

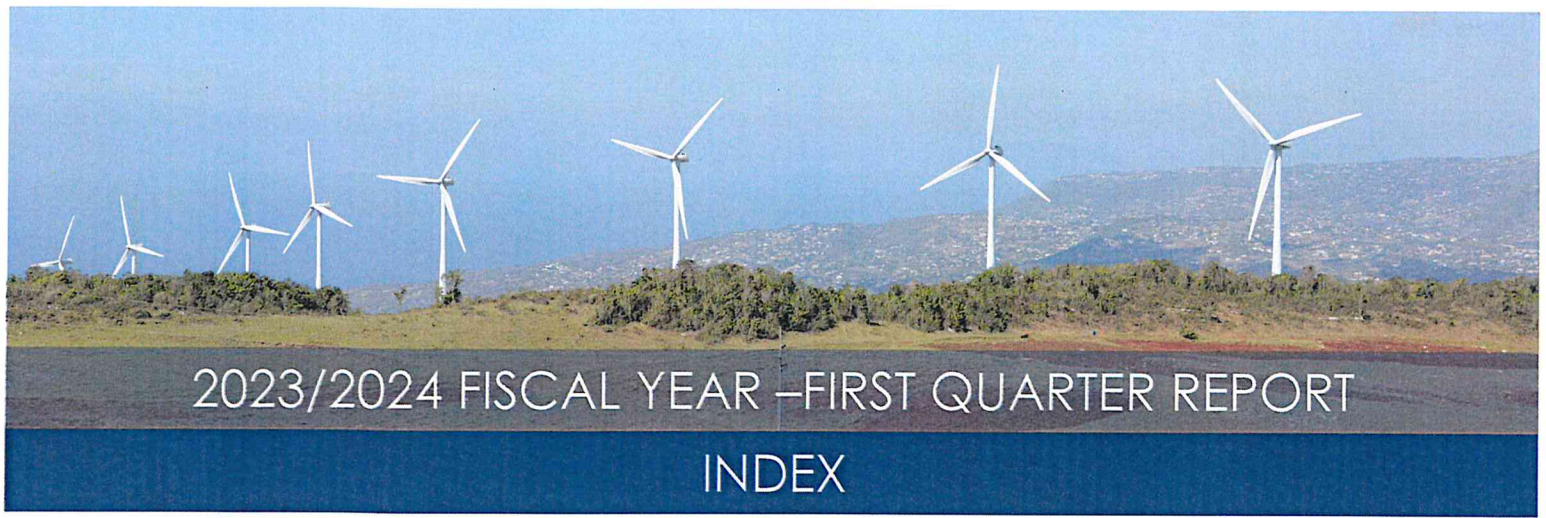



Wigtown
WINDFARM LTD

Q1

INTERIM REPORT TO
SHAREHOLDERS

30 JUNE 2023



2023/2024 FISCAL YEAR –FIRST QUARTER REPORT

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2023/2024 FISCAL YEAR –FIRST QUARTER REPORT

INTERIM REPORT TO SHAREHOLDERS

PERFORMANCE HIGHLIGHTS

Net Profit

\$68.4 Mn

Gross Profit

\$252.6 Mn

Total Revenue

\$619.9 Mn

Total Expense

\$501.7 Mn



32.0 GWh Produced



89.8% Average Plant Availability Rate

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT

INTERIM REPORT TO SHAREHOLDERS

Wigton Windfarm Limited (“Wigton” or “the Company”) is pleased to present its unaudited financial results for the first quarter ended 30 June 2023 of the financial year ending 31 March 2024.

OPERATING PERFORMANCE

TABLE 1. FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 JUNE 2023 AND 2022

Description	3 Months	3 Months	Change
	April to June 2023	April to June 2022	
	kWh	kWh	%
Production	31,966,685	52,495,440	(39.1)
Availability	89.8%	92.6%	(3.0)
	\$	\$	
Total Revenue	619,888,851	785,256,511	(21.1)
Total Expenses excluding Taxation	501,695,547.3	456,964,723.0	(9.8)
Net Profit After Tax	68,372,093	249,501,759	(72.6)
Gross Profit Margin	51.4%	74.0%	(30.5)
Earnings Per Share	0.006	0.023	(73.9)

During the three months period, April to June 2023, Wigton saw a decrease in its net profit of \$181.1 Mn or 72.6% over the similar period last year (SPLY). The decrease was due to a 20.5M kWh or 39.1% decline in production, resulting in a decline in sales revenue of \$303.1Mn or 38.2% over the SPLY. Other income increased by \$137.7 Mn or 1,537.6% over the SPLY mainly because of an increase in interest income and foreign exchange gains as against a loss experienced in the prior period. Total expenses increased by \$44.7 Mn or 9.8% over the SPLY.



2023/2024 FISCAL YEAR –FIRST QUARTER REPORT INTERIM REPORT TO SHAREHOLDERS

Production and Availability

Wigton experienced a decline in its production by 20.5 Mn kWh or 39.1% compared to the SPLY. Additionally, the average plant availability was 89.8% compared 92.6% for the same period last year.

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. Given the Government of Jamaica's recognition of the role and importance of clean energy and the reduction of Jamaica's dependence on fossil fuels by increasing electricity generation from renewable energy sources, Wigton remains resolute in its initiatives to increase its investments in clean energy.

Revenue/Sales

Total revenue for the first quarter was \$619.9 Mn representing a \$165.4 Mn or 21.1% decrease, when compared to the amount earned in the SPLY of \$785.3 Mn.

Expenses

Total expenses for the period increased by \$44.7 Mn or 9.8% when compared to the SPLY. The increase was a result of the increases in repairs and maintenance, insurance, and other general expenses. The prudent management of expenses was evident in the finance expense experienced. Finance expense reduced by \$4.5 Mn or 4.0% when compared to the SPLY as result of the restatement of the Company's Bonds in March 2022.

2023/2024 FISCAL YEAR – FIRST QUARTER REPORT

INTERIM REPORT TO SHAREHOLDERS

ASSETS, LIABILITIES AND EQUITY

Table 2. COMPARATIVE ASSETS, LIABILITIES AND EQUITY AS AT 30 JUNE 2023 AND 2022

Description	June 2023	June 2022	Change
	\$'000	\$'000	%
Non-current Assets	6,135,346	6,585,421	(6.8)
Current Assets	4,506,292	4,418,036	2.0
Total Assets	10,641,638	11,003,457	(3.3)
Non-current liabilities	5,136,059	5,473,753	6.2
Current liabilities	1,005,055	776,502	(29.4)
Total liabilities	6,141,114	6,250,255	1.7
Equity	4,500,524	4,753,202	(5.3)
Total equities and liabilities	10,641,638	11,003,457	3.3

For the reporting period, Wigton's total assets decreased by \$361.8 Mn or 3.3%. Non-current assets decreased by \$450.1 Mn or 6.8% due to the depreciation of the Company's fixed assets. As was disclosed previously, negotiations are ongoing with key stakeholders to replace the Wigton Phase I equipment with new equipment. Current assets grew by \$88.3 Mn or 2.0%.

Wigton continues to maintain a healthy liquidity position with cash and cash equivalents of \$3.3Bn and its profitable operations year over year have strengthened the Company's balance sheet. This has enhanced the Company's financial flexibility to grow the business through new initiatives being pursued.

Total liabilities were \$6.1Bn, a decrease of \$0.1 Bn or 1.7% when compared to the SPLY at \$6.2 Bn. The change occurred mainly because of the quarterly principal instalments repaid in respect of Bond A during the period. The Company met all its debt covenants during the period and interest and principal payments were made in full and on time.



2023/2024 FISCAL YEAR –FIRST QUARTER REPORT

INTERIM REPORT TO SHAREHOLDERS

Shareholders' equity at the end of the period was \$4.5Bn, a decrease of \$0.3 Bn or 5.3% below the SPLY's equity of \$4.8 Bn. This was mainly as a result of the impact of the income tax adjustments as mentioned earlier. Once the related effects of the income tax rate reduction are implemented it is anticipated that a portion of the charges will be adjusted during the financial year 31 March 2024.

INCOME TAX RATE

Wigton traditionally used a statutory tax rate of 25%. During the current financial year, the Company received communication from the Tax Administration Jamaica (TAJ) that the statutory tax rate applicable to independent power producers is 33 1/3%. As a result, Wigton's audited financial statements for the year ended March 31, 2023, were published with a statutory tax rate of 33 1/3%.

On July 14, 2023, the Company received correspondence from the TAJ stating that in keeping with the Government of Jamaica's policy to facilitate growth in the renewable energy sector which includes the production of electrical energy from renewable sources, the Honourable Minister of Finance and the Public Service has indicated his intention to amend the Income Tax Act to provide for a lower tax rate for Independent Power Producers (IPPs) regulated by the Office of Utilities Regulations (OUR), which generate electrical energy wholly or mainly from renewable sources for the purpose of supplying same under fixed price supply contracts. Upon enactment into law, the corporate income tax rate for such IPPs, including Wigton, will be reduced from 33 1/3% to 25%, effective for the year of assessment 2023. IPPs benefitting from this lower tax rate will, however, remain ineligible to claim Employment Tax Credit (ETC). It is anticipated that the change in the Company's statutory tax rate will be enacted within the financial year ending 31 March 2024 and that the Company will file its 2023 tax return at a rate of 25%. We also anticipate that the relevant adjustments in the Company's financial statements will begin in the second quarter of the financial year ending 31 March 2024.



2023/2024 FISCAL YEAR –FIRST QUARTER REPORT INTERIM REPORT TO SHAREHOLDERS

OUTLOOK

Wigton will continue with its strategic objective of diversification of the Company into other renewable sources of energy and geographic markets to boost expansion, and revenues. The Company is currently implementing, along with its joint venture partner, Innovative Energy Company DBA IEC SPEI Limited, the design, supply, and installation of solar photovoltaic systems at Essex Valley Agriculture Development Project locations in Jamaica. The Company continues to explore the market for similar green energy projects, individually and through its partners, and will continue to offer energy 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 the Company is focused on diversification into non-traditional areas of energy, discussions are still on-going with key stakeholders on the 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. Additionally, with the issuance of an expression of interest by Jamaica's Generation Procurement Entity for the supply of up to 100MW of electricity generated from renewables, Wigton is well poised and ready to participate in the request for proposals once it is published.

The existing wind farm 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 its contractual performance obligations through improved efficiency with capacity and availability consistently meeting targets.

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



2023/2024 FISCAL YEAR –FIRST QUARTER REPORT
INTERIM REPORT TO SHAREHOLDERS

CORPORATE SOCIAL RESPONSIBILITY

The Company continues 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.

Oliver W. Holmes
Chairman

Earlington Barrett
Managing Director

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter Ended June 2023 \$'000 Unaudited	Quarter Ended June 2022 \$'000 Unaudited	March 2023 \$'000 Audited
Sales	491,140	794,213	2,218,435
Cost of sales	(238,567)	(206,146)	(860,330)
Gross Profit	252,573	588,067	1,358,105
Other income, net	128,749	(8,956)	326,367
General administrative expenses	(156,099)	(139,281)	(619,127)
Operating Profit	225,223	439,830	1,065,345
Finance expense, net	(107,030)	(111,538)	(424,371)
Share of net profit of joint venture	-	-	5,007
Share of net loss of associate	(10,291)	-	(9,388)
Profit before Taxation	107,902	328,292	636,593
Income tax expense	(39,530)	(78,790)	(327,948)
Net Profit	68,372	249,502	308,645
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	2,943	(4,010)	(4,828)
Remeasurements of pension and other post- employment benefits	-	-	5,330
Total other comprehensive income, net of taxes	2,943	(4,010)	502
Total Comprehensive Income	71,315	245,492	309,147
Earning per stock unit for profit attributable to the equity holders of the Group during the year	4	\$0.006	\$0.023
		\$0.03	\$0.03

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (UNAUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	June 2023 \$'000 Unaudited	June 2022 \$'000 Unaudited	March 2023 \$'000 Audited
Non-Current Assets				
Property, plant and equipment		5,899,335	6,291,983	6,059,000
Investment in associate		118,803	137,491	128,104
Rights-of-use asset		97,275	102,388	100,660
Pension plan assets		7,343	10,014	7,343
Investment in joint venture		-	30,664	-
Financial assets at fair value through other comprehensive income		12,590	12,880	9,647
		<u>6,135,346</u>	<u>6,585,420</u>	<u>6,304,754</u>
Current Assets				
Inventories		19,529	23,422	32,591
Accounts receivable		638,459	563,533	222,744
Taxation recoverable		253,405	77,495	281,330
Cash subject to restrictions		317,886	-	311,078
Cash and cash equivalents	5	3,277,013	3,753,586	3,822,730
		<u>4,506,292</u>	<u>4,418,036</u>	<u>4,670,473</u>
Current Liabilities				
Accounts payable		115,441	104,635	306,465
Current portion of lease liability		19,802	19,802	19,802
Current portion of long-term liabilities		869,812	652,065	869,812
		<u>1,005,055</u>	<u>776,502</u>	<u>1,196,079</u>
Net Current Assets		<u>3,501,237</u>	<u>3,641,534</u>	<u>3,474,394</u>
		<u>9,636,583</u>	<u>10,226,954</u>	<u>9,779,148</u>
Equity				
Share capital		202,598	202,598	202,598
Retained earnings		4,297,926	4,550,604	4,226,611
		<u>4,500,524</u>	<u>4,753,202</u>	<u>4,429,209</u>
Non-Current Liabilities				
Capital grants		17,350	37,525	22,395
Lease liabilities		88,170	95,154	95,258
Long term liabilities	6	3,569,155	4,598,386	3,765,208
Post-employment benefit obligation		8,837	20,919	8,837
Deferred tax liabilities		1,452,547	721,768	1,458,241
		<u>5,136,059</u>	<u>5,473,752</u>	<u>5,349,939</u>
		<u>9,636,583</u>	<u>10,226,954</u>	<u>9,779,148</u>

Approved for issue by the Board of Directors on August 9, 2023 and signed on its behalf by:

Oliver W. Holmes Chairman

Earlington Barrett Managing Director

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2022	11,000,000	202,598	4,305,112	4,507,710
Net profit	-	-	249,502	249,502
Other comprehensive income			(4,010)	(4,010)
Total comprehensive income			245,492	245,492
Balance at 30 June 2022	11,000,000	202,598	4,550,604	4,753,202

	Note	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 April 2023		11,000,000	202,598	4,226,611	4,429,209
Net profit		-	-	68,372	68,372
Other comprehensive income		-	-	2,943	2,943
Total comprehensive income		-	-	71,315	71,315
Balance at 30 June 2023		11,000,000	202,598	4,297,926	4,500,524

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (UNAUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Jamaican dollars unless otherwise indicated)

	June 2023 \$'000	June 2022 \$'000	March 2023 \$'000
Note	Unaudited	Unaudited	Audited
SOURCES OF CASH:			
Operating Activities			
Net profit	68,372	249,502	308,645
Items not affecting cash:			
Depreciation	205,089	180,205	730,757
Share in net profit of associate	10,291	-	9,388
Share in net profit of joint venture	-	-	(5,007)
Interest income	(57,865)	(39,888)	(206,844)
Interest expense	84,931	97,692	367,504
Interest charge on lease liability	2,064	2,052	9,169
Pension plan liability	-	-	6,554
Post-employee benefit obligation	-	-	4,064
Taxation	39,530	78,790	327,948
Amortisation of upfront fees	11,918	11,794	47,673
Amortisation of right of use	3,384	3,310	14,513
Amortisation of grant	(5,044)	(5,044)	(20,174)
Exchange (gain)/loss on foreign balances	(69,826)	53,892	47,010
	<u>292,845</u>	<u>632,305</u>	<u>1,641,200</u>
Change in operating assets and liabilities:			
Inventory	3,893	(12,702)	(10,028)
Accounts receivable	(74,926)	(55,341)	89,050
Accounts payable	10,806	(80,405)	344
	<u>232,617</u>	<u>483,857</u>	<u>1,720,566</u>
Contribution to retirement fund, net of benefit payment			(12,034)
Tax paid	(15,324)	(15,324)	(49,248)
Cash provided by/ (used in) operating activities	<u>217,293</u>	<u>468,533</u>	<u>1,659,284</u>
Financing Activities			
Loans repaid	(868,000)	(217,000)	(868,000)
Lease paid during the year	(6,984)	-	(21,204)
Additional loans proceeds received during the year			161,758
Interest paid	(84,018)	(97,692)	(385,503)
Dividend paid	-	-	(60,005)
Cash used in financing activities	<u>(959,002)</u>	<u>(314,692)</u>	<u>(1,172,954)</u>
Investing Activities			
Purchase of property, plant and equipment	(388,256)	(172,499)	(347,174)
Acquisition of investment in Joint venture	-	(30,664)	(30,664)
Proceeds from return of investment in joint venture	-	-	35,671
Cash received from contract	468,000	-	-
Cash received from contract and placed on restricted deposit	-	-	(201,178)
Payment for performance bond and placed on restricted deposit	-	-	(109,900)
Interest received	46,423	26,865	206,844
Cash used in investing activities	<u>126,167</u>	<u>(176,298)</u>	<u>(446,401)</u>
(Decrease)/increase in cash and cash equivalents	(615,542)	(22,457)	39,929
Exchange gains on cash and cash equivalents	69,826	(53,892)	(47,134)
Cash and cash equivalents at beginning of year	3,822,730	3,829,935	3,829,935
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>3,277,013</u>	<u>3,753,586</u>	<u>3,822,730</u>

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (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 12 April 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 quarters 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

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (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 June 2023 \$'000	Quarter Ended June 2022 \$,000
Net profit attributable to ordinary shareholders	<u>68,372</u>	<u>249,502</u>
Weighted average number of ordinary shares in issue	<u>11,000,000,000</u>	<u>11,000,000,000</u>
Basic earnings per stock unit	<u>\$0.006</u>	<u>\$0.023</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.

	Quarter Ended June 2023 \$'000	Quarter Ended June 2022 \$'000
Cash at bank and cash in hand	280,974	26,459
Short term deposits	486,591	672,021
Deposits	<u>2,509,448</u>	<u>3,055,106</u>
	<u>3,277,013</u>	<u>3,753,586</u>

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT (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 Bond A and B, subject to new terms and conditions summarised below:

	Quarter Ended June 2023 \$'000	Quarter Ended June 2022 \$'000
(i) Senior Secured Bonds:		
Series A – Restated	2,814,996	3,689,899
Series B – Restated	1,899,990	1,765,506
Unamortised upfront fees on loan	<u>(277,830)</u>	<u>(206,019)</u>
	4,437,1552	5,249,386
Add: Interest Payable	<u>1,811</u>	<u>1,065</u>
	4,438,967	5,250,451
Less: Current portion	<u>(869,812)</u>	<u>(652,065)</u>
	<u><u>3,569,155</u></u>	<u><u>4,598,386</u></u>

2023/2024 FISCAL YEAR –FIRST QUARTER REPORT

SHAREHOLDINGS OF TOP TEN (10) SHAREHOLDERS, DIRECTORS AND SENIOR OFFICERS AS OF 30 JUNE 2022

Ten (10) Largest Shareholders as at June 30, 2022

	Name of shareholder	Units	Percentage
1	Mayberry Jamaican Equities Limited	1,100,000,000	10.0000%
2	Victoria Mutual Building Society	1,080,497,962	9.8227%
3	National Insurance Funds	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	Geoffrey Ford	266,205,650	2.4201%
7	Prime Asset Management -Pooled Equity Fund	259,243,048	2.3568%
8	Sagikor Equity Fund	111,782,470	1.0162%
9	MAYBERRY INVESTMENTS LTD. PENSION SCHEME	89,257,262	0.8114%
10	MF&G Asset Management Limited-Jamaica Investment Fund	79,939,436	0.7267%

Shareholdings of Directors and their Connected Parties as at June 30, 2022

Shareholdings of Directors	Direct	Connected Parties	Total
Oliver 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 Shirley	2,000,000	-	2,000,000
Hugh Johnson	160,000	-	160,000
Omar Azan	-	-	-
Dan Theoc	11,512,000	-	11,512,000
Mariame McIntosh Robinson	-	-	-

Shareholdings of Senior Managers and their Connected Parties as at June 30, 2022

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