


JAMAICA PUBLIC SERVICE COMPANY LIMITED


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

{Unaudited results in US\$ thousand}

	Mar-22	Mar-21	{Audited} Dec-21
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
ASSETS			
Non-current assets			
Property, plant and equipment	813,949	818,489	821,575
Right-of-use assets	501,252	540,963	511,127
Investment in equity-accounted investee	80,622	79,270	78,712
Employee benefits asset	48,086	50,467	47,449
	<u>1,443,909</u>	<u>1,489,189</u>	<u>1,458,863</u>
Current assets			
Cash and cash equivalents	45,053	47,746	42,783
Restricted cash	52,211	49,258	51,447
Accounts receivable	151,627	139,334	152,773
Due from related parties	1,310	1,386	1,351
Inventories	35,234	32,528	30,176
Corporation tax recoverable	5,892	4,030	-
	<u>291,327</u>	<u>274,282</u>	<u>278,530</u>
Total assets	<u>1,735,236</u>	<u>1,763,471</u>	<u>1,737,393</u>
Shareholders' equity			
Share capital	261,786	261,786	261,786
Capital reserve	19,288	19,288	19,288
Capital redemption reserve	3,000	3,000	3,000
Retained earnings	258,648	228,302	250,836
	<u>542,722</u>	<u>512,376</u>	<u>534,910</u>
Current liabilities			
Accounts payable and provisions	111,814	103,510	113,588
Corporation tax payable	-	-	2,535
Due to related parties	27,043	21,627	23,501
Lease liabilities	27,224	26,654	26,970
Current portion of long-term loans	35,554	54,345	45,567
	<u>201,635</u>	<u>206,136</u>	<u>212,161</u>
Non-current liabilities			
Customers' deposits	37,018	28,923	32,704
Long-term loans	358,659	386,645	355,830
Lease liabilities	510,696	537,926	517,628
Preference shares	24,688	24,688	24,688
Deferred taxation	25,141	32,419	25,141
Decommissioning provision	27,917	27,203	27,742
Employee benefits obligation	6,760	7,155	6,589
	<u>990,879</u>	<u>1,044,959</u>	<u>990,322</u>
Total liabilities	<u>1,192,514</u>	<u>1,251,095</u>	<u>1,202,483</u>
Total shareholders' equity and liabilities	<u>1,735,236</u>	<u>1,763,471</u>	<u>1,737,393</u>

ON BEHALF OF THE BOARD


Yong Hyun Kim Chairman


Shogo Otani Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2022

{Unaudited results in US\$ thousand}

	Quarter ended, Mar-22 <u>US\$'000</u>	Mar-21 <u>US\$'000</u>	{Audited} Year ended, Dec-21 <u>US\$'000</u>
Operating revenue	264,560	224,012	973,369
Cost of sales	<u>(174,536)</u>	<u>(135,896)</u>	<u>(595,876)</u>
Gross profit	90,024	88,116	377,493
Operating expenses	(62,531)	(60,713)	(241,603)
Impairment loss on trade receivables	<u>(2,193)</u>	<u>(2,634)</u>	<u>(9,671)</u>
Operating profit	25,300	24,769	126,219
Net Finance costs	(16,385)	(19,258)	(72,438)
Other income/(expenses), net	<u>(47)</u>	<u>(1,639)</u>	<u>(5,030)</u>
	8,868	3,872	48,751
Share of profit in equity-accounted investee	<u>1,910</u>	<u>2,977</u>	<u>2,420</u>
Profit before taxation	10,778	6,849	51,171
Taxation	<u>(2,966)</u>	<u>(1,250)</u>	<u>(9,073)</u>
Profit for the year	<u>7,812</u>	<u>5,599</u>	<u>42,098</u>
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Remeasurement loss on defined benefit plan net of tax	<u>-</u>	<u>-</u>	<u>(3,965)</u>
Total comprehensive income attributable to shareholders	<u>7,812</u>	<u>5,599</u>	<u>38,133</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>0.14¢</u>	<u>0.10¢</u>	<u>0.19¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED MARCH 31, 2022**

{Unaudited results in US\$ thousand}

	Mar-22	Mar-21
	US\$'000	US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	7,812	5,599
Adjustments for non-cash items:		
Depreciation and amortisation	29,180	30,454
Unrealised foreign exchange (gains)/losses	909	(3,788)
Amortisation of debt issuance costs	219	294
Interest income	(1,170)	(1,369)
Interest capitalised	(206)	(239)
Interest expense	17,271	18,053
Income tax expense	2,966	1,250
Share of profit in equity-accounted investee	(1,910)	(2,977)
Employee benefit obligations, net	(466)	826
	54,605	48,103
Increase/(decrease) in working capital:		
Restricted cash	(764)	(746)
Accounts receivable	1,206	11,137
Inventories	(5,058)	6,761
Payables and provisions	(1,461)	1,345
Taxation	(11,393)	(10,447)
Due (to)/from related companies, net	3,583	(6,371)
Customer deposits and advances	4,314	(240)
Cash provided by operating activities	45,032	49,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(11,485)	(11,751)
Interest received	1,110	1,339
Cash used in investing activities	(10,375)	(10,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans received/(repaid), net	(8,312)	(11,250)
Payment of lease liabilities	(6,666)	(6,493)
Interest paid	(17,409)	(27,991)
Cash used in financing activities	(32,387)	(45,734)
Increase/(decrease) in cash & cash equivalents	2,270	(6,604)
Cash and cash equivalents at beginning of period	42,783	54,350
Cash and cash equivalents at end of period	45,053	47,746

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022**

{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, 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	261,786	19,288	3,000	228,302	512,376
Balance as at December 31, 2021	261,786	19,288	3,000	250,836	534,910
Profit for the period	-	-	-	7,812	7,812
Balance as at March 31, 2022	261,786	19,288	3,000	258,648	542,722

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) MARCH 31, 2022

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) MARCH 31, 2022

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, 2021 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, 2021.

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) MARCH 31, 2022

4. Restricted cash

As at March 31, 2022, restricted cash included approximately \$51.2 million (Mar-21: \$48.2 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-22	Mar-21
	<u>US\$'000</u>	<u>US\$'000</u>
Depreciation and amortisation	(29,180)	(30,454)
Staff costs	(15,816)	(16,025)
Other	<u>(17,535)</u>	<u>(14,234)</u>
	<u>(62,531)</u>	<u>(60,713)</u>

6. Net finance costs

	Quarter ended	
	Mar-22	Mar-21
	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange losses	(271)	(2,519)
Other finance costs	(16,915)	(17,771)
Preference dividends	(575)	(576)
Finance income	<u>1,376</u>	<u>1,608</u>
	<u>(16,385)</u>	<u>(19,258)</u>