


JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023
{Unaudited results in US\$ thousand}

	Dec-23	{Audited} Dec-22
	\$'000	\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	849,903	828,170
Right-of-use assets	439,134	473,538
Investment in equity-accounted investee	83,597	91,457
Employee benefits asset	<u>27,964</u>	<u>44,285</u>
	<u>1,400,610</u>	<u>1,437,450</u>
Current assets		
Cash and cash equivalents	60,977	60,123
Restricted cash	58,525	54,523
Accounts receivable	172,956	189,423
Corporation tax recoverable	-	2,819
Due from related parties	1,110	2,733
Inventories	<u>36,133</u>	<u>33,841</u>
	<u>329,701</u>	<u>343,462</u>
Total assets	<u>1,730,311</u>	<u>1,780,912</u>
Shareholders' equity		
Share capital	261,786	261,786
Capital reserve	24,663	18,899
Capital redemption reserve	3,000	3,000
Retained earnings	<u>309,599</u>	<u>286,745</u>
	<u>599,048</u>	<u>570,430</u>
Current liabilities		
Accounts payable and provisions	140,611	146,719
Corporation tax payable	3,144	-
Due to related parties	32,128	42,698
Lease liabilities	31,423	28,814
Current portion of long-term loans	56,062	35,713
Employee benefits obligation	<u>-</u>	<u>8,992</u>
	<u>263,368</u>	<u>262,936</u>
Non-current liabilities		
Customers' deposits	52,249	46,430
Long-term loans	281,403	335,779
Lease liabilities	463,648	490,300
Preference shares	24,688	24,688
Deferred taxation	17,132	22,189
Decommissioning provision	<u>28,775</u>	<u>28,160</u>
	<u>867,895</u>	<u>947,546</u>
Total liabilities	<u>1,131,263</u>	<u>1,210,482</u>
Total shareholders' equity and liabilities	<u>1,730,311</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
YEAR ENDED DECEMBER 31, 2023**

{Unaudited results in US\$ thousand}

	Quarter ended,		Year ended,	
	Dec-23 US\$'000	Dec-22 US\$'000	Dec-23 US\$'000	Dec-22 US\$'000
Operating revenue	284,989	282,945	1,072,811	1,163,587
Cost of sales	<u>(175,988)</u>	<u>(187,372)</u>	<u>(658,443)</u>	<u>(775,232)</u>
Gross profit	109,001	95,573	414,368	388,355
Operating expenses	(67,864)	(70,441)	(265,219)	(258,712)
Impairment loss on trade receivables	<u>(2,203)</u>	<u>1,071</u>	<u>(9,108)</u>	<u>(7,435)</u>
Operating profit	38,934	26,203	140,041	122,208
Net Finance costs	(15,785)	(17,435)	(59,967)	(65,462)
Other income/(expenses), net	<u>(2)</u>	<u>1,543</u>	<u>3,745</u>	<u>125</u>
	23,147	10,311	83,819	56,871
Share of profit in equity-accounted investee	<u>1,450</u>	<u>6,269</u>	<u>7,265</u>	<u>12,745</u>
Profit before taxation	24,597	16,580	91,284	69,616
Taxation	<u>(4,800)</u>	<u>(262)</u>	<u>(24,319)</u>	<u>(15,238)</u>
Profit for the year	<u>19,797</u>	<u>16,318</u>	<u>66,965</u>	<u>54,378</u>
Other comprehensive income				
<i>Items that will never be reclassified to profit or loss:</i>				
Gain on revaluation of property, plant and equipment	6,662	-	6,662	-
Remeasurement loss on defined benefit plan	(21,013)	(5,787)	(21,013)	(5,787)
Tax on remeasurement loss on defined benefit plan	<u>7,004</u>	<u>1,929</u>	<u>7,004</u>	<u>1,929</u>
Other comprehensive loss, net of tax	<u>(7,347)</u>	<u>(3,858)</u>	<u>(7,347)</u>	<u>(3,858)</u>
Total comprehensive income attributable to shareholders	<u>12,450</u>	<u>12,460</u>	<u>59,618</u>	<u>50,520</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>0.36¢</u>	<u>0.30¢</u>	<u>0.31¢</u>	<u>0.25¢</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
YEAR ENDED DECEMBER 31, 2023**

{Unaudited results in US\$ thousand}

	Dec-23	{Audited}
	<u>US\$'000</u>	<u>Dec-22</u>
		<u>US\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	66,965	54,378
Adjustments for non-cash items:		
Depreciation and amortisation	117,892	116,578
Gain on disposal of property, plant and equipment	(152)	(205)
Amortisation of debt issuance costs	745	788
Unrealised foreign exchange gains, net	(2,028)	(5,845)
Interest income	(9,365)	(7,148)
Interest expense	68,254	68,913
Income tax expense	22,372	16,261
Deferred tax expense	1,947	(1,023)
Employee benefit obligations, net	(4,692)	(8,574)
Share of profit in equity-accounted investee	(7,465)	(12,745)
	<u>254,473</u>	<u>221,378</u>
Changes in working capital:		
Restricted cash	(4,002)	(3,076)
Accounts receivable	16,891	(27,501)
Inventories	(2,292)	(3,665)
Payables and provisions	(17,033)	42,112
Taxation	(16,409)	(21,615)
Due (to)/from related companies, net	(8,947)	17,815
Customer deposits and advances	5,819	12,876
Cash provided by operating activities	<u>228,500</u>	<u>238,324</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1,201	826
Purchase of property, plant & equipment	(91,975)	(83,224)
Dividends received from equity-accounted investee	15,125	-
Interest received	6,701	5,717
Cash used in investing activities	<u>(68,948)</u>	<u>(76,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-term loans	(32,744)	(33,318)
Payment of lease liabilities	(29,248)	(27,239)
Interest paid	(65,562)	(67,185)
Dividends paid	(33,334)	(17,334)
Cash used in financing activities	<u>(160,888)</u>	<u>(145,076)</u>
(Decrease)/increase in cash & cash equivalents	(1,336)	16,567
Effect of changes in exchange rates	2,190	773
Cash and cash equivalents at beginning of period	60,123	42,783
Cash and cash equivalents at end of period	<u>60,977</u>	<u>60,123</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

{Unaudited results in US\$ thousand}

	<u>Share Capital</u> US\$'000	<u>Capital Reserve</u> US\$'000	<u>Capital Redemption Reserve</u> US\$'000	<u>Retained Earnings</u> US\$'000	<u>TOTAL</u> US\$'000
Balance as at December 31, 2021	261,786	19,288	3,000	250,836	534,910
Total comprehensive income for the year 2022:					
Profit for the year	-	-	-	54,378	54,378
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement loss on defined benefit plan, net of tax	-	-	-	(3,858)	(3,858)
Total comprehensive income for the year	-	-	-	50,520	50,520
Transfer from reserves on disposal of property Transactions with owners of the company:		(389)		389	-
Dividends	-	-	-	(15,000)	(15,000)
Balance as at December 31, 2022	<u>261,786</u>	<u>18,899</u>	<u>3,000</u>	<u>286,745</u>	<u>570,430</u>
Total comprehensive income for the year 2023:					
Profit for the year	-	-	-	66,965	66,965
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement loss on defined benefit plan, net of tax	-	-	-	(14,009)	(14,009)
Gain on revaluation of property, plant and equipment	-	6,662	-	-	6,662
Total comprehensive income for the year	-	6,662	-	52,956	59,618
Transfer from reserves on disposal of property Transactions with owners of the company:		(898)		898	-
Dividends	-	-	-	(31,000)	(31,000)
Balance as at December 31, 2023	<u>261,786</u>	<u>24,663</u>	<u>3,000</u>	<u>309,599</u>	<u>599,048</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) DECEMBER 31, 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 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) DECEMBER 31, 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) DECEMBER 31, 2023

4. Restricted cash

As at December 31, 2023, restricted cash included approximately \$57.5 million (Dec-22: \$53.5 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

5. Operating expenses

	Quarter ended		Year ended	
	Dec-23	Dec-22	Dec-23	Dec-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Depreciation and amortisation	(31,136)	(30,178)	(117,892)	(116,578)
Staff costs	(17,170)	(20,306)	(72,174)	(73,066)
Other	<u>(19,558)</u>	<u>(19,957)</u>	<u>(75,153)</u>	<u>(69,068)</u>
	<u>(67,864)</u>	<u>(70,441)</u>	<u>(265,219)</u>	<u>(258,712)</u>

6. Net finance costs

	Quarter ended		Year ended	
	Dec-23	Dec-22	Dec-23	Dec-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange loss	(1,587)	(1,532)	(333)	(2,400)
Other finance costs	(16,477)	(17,503)	(66,665)	(67,876)
Preference dividends	(588)	(587)	(2,334)	(2,334)
Finance income	<u>2,867</u>	<u>2,187</u>	<u>9,365</u>	<u>7,148</u>
	<u>(15,785)</u>	<u>(17,435)</u>	<u>(59,967)</u>	<u>(65,462)</u>

7. Dividends

(a) Dividends on ordinary shares:

	<u>Dec-23</u>	<u>Dec-22</u>
	<u>US\$'000</u>	<u>US\$'000</u>
Final dividend – Dec-23: 0.0004123107705¢ (Dec-22: 0.0004581230783¢) per ordinary share-gross	9,000	10,000
Interim dividend – Nov-23: 0.0000916246157¢ (Nov-22: Nil) per ordinary share-gross	2,000	-
Interim dividend - Sept-23: 0.000549747694¢ (Sept -22: Nil) per ordinary share-gross	12,000	-
Interim dividend – Aug-23: 0.0003664984627¢ (Aug-22: 0.0002290615392¢) per ordinary share-gross	<u>8,000</u>	<u>5,000</u>
	<u>31,000</u>	<u>15,000</u>

(b) Dividends on cumulative preference shares accrued at December 31, 2023 amounted to \$0.6 million (2022: \$0.6 million).

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) DECEMBER 31, 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>2023</u>	<u>2022</u>
	<u>'000</u>	<u>\$'000</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 year	<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>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
At the beginning of the year	18,899	19,288
Gain on revaluation of property, plant and equipment	6,662	-
Transfer from capital reserves on disposal of property	<u>(898)</u>	<u>(389)</u>
At the end of the year	<u>24,663</u>	<u>18,899</u>