


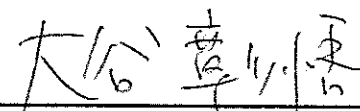
**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020**  
{Unaudited results in US\$ thousand}

	Dec-20	{Audited} Dec-19
	<u>\$'000</u>	<u>\$'000</u>
<b>Non-current assets</b>		
Property, plant and equipment	826,403	806,685
Right-of-use assets	121,232	131,789
Investment in equity-accounted investee	73,305	68,127
Employee benefits asset	<u>57,364</u>	<u>60,482</u>
	<u>1,078,304</u>	<u>1,067,083</u>
<b>Current assets</b>		
Cash and cash equivalents	55,700	37,037
Restricted cash	48,512	44,627
Accounts receivable	201,804	152,193
Due from related parties	1,403	8,099
Inventories	42,672	41,845
Corporation tax recoverable	<u>-</u>	<u>3,883</u>
	<u>350,091</u>	<u>287,684</u>
<b>Total assets</b>	<u>1,428,395</u>	<u>1,354,767</u>
<b>Shareholders' equity</b>		
Share capital	261,786	261,786
Capital reserve	19,288	4,760
Capital redemption reserve	3,000	3,000
Retained earnings	<u>234,569</u>	<u>214,133</u>
	<u>518,643</u>	<u>483,679</u>
<b>Current liabilities</b>		
Bank overdraft	-	2,021
Accounts payable and provisions	188,580	147,875
Corporation tax payable	440	-
Due to related parties	2,291	13,180
Lease liabilities	14,381	11,398
Short-term loans	-	14,000
Current portion of long-term loans	<u>47,469</u>	<u>53,470</u>
	<u>253,161</u>	<u>241,944</u>
<b>Non-current liabilities</b>		
Customers' deposits	29,163	31,638
Long-term loans	408,265	386,052
Lease liabilities	115,607	125,228
Preference shares	24,688	24,688
Deferred taxation	44,483	43,494
Decommissioning provision	27,010	10,041
Employee benefits obligation	<u>7,375</u>	<u>8,003</u>
	<u>656,591</u>	<u>629,144</u>
<b>Total liabilities</b>	<u>909,752</u>	<u>871,088</u>
<b>Total shareholders' equity and liabilities</b>	<u>1,428,395</u>	<u>1,354,767</u>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Bok Hoa Jeong                      Chairman

  
\_\_\_\_\_  
Shogo Otani                      Director

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED DECEMBER 31, 2020**

{Unaudited results in US\$ thousand}

	Quarter ended,		Year ended,	
	Dec-20	Dec-19	Dec-20	Dec-19
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Operating revenue	234,361	206,232	883,371	881,153
Cost of sales	<u>(153,215)</u>	<u>(115,892)</u>	<u>(563,161)</u>	<u>(574,948)</u>
Gross profit	81,146	90,340	320,210	306,205
Operating expenses	<u>(60,799)</u>	<u>(65,338)</u>	<u>(232,047)</u>	<u>(222,591)</u>
Operating profit	20,347	25,002	88,163	83,614
Finance income	1,737	1,785	6,997	8,137
Finance expense	<u>(16,500)</u>	<u>(22,395)</u>	<u>(54,436)</u>	<u>(63,710)</u>
Net Finance costs	(14,763)	(20,610)	(47,439)	(55,573)
Other income	913	1,618	1,850	2,691
Other expenses	<u>(2,572)</u>	<u>(3,316)</u>	<u>(5,900)</u>	<u>(4,034)</u>
	3,925	2,694	36,674	26,698
Share of profit in equity-accounted investee	<u>2,219</u>	<u>23,138</u>	<u>5,173</u>	<u>22,898</u>
Profit before taxation	6,144	25,832	41,847	49,596
Taxation	<u>(131)</u>	<u>3,993</u>	<u>(11,411)</u>	<u>(3,555)</u>
Net Profit	<u>6,013</u>	<u>29,825</u>	<u>30,436</u>	<u>46,041</u>

Earnings per share/stock unit:				
Number of share/stock units (in thousands)	<u>21,828,195</u>	<u>21,828,195</u>	<u>21,828,195</u>	<u>21,828,195</u>
Net profit per share/stock unit (annualised)	<u>0.11¢</u>	<u>0.55¢</u>	<u>0.14¢</u>	<u>0.21¢</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE  
YEAR ENDED DECEMBER 31, 2020**

{Unaudited results in US\$ thousand}

	<b>Dec-20</b>	<b>Dec-19</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	30,436	46,041
Adjustments for non-cash items:		
Depreciation and amortisation	91,498	93,711
Loss/(gain) on disposal of property, plant and equipment	131	25
Unrealised foreign exchange (gains)/losses	( 8,863)	3,890
Amortisation of debt issuance costs	1,527	4,043
Interest income	( 5,329)	( 5,638)
Interest capitalised	( 1,668)	( 2,499)
Interest expense	45,574	50,967
Income tax expense	10,422	6,392
Deferred tax expense	989	( 2,837)
Share of profit in equity-accounted investee	( 5,173)	(22,898)
Employee benefit obligations, net	<u>2,490</u>	<u>( 3,699)</u>
	162,034	167,498
Increase/(decrease) in working capital:		
Restricted cash	( 3,885)	( 3,302)
Accounts receivable	(43,169)	30,656
Inventories	1,022	( 1,773)
Payables and provisions	47,513	(36,941)
Taxation	( 6,099)	(11,218)
Due (to)/from related companies, net	( 3,517)	3,660
Customer deposits and advances	<u>( 2,475)</u>	<u>2,188</u>
<b>Cash provided by operating activities</b>	<b><u>151,424</u></b>	<b><u>150,768</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of share in equity-accounted investee	( 4)	( 9,174)
Purchase of property, plant & equipment	(80,773)	(106,119)
Interest received	<u>6,637</u>	<u>5,538</u>
<b>Cash used in investing activities</b>	<b><u>(74,140)</u></b>	<b><u>(109,755)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-term loans received/(repaid), net	(14,000)	( 6,000)
Long-term loans received/(repaid), net	23,546	51,889
Payment of lease liabilities	(12,309)	(10,453)
Interest paid	<u>(53,837)</u>	<u>(68,700)</u>
<b>Cash used in financing activities</b>	<b><u>(56,600)</u></b>	<b><u>(33,264)</u></b>
Increase in cash & cash equivalents	20,684	7,749
Cash and cash equivalents at beginning of period	<u>35,016</u>	<u>27,267</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>55,700</u></b>	<b><u>35,016</u></b>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020**

{Unaudited results in US\$ thousand}

	<u>Share Capital</u> <u>US\$'000</u>	<u>Capital Reserve</u> <u>US\$'000</u>	<u>Capital Redemption Reserve</u> <u>US\$'000</u>	<u>Retained Earnings</u> <u>US\$'000</u>	<u>TOTAL</u> <u>US\$'000</u>
Balance as at December 31, 2018	261,786	4,760	3,000	170,767	440,313
Profit for the period	-	-	-	46,041	46,041
Other comprehensive income:					
Re-measurement loss on defined benefit plan, net of tax	-	-	-	7,325	7,325
Dividends	-	-	-	(10,000)	(10,000)
Balance as at December 31, 2019	261,786	4,760	3,000	214,133	483,679
Profit for the period	-	-	-	30,436	30,436
Other comprehensive income:					
Revaluation gain	-	14,528	-	-	14,528
Dividends	-	-	-	(10,000)	(10,000)
Balance as at December 31, 2020	261,786	19,288	3,000	234,569	518,643

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) DECEMBER 31, 2020**

1. Corporate structure and nature of business

Jamaica Public Service Company Limited (“the Company”) is incorporated and domiciled in Jamaica as a limited liability company and is owned by MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL each holding 40% interest in the Company’s shares, with the Government of Jamaica (GOJ) holding 19.9% and private individuals 0.1%. MaruEnergy JPSCO 1 SRL, is incorporated in Barbados and is ultimately owned by Marubeni Corporation which is incorporated in Japan. EWP (Barbados) 1 SRL is incorporated in Barbados and is ultimately owned by the Korea Electric Power Corporation which is incorporated in South Korea.

The Government of Jamaica’s ownership in the Company is held collectively through the Accountant General’s Department and the Development Bank of Jamaica Limited. In accordance with a Shareholder’s Agreement, the majority shareholders have the right to appoint six members of the Board of Directors while the GOJ has the right to appoint three. Additionally, certain significant decisions of the Board of Directors require a unanimous vote of the appointed directors.

The Company and its subsidiaries, South Jamaica Energy Holdings Limited and Caribbean Blue Skies Energy Limited, are collectively referred to as the Group. The principal activities of the Group are generating, transmitting, distributing and supplying electricity in accordance with the terms of the amended All-Island Electric Licence, 2016, (the Licence) granted on January 27, 2016, by the Minister of Science, Technology, Energy and Mining.

The registered office of the Group is situated at 6 Knutsford Boulevard, Kingston 5, Jamaica, W. I., and its preference shares are listed on the Jamaica Stock Exchange.

2. Regulatory arrangements and tariff structure

The Licence authorises the Group to supply electricity for public and private purposes within the Island of Jamaica, subject to regulation by the Office of Utilities Regulation (OUR) established pursuant to the Office of Utility Regulation Act, 1995, and as subsequently amended, with power and authority to require observance and performance by the company of its obligations under the Licence, and to regulate the rates charged by the company.

Under the provisions of the Licence, the Group is granted the exclusive right to transmit, distribute and supply electricity throughout the Island of Jamaica for a period of twenty years and to develop new generation capacity within the first three years from the effective date of the Licence. Since the expiration of this initial three-year period, the Group has the right, together with other persons, to compete for the right to develop new generation capacity.

Schedule 3 of the Licence defines the rates for electricity and the mechanism for rate adjustments.

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) DECEMBER 31, 2020**

2. Regulatory arrangements and tariff structure (cont'd)

Under the Licence, the rates for electricity consist of a Non-Fuel Base Rate, which is adjusted annually using the Performance Based Rate-making Mechanism; and a Fuel Rate, which is adjusted monthly to reflect fluctuations in actual fuel costs, net of adjustments for prescribed efficiency targets. Both rates (fuel and non-fuel) are adjusted monthly to account for movements in the monetary exchange rate between the United States (US) dollar and the Jamaica dollar.

These rates are determined in accordance with the tariff regime, which provides that the OUR annually reviews the company's efficiency levels (system losses and heat rate) and, where appropriate, adjusts these in the tariff. Under the rate schedule the Group should recover its actual fuel costs, net of the prescribed efficiency adjustments, through its Fuel Rate.

As of March 1, 2004, and thereafter, on each succeeding fifth anniversary, the Group must submit a filing to the OUR for further rate adjustments to its Non-Fuel Base Rate. The rate filing, which requires OUR approval, is based on a test year and includes defined "efficient" non-fuel operating costs, depreciation expenses, taxes, and a fair return on investment.

Embedded in the OUR approved tariff is an amount to be set aside monthly in case of a major catastrophe affecting the Group's operations (transfer to self-insurance sinking fund).

3. Statement of compliance and basis of preparation

(a) Basis of preparation

The unaudited interim financial statements are prepared in accordance with IAS 34 "Interim Financial Statements".

These financial statements have been prepared using the same accounting policies and methods of computation applied in preparing the financial statements for the year ended December 31, 2019 which was prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The interim statements are presented in United States dollars, which is the currency in which the Group conducts the majority of its business (its functional currency); and are prepared under the historical cost basis, modified for the inclusion of land carried at valuation.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) DECEMBER 31, 2020**

4. Cash and cash equivalents

As at December 31, 2020, cash and cash equivalents include amounts restricted for use amounting to approximately \$48.5 million (Dec-19: \$44.6 million). This includes approximately \$47.5 million (Dec-19: \$43.6 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended		Year ended	
	Dec-20	Dec-19	Dec-20	Dec-19
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bad debt	( 3,421)	205	(13,712)	( 5,507)
Depreciation and amortisation	(25,306)	(36,918)	(91,498)	(93,712)
Staff costs	(17,663)	(13,629)	(65,756)	(64,237)
Other	<u>(14,409)</u>	<u>(14,996)</u>	<u>(61,081)</u>	<u>(59,135)</u>
	<u>(60,799)</u>	<u>(65,338)</u>	<u>(232,047)</u>	<u>(222,591)</u>

6. Net finance costs

	Quarter ended		Year ended	
	Dec-20	Dec-19	Dec-20	Dec-19
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange loss	( 4,755)	( 2,008)	( 7,335)	( 8,700)
Other finance costs	(11,157)	(19,798)	(44,761)	(52,676)
Preference dividends	(588)	(589)	(2,340)	(2,334)
Finance income	<u>1,737</u>	<u>1,785</u>	<u>6,997</u>	<u>8,137</u>
	<u>(14,763)</u>	<u>(20,610)</u>	<u>(47,439)</u>	<u>(55,573)</u>

Foreign exchange losses, as shown above, are the result of fluctuations in exchange rates primarily on the settlement of J\$ accounts receivables and borrowings that are denominated in currencies other than the US Dollar. The relevant period end exchange rates (J\$: US\$) are shown below:

March 31, 2019	<u>126.47</u>	March 31, 2020	<u>135.39</u>
June 30, 2019	<u>131.07</u>	June 30, 2020	<u>140.01</u>
September 30, 2019	<u>135.16</u>	September 30, 2020	<u>142.10</u>
December 31, 2019	<u>132.57</u>	December 31, 2020	<u>132.57</u>

7. Compliance with debt covenants

Under the terms of the long term loan agreements with certain international development financial institutions, the Group is required to maintain a certain financial covenant relating to minimum Debt to Earnings before Interest, Tax, Depreciation and Amortisation. The Group was fully compliant with all its loan covenant obligations as at December 31, 2020.