

JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

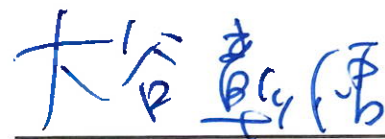
{Unaudited results in US\$ thousand}

	Sep-22 \$'000	Sep-21 \$'000	{Audited} Dec-21 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	803,029	795,617	821,575
Right-of-use assets	491,385	537,632	511,127
Investment in equity-accounted investee	85,188	82,546	78,712
Employee benefits asset	49,784	50,763	47,449
	<u>1,429,386</u>	<u>1,466,558</u>	<u>1,458,863</u>
Current assets			
Cash and cash equivalents	68,758	59,167	42,783
Restricted cash	53,809	50,578	51,447
Accounts receivable	165,028	131,902	152,773
Due from related parties	1,536	1,081	1,351
Inventories	38,752	29,400	30,176
	<u>327,883</u>	<u>272,128</u>	<u>278,530</u>
Total assets	<u>1,757,269</u>	<u>1,738,686</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	283,896	246,203	250,836
	<u>567,970</u>	<u>530,277</u>	<u>534,910</u>
Current liabilities			
Accounts payable and provisions	106,694	89,620	113,588
Corporation tax payable	2,911	758	2,535
Due to related parties	46,774	23,867	23,501
Lease liabilities	28,125	26,875	26,970
Current portion of long-term loans	35,322	48,706	45,567
	<u>219,826</u>	<u>189,826</u>	<u>212,161</u>
Non-current liabilities			
Customers' deposits	43,511	32,124	32,704
Long-term loans	343,100	369,990	355,830
Lease liabilities	497,921	524,425	517,628
Preference shares	24,688	24,688	24,688
Deferred taxation	20,194	32,643	25,141
Decommissioning provision	27,994	27,569	27,742
Employee benefits obligation	12,065	7,144	6,589
	<u>969,473</u>	<u>1,018,583</u>	<u>990,322</u>
Total liabilities	<u>1,189,299</u>	<u>1,208,409</u>	<u>1,202,483</u>
Total shareholders' equity and liabilities	<u>1,757,269</u>	<u>1,738,686</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 SEPTEMBER 30, 2022

{Unaudited results in US\$ thousand}

	Quarter ended,		Period ended,	
	Sep-22	Sep-21	Sep-22	Sep-21
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Operating revenue	315,196	237,717	880,642	698,116
Cost of sales	<u>(213,951)</u>	<u>(144,493)</u>	<u>(587,860)</u>	<u>(421,645)</u>
Gross profit	101,245	93,224	292,782	276,471
Operating expenses	(66,709)	(59,429)	(188,271)	(179,934)
Impairment loss on trade receivables	<u>(2,333)</u>	<u>(1,900)</u>	<u>(8,506)</u>	<u>(5,520)</u>
Operating profit	32,203	31,895	96,005	91,017
Net Finance costs	(15,067)	(18,874)	(48,027)	(57,144)
Other income/(expenses), net	<u>(54)</u>	<u>(1,609)</u>	<u>(1,418)</u>	<u>(3,373)</u>
	17,082	11,412	46,560	30,500
Share of profit in equity-accounted investee	<u>2,049</u>	<u>1,621</u>	<u>6,476</u>	<u>6,254</u>
Profit before taxation	19,131	13,033	53,036	36,754
Taxation	<u>(5,397)</u>	<u>(3,783)</u>	<u>(14,976)</u>	<u>(10,254)</u>
Profit for the year	<u>13,734</u>	<u>9,250</u>	<u>38,060</u>	<u>26,500</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>0.25¢</u>	<u>0.17¢</u>	<u>0.23¢</u>	<u>0.16¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED SEPTEMBER 30, 2022**

{Unaudited results in US\$ thousand}

	Sep-22	Sep-21
	<u>US\$'000</u>	<u>US\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	38,060	26,500
Adjustments for non-cash items:		
Depreciation and amortisation	86,400	87,729
Unrealised foreign exchange (gains)/losses	1,118	(4,440)
Amortisation of debt issuance costs	633	809
Interest income	(4,123)	(3,942)
Interest capitalised	(838)	(826)
Interest expense	51,487	54,466
Income tax expense	19,923	10,030
Deferred tax expense	(4,947)	224
Share of profit in equity-accounted investee	(6,476)	(6,254)
Employee benefit obligations, net	<u>3,141</u>	<u>520</u>
	184,378	164,816
Increase/(decrease) in working capital:		
Restricted cash	(2,362)	(2,066)
Accounts receivable	(11,993)	18,337
Inventories	(8,576)	9,889
Payables and provisions	(6,181)	(11,771)
Taxation	(19,547)	(14,440)
Due (to)/from related companies, net	23,088	(3,826)
Customer deposits and advances	<u>10,807</u>	<u>2,961</u>
Cash provided by operating activities	<u>169,614</u>	<u>163,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(45,523)	(42,298)
Interest received	<u>3,861</u>	<u>4,144</u>
Cash used in investing activities	<u>(41,662)</u>	<u>(38,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans received/(repaid), net	(24,726)	(33,407)
Payment of lease liabilities	(20,303)	(19,711)
Interest paid	<u>(56,948)</u>	<u>(67,811)</u>
Cash used in financing activities	<u>(101,977)</u>	<u>(120,929)</u>
Increase/(decrease) in cash & cash equivalents	25,975	4,817
Cash and cash equivalents at beginning of period	<u>42,783</u>	<u>54,350</u>
Cash and cash equivalents at end of period	<u>68,758</u>	<u>59,167</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 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	-	-	-	26,500	26,500
Transactions with owners of the company:					
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>
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>
Balance as at December 31, 2021	261,786	19,288	3,000	250,836	534,910
Profit for the period	-	-	-	38,060	38,060
Transactions with owners of the company:					
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Balance as at September 30, 2022	<u>261,786</u>	<u>19,288</u>	<u>3,000</u>	<u>283,896</u>	<u>567,970</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 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 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) SEPTEMBER 30, 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) SEPTEMBER 30, 2022

4. Restricted cash

As at September 30, 2022, restricted cash included approximately \$52.8 million (Sept-21: \$49.6 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended		Period ended	
	Sep-22	Sep-21	Sep-22	Sep-21
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Depreciation and amortisation	(28,432)	(28,535)	(86,400)	(87,729)
Staff costs	(21,442)	(14,334)	(52,760)	(44,884)
Other	<u>(16,835)</u>	<u>(16,560)</u>	<u>(49,111)</u>	<u>(47,321)</u>
	<u>(66,709)</u>	<u>(59,429)</u>	<u>(188,271)</u>	<u>(179,934)</u>

6. Net finance costs

	Quarter ended		Period ended	
	Sep-22	Sep-21	Sep-22	Sep-21
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange loss	(65)	(2,239)	(868)	(6,637)
Other finance costs	(16,475)	(17,557)	(50,373)	(53,530)
Preference dividends	(590)	(588)	(1,747)	(1,745)
Finance income	<u>2,063</u>	<u>1,510</u>	<u>4,961</u>	<u>4,768</u>
	<u>(15,067)</u>	<u>(18,874)</u>	<u>(48,027)</u>	<u>(57,144)</u>