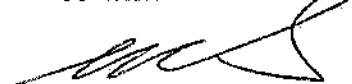



JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021
 {Unaudited results in US\$ thousand}

	Sep-21 \$'000	Sep-20 \$'000	{Audited} Dec-20 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	792,286	795,879	826,958
Right-of-use assets	540,963	580,295	550,958
Investment in equity-accounted investee	82,546	71,085	76,292
Employee benefits asset	50,763	57,291	51,514
	<u>1,466,558</u>	<u>1,504,550</u>	<u>1,505,722</u>
Current assets			
Cash and cash equivalents	59,167	68,274	54,350
Restricted cash	50,578	46,661	48,512
Accounts receivable	131,902	171,037	150,441
Due from related parties	1,081	1,489	1,503
Inventories	29,400	42,536	39,289
Corporation tax recoverable	-	2,353	-
	<u>272,128</u>	<u>332,350</u>	<u>294,095</u>
Total assets	<u>1,738,686</u>	<u>1,836,900</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	246,203	234,692	222,703
	<u>530,277</u>	<u>504,238</u>	<u>506,777</u>
Current liabilities			
Accounts payable and provisions	89,620	145,427	112,295
Corporation tax payable	758	4,259	5,168
Due to related parties	23,867	2,186	28,115
Lease liabilities	26,875	13,752	26,478
Current portion of long-term loans	48,706	55,963	47,469
	<u>189,826</u>	<u>221,587</u>	<u>219,525</u>
Non-current liabilities			
Customers' deposits	32,124	28,915	29,163
Long-term loans	369,990	419,624	408,265
Lease liabilities	524,425	571,140	544,595
Preference shares	24,688	24,688	24,688
Deferred taxation	32,643	48,781	32,419
Decommissioning provision	27,569	10,278	27,010
Employee benefits obligation	7,144	7,649	7,375
	<u>1,018,583</u>	<u>1,111,075</u>	<u>1,073,515</u>
Total liabilities	<u>1,208,409</u>	<u>1,332,662</u>	<u>1,293,040</u>
Total shareholders' equity and liabilities	<u>1,738,686</u>	<u>1,836,900</u>	<u>1,799,817</u>

ON BEHALF OF THE BOARD


 Minna Israel Director


 Emanuel DaRosa Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED SEPTEMBER 30, 2021**

{Unaudited results in US\$ thousand}

	Quarter ended,		Period ended,	
	Sep-21	Sep-20	Sep-21	Sep-20
	US\$'000	US\$'000	US\$'000	US\$'000
Operating revenue	237,717	221,584	698,116	649,010
Cost of sales	<u>(144,493)</u>	<u>(141,298)</u>	<u>(421,645)</u>	<u>(409,946)</u>
Gross profit	93,224	80,286	276,471	239,064
Operating expenses	(59,429)	(54,576)	(179,934)	(160,957)
Impairment loss on trade receivables	<u>(1,900)</u>	<u>(3,181)</u>	<u>(5,520)</u>	<u>(10,291)</u>
Operating profit	31,895	22,529	91,017	67,816
Net Finance costs	(18,874)	(12,642)	(57,144)	(32,676)
Other income	144	6	288	937
Other expenses	<u>(1,753)</u>	<u>-</u>	<u>(3,661)</u>	<u>(3,328)</u>
	11,412	9,893	30,500	32,749
Share of profit in equity-accounted investee	<u>1,621</u>	<u>394</u>	<u>6,254</u>	<u>2,954</u>
Profit before taxation	13,033	10,287	36,754	35,703
Taxation	<u>(3,783)</u>	<u>(3,298)</u>	<u>(10,254)</u>	<u>(11,280)</u>
Net Profit	<u>9,250</u>	<u>6,989</u>	<u>26,500</u>	<u>24,423</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>0.17¢</u>	<u>0.13¢</u>	<u>0.16¢</u>	<u>0.15¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED SEPTEMBER 30, 2021**

{Unaudited results in US\$ thousand}

	Sep-21	Sep-20
	US\$'000	US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	26,500	24,423
Adjustments for non-cash items:		
Depreciation and amortisation	87,729	66,192
Unrealised foreign exchange (gains)/losses	(4,440)	(8,540)
Amortisation of debt issuance costs	809	1,220
Interest income	(3,942)	(4,057)
Interest capitalised	(826)	(1,203)
Interest expense	54,466	34,136
Income tax expense	9,763	9,857
Deferred tax expense	223	1,423
Share of profit in equity-accounted investee	(6,254)	(2,954)
Employee benefit obligations, net	520	2,837
	<u>164,548</u>	<u>123,334</u>
Increase/(decrease) in working capital:		
Restricted cash	(2,066)	(2,034)
Accounts receivable	18,337	(10,705)
Inventories	9,889	(692)
Payables and provisions	(11,771)	(2,297)
Taxation	(14,172)	(4,068)
Due (to)/from related companies, net	(3,826)	(3,708)
Customer deposits and advances	2,961	(2,723)
Cash provided by operating activities	163,900	97,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of share in equity-accounted investee	-	(4)
Purchase of property, plant & equipment	(42,298)	(45,683)
Interest received	4,144	3,668
Cash used in investing activities	(38,154)	(42,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans received/(repaid), net	-	(14,000)
Long-term loans received/(repaid), net	(33,407)	43,383
Payment of lease liabilities	(19,711)	(8,740)
Interest and dividends paid	(67,811)	(42,473)
Cash used in financing activities	(120,929)	(21,830)
Increase in cash & cash equivalents	4,817	33,258
Cash and cash equivalents at beginning of period	54,350	35,016
Cash and cash equivalents at end of period	59,167	68,274

JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

{Unaudited results in US\$ thousand}

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Capital Redemption Reserve</u>	<u>Retained Earnings</u>	<u>TOTAL</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Balance as at December 31, 2019	261,786	4,760	3,000	210,269	479,815
Profit for the period	-	-	-	24,423	24,423
Balance as at September 30, 2020	<u>261,786</u>	<u>4,760</u>	<u>3,000</u>	<u>234,692</u>	<u>504,238</u>
Balance as at December 31, 2020	261,786	19,288	3,000	222,703	506,777
Profit for the period	-	-	-	26,500	26,500
Transactions with owners of the company:					
Dividends	-	-	-	(3,000)	(3,000)
Balance as at September 30, 2021	<u>261,786</u>	<u>19,288</u>	<u>3,000</u>	<u>246,203</u>	<u>530,277</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 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 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) SEPTEMBER 30, 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) SEPTEMBER 30, 2021

4. Restricted cash

As at September 30, 2021, restricted cash included approximately \$49.6 million (Sept-20: \$45.7 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended		Period ended	
	Sep-21	Sep-20	Sep-21	Sep-20
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Depreciation and amortisation	(28,535)	(21,407)	(87,729)	(66,192)
Staff costs	(14,334)	(15,573)	(44,884)	(48,093)
Other	<u>(16,560)</u>	<u>(17,596)</u>	<u>(47,321)</u>	<u>(46,672)</u>
	<u>(59,429)</u>	<u>(54,576)</u>	<u>(179,934)</u>	<u>(160,957)</u>

6. Net finance costs

	Quarter ended		Period ended	
	Sep-21	Sep-20	Sep-21	Sep-20
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange gain/(loss)	(2,239)	(2,524)	(6,637)	(2,580)
Other finance costs	(17,557)	(11,262)	(53,530)	(33,604)
Preference dividends	(588)	(588)	(1,745)	(1,752)
Finance income	<u>1,510</u>	<u>1,732</u>	<u>4,768</u>	<u>5,260</u>
	<u>(18,874)</u>	<u>(12,642)</u>	<u>(57,144)</u>	<u>(32,676)</u>