



**Wigtown**
WINDFARM LTD

INTERIM REPORT TO
SHAREHOLDERS
NINE MONTHS PERIOD
ENDED
31 DECEMBER 2022



WIGTON WINDFARM LIMITED
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NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

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WIGTON WINDFARM LIMITED

INTERIM REPORT TO SHAREHOLDERS NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

PERFORMANCE HIGHLIGHTS



Net Profit
\$0.5 Bn

Gross Profit
\$1.1 Bn

Total Revenue
\$2.0 Bn

Total Expense
\$1.5 Bn



117.5 GWh Produced



91.1% Average Plant Availability Rate



WIGTON WINDFARM LIMITED

INTERIM REPORT TO SHAREHOLDERS NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

For the nine (9) months ended December 31, 2022, Wigton Windfarm Limited (Wigton or the Company) recorded an increase in its performance with revenues of \$2.0 billion (Bn), a 13.6% or \$243.9 million (Mn) increase when compared to the similar period last year (SPLY) in 2021.

The performance growth during the period was as a result of higher production that was influenced by the better wind conditions experienced and improved operating efficiency.

An operating profit of \$992.4 Mn, a \$276.9 Mn or 38.7% increase compared to the corresponding period of 2021 was achieved. Profit before tax was \$662.9 Mn, a \$297.8 Mn or 81.6% increase over the corresponding period of 2021, while net profit after tax was \$503.8 Mn, a \$226.3 Mn or 81.6% increase compared to prior year. The Company accordingly continues its track record of profitable operations; the result of an intentional strategic focus by the Board and Management to position the Company for future growth.

Earnings per stock unit for the period was \$0.046 (2021: \$0.025).

Table 1 summarizes the comparison of Wigton's performance for the period 1 April 2022 to 31 December 2022 to SPLY:

Table 1- FINANCIAL PERFORMANCE FOR THE PERIOD APRIL – DECEMBER 2022 VS 2021

Description	9 Months - April to December 2022	9 Months- April to December 2021	Change
	kWh	kWh	(%)
Production	117,482,641	107,522,514	9.3
Availability	91.1%	88.9%	2.5
	\$	\$	
Total Revenue	2,033,519,164	1,789,610,311	13.6
Total Expenses	1,529,697,205	1,512,113,080	(1.2)
Net Profit After Tax	503,821,959	277,497,231	81.6
Gross Profit Margin	63.9%	60.0%	6.5
Earnings Per Share	0.046	0.025	84.0



WIGTON WINDFARM LIMITED

INTERIM REPORT TO SHAREHOLDERS NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

OPERATING PERFORMANCE

For the nine-month period, Wigton achieved an overall increase of \$226.3 Mn or 81.6% in net profit over the SPLY. This increase stemmed from the 9.3% increase in production which resulted in an increase in sales revenue of \$196.6 Mn or 12.5%. In addition, other income increased by \$47.3 Mn or 22.2%. Increases in operating expenses were managed well below inflation, the increase over the SPLY amounting to \$17.6 Mn or 1.2% over the SPLY.

Production and Availability

Wigton experienced an increase in its production by 9.96 Mn kWh or 9.3% compared to the SPLY. The average plant availability rate increased to 91.1% from 88.9%. This represents a 2.5% change.

Wigton continues to play its part in the reduction of the negative impact of climate change and is fostering environmental sustainability through its 100% clean energy plant.

Revenue/Sales

Total revenue for the period was \$2.0 Bn, a \$243.9 Mn or 13.6% increase when compared to the amount earned in the SPLY of \$1.8 Bn. Included in the total revenue, specifically Other Income - Net, was income from the sale of carbon credits of \$137.4 Mn. The sale of 308,000 tonnage of carbon credits was completed during the period.

Wigton also saw returns on its recent investment from the Norman Manley International Airport Solar Photovoltaic Project that was undertaken under the joint venture with IEC SPEI Limited, as Wigton seeks to diversify its revenue sources.

Expenses

Total expenses for the period increased by \$17.6 Mn or 1.2 % when compared to the SPLY. This was less than the country's reported inflation rate. The restatement of the Company's Bonds in March 2022 assisted in the lowered finance cost, net, by \$25.6 Mn or 7.3% when compared to the SPLY. The Company continues its efforts to improve operational efficiency and prudently manage expenses.



WIGTON WINDFARM LIMITED

INTERIM REPORT TO SHAREHOLDERS NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

ASSETS, LIABILITIES AND EQUITY

For the reporting period, Wigton's total assets decreased by \$456.4 Mn or 4.1%. Non-current assets decreased by \$511.8 Mn or 7.6% due to the depreciation of the Company's fixed assets. As was disclosed previously, negotiations are ongoing with key stakeholders to replace the written down Wigton Phase I equipment with new equipment. Conversely, current assets grew by \$55.4 Mn or 1.2%. Wigton continues to maintain healthy liquidity with cash and cash equivalents of \$4.0 Bn.

Wigton's continued profitable operations have strengthened the Company's balance sheet and enhanced its financial flexibility to grow the business from initiatives being pursued.

Total liabilities were \$5.8 Bn, a decrease of \$1.1 Bn or 16.0% when compared to the SPLY at \$6.9 Bn. The change occurred mainly because of the repayment of three (3) principal instalments of Bond A during the period. As was previously stated, in March 2022, Wigton restated its three (3) Bonds to two (2) Bonds, A and B. Bond A, with an end of period balance of \$3.5 Bn is an amortizing Bond which will be fully repaid in March 2026; and Bond B with a principal balance of \$1.9 Bn, will be repaid as a bullet payment at the end of September 2027. The Company met all its debt covenants during the period and interest and principal payments were made in full and on time.

Shareholders' equity at the end of the period was \$4.9 Bn, an increase of \$648.7 Mn or 15.1% above the SPLY's equity of \$4.3 Bn.

Table 2 - COMPARITIVE ASSETS, LIABILITIES AND EQUITY AS AT 31 DECEMBER 2022 AND 2021

Description	December 2022	December 2021	Change
	\$'000	\$'000	(%)
Non-current Assets	6,243,195	6,754,953	(7.6)
Current Assets	4,501,292	4,445,941	1.2
Total Assets	10,744,487	11,200,894	(4.1)
Non-current liabilities	4,830,163	6,452,562	25.1
Current liabilities	969,325	452,062	(114.4)
Total liabilities	5,799,488	6,904,624	16.0
Equity	4,944,999	4,296,270	15.1
Total equities and liabilities	10,744,487	11,200,894	4.1



WIGTON WINDFARM LIMITED

INTERIM REPORT TO SHAREHOLDERS NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

OUTLOOK

Wigton has as its primary strategic objective, the successful diversification of the Company into other renewable sources of energy and geographical markets in order to boost revenue stability and expansion. In line with this, Wigton will continue to offer and undertake solutions in wind, solar and other areas of renewables, clean technology solutions, as well as invest in selected non-energy opportunities to ensure continued growth in shareholders' value.

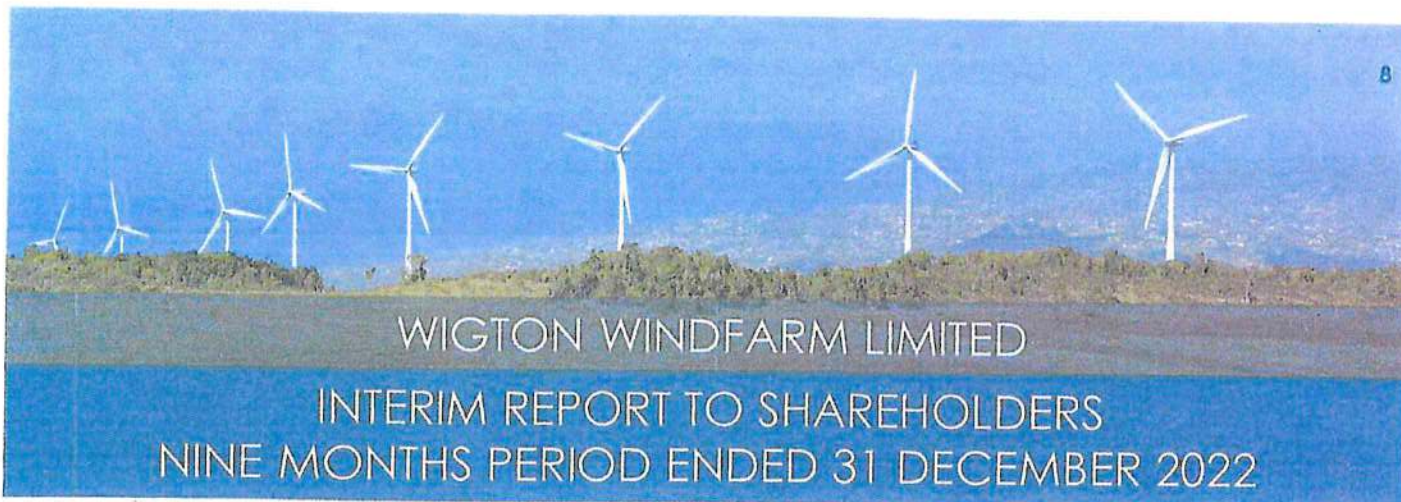
While we are focused on diversification into non-traditional areas of energy, discussions are now on-going with key stakeholders on the potential repowering of Wigton Phase I at Rose Hill, Manchester. This follows the Cabinet's approval of a new 20-year generation license for Wigton Phase I.

The existing wind operations of Wigton are sustained through long term power purchase agreements with the Jamaica Public Service Company Limited and the Company is keen to maintain and improve, through the aggressive pursuit of new businesses, its contractual performance obligations through improved efficiency with capacity and availability consistently meeting targets.

The Wigton Renewable Energy Training Lab provides training in practical and theoretical courses in the areas of renewable energy with face-to-face training now being offered post the peak of the Covid-19 pandemic.

During the period, Wigton received reaffirmation of its **jmA** (Local Currency Rating) on the Jamaica national scale and **CariBBB** (Local Currency Rating) on the regional scale ratings in relation to its Bonds A and B, which were restated in March 2022, by the Caribbean Information and Credit Rating Services Limited. This reaffirmation is also based on a stable outlook in relation to the ratings and is an objective assessment of Wigton's creditworthiness relative to other debt issuing entities locally and regionally.

Wigton is persistent in its efforts to improve operational efficiency and investment opportunities. The Board, Management and Team members continue to work assiduously, to ensure continued profitable outcomes and the sustainability of the Company's operations.



Corporate Social Responsibility

The Company continues to seek ways to positively impact its stakeholders through contributions to social development, primarily in the areas of education, crime prevention, community development and environmental preservation and protection.

During the period, Wigton donated laptop computers to students at the University of the West Indies, Mona, to aid in their studies. Wigton acknowledges that education is the bedrock of any prosperous society and so will always seek ways to contribute to the educational development of students.

Oliver W. Holmes
Chairman

Earlington Barrett
Managing Director

WIGTON WINDFARM LIMITED
NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

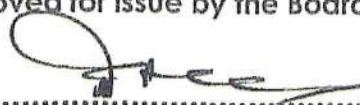
(Expressed in Jamaican dollars unless otherwise indicated)

Note	Quarter Ended December 2022 \$'000 Unaudited	Quarter Ended December 2021 \$'000 Unaudited	Nine Months Ended December 2022 \$'000 Unaudited	Nine Months Ended December 2021 \$'000 Unaudited	March 2022 \$'000 Audited
Sales	421,013	367,452	1,773,247	1,576,646	2,049,232
Cost of sales	(218,076)	(213,086)	(640,137)	(631,076)	(819,572)
Gross Profit	202,937	154,366	1,133,110	945,570	1,229,660
Other income, net	181,237	136,613	260,272	212,965	255,615
General administrative expenses	(132,245)	(127,081)	(401,023)	(443,135)	(607,784)
Operating Profit	251,929	163,898	992,359	715,400	877,491
Finance expense, net	(104,732)	(117,164)	(324,641)	(350,272)	(335,494)
Share of net profit/(loss) of associate	2,027	-	(4,794)	-	(40)
Profit before Taxation	149,224	46,734	662,924	365,128	541,957
Taxation	(35,814)	(11,216)	(159,102)	(87,631)	(69,871)
Net Profit	113,410	35,518	503,822	277,497	472,086
Other Comprehensive Income, net of taxes -					
Items that will not be reclassified to profit or loss -					
Changes in the fair value of equity investments at fair value through other comprehensive income	(176)	-	(6,528)	-	(2,332)
Remeasurements of pension and other post- employment benefits	-	-	-	-	19,183
Total other comprehensive income, net of taxes	(176)	-	(6,528)	-	16,851
Total Comprehensive Income	113,234	35,518	497,294	277,497	488,937
Earning per stock unit for profit attributable to the equity holders of the Group during the year	\$0.010	\$0.003	\$0.046	\$0.025	\$0.043

WIGTON WINDFARM LIMITED
 NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (Expressed in Jamaican dollars unless otherwise indicated)

	December 2022 \$'000 Unaudited	December 2021 \$'000 Unaudited	March 2022 \$'000 Audited
Non-Current Assets			
Property, plant and equipment	5,994,445	6,605,091	6,442,605
Investment in associate	132,698	-	137,492
Rights-of-use asset	95,676	132,806	105,698
Pension plan assets	10,014	-	10,014
Financial assets at fair value through other comprehensive income	10,362	17,056	16,890
	<u>6,243,195</u>	<u>6,754,953</u>	<u>6,712,699</u>
Current Assets			
Inventories	19,526	29,683	22,563
Accounts receivable	380,678	264,041	311,794
Taxation recoverable	53,613	106,235	149,417
Cash and cash equivalents	4,047,475	4,045,982	3,829,935
	<u>4,501,292</u>	<u>4,445,941</u>	<u>4,313,709</u>
Current Liabilities			
Accounts payable	79,621	413,675	304,087
Current portion of lease liability	19,802	16,405	19,802
Current portion of long-term liabilities	869,902	21,982	886,408
	<u>969,325</u>	<u>452,062</u>	<u>1,210,297</u>
Net Current Assets	<u>3,531,967</u>	<u>3,993,879</u>	<u>3,103,412</u>
	<u>9,775,162</u>	<u>10,748,832</u>	<u>9,816,111</u>
Equity			
Share capital	202,598	202,598	202,598
Retained earnings	4,742,401	4,093,672	4,305,112
	<u>4,944,999</u>	<u>4,296,270</u>	<u>4,507,710</u>
Non-Current Liabilities			
Capital grants	27,437	47,612	42,569
Lease liabilities	89,065	137,027	97,964
Long term liabilities	3,970,974	5,593,682	4,425,180
Post-employment benefit obligation	20,919	33,158	20,919
Pension plan liabilities	-	818	-
Deferred tax liabilities	721,768	640,265	721,769
	<u>4,830,163</u>	<u>6,452,562</u>	<u>5,308,401</u>
	<u>9,775,162</u>	<u>10,748,832</u>	<u>9,816,111</u>

Approved for issue by the Board of Directors on February 8, 2023 and signed on its behalf by:



Oliver W. Holmes Chairman



Earlington Barrett Managing Director

WIGTON WINDFARM LIMITED
 NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 (Expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Retained Earnings	Total Equity
	'000	\$'000	\$'000	\$'000
Balance at 1 April 2021	11,000,000	202,598	4,016,375	4,218,973
Net profit	-	-	277,497	277,497
	11,000,000	202,598	4,293,872	4,496,470
Transactions with Owners:				
Dividends			(200,200)	(200,200)
Balance at 31 December 2021	11,000,000	202,598	4,093,672	4,296,270
	Number of Shares	Share Capital	Retained Earnings	Total
	'000	\$'000	\$'000	\$'000
Balance at 1 April 2022	11,000,000	202,598	4,305,112	4,507,710
Net profit	-	-	503,822	503,822
Other comprehensive income			(6,528)	(6,528)
	11,000,000	202,598	4,802,406	5,005,004
Transaction with Owners:				
Dividends			(60,005)	(60,005)
Balance at 31 December 2022	11,000,000	202,598	4,742,401	4,944,999

WIGTON WINDFARM LIMITED
NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)
CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Jamaican dollars unless otherwise indicated)

	December 2022 \$'000 Unaudited	December 2021 \$'000 Unaudited	March 2022 \$'000 Audited
SOURCES OF CASH:			
Operating Activities			
Net profit	503,822	277,497	472,086
Items not affecting cash:			
Depreciation	545,019	516,636	692,815
Write off Asset	-	28	-
Gain on sale of property, plant and equipment	-	-	(650)
Share in net profit of associate	4,794	-	40
Interest income	(151,539)	(93,799)	(131,100)
Interest expense	283,044	335,830	442,165
Interest charge on lease liability	6,216	-	5,771
Gain on restatement of long-term liabilities	-	-	(128,176)
Pension plan liability	-	-	(4,210)
Post-employee benefit obligation	-	-	6,717
Taxation	159,102	87,631	69,871
Amortisation of upfront fees	35,381	14,441	15,734
Amortisation of right of use	10,022	8,252	13,151
Amortisation of grant	(15,131)	(15,131)	(20,174)
Exchange (gain)/loss on foreign balances	50,707	(102,944)	(95,872)
	<u>1,431,436</u>	<u>1,028,441</u>	<u>1,338,168</u>
Change in operating assets and liabilities:			
Inventory	10,157	(21,650)	(14,530)
Accounts receivable	(116,635)	(64,927)	122,257
Accounts payable	(334,055)	129,114	224,344
	<u>990,903</u>	<u>1,070,978</u>	<u>1,670,239</u>
Tax paid	(45,972)	(43,831)	(92,235)
Cash provided by operating activities	<u>944,931</u>	<u>1,027,147</u>	<u>1,578,004</u>
Financing Activities			
Loans repaid	(651,000)	-	-
Lease paid during the year	(25,891)	(13,416)	(19,228)
Payment of debt issuance costs	-	-	(173,797)
Interest paid	(281,142)	(335,830)	(444,339)
Dividend paid	-	-	(200,200)
Cash used in financing activities	<u>(958,033)</u>	<u>(349,246)</u>	<u>(837,564)</u>
Investing Activities			
Acquisition of investment securities	-	(17,056)	-
Purchase of property, plant and equipment	(100,718)	(61,086)	(222,087)
Proceeds from sale of property plant and equipment	-	-	714
Acquisition of investment in associate	-	-	(137,532)
Investment in joint venture	35,595	-	-
Acquisition of financial assets in fair value through other comprehensive income	-	-	(19,999)
Interest received	130,425	104,795	131,100
Cash used in investing activities	<u>65,302</u>	<u>26,653</u>	<u>(247,804)</u>
(Decrease)/increase in cash and cash equivalents	52,201	704,554	492,636
Exchange gains/(loss) on cash and cash equivalents	(50,707)	100,001	95,872
Cash and cash equivalents at beginning of year	4,045,982	3,241,427	3,241,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>4,047,476</u>	<u>4,045,982</u>	<u>3,829,935</u>

WIGTON WINDFARM LIMITED
 NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

NOTES TO THE FINANCIAL STATEMENTS

(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.

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.

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

WIGTON WINDFARM LIMITED
NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

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 December 2022 \$'000	Quarter Ended December 2021 \$,000
Net profit attributable to ordinary shareholders	<u>503,822</u>	<u>277,497</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>\$0.046</u>	<u>\$0.025</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 December 2022 \$'000	Quarter Ended December 2021 \$,000
Cash at bank and cash in hand	46,870	54,035
Short term deposits	851,168	665,373
Deposits	<u>3,149,437</u>	<u>3,326,574</u>
	<u>4,047,475</u>	<u>4,045,982</u>

WIGTON WINDFARM LIMITED
NINE MONTH PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Jamaican dollars unless otherwise indicated)

6. Long Term Liabilities

In March 2022, the outstanding bonds B, C and D were restated to Bonds A and B, subject to new terms and conditions summarized below:

	Quarter Ended December 2022 \$'000	Quarter Ended December 2021 \$'000
(i) Senior Secured Bonds:		
Series B – Due December 14, 2023	-	1,953,000
Series C – Due December 14, 2025	-	1,674,587
Series D – Due December 14, 2028	-	2,011,000
Series A – Restated	3,255,899	-
Series B – Restated	1,765,506	-
Unamortised upfront fees on loan	<u>(182,431)</u>	<u>(44,905)</u>
	4,838,974	5,593,682
Add: Interest Payable	<u>1,902</u>	<u>21,981</u>
	4,840,876	5,615,663
Less: Current portion	<u>(869,902)</u>	<u>(21,981)</u>
	<u><u>3,970,974</u></u>	<u><u>5,593,682</u></u>

WIGTON WINDFARM LIMITED

SHAREHOLDINGS OF TOP TEN (10) SHAREHOLDERS, DIRECTORS AND SENIOR MANAGERS AS OF 31 DECEMBER 2022

Ten (10) Largest Shareholders as at December 31, 2022

	Name of shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,100,000,000	10.0000%
2	Victoria Mutual Building Society	1,051,706,322	9.5610%
3	National Insurance Fund	706,797,283	6.4254%
4	ATL Group Pension Fund Trustees NOM Limited	598,872,710	5.4443%
5	Sagikor Investments Jamaica- Account #1388842	490,192,711	4.4563%
6	Prime Asset Management -Pooled Equity Fund	244,840,032	2.2258%
7	Geoffrey Ford	198,355,302	1.8032%
7	Sagikor Equity Fund	111,782,470	1.0162%
9	MF&G Asset Management Limited-Jamaica Investment Fund	79,939,436	0.7267%
10	Mayberry Investment Ltd. Pension Scheme	78,668,509	0.7152%

Shareholdings of Directors and their Connected Parties as at December 31, 2022

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver W. Holmes	-	1,000,000	1,000,000
Earlington Barrett	2,000,000	-	2,000,000
Nigel Davy	-	1,940,000	1,940,000
Dennis Chung	2,500,000	-	2,500,000
Jacqueline Stewart Lechler	11,252,169	-	11,252,169
M. Georgia Gibson Henlin	-	600,000	600,000
Gregory B. Shirley	2,000,000	-	2,000,000
Hugh Johnson	160,000	-	160,000
Omar Azan	-	-	-
Dan Theoc	14,012,000	-	14,012,000
Mariame McIntosh Robinson	-	-	-

Shareholdings of Senior Managers and their Connected Parties as at December 31, 2022

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