



**Wigton Windfarm Limited
Unaudited Financial Statements
For Quarter Ended 30 June 2021**

Wigton Windfarm Limited
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Quarter Ended 30 June 2021

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Wigton Windfarm Limited
Interim Report to Shareholders
Quarter Ended 30 June 2021

The Directors of Wigton Windfarm Limited ("Wigton" or "the Company") hereby present the unaudited financial results for the first quarter ended 30 June 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

FIRST QUARTER FINANCIAL HIGHLIGHTS

| Description | Quarter 1 - April to June 2021 | Quarter 1 - April to June 2020 | Change |
|----------------------|--------------------------------|--------------------------------|--------|
| | kWh | kWh | (%) |
| Production | 42,974,274 | 46,508,754 | (7.6) |
| Availability | 89% | 97% | (8.2) |
| | \$ | \$ | |
| Total Revenue | 669,586,402 | 819,670,284 | (18.3) |
| Total Expenses | 490,321,374 | 423,993,480 | (15.6) |
| Net Profit After Tax | 136,241,421 | 300,714,371 | (54.7) |
| Gross Profit Margin | 66.5% | 72.3% | (8.0) |
| Earnings Per Share | 0.012 | 0.027 | (55.6) |

FIRST QUARTER FINANCIAL PERFORMANCE

Net Profit

For the quarter ended 30 June 2021, Wigton ended the period with a 54.7% decrease in Net Profit. This decrease was as a result of a lower level of production due mainly to the lower wind regime during the period under review and equipment availability. There was an increase in expenses as a result of major maintenance activities carried out during the period to ensure maximum availability of the production capacity.

There was a provision for taxation of \$43 million during the period, however, the Company has a significant tax loss being carried forward from previous years, against which the current year's charges will be set off. There were also certain one-off expenses, which the Company saw prudent to take during the period.

Accordingly, while this first quarter reflects a lower net profit when compared to the same period last year (SLPY) due to the aforementioned matters, management's expectations are that certain one-off expenses will not recur in ensuing quarters of the financial year.

Wigton Windfarm Limited

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The core business initiatives being undertaken by the Company are aimed at replacing the revenue shortfall from the rate adjustment to Wigton II, growing the business by investing in new business ventures, and continuing to tightly manage expenses to grow profitability.

Production and Availability

The two (2) main factors that affect production and sales are wind speed and plant availability. The wind regime for the period under review was lower than the corresponding period in 2020. This was due to an abnormal change in the weather pattern.

The average plant availability rate was approximately 89%. This was below the projected target of 93.3% because of five (5) wind turbines being out of operation during the period to facilitate major maintenance activities. Notably, major maintenance on five (5) wind turbines during the period was not a normal undertaking and occurred because of delays related to the Covid-19 pandemic which hindered the timely supply of critical spare parts and services by overseas suppliers.

Revenue/Sales

Total revenue for the period was \$669.6 million representing a \$150.1 million, or 18.3% decrease when compared to the amount earned in the SPLY. This change was largely due to (i) the lower level of production, and (ii) the approximate 50% rate reduction in United States dollars for Wigton Phase II which commenced in this quarter. Despite the approximate 50% rate reduction in United States Dollars for Wigton Phase II, the overall impact of same on the sales revenue in Jamaican dollars was a difference \$84 million or 11.7%.

Expenses

Total expenses were \$490.3 million, which was \$66.3 million or 15.6% above the \$424.0 million incurred in the SPLY. The increase was mainly due to an 89.5% increase in General Administrative expenses in the following items:

- an increase in insurance premium expense because of the perceived higher risk of hurricanes in the Caribbean region;
- the increase in staff costs for payments made in accordance with the Company's Policies and an inflationary adjustment to staff salaries which was long overdue as no increase was granted during the 2020/2021 financial year; and
- higher critical major maintenance costs incurred during the quarter versus the SPLY.

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Quarter Ended 30 June 2021

| Description | Quarter 1 - April to June 2021 | Quarter 1 - April to June 2020 | Change |
|--------------------------|--------------------------------|--------------------------------|--------|
| | \$'000 | \$'000 | (%) |
| Non-current Assets | 6,960,287 | 7,427,454 | (6.3) |
| Current Assets | 4,076,072 | 3,527,546 | 15.5 |
| Total Assets | <u>11,036,359</u> | <u>10,955,000</u> | 0.7 |
| Non-current liabilities | 6,458,940 | 6,289,766 | (2.7) |
| Current liabilities | 222,205 | 907,425 | 75.5 |
| Sub-total | 6,681,145 | 7,197,191 | 7.2 |
| Equity | 4,355,214 | 3,757,809 | 15.9 |
| Total liabilities | <u>11,036,359</u> | <u>10,955,000</u> | (0.7) |

Wigton closed the period with total assets of \$11.0 billion, which is in line with the SPLY. Non-current assets decreased by 6.3%, as a result of the depreciation of the Company's fixed. Current assets increased by \$548.5 million or 15.5%, mainly due to the increase in cash and cash equivalents by \$507.2 million or 16.8% over the \$3.0 billion at the end of the SPLY. Wigton's continued profitable operations has further strengthened the Company's balance sheet and enhanced its financial flexibility to grow the business from a number of business initiatives being pursued by the Company.

Total liabilities were \$6.7 billion, a decrease of \$516.0 million or 7.2% lower than the SPLY at \$7.2 billion. The change occurred mainly as a result of the repayment of the Series A Bond in the amount of \$710 million in December 2020, and an increase in deferred tax liability of \$178.9 million.

Shareholders' equity at period end was \$4.4 billion or 15.9% above the SPLY's equity of \$3.8 billion.

OUTLOOK

Wigton's primary objective for the 2021/2022 financial year and beyond remains increasing profitability and shareholders value by continuing to extract maximum profits from the existing core business and diversifying the Company's revenue base by investing in new commercial activities.

Wigton anticipates a call for renewable energy in the near-term given that the Ministry of Science, Energy, and Technology (MSET) has indicated that the Integrated Resource Plan, which addresses electricity supply for the next twenty (20) years, targets more than 500 MW of capacity to the national grid to be procured by 2025. The Company remains ready to respond with proposals to develop utility scale projects for connectivity to the national grid.

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The Company also plans to leverage its experience in renewable energy development and proffer its extensive expertise in the area to increase its options for revenue generation. This includes, regional expansion, as several Caribbean territories intend to build out their renewable energy capacity.

As it relates to the training and human resource development aspect of Wigton's core business, we anticipate the continued generation of revenue from our Renewable Energy Training Lab which offers accredited technical training courses for capacity building and skills development. Furthermore, in this new paradigm of the Covid-19 pandemic, Wigton has significantly adjusted and will continue to develop innovative ways of effectively delivering the very hands-on and practical aspects of the relevant technical training courses virtually.

CORPORATE SOCIAL RESPONSIBILITY

Wigton's corporate social responsibility initiatives focus on key areas that impact the environment and social development, including education, crime prevention and community development. Continuing the Company's practice of charity in community development, Wigton contributed to the *Celebrate HIM 2021* Event organised by the Manchester Peace Coalition, which will see proceeds of the Event going to two (2) children's homes in Mandeville, Manchester and also towards the conduct of *violence interrupters* training in eighteen (18) targeted communities in Manchester.

Wigton continues to seek ways to contribute within the remit of its corporate social responsibility and to positively impact its stakeholders through contributions to social development.



.....
Oliver W. Holmes
Chairman



.....
Earl Barrett
Managing Director

Wigton Windfarm Limited
Statement of Comprehensive Income
Quarter Ended 30 June 2021 (Unaudited)

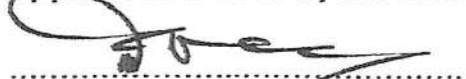
(Expressed in Jamaican dollars unless otherwise indicated)

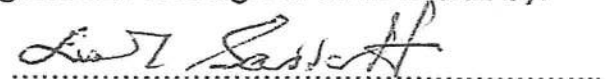
| | | June 2021 \$'000 | June 2020 \$'000 | March 2021 \$'000 |
|-------------------------------------------------------------------------------------------------------|------|------------------------|------------------------|-------------------------|
| | Note | Unaudited | Unaudited | Audited |
| Sales | | 636,629 | 750,892 | 2,592,054 |
| Cost of sales | | <u>(213,409)</u> | <u>(207,690)</u> | <u>(789,097)</u> |
| Gross Profit | | 423,220 | 543,202 | 1,802,957 |
| Other income | | 32,957 | 68,778 | 217,846 |
| General administrative expenses | | <u>(174,697)</u> | <u>(92,190)</u> | <u>(490,708)</u> |
| Operating Profit | | 281,480 | 519,790 | 1,530,095 |
| Finance expense | | <u>(102,215)</u> | <u>(124,113)</u> | <u>(503,089)</u> |
| Profit before Taxation | | 179,265 | 395,677 | 1,027,006 |
| Taxation | | <u>(43,024)</u> | <u>(94,963)</u> | <u>(234,305)</u> |
| Net Profit | | <u><u>136,241</u></u> | <u><u>300,714</u></u> | <u><u>792,701</u></u> |
| Earning per stock unit for profit attributable to the equity holders of the Company during the period | 4 | \$0.012 | \$0.027 | \$0.07 |

Wigton Windfarm Limited
Statement of Financial Position
Quarter Ended 30 June 2021 (Unaudited)
 (Expressed in Jamaican dollars unless otherwise indicated)

| | Note | June 2021 \$'000 Unaudited | June 2020 \$'000 Unaudited | March 2021 \$'000 Audited |
|------------------------------------------|------|-------------------------------------|-------------------------------------|------------------------------------|
| Non-Current Assets | | | | |
| Property, plant and equipment | | 6,816,062 | 7,266,196 | 6,913,397 |
| Rights-of-use asset | | 144,225 | 161,258 | 149,936 |
| | | <u>6,960,287</u> | <u>7,427,454</u> | <u>7,063,333</u> |
| Current Assets | | | | |
| Inventories | | 10,720 | 7,234 | 8,033 |
| Accounts receivable | | 508,192 | 470,645 | 434,051 |
| Taxation recoverable | | 29,275 | 28,966 | 51,167 |
| Cash and cash equivalents | 5 | 3,527,885 | 3,020,701 | 3,241,427 |
| | | <u>4,076,072</u> | <u>3,527,546</u> | <u>3,734,678</u> |
| Current Liabilities | | | | |
| Accounts payable | | 185,040 | 160,572 | 79,743 |
| Current portion of lease liability | | 16,405 | 15,248 | 16,405 |
| Current portion of long term liabilities | | 20,760 | 731,605 | 20,760 |
| | | <u>222,205</u> | <u>907,425</u> | <u>116,908</u> |
| Net Current Assets | | <u>3,853,867</u> | <u>2,620,121</u> | <u>3,617,770</u> |
| | | <u>10,814,154</u> | <u>10,047,575</u> | <u>10,681,103</u> |
| Equity | | | | |
| Share capital | | 202,598 | 202,598 | 202,598 |
| Retained earnings | | 4,152,616 | 3,555,211 | 4,016,375 |
| | | <u>4,355,214</u> | <u>3,757,809</u> | <u>4,218,973</u> |
| Non-Current Liabilities | | | | |
| Capital grants | | 57,700 | 77,874 | 62,743 |
| Lease liabilities | | 142,945 | 155,125 | 145,905 |
| Long term liabilities | 6 | 5,584,054 | 5,564,799 | 5,579,241 |
| Post-employment benefit obligation | | 33,158 | 25,357 | 33,158 |
| Pension plan liabilities | | 818 | 5,279 | 818 |
| Deferred tax liabilities | | 640,265 | 461,332 | 640,265 |
| | | <u>6,458,940</u> | <u>6,289,766</u> | <u>6,462,130</u> |
| | | <u>10,814,154</u> | <u>10,047,575</u> | <u>10,681,103</u> |

Approved for issue by the Board of Directors on 10 August 2021 and signed on its behalf by:


 Oliver W. Holmes Chairman


 Earlington Barrett Managing Director

Wigton Windfarm Limited
Statement of Changes in Equity
Quarter Ended 30 June 2021 (Unaudited)

(Expressed in Jamaican dollars unless otherwise indicated)

| | Number of Shares '000 | Share Capital \$'000 | Retained Earnings \$'000 | Total Equity \$'000 |
|-------------------------|-----------------------------|----------------------------|--------------------------------|---------------------------|
| Balance at 1 April 2020 | 11,000,000 | 202,598 | 3,254,497 | 3,457,095 |
| Net profit | - | - | 300,714 | 300,714 |
| Balance at 30 June 2020 | 11,000,000 | 202,598 | 3,555,211 | 3,757,809 |

| | Number of Shares '000 | Share Capital \$'000 | Retained Earnings \$'000 | Total Equity \$'000 |
|-------------------------|-----------------------------|----------------------------|--------------------------------|---------------------------|
| Balance at 1 April 2021 | 11,000,000 | 202,598 | 4,016,375 | 4,218,973 |
| Net profit | - | - | 136,241 | 136,241 |
| Balance at 30 June 2021 | 11,000,000 | 202,598 | 4,152,616 | 4,355,214 |

Wigton Windfarm Limited
Statement of Cash Flows
Quarter Ended 30 June 2021 (Unaudited)
(Expressed in Jamaican dollars unless otherwise indicated)

| | Note | Unaudited June 2021 \$'000 | Unaudited June 2020 \$'000 | Audited March 2021 \$'000 |
|-----------------------------------------------------|------|-------------------------------------|-------------------------------------|------------------------------------|
| SOURCES OF CASH: | | | | |
| Operating Activities | | | | |
| Net profit | | 136,241 | 300,714 | 792,701 |
| Items not affecting cash: | | | | |
| Depreciation | | 167,835 | 168,937 | 679,501 |
| Write off Asset | | 28 | - | 779 |
| Interest income | | (27,913) | (21,856) | (91,173) |
| Interest expense | | 111,129 | 124,113 | 479,266 |
| Interest charge on lease liability | | - | - | 4,568 |
| Pension plan liability | | - | - | (5,919) |
| Post-employee benefit obligation | | - | - | 4,828 |
| Taxation | | 43,024 | 94,963 | 234,305 |
| Amortisation of upfront fees | | 4,814 | 4,814 | 19,255 |
| Amortisation of right of use | | 2,751 | 2,751 | 15,096 |
| Amortisation of grant | | (5,044) | (5,044) | (20,174) |
| Exchange (gain)/loss on foreign balances | | (13,728) | (41,878) | (81,360) |
| | | 419,137 | 627,514 | 2,031,673 |
| Change in operating assets and liabilities: | | | | |
| Inventory | | (3,486) | (7,234) | (1,103) |
| Accounts receivable | | (37,547) | 14,677 | (150,998) |
| Accounts payable | | 24,468 | 22,855 | (2,362) |
| Due to parent company | | - | - | (19,459) |
| | | 402,572 | 657,812 | 1,857,751 |
| Tax paid | | (14,610) | (1,975) | (83,187) |
| Cash provided by/ (used in) operating activities | | 387,962 | 655,837 | 1,774,564 |
| Financing Activities | | | | |
| Loans repaid | | - | - | (710,000) |
| Lease paid during the year | | (4,384) | (3,774) | (16,405) |
| Interest paid | | (111,129) | (122,575) | (478,764) |
| Dividend paid | | - | - | (27,500) |
| Cash used in financing activities | | (115,513) | (126,349) | (1,232,669) |
| Investing Activities | | | | |
| Purchase of property, plant and equipment | | (24,407) | (249,705) | (159,084) |
| Interest received | | 24,688 | 19,296 | - |
| Cash used in investing activities | | 281 | (230,409) | (61,572) |
| (Decrease)/increase in cash and cash equivalents | | 272,730 | 299,079 | 480,323 |
| Exchange gains on cash and cash equivalents | | 13,728 | 41,878 | 81,360 |
| Cash and cash equivalents at beginning of year | | 3,241,427 | 2,679,744 | 2,679,744 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 5 | 3,527,885 | 3,020,701 | 3,241,427 |

Wigton Windfarm Limited
Notes to the Financial Statements
Quarter Ended 30 June 2021 (Unaudited)
(Expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Wigton is incorporated and domiciled in Jamaica. The Company was incorporated on April 12, 2000. It was formerly a wholly owned subsidiary of the Petroleum Corporation of Jamaica. On 22 May 2019, the Company became a publicly listed entity on the Jamaica Stock Exchange's Main Market. The principal activity of the Company is the generation and sale of electricity from wind technology, with its registered office located at 36 Trafalgar Road, Kingston 10, St. Andrew.

Impact of COVID 19

Beginning in January 2020, global financial markets experienced and continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. In response to this, the Company has implemented several health and safety protocols to protect its employees and stakeholders. COVID-19 has also impacted the lead times for the delivery of spare parts necessary for scheduled maintenance and repairs of the Company's plants. The delays currently being experienced could have negative medium-term effects, due to the inability to carry out preventative maintenance to eliminate component failures and further cascading consequences.

Management continues to closely monitor the situation and adhere to the various government protocols and advice.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates.

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3. Property, plant and equipment and depreciation

All property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each such property, plant and equipment, to its residual value over its estimated useful life as follows:

| | |
|-----------------------------------|----------|
| Plant | 20 years |
| Computers | 5 years |
| Service equipment | 20 years |
| Furniture, fixtures and equipment | 10 years |
| Motor vehicles | 5 years |
| Training lab | 20 years |

4. Earnings per share

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during the periods.

| | Quarter Ended June 2021 \$'000 | Quarter Ended June 2020 \$,000 |
|-----------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Net profit attributable to ordinary shareholders | <u>136,241</u> | <u>300,714</u> |
| Weighted average number of ordinary shares in issue | <u>11,000,000,000</u> | <u>11,000,000,000</u> |
| Basic earnings per share | <u>\$0.012</u> | <u>\$0.027</u> |

5. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash at bank and cash in hand, deposits held at call with banks and investments in money market instruments with original maturities of 90 days or less, net of bank overdraft.

| | Quarter Ended June 2021 \$'000 | Quarter Ended June 2020 \$,000 |
|-------------------------------|--------------------------------------------|--------------------------------------------|
| Cash at bank and cash in hand | 18,958 | 376,693 |
| Short term deposits | 1,051,545 | 717,258 |
| Deposits | <u>2,457,382</u> | <u>1,926,750</u> |
| | <u>3,527,885</u> | <u>3,020,701</u> |

Wigton Windfarm Limited
Notes to the Financial Statements
Quarter Ended 30 June 2021 (Unaudited)
(Expressed in Jamaican dollars unless otherwise indicated)

6. Long Term Liabilities

| | Quarter Ended June 2021 \$'000 | Quarter Ended June 2020 \$'000 |
|----------------------------------|--------------------------------------------|--------------------------------------------|
| (i) Senior Secured Bonds: | | |
| Series A – Due December 14, 2020 | - | 710,000 |
| Series B – Due December 14, 2023 | 1,953,000 | 1,953,000 |
| Series C – Due December 14, 2025 | 1,674,587 | 1,674,587 |
| Series D – Due December 14, 2028 | 2,011,000 | 2,011,000 |
| Unamortised upfront fees on loan | <u>(54,533)</u> | <u>(73,787)</u> |
| | 5,584,054 | 6,274,800 |
| Add: Interest Payable | <u>20,760</u> | <u>21,604</u> |
| | 5,604,814 | 6,296,404 |
| Less: Current portion | <u>(20,760)</u> | <u>(731,605)</u> |
| | <u><u>5,584,054</u></u> | <u><u>5,564,799</u></u> |

In December 2018, the Company launched a private placement of Bonds to raise J\$6,348,586,690.42 to repay the PetroCaribe Development Fund. The placement was successful and applied to repay in full the loans owing to the PetroCaribe Development Fund. On December 9, 2020, Wigton paid its first Bond, Series A, from its accumulated cash resources.

Shareholdings of Top Ten (10) Shareholders, Directors and Senior Officers as of 30 June 2021

10 Largest Shareholders of Wigton Windfarm Limited as at 30 June 2021

| | Name of shareholder | Units | Percentage |
|----|----------------------------------------------------------|---------------|------------|
| 1 | Mayberry Jamaican Equities Limited | 1,100,166,982 | 10.0015% |
| 2 | Victoria Mutual Building Society | 1,051,706,322 | 9.5610% |
| 3 | National Insurance Funds | 706,797,283 | 6.4254% |
| 4 | ATL Group Pension Fund Trustees NOM Limited | 497,640,111 | 4.5240% |
| 5 | Sagicor Investments Jamaica- Account #1388842 | 490,192,711 | 4.4563% |
| 6 | Geoffrey Ford | 152,479,562 | 1.3862% |
| 7 | Sagicor Equity Fund | 111,782,470 | 1.0162% |
| 8 | MF&G Asset Management Limited – Jamaica Investment Fund | 79,939,436 | 0.7267% |
| 9 | Prime Asset Management -Pooled Equity Fund | 72,286,475 | 0.6571% |
| 10 | Prime Asset Management JPS Employees Superannuation Fund | 71,730,000 | 0.6521% |

Shareholdings of Directors as at 30 June 2021

| Shareholdings of Directors | Direct | Connected Parties | Total |
|----------------------------|------------|-------------------|------------|
| Oliver Holmes | - | 1,000,000 | 1,000,000 |
| Earl Barrett | 2,000,000 | - | 2,000,000 |
| Nigel Davy | - | - | - |
| Dennis Chung | 2,500,000 | - | 2,500,000 |
| Jacqueline Stewart Lechler | 8,730,000 | 8,730,000 | 17,460,000 |
| M Georgia Gibson Henlin | - | 600,000 | 600,000 |
| Gregory Shirley | 2,000,000 | - | 2,000,000 |
| Hugh Johnson | 160,000 | - | 160,000 |
| Omar Azan | - | - | - |
| Dan Theoc | 10,853,500 | - | 10,853,500 |

Shareholdings of Senior Executives as at 30 June 2021

| Shareholdings of Senior Executives | Direct | Connected Parties | Total |
|------------------------------------|-----------|-------------------|-----------|
| Earl Barrett | 2,000,000 | - | 2,000,000 |
| Rohan Hay | - | - | - |
| Michelle Chin Lenn | 800,000 | - | 800,000 |
| Shaun Treasure | 200,000 | 200,000 | 400,000 |
| Shaneek Clacken | - | - | - |