Caribbean Utilities Company, Ltd.

2021 Third Quarter Report

September 30, 2021

CUC 55 YEARS 1966-2021
Powering Grand Cayman since 1966

INVESTORS IN PEOPLE
We invest in people Gold

Certified System
North Sound Road Site
ISO 14001
GMI-SAI Global

General Data

About the Company

Caribbean Utilities Company, Ltd., ("CUC" or "the Company"), commenced operations as the only electric utility in Grand Cayman on May 10, 1966. The Company currently has an installed generating capacity of 161 megawatts ("MW"). The record peak load of 113.5 MW was experienced on August 28, 2019. CUC is committed to providing a safe and reliable supply of electricity to over 31,000 customers. The Company has been through many challenging and exciting periods but has kept pace with Grand Cayman's development for over the past 55 years.

About the Cayman Islands

The Cayman Islands, a United Kingdom Overseas Territory with a population of approximately 68,000, 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 His Excellency Mr. Martyn Roper, is appointed by her Majesty the Queen. A democratic society, the Cayman Islands have a House of Parliament comprised of representatives from nineteen electoral districts.

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.

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Interim Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Caribbean Utilities Company, Ltd. ("CUC" or "the Company") consolidated financial statements for the twelve months ended December 31, 2020 ("Fiscal 2020"). The material has been prepared in accordance with National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102") relating to Management's Discussion and Analysis.

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 2020 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.

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 and 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 "Business Risks", "Capital Resources" and "Corporate and Regulatory Overview" 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.

Financial information is presented in United States dollars unless otherwise specified. The condensed consolidated financial statements and MD&A in this interim report were approved by the Audit Committee.

October 29, 2021

Financial and Operational Highlights

Financial and Operational Highlights						
($ thousands, except basic earnings per ordinary share, dividends paid per ordinary share and where otherwise indicated)						
	Three Months Ending September 30, 2021	**Three Months Ending September 30, 2020**	**Nine Months Ending September 30, 2021**	**Nine Months Ending September 30, 2020**	**Change**	**% Change**
Electricity Sales Revenues	**26,455**	26,250	**73,060**	70,295	**2,765**	4%
Fuel Factor Revenues	**28,002**	16,264	**65,785**	60,886	**4,899**	8%
Renewables Revenues	**1,645**	1,407	**4,356**	3,870	**486**	13%
Total Operating Revenues	**56,102**	43,921	**143,201**	135,051	**8,150**	6%
Fuel & Lube Costs	**28,002**	16,264	**65,785**	60,886	**4,899**	8%
Renewables Costs	**1,645**	1,407	**4,356**	3,870	**486**	13%
Other Operating Expenses	**16,769**	15,415	**50,790**	49,096	**1,694**	3%
Total Operating Expenses	**46,418**	33,086	**120,931**	113,852	**7,079**	6%
Net Earnings for the Period	**10,098**	10,353	**21,990**	18,683	**3,307**	18%
Cash Flow related to Operating Activities	**17,538**	21,439	**47,016**	49,729	**(2,713)**	-5%
Per Class A Ordinary Share:						
Basic Earnings	**0.26**	0.31	**0.58**	0.55	**0.03**	5%
Dividends Paid	**0.175**	0.175	**0.525**	0.525	**-**	0%
Total Customers	**31,964**	30,895	**31,964**	30,895	**1,069**	3%
Total Employees*	**236**	229	**236**	229	**7**	3%
Customers per Employee (#)	**135**	135	**135**	135	**-**	0%
System Availability (%)	**99.96**	99.96	**99.96**	99.96	**-**	0%
Peak Load Gross (MW)	**110.5**	108.6	**110.5**	108.6	**1.9**	2%
Millions of kWh:						
Net Generation	**182.3**	177.8	**499.1**	498.0	**1.1**	0%
Total Energy Supplied	**187.1**	181.6	**512.5**	510.3	**2.2**	0%
Kilowatt-Hour Sales	**179.9**	175.1	**494.5**	492.9	**1.6**	0%
Sales per employee	**0.74**	0.76	**2.10**	2.15	**(0.05)**	-2%

*Total full time employees

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"), which expire in April 2028 and November 2039, respectively.

The Company is regulated by the Cayman Islands Utility Regulation and Competition Office ("OfReg"), 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 Office Act (2021).

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 2020 was 6.6% (2019: 7.2%). CUC's RORB for 2021 is targeted in the 6.00% to 8.00% range (2020: 6.75% to 8.75%).

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.

In April 2020, the Company submitted its annual rate adjustment to OfReg for review and approval. The required rate increase as confirmed by OfReg, was 6.6%, with an effective date of June 1, 2020. This required increase was a result of the 2019 RORB and the increase in the applicable United States ("US") and Cayman Islands consumer price indices, adjusted to exclude food and fuel, for calendar year 2019. The change in the base rates as a percentage of the US and Cayman Islands consumer price indices was 100% based on the range of the RORB values. The required rate adjustment of 6.6% can be calculated by applying 100% to the total price level index (60% of the Cayman Islands CPI and 40% of the US CPI) of 6.6%.

As part of its COVID-19 Customer Relief Programme, the Company proposed to OfReg to defer the required June 1, 2020 rate increase until January 1, 2021. In August 2020, OfReg approved the Company's proposal. For the period June 1, 2020 to December 31, 2020, the Company recorded the difference between billed revenues and revenues that would have been billed from the required rate increase as a Regulatory Asset amount due from customers. The amount recorded as a Regulatory Asset for the year ended December 31, 2020 was $3.5 million. The amount recorded will be recovered within two years from the effective date of the increase on January 1, 2021. During the first nine months of 2021, $1.3 million was recovered from customers for the base rate increase deferral.

The Company has also granted approval by OfReg to recover various COVID-19 related expenses, including potential credit losses resulting from suspension of disconnections during the pandemic. A total of $0.7 million was recorded as a regulatory asset and will be recovered through future rates from the effective date of January 1, 2021. During the first nine months of 2021, $0.2 million was recovered from customers for COVID 19 related expenses.

In April 2021, the Company submitted its annual rate adjustment to OfReg for review and approval. In July 2021, OfReg confirmed its agreement with the Company's submission that there would be no rate adjustment for 2021, thus the rates for the prior year remain effective for the current year. This was a result of the decrease in the applicable United States ("US") and Cayman Islands consumer price indices, adjusted to exclude food and fuel, for calendar year 2020.

All fuel, lubricating oil, and renewables costs are passed through to customers without mark-up as a per kWh charge. Rate base is the value of capital upon which the Company is permitted an opportunity to earn a return. The value of this capital is the average of the beginning and ending values for the applicable financial year of: fixed assets less accumulated depreciation, plus the allowance for working capital and regulatory assets less regulatory liabilities.

In September 2020, the Company submitted its 2021-2025 capital investment plan ("CIP") in the amount of $313.0 million to OfReg for approval. The Company has also submitted an additional $24.0 million in proposed efficiency and grid enhancement projects for review by the OfReg. In February 2021, OfReg approved the proposed 2021-2025 CIP in the amount of $313.0 million, not including the proposed efficiency and grid enhancement projects.

In October 2021, the Company submitted its 2022-2026 CIP in the amount of $373.2 million to OfReg for approval, including $22.0 million in grid resiliency projects. OfReg's decision on the proposed 2022-2026 CIP is expected in December 2021.

The Company successfully completed a Rights Offering (the "Offering") on October 29, 2020. Pursuant to the Offering, the Company raised gross proceeds of $47.8 million through the issue of 3,359,362 Class A Ordinary Shares at a price of $14.24 per Class A Ordinary Share. The net proceeds of the Offering were used to repay short-term debt and to finance capital projects.

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. The Z Factor is the amount, expressed in cents per kWh, approved by the OfReg to recover the costs of items deemed to be outside of the constraints of the RCAM.

OfReg assesses CUC's performance against the performance standard expectations set out in the Electricity Regulatory Authority "ERA" (Standard of Performance) Rules 2012. 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 and a regulatory fee of $1.4 million are payable to the Government. Both fees apply only to customer billings with consumption over 1,000 kWh per month as a pass-through charge rate of $0.0149 per kWh.

CUC's wholly-owned subsidiary, DataLink, Ltd. ("DataLink"), was granted a licence in 2012 from the ICTA (now referred to as the OfReg) permitting DataLink to provide fibre optic infrastructure and other information and communication technology ("ICT") services to the ICT industry. DataLink is subject to regulation by OfReg in accordance with the terms and conditions of its Licence which currently extends to March 27, 2027. 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

Global Pandemic

The Coronavirus Disease ("Covid-19") is a highly infectious disease caused by the SARS CoV-2 virus, which was first identified in Wuhan, China in 2019.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The outbreak of COVID-19 initially resulted in the closure of businesses, schools, hotels, restaurants, the seaport, and airport, as well as travel restrictions, disruptions to supply chains, and workplaces. In June 2020, the Cayman Islands Government eased certain restrictions and allowed some businesses to reopen. The easing of restrictions will be completed in a systematic approach. The airport reopened on October 1, 2020 in a phased manner. In November 2020, it was announced by the Cayman Islands Government that a vaccine has been approved and should be available in the Cayman Islands in a phased approach starting January 2021 with frontline workers and the most vulnerable receiving the first doses. By March 2021, the vaccine was available to all residents 16 years and over. In June 2021, the vaccine programme was extended to children aged 12-15. The vaccine is also being rolled out in the United States, a country that heavily impacts Cayman's tourism.

In July 2021, the Government unveiled a five-phase reopening plan for Cayman's borders. Phase 3 became active on September 9, 2021, which would have allowed for the limited introduction of tourism during slow season with some restrictions (including a flight slot management system) to manage the number of persons arriving on the island. However, on September 14, 2021, the Government placed a pause on Phase 3 of the Cayman Islands' border reopening plan due to an increase in the number of community transmission cases. On October 22, 2021, the Government announced that the Cayman Islands will remove the quarantine requirements and reopen its borders for most vaccinated travelers on November 20, 2021.

The plan for the phased reopening of the Cayman Islands has always been to adjust the rules depending on a number of factors, including transmission rates in the community and current local vaccination rates.

At this point, the extent to which COVID-19 may continue to impact CUC's financial condition or results of operations remains uncertain and will depend on certain developments, including the duration and spread of the outbreak, curfew restrictions, impact on customers, employees, and vendors all of which cannot be predicted. CUC continues to monitor the rapidly evolving situation and guidance from the Cayman Islands Government and local public health authorities. The Company may take additional actions based on their recommendations (see the "Forward Looking Statements" section of this MD&A for more details on this item).

Sales

Sales for the three months ended September 30, 2021 ("Third Quarter 2021" or "Q3 2021") totalled 179.9 million kWh, an increase of 4.8 million kWh, or 3% in comparison to 175.1 million kWh for the three months ended September 30, 2020 ("Third Quarter 2020" or "Q3 2020"). The increase was driven by higher large commercial and residential customer sales in Q3 2021 compared to Q3 2020, in-line with increased general economic activity. The average monthly temperature for Q3 2021 was 85.7 degrees Fahrenheit as compared to an average monthly temperature of 86.2 degrees for Q3 2020. The average rainfall for Q3 2021 was 6.2 inches as compared to 7.7 inches in Q3 2020.

Sales for the nine months ended September 30, 2021 totalled 494.5 million kWh, an increase of 1.6 million kWh in comparison to 492.9 million kWh for the nine months ended September 30, 2020. Sales for three and nine months ended September 30, 2020 were negatively impacted by the impact of the COVID-19 pandemic on the Cayman Islands' economy.

Total customers as at September 30, 2021 were 31,964, an increase of 1,069 customers, or 3%, compared to 30,895 customers as at September 30, 2020.

The following tables present customer and sales highlights:

Customers

(numbers)	September 30, 2021	September 30, 2020	% Change
Residential	**27,355**	26,397	4%
General Commercial	**4,512**	4,413	2%
Large Commercial	**97**	85	14%
Total Customers	**31,964**	30,895	3%

Sales

(thousands kWh)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change	% Change
Residential	**101,421**	99,581	**270,921**	275,399	**(4,478)**	-2%
General Commercial	**37,466**	37,196	**106,685**	99,765	**6,920**	7%
Large Commercial	**39,796**	36,991	**113,121**	113,865	**(744)**	-1%
Other (street lighting, etc.)	**1,256**	1,297	**3,779**	3,914	**(135)**	-3%
Total Sales	**179,939**	175,065	**494,506**	492,943	**1,563**	0%

Average Monthly Consumption per Customer

(kWh)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change	% Change
Residential	**1,219**	1,261	**1,110**	1,167	**(57)**	-5%
General Commercial	**2,774**	2,799	**2,653**	2,509	**144**	6%
Large Commercial	**139,978**	146,212	**136,832**	134,973	**1,859**	1%

Operating Income

Operating income for Q3 2021 totalled $9.7 million, a decrease of $1.1 million when compared to operating income of $10.8 million for Q3 2020. The decrease is primarily attributable to higher general and administration, transmission and distribution, depreciation and maintenance expenses. These factors were partially offset by higher electricity sales revenues and lower consumer services expenses.

Operating income for the nine months ended September 30, 2021 totalled $22.3 million, an increase of $1.1 million when compared to operating income of $21.2 million for the nine months ended September 30, 2020. The increase is primarily attributable to higher electricity sales revenues and lower maintenance and consumer services expenses. These factors were partially offset by higher general and administration and depreciation expenses.

Earnings

Net earnings for Q3 2021 totalled $10.1 million, a decrease of $0.3 million when compared to $10.4 million in Q3 2020. The decrease is primarily attributable to lower operating income, partially offset by lower finance charges.

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the Q3 2021 were $10.0 million, or $0.26 per Class A Ordinary Share, compared to earnings on Class A Ordinary Shares of $10.2 million, or $0.31 per Class A Ordinary Share for Q3 2020. 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 37,240,262 for Q3 2021 and 33,593,624 for Q3 2020. This increase in the weighted average number of Class A Ordinary Shares outstanding was primarily driven by the Offering in October 2020 which resulted in the issuance of 3,359,362 Class A Ordinary shares.

Net earnings for the nine months ended September 30, 2021 totalled $22.0 million, an increase of $3.3 million when compared to net earnings of $18.7 million for the nine months ended September 30, 2020. The increase is primarily attributable to higher operating income and lower 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, 2021 were $21.7 million, or $0.58 per Class A Ordinary Share, compared to earnings on Class A Ordinary Shares of $18.3 million, or $0.55 per Class A Ordinary Share, for the nine months ended September 30, 2020. The weighted average number of Class A Ordinary Shares outstanding were 37,263,218 for the nine months ended September 30, 2021 and 33,566,243 for the nine months ended September, 30 2020.

Operating Revenues

Operating revenues for Q3 2021 were $56.1 million, an increase of $12.2 million from $43.9 million for Q3 2020. Operating revenues for the nine months ended September 30, 2021 were $143.2 million, an increase of $8.1 million from $135.1 million for the nine months ended September 30, 2020. The increase in operating revenues for the three and nine months ended September 30, 2021 was due to increases in electricity sales, fuel factor and renewables revenues.

Electricity sales revenues were $26.5 million for Q3 2021, an increase of $0.2 million from $26.3 million for Q3 2020. Electricity sales revenues were $73.1 million for the nine months ended September 30, 2021, an increase of $2.8 million from $70.3 million for the nine months ended September 30, 2020. Electricity sales revenues for the three and nine months ended September 30, 2021 increased when compared to the same periods last year due to the 6.6% base rate that went into effect on June 1, 2020.

Fuel factor revenues for Q3 2021 totalled $28.0 million, an increase of $11.7 million, compared to fuel factor revenues of $16.3 million for Q3 2020. The average Fuel Cost Charge rate billed to consumers for Q3 2021 was $0.17 per kWh, an increase of $0.07 per kWh when compared to the average Fuel Cost Charge rate of $0.10 per kWh for Q3 2020. CUC passes through all fuel costs to consumers on a two-month lag basis with no mark-up.

Fuel factor revenues for the nine months ended September 30, 2021 totalled $65.8 million, an increase of $4.9 million compared to fuel factor revenues of $60.9 million for the nine months ended September 30, 2020. The average Fuel Cost Charge rate billed to consumers for the nine months ended September 30, 2021 was $0.14 per kWh, an increase of $0.01 per kWh when compared to the average Fuel Cost Charge rate of $0.13 per kWh for the nine months ended September 30, 2020.

Renewables revenues for Q3 2021 totalled $1.6 million, an increase of $0.2 million when compared to renewables revenues of $1.4 million for Q3 2020. The renewables revenues are a combination of charges from the Customer Owned Renewable Energy ("CORE") programme and BMR Energy Limited ("BMR Energy") which are passed-through to consumers on a two-month lag basis with no mark-up.

Renewables revenues for the nine months ended September 30, 2021 totalled $4.4 million, an increase of $0.5 million compared to renewables revenues of $3.9 million for the nine months ended September 30, 2020.

Operating Expenses

Operating expenses for Q3 2021 totalled $46.4 million, an increase of $13.3 million when compared to $33.1 million for Q3 2020. This increase was due primarily to higher power generation, general and administration, transmission and distribution and maintenance expenses, partially offset by lower consumer services expenses for Q3 2021 when compared to Q3 2020.

Operating expenses for the nine months ended September 30, 2021 totalled $120.9 million, a $7.0 million increase from $113.9 million for the nine months ended September 30, 2020. This increase was due primarily to higher power generation, general and administration and depreciation expenses, partially offset by lower consumer service expenses.

Power Generation

Power generation costs for Q3 2021 increased $12.0 million to $30.8 million when compared to $18.8 million for Q3 2020. Power generation costs for the nine months ended September 30, 2021 increased $5.5 million to $73.8 million when compared to $68.3 million for the nine months ended September 30, 2020. The increases for the three and nine months ended September 30, 2021 are primarily a result of higher fuel costs.

The Company's average cost per imperial gallon ("IG") of fuel for Q3 2021 increased 56% to $3.02, compared to $1.94 for Q3 2020. The Company's average price per IG of fuel for the nine months ended September 30, 2021 increased by 29% to $2.77, compared to $2.15 for the nine months ended September 30, 2020.

The Company's average cost per IG of lubricating oil for Q3 2021 increased 6% to $10.19 when compared to $9.57 for Q3 2020. The Company's average price per IG of lubricating oil for the nine months ended September 30, 2021 decreased 3% to $9.38 when compared to $9.69 for the nine months ended September 30, 2020.

Net generation was 182.3 million kWh for the Q3 2021, a 3% increase when compared to 177.8 million kWh for Q3 2020. Net fuel efficiency for Q3 2021 of 18.32 kWh per IG decreased when compared to net fuel efficiency for Q3 2020 of 18.52 kWh per IG.

Net generation was 499.1 million kWh for the nine months ended September 30, 2021, an increase of 1.1 million kWh when compared to 498.0 million kWh for the nine months ended September 30, 2020. Net fuel efficiency for the nine months ended September 30, 2021 of 18.72 kWh per IG decreased when compared to net fuel efficiency for the nine months ended September 30, 2020 of 18.75 kWh per IG.

The Fuel Tracker Account (see Note 5 of the condensed consolidated interim financial statements) is comprised of total diesel fuel, lubricating oil and renewables costs to be recovered from consumers.

In March 2011, the OfReg approved the Fuel Price Volatility Management Program. The objective of the programme is to reduce the impact of volatility in the Fuel Cost Charge paid by the Company's customers for the fuel that the Company must purchase in order to provide electric service. The Company utilises call options and call spreads to promote transparency in pricing. The monthly hedging costs and returns are also included within the Fuel Tracker Account.

Renewables costs for Q3 2021 totalled $1.6 million, a $0.2 million increase when compared to renewables costs of $1.4 million for Q3 2020. Renewables costs for the nine months ended September 30, 2021 totalled $4.4 million, an increase of $0.5 million when compared to renewables costs of $3.9 million for the nine months ended September 30, 2020. Renewables costs are a combination of charges from the CORE programme and BMR Energy.

General and Administration ("G&A")

G&A expenses for the Q3 2021 totalled $2.4 million, an increase of $0.6 million when compared to $1.8 million for Q3 2020. The increase is due to higher donations, employee and corporate events and property insurance premiums. These factors were partially offset by higher General Expenses Capitalised ("GEC").

G&A expenses for the nine months ended September 30, 2021 totalled $7.0 million, an increase of $1.6 million when compared to G&A expenses of $5.4 million for the nine months ended September 30, 2020. The increase is due to higher short term incentive bonus payments, legal fees, training expenses and property insurance premiums. These factors were partially offset by higher GEC.

GEC totalled $5.5 million for the nine months ended September 30, 2021, an increase of $1.2 million when compared to GEC of $4.3 million for the nine months ended September 30, 2020.

Consumer Services ("CS")

CS expenses for Q3 2021 totalled $0.9 million, a decrease of $0.2 million when compared to $1.1 million for Q3 2020. CS expenses for the nine months ended September 30, 2021 totalled $2.4 million, a $0.7 million decrease when compared to $3.1 million for the nine months ended September 30, 2020. The decrease is mainly due to lower provision for bad debt expense in 2021 related to Covid-19 when compared to 2020.

Transmission and Distribution ("T&D")

T&D expenses for Q3 2021 totalled $1.2 million, an increase of $0.4 million when compared to T&D expenses for Q3 2020 of $0.8 million. T&D expenses for Q3 2021 were impacted by higher vegetation management costs.

T&D expenses for the nine months ended September 30, 2021 totalled $3.7 million, an increase of $0.2 million when compared to T&D expenses of $3.5 million for the nine months ended September 30, 2020. The increase is due to higher vegetation management costs and lower capitalised labour recharges.

Depreciation of Property, Plant and Equipment ("PP&E")

Depreciation expenses for Q3 2021 totalled $9.4 million, an increase of $0.2 million from $9.2 million for Q3 2020.

Depreciation expenses for the nine months ended September 30, 2021 totalled $29.0 million, an increase of $0.6 million, from $28.4 million for the nine months ended September 30, 2020. The increase in depreciation expenses is due to capital projects completed in prior periods partially offset by OfReg's approval during the first half of 2021 to extend the useful lives of two of its generating units. This extension resulted in a reduction to depreciation expense effective January 1, 2021.

Maintenance

Maintenance expenses for Q3 2021 totalled $1.5 million, an increase of $0.4 million from Q3 2020 maintenance expenses of $1.1 million. The increase is mainly due to higher generator maintenance costs.

Maintenance expenses for the nine months ended September 30, 2021 totalled $4.3 million, a decrease of $0.3 million compared to $4.6 million for the nine months ended September 30, 2020. The decrease is mainly due to more focus on capital related projects.

Amortization

Amortization of intangible assets for Q3 2021 totalled $0.3 million, a $0.1 million increased when compared to $0.2 million for Q3 2020.

Amortization of intangible assets for the nine months ended September 30, 2021 totalled $0.8 million, an increase of $0.2 million compared to $0.6 million for the nine months ended September 30, 2020.

Amortization represents the monthly recognition of the expenses associated with software purchases as well as other intangible assets such as the costs associated with the licence negotiations. The negotiations for the Company's electricity licence concluded in 2008 and the costs associated with the negotiations are being amortised over 20 years on a straight-line basis. The negotiations associated with DataLink's ICT licence ceased in 2012 and these costs are being amortised over 15 years on a straight-line basis.

Other Income and Expenses

Net other income for Q3 2021 totalled $0.4 million, an increase of $0.9 million when compared to net other expenses of $0.5 million for Q3 2020. This increase in net other income for the three months ended September 30, 2021 is due primarily to lower finance charges as a result of lower interest on long-term debt and higher Allowance for Funds Used During Construction ("AFUDC").

Net other expenses for the nine months ended September 30, 2021 totalled $0.3 million, a decrease of $2.2 million from $2.5 million for the nine months ended September 30, 2020. This decrease in net other expenses for the nine months ended September 30, 2021 is due primarily to lower finance charges and higher other income.

Finance charges for Q3 2021 totalled $0.9 million, a $0.8 million decrease from $1.7 million for Q3 2020. Finance charges for the nine months ended September 30, 2021 totalled $3.9 million, a $1.8 million decrease from $5.7 million for the nine months ended September 30, 2020. This decrease for Q3 2021 and the nine months ended September 30, 2021 is as a result of lower interest on long-term debt and higher AFUDC.

Under the T&D Licence there is a provision for an AFUDC. This capitalisation of the financing cost is calculated by multiplying the Company's cost of capital rate by the average work in progress for each month. The cost of capital rate for 2021 is 7% (2020: 7.75%) as agreed with the OfReg, in accordance with the T&D Licence, and will be reviewed annually.

The AFUDC amount for Q3 2021 totalled $2.3 million, a $0.4 million increase when compared to $1.9 million for Q3 2020.

The AFUDC amount for the nine months ended September 30, 2021 totalled $6.0 million, an increase of $0.8 million from $5.2 million for the nine months ended September 30, 2020. This increase was attributable to higher capital activity for the nine months ended September 30, 2021.

Foreign exchange gains and losses are the result of monetary assets and liabilities denominated in foreign currencies that are translated into United States dollars at the exchange rate prevailing on the Balance Sheet date. Revenue and expense items denominated in foreign currencies are translated into United States dollars at the exchange rate prevailing on the transaction date. Foreign exchange gains for Q3 2021 totalled $0.4 million, comparable to foreign exchange gains of $0.4 million in Q3 2020. Foreign exchange gains for the nine months ended September 30, 2021 totalled $1.1 million, a $0.1 million increase when compared to $1.0 million for the nine months ended September 30, 2020.

Other income is comprised of income from the third party customers of DataLink, income from pipeline operations, sale of meter sockets, sale of recyclable materials, performance rewards as part of the T&D Licence and other miscellaneous income. Performance standards as prescribed by the T&D Licence 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.

Other income totalled $0.8 million for Q3 2021, a decrease of $0.1 million when compared to other income of $0.9 million for Q3 2020. Other income totalled $2.5 million for the nine months ended September 30, 2021, a $0.2 million increase when compared to other income of $2.3 million for the nine months ended September 30, 2020. This is mainly due to an increase in the miscellaneous revenue recorded by the Company in 2021. As a result of the Covid-19 pandemic the Company suspended non-payment disconnect and late fees for the period March 2020 to June 2020. Disconnections and late fees resumed in July 2020.

Revenues from DataLink for Q3 2021 are recorded in Other Income in the amount of $0.3 million, comparable to revenues from DataLink for Q3 2020.
Revenues from DataLink for the nine months ended September 30, 2021 are recorded in Other Income in the amount of $1.0 million, an increase of $0.2 million when compared to revenue from DataLink of $0.8 million for the nine months ended September 30, 2020.

Liquidity

The following table outlines the summary of the Company's cash flows:

Cash Flows

($ thousands)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change	% Change
Beginning cash	**19,105**	24,927*	**45,586**	23,662	**21,924**	93%
Cash provided by/(used in):						
Operating activities	**17,538**	21,439	**47,016**	49,729	**(2,713)**	-5%
Investing activities	**(16,540)**	(12,505)	**(46,684)**	(41,922)	**(4,762)**	11%
Financing activities	**(5,546)**	(4,638)	**(31,361)**	(2,246)	**(29,115)**	1296%
Ending cash	**14,557**	29,223	**14,557**	29,223	**(14,666)**	-50%

* Includes short-term debt repaid in Fourth Quarter 2020.

Operating Activities:

Cash flow provided by operations, after working capital adjustments, for Q3 2021, was $17.5 million, a $3.9 million decrease when compared to $21.4 million for Q3 2020. This decrease is primarily attributable to the movements in accounts payable, accounts receivable and movement in regulatory accounts in Q3 2021 when compared to the same period last year.

Cash flow provided by operations, after working capital adjustments, for the nine months ended September 30, 2021 was $47.0 million, a $2.7 million decrease when compared to $49.7 million for the nine months ended September 30, 2020. This decrease is primarily attributable to the movement in the regulatory deferral accounts for the nine months ending September 30, 2021 when compared to the same period last year, partially offset by higher earnings in 2021.

Investing Activities:

Cash used in investing activities for Q3 2021 totalled $16.5 million, an increase of $4.0 million from $12.5 million for Q3 2020. This increase is due mainly to higher expenditures related to PP&E for Q3 2021 when compared to the Q3 2020.

Cash used in investing activities for the nine months ended September 30, 2021 totalled $46.7 million, an increase of $4.8 million from $41.9 million for Q3 2020. This increase is due mainly to higher capital expenditures.

Financing Activities:

Cash used in financing activities for Q3 2021 totalled $5.5 million, an increase of $0.9 million when compared to cash used in financing activities of $4.6 million for Q3 2020. This increase in cash used by financing activities is primarily attributable to higher dividends paid in Q3 2021.

Cash used in financing activities for the nine months ended September 30, 2021 totalled $31.4 million, an increase of $29.2 million compared to cash used in financing activities of $2.2 million for the nine months ended September 30, 2020. This increase in cash used by financing activities is attributable to lower proceeds from short-term debt financing in 2021 and higher repayment of long-term debt.

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 from 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 2021 capital expenditure programme.

Transactions with Related Parties

Related-party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The related-party transactions for 2021 and 2020 are summarised in the following table.

Related Party Transactions		
($ thousands)	As at September 30, 2021	As at December 31, 2020
Receivables from Fortis TCI (a subsidiary of Fortis Inc.)	-	7

Related party receivables include but are not limited to travel expenses, hurricane preparedness, membership fees and insurance premiums.

Contractual Obligations

The contractual obligations of the Company over the next five years and periods thereafter, as at September 30, 2021 are outlined in the following table:

Contractual Obligation: ($ thousands)	Total	< 1 year	1 to 3 years	4 to 5 years	> 5 years
Total debt	294,585	15,558	34,675	34,156	210,196
Long-term debt interest	135,973	12,645	22,544	18,979	81,805
Total	**430,558**	**28,203**	**57,219**	**53,135**	**292,001**

Financial Position

The following table is a summary of significant changes to the Company's balance sheet from December 31, 2020 to September 30, 2021:

Significant changes in Balance Sheet
(from December 31, 2020 to September 30, 2021)

Balance Sheet Account	Increase/ (Decrease) *($ thousands)*	Explanation
Cash and Cash Equivalents	(31,029)	Decrease due to cash provided by operating activities of $47.0 million offset by cash used in investing activities of $46.6 million and cash used in financing activities of $31.4 million.
Accounts Receivable	8,247	An increase in current receivables driven by sales growth.
Regulatory Assets	6,861	Increase due to higher fuel prices.
Property, Plant and Equipment	15,136	Net increase is comprised of (1) capital expenditures of $46 million (2) depreciation expense of $29.0 million and (3) $0.2 million in accrued capital expenditure.
Accounts Payable and Accrued Expenses	12,079	Increase attributable to higher fuel cost payable, capital expenditure accruals and dividends payable.
Long-Term Debt	(15,472)	Decrease due to principal payments made on the Company's Senior Unsecured Notes in the Second Quarter 2021
Share Premium	3,126	The Company issued 208,000 shares through its share purchase plans.
Retained Earnings	2,139	Increase due to net earnings for the period of $22.0 million offset by class A dividends of $19.5 million and Class B dividends of $0.3 million.

Capital Resources

The Company's principal activity of generation, transmission, and distribution of electricity in Grand Cayman, requires having ongoing access to capital to build and maintain the electrical system for the community it serves.

To help 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 such as the Class A Ordinary Share rights offering that occurred in 2020 and the Company's Share Purchase Plans.
Certain of the Company's long-term debt obligations have covenants restricting the issuance of additional debt such that consolidated debt cannot exceed 60% of the Company's consolidated capital structure, as defined by short-term and long-term debt agreements. As at September 30, 2021, the Company was in compliance with all debt covenants.

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

Capital Structure	September 30, 2021 ($ thousands)	%	December 31, 2020 ($ thousands)	%
Total debt	**293,262**	**50**	307,306	51
Shareholder's equity	**294,876**	**50**	289,499	49
Total	**588,138**	**100**	596,805	100

The change in the Company's capital structure between December 31, 2020 and September 30, 2021 was driven by an increase in equity and a reduction in debt.

The Company's credit ratings under Standard & Poors ("S&P") and the Dominion Bond Rating System ("DBRS") are as follows:

S&P	BBB+/ Negative
DBRS Morningstar	A (low)/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 November 2020, S&P affirmed the Company's "BBB+"credit rating with a negative outlook. The negative outlook on CUC reflects the view that the COVID-19 pandemic could severely hurt the tourism industry. This in turn could affect CUC's financial measures.

In February 2021, DBRS Morningstar affirmed the Company's "A" credit rating while maintaining the categorization of low with a Stable trend. As stated in the report, the rating confirmations reflect CUC's strong credit metrics and stable business risk profile despite the ongoing Coronavirus Disease (COVID-19) pandemic, which has not had a material impact on CUC's financial performance to date. The current ratings reflect (1) a supportive regulatory environment that allows CUC to earn good returns on its rate base and to generate predictable cash flow; (2) limited competition; and (3) no exposure to commodity price risk and only modest regulatory lag associated with the recovery of fuel and nonfuel costs as well as capital spending. The ratings also incorporate the CUC's exposure to hurricane risks and the relatively small size of its operations and customer base.

Off Balance-Sheet Arrangements

Disclosure is required of all 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.

Defined Benefit Pension Plan

The Company maintains a defined benefit pension plan, which provides a specified monthly benefit on retirement irrespective of individual investment returns. There are currently two participants in the pension plan. The assumed long-term rate of return on pension plan assets for the purposes of estimating pension expense for 2021 is 5%. This compares to assumed long-term rates of return of 5% used during 2020. There is no assurance that the pension plan assets will be able to earn the assumed rate of returns. The gain on pension plan assets as of September 2021 was 1% (2020: loss of 2%).

Market driven changes impacting the performance of the pension plan assets may result in material variations in actual return on pension plan assets from the assumed return on the assets, causing material changes in consolidated pension expense and funding requirements. Net pension expense is impacted by, among other things, the amortization of experience and actuarial gains or losses and expected return on plan assets. Market driven changes impacting other pension assumptions, including the assumed discount rate, may also result in future consolidated contributions to pension plans that differ significantly from current estimates as well as causing material changes in consolidated pension expense. The discount rate assumed for 2021 is 2.4% compared to the discount rate assumed during 2020 of 3.2%.

There is also measurement uncertainty associated with pension expense, future funding requirements, the accrued benefit asset, accrued benefit liability and benefit obligation due to measurement uncertainty inherent in the actuarial valuation process.

Changes in Accounting Policies

The Consolidated Interim Financial Statements have been prepared following the same accounting policies and methods as those used to prepare the Company's 2020 annual audited consolidated financial statements.

Forward Looking Statements

COVID-19 Pandemic

The COVID-19 Pandemic has, and continues to, evolve rapidly. The Company continues to operate critical infrastructure and will monitor developments and take measures it believes are warranted to protect the health and safety of employees, customers and communities, including actions based on guidance from the Cayman Islands Government and the health authorities. As necessary, the Company will prioritise capital expenditures to mitigate supply chain risk and other potential impacts of the pandemic to ensure the delivery of safe, reliable service while supporting public health.

The uncertainty surrounding the continued evolution of the pandemic makes it difficult to predict the ultimate operational and financial impacts on CUC. Depending on the severity and length of the pandemic, such impacts could have material adverse effects and affect the Company's ability to execute business strategies and initiatives in the expected time frames.

The potential key impact areas could include revenue, capital expenditures, liquidity, and regulatory matters. The Company's current assessment of these areas is summarised below.

Revenue

The outbreak of COVID-19 in March 2020 initially resulted in the closure of businesses, schools, hotels, restaurants, the seaport (closed to cruise ships and private yachts), and the airport. As businesses scaled back or closed and residential customers spent more time at home, the COVID-19 Pandemic impacted electricity demand. Commercial demand decreased but was partially offset by increased residential demand as people were required to work from home.

Most businesses, schools and the airport had reopened in a systematic manner by October 1, 2020, but the borders remain closed to tourism. In July 2021, the Government unveiled a five-phase reopening plan for Cayman's borders. Phase 3 became active on September 9, 2021, which would have allowed for the limited introduction of tourism during slow season with some restrictions (including a flight slot management system) to manage the number of persons arriving on the island. However, on September 14, 2021, the Government placed a pause on Phase 3 of the Cayman Islands' border reopening plan due to an increase in the number of community transmission cases. On October 22, 2021, the Government announced that the Cayman Islands will remove the quarantine requirements and reopen its borders for most vaccinated travelers on November 20, 2021.

The plan for the phased reopening of the Cayman Islands has always been to adjust the rules depending on a number of factors, including transmission rates in the community and current local vaccination rates.

The estimated annual impact on EPS of a 1% change in demand in these segments is summarised below.

Sensitivity Analysis	
	1% change in demand
Absolute annual EPS impact	**$0.02**

Capital Expenditures
Currently, the Company does not expect any material change in the 2021 capital plan; however, the impact of the COVID-19 Pandemic on forecast capital expenditures will continue to be evaluated. Any changes in the 2021 capital expenditures are expected to be shifted to subsequent years with no overall change to the five-year capital plan anticipated.

Liquidity
CUC is well positioned with strong liquidity due to additional credit facilities of approximately $20 million, which were renegotiated in January 2020 with Scotiabank & Trust (Cayman) Limited. The total credit facilities now available to the Company amounts to $70.0 million with $69.0 million unutilised, or $83.6 million including current cash holdings.

The Company successfully completed a Rights Offering (the "Offering") on October 29, 2020. Pursuant to the Offering, the Company raised gross proceeds of $47.8 million through the issue of 3,359,362 Class A Ordinary Shares at a price of $14.24 per Class A Ordinary Share. The net proceeds of the Offering were used to repay short-term debt and to finance capital projects.

The ongoing economic impact of the pandemic may affect customers' ability to pay their energy bills. CUC has instituted various customer relief initiatives, including the suspension of non-payment disconnects and late fees, and payment deferral programmes to help ease the financial burden on customers. Given the uncertainty, it is too early to assess the full impact of potential credit losses associated with the pandemic. As at September 30, 2021, the Company's allowance for credit losses was not materially impacted. See Note 4 in the Condensed Consolidated Interim Financial Statements.

Regulatory Matters
Regulator and other stakeholder work schedule disruptions may cause delays or postponements for various regulatory proceedings.

Pension Valuations
Pension expense and funding of the Company's defined pension benefit plan is based on asset valuations as of December 31, 2020. Therefore, the impact on future pension expense and funding, as a result of any decline on pension asset values, is uncertain at this time.

Quarterly Results

The table "Quarterly Results" summarises unaudited quarterly information for each of the eight quarters ended December 31, 2019 through September 30, 2021. This information has been obtained from CUC's unaudited interim Financial Statements which, in the opinion of Management, have been 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 basic and diluted earnings per 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, 2021	56,102	10,098	9,987	0.26	0.26
June 30, 2021	48,257	8,562	8,449	0.23	0.23
March 31, 2021	38,843	3,329	3,216	0.09	0.09
December 31, 2020	42,399	7,382	6,751	0.19	0.19
September 30, 2020	43,291	10,353	10,240	0.31	0.31
June 30, 2020	45,042	4,504	4,391	0.13	0.13
March 31, 2020	46,088	3,862	3,713	0.11	0.11
December 31, 2019	51,528	6,213	5,580	0.17	0.17

Disclosure Controls and Procedures

The President and Chief Executive Officer ("CEO") and the VP Finance and Chief Financial Officer ("CFO"), together with Management, 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, particularly during the year ending December 31, 2020; 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 over disclosure controls and procedures, it was concluded that the DC&P of CUC is adequately designed and operating effectively as of September 30, 2021.

Internal Controls over Financial Reporting ("ICFR")

The CEO and CFO of the Company, together with Management, have established and maintained the Company's internal control over financial reporting ("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.

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 Organizations of the Treadway Commission ("COSO"). Based on the assessment, it was concluded that CUC's ICFR are adequately designed and operating effectively as of September 30, 2021.

Outlook

In September 2020, the Company submitted its 2021-2025 CIP in the amount of $313.0 million to the OfReg for approval. The Company also submitted an additional $24.0 million in proposed efficiency and grid enhancement projects for review by the OfReg. These projects are expected to be financed directly by consumers outside of the Company's RCAM and have the potential to provide significant financial or service benefits to consumers.

In February 2021, OfReg approved the proposed 2021-2025 CIP in the amount of $313.0 million, not including the grid enhancement projects.

In October 2021, the Company submitted its 2022-2026 CIP in the amount of $373.2 million to the OfReg for approval, including $22 million in grid resiliency projects. OfReg's decision on the proposed 2022-2026 CIP is expected in December 2021.

In January 2019, OfReg confirmed its acceptance of CUC's Integrated Resource Plan ("IRP") as an energy roadmap to inform future utility developments. The study recommended a portfolio of 60% renewable energy and natural gas replacing diesel by 2037.

In-line with the recommendations in the IRP, the Company continues to facilitate the connection of renewable energy sources to the grid and to propose renewable energy projects to meet the objectives and targets of the National Energy Policy over the longer term.

In September 2020, the Company submitted a utility scale solar project to OfReg which is permitted under its license and is in keeping with Company and the Cayman Islands renewable energy (RE) goals. During Q3 2021 OfReg confirmed that the project had not been approved.

In October 2021 following a public consultation process, OfReg announced its decision to implement a Renewable Energy Auction Scheme (REAS) as a means of promoting a viable long-term RE market that is of a sufficient scale to interest market participants, and can be easily integrated into a competitive electricity generation market. Using the REAS OfReg will hold a series of auctions which will call on industry to submit bids requesting support to build new renewable energy capacity in Grand Cayman. Successful bidders will enter into long-term power purchase agreements (PPAs) with the off taker for projects demonstrating the greatest value for money for consumers.

It is expected that OfReg will continue to auction off capacity in this manner over the life of the scheme in order to draw a level of investment that will result in the jurisdiction meeting its renewable energy generation targets for 2037. Based on current generation and demand forecasts, this would involve auctioning up to 176 MW of additional capacity over the scheme's lifetime. CUC intends to be an active participant in the REAS.

The Company continues to assess the impact of COVID-19 on its operational and financial performance.

Outstanding Share Data

At October 29, 2021 the Company had issued and outstanding 37,302,875 Ordinary Shares and 250,000 9% cumulative Participating Class B Preference Shares.

Additional information, including CUC's Annual Information Form, is available on SEDAR at *www.sedar.com* and on the Company's website at *www.cuc-cayman.com*.

Condensed Consolidated Interim Balance Sheets
(expressed in thousands of United States Dollars)

Unaudited	Note	As at September 30, 2021	As at December 31, 2020
Assets			
Current Assets			
Cash		**14,557**	45,586
Accounts Receivable (Net of Allowance for Credit Losses and Doubtful Accounts of $1,956 and $2,303)	4	**12,384**	4,137
Related Party Receivables	10	**-**	7
Regulatory Assets	5	**25,058**	18,197
Inventories		**5,149**	3,437
Prepayments		**5,460**	3,755
Total Current Assets		**62,608**	75,119
Property, Plant and Equipment, net		**569,627**	554,491
Intangible Assets, net		**3,895**	3,744
Other Assets		**253**	313
Total Assets		**636,383**	633,667
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts Payable and Accrued Expenses		**31,071**	18,992
Regulatory Liabilities	5	**1,789**	2,625
Current Portion of Long-Term Debt	7	**15,558**	14,130
Current Portion of Lease Liability		**85**	80
Consumers' Deposits and Advances for Construction		**11,663**	11,286
Total Current Liabilities		**60,166**	47,113
Defined Benefit Pension Liability		**2,773**	2,891
Long-Term Debt	7	**277,704**	293,176
Other Long-Term Liabilities		**864**	988
Total Liabilities		**341,507**	344,168
Commitments and Contingency	11/12		
Shareholders' Equity			
Share Capital[1]		**2,470**	2,458
Share Premium		**184,797**	181,671
Retained Earnings		**110,431**	108,292
Accumulated Other Comprehensive Loss		**(2,822)**	(2,922)
Total Shareholders' Equity		**294,876**	289,499
Total Liabilities and Shareholders' Equity		**636,383**	633,667

See accompanying Notes to Condensed Consolidated Interim Financial Statements

[1] Consists of Class A Ordinary Shares of 37,302,875 and 37,095,463 issued and outstanding as at September 30, 2021 and December 31, 2020 and Class B Preference Shares of 250,000 and 250,000 issued and outstanding as at September 30, 2021 and December 31, 2020, respectively.

Condensed Consolidated Interim Statements of Earnings

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

Unaudited	Note	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating Revenues					
Electricity Sales	3	**26,455**	26,250	**73,060**	70,295
Fuel Factor	3	**28,002**	16,264	**65,785**	60,886
Renewables	3	**1,645**	1,407	**4,356**	3,870
Total Operating Revenues		**56,102**	43,921	**143,201**	135,051
Operating Expenses					
Power Generation		**30,815**	18,806	**73,761**	68,324
General and Administration		**2,394**	1,793	**7,036**	5,398
Consumer Services		**887**	1,143	**2,381**	3,082
Transmission and Distribution		**1,212**	837	**3,716**	3,518
Depreciation		**9,386**	9,165	**28,996**	28,367
Maintenance		**1,470**	1,139	**4,276**	4,554
Amortization of Intangible Assets		**254**	203	**765**	609
Total Operating Expenses		**46,418**	33,086	**120,931**	113,852
Operating Income		**9,684**	10,835	**22,270**	21,199
Other (Expenses)/Income					
Finance Charges	8	**(852)**	(1,718)	**(3,907)**	(5,745)
Foreign Exchange Gain	9	**435**	383	**1,144**	973
Other Income		**831**	853	**2,483**	2,256
Total Net Other Income/(Expenses)		**414**	(482)	**(280)**	(2,516)
Net Earnings for the Period		**10,098**	10,353	**21,990**	18,683
Preference Dividends Paid- Class B		**(113)**	(113)	**(339)**	(339)
Earnings on Class A Ordinary Shares		**9,985**	10,240	**21,651**	18,344
Weighted-Average Number of Class A Ordinary Shares Issued and Fully Paid (in thousands)		**37,240**	33,594	**37,263**	33,566
Earnings per Class A Ordinary Share		**0.26**	0.31	**0.58**	0.55
Diluted Earnings per Class A Ordinary Share		**0.26**	0.31	**0.58**	0.55
Dividends Declared per Class A Ordinary Share		**0.175**	0.175	**0.525**	0.525

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Comprehensive Income
(expressed in thousands of United States Dollars)

Unaudited	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net Earnings for the Period	**10,098**	10,353	**21,990**	18,683
Other Comprehensive Income:				
Defined Benefit Pension Plans:				
Amortization of Net Actuarial Loss	**34**	17	**100**	49
Total Other Comprehensive Income	**34**	17	**100**	49
Comprehensive Income	**10,132**	10,370	**22,090**	18,732

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)

Unaudited	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, 2020	**37,095**	**2,208**	**250**	**181,671**	**(2,922)**	**108,292**	**289,499**
Net earnings	**-**	**-**	**-**	**-**	**-**	**21,990**	**21,990**
Common share issuance and stock options plans	**208**	**12**	**-**	**3,126**	**-**	**-**	**3,138**
Defined benefit plans	**-**	**-**	**-**	**-**	**100**	**-**	**100**
Dividends on common shares	**-**	**-**	**-**	**-**	**-**	**(19,512)**	**(19,512)**
Dividends on preference shares	**-**	**-**	**-**	**-**	**-**	**(339)**	**(339)**
As at September 30, 2021	**37,303**	**2,220**	**250**	**184,797**	**(2,822)**	**110,431**	**294,876**
As at December 31, 2019	33,476	1,993	250	130,283	(1,865)	107,281	237,942
Net earnings	-	-	-	-	-	18,683	18,683
Common share issuance and stock options plans	194	11	-	3,062	-	-	3,073
Defined benefit plans	-	-	-	-	49	-	49
Dividends on common shares	-	-	-	-	-	(17,604)	(17,604)
Dividends on preference shares	-	-	-	-	-	(339)	(339)
As at September 30, 2020	33,670	2,004	250	133,345	(1,816)	108,021	241,804

See accompanying Notes to Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Cash Flows

(expressed in thousands of United States Dollars)

Unaudited	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating Activities				
Net Earnings for the period	**10,098**	10,353	**21,990**	18,683
Items not affecting cash:				
Depreciation	**9,386**	9,165	**28,996**	28,367
Amortization of Intangible Assets	**254**	203	**765**	609
Amortization of Deferred Financing Costs	**29**	33	**86**	100
	19,767	19,754	**51,837**	47,759
Net Changes in Working Capital Balances Related to Operations	**(967)**	5,162	**2,876**	515
Net Change in Regulatory Deferrals	**(1,262)**	(3,477)	**(7,697)**	1,455
Cash flow related to operating activities	**17,538**	21,439	**47,016**	49,729
Investing Activities				
Purchase of Property, Plant and Equipment	**(16,235)**	(12,497)	**(45,894)**	(42,300)
Purchase of Intangible Assets	**(305)**	(239)	**(916)**	(680)
Proceeds on Disposed Assets	**-**	-	**48**	827
Contributions in Aid of Construction	**-**	231	**78**	231
Cash flow related to investing activities	**(16,540)**	(12,505)	**(46,684)**	(41,922)
Financing Activities				
Proceeds from Short-Term Debt	**-**	-	**-**	25,000
Repayment of Long-Term Debt	**-**	-	**(14,130)**	(11,857)
Dividends Paid	**(6,003)**	(5,991)	**(18,542)**	(18,462)
Net Proceeds from Share Issuance	**457**	1,353	**1,311**	3,073
Cash flow related to financing activities	**(5,546)**	(4,638)	**(31,361)**	(2,246)
(Decrease)/increase in net cash	**(4,548)**	4,296	**(31,029)**	5,561
Cash - Beginning of the period	**19,105**	24,927	**45,586**	23,662
Cash - End of the period	**14,557**	29,223	**14,557**	29,223
Supplemental disclosure of cash flow information:				
Interest paid during the period	**799**	835	**7,574**	8,233

See accompanying Notes to Condensed Consolidated Interim Financial Statements

1. Nature of Operations and Condensed Consolidated Financial Statement Presentation

These condensed consolidated interim financial statements include the regulated operations and the wholly owned subsidiary DataLink and reflect the decisions of the Utility Regulation and Competition Office ("OfReg"). These decisions affect the timing of the recognition of certain transactions resulting in the recognition of regulatory assets and liabilities, which Caribbean Utilities Company, Ltd., ("CUC" or 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 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 (collectively the "Licences") with the Cayman Islands Government (the "Government"), which expire in April 2028 and November 2039 respectively.

The Company is regulated by OfReg, 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 Office Law (2016).

CUC's wholly-owned subsidiary, DataLink was granted a licence in 2012 from the ICTA (now regulated by the OfReg) permitting DataLink to provide fibre optic infrastructure and other information and communication technology ("ICT") services to the ICT industry. DataLink is subject to regulation by OfReg in accordance with the terms and conditions of its Licence which currently extends to March 27, 2027.

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").

In April 2020, the Company submitted its annual rate adjustment to OfReg for review and approval. The required rate increase as confirmed by OfReg, was 6.6%, with an effective date of June 1, 2020. This required increase was a result of the 2019 RORB and the increase in the applicable United States ("US") and Cayman Islands consumer price indices, adjusted to exclude food and fuel, for calendar year 2019. The change in the base rates as a percentage of the US and Cayman Islands consumer price indices was 100% based on the range of the RORB values. The required rate adjustment of 6.6% can be calculated by applying 100% to the total price level index (60% of the Cayman Islands CPI and 40% of the US CPI) of 6.6%.

As part of its COVID-19 Customer Relief Programme, the Company proposed to OfReg to defer the required June 1, 2020 rate increase until January 1, 2021. In August 2020, OfReg approved the Company's proposal. For the period from June 1, 2020 to December 31, 2020, the Company recorded the difference between billed revenues and revenues that would have been billed from the required rate increase as a Regulatory Asset amount due from customers. The amount recorded as a Regulatory Asset for the year ended December 31, 2020 was $3.5 million. The amount recorded will be recovered within two years from the effective date of the increase on January 1, 2021. During the first nine months of 2021, $1.3 million was recovered from customers for the base rate increase deferral.

The Company was also granted approval by OfReg to recover various COVID-19 related expenses, including potential credit losses resulting from suspension of disconnections during the pandemic. A total of $0.7 million was recorded as a regulatory asset and will be recovered through future rates from the effective date of January 1, 2021. During the first nine months of 2021, $0.2 million was recovered from customers for COVID-19 related expenses.

In April 2021, the Company submitted its annual rate adjustment to OfReg for review and approval. In July 2021, OfReg confirmed its agreement with the Company's submission that there would be no rate adjustment for 2021, thus the rates for the prior year remain effective for the current year. This was a result of the decrease in the applicable United States ("US") and Cayman Islands consumer price indices, adjusted to exclude food and fuel, for calendar year 2020.

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

For regulatory purposes fixed assets comprise the completed Property, Plant and Equipment ("PP&E") and intangible assets acquired or constructed by the Company as reported in the Company's condensed consolidated interim financial statements. The original book value of these fixed assets includes an Allowance for Funds Used During Construction ("AFUDC") and an allowance for General Expenses Capitalised ("GEC"). GEC is calculated as a percentage of up to 10% of Non-Fuel Operating Expenses, varying annually depending on the level of capital activity.

Seasonality

Interim results will fluctuate due to the seasonal nature of electricity consumption. In Grand Cayman, demand is highest in the summer months due to the air-conditioning load. Consequently, interim results are not necessarily indicative of annual results.

Taxation

Under current laws of the Cayman Islands, there are no income, estate, corporate, capital gains or other taxes payable by the Company.

The Company is levied custom duties of $0.30 per Imperial Gallon ("IG") of diesel fuel it imports. In addition, the Company pays customs duties of 15% on all other imports.

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, 2020.

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, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Electricity Sales Revenues				
Residential	**14,568**	14,591	**39,098**	38,423
Commercial	**11,685**	11,432	**33,357**	31,212
Other (street lighting etc.)	**202**	227	**605**	660
Total Electricity Sales Revenues	**26,455**	26,250	**73,060**	70,295
Fuel Factor	**28,002**	16,264	**65,785**	60,886
Renewables	**1,645**	1,407	**4,356**	3,870
Total Operating Revenues	**56,102**	43,921	**143,201**	135,051

Electricity Sales revenue

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 OfReg 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") programme and BMR Energy Limited ("BMR Energy"), which are passed through to consumers on a two-month lag basis with no mark-up.

4. Accounts Receivable, net

Accounts Receivable ($ thousands)	As at September 30, 2021	As at December 31, 2020
Billings to Consumers	**13,854**	5,916
Other Receivables	**486**	524
Allowance for Credit Losses	**(1,956)**	(2,303)
Total Accounts Receivable, net	**12,384**	4,137

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, 2020 to September 30, 2021 is listed in the following table.

Allowance for Credit Losses ($ thousands)	Nine Months Ended September 30, 2021
Beginning of Period	(2,303)
Credit Loss Expensed	(89)
Write-offs	436
End of Period	(1,956)

5. Regulatory Assets and Liabilities

Regulatory Assets and Liabilities ($ thousands) Asset/Liability	Description	As at September 30, 2021	As at December 31, 2020
Regulatory Assets	Fuel Tracker Account	**21,878**	13,892
Regulatory Assets	Derivatives Contract	**441**	27
Regulatory Assets	Miscellaneous Regulatory Assets	**117**	137
Regulatory Assets	Deferred Revenues	**2,205**	3,482
Regulatory Assets	Deferred COVID-19 Costs	**417**	659
Total Regulatory Assets		**25,058**	18,197
Regulatory Liabilities	Government & Regulatory Tracker Account	(1,236)	(2,541)
Regulatory Liabilities	Demand Rate Recoveries	(553)	(84)
Total Regulatory Liabilities		**(1,789)**	**(2,625)**

6. Share Based Compensation Plans

Share Options:

The shareholders of the Company approved an Executive Stock Option Plan ("ESOP') on October 24, 1991, under which certain employees and officers may be granted options to purchase Class A Ordinary Shares of the Company.

The exercise price per share in respect of options is equal to the fair market value of the Class A Ordinary Shares on the date of grant. Each option is for a term not exceeding ten years, and will become exercisable on a cumulative basis at the end of each year following the date of grant. The maximum number of Class A Ordinary Shares under option shall be fixed and approved by the shareholders of the Company from time to time and is currently set at 1,220,100. Options are forfeited if they are not exercised prior to their respective expiry date or upon termination of employment prior to the completion of the vesting period.

Share Options	Nine Months Ended September 30, 2021 Number of Options	Nine Months Ended September 30, 2021 Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value ($ thousands)
Outstanding at Beginning of Period	1,000	9.66	-	-
Granted	-	-	-	-
Exercised	(1,000)	9.66	-	-
Forfeited/Cancelled	-	-	-	-
Expired	-	-	-	-
Outstanding, End of Period	-	-	-	-
Vested, End of the Period	**-**	**-**	**-**	**-**

Under the fair value method, the compensation expense was $nil for Q3 2021 (September 30, 2020: $ nil).

Performance Share Unit ("PSU") Plan:

In September 2013, the Board of Directors approved a PSU plan under which officers and certain employees of the Company 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 S&P/TSX Utilities Index.

PSU's outstanding as at September 30, 2021 relate to grants in 2019 in the amount of 33,731, 2020 in the amount of 25,152 and 2021 in the amount of 34,178. 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.

PSU Compensation expense was $0.09 million for the three month period ended September 30, 2021 (the three month period ended September 30, 2020: Nil), resulting in a corresponding increase to Other Long-Term Liabilities.

PSU Compensation expense was $0.3 million for nine months ended September 30, 2021 (2020: $0.1 million), resulting in a corresponding increase to Other Long-Term Liabilities.

7. Fair Value Measurement

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.

The three levels of the fair value hierarchy are defined as follows:

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 at September 30, 2021. The estimated fair values of the Company's financial instruments are as follows:

Financial Instruments					
	As at September 30, 2021		As at December 31, 2020		
($ thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value	
Long-Term Debt, including Current Portion	**293,262**	**301,676**	307,306	320,224	
Fuel Option Contracts	**441**	**441**	27	27	-

The Company's long term debt and fuel derivative contracts, based on the three levels that distinguish the level of pricing observability utilized in measuring fair value, have been classified as Level 2. There were no transfers between levels for the period ended September 30, 2021.

8. Finance Charges

The composition of finance charges were as follows:

Finance Charges				
($ thousands)	**Three Months Ended September 30, 2021**	Three Months Ended September 30, 2020	**Nine Months Ended September 30, 2021**	Nine Months Ended September 30, 2020
Interest costs - long-term debt	**3,161**	3,425	**9,841**	10,590
Other interest costs	**31**	163	**104**	308
AFUDC	**(2,340)**	(1,870)	**(6,038)**	(5,153)
Finance Charges	**852**	1,718	**3,907**	5,745

9. Foreign Exchange

The closing rate of exchange on September 30, 2021 as reported by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was Cdn $1.2741 per US$1.00 (December 31, 2020: Cdn $1.3628). The official exchange rate for the conversion of Cayman Islands dollars into U.S. 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, 2021 for conversion of Cayman Islands dollars into Canadian dollars was Cdn $1.5289 per CI$1.00 (December 31, 2020: Cdn $1.6354).

10. Transactions with Related Parties

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The related-party transactions for 2021 and 2020 are summarised in the following table.

Related Party Transactions		
($ thousands)	**As at September 30, 2021**	**As at December 31, 2020**
Receivables from Fortis TCI (a subsidiary of Fortis Inc.)	-	7

Related party receivables and payables include but are not limited to travel expenses, hurricane preparedness, membership fees and insurance premiums.

11. Commitments

As at September 30, 2021, the Company's consolidated commitments in each of the next five years and for periods thereafter are as follows:

Commitments					
($ thousands)	Total	2021	2022-2023	2024-2025	2025 Onward
Letter of Guarantee	1,000	1,000	-	-	-
Lease Liability	266	22	194	50	-
Commitments	**1,266**	**1,022**	**194**	**50**	**-**

12. Contingency

On July 11, 2017, OfReg issued ICT 2017-1 Determination Pole Attachment Reservation Fees. The OfReg's decision was that DataLink's charge of reservation fees in the manner provided for in the current contracts was, in its view, contrary to the Information and Communication Technology Authority Law (2011 Revision).

As a result of a legal review and assessment of the Directives contained in ICT 2017 - 1, DataLink sought a stay of the decision and permission to apply for Judicial Review from the Cayman Islands Grand Court. Both the stay and permission to apply for Judicial Review were granted on August 11, 2017. A Grand Court hearing was held over five days beginning on June 4, 2018. On July 24, 2019, a final judgement was delivered stating that the decision of the regulator issued in ICT 1-2017 was ultra vires. In the Third Quarter of 2019, DataLink reversed a liability in the amount of $1.1 million.

In December 2019, OfReg issued a new Consultation (ICT 2019 – 2) on the subject of Reservation Fees, including the draft determination from the ICT 2017 - 1, to interested parties and ICT licencees. DataLink submitted a response to the Consultation papers on February 28, 2020.

Shareholder Information

Shareholder Plans

CUC offers its Shareholders a Dividend Reinvestment Plan. Please contact one of CUC's Registrar and Transfer Agents or write to CUC's Company Secretary if you would like to receive information about the plan or obtain an enrolment form.

CUC also has a Customer Share Purchase Plan for customers residing in Grand Cayman. Please contact our Customer Service Department at (345) 949-5200 if you are interested in receiving details.

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.

Our Registrar and Transfer Agents are as follows:

AST Trust Company (Canada)
P.O. Box 4229
Station A
Toronto, ON
M5W 0G1
North America toll free – 1-800-387-0825
Direct – 416-682-3860
Fax – 1-888-249-6189
E-mail: *inquiries@astfinancial.com*

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

If you require further information or have any questions regarding CUC's Class A Ordinary Shares (listed in U.S. funds on the Toronto Stock Exchange), please contact:

Caribbean Utilities Company, Ltd.
Company Secretary
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