


JAMAICA PUBLIC SERVICE COMPANY LIMITED


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021
 {Unaudited results in US\$ thousand}

	Mar-21	Mar-20	{Audited} Dec-20
	S'000	S'000	S'000
ASSETS			
Non-current assets			
Property, plant and equipment	818,489	805,469	826,958
Right-of-use assets	540,963	580,295	550,958
Investment in equity-accounted investee	79,270	69,827	76,292
Employee benefits asset	<u>50,467</u>	<u>59,530</u>	<u>51,514</u>
	<u>1,489,189</u>	<u>1,515,121</u>	<u>1,505,722</u>
Current assets			
Cash and cash equivalents	47,746	50,454	54,350
Restricted cash	49,258	45,305	48,512
Accounts receivable	139,334	145,125	150,441
Due from related parties	1,386	2,201	1,503
Inventories	32,528	46,303	39,289
Corporation tax recoverable	<u>4,030</u>	<u>1,431</u>	<u>-</u>
	<u>274,282</u>	<u>290,819</u>	<u>294,095</u>
Total assets	<u>1,763,471</u>	<u>1,805,940</u>	<u>1,799,817</u>
Shareholders' equity			
Share capital	261,786	261,786	261,786
Capital reserve	19,288	4,760	19,288
Capital redemption reserve	3,000	3,000	3,000
Retained earnings	<u>228,302</u>	<u>218,201</u>	<u>222,703</u>
	<u>512,376</u>	<u>487,747</u>	<u>506,777</u>
Current liabilities			
Accounts payable and provisions	103,510	142,746	112,295
Corporation tax payable	-	-	5,168
Due to related parties	21,627	1,123	28,115
Lease liabilities	26,654	11,661	26,478
Current portion of long-term loans	<u>54,345</u>	<u>58,924</u>	<u>47,469</u>
	<u>206,136</u>	<u>214,454</u>	<u>219,525</u>
Non-current liabilities			
Customers' deposits	28,923	31,244	29,163
Long-term loans	386,645	408,383	408,265
Lease liabilities	537,926	574,536	544,595
Preference shares	24,688	24,688	24,688
Deferred taxation	32,419	47,358	32,419
Decommissioning provision	27,203	10,147	27,010
Employee benefits obligation	<u>7,155</u>	<u>7,383</u>	<u>7,375</u>
	<u>1,044,959</u>	<u>1,103,739</u>	<u>1,073,515</u>
Total liabilities	<u>1,251,095</u>	<u>1,318,193</u>	<u>1,293,040</u>
Total shareholders' equity and liabilities	<u>1,763,471</u>	<u>1,805,940</u>	<u>1,799,817</u>

ON BEHALF OF THE BOARD



 Minna Israel Director



 Shogo Otani Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED MARCH 31, 2021**

{Unaudited results in US\$ thousand}

	Quarter ended,		{Audited}
	Mar-21 US\$'000	Mar-20 US\$'000	Year ended, Dec-20 US\$'000
Operating revenue	224,012	216,778	888,706
Cost of sales	<u>(135,896)</u>	<u>(137,069)</u>	<u>(525,088)</u>
Gross profit	88,116	79,709	363,618
Operating expenses	(60,713)	(53,736)	(233,775)
Impairment loss on trade receivables	<u>(2,634)</u>	<u>(2,556)</u>	<u>(17,986)</u>
Operating profit	24,769	23,417	111,857
Finance income	1,608	1,583	6,997
Finance expense	<u>(20,866)</u>	<u>(12,750)</u>	<u>(87,308)</u>
Net Finance costs	(19,258)	(11,167)	(80,311)
Other income	66	78	4,740
Other expenses	<u>(1,705)</u>	<u>(2,868)</u>	<u>(8,790)</u>
	3,872	9,460	27,496
Share of profit in equity-accounted investee	<u>2,977</u>	<u>1,699</u>	<u>8,161</u>
Profit before taxation	6,849	11,159	35,657
Taxation	<u>(1,250)</u>	<u>(3,227)</u>	<u>(4,544)</u>
Net Profit	<u>5,599</u>	<u>7,932</u>	<u>31,113</u>
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Gain on revaluation of property, plant and equipment	-	-	14,528
Remeasurement gain on defined benefit plan, net of tax	<u>-</u>	<u>-</u>	<u>(8,679)</u>
Other comprehensive gain, net of tax	<u>-</u>	<u>-</u>	<u>5,849</u>
Total comprehensive income attributable to shareholders	<u>5,599</u>	<u>7,932</u>	<u>36,962</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>
Net profit per share/stock unit (annualised)	<u>0.10¢</u>	<u>0.15¢</u>	<u>0.14¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED MARCH 31, 2021**

{Unaudited results in US\$ thousand}

	Mar-21	Mar-20
	US\$'000	US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	5,599	7,932
Adjustments for non-cash items:		
Depreciation and amortisation	30,454	22,186
Unrealised foreign exchange gains	(3,788)	(2,006)
Amortisation of debt issuance costs	294	445
Interest income	(1,369)	(1,251)
Interest capitalised	(239)	(332)
Interest expense	18,053	11,253
Income tax expense	1,250	3,227
Share of profit in equity-accounted investee	(2,977)	(1,699)
Employee benefit obligations, net	<u>826</u>	<u>332</u>
	48,103	40,087
Increase/(decrease) in working capital:		
Restricted cash	(746)	(678)
Accounts receivable	11,137	14,965
Inventories	6,761	(4,459)
Payables and provisions	1,345	(9,178)
Taxation	(10,447)	(775)
Due to/from related companies, net	(6,371)	(5,483)
Customer deposits and advances	<u>(240)</u>	<u>(394)</u>
Cash provided by operating activities	<u>49,542</u>	<u>34,085</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(11,751)	(16,815)
Interest received	<u>1,339</u>	<u>1,104</u>
Cash used in investing activities	<u>(10,412)</u>	<u>(15,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans received/(repaid), net	-	(14,000)
Long-term loans received/(repaid), net	(11,250)	29,344
Payment of lease liabilities	(6,493)	(2,758)
Interest paid	<u>(27,991)</u>	<u>(15,522)</u>
Cash used in financing activities	<u>(45,734)</u>	<u>(2,936)</u>
(Decrease)/Increase in cash & cash equivalents	<u>(6,604)</u>	<u>15,438</u>
Cash and cash equivalents at beginning of period	<u>54,350</u>	<u>35,016</u>
Cash and cash equivalents at end of period	<u>47,746</u>	<u>50,454</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2021**

{Unaudited results in US\$ thousand}

	<u>Share Capital</u> US\$'000	<u>Capital Reserve</u> US\$'000	<u>Capital Redemption Reserve</u> US\$'000	<u>Retained Earnings</u> US\$'000	<u>TOTAL</u> US\$'000
Balance as at December 31, 2019	261,786	4,760	3,000	210,269	479,815
Profit for the period	-	-	-	7,932	7,932
Balance as at March 31, 2020	<u>261,786</u>	<u>4,760</u>	<u>3,000</u>	<u>218,201</u>	<u>487,747</u>
Balance as at December 31, 2020	261,786	19,288	3,000	222,703	506,777
Profit for the period	-	-	-	5,599	5,599
Balance as at March 31, 2021	<u>261,786</u>	<u>19,288</u>	<u>3,000</u>	<u>228,302</u>	<u>512,376</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) MARCH 31, 2021

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 I 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) MARCH 31, 2021

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, 2020 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, 2020.

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) MARCH 31, 2021

4. Cash and cash equivalents

As at March 31, 2021, cash and cash equivalents include amounts restricted for use amounting to approximately \$49.2 million (Mar-20: \$45.3 million). This includes approximately \$48.2 million (Mar-20: \$44.3 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended,	
	Mar-21	Mar-20
	<u>US\$'000</u>	<u>US\$'000</u>
Bad debt	(2,634)	(2,556)
Depreciation and amortisation	(30,454)	(22,186)
Staff costs	(16,025)	(16,806)
Other	<u>(14,234)</u>	<u>(14,744)</u>
	<u>(63,347)</u>	<u>(56,292)</u>

6. Net finance costs

	Quarter ended,	
	Mar-21	Mar-20
	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange loss	(2,519)	(1,052)
Other finance costs	(17,771)	(11,116)
Preference dividends	(576)	(582)
Finance income	<u>1,608</u>	<u>1,583</u>
	<u>(19,258)</u>	<u>(11,167)</u>