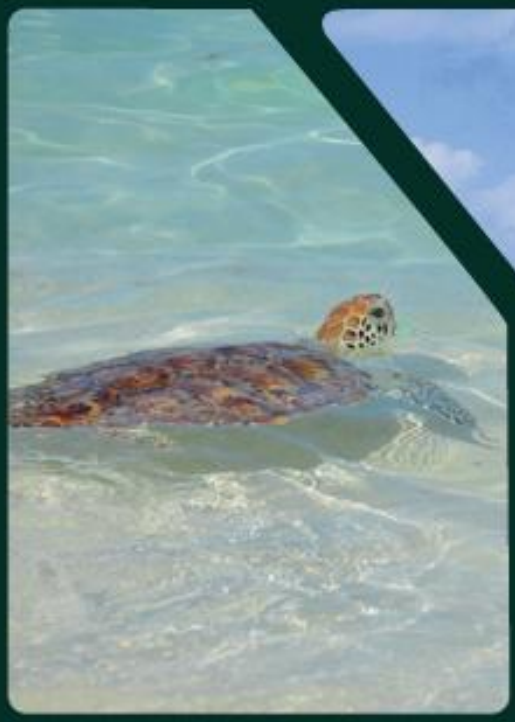




Caribbean Utilities Company, Ltd.

2026 Third Quarter Report

September 30, 2026

CUC | 60 YEAR ANNIVERSARY 1966–2026

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All dollar amounts in this Quarterly Report are stated in United States dollars unless otherwise indicated.

Readers should review the note in the Management Discussion and Analysis section, concerning the use of forward-looking statements, which applies to the entirety of this Quarterly Report. The condensed consolidated financial statements and MD&A in this interim report were approved by the Audit Committee.

Interim Management's Discussion and Analysis

For the Quarter Ended September 30, 2026

Dated: November 3, 2026

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Caribbean Utilities Company, Ltd. ("CUC" or the "Company") unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2026 and the CUC annual consolidated financial statements for the twelve months ended December 31, 2025 ("Fiscal 2025"). The material has been prepared in accordance with National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102") relating to the MD&A and is available under the Company's profile on SEDAR+ at www.sedarplus.com together with additional information about CUC, including the Company's most recent annual information form.

Additional information in this MD&A has been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"), including certain accounting practices unique to rate-regulated entities. These accounting practices, which are disclosed in the notes to the Company's 2025 annual financial statements, result in regulatory assets and liabilities which would not occur in the absence of rate regulation. In the absence of rate regulation, the amount and timing of recovery or refund by the Company of costs of providing services, including a fair return on rate-base assets, from customers through appropriate billing rates would not be subject to regulatory approval.

Forward-Looking Information

Certain statements in this MD&A, other than statements of historical fact, are forward-looking statements concerning anticipated future events, results, circumstances, performance, or expectations with respect to the Company and its operations, including its strategy, financial performance, and condition. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedules", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets, and estimates. Some of the important risks and uncertainties that could affect forward-looking statements are described in the MD&A in the sections labelled "Capital Resources" and "Corporate and Regulatory Overview" and in CUC's annual Management's Discussion and Analysis for the year ended December 31, 2025 under the section labelled "Business Risks", and include but are not limited to operational, general economic, market and business conditions, regulatory developments, and weather. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialise or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

On May 31, 2022, the Ontario Securities Commission ("OSC") issued a relief order ("2022 U.S. GAAP Relief") which permits the Company to continue to prepare its financial statements in accordance with U.S. GAAP. The relief extends until the earliest of: (i) January 1, 2027; (ii) the first day of the financial year that commences after the Company ceases to have rate-regulated activities; or (iii) the first day of the Company's financial year that commences on or following the later of (a) the effective date prescribed by the International Accounting Standards Board (the "IASB") for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation (the "Mandatory Rate-regulated Standard") and (b) two years after the IASB publishes a final version of the Mandatory Rate-regulated Standard. Canadian securities laws allow a reporting issuer to prepare and file its financial statements in accordance with U.S. GAAP by qualifying as a U.S. Securities and Exchange Commission ("SEC") registrant. Without the OSC relief order, the Company would be required to become an SEC registrant in order to continue reporting under U.S. GAAP, or adopt IFRS.

On March 19, 2026, the Company filed an application with the OSC requesting an extension of the exemption period ("Requested Relief") to the earliest of: (i) January 1, 2032; (ii) the first day of the financial year that commences after the Company ceases to have rate-regulated activities (as defined in the Chartered Professional Accountants of Canada Handbook); or (iii) the first day of the Company's financial year that commences on or following the later of (a) the effective date prescribed by the IASB-issued Mandatory Rate-regulated Standard and (b) four years after the IASB publishes a final version of the Mandatory Rate-regulated Standard. On May 22, 2026, OSC issued its decision granting the Requested Relief.

On May 27, 2026, the IASB issued a new accounting standard addressing rate-regulated activities ("IFRS 20"). The Company is currently evaluating the potential impact of this standard on its consolidated financial statements, accounting policies, and financial reporting processes.

About the Company

The Company commenced operations as the sole electric utility in Grand Cayman on May 10, 1966. The Company currently has an installed generating capacity of 166 megawatts ("MW"). The record peak load of 135.3 MW was experienced on July 31, 2026. For six decades, CUC has remained committed to delivering a safe, reliable, and efficient supply of electricity while supporting Grand Cayman's growth and development. Throughout periods of both challenge and opportunity, the Company has continuously evolved to meet the changing needs of the communities it serves.

In September 2026, CUC achieved Investors in People ("IIP") Platinum accreditation, the highest level of recognition awarded by the internationally recognised people management and workplace improvement organisation. This achievement reflects the Company's long-standing commitment to employee engagement, leadership development, succession planning, and workplace wellbeing, building on its initial IIP certification in 2006. Achieved during CUC's 60th Anniversary year, the accreditation also highlights the vital contribution of the Company's employees to the safe and reliable delivery of electricity services across Grand Cayman.

About the Cayman Islands

The Cayman Islands, a British Overseas Territory with a population of approximately 91,000, are comprised of three islands: Grand Cayman, Cayman Brac, and Little Cayman. Located approximately 150 miles south of Cuba, 460 miles south of Miami and 167 miles northwest of Jamaica, the largest island is Grand Cayman with an area of 76 square miles.

A Governor, presently Her Excellency Mrs. Jane Owen, is appointed by His Majesty the King. A democratic society, the Cayman Islands have a House of Parliament comprised of representatives elected from 19 electoral districts. In June 2025, Moody's affirmed the Cayman Islands Government's Aa3 bond issuer rating, Aaa country ceiling rating, and stable economic outlook.

Corporate and Regulatory Overview

The principal activity of the Company is to generate, transmit, and distribute electricity in its licence area of Grand Cayman, Cayman Islands pursuant to a 20-year exclusive Transmission & Distribution ("T&D") Licence and a 25-year non-exclusive Generation Licence (the "Licences") granted by the Cayman Islands Government (the "Government", "CIG"). The T&D Licence, which expires in April 2028, contains provisions for an automatic 20-year renewal and the Company has reasonable expectation of renewal until April 2048. The Generation Licence expires in November 2039.

The Company is regulated by the Cayman Islands Utility Regulation and Competition Office ("URCO" or the "Regulator"), formerly referred to as OfReg, which has the overall responsibility of regulating the electricity, information and communications technology, and the petroleum industries in the Cayman Islands. URCO assesses CUC's performance against the performance standard expectations in accordance with the Utility Regulation and Competition Act (2024). Performance standards provide a balanced framework of potential penalties or rewards compared to historical performance in the areas of planning, reliability, operating and overall performance. Standards include "zones of acceptability" where no penalties or rewards would apply.

A licence fee of $2.9 million per annum and a regulatory fee of $1.4 million per annum are payable to the Government in quarterly installments. Both fees apply only to customer billings with consumption of over 1,000 kWh per month as a pass-through charge rate.

Customer Rates

The Licences contain the provision for a rate cap and adjustment mechanism ("RCAM") based on published consumer price indices. CUC's return on rate base ("RORB") for 2025 was 7.88% (2024: 7.92%). CUC's RORB for 2026 is targeted in the 8.50% to 10.50% range (2025: 8.50% to 10.50%).

CUC's base rates are designed to recover all non-fuel and non-regulatory costs and include per kilowatt-hour ("kWh") electricity charges and fixed facilities charges. Fuel, lube, and renewables cost charges and regulatory fees are billed as separate line items. Base rates are subject to an annual review and adjustment each June through the RCAM.

Following review by URCO, the Company increased base rates by 2%, effective for electricity consumption commencing June 1, 2026. This increase is a result of the applicable RORB and the net impact of changes in the United States of America ("US") and the Cayman Islands consumer price indices, adjusted to exclude food and fuel.

The Licences also contain the provision for the Z-Factor mechanism designed to recover expenses and investments that are outside of the T&D Licence regular rate setting process. The expense or investment is recovered through a Z-factor rate surcharge, expressed in cents per kWh, as approved by URCO.

In addition to the RORB requirements of the T&D Licence, CUC may periodically, but at least every five years, propose rebalanced and restructured rates. These proposals will consider the results of any cost-of-service study ("COSS") completed prior to the proposed rate adjustment. Any such adjustments must be revenue-neutral to the base rate adjustment as determined by the RCAM.

In the event of a natural disaster, as defined in the T&D Licence, the actual increase in base rates will be capped for the year at 60% of the change in the Price Level Index and the difference between the calculated rate increase and the actual increase expressed as a percentage, shall be carried over and applied in addition to the normal RCAM adjustment in either of the two following years if the Company's RORB is below the target range. In the event of a disaster, the Company would also write-off destroyed assets over the remaining life of the asset that existed at the time of destruction. Z-Factor rate changes will be required for insurance deductibles and other extraordinary expenses.

All fuel, lubricating oil, and renewables costs are passed through to customers without mark-up as a per kWh charge.

DataLink, Ltd.

CUC's wholly-owned subsidiary, DataLink, Ltd. ("DataLink"), was incorporated under the Companies Act of the Cayman Islands and commenced operations with the granting of its licence to provide fibre optic infrastructure and other information and communication technology ("ICT") services to the ICT industry by the former ICTA, whose regulatory authority was assumed by URCO, on March 28, 2012.

DataLink operates under a 15-year licence issued by URCO, which is scheduled to expire on March 27, 2027. As of September 30, 2026, the licence renewal process remained ongoing and was progressing in advance of the licence's expiration date. The Company does not anticipate any disruption to ongoing operations as a result of the renewal process.

CUC and DataLink have entered into three regulator-approved agreements:

1. The Management and Maintenance agreement;
2. The Pole Attachment agreement; and
3. The Fibre Optic agreement.

Financial and Operational Highlights

($ thousands, except Earnings Per Share, Dividends Paid and where otherwise indicated)

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change	% Change
Electricity Sales Revenues	**37,585**	35,661	**101,148**	96,453	4,695	5%
Fuel Factor	**59,282**	37,420	**129,136**	103,377	25,759	25%
Renewables	**1,662**	1,701	**4,459**	4,500	(41)	(1%)
Z-Factor[1]	**1,688**	1,155	4,117	4,119	(2)	-
Total Operating Revenues	**100,217**	75,937	**238,860**	208,449	30,411	15%
Power Generation[2]	**62,899**	40,551	**139,380**	112,025	27,355	24%
Depreciation	**10,757**	12,071	**32,159**	37,473	(5,314)	(14%)
Other Expenses	**9,477**	7,809	**28,788**	25,801	2,987	12%
Total Operating Expenses	**83,133**	60,431	**200,327**	175,299	25,028	14%
Net Earnings for the Period	**17,511**	16,120	**39,758**	35,178	4,580	13%
Cash Flow related to Operating Activities	**27,371**	25,529	**61,658**	66,186	(4,528)	(7%)
Per Class A Ordinary Share:						
Earnings Per Share (EPS)	**0.41**	0.38	**0.93**	0.83	0.10	12%
Dividends Paid	**0.200**	0.190	**0.590**	0.565	0.025	4%
Total Customers	**35,458**	34,797	**35,458**	34,797	661	2%
Total Full-Time Employees	**298**	286	**298**	286	12	4%
Customers per Employee (#)	**119**	122	**119**	122	(3)	(2%)
System Availability (%)	**99.97**	99.97	**99.97**	99.97	-	-
Peak Load Gross (MW)	**135.3**	129.5	**135.3**	129.5	5.8	4%
Millions of kWh:						
Net Generation	**222.1**	214.4	**597.1**	588.4	8.7	1%
Renewable Energy Generation	**5.7**	5.7	**16.4**	16.5	(0.1)	(1%)
Total Energy Supplied	**225.8**	218.5	**608.2**	600.6	7.6	1%
Kilowatt-Hour Sales	**218.5**	210.8	**588.0**	578.9	9.1	2%
Sales per Employee	**0.73**	0.75	**1.97**	2.05	(0.1)	(4%)

Share Performance

In May 2026, the Board of Directors approved a 5.0% increase in the quarterly dividend from $0.190 to $0.20 per Class A Ordinary Share. The Class A Ordinary Shares (CUP.U) are traded on the Toronto Stock Exchange and closed at $14.55 per share as of September 30, 2026. During the period, CUP.U's share price exhibited relative stability with modest volatility, which management believes is reflective of the broader utility sector's defensive characteristics and the Company's steady fundamentals. Dividend yield remained an important

[1] *The Z-Factor mechanism is designed to recover expenses and investments that are outside of the T&D Licence regular rate setting process. The expense or investment is recovered through a Z-Factor rate surcharge. Beginning Quarter Four 2024, projects with approved Z-Factor mechanism were completed and the applicable revenue is being accrued to Regulatory Assets pending approval of the Z-Factor Rate by the regulator.*

[2] *All amounts from Fuel Factor and Renewables revenues are included within the Power Generation expense as they are passed through to customers without mark-up as a per kWh charge.*

driver of investor value, with an annualized dividend yield of 5.4%, supported by consistent quarterly dividend declarations.

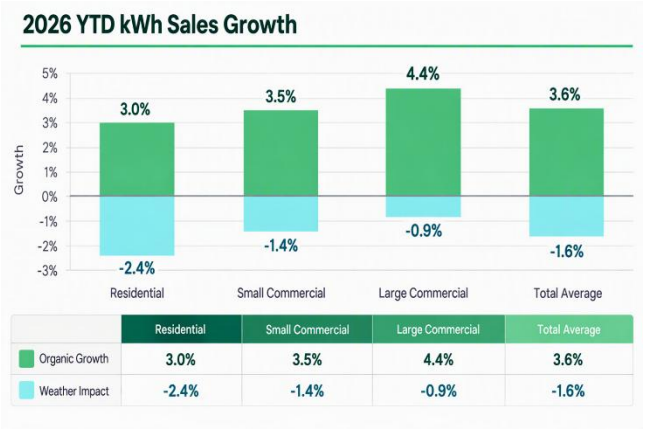
Results of Operations

Operating Revenues

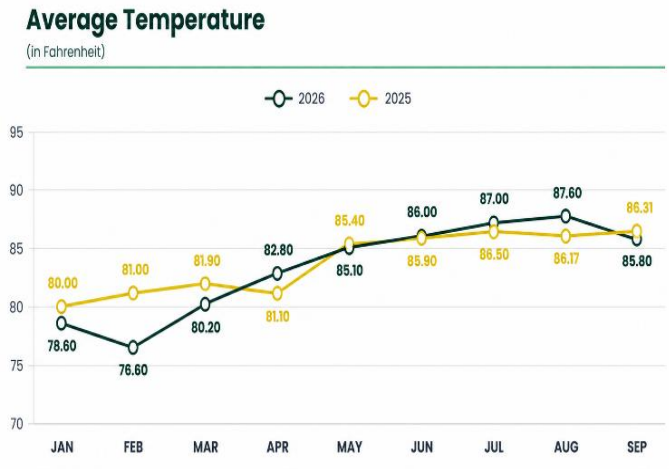
Sales in kilowatt-hours ("kWh") for the three months ended September 30, 2026 ("Third Quarter 2026" or "Q3 2026") were 218.5 million kWh, an increase of 7.7 million kWh or 4% compared to 210.8 million kWh for the three months ended September 30, 2025 ("Third Quarter 2025" or "Q3 2025"). The increase reflects approximately 2% growth in overall customer numbers and higher consumption across customer classes, particularly in the commercial customer segment. Commercial kWh sales benefited from continued economic growth in the Cayman Islands, supported by sustained strength in the tourism sector and the continued investment in commercial projects, particularly developments in hospitality and service-related sector.

Weather conditions during Third Quarter 2026 were characterized by warmer temperatures and higher rainfall compared to the same period in 2025. Average monthly temperatures increased by 0.5°F, from 86.3°F to 86.8°F, while average monthly rainfall rose by 1.6 inches, from 3.6 inches to 5.2 inches.

For the nine months ended September 30, 2026, electricity sales totalled 588.0 million kWh, an increase of 9.1 million kWh, or 2%, compared to 578.9 million kWh for the corresponding period in 2025. The year-to-date increase reflects the recovery in sales growth during Third Quarter 2026, driven by a combination of customer growth, continued economic expansion, and seasonally warmer summer weather, which offset the softer demand experienced earlier in the year.



	Residential	Small Commercial	Large Commercial	Total Average
Organic Growth	3.0%	3.5%	4.4%	3.6%
Weather Impact	-2.4%	-1.4%	-0.9%	-1.6%



For the first nine months of 2026, average monthly temperatures were 83.2°F and average monthly rainfall was 3.6 inches, compared with 83.9°F and 2.4 inches, respectively, during the same period in 2025. Despite generally less favourable weather conditions over the nine-month period, electricity sales benefited from increased energy demand associated with ongoing commercial and residential development, and broader economic activity.

Total customers as of September 30, 2026 were 35,458 an increase of 661 or 2% compared to 34,797 customers as of September 30, 2025. As at September 30, 2026, residential customers accounted for 86% of the total base and constitute approximately 53% of total kWh sales.

Average Monthly Consumption per Customer

(in kwh)

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	% Change	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	% Change
Residential	**1,322**	1,314	**1%**	**1,152**	1,172	(2%)
General Commercial	**3,034**	2,969	**2%**	**2,840**	2,780	2%
Large Commercial	**153,337**	149,252	**3%**	**146,619**	146,372	-

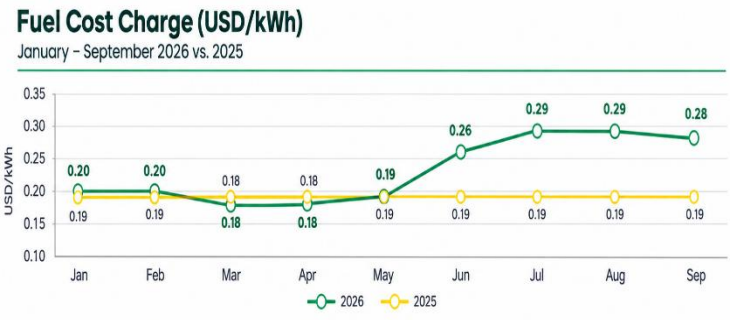
Operating revenues for Q3 2026 totalled $100.2 million, an increase of $24.3 million or 32% from $75.9 million for Q3 2025. Operating revenues for the nine months ended September 30, 2026 were $238.9 million, an increase of $30.5 million or 15% from $208.4 million for the nine months ended September 30, 2025. The increase in operating revenues was primarily driven by higher electricity sales and fuel factor revenues earned during the period.

Electricity sales revenues increased by $1.9 million for Q3 2026 to $37.6 million when compared to electricity sales revenues of $35.7 million for Q3 2025. This growth was driven by a 4% increase in kWh sales and 2% base rate increase effective June 1, 2026. For the nine months ended September 30, 2026, electricity sales revenue rose by $4.6 million to $101.1 million, compared with $96.5 million for the nine months ended September 30, 2025. The increase was primarily driven by the 2% increase in kWh sales and the 2% and 4% base rate increases that became effective on June 1, 2026, and June 1, 2025, respectively.

Z-Factor revenue relates to the completion of the Battery Energy Storage System ("BESS") and the Resiliency L2 projects during 2024. These projects were approved for the Z-Factor Mechanism by the Regulator. The Z-Factor revenues associated with these assets will be earned over their respective useful lives, which are 10 years for the BESS and 40 years for the Resiliency projects. The applicable revenue was accrued to Regulatory Assets pending approval of the Z-Factor Billing Rate by URCO. Z-Factor revenue recognised for Q3 2026 amounted to $1.7 million (2025: $1.2 million). The increase in Q3 2026 compared with the prior year quarter was largely attributable to the impact of a one-time cumulative adjustment recorded in Q3 2025, affecting the comparability of quarterly results. For the nine months ending September 30, 2026, the Z-Factor revenue recognized amounted to $4.1 million (2025: $4.1 million).

Fuel factor revenues for Q3 2026 totalled $59.3 million, a $21.9 million or 59% increase from the $37.4 million in fuel factor revenues for Q3 2025. This was driven by the 53% increase in fuel costs during the quarter. The average Fuel Cost Charge rate charged to consumers for Q3 2026 was $0.29 per kWh compared to $0.19 per kWh rate charged in Q3 2025.

Fuel factor revenue increased by $25.8 million or 25% for the nine months ended September 30, 2026 compared to $103.4 million for the nine months ended September 30, 2025. The increase was driven by the 21% increase in



Fuel Cost Charge (USD/kWh)	2026	2025	Variance
Jan-Sep Average	**0.23**	**0.19**	**+0.04 (+21%)**

Fuel Cost Charge Impact

The Fuel Cost Charge averaged USD 0.23 per kWh during the first nine months of 2026, compared to USD 0.19 per kWh in the prior year, an increase of approximately 21%. Rates remained relatively stable through May before increasing significantly beginning in June, peaking at USD 0.29 per kWh in July and August, and moderating slightly to USD 0.28 per kWh in September, reflecting higher fuel costs incurred during the period.

average Fuel Cost Charge rate charged to consumers and the 2% increase in kWh sales. The average Fuel Cost Charge rate charged to consumers for nine months ended September 30, 2026 was $0.23 per kWh, compared to the Fuel Cost Charge rate of $0.19 per kWh for nine months ended September 30, 2025. Effective June 1, 2026, the Cayman Islands Government implemented a fuel relief programme that capped the residential Fuel Cost Charge borne by eligible customers at $0.21 per kWh through September 2026, with the Government subsidizing the difference between the applicable Fuel Cost Charge and the capped rate. Fuel Factor revenues consist of charges from diesel fuel and lubricating oil costs, which are passed through to consumers on a two-month lag basis with no mark-up.

The renewables revenues are a combination of charges from the Customer Owned Renewable Energy ("CORE") programme, Distributed Energy Resources ("DER") and Bodden Town Solar 1, Ltd. The Company has a Power Purchase Agreement ("PPA") with Bodden Town Solar 1, Ltd. for a 25-year term. Renewables revenues for Q3 2026 totalled $1.7 million, comparable to Q3 2025. For the nine months ended September 30, 2026, renewables revenues totalled $4.5 million, comparable to renewables revenues for the nine months ended September 30, 2025.

Operating Expenses

Operating expenses for Q3 2026 totalled $83.1 million, an increase of $22.7 million or 38% compared to $60.4 million for Q3 2025. The increase was mainly due to higher power generation cost partially offset by lower depreciation.

For the nine months ended September 30, 2026, operating expenses increased by $25.0 million or 14% to $200.3 million, compared to $175.3 million for the corresponding period in 2025. The increase was mainly due to higher power generation cost, general and administrative and maintenance expenses partially offset by lower depreciation and transmission and distribution cost.

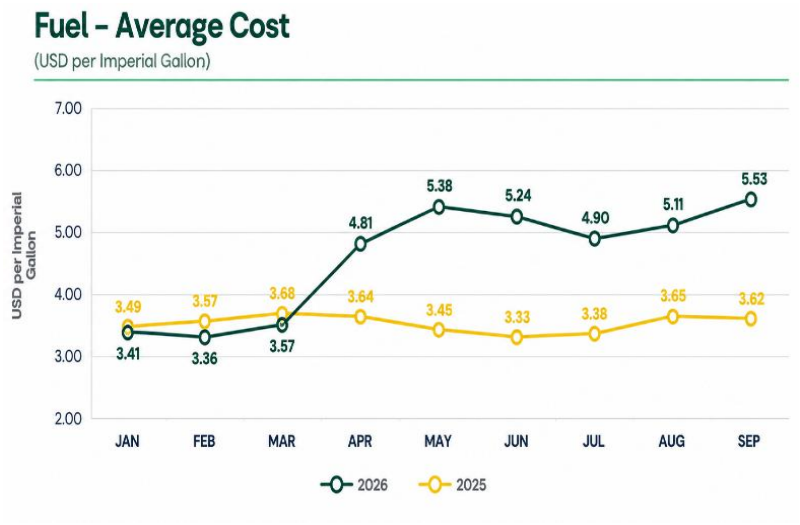
Significant Changes in Operating Expenses

$ in thousands increase (decrease)

Item	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026	Explanation
Power Generation (Note A)	22,348	27,355	Increase primarily due to higher average fuel cost.
Depreciation (Note B)	(1,314)	(5,314)	Decrease due to approved life extension of eight generating units, partially offset by depreciation on projects completed during the period.
Maintenance	721	1,701	Increase was primarily attributable to higher compensation costs and lower labour and vehicle-related recharges.
General & Administration	636	1,798	Increase due to higher compensation costs and medical insurance premiums.

Note A. Power Generation

Power Generation costs increased by $22.3 million, or 55%, for Q3 2026 compared to $40.6 million for Q3 2025. For the nine months ended September 30, 2026, Power Generation costs increased by $27.4 million or 24% compared to the same period in 2025. Fuel prices rose significantly during the period as global oil markets experienced sustained upward pressure from ongoing geopolitical tensions in the Middle East, which heightened concerns regarding potential supply disruptions and increased volatility in international energy markets.

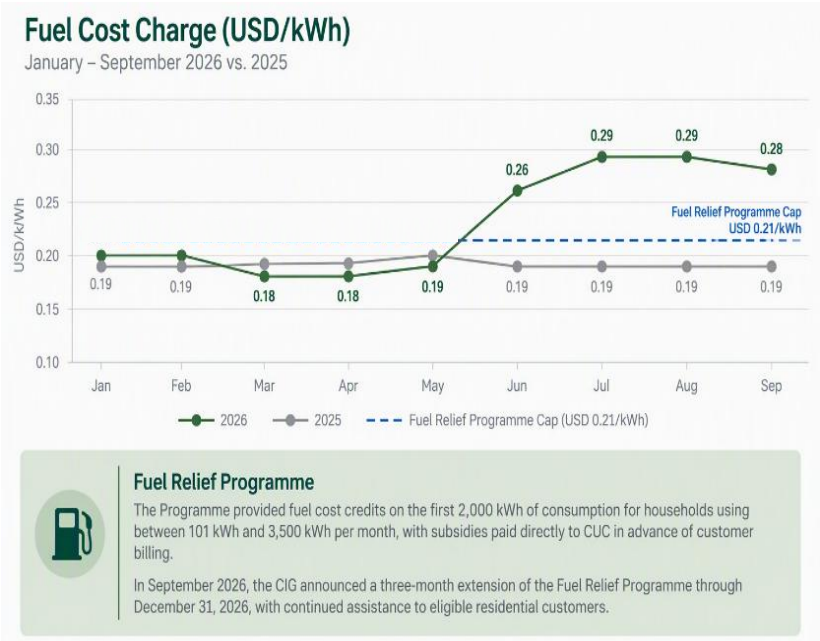


As a result, the Company's average fuel cost increased by 46% to $5.18 per imperial gallon ("IG") in Q3 2026, compared with $3.55 per IG in Q3 2025. For the nine-month period, average fuel costs increased by 30% to $4.59 per IG from $3.54 per IG in the corresponding period of 2025.

Note B. Depreciation

In March 2026, URCO approved CUC's proposed business case to extend the useful lives of eight generating units that were originally scheduled for retirement in 2026 and 2027. This initiative forms part of CUC's broader strategy to mitigate the projected capacity shortfall arising from increasing demand and the planned retirement of 37 MW of thermal generation. The approved plan extends the operation of eight generating units through December 31, 2028. As part of the approval, URCO authorised CUC to extend the depreciation period of the affected generating units and associated inventory spares by an additional 10 years, through December 31, 2038 resulting in lower monthly depreciation expense on these units beginning in the first quarter of 2026 ("First Quarter 2026" or "Q1 2026"). This approval provides additional operational flexibility and supports the Company's ability to meet future capacity requirements while new generation resources are being developed.

Customer Affordability and Efficiency



In response to elevated global fuel prices, the Cayman Islands Government ("CIG") implemented a Residential Customer Fuel Relief Programme that capped residential fuel charges at $0.21 per kWh for eligible customers between June and September 2026. The Programme provided fuel cost credits on the first 2,000 kWh of consumption for households using between 101 kWh and 3,500 kWh per month, with subsidies paid directly to CUC in advance of customer billing. In September 2026, the CIG announced a three-month extension of the Fuel Relief Programme through December 31, 2026, with continued assistance to eligible residential customers. As at September 30, 2026, total fuel cost subsidies provided by the Government amounted to approximately $6.0 million.

Despite the higher fuel price environment, improvements in generation efficiency helped mitigate the impact on customers. Net Fuel Efficiency in Q3 2026 is 19.69 kWh/IG, compared to 19.25 kWh/IG in Q3 2025. The implementation of the BESS and LCU projects enabled the Company to reduce thermal spinning reserve requirements by up to 50%, lowering the overall fuel consumption. The Company realised an estimated fuel savings during Third Quarter 2026 of approximately 0.8 million IG or 6.45%, equivalent to a reduction of an estimated amount of $ 4.2 million in fuel cost. For the nine months ending September 30, 2026, estimated fuel savings amounted to approximately 2.0 million IG or about $9.9 million. The fuel savings are directly passed on to the customers, reducing their fuel cost and advancing the Company's initiative to provide more affordable and reliable energy.

The Company remains committed to supporting the Cayman Islands' energy transition through investments in renewable generation, alternative energy and the infrastructure required to maintain a safe, reliable, and resilient electricity grid. A key objective of these investments is to deliver long-term value to customers by reducing dependence on imported fossil fuels, improving energy sustainability, and supporting more affordable electricity costs over time.

As part of these efforts, the Company participated in the Request for Proposal ("RFP") issued by URCO on July 2025, for the development of a 22.5 MW Dispatchable Photovoltaic ("DPV") facility incorporating battery energy storage to enhance dispatchability and grid stability. The Company submitted its proposal in October 2025, and in April 2026, was advised that it has been shortlisted as one of the top-ranked proponents pursuant to Section 4.5 of the RFP. The Company continues to work collaboratively with URCO and its appointed consultant in support of the mandatory Interconnection Feasibility Assessment, which forms an important component of the ongoing evaluation process. The procurement process remains ongoing, with the selection of the successful proponent currently expected before the end of 2026, subject to completion of the applicable evaluation and regulatory processes.

In parallel, the Company continues to evaluate opportunities to diversify its fuel supply, reduce energy production costs, and lower carbon emissions. During Third Quarter 2026, the Company substantially completed the evaluation phase of its LNG procurement process and provided the results to the Regulator for review. Subsequent to quarter-end, the Company received the necessary regulatory approvals to continue advancing the initiative. The Company is currently engaged in further discussions with selected counterparties regarding potential LNG supply arrangements. Subject to the successful completion of commercial, technical, regulatory, and other approvals, the Company may proceed with the next phase of project development and implementation activities.

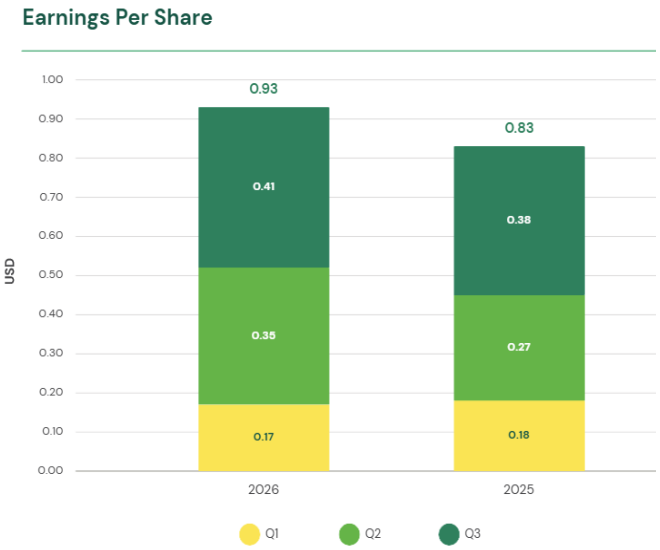
Operating and Net Earnings

Operating income for Third Quarter 2026 totalled $17.1 million, an increase of $1.6 million or 10% compared to operating income of $15.5 million for Third Quarter 2025. This increase was primarily attributable to the 4% increase in kWh sales, base rate increases of 2% and 4% effective June 1, 2026 and June 1, 2025, respectively and a decrease in depreciation expense. These factors were partially offset by higher power generation and maintenance expenses.

Operating income for the nine months ended September 30, 2026 was $38.5 million, an increase of $5.3 million or 16% compared to operating income of $33.2 million for the nine months ended September 30, 2025. This increase was primarily attributable to the 2% increase in kWh sales, base rate increases of 2% and 4% effective June 1, 2026 and June 1, 2025, respectively and a decrease in depreciation and transmission and distribution expenses. These factors were partially offset by higher power generation, general and administration expenses and maintenance expenses.

Net earnings for Q3 2026 were $17.5 million, a $1.4 million increase from net earnings of $16.1 million for Q3 2025. This increase was primarily attributed to higher operating income. After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for Q3 2026 were $17.4 million or $0.41 per Class A Ordinary Share, as compared to $16.0 million or $0.38 per Class A Ordinary Share for Q3 2025.

Net earnings for the nine months ended September 30, 2026 were $39.8 million, a $4.6 million increase from net earnings of $35.2 million for the nine months ended September 30, 2025. This increase was primarily attributable to higher operating income partially offset by lower other income and higher finance charges. After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the nine months ended September 30, 2026 were $39.4 million, or $0.93 per Class A Ordinary Share, as compared to $34.8 million, or $0.83 per Class A Ordinary Shares for the nine months ended September 30, 2025.



The Company calculates earnings per share on the weighted average number of Class A Ordinary Shares outstanding. The weighted average number of Class A

Ordinary Shares outstanding were 42,536,089 and 42,230,886 for the quarters ended September 30, 2026 and September 30, 2025, respectively.

Quarterly Results

The following table summarises unaudited quarterly information for each of the eight quarters ended December 31, 2024 through September 30, 2026. This information has been obtained from CUC's unaudited interim financial statements, which management of the Company prepared in accordance with US GAAP. These operating results are not necessarily indicative of results for any future period and should not be relied upon to predict future performance.

Quarterly Results

($ thousands, except Earnings per Class A Ordinary Share and Diluted Earnings per Class A Ordinary Share)

	Operating Revenue	Net Earnings	Earnings on Class A Ordinary Shares	Earnings per Class A Ordinary Share	Diluted Earnings per Class A Ordinary Share
September 30, 2026	**100,217**	**17,511**	**17,399**	**0.41**	**0.41**
June 30, 2026	**73,275**	**15,044**	**14,932**	**0.35**	**0.35**
March 31, 2026	**65,369**	**7,206**	**7,094**	**0.17**	**0.17**
December 31, 2025	**75,547**	**12,190**	**11,505**	**0.27**	**0.27**
September 30, 2025	75,937	16,120	16,008	0.38	0.38
June 30, 2025	69,431	11,454	11,342	0.27	0.27
March 31, 2025	63,082	7,605	7,493	0.18	0.18
December 31, 2024	73,531	11,970	11,304	0.28	0.28

September 2026/September 2025

Operating income for Third Quarter 2026 totalled $17.1 million, an increase of $1.6 million or 10% compared to operating income of $15.5 million for Third Quarter 2025. This increase was primarily attributable to the 4% increase in kWh sales, base rate increase of 2% effective June 1, 2026, and a decrease in depreciation expense due to generating units life extension. These factors were partially offset by higher maintenance and general & administrative expenses.

Net earnings for Q3 2026 were $17.5 million, a $1.4 million increase from net earnings of $16.1 million for Q3 2025. This increase was primarily attributed to higher operating income. After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for Q3 2026 were $17.4 million or $0.41 per Class A Ordinary Share, as compared to $16.0 million or $0.38 per Class A Ordinary Share for Q3 2025.

June 2026/June 2025

Operating income for the three months ended June 30, 2026 ("Second Quarter 2026" or "Q3 2026") totalled $14.5 million, an increase of $3.2 million or 28% compared to operating income of $11.3 million for the three months ended June 30, 2025 ("Second Quarter 2025" or "Q2 2025"). This increase was primarily attributable

to the 4% increase in kWh sales, base rate increases of 2% and 4% effective June 1, 2026 and June 1, 2025, respectively and decrease in depreciation expense due to generating units life extension.

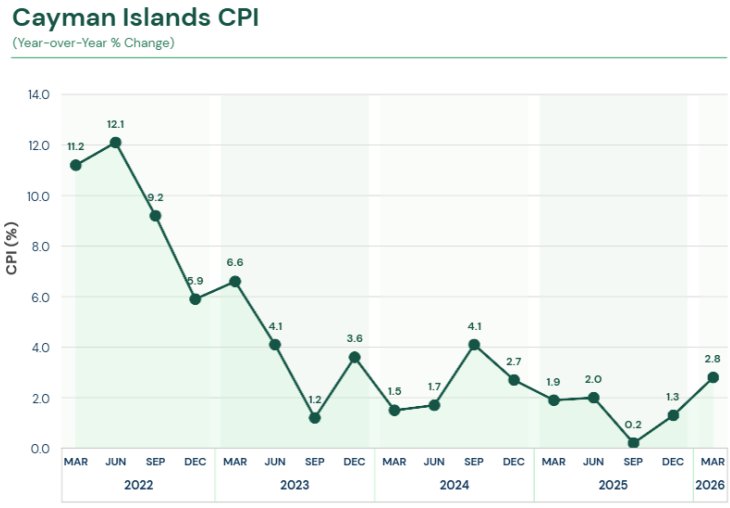
Net earnings for Q2 2026 were $15.0 million, a $3.5 million increase from net earnings of $11.5 million for Q2 2025. This increase was primarily attributed to higher operating income. After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for Q2 2026 were $14.9 million or $0.35 per Class A Ordinary Share, as compared to $11.3 million or $0.27 per Class A Ordinary Share for Q2 2025.

March 2026/March 2025
Operating income for the three months ended March 31, 2026 ("First Quarter 2026" or "Q1 2026") totalled $7.0 million, an increase of $0.6 million compared to operating income of $6.4 million for the three months ended March 31, 2025 ("First Quarter 2025" or "Q1 2025"). This increase was primarily attributable to lower depreciation expense, reflecting the approved life extension of eight generating units. Despite a 4% decline in kWh sales due to milder weather conditions, electricity sales revenue increased modestly supported by the 4% base rate adjustment effective June 1, 2025.

Net earnings for Q1 2026 were $7.2 million, a decrease of $0.4 million from $7.6 million in Q1 2025. The decline was driven by lower net other income, partially offset by an increase in operating income. Net other income for the three months ended March 31, 2026 was $0.2 million, a decrease of $1.0 million compared to $1.2 million for the same period in 2025. This reduction was primarily attributable to higher finance charges, lower Allowance for Funds Used During Construction ("AFUDC") and lower other income.

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for Q1 2026 were $7.1 million, or $0.17 per Class A Ordinary Share, as compared to $7.5 million, or $0.18 per Class A Ordinary Share for Q1 2025.

The Economy



In July 2026, the Cayman Islands Economics and Statistics Office ("ESO") published the Quarter 1 2026 Cayman Islands' Consumer Price Index ("CPI") Report. The average CPI in Q1 2026 was 138.8, an increase of 2.8% over the average CPI from the first quarter of 2025. This represents an increase in ten out of twelve divisions, driven mainly by 17.0% rise in the communication division, 6.7% in household equipment, and 5.1% percent in restaurants and hotels. The upward movement of the communication index was primarily due to a 29.9% increase in the telephone and telefax equipment index. In First Quarter 2026, the CPI increased by 0.8% compared to Fourth Quarter 2025.

In August 2026, ESO published the 2026 First Quarter Economic Report. The ESO estimated annualised real Gross Domestic Product growth of 2.4% for the first quarter of 2026 and forecasts growth of 2.7% for the full

year. Tourism-related industries were among the principal contributors to growth, with hotels and restaurants expanding by an estimated 10.2%, while financial and insurance services increased by 2.1%.

The Cayman Islands tourism sector remained strong during Third Quarter 2026, with stayover arrivals increasing 10.0% in July and 9.2% in August compared to the same periods in 2025. Year-to-date through September 2026, stayover visitation reached a record 376,495 visitors, an increase of 11.0% over the prior year period. Continued growth in tourism and related economic activity supported demand across the commercial sector and contributed positively to the local economy.

From an economic perspective, these positive tourism trends have supported increased commercial activity across several sectors, including accommodations, food services, retail trade, and transportation. Strong visitor demand, higher hotel occupancy levels, continued growth in tourism-related businesses, and ongoing hospitality developments are expected to contribute to increased commercial electricity consumption and support broader economic growth in Grand Cayman. As a result, the tourism sector remains an important driver of economic activity and a key contributor to underlying demand for CUC's services.

The following table presents statistics for tourist arrivals in the Cayman Islands for the nine months ended September 30:

Tourist Arrivals to the Cayman Islands

(for the nine months ended September 30)

	2026	2025	2024	2023	2022
By Air	**376,495**	338,385	330,514	323,038	180,624
By Sea	**817,299**	777,557	792,880	936,754	429,536
Total	**1,193,794**	1,115,942	1,123,394	1,259,792	610,160

All data is sourced from the Cayman Islands Government, Cayman Islands Economics & Statistics Office, Cayman Islands Monetary Authority and Cayman Islands Department of Tourism (www.gov.ky, www.eso.ky, www.cimoney.com.ky, www.caymanislands.ky).

Financial services is one of the two main industries of the Cayman Islands. The table below itemises trends in some of the key financial sectors:

Indicators for the Financial Services Industry

	As at September 30, 2026	As at December 31, 2025
Bank and Trust Licenses*	**76**	77
Mutual Funds	**13,187**	12,876
Mutual Fund Administrators	**68**	67
Private Funds	**18,360**	17,722
Registered Companies*	**123,530**	123,530
Insurance Companies	**743**	743

** As at June 30, 2026*

Liquidity and Capital Resources

The primary sources of liquidity and capital resources are net funds generated from operations, debt markets, equity issuance, and bank credit facilities. These sources are used primarily to satisfy capital and intangible asset expenditures, service and repay debt, and pay dividends.

The following table summarises the Company's cash flow performance for the three and nine months ended September 30, 2026, compared with the corresponding periods in 2025:

Cash Flows ($ thousands)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change	% Change
Beginning Cash	**6,202**	4,908	**1,862**	20,200	(18,338)	-91%
Cash Provided By/ (Used In):						
Operating Activities	**27,371**	25,529	**61,658**	66,186	(4,528)	-7%
Investing Activities	**(18,935)**	(20,786)	**(58,903)**	(67,606)	8,703	13%
Financing Activities	**22,653**	(7,205)	**32,674**	(16,334)	49,008	300%
Ending Cash	**37,291**	2,446	**37,291**	2,446	34,845	1,425%

Operating Activities:

Cash flow provided by operations, after working capital adjustments for Q3 2026 was $27.4 million, an increase of $1.9 million from $25.5 million for Q3 2025. This increase was due to the movement in working capital balances.

Cash flow provided by operations, after working capital adjustments, for the nine months ending September 30, 2026 was $61.7 million, a decrease of $4.5 million from $66.2 million for the nine months ending September 30, 2025. This decrease was primarily due to the movement in the working capital balances, particularly the increase in regulatory assets and increase in accounts receivables and partially offset by an increase in accounts payable and accrued expenses.

Investing Activities:

Cash used in investing activities for Q3 2026 totalled $18.9 million, a decrease of $1.9 million from $20.8 million for Q3 2025. Cash used in investing activities for the nine months ending September 30, 2026 totalled $58.9 million, a decrease of $8.7 million compared to $67.6 million used in investing activities for the nine months ending September 30, 2025.

Financing Activities:

Cash provided by financing activities totalled $22.7 million for Q3 2026, an increase of $29.9 million compared to $7.2 million used in financing activities for Q3 2025. For the nine months ending September 30, 2026, cash provided by financing activities totalled $32.7 million, an increase of $49.0 million when compared to the $16.3 million used for the nine months ending September 30, 2025. The increases was primarily driven by the net impact of proceeds from the $100 million long-term debt financing completed during Q3 2026, partially offset by repayments of short-term borrowings, principal payments on long-term debt, dividend payments and settlement of the overdraft facility.

On June 12, 2026, the Company temporarily reallocated US$12.0 million of capacity from its existing Letter of Credit facility to its Operating Line of Credit with Scotiabank & Trust (Cayman) Ltd. As a result, the overdraft borrowing limit was increased by US$12.0 million, from US$10.0 million to US$22.0 million, through August 31, 2026. The temporary increase was obtained to provide additional liquidity and financial flexibility to support the Company's short-term working capital and operational funding requirements.

Cash Flow Requirements:
The Company expects that operating expenses and interest costs will generally be paid from the Company's operating cash flows, with residual cash flows available for capital expenditures and dividend payments. Borrowings under credit facilities may be required from time to time to support seasonal working capital requirements. Cash flows required to complete planned capital expenditures are expected to be financed through a combination of proceeds from operating cash, debt and equity transactions. The Company expects to be able to source the cash required to fund its 2026 capital expenditure programme.

Contractual Obligations

As at September 30, 2026, the contractual obligations of the Company over the next five years and periods thereafter are outlined in the following table:

Contractual Obligations
($ thousands)

	Total	< 1 year	1 to 3 years	4 to 5 years	> 5 years
Total Debt	**470,193**	17,792	41,711	58,595	352,095
Long-Term Debt Interest	**299,636**	24,241	69,277	42,263	163,855
Total	**769,829**	**42,033**	**110,988**	**100,858**	**515,950**

Financial Position

The following table is a summary of significant changes to the Company's balance sheet, when comparing December 31, 2025 to September 30, 2026.

Significant Changes in Balance Sheet *(from December 31, 2025 to September 30, 2026)*
($ thousands)

Balance Sheet Account	Increase/ (Decrease)	Explanation
Cash and Cash Equivalents	35,429	Net increase due to cash provided by operating activities of $61.7 million and cash provided by in financing activities of $32.7 million, partially offset by cash used in investing activities of $58.9 million.
Property, Plant and Equipment	25,373	Increase due to capital expenditures for the period, partially offset by depreciation expense.
Accounts Payable and Accrued Expenses	24,227	Increase due to the higher accrued fuel cost.
Accounts Receivables	7,181	Increase due to the higher fuel cost charged to customers

Significant Changes in Balance Sheet *(from December 31, 2025 to September 30, 2026)*		
($ thousands)		
Regulatory Assets	21,117	Increase primarily driven by higher fuel tracker balance, net deferral of temporary generation cost and accrued Z-Factor revenues.
Long-Term Debt	92,134	Increase due to long-term debt issuance of $100.0 million in August 2026, partially offset by the principal payments made on the Company's Senior Unsecured Notes in Fiscal 2026.
Short Term Debt	(35,000)	Decrease due to repayment of short-term debt.
Retained Earnings	14,345	Increase due to net earnings for the year of $39.7 million, partially offset by dividend payments on the Class A Ordinary Shares of $25 million and Class B Preference Shares of $0.3 million.

Capital Expenditures

During Third Quarter 2026, capital expenditures totalled $17.1 million, a decrease of $3.3 million compared to the capital expenditures of $20.4 million for Third Quarter 2025. Capital expenditures for the nine months ended September 30, 2026, were $57.6 million, a decrease of $9.3 million, or 14% in comparison to the $66.9 million in capital expenditures for the nine months ended September 30, 2025. The capital expenditures for the nine months ended September 30, 2026, primarily relate to:

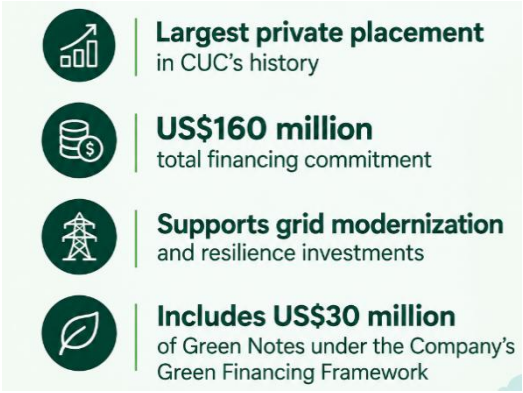
- Distribution System Extension and Upgrades - $26.5 million
- Generation Replacement - $13.0 million
- Generation & Electrical Facilities and Auxiliary Asset Replacements - $3.2 million
- Other Plant Building Upgrades – $1.5 million
- Resiliency Projects - $1.1 million

During the period, the Company continued to invest in critical infrastructure to support reliable service delivery. The largest component of capital spending was for distribution system extensions and upgrades, reflecting ongoing customer growth and system reinforcement needs. The Company also invested in generation asset replacements and upgrades to maintain the efficiency and reliability of the Company's generating fleet.

Capital Resources

To ensure access to capital, the Company targets a long-term capital structure of approximately 45% equity, including preference shares, and 55% debt. The Company's objective is to maintain investment-grade credit ratings. The Company sets the amount of capital in proportion to risk. The debt-to-equity ratio is managed through various methods of share issuances.

During Third Quarter 2026, the Company completed a record $160 million private placement of Senior Unsecured Notes with institutional investors. The financing consisted of $70 million of 6.09% Senior Unsecured Notes maturing in 2041, $30 million of 6.34% Senior Unsecured Green Notes maturing in 2051, and $60 million of 6.24% Senior Unsecured Notes available through a delayed draw facility in 2027, subject to satisfaction of applicable closing conditions. The transaction represents the largest private placement in the Company's history and provides long-term capital to support CUC's multi-year investment programme focused on grid modernisation, system resilience, grid hardening, and other infrastructure initiatives designed to meet Grand Cayman's growing electricity needs. A portion of the financing was issued under the Company's Green Financing Framework and will support eligible projects related to energy efficiency, climate change adaptation, and clean transportation.



The Company's capital structure is presented in the following table:

Capital Structure

(in$ thousands)

	As at September 30, 2026	%	As at December 31, 2025	%
Total Debt	**468,121**	**52%**	413,130	50%
Shareholder's Equity	**429,470**	**48%**	412,004	50%
Total	**897,591**		825,134	

The Company's credit ratings under Standard & Poor's ("S&P") and the DBRS Morningstar ("DBRS") are as follows:

DBRS A (low)/ Stable
S&P BBB+/ Stable

The S&P rating is in relation to long-term corporate credit and senior unsecured debt while the DBRS rating relates to senior unsecured debt.

In February 2026, DBRS Morningstar affirmed the Company's "A" credit rating while maintaining the categorisation of low with a stable trend. The current rating reflects (1) CUC's key credit metrics for 2024 and the first nine months of 2025 being strong within the current rating category; (2) cash flow stability that continues to benefit from CUC having no exposure to fuel price risk and only reasonable regulatory lag associated with the recovery of non-fuel and non-regulatory costs as well as capital spending; and (3) the Company's liquidity that remains solid, reflecting sizable credit facilities, and minimal long-term debt due in the near term.

In January 2026, S&P revised its outlook for the Company following its revision of the outlook for Fortis Inc. and its subsidiaries to stable from negative. The stable outlook reflects S&P's expectation that the Company

will continue to effectively manage regulatory risk, advance physical risk-mitigation initiatives, and for the Company to maintain financial discipline such that Funds From Operations (FFO) to debt remains above 15%.



Publication of 2026 Sustainability Report

In September 2026, CUC released its 2026 Sustainability Report, reflecting the Company's ongoing commitment to sustainability, resilience, and responsible corporate governance while celebrating 60 years of service to Grand Cayman. The report provides stakeholders with a comprehensive overview of CUC's sustainability performance and strategic priorities, emphasising the Company's role in supporting energy reliability, affordability, climate resilience, and community well-being.

Key highlights include progress toward enhancing grid resiliency through infrastructure investments, ongoing deployment of energy storage solutions, support for renewable energy integration, and the issuance of CUC's inaugural Green Finance Report. The report also recognises the Company's continued investment in its employees and communities through education, volunteerism, sponsorship programmes, and regional mutual-aid initiatives. The publication reinforces CUC's commitment to sustainable growth and long-term value creation while supporting the energy needs of Grand Cayman. Scan the QR code to access the full report.

SCAN ME

Accounting Matters

These Condensed Consolidated Interim Financial Statements have been prepared following the same accounting policies and methods as those used to prepare the Company’s 2025 annual audited consolidated financial statements.

Off Balance-Sheet Arrangements

The Company has no off-balance sheet arrangements such as transactions, agreements, or contractual arrangements with unconsolidated entities, structured finance entities, special purpose entities or variable interest entities that are reasonably likely to materially affect liquidity of or the availability of, or requirements for capital resources.

Future Accounting Policies

Expense Disaggregation: ASU No. 2024-03, Disaggregation of Income Statement Expenses, is effective for CUC starting on January 1, 2027, for annual periods and on January 1, 2028, for interim periods, on a prospective basis, with retrospective application and early adoption permitted. The ASU requires detailed disclosure of certain expense categories included on the consolidated statements of earnings, including energy supply costs, operating expenses, and depreciation and amortization expenses. CUC is assessing the impact on its disclosures.

Internal-Use Software: ASU No. 2025-06, Targeted Improvements to the Accounting for Internal-Use Software, is effective for CUC on January 1, 2028. The ASU may be adopted prospectively, retrospectively, or using a modified transition approach, and early adoption permitted. The ASU removes references to development stages and requires capitalisation of software costs once funding is authorised and project completion is probable, including assessment of whether significant development uncertainty exists. The guidance also clarifies that all capitalised internal-use software costs must follow the disclosure requirements in Subtopic 360-10, Property, Plant and Equipment. CUC is assessing the impact on its consolidated financial statements and disclosures.

Rate-Regulated Activities: On May 27, 2026, the International Accounting Standards Board ("IASB") issued IFRS 20, Regulatory Assets and Regulatory Liabilities, which establishes a comprehensive accounting model for entities subject to specified types of rate regulation. IFRS 20 requires entities to recognise regulatory assets and regulatory liabilities arising from timing differences between the delivery of regulated goods or services and the recovery or refund of amounts through future customer rates. The standard also introduces requirements for the recognition, measurement, presentation, and disclosure of regulatory income and regulatory expense, with the objective of improving transparency and comparability among rate-regulated entities. IFRS 20 is effective for annual reporting periods beginning on or after January 1, 2029, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of IFRS 20 on its consolidated financial statements, accounting policies, disclosures, internal controls, and financial reporting processes.

Disclosure Controls and Procedures

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with management of the Company, have established and maintained the Company's disclosure controls and procedures ("DC&P"), to provide reasonable assurance that material information relating to the Company is made known to them by others, including during the quarter ending September 30, 2026; and information required to be disclosed by the issuer in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation. Based on the evaluation performed of DC&P, it was concluded that the DC&P of CUC is adequately designed and operating effectively as of September 30, 2026.

Internal Controls over Financial Reporting ("ICFR")

The CEO and CFO of the Company, together with management of the Company, have established and maintained the Company's ICFR, as defined in National Instrument 52-109 *Certification of Disclosure in*

Issuers' Annual and Interim Filings, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The design of CUC's internal controls over financial reporting has been established and evaluated using the criteria set forth in the 2013 Internal Control-Integrated Framework by the Committee of Sponsoring Organisations of the Treadway Commission. Based on the assessment, it was concluded that CUC's internal controls over financial reporting are adequately designed and operating effectively as of September 30, 2026.

There have been no changes in the Company's ICFR that occurred during the nine months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Outlook

CUC remains focused on the safe, reliable, and efficient delivery of electricity while advancing its long-term capital investment programme. The Company expects customer growth and energy demand to continue to benefit from ongoing development across Grand Cayman's residential, commercial, and tourism sectors.

The successful completion of a record US$160 million private placement during the quarter further strengthens the Company's capital resources and enhances its ability to fund strategic infrastructure investments. The financing provides additional flexibility to support grid modernisation, system resiliency, and growth-related capital projects. The transaction also included Green Notes issued under the Company's Green Financing Framework, underscoring CUC's commitment to sustainable infrastructure investment and long-term environmental stewardship.

Looking ahead, the Company will continue to pursue initiatives aimed at improving operational efficiency and customer affordability, enhancing service reliability, and strengthening the electricity network's resilience to climate-related risks. CUC also remains committed to supporting the Cayman Islands' continued economic growth through prudent investment in critical infrastructure and the delivery of safe and dependable electricity service.

As CUC celebrates its 60th Anniversary year, the Company believes it is well positioned to execute its strategic priorities, maintain a strong financial foundation, and deliver long-term value to customers, shareholders, and the communities it serves.

Regulatory and Energy Transition Developments

The Company continues to work closely with the Regulator to address Grand Cayman's future generation requirements. On February 10, 2026, the Company submitted a revised Certificate of Need ("CON"), superseding its original submission of June 7, 2024. The revised CON reflects the approach agreed with URCO on August 1, 2025, and incorporates the Regulator's recommended amendments. The submission identifies the generation resources required to meet forecast electricity demand, including the need for additional capacity by 2027, and is supported by detailed load forecasts, comprehensive system planning analysis, and operational benchmarking. The revised CON demonstrates that sufficient capacity and energy availability can be maintained through June 2027, despite the anticipated commercial operation date of new permanent generation extending to January 2029. URCO approved the revised CON on February 20, 2026, enabling the Regulator to advance the competitive procurement process for new generation resources.

Given the timing required to develop and commission permanent generating assets, interim measures may be necessary to ensure adequate capacity margins are maintained in the near term. On June 30, 2026, the Company submitted technical requirements to the Regulator for the addition of 5 MW of temporary generation capacity, targeted to be operational by April 2027. The temporary capacity is intended as an interim measure to support system reliability and provide sufficient generation capacity to meet forecast electricity demand while longer-term generation solutions are advanced.

The Company also continues to advance its long-term infrastructure investment strategy. On October 15, 2026, the Company submitted its five-year Capital Investment Plan ("CIP") for the period 2027 to 2031, totalling $442.8 million, for regulatory review and approval. The CIP is designed to support grid modernisation,

strengthen system resilience, enhance reliability, and accommodate future customer growth. The CIP is currently progressing through the regulatory review process, with URCO's decision expected in December 2026 in accordance with the timelines established under the CIP Rules.

Looking ahead, regulatory outcomes will remain an important factor influencing the timing and execution of the Company's strategic initiatives. Management remains encouraged by the progress achieved on key regulatory matters during the year, including approval of the revised CON, the life-extension programme for existing generation assets, and the 2026-2030 CIP. These developments provide greater visibility into the Company's future growth plans and support its ability to meet the Cayman Islands' evolving energy needs. While the timing and scope of future regulatory approvals continue to represent a key dependency, the Company's established track record of successfully executing complex capital projects, together with a constructive regulatory framework, positions it well to advance its strategic objectives. Management remains focused on balancing prudent infrastructure investment with disciplined financial management, maintaining customer affordability, supporting economic growth, and delivering sustainable long-term value for shareholders.

Regulatory Asset Recoverability

The Company defers costs associated with the lease of contracted temporary generation Blocks Two and Block Three that are considered probable of recovery and that would otherwise be expensed. Temporary generation was prudently secured to meet required reserve margin thresholds under the T&D License. These deferred costs are recorded as Regulatory Assets on the Consolidated Balance Sheets as of September 30, 2026 and are presented in Notes 5 to the consolidated financial statements.

In June 2023 and March 2024, the Company submitted applications to URCO seeking approval of the regulatory treatment for Temporary Generation Block Two and Block Three, respectively. In August 2025, URCO issued a Final Determination denying recovery of certain costs associated with Block Three and indicating that it may retrospectively revisit cost recovery approved for Block Two. In September 2025, the Company submitted a further application requesting approval to amortise the associated costs over a 15 year period. The Company initiated judicial review proceedings in respect of URCO's Final Determination. The judicial review hearing was held in February 2026, and as of November 3, 2026, the Company is awaiting the judge's ruling. Accordingly, the matter remains ongoing and the outcome cannot be determined at this time.

Notwithstanding the absence of a final regulatory order, the Company commenced amortisation of the related regulatory assets over a 10-year period beginning in 2025, consistent with the regulatory treatment previously approved for similar assets and supported by established regulatory precedent. For the nine months ended September 30, 2026, the Company recognized $0.8 million of amortization for Block Two and Block Three within power generation expense.

Management assesses the recoverability of regulatory assets based on applicable regulations, historical regulatory treatment of similar costs for temporary generation Block One, and legal assessments received. Based on these factors, Management believes that the regulatory assets recorded as of September 30, 2026 remain probable of future recovery. However, if the Court's ruling is unfavourable and URCO does not approve the proposed amortisation period, the remaining unamortised balance related to Block Two and Block Three would be recognized in earnings in the period in which such determination is made. The ultimate outcome of this matter remains uncertain at this time.

Subsequent Events: Outstanding Share Data

At November 3, 2026, the Company had issued and outstanding 42,641,746 Class A Ordinary Shares and 248,731, 9% cumulative Participating Class B Preference Shares.

Condensed Consolidated Interim Balance Sheets

(expressed in thousands of United States Dollars)

	Note	As at September 30, 2026	As at Dec. 31, 2025
Assets			
Current Assets			
Cash		**37,291**	1,862
Accounts Receivable (Net of Allowance for Credit Losses of $2,514 and $2,448)	4	**30,897**	23,716
Regulatory Assets	5	**43,603**	36,063
Inventories	6	**10,639**	4,374
Prepayments		**7,085**	4,010
Total Current Assets		**129,515**	70,025
Property, Plant and Equipment, net		**815,346**	789,973
Regulatory Assets	5	**23,586**	10,009
Other Assets		**5,149**	4,269
Intangible Assets, net		**4,864**	4,818
Defined Benefit Pension Asset		**514**	494
Total Assets		**978,974**	879,588
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts Payable and Accrued Expenses		**55,347**	31,120
Regulatory Liabilities	5	**1,701**	1,146
Short Term Debt	9	**-**	35,000
Current Portion of Long-Term Debt	8	**17,792**	19,935
Consumers' Deposits and Advances for Construction		**16,853**	15,700
Current Portion Lease Liability		**3,959**	3,100
Total Current Liabilities		**95,652**	106,001
Long-Term Debt	8, 10	**450,329**	358,195
Other Long-Term Liabilities		**3,523**	3,388
Total Liabilities		**549,504**	467,584
Shareholders' Equity			
Share Capital[1]		**2,787**	2,774
Share Premium		**256,071**	252,963
Retained Earnings		**170,010**	155,665
Accumulated Other Comprehensive Loss		**602**	602
Total Shareholders' Equity		**429,470**	412,004
Total Liabilities and Shareholders' Equity		**978,974**	879,588

See accompanying Notes to Condensed Consolidated Interim Financial Statements

[1] Consists of Class A Ordinary Shares of 42,641,746 and 42,425,045 issued and outstanding as at September 30, 2026 and December 31, 2025 and Class B Preference Shares of 248,731 and 249,001 issued and outstanding as at September 30, 2026 and December 31, 2025, respectively

Condensed Consolidated Interim Statements of Earnings

(expressed in thousands of United States Dollars, except basic and diluted earnings per ordinary share)

	Note	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Operating Revenues					
Electricity Sales	3	**37,585**	35,661	**101,148**	96,453
Fuel Factor	3	**59,282**	37,420	**129,136**	103,377
Renewables	3	**1,662**	1,701	**4,459**	4,500
Z-Factor Revenues	3	**1,688**	1,155	**4,117**	4,119
Total Operating Revenues		**100,217**	75,937	**238,860**	208,449
Operating Expenses					
Power Generation		**62,899**	40,551	**139,380**	112,025
Depreciation		**10,757**	12,071	**32,159**	37,473
General and Administration		**4,331**	3,695	**13,673**	11,875
Maintenance		**1,934**	1,213	**5,528**	3,827
Transmission and Distribution		**1,398**	1,380	**4,582**	5,491
Consumer Services		**1,537**	1,266	**4,180**	3,841
Amortisation of Intangible Assets		**277**	255	**825**	767
Total Operating Expenses		**83,133**	60,431	**200,327**	175,299
Operating Income		**17,084**	15,506	**38,533**	33,150
Other (Expenses)/Income:					
Finance Charges	11	**(1,678)**	(1,261)	**(4,275)**	(3,588)
Foreign Exchange Gain		**832**	631	**1,864**	1,616
Other Income		**1,273**	1,244	**3,636**	4,000
Total Net Other Income		**427**	614	**1,225**	2,028
Net Earnings for the Period		**17,511**	16,120	**39,758**	35,178
Preference Dividends Paid- Class B		**(112)**	(112)	**(336)**	(336)
Earnings on Class A Ordinary Shares		**17,399**	16,008	**39,422**	34,842
Weighted-Average Number of Class A Ordinary Shares Issued and Fully Paid (in thousands)		**42,514**	42,273	**42,536**	42,231
Earnings per Class A Ordinary Share		**0.41**	0.38	**0.93**	0.83
Diluted Earnings per Class A Ordinary Share		**0.41**	0.38	**0.93**	0.83
Dividends Declared per Class A Ordinary Share		**0.200**	0.190	**0.590**	0.565

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Comprehensive Income

(expressed in thousands of United States Dollars)

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net Earnings for the Period	**17,511**	16,120	**39,758**	35,178
Other Comprehensive Loss:				
Amortisation of Net Actuarial Loss	-	-	-	-
Total Other Comprehensive Income	-	-	-	-
Comprehensive Income	**17,511**	16,120	**39,758**	35,178

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Shareholders' Equity

(expressed in thousands of United States Dollars except Common Shares)

	Class A Ordinary Shares (in thousands)	Class A Ordinary Shares Value ($)	Preference Shares ($)	Share Premium ($)	Accumulated Other Comprehensive Loss ($)	Retained Earnings ($)	Total Equity ($)
As at December 31, 2025	**42,425**	**2,525**	**249**	**252,963**	**602**	**155,665**	**412,004**
Net earnings	-	-	-	-	-	**39,758**	**39,758**
Common share issuance and stock options plans & redemption	**217**	**13**	**-**	**3,108**	**-**	**-**	**3,121**
Dividends on common shares	**-**	**-**	**-**	**-**	**-**	**(25,077)**	**(25,077)**
Dividends on preference shares	**-**	**-**	**-**	**-**	**-**	**(336)**	**(336)**
As at September 30, 2026	**42,642**	**2,538**	**249**	**256,071**	**602**	**170,010**	**429,470**

As at December 31, 2024	42,122	2,507	249	249,075	330	141,213	393,374
Net earnings	-	-	-	-	-	35,178	35,178
Common share issuance and stock options plans & redemption	215	13	-	2,875	-	-	2,888
Dividends on common shares	-	-	-	-	-	(23,852)	(23,852)
Dividends on preference shares	-	-	-	-	-	(336)	(336)
As at September 30, 2025	42,337	2,520	249	251,950	330	152,203	407,252

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Cash Flows

(expressed in thousands of United States Dollars)

	Note	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Operating Activities					
Net Earnings for the period		**17,511**	16,120	**39,758**	35,178
Items not affecting cash:					
Depreciation		**10,757**	12,071	**32,159**	37,473
Amortisation of Intangible Assets		**277**	255	**825**	767
Amortisation of Deferred Financing Costs		**29**	26	**87**	86
		28,574	28,472	**72,829**	73,504
Net changes in working capital balances related to operations		**(653)**	1,699	**9,391**	5,039
Net Change in Regulatory Assets and Regulatory Liabilities		**(550)**	(4,642)	**(20,562)**	(12,357)
Cash flow related to operating activities		**27,371**	25,529	**61,658**	66,186
Investing Activities					
Purchase of Property, Plant and Equipment		**(18,926)**	(20,257)	**(58,065)**	(66,566)
Costs related to Intangible Assets		**(13)**	(744)	**(871)**	(1,484)
Proceeds on Disposed Asset		**4**	215	**33**	444
Cash flow related to investing activities		**(18,935)**	(20,786)	**(58,903)**	(67,606)
Financing Activities					
Proceeds from Short Term Debt		**-**	-	16,000	15,000
Proceeds from Long Term Debt	10	**100,000**	-	100,000	-
Repayment of Short Term Debt	9	**(51,000)**	-	(51,000)	-
Repayment of Long Term Debt		**-**	-	(9,480)	(9,480)
Decrease in Bank Overdraft	9	**(18,717)**	-	-	-
Dividends Paid		**(7,877)**	(7,365)	(23,613)	(22,396)
Net Proceeds from Share Issuance		**247**	160	767	542
Cash flow related to financing activities		**22,653**	(7,205)	**32,674**	(16,334)
Change in net cash		**31,089**	(2,462)	**35,429**	(17,754)
Cash, Beginning of the period		**6,202**	4,908	**1,862**	20,200
Cash, End of the period		**37,291**	2,446	**37,291**	2,446
Supplemental disclosure of cash flow information:					
Interest paid during the period		**1,426**	1,064	**11,957**	10,963

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited – September 30, 2026 (expressed in thousands of United States dollars unless otherwise stated)

1. Nature of Operations and Consolidated Financial Statement Presentation

These consolidated financial statements include the regulated operations of Caribbean Utilities Company, Ltd. ("CUC" or the "Company") and the accounts of its wholly-owned subsidiary company DataLink, Ltd. ("DataLink"), and reflect the decisions of the Cayman Islands Utility Regulation and Competition Office (the "URCO"). These decisions affect the timing of the recognition of certain transactions resulting in the recognition of regulatory assets and liabilities, which the Company considers it is probable to recover or settle subsequently through the rate-setting process.

The principal activity of the Company is to generate, transmit, and distribute electricity in its licence area of Grand Cayman, Cayman Islands pursuant to a 20-year exclusive Transmission & Distribution ("T&D") Licence and a 25-year non-exclusive Generation Licence (the "Licences") granted by the Cayman Islands Government (the "Government", "CIG"). The T&D Licence, which expires in April 2028, contains provisions for an automatic 20-year renewal and the Company has reasonable expectation of renewal until April 2048. The Generation Licence expires in November 2039.

The Company is regulated by the URCO which has the overall responsibility of regulating the electricity, information and communications technology, and the petroleum industries in the Cayman Islands in accordance with the Utility Regulation and Competition Act (2024).

CUC's wholly-owned subsidiary company, DataLink was granted a licence in 2012 to provide fibre optic infrastructure and other information and communication technology ("ICT") services to the ICT industry DataLink operates under a 15-year licence issued by URCO, which is scheduled to expire on March 27, 2027. The licence renewal process is on-going as of September 30, 2026, ahead of the expiration date. The Company does not anticipate any disruption to ongoing operations as a result of the renewal process.

The Company is identified as a single reportable segment and evaluates performance based on segment profit or loss, which includes significant expenses directly attributable to the segment. The Chief Operating Decision Maker ("CODM") is the Company's Executive Team. The CODM assesses the performance and allocates resources based on the Company's profit or loss metrics provided by Management on a monthly basis. The CODM also reviews electricity sales revenues based on customer classification. In addition, the monthly capital expenditure report and the consolidated balance sheets are also reported to the CODM. The CODM consists of the following members:

- President and Chief Executive Officer - Mr. Richard Hew
- Vice President, Finance & Corporate Services and Chief Financial Officer – Ms. Letitia Lawrence
- Vice President, Energy Operations – Mr. Robert Whorms
- Vice President, Customer Services and Technology – Mr. Sacha Tibbetts

All intercompany balances and transactions have been eliminated on consolidation.

Rate Regulated Operations

CUC's base rates are designed to recover all non-fuel and non-regulatory costs and include per kilowatt-hour ("kWh") electricity charges and fixed facilities charges. Fuel cost charges, renewables costs, and regulatory fees are billed as separate line items. Base rates are subject to an annual review and adjustment each June through the Rate Cap and Adjustment Mechanism ("RCAM") based on published consumer price indices.

Following review by URCO, the Company increased base rates by 2%, with an effective date of June 1, 2026. This increase is a result of the applicable return on rate base ("RORB") and the combined changes in the United States of America ("US") and the Cayman Islands consumer price indices, adjusted to exclude food and fuel.

In addition to the RORB requirements of the T&D Licence, CUC may periodically, but at least every five years, propose rebalanced and restructured rates. These proposals will consider the results of any cost of service study completed prior to the proposed rate adjustment. Any such adjustments must be revenue-neutral to the base rate adjustment as determined by the RCAM.

The T&D Licence also contains the provision for the Z-Factor mechanism designed to recover expenses and investments that are outside of the T&D Licence regular rate setting process. The expense or investment is recovered through a Z-factor rate surcharge as approved by URCO.

A licence fee of $2.9 million per annum and a regulatory fee of $1.4 million per annum are payable to the Government in quarterly installments. Both fees apply only to customer billings with consumption over 1,000 kWh per month as a pass-through charge rate.

All fuel, lubricating oil, and renewable costs are passed through to customers without mark-up as a per kWh charge.

2. Summary of Significant Accounting Policies

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information. Accordingly, they do not include all information and notes required by US GAAP for annual financial statements and should be read in conjunction with the Consolidated Financial Statements and Notes for the year ended December 31, 2025.

The preparation of financial statements in conformity with US GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Operating Revenues

Operating Revenues					
($ thousands)	**Three Months Ended September 30, 2026**	Three Months Ended September 30, 2025	**Nine Months Ended September 30, 2026**	Nine Months Ended September 30, 2025	Change %
Electricity Sales Revenues					
Residential	**20,739**	19,776	**53,835**	52,044	3%
Commercial	**16,375**	15,568	**46,172**	43,498	6%
Other (street lighting etc.)	**471**	317	**1,141**	911	25%
Total Electricity Sales Revenues	**37,585**	35,661	**101,148**	96,453	5%
Fuel Factor	**59,282**	37,420	**129,136**	103,377	25%
Renewables	**1,662**	1,701	**4,459**	4,500	-1%
Z-Factor Revenues	**1,688**	1,155	**4,117**	4,119	-
Total Operating Revenues	**100,217**	75,937	**238,860**	208,449	15%

Electricity Sales

The Company generates, transmits, and distributes electricity to residential and commercial customers and for street lighting service. Electricity is metered upon delivery to customers and recognised as revenue using URCO approved rates when consumed. Meters are read on the last day of each month, and bills are subsequently issued to customers based on these readings. As a result, the revenue accruals for each period are based on actual bills-rendered for the reporting period.

Fuel Factor

Fuel Factor revenues consist of charges from diesel fuel and lubricating oil costs which are passed through to consumers on a two-month lag basis with no mark-up.

Renewables

Renewables revenues are a combination of charges from the Customer Owned Renewable Energy ("CORE") and Distributed Energy Resources ("DER") programmes and Bodden Town Solar 1, Ltd., which are passed through to consumers on a two-month lag basis with no mark-up.

Z-Factor

Z-Factor mechanism is designed to recover expenses and investments that are outside of the T&D Licence regular rate setting process. The expense or investment is recovered through a Z-factor rate surcharge as approved by URCO. During 2024, BESS and Resiliency projects with approved Z-Factor mechanism were completed and applicable revenue was recorded against Regulatory Asset pending approval of the Z-Factor billing rate by URCO. The Z-Factor revenues associated with these assets will be earned over their respective useful lives, which are 10 years for the BESS and 40 years for the Resiliency projects.

4. Accounts Receivable, Net

Accounts Receivable		
($ thousands)	**As at September 30, 2026**	**As at December 31, 2025**
Billings to Consumers*	**32,442**	25,537
Other Receivables	**969**	627
Allowance for Credit Losses	**(2,514)**	(2,448)
Total Accounts Receivable, net	**30,897**	23,716

**Includes billings to DataLink customers.*

Other Receivables

Other receivables relate to amounts due outside of the normal course of operations.

Allowance for Credit Losses

Accounts receivable are recorded net of an allowance for credit losses. The change in the allowance for credit losses balance from December 31, 2025 to September 30, 2026 is listed in the following table.

Allowance for Credit Losses		
($ thousands)	**As at September 30, 2026**	**As at December 31, 2025**
Beginning of Period	**(2,448)**	(2,058)
Credit Loss Expensed net of deferral	**(157)**	(392)
Write-off	**93**	2
Recoveries	**(2)**	-
End of Period	**(2,514)**	(2,448)

5. Regulatory Assets and Liabilities

Regulatory Assets and Liabilities

($ thousands)

Asset/Liability	Description	As at September 30, 2026	As at December 31, 2025
Regulatory Assets	Fuel Tracker Account	**41,245**	26,345
Regulatory Assets	Miscellaneous Regulatory Assets	**-**	2
Regulatory Assets	Temporary Generation Lease 2022	**3,848**	3,326
Regulatory Assets	Temporary Generation Lease 2023	**4,368**	3,889
Regulatory Assets	Temporary Generation Lease 2024	**5,270**	4,170
Regulatory Assets	Z-Factor BESS	**10,002**	6,844
Regulatory Assets	Z-Factor Resiliency	**1,891**	931
Regulatory Assets	Performance Z-Factor	**565**	565
Total Regulatory Assets		**67,189**	46,072
Less: Current Portion		**(43,603)**	(36,063)
Non-current Regulatory Assets		**23,586**	10,009
Regulatory Liabilities	Government & Regulatory Tracker Account	**(1,701)**	(1,146)
Total Regulatory Liabilities		**(1,701)**	(1,146)

The Company defers costs associated with the lease of contracted temporary generation Block Two and Block Three that are considered probable of recovery and that would otherwise be charged to expense. Temporary generation was prudently leased in order to satisfy required reserve margin percentages included within the T&D License. These deferred costs are recorded as Regulatory Assets on the Consolidated Balance Sheets as of September 30, 2026.

In June 2023 and March 2024, the Company submitted applications to URCO seeking approval of the regulatory treatment for Temporary Generation Block Two and Block Three, respectively. In August 2025, URCO issued a Final Determination that declined to permit recovery of certain costs associated with Block Three and indicated that it may retrospectively revisit cost recovery previously approved for Block Two. In September 2025, the Company submitted an additional application requesting approval to amortize the associated costs over a 15-year period. The Company is currently pursuing judicial review of URCO's Final Determination. The judicial review hearing was held in February 2026, and as of November 3, 2026, the Company is awaiting the judge's ruling. Accordingly, the proceedings remain ongoing, and the outcome cannot be determined at this time.

Notwithstanding the absence of a final regulatory order, the Company commenced amortization of the related regulatory assets over a 10-year period beginning in 2025, consistent with the regulatory treatment previously approved for similar assets and supported by established regulatory precedent. For the nine months ended September 30, 2026, the Company recognized $0.8 million of amortization for Block Two and Block Three within power generation.

Management assesses the recoverability of regulatory assets based on applicable regulations, historical regulatory treatment of similar costs for temporary generation Block One, and legal assessments received. Based on these factors, Management believes that the regulatory assets recorded as of September 30, 2026 remain probable of future recovery. However, if the Court's ruling is unfavourable and URCO does not approve the proposed amortization period, the remaining unamortized balance related to Block Two and Block Three would be recognized in earnings in the period in which such determination is made. The ultimate outcome of this matter remains uncertain at this time.

6. Inventories

Inventories		
($ thousands)	**As at September 30, 2026**	**As at December 31, 2025**
Fuel	**8,986**	2,733
Lubricating Oil	**972**	1,001
Line Spares	**681**	640
Total Inventories	**10,639**	4,374

7. Performance Share Unit ("PSU") Plan

In September 2013, the Board approved a PSU plan under which officers and certain employees would receive PSUs. Each PSU represents a unit with an underlying value which is based on the value of one common share relative to the TSX Utilities Capped Index (TTUT). PSUs outstanding as of September 30, 2026 relate to the 2024 grant totalling 80,916 units, 2025 grants totalling 71,280 units and the 2026 grant totalling 75,388 units. The vesting period of the grant is three years, at which time a cash payment may be made to plan participants after evaluation by the Board of Directors of the achievement of certain payment criteria.

For the nine months ended September 30, 2026, an expense of $0.8 million (September 30, 2025: $0.5 million) was recognised in earnings with respect to the PSU plan. As at September 30, 2026, the total liability related to outstanding PSUs is $1.9 million (September 30, 2025: $1.5 million) and is included in Other Long-Term Liabilities.

8. Fair Value Measurement

Fair value of long-term debt and fuel options are determined in accordance with level 2 of the fair value hierarchy. Fair value is the price at which a market participant could sell an asset or transfer a liability to an unrelated party. A fair value measurement is required to reflect the assumptions that market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model. A fair value hierarchy exists that prioritises the inputs used to measure fair value.

The Company is required to determine the fair value of all derivative instruments in accordance with the following hierarchy.

Level 1: Fair value determined using unadjusted quoted prices in active markets.
Level 2: Fair value determined using pricing inputs that are observable.
Level 3: Fair value determined using unobservable inputs only when relevant observable inputs are not available.

The fair values of the Company's financial instruments, including derivatives, reflect a point-in-time estimate based on current and relevant market information about the instruments as at the balance sheet dates. The estimates cannot be determined with precision as they involve uncertainties and matters of judgment and, therefore, may not be relevant in predicting the Company's future earnings or cash flows.

There have been no changes in the methodologies used as at September 30, 2026. The estimated fair value of the Company's financial instruments are as follows:

Financial Instruments				
($ thousands)	As at September 30, 2026		As at December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-Term Debt, including Current Portion	**468,121**	**436,046**	378,130	339,250

The fair value of long-term debt is determined by discounting the future cash flows of each debt instrument at an estimated yield to maturity equivalent to benchmark government bonds or treasury bills, with similar terms to maturity, plus a market credit risk premium equal to that of issuers of similar credit quality. Since the Company does not intend to settle the long-term debt prior to maturity, the fair value estimate does not represent an actual liability and, therefore, does not include exchange or settlement costs.

Based on the three levels that distinguish the level of pricing observability utilised in measuring fair value, the Company's long-term debt and fuel option contracts are in accordance with level 2 of the fair value hierarchy. The fair value of other financial instruments, apart from long term debt, are approximately equal to its carrying value.

There were no transfers between levels for the period ended September 30, 2026.

9. Short-Term Debt

The Company has unsecured credit financing facilities with the Scotiabank & Trust (Cayman) Limited ("Scotia") and Royal Bank of Canada ("RBC"). In May 2026, the Company drew an additional $16.0 million under its credit facilities with Scotia to assist with the short term operational and capital investment needs, resulting in total borrowings of $51.0 million, which was repaid in full in Q3 2026. The total available credit as at September 30, 2026 amounted to $82.0 million ($47.0 million at December 31, 2025).

The Company temporarily reallocated US$12.0 million of capacity from its existing Letter of Credit facility to its Operating Line of Credit with Scotia in May 2026. As a result, the overdraft borrowing limit was increased by US$12.0 million, from US$10.0 million to US$22.0 million, through August 31, 2026. The temporary increase was obtained to provide additional liquidity and financial flexibility to support the Company's short-term working capital and operational funding requirements. The extension was intended as a bridge financing measure until the placement of long-term debt in Q3 2026.

10. Long-Term Debt

In August 2026, the Company issued $100.0 million of Senior Unsecured Notes, comprising:

- $70.0 million of 6.09% Senior Unsecured Loan Notes due in 2041
- $30.0 million of 6.34% Senior Unsecured Loan Notes due in 2051

The Company allocated $30.0 million of the net proceeds from the issuance of these Notes to fund or refinance new and existing qualifying green initiatives, adhering to the standards outlined in its inaugural Green Financing Framework.

In connection with the August 2026 financing, the Company also entered into an agreement for an additional US$60.0 million of 6.24% Senior Unsecured Notes due in 2042 to be funded in May 2027, subject to the satisfaction of applicable closing conditions. As these Notes had not been funded as of September 30, 2026, no related amount has been recognized as long-term debt in the condensed consolidated interim financial statements.

11. Finance Charges

The composition of finance charges was as follows:

Finance Charges				
($ thousands)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Interest Costs - Long-Term Debt	**5,288**	4,767	**14,623**	14,465
Other Interest Costs	**660**	315	**1,912**	521
AFUDC	**(4,270)**	(3,821)	**(12,260)**	(11,398)
Finance Charges	**1,678**	1,261	**4,275**	3,588

12. Foreign Exchange

The closing rate of exchange on September 30, 2026 as reported by the Bank of Canada for the conversion of US dollars into Canadian dollars was Cdn$1.4188 per US$1.00 (September 30, 2025: Cdn$1.3921). The official exchange rate for the conversion of Cayman Islands dollars into US dollars as determined by the Cayman Islands Monetary Authority is fixed at CI$1.00 per US$1.20. Thus, the rate of exchange as of September 30, 2026 for conversion of Cayman Islands dollars into Canadian dollars was Cdn$1.7026per CI$1.00 (September 30, 2025: Cdn$1.6705).

13. Commitments

As at September 30, 2026, the Company's consolidated commitments in each of the next five years and for periods thereafter are as follows:

Commitments					
($thousands)	Total	2026	2027	2028	2029 Onward
Letter of Guarantee	**1,000**	1,000	-	-	-
Lease Liability	**5,877**	925	3,806	1,146	-
Commitments	**6,877**	1,925	3,806	1,146	-

14. Segment Reporting

The Company is identified as a single reportable segment and evaluates performance based on segment profit or loss, which includes significant expenses directly attributable to the segment. The Chief Operating Decision Maker ("CODM") is the Company's Executive Team comprising the of the President & Chief Executive Officer, Vice President for Finance and Corporate Services & Chief Financial Officer, Vice President for Energy Operations and Vice President for Customer Services and Technology. The CODM assesses the performance and allocates resources based on the Company's profit or loss metrics provided by Management on a monthly basis. The CODM also reviews electricity sales revenues based on customer classification. In addition, the monthly capital expenditure report and the consolidated balance sheets are also reported to the CODM. Total assets, the measure of segment assets, are reported on the balance sheet and capital expenditures are reported on the statement of cash flows.

Single Reportable Segment

($ thousands)

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change %
Electricity sales revenues:					
Residential	**20,739**	19,776	**53,835**	52,044	3%
General Commercial	**8,420**	7,352	**23,783**	20,823	14%
Large Commercial	**7,955**	8,216	**22,389**	22,675	-1%
Others (street lights etc.)	**471**	317	**1,141**	911	25%
Z-Factor	**1,688**	1,155	**4,117**	4,119	-
Total Segment Revenues*	**39,273**	36,816	**105,265**	100,572	5%
Significant Expenses:					
Depreciation & Amortisation	**11,034**	12,326	**32,984**	38,240	-14%
Payroll & Other Benefits	**6,810**	4,930	**21,874**	18,377	19%
Insurance	**1,529**	1,595	**4,674**	4,887	-4%
Maintenance Cost**	**1,156**	1,010	**2,810**	2,447	15%
General and administrative expenses**	**1,367**	1,189	**3,464**	2,504	38%
Other**	**293**	260	**926**	967	-4%
Segment profit	**17,084**	15,506	**38,533**	33,150	16%

**All amounts related to fuel and renewables which are 100% passed through to customers without mark-up are excluded in the presentation above. Fuel Factor and Renewables revenues and related power generation cost expenses totalled $133.6 million and $107.8 million in 2026 and 2025, respectively.*

***The financial information presented above differs from the income statement due to variations in the classification of specific expenses. In particular, the presentation adjustments are attributable to the allocation of insurance and payroll and other benefits costs, which are distributed across multiple functional categories in the income statement. Additionally, certain items classified as "Other" in this presentation are included under different expense line items, such as consumer services and transmission and distribution costs, in the income statement.*

Shareholder and Corporate Information

Dividends

Class A Ordinary Shares:

Quarterly dividends are customarily paid in March, June, September and December. Record dates are normally three weeks prior to payable dates.

Class B Preference Shares:

Quarterly dividends are paid on the last day of January, April, July, and October. Record dates are normally three weeks prior to payable dates.

Dividend Reinvestment Plan

The Company offers a Dividend Reinvestment Plan to Class A Ordinary and Class B Preference shareholders. Dividends may be reinvested in additional Class A Ordinary Shares. A copy of the plan and enrolment form may be obtained by writing or calling either of the Company's Registrar and Transfer Agents (addresses and telephone numbers in right column) or through the Company's website at www.cuc-cayman.com.

Customer Share Purchase Plan

The Customer Share Purchase Plan ("CSPP") was launched in January 1995 and provides an opportunity for customers resident in Grand Cayman to acquire Class A Ordinary Shares without paying brokerage commissions or transaction fees. Customers may make cash payments of not less than $30 (CI$25) per purchase and up to a total of $14,400 (CI$12,000) per calendar year for the purchase of Class A Ordinary Shares. Quarterly cash dividends paid on the shares are reinvested in additional Class A Ordinary Shares under the CSPP. Full details of the CSPP may be obtained from CUC's Customer Service Department or through the Company's website at *www.cuc-cayman.com*.

Solicitors

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CAYMAN ISLANDS

Auditors

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Canada

Principal Bankers

Scotiabank & Trust (Cayman) Ltd.
P.O. Box 689
Grand Cayman KY1-1107
CAYMAN ISLANDS

Duplicate Annual Reports

While every effort is made to avoid duplications, some shareholders may receive extra reports as a result of multiple share registrations. Shareholders wishing to consolidate these accounts should contact the Registrar and Transfer Agents.

Registrar and Transfer Agents:

TSX Trust Company
P.O. Box 4229, Station A
Toronto, ON, Canada M5W 0G1
North America (toll free): 1-800-387-0825
Direct: (416) 682-3860
Fax: (888) 249-6189
E-mail: *shareholderinquiries@tmx.com*
Website : *www.tsxtrust.com*
(Acting as principal agent)

Caribbean Utilities Company, Ltd.
Company Secretary
P.O. Box 38, Grand Cayman KY1-1101, CAYMAN ISLANDS
Telephone: (345) 949-5200
Fax: (345) 949-4621
E-mail: *investor@cuc.ky*
Website: *www.cuc-cayman.com*
(Acting as principal agent)

Toronto Stock Exchange Listing

The Class A Ordinary Shares are listed for trading in United States funds on the Toronto Stock Exchange. The stock symbol is "CUP.U". There is no income or withholding tax applicable to holders of Class A Ordinary or Class B Preference Shares under the existing laws of the Cayman Islands.

Registered Office

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Front Cover Photo:

An aerial view of the North Sound plant, highlighting the Company's electricity generation infrastructure against the distinctive coastal landscape of Grand Cayman.