above the covenant threshold underscores the need for continued vigilance in managing short-term liquidity.

Electricity sales averaged approximately EC$0.95 per kWh during the first quarter of 2026, compared with approximately EC$0.92 per kWh for the corresponding period in 2025, representing an increase of approximately 3.4%. The fuel charge for March 2026 averaged approximately EC$0.436 per kWh, a reduction of approximately 10.4% from EC$0.486 per kWh in March 2025. This reduction provided some relief to customers; however, the Company recorded a fuel over-recovery of approximately EC$0.80 million for the quarter, equivalent to a year-to-date fuel recovery rate of 102.5%.

Cash and cash equivalents at March 31, 2026 amounted to EC$14.05 million, compared with EC$5.38 million at December 31, 2025. This represented an increase of approximately EC$8.66 million during the quarter. The improvement arose from operating cash generation and movements between cash and investments, including approximately EC$6.0 million in term-deposit proceeds. The Company also met scheduled loan repayments of approximately EC$1.55 million during the quarter.

Despite the improvement in the cash balance, unrestricted liquidity must be considered separately from funds designated for specific purposes. At March 31, 2026, the Company held EC$26.59 million in the Hurricane Fund and EC$10.97 million in other investments. The Hurricane Fund primarily represents resources arising from the CCRIF Hurricane Beryl insurance proceeds and is earmarked for approved capital projects and hurricane-related requirements. These resources strengthen the Company's overall financial position but are not fully available to finance routine operating expenditure.

Accounts receivable stood at EC$29.93 million at March 31, 2026, compared with EC$31.36 million at February 28, 2026, representing a reduction of EC$1.43 million during March. However, the balance remained EC$1.12 million, or approximately 3.9%, above the EC$28.81 million reported at March 31, 2025. This highlights the continued importance of sustained collection efforts and careful monitoring of customer arrears.

Accounts payable and accrued expenses amounted to EC$37.43 million at March 31, 2026, increasing by EC$1.61 million from EC$35.82 million at February 28, 2026 and by EC$1.68 million compared with March 31, 2025. The increase indicates that part of the Company's liquidity continued to be supported by the timing of supplier and other operating payments.

Capital expenditure during the first quarter amounted to approximately EC$9.06 million. This included EC$6.78 million associated with the high-speed generation-replacement project and approximately EC$2.29 million relating to other capital, rollover and unbudgeted expenditure. These investments, together with scheduled debt-service obligations, placed demands on available cash resources during the quarter.

Overall, GRENLEC remained capable of meeting its operational and financial obligations during the first quarter of 2026. The improvement in cash and cash equivalents and continued compliance with the Current Ratio covenant are positive indicators. Nevertheless, the relatively narrow margin above the covenant threshold, the designated nature of a significant portion of the Company's financial resources, rising accounts payable, and the scale of the planned capital programme require continued emphasis on cost containment, collections, working-capital management and detailed cash-flow forecasting.

(b) Capital Resources
For the quarter ended March 31, 2026, GRENLEC incurred capital expenditure of approximately EC$9.06 million. Of this amount, EC$6.78 million related to the high-speed generation-replacement project, while approximately EC$1.58 million related to the current-year recurrent capital programme. The remaining expenditure principally comprised rollover projects and other capital items. The principal areas of expenditure included generation works, suspense projects, distribution extensions and upgrades, meters and accessories, street lighting, tools, and improvement projects.

Capital work in progress amounted to EC$10.70 million at March 31, 2026, compared with EC$8.52 million at March 31, 2025. Suspense jobs in progress also increased from EC$0.94 million to EC$1.90 million over the same period. These movements reflect the continued implementation of the Company's generation, infrastructure and system-improvement programme.

The Company's internally available capital resources comprised EC$14.05 million in cash and cash equivalents, EC$10.97 million in other investments and EC$26.59 million held in the Hurricane Fund. GRENLEC also maintained an EC$6.0 million overdraft facility with Grenada Co-operative Bank, which provides additional short-term liquidity support if required. However, the Hurricane Fund is designated primarily for approved capital and hurricane-related purposes and should not be regarded as generally available working capital.

While these resources provide a meaningful financial buffer, the Company's capital requirements are expected to increase substantially as it progresses its generation-replacement, battery-storage, substation and network-modernisation projects. Consequently, GRENLEC will continue to rely on a combination of internally generated funds, existing investments, commercial borrowing and concessional project financing to deliver its capital programme.

Based on the resources currently available and the financing arrangements being pursued, the Company is positioned to meet its near-term capital commitments. Nevertheless, the size and timing of the planned investment programme require disciplined capital prioritisation, close alignment of project expenditure with committed financing, and continuous monitoring of liquidity and loan-covenant compliance.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.

ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.

iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off- balance sheet arrangements.

iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

None

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.

ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.

iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.

v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.

vi) Matters that will have an impact on future operations and have not had an impact in the past.

vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations

viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ix) Performance goals, systems and, controls.

Overview of Results of Operations

GRENLEC's financial performance for the first quarter of 2026 remained resilient, despite a reduction in reported revenue and continued operational cost pressures. Profit before interest amounted to EC$5.00 million, exceeding the budgeted EC$1.76 million by EC$3.24 million. However, this was EC$1.40 million, or approximately 21.9%, below the EC$6.40 million recorded in the corresponding period of 2025. Profit after interest was EC$4.62 million, compared with EC$6.02 million in March 2025.

The reported results included a fuel-cost over-recovery of approximately EC$0.80 million, representing a year-to-date recovery rate of 102.5%. On a fuel-neutral basis, profit after interest would have been EC$5.30 million. The result was adversely affected by a negative unbilled-sales adjustment of EC$1.34 million, compared with a negative adjustment of EC$0.45 million in the first quarter of 2025. Non-fuel revenue, however, increased by approximately 6.0%, from EC$25.40 million to EC$26.92 million, supported by higher electricity sales.

Electricity sales, excluding own use, increased by approximately 3.85 million kWh, or 6.3%, from 60.87 million kWh in the first quarter of 2025 to 64.72 million kWh in 2026. Sales were also 5.4%, or approximately 3.32 million kWh, above the budgeted 61.40 million kWh. Domestic and commercial demand recorded strong growth, while industrial consumption declined. The improvement also reflects continued recovery in Carriacou and Petite Martinique following the disruption caused by Hurricane Beryl in July 2024.

The average fuel charge for the first quarter of 2026 was approximately EC$0.486 per kWh, compared with EC$0.493 per kWh for the same period in 2025, representing a reduction of approximately 1.5%. The March 2026 fuel charge averaged approximately EC$0.436 per kWh, compared with EC$0.486 per kWh in March 2025—a reduction of approximately 10.4%. The lower fuel charge provided some relief to customers, while the Fuel Adjustment Clause continued to facilitate the recovery of eligible fuel costs.

Total income to March 2026 amounted to EC$58.71 million, representing a decrease of EC$1.39 million, or approximately 2.3%, from the EC$60.10 million recorded in the corresponding period of 2025. This reduction arose primarily from the negative unbilled-sales adjustment and a 6.0% decline in reported fuel-charge revenue, which fell from EC$34.52 million to EC$32.43 million. These movements more than offset the growth in non-fuel revenue and other income.

Operating and administrative expenses, excluding diesel fuel, amounted to approximately EC$22.08 million for the first quarter of 2026, an increase of EC$0.63 million, or approximately 2.9%, over the EC$21.45 million recorded in 2025. The increase was driven mainly by higher non-fuel generation and corporate-services costs, including the continuing cost of rental generation. These increases were partially offset by lower distribution and planning and engineering expenses. Despite the year-on-year increase, non-fuel operating and administrative expenses were approximately EC$2.19 million, or 9.0%, below the budgeted EC$24.27 million, reflecting continued cost-management efforts.

Diesel expenditure amounted to EC$31.63 million, compared with EC$32.25 million in the first quarter of 2025, representing a decrease of approximately EC$0.62 million, or 1.9%. This reduction occurred despite higher generation and electricity-sales volumes and was supported by improved generation efficiency and lower average fuel costs.

Total interest expense for the first three months of 2026 amounted to EC$378,000, marginally below both the EC$384,000 recorded in the corresponding period of 2025 and the budgeted EC$382,000. Bank-loan interest decreased from EC$253,000 to EC$173,000, reflecting the continued reduction in outstanding loan balances. This benefit was partially offset by higher interest accrued on consumer deposits, which increased from EC$131,000 to EC$205,000. The company continues to raise the matter of the 4% interest rate on customer deposits that is legislated and has sent continuous reminders to the regulator to address this anomaly. Currently, the company receives sub-zero interest rates on deposits held for customers.

System losses for the first quarter of 2026 were approximately 3.57%, compared with 6.58% for the corresponding period of 2025 and the budgeted target of 7.0%. The improvement contributed positively to the Company's fuel-cost recovery and operating performance. Maintaining system losses at the lowest technically achievable level remains a key strategic priority, and Management continues to monitor performance closely while pursuing network improvements, metering initiatives and loss-reduction measures.

Fuel efficiency for the first three months of 2026 averaged 15.43 kWh per US gallon, compared with 15.31 kWh per US gallon for the corresponding period of 2025. This represents an improvement of approximately 0.8%, notwithstanding the continued use of rental generation. The improvement reflects ongoing attention to unit dispatch, maintenance and generation optimisation. However, the continued reliance on rental units reinforces the importance of progressing the generation-replacement programme to achieve sustained improvements in efficiency, reliability and operating costs

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Major Risks and Regulatory Environment

GRENLEC operates under the framework established by the 2016 Electricity Supply Act, the 2017 Electricity Act, and the 2016 Public Utilities Regulatory Commission (PURC) Act. In April 2021, the PURC launched the Renewable Energy Self-Generator Programme, which applies to customers across Grenada, Carriacou, and Petite Martinique. This program is designed to encourage renewable energy adoption by allowing residential customers to generate up to 120% of their energy consumption through rooftop photovoltaic (PV) solar systems, while commercial customers can generate up to 60% of their consumption from similar solar installations. Permits for self-generation are granted by the PURC, the regulatory authority tasked with administering the Electricity Act and can be issued for periods of up to 15 years, notably, without requiring the direct involvement or consent of GRENLEC. An internal analysis of the potential impact of this program on the Company's revenue and profitability is currently ongoing to assess both risks and opportunities in this shifting energy landscape.

On the operational side, GRENLEC continues to face challenges due to its aging fleet of generation equipment, which has increasingly become prone to reliability issues and unplanned downtime. As part of its risk management strategy, the Company has taken steps to install four additional high-speed engines to support load growth while it pursues generation replacement.

To address the challenges posed by its aging generation fleet and to strengthen operational resilience, GRENLEC has received approval from the PURC to replace two of its generating fleet. This initiative is a key step in modernizing the Company's generation assets and ensuring a stable, reliable electricity supply to meet the country's growing energy demands. The Request for Proposal (RFP) has been evaluated and prospective firms shortlisted, with negotiations taking place. The industry faces an acute shortage of generators to meet the current market demands due to the proliferation of data centres and an increased demand for generation units of the kind we are pursuing. Initial indications are that delivery dates are 3 – 5 years in the future.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

There were no pending legal proceedings outstanding as at March 31, 2025 that could materially impact on the Company's position.

5. Changes in Securities and Use of Proceeds.

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There were no changes in securities during the quarter ended March 31, 2025.

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

  N/A

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

  N/A

- Name and address of underwriter(s)

  N/A

- Amount of expenses incurred in connection with the offer N/A

- Net proceeds of the issue and a schedule of its use

  N/A

- Payments to associated persons and the purpose for such payments

  N/A

(b) Report any working capital restrictions and other limitations upon the payment of dividends.

None.

6. Defaults upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

Payments of principal and interest to the syndicated loan held by both CIBC FirstCaribbean & Grenada Co-operative on loans of $48.05M in March 2016 and $3.72M in August 2019 and $16M in March 2021, were made during the quarter ended March 31, 2025 as per the agreement.

(b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

After reviewing the Company's performance for the first quarter of 2026, the Board of Directors continued with the suspension of Dividends for the first quarter of 2026.

7. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

None.

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

N/A

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

N/A

(d) A description of the terms of any settlement between the registrant and any other participant.

N/A

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

N/A

Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

None