

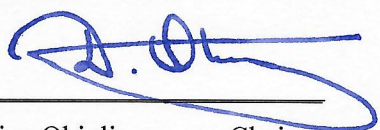
JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

{Unaudited results in US\$ thousand}

	Sep-23 \$'000	Sep-22 \$'000	{Audited} Dec-22 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	814,951	803,030	828,170
Right-of-use assets	455,405	491,384	473,538
Investment in equity-accounted investee	83,400	85,188	91,457
Employee benefits asset	44,143	49,784	44,285
	<u>1,397,899</u>	<u>1,429,386</u>	<u>1,437,450</u>
Current assets			
Cash and cash equivalents	56,274	68,758	60,123
Restricted cash	57,485	53,809	54,523
Accounts receivable	142,109	165,028	189,423
Corporation tax recoverable	-	-	2,819
Due from related parties	2,470	1,536	2,733
Inventories	38,783	38,752	33,841
	<u>297,121</u>	<u>327,883</u>	<u>343,462</u>
Total assets	<u>1,695,020</u>	<u>1,757,269</u>	<u>1,780,912</u>
Shareholders' equity			
Share capital	261,786	261,786	261,786
Capital reserve	18,001	19,288	18,899
Capital redemption reserve	3,000	3,000	3,000
Retained earnings	314,811	283,896	286,745
	<u>597,598</u>	<u>567,970</u>	<u>570,430</u>
Current liabilities			
Accounts payable and provisions	87,427	106,694	146,719
Corporation tax payable	2,948	2,911	-
Due to related parties	33,390	46,774	42,698
Lease liabilities	30,943	28,125	28,814
Current portion of long-term loans	49,094	35,322	35,713
Employee benefits obligation	-	-	8,992
	<u>203,802</u>	<u>219,826</u>	<u>262,936</u>
Non-current liabilities			
Customers' deposits	50,687	43,511	46,430
Long-term loans	295,720	343,100	335,779
Lease liabilities	470,783	497,921	490,300
Preference shares	24,688	24,688	24,688
Deferred taxation	23,073	20,194	22,189
Decommissioning provision	28,669	27,994	28,160
Employee benefits obligation	-	12,065	-
	<u>893,620</u>	<u>969,473</u>	<u>947,546</u>
Total liabilities	<u>1,097,422</u>	<u>1,189,299</u>	<u>1,210,482</u>
Total shareholders' equity and liabilities	<u>1,695,020</u>	<u>1,757,269</u>	<u>1,780,912</u>

ON BEHALF OF THE BOARD



Damian Obiglio

Chairman



Minna Israel

Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2023

{Unaudited results in US\$ thousand}

	Quarter ended,		Nine months ended,	
	Sep-23 <u>US\$'000</u>	Sep-22 <u>US\$'000</u>	Sep-23 <u>US\$'000</u>	Sep-22 <u>US\$'000</u>
Operating revenue	287,604	315,196	787,822	880,642
Cost of sales	<u>(181,173)</u>	<u>(213,951)</u>	<u>(482,455)</u>	<u>(587,860)</u>
Gross profit	106,431	101,245	305,367	292,782
Operating expenses	(67,175)	(66,709)	(197,355)	(188,271)
Impairment loss on trade receivables	<u>(1,457)</u>	<u>(2,333)</u>	<u>(6,905)</u>	<u>(8,506)</u>
Operating profit	37,799	32,203	101,107	96,005
Net Finance costs	(13,941)	(15,065)	(44,182)	(48,027)
Other income/(expenses), net	<u>1,260</u>	<u>(54)</u>	<u>3,747</u>	<u>(1,418)</u>
	25,118	17,084	60,672	46,560
Share of profit in equity-accounted investee	<u>1,673</u>	<u>2,049</u>	<u>6,015</u>	<u>6,476</u>
Profit before taxation	26,791	19,133	66,687	53,036
Taxation	<u>(7,754)</u>	<u>(5,397)</u>	<u>(19,519)</u>	<u>(14,976)</u>
Profit for the period	<u><u>19,037</u></u>	<u><u>13,736</u></u>	<u><u>47,168</u></u>	<u><u>38,060</u></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>0.35¢</u>	<u>0.25¢</u>	<u>0.29¢</u>	<u>0.23¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED SEPTEMBER 30, 2023**

{Unaudited results in US\$ thousand}

	Sep-23 <u>US\$'000</u>	Sep-22 <u>US\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	47,168	38,060
Adjustments for non-cash items:		
Depreciation and amortisation	86,756	86,400
Gain on disposal of property, plant and equipment	(152)	-
Unrealised foreign exchange (gains)/losses	(2,568)	1,118
Amortisation of debt issuance costs	587	633
Interest income	(4,934)	(4,123)
Interest capitalised	(1,564)	(838)
Interest expense	51,347	51,487
Income tax expense	18,635	19,923
Deferred tax expense	884	(4,947)
Share of profit in equity-accounted investee	(6,015)	(6,476)
Employee benefit obligations, net	142	3,141
	<u>190,286</u>	<u>184,378</u>
Changes in working capital:		
Restricted cash	(2,962)	(2,362)
Accounts receivable	47,393	(11,993)
Inventories	(4,942)	(8,576)
Payables and provisions	(70,751)	(6,181)
Taxation	(12,868)	(19,547)
Due (to)/from related companies, net	(9,045)	23,088
Customer deposits and advances	4,257	10,807
Cash provided by operating activities	<u>141,368</u>	<u>169,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	1,201	-
Purchase of property, plant & equipment	(50,628)	(45,523)
Dividends received from associated company	14,072	-
Interest received	4,855	3,861
Cash used in investing activities	<u>(30,500)</u>	<u>(41,662)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans repaid	(24,697)	(24,726)
Payment of lease liabilities	(21,649)	(20,303)
Interest paid	(50,771)	(51,948)
Dividends paid	(17,600)	(5,000)
Cash used in financing activities	<u>(114,717)</u>	<u>(101,977)</u>
(Decrease)/increase in cash & cash equivalents	(3,849)	25,975
Cash and cash equivalents at beginning of period	60,123	42,783
Cash and cash equivalents at end of period	<u>56,274</u>	<u>68,758</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

{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, 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	-	-	-	(5,000)	(5,000)
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>
Balance as at December 31, 2022	261,786	18,899	3,000	286,745	570,430
Profit for the period	-	-	-	47,168	47,168
Transfer from capital reserves on disposal of property	-	(898)	-	898	-
Transactions with owners of the company:					
Dividends	-	-	-	(20,000)	(20,000)
Balance as at September 30, 2023	<u>261,786</u>	<u>18,001</u>	<u>3,000</u>	<u>314,811</u>	<u>597,598</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2023

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, 2023

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, 2022 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 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, 2022.

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2023

4. Restricted cash

As at September 30, 2023, restricted cash included approximately \$56.5 million (Sept-22: \$52.8 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended		Nine months ended	
	Sep-23	Sep-22	Sep-23	Sep-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Depreciation and amortisation	(28,840)	(28,432)	(86,756)	(86,400)
Staff costs	(18,171)	(21,442)	(55,004)	(52,760)
Other	<u>(20,164)</u>	<u>(16,835)</u>	<u>(55,595)</u>	<u>(49,111)</u>
	<u>(67,175)</u>	<u>(66,709)</u>	<u>(197,355)</u>	<u>(188,271)</u>

6. Net finance costs

	Quarter ended		Nine months ended	
	Sep-23	Sep-22	Sep-23	Sep-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange gain/(loss)	546	(63)	1,254	(868)
Other finance costs	(16,374)	(16,475)	(50,188)	(50,373)
Preference dividends	(589)	(590)	(1,746)	(1,747)
Finance income	<u>2,476</u>	<u>2,063</u>	<u>6,498</u>	<u>4,961</u>
	<u>(13,941)</u>	<u>(15,065)</u>	<u>(44,182)</u>	<u>(48,027)</u>

7. Dividends

(a) Dividends on ordinary shares:

	<u>Sep-23</u> <u>US\$'000</u>	<u>Sep-22</u> <u>US\$'000</u>
Interim dividend - 0.000549747694¢ (Sept -22: Nil) per ordinary share-gross	12,000	-
Interim dividend - 0.0003664984627¢ (Aug-22: 0.0002290615392¢) per ordinary share-gross	<u>8,000</u>	<u>5,000</u>
	<u>20,000</u>	<u>5,000</u>

(b) Dividends on cumulative preference shares accrued at September 30, 2023 amounted to \$0.6 million (2022: \$0.6 million).

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2023

8. Share Capital

	<u>No of shares</u> <u>'000</u>
Authorized ordinary share capital:	
Ordinary stock units at no par value	315,733
Ordinary shares at no par value	<u>30,000,000</u>
	<u>30,315,733</u>

	<u>No of shares</u> <u>'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Issued and fully paid:			
Ordinary share capital			
Ordinary stock units	315,733	5,684	5,684
Ordinary shares	<u>21,512,462</u>	<u>256,102</u>	<u>256,102</u>
At the end of the period	<u>21,828,195</u>	<u>261,786</u>	<u>261,786</u>

9. Capital reserve

This represents the accumulated surplus on revaluation of land.

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
At the beginning of the year	18,899	19,288
Transfer from capital reserves on disposal of property	<u>(898)</u>	<u>-</u>
At the end of the period	<u>18,001</u>	<u>19,288</u>