

JPS



**A Century of Commitment,
A Future of Possibilities!**



A Century of Commitment, A Future of Possibilities!

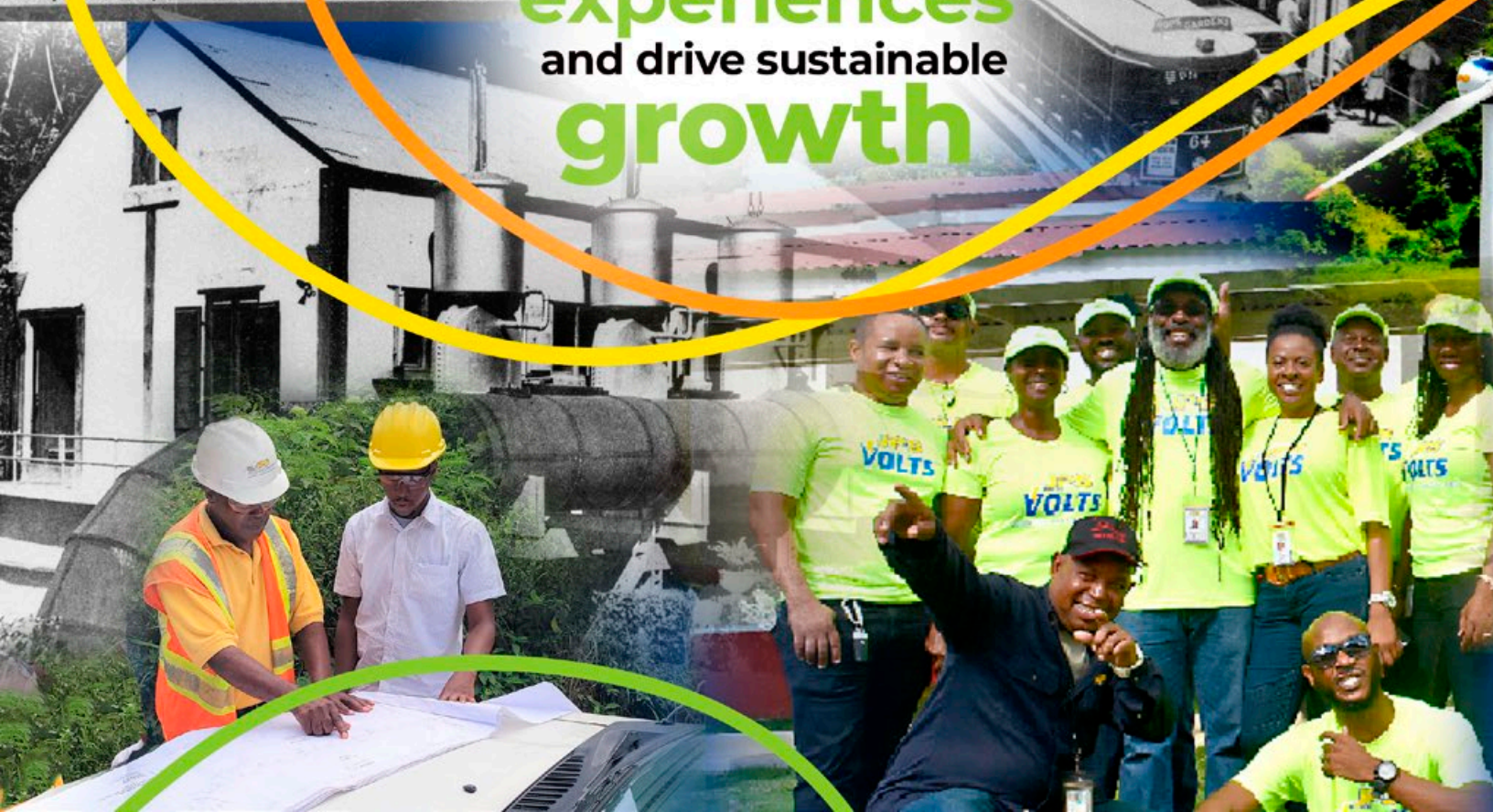
Annual Report 2023

Celebrating a Century of Commitment

Illuminating lives
fueling progress

Collaborating to
ignite new
experiences
and drive sustainable
growth

ELECTRIC TRAM CARS: As the supply of electricity increased and the demand for public transport grew, the traditional horse-drawn trams were failing to meet the needs of the bustling city. The next step forward came in 1898 when the West Indian Electric Company started operations and introduced electric tram cars as a modern form of public transport. These tram cars were sturdily built





Forging
strategic
partnerships



Envisioning a
future of
possibilities



CONTENTS

Our Vision

We are the people leading the energy revolution, unleashing Jamaica's growth and prosperity.

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Our Mission

Through inspired and committed employees, and innovative technologies, we deliver an energy solution to empower every Jamaican, fuel the growth of businesses, and support national development.



Chairman's Message



Celebrating a Century

In 2023, JPS celebrated the monumental milestone of our 100th Anniversary. This landmark provided us with an opportunity to reflect with immense pride on a journey that has seen JPS shaping Jamaica's energy landscape, while fuelling businesses and illuminating homes. Underpinned by a simple yet profound commitment to powering progress and enriching lives, our journey has been characterised by resilience, innovation, and partnership.

JPS is proud to have been integral to the modernization of Jamaica, with over 98% of the island now connected to a modern national grid.

Our company has been at the forefront of Jamaica's fuel diversification strategy, by expanding our own renewable facilities, leading the introduction of LNG to the island, and facilitating the continued addition of renewables to the grid by Independent Power Producers (IPPs) or through Net Billing arrangements.

As we celebrated and reflected on a century of powering Jamaica, we also took the time to refine our strategic vision for our company. We recommitted to supporting the Government's national development plan by incorporating more renewables, leading the electrification of transportation, and by investing in the protection and preservation of the environment and the technical education of our youth. We have also recommitted to improving the quality of service we provide to our customers, by finding new and more efficient ways of serving.

Positive Financial Performance

2023 was a good year for Jamaica, as the country's economy continued on a positive growth path. Gross Domestic Product grew by 2.6% and the country received improved sovereign credit ratings from major credit rating agencies - Fitch, Moody's and Standard & Poors. The JPS Group benefited from this improved economic climate, and was able to generate strong overall operational performance.

The JPS Group of companies recorded US\$68.2 million in net income, compared to US\$54.4 million earned in 2022. This increase in profit was due to a combination of factors, including: increased electricity sales; a decrease in net finance costs; and steady returns from associate and subsidiary companies, South Jamaica Power Company Limited and Caribbean Blue Skies Energy Limited.

Jamaica was not immune to the unprecedented high temperatures that swept across the globe in 2023. We experienced the hottest summer on record, which resulted in increased demand for electricity across all customer groups. As a consequence, electricity sales were 6.0% higher in 2023, compared to 2022, moving from 3,166 GWh in 2022 to 3,354 GWh for 2023.

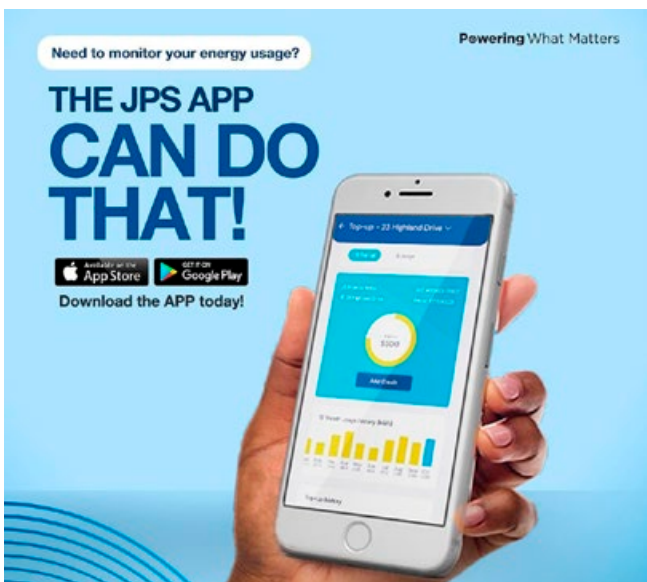
We were able to comfortably meet this increased demand, as a result of ongoing investment in the nation's power infrastructure.

We continued our capital investment programme, which was aimed primarily at improving the reliability and quality of service to our customers. \$41.8 million was invested in the energy delivery network, \$14 million in grid modernization initiatives, and \$12.1 million in power plant improvement.

Serving Our Customers

The JPS customer experience continued to be driven by the implementation of advanced technological initiatives, as we made the digitization of our customers' journeys a major focus for 2023. Our customers have embraced the digital transformation, which has given them more options for engaging with us and the service we provide.

During the year, we automated a number of processes that support customer service delivery, and upgraded the MyJPS Mobile App with new and enhanced features. We saw increased Mobile App penetration, with over 91,000 new users. This brought total registered users to 487,038, or just over 70% of our total customer base. The Mobile App has been a game changer for our customers, giving users the ability to do transactions at their own convenience, monitor their electricity usage and budgets, make a range of service requests, and submit reports. The App has also facilitated improved communication to customers about outages and other issues affecting them.



Deeper Partnerships

JPS increased our customer engagement activities in 2023, with initiatives aimed at reaching different target audiences. Among the events hosted were our very first Pole Line Safety Conference, a Smart City Forum, Developers' Forum, and a Business Leaders' Breakfast in Western Jamaica. These events gave us the opportunity to share updates and critical information with the respective customer groups, and get direct feedback about their experiences with the company.

Reliability Challenges

Despite improvements in key areas of service delivery and stakeholder engagement, we fell just short of achieving our customer satisfaction target of 69%, with a satisfaction rating of 66%. Customer feedback pointed to power outages as one of the main areas of dissatisfaction – a direct result of an increase in the frequency and duration of outages during 2023. Several unusual weather-related events - linked to climate change - exacerbated service interruptions throughout the year. In addition, a total of 1,194 power outages were caused by motor vehicle accidents. This resulted in great inconvenience to customers because of the time required to carry out repairs to the electrical infrastructure.

Notwithstanding the challenges with external factors causing outages, several reliability improvement initiatives were successfully implemented during the year. These included substation upgrades, the continuing Voltage Standardization Programme, Vegetation Management, and Transmission & Distribution structural integrity programmes.

These will continue into 2024, as part of a rigorous reliability improvement programme that is expected to reverse the negative trend in outages experienced in 2023.

Raising the Bar

Our efforts to operate at the highest global standards were rewarded in 2023 with the International Standards Organization (ISO) accreditation of the JPS High Voltage Testing Lab. Having met and maintained the stringent requirements of the ISO/IEC 17025:2017 standard, we have increased our ability to test and screen high voltage equipment prior to them being installed on the Transmission and Distribution network. This reduced equipment failures, thereby improving service reliability and ultimately, the customer experience.

Fighting Theft

We continued to invest significant resources in fighting the socio-economic problem of electricity theft in 2023, and reaped some positive results. For the first time in more than a decade, JPS met its internal losses target, achieving 12-month rolling losses of 27.86% against a target of 28.15%.

Strategic partnerships forged in 2023 to fight theft of electricity are expected to deliver tangible results in the future. The initiation of the National Loss Reduction Plan by the Ministry of Science, Energy, Telecommunications and Transport (MSETT) received the support of the Private Sector Organization of Jamaica (PSOJ).



A JPS lineman on the job.

A new partnership was forged between JPS, the Ministry of Energy and the Jamaica Social Investment Fund (JSIF), to ensure that reliable and safe electricity supply reached underserved and off-grid communities across the island. JPS committed to undertake the critical role of installing the pole line infrastructure, through a revamped Rural Electrification Programme (REP), while JSIF committed to undertake the house wiring and certification of houses.

We are hopeful that this collaborative approach to fighting theft will be sustained, and will deliver lasting results, ultimately leading to a reduction in the cost of electricity to paying customers.

Committing to a Sustainable Future

In 2023, JPS developed and published our Environment Social and Governance (ESG) position statement. We reiterated our commitment to improving operational efficiency, promoting the use of renewable energy, reducing greenhouse gas emissions, and mitigating climate change. With environmental preservation being a key area of focus, we registered our commitment to collaborate with relevant governmental agencies to actively engage in reforestation and habitat protection initiatives. We also committed to continue helping to build the communities we serve.

Our commitment to sustainability went beyond our ESG Statement. We took action. Throughout 2023, we continued to partner with international, national, local and community-based organizations to support causes that contribute to positive social, economic and environmental impacts. Our dynamic team of Volunteers On Location To Serve (VOLTS) gave thousands of hours to serving communities across the island.

In collaboration with the Forestry Department, we planted 5,186 trees, as part of our contribution to Jamaica's National Tree Planting Initiative. Through the Forestry Department's "Adopt a Hillside" Programme, JPS has planted over 13,000 seedlings covering 22 hectares of land, distributed across 8 sites in 6 parishes, since 2010. This effort has resulted in a total of 140 tonnes of carbon dioxide being absorbed and subsequently converted to oxygen. It is projected that in 10 years these 13,000 seedlings will sequester 1,146 tonnes of carbon.





We continue to invest in the nation's youth. Through a partnership with JPS Community Renewal and the JPS Foundation, we provided back-to-school assistance and examination fee grants for over 1,300 students. Our social intervention programmes in under-served communities improved the lives of thousands of adults and children throughout the year.

Looking Ahead: *Focusing On What Matters*

2023 marked the final leg of the five-year tariff period. As we prepare for the new 2024-2029 tariff period, we have started discussions with our regulator, the Office of Utilities Regulation (OUR), about the design of the new tariff structure. We are rethinking our pricing strategy, particularly for residential customers.

Our aim is to make the pricing experience better. We want to offer our customers choices, with simpler price plans, while ensuring that all who use the grid pay their fair share. To this end, we are working on creative, collaborative and sustainable ways to achieve tariffs that help affordability, but without the loopholes for abuse that now exist.

The commercial model of relying predominantly on customers paying only when they flip a switch is no longer sustainable. To secure future investments in the grid requires dependable charges that cover the cost of its continuous availability and access. Customers can then freely choose the type of energy they want from the grid, when they want it, and for what purpose. With a cost reflective price structure, we can consider offering our customers different pricing tiers that cater to their preferences, give them more choice and greater control, and still remain viable!

Executive Movements

In 2023, there were a number of changes on the JPS Executive Leadership Team (ELT). We changed CEOs, said goodbye to two senior executives, and welcomed two new faces. I'd like to thank Michel Gantois and Steve Berberich for their leadership in their respective stints as President & CEO. Thanks also to former Chief Operations Officer, Gary Barrow, and former SVP Customer Service, Ramsay McDonald, for their sterling service to our customers and the wider Jamaica. We welcome Earl Manning, Chief Technology Officer, and Pia Baker, SVP Customer Experience & Commercial to the Executive Leadership Team, and look forward to their contributions as we continue to implement innovative solutions to serve our customers.



Three-Year Strategic Plan

As we celebrated a century of serving Jamaica, in 2023 we also took the time to fine-tune our medium-term strategy to ensure that we continued to improve our business performance, while meeting stakeholder expectations for today and into the future. The Board of Directors approved a three-year strategic plan, built on the following principles:

Emphasis on Decarbonization

With heightened global commitment to reach Net Zero Emissions, JPS will adopt a forward-leaning position to decarbonize the grid beyond government policies.

Facilitate Electrification of Transportation

Electrification of transportation represents a clear opportunity for climate change mitigation. JPS will support EV market expansion by developing public charging infrastructure islandwide, with supporting tariffs.

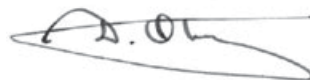
Support for Distributed Generation

JPS embraces distributed generation technologies, and will invest in efforts to develop new innovative tariffs that support customers' choice and maintain social equity.

Focus on Service Excellence

With changing customer behaviour and heightened expectations, JPS will pursue excellence in delivering our core service promise of reliable electricity while empowering the communities we serve. This will be supported by diverse, high performing talent who are fully enabled to deliver fast, preemptive responses to our customers' needs and meet their expectations.

It is our belief that a solid foundation has been established, and that these guiding principles hold the key to our success over the next three years. We stand ready to grab new opportunities, anticipate and proactively address the needs of our stakeholders, and continue to play our part in nation building. We look forward to a future ripe with possibilities, as we embrace new technologies and innovative solutions to meet the challenges of a new era.



Damian Obiglio
Chairman



HVTS
High Voltage
Testing Services

JPS

HVTS
High Voltage
Testing Services

JPS

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Testing Services

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Testing Services

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Operational Improvements

Members of the JPS team celebrate International Standards Organization (ISO) accreditation of the JPS High Voltage Testing Lab. By meeting and maintaining the stringent requirements of the ISO/IEC 17025:2017 standard, the team is better able to test and screen high voltage equipment before they are installed on the energy delivery network. This helps to reduce equipment failures and improve service to customers.

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Management Discussion and Analysis

Management Discussion & Analysis

Results of Operations

2023 represented a continuation of the growth path that the Jamaican economy has been on over the past few years. During the year, the country experienced 2.6% growth in its Gross Domestic Product, buoyed by strong performances in the Mining and Tourism industries, in particular. Key economic benchmarks continued to show improvement and reflected greater stability, compared to previous periods as they rebounded from the economic disruption caused by the COVID19 pandemic. This was evidenced by the improved sovereign credit ratings issued by major credit rating agencies (Fitch, Standard & Poors and Moody's).

During the year, the Group was able to leverage this improved economic climate to generate stronger operational performance. For the year ended 31 December 2023, overall electricity sales, as measured by Gigawatt hours (GWh), increased over the prior year by 6.0%, from 3,166 GWh in 2022 to 3,354 GWh for 2023. The strong sales performance was as a result of the increased electricity consumption driven by the improved economic activity, especially in the heavy industries. Additionally, during the summer period, the island experienced record breaking temperatures which also significantly impacted electricity consumption across all categories of customers. Notwithstanding the increase in electricity usage, operating revenues for the Group was US\$1,073 million for the year, which actually represented an overall decline of 7.8% (US\$90.8

million) over the previous year. This decline was primarily as a result of a reduction in the price of fuel and gas, which offset the impact of the increased electricity sales.

US\$68.2M 2023 Net Income	25.4%↑ Increase over FY22
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Fuel and Gas costs declined by approximately US\$122.0 million from the highs experienced in the previous year, stemming from the impact of Russia's invasion of Ukraine in February 2022. The initial shock from the market disruption caused by the invasion resulted in global demand shifting to other sources, which eventually allowed for a return to more stable prices. This reduction in fuel and gas costs was, however, slightly offset by an increase in Power Purchase costs by US\$5.2 million.

The Group experienced a 3% increase in its operating expenses, which moved from US\$259 million to US\$265 million in 2023. During the year, the Group continued to feel the impact of the procurement and logistical challenges which have plagued the global supply chain over the past few years.

These translated into increased costs associated with several of the key materials and supplies used by the Group in its ongoing operations.

The Group benefitted from a decrease in its net finance costs, from US\$65 million in 2022 to US\$60 million. This was due to improved interest income of US\$2.2 million through the strategic management of liquid resources; reduced foreign currency losses suffered during the year by US\$2.1 million; and a reduction in interest costs from the continued servicing of its loan and lease portfolio.

Over the past decade, the Group has undertaken a strategy of diversification through investments beyond its legacy core services, and have produced steady returns to enhance the overall performance of the Group. South Jamaica Power Company Limited (Associate), continued to perform creditably by contributing approximately US\$6.9 million to the Group's 2023 performance and was able to issue \$15.1 million of dividends to the Group during the year. Subsidiary, Caribbean Blue Skies Energy Limited, also performed well, contributing US\$1.4 million through its provision of operating and management services.

These factors resulted in the Group earning US\$68.2 million in net profit after tax, compared to US\$54.4 million earned in 2022.

Consolidated Statement of Financial Position

The Group's total assets decreased by 2.6% to US\$1,733 million, primarily due to the reduction in the value of Right of Use assets as a result of depreciation charges and fluctuations in the value of the Group's defined benefit plan. These reductions were however offset by capital investment initiatives of approximately US\$90.8 million during the year. These initiatives included investments to improve grid stability and create a smarter network, through the

installation of smart residential and commercial meters and reduce the frequency and duration of outages experienced by customers. The Group also undertook a variety of projects to maximize the performance of its generation fleet, through the upgrade and overhaul of key plants which serve the island's tourism centres.

During the period, the Group reduced its leases and long term loans by US\$59.2 million through the servicing of its debt obligations which is the primary contribution to the overall reduction of total liabilities by 6% or \$76.8 million over the prior year.

Through the strong performance as reflected in net profit earned by the Group during the year, Shareholder's equity grew to US\$600 million.

Cash Flow

Stemming from the creditable performance in 2023, the Group was able to generate net operating cash inflows of US\$237 million (2022 – US\$ 238 million) from its operating activities. These inflows were used to primarily fund the Group's capital investment projects aimed at strengthening the overall resilience of its network and the efficiency of its plant and equipment. Net cash outflows from investing activities amounted to US\$69 million (2022 – US\$ 77 million).

While continuing to service its leases and other long term balances, during 2023 the Group paid increased dividends of US\$33 million to shareholders (2022 - US\$17 million). Net Cash Flows from Financing activities was US\$161 million compared to US\$145 million in 2022.

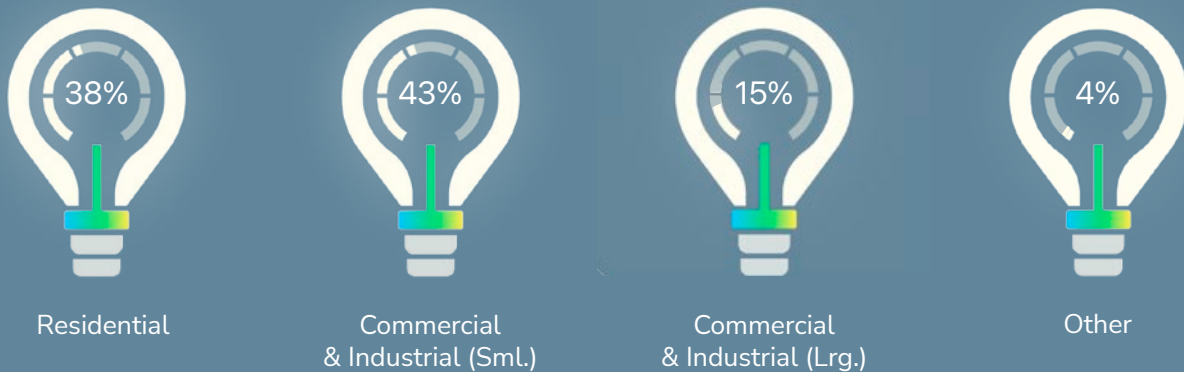
This resulted in an improvement in cash and cash equivalents from US\$60 million in 2022 to US\$66 million as at December 31, 2023.

Operational Statistics

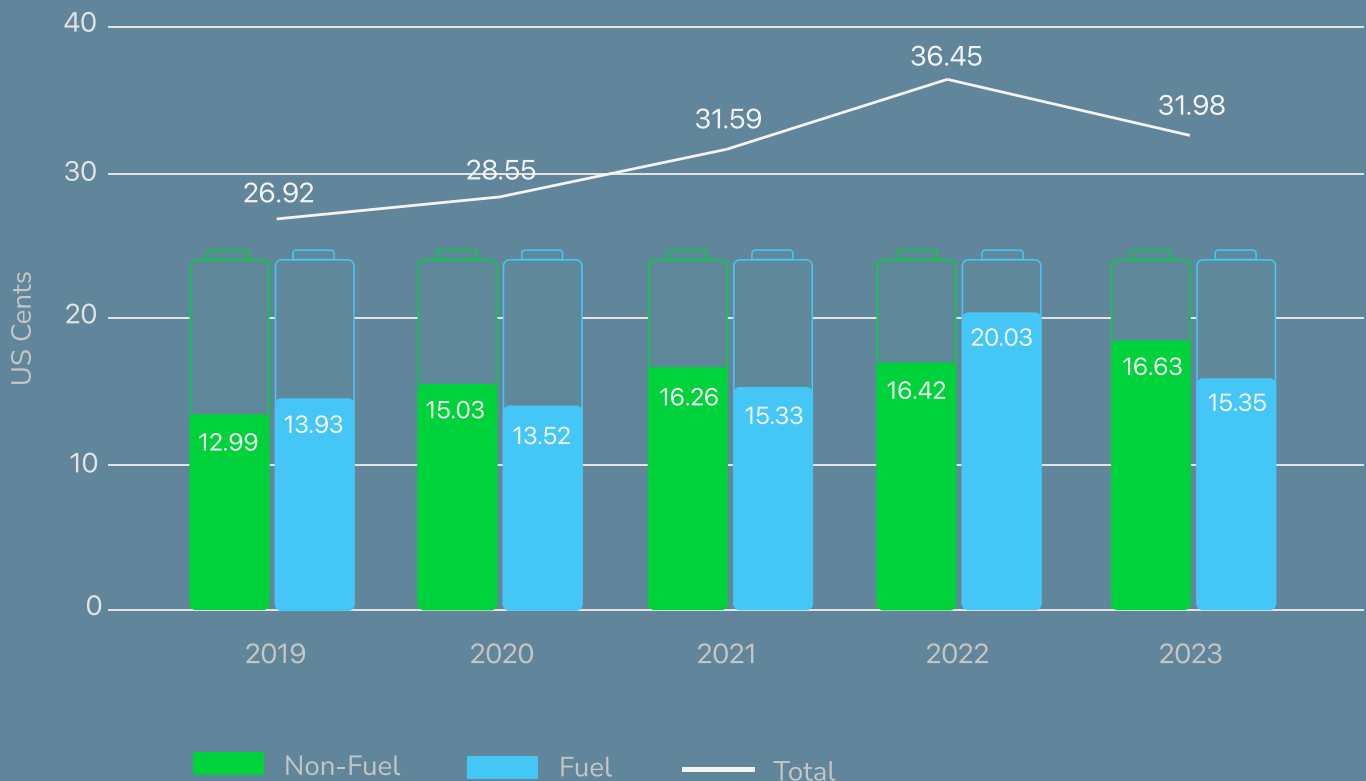
	2023	2022	2021	2020	2019
OPERATING REVENUES (\$000'S)					
Residential	412,539	437,055	385,308	358,467	319,451
Commercial & Industrial (Sml.)	448,781	491,399	398,656	367,183	393,331
Commercial & Industrial (Lrg.)	177,119	194,760	149,568	125,950	148,213
Other	34,372	40,373	39,837	37,106	20,158
Total	1,072,811	1,163,587	973,369	888,706	881,153
AVERAGE NO. OF CUSTOMERS					
Residential	616,896	609,061	612,168	605,174	594,567
Commercial & Industrial (Sml.)	72,313	71,100	71,065	71,034	70,313
Commercial & Industrial (Lrg.)	177	173	172	173	170
Other	495	494	482	498	482
Total	689,881	680,828	683,887	676,879	665,532
NEXT GENERATION AND PURCHASES (MWh)					
Steam & Slow Speed Diesel	240,043	266,989	225,868	459,696	1,229,418
Hydro	110,279	119,441	138,431	135,581	155,212
Gas Turbines	70,550	54,035	29,350	60,240	239,150
Combined Cycle Plant	731,138	672,420	753,327	740,009	815,713
Purchases	3,512,849	3,311,885	3,156,981	2,831,903	1,990,338
Total	4,664,859	4,424,770	4,303,957	4,227,429	4,429,831
Losses & Unaccounted for (MWh)	1,310,457	1,258,795	1,223,062	1,135,883	1,156,503
Systems losses as a percentage of Net Generation	28.1%	28.4%	28.4%	26.9%	26.1%
Heat Rate JPS Thermal (Kj/kWh)	9,379	9,840	9,392	10,226	11,317
ENERGY SALES (MWh)					
Residential	1,144,027	1,079,489	1,121,815	1,157,455	1,099,666
Commercial & Industrial (Sml.)	1,440,285	1,362,781	1,286,128	1,315,407	1,426,194
Commercial & Industrial (Lrg.)	730,132	682,294	623,601	566,201	688,076
Other	39,958	41,411	49,350	52,483	59,392
Total	3,354,402	3,165,975	3,080,894	3,091,546	3,273,328
AVERAGE USE & REVENUE per residential customer					
Annualized kWh Consumption/Customer	1,854	1,772	1,833	1,913	1,850
Annualized Revenues/Customer	669	718	629	592	537
U.S Dollars per kWh	0.36	0.40	0.34	0.31	0.29
Average billing exchange rate for period (J\$:US\$)	154.36	154.13	150.77	142.00	134.02

Key Performance Indicators

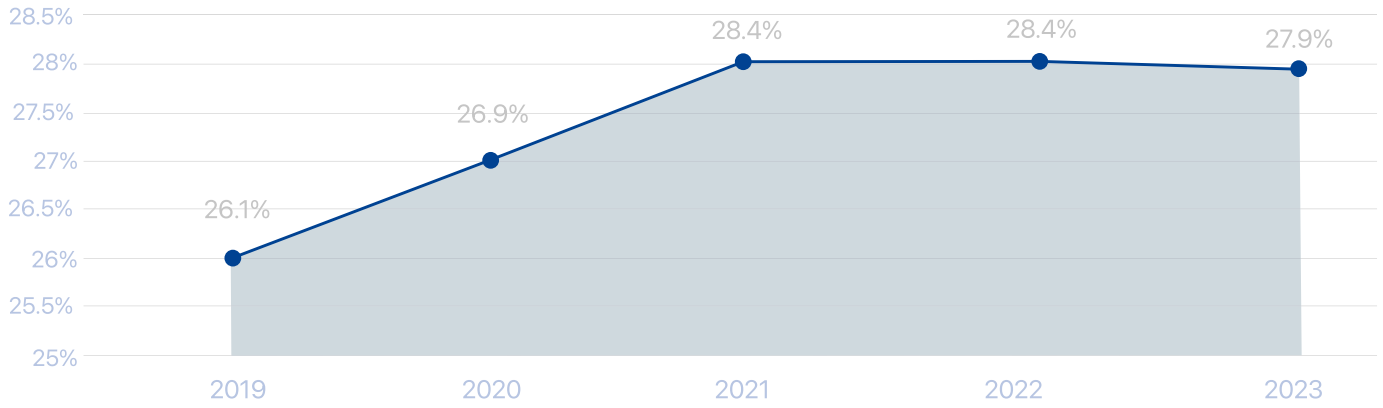
kWh Sales



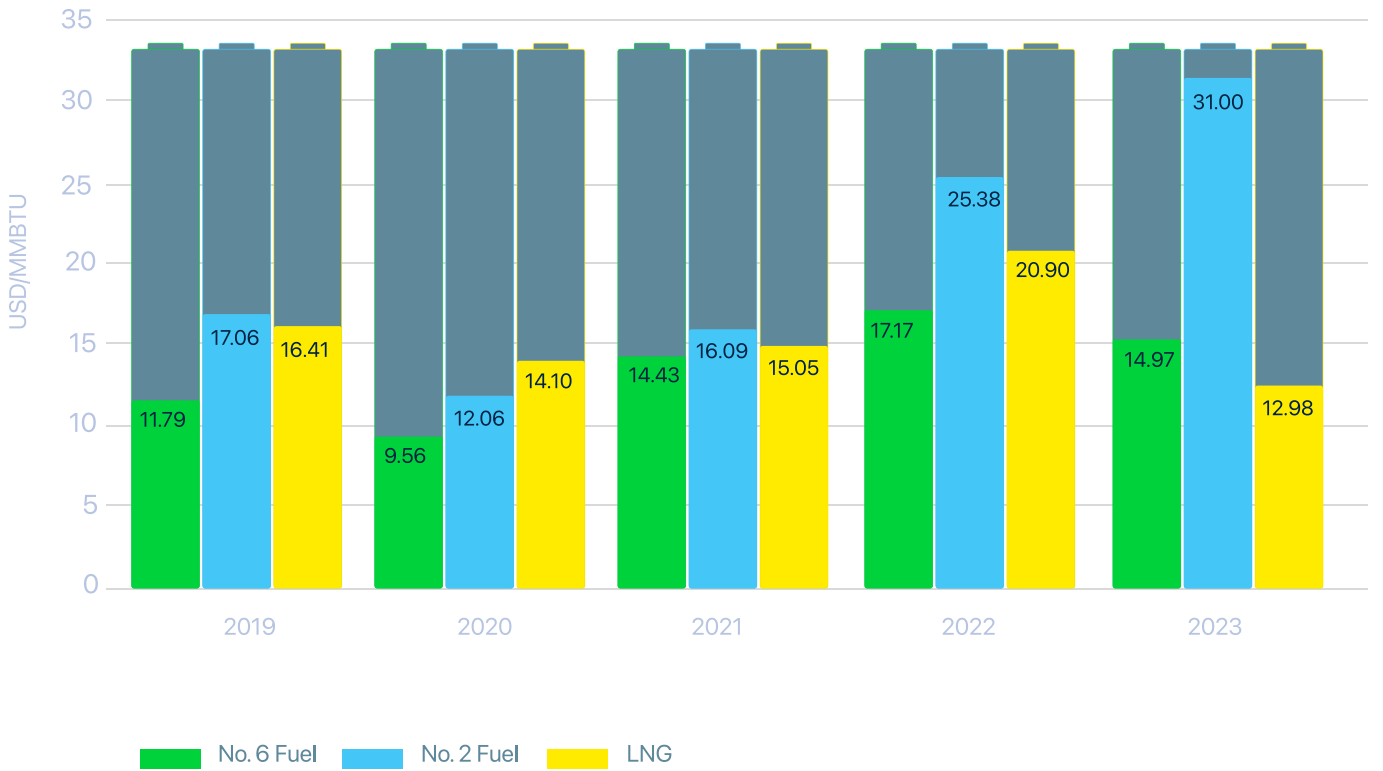
Revenue US¢/kWh



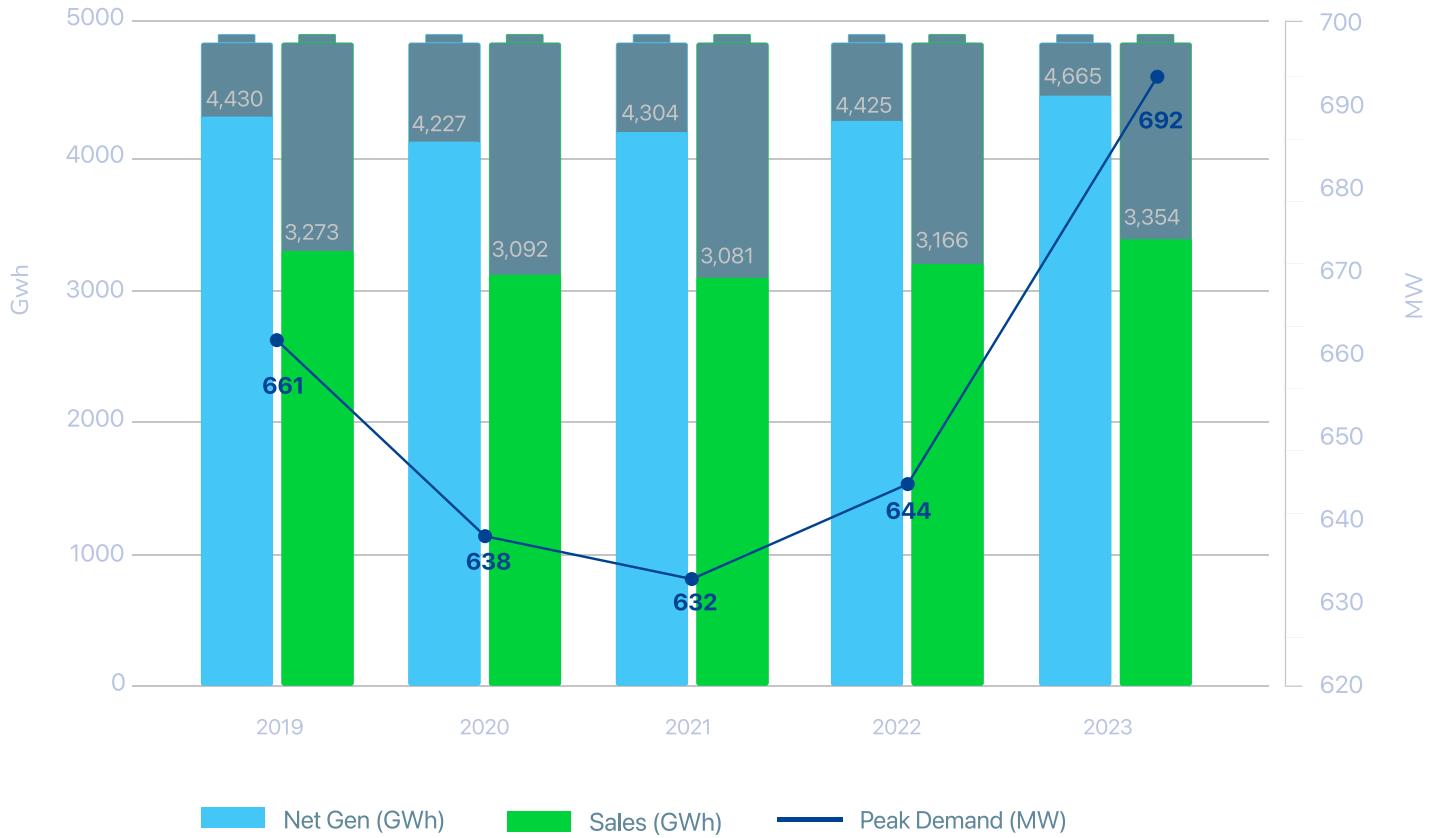
System Losses



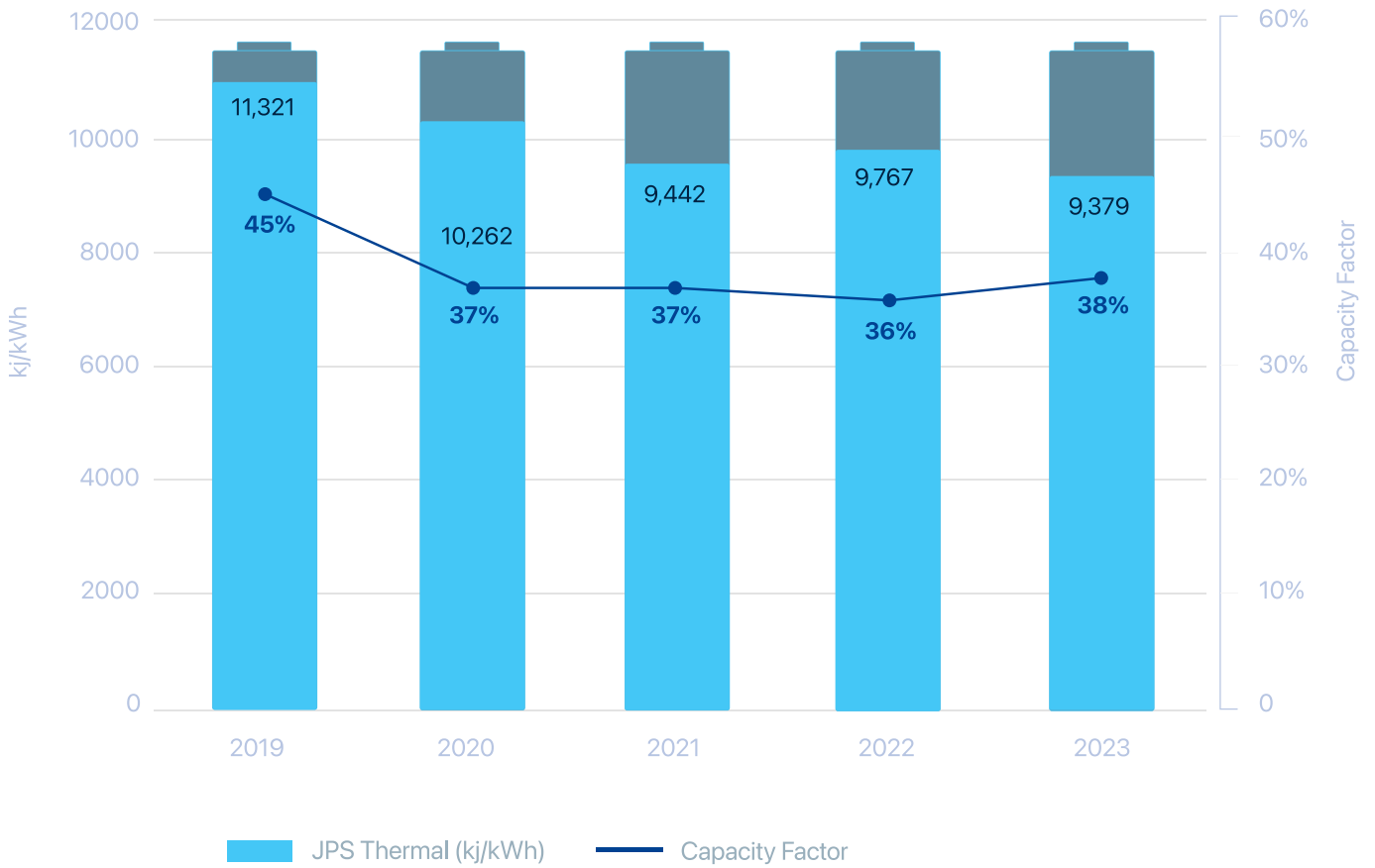
Fuel Price



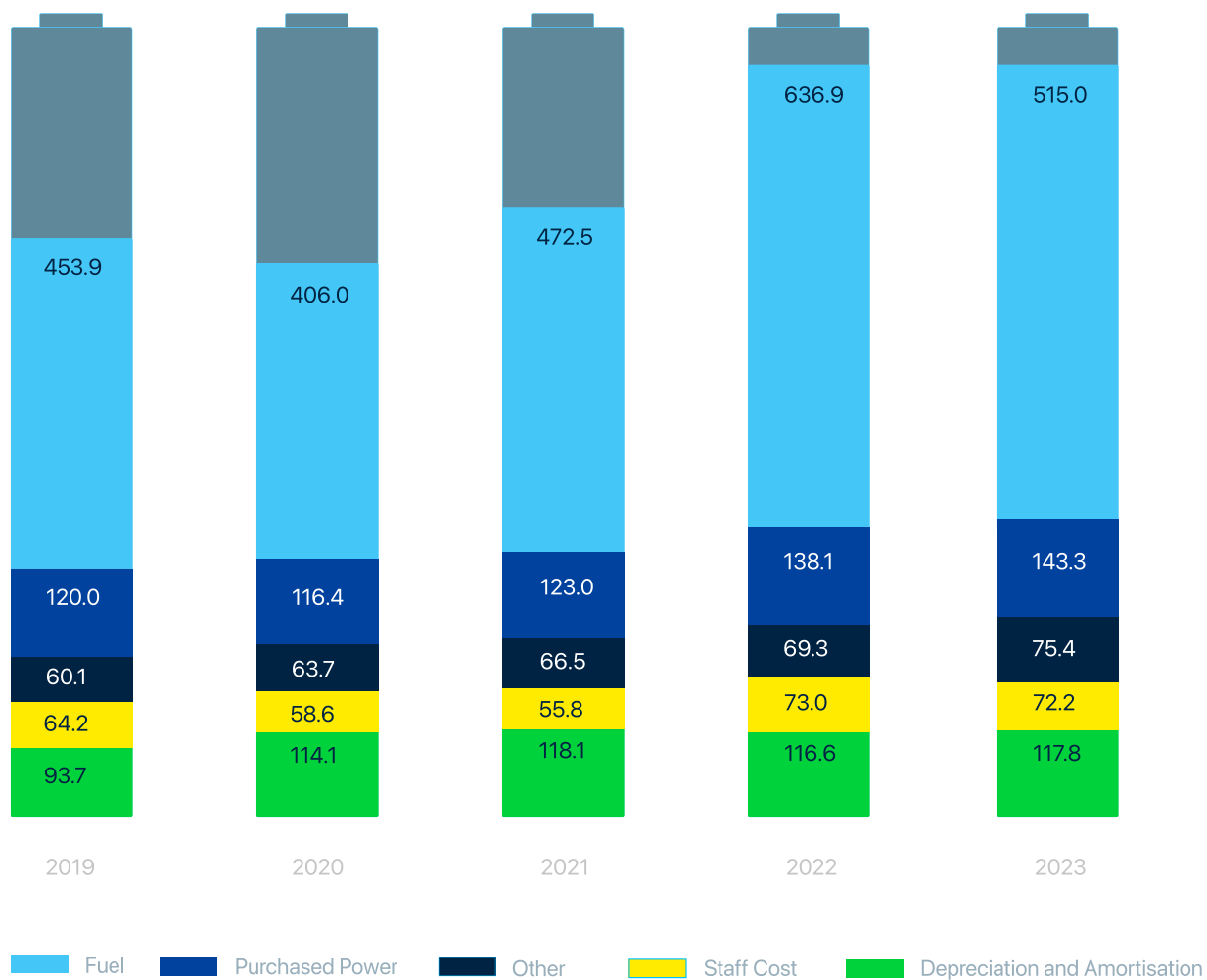
Electricity Demand



Heat Rate & Capacity Factor



Expenses





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Building a Sustainable Electric Mobility Ecosystem

JPS Media and Public Relations Manager, Audrey Williams (3rd left), joins participants after moderating an enlightening panel discussion on the future of electric vehicles in Jamaica. The event was part of an ongoing programme to raise awareness around the electrification of transportation, through Project eDrive, an initiative of the IDB Lab, which is partly funded by JPS and implemented by the JPS Foundation. On the panel were (l-r): ATL Aftersales Manager, Jason Quaroni; GK General Insurance General Manager, Chaluk Richards; General Accident Insurance, Business Development Officer, Jamalda Standford-Brown; Deputy Commissioner, Fire and Rescue Operations Jamaica Fire Brigade, Kevin Haughton; Director Principal at the TVET Engineering Cluster HEART NSTA Trust, Eric Nelson.

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Leadership & Corporate Data

Ten Largest Shareholders' Listings

as at December 31, 2023

JPS Preference B Shares (7%)		
Rank	Name of Shareholder	No. of Units
1	Philip Harvey-Lewis & Gina Harvey-Lewis	130,666
2	Security Brokers Limited	81,005
3	Crown Life Insurance Company	10,000
4	John Headcock	7,410
5	Dane Mahon & Eilene Lawrence-Mahon	7,001
6	Nico-Lisa Morris	6,700
7	National Utility Fund	5,600
8	Kimberly Burrowes	5,597
9	Est. George H. Scott	5,000

JPS Preference C Shares (5%)		
Rank	Name of Shareholder	No. of Units
1	Everard Smith & Alain Smith	11,416
2	Security Brokers Limited	6,917
3	Philip Harvey-Lewis & Gina Harvey-Lewis	6,728
4	Renata Headcock	4,460
5	Herma Sassoon (Deceased)	1,900
6	Uranie Ferro	1,800
7	Prudential Stockbrokers Limited	1,628
8	Buck Security Brokers Limited	1,566
9	Estate Cecily Howe	1,500
10	Leycester H. Lyon	1,500

JPS Preference D Shares (5%)		
Rank	Name of Shareholder	No. of Units
1	Everard Smith & Alain Smith	218,519
2	Philip Harvey- Lewis & Gina Harvey-Lewis	82,817
3	Security Brokers Limited	64,470
4	Crown Life Insurance Company Limited	20,000
5	Grethel Forrester- Benjamin & Lloyd Benjamin	20,000
6	Prudential Stockbrokers Limited	18,185
7	Ronald W. Kuper	13,600
8	Uranie Ferro	9,202
9	Winston G. Headcock	9,085
10	Eualyn James	8,463

JPS Preference E Shares (6%)

Rank	Name of Shareholder	No. of Units
1	Everard Smith & Alain Smith	137,777
2	Security Brokers Limited	30,000
3	Susan Headcock	30,000
4	Field Nominees Limited	10,000
5	Estate Charles O. Edwards (Deceased)	5,000
6	Imperial Optical Company (WI) Limited	5,000
7	Berkeley Properties Limited	3,613
8	Winston G. Headcock	3,400
9	Monica Powell	3,300
10	Estate Ruth M. Robertson	3,000
11	Eleanor Webster	3,000
12	Rezworth Burchenson & Valerie Burchenson	2,200

JPS Preference F Shares (9.5%)

Rank	Name of Shareholder	No. of Units
1	National Insurance Fund	350,000
2	PAM - Pooled Equity Fund	272,077
3	GraceKennedy Pension Fund Custodian Limited for GraceKennedy Pension Scheme	250,000
4	JPS Employees' Superannuation Fund	246,361
5	Guardian Life Limited	149,900
6	ATL Group Pension Fund Trustee Nominee Limited	100,000
7	Sagicor Life Jamaica Limited	98,514
8	SJIML A/C 3119	98,137
9	Sagicor Pooled Foreign Currency Fund	78,914
10	Prime Asset Management JPS Employees Superannuation Fund	78,471

JPS Ordinary Stocks

Rank	Name of Shareholder	No. of Units
1	EWP (Barbados) 1, SRL	155,366,792
2	MaruEnergy JPSCO I, SRL	155,366,792
3	National Investment Bank of Jamaica Ltd.	2,183,237
4	R.S Gamble and Son Ltd.	108,139
5	Faith A. Myers	74,394
6	Melle Marguerite Simard (Deceased)	59,514
7	Frank Renfrette	45,462
8	John George	43,396
9	Agnes Theresa Fong Yee	31,410
10	Renee Rosier Joel	29,757

JPS Ordinary Shares

Rank	Name of Shareholder	No. of Units
1	EWP (Barbados) 1 SRL	8,575,911,306
2	MaruEnergy JPSCO 1, SRL	8,575,911,306
3	Accountant General	2,386,573,897
4	Accountant General	1,974,065,546

There are no cross-shareholdings, pyramid holdings or Directors holding more than 25% of the shares outstanding.

Corporate Data

Registrar

Cumulative Preference Shares and
Ordinary Stock & Shares
Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston, Jamaica, W.I.

Registered Office

6 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Auditors

KPMG
6 Duke Street
Kingston, Jamaica, W.I.

Bankers

National Commercial Bank Jamaica Limited
3rd Floor, 32 Trafalgar Road
Kingston 10, Jamaica W.I.

Bank of Nova Scotia Jamaica Limited
ScotiaBank Centre
Cnr Duke & Pt Royal Streets
Kingston, Jamaica, W.I.

Citibank N.A.
19 Hillcrest Avenue
Kingston 6, Jamaica, W.I.

Attorneys-at-Law

Livingston Alexander & Levy
Attorneys-at-Law
72 Harbour Street
Kingston, Jamaica, W.I.

Nunes Scholefield DeLeon & Co.
Attorneys-at-Law
6a Holborn Road
Kingston 5, Jamaica, W.I.

Clinton Hart & Co.
Attorneys-at-Law
58 Duke Street
Kingston, Jamaica, W.I.

Mayhew Law
Attorney-at-Law
Unit 11, 2 Seymour Avenue,
Kingston 10, Jamaica, W.I.

Hylton Powell
Attorneys-at-Law
11a Oxford Road
Kingston 5, Jamaica, W.I.

Hart Muirhead Fatta
Attorneys-at-Law
53 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Current Board Profile

as at April 30, 2024

Damian Obiglio

Chairman, Jamaica Public Service Company Ltd.; Senior Vice President, Operations, Marubeni Power International Inc.; Director, Power Generation Company of Trinidad & Tobago Ltd. and Audit Oversight Committee Member; Director, South Jamaica Power Company. Certified Public Accountant (CPA); Magister in Administration; Advanced Management Program, Harvard Business School. More than 30 years of experience in the utility industry working across the Americas, Middle East and India.

Mohamed Majeed

Chairman, Operations Committee, Jamaica Public Service Company Limited; Director, South Jamaica Power Company Limited; Director and Chairman of the Management Committee, Power Generation of Trinidad and Tobago; Director, PIC group, Atlanta; Director, St Charles Energy, Maryland; Director West Deptford Energy, New Jersey. Chief Operating Officer, Marubeni Power International; Managing Director, Caribbean Operations and President and Chief Executive Officer, MaruEnergy Caribbean. BSc. Engineering and MSc. Engineering Management; Veteran, United States Air Force.

Ha Kyoung Song

Managing Director for Overseas Division, EWP; Director and Chairman, South Jamaica Power Company Limited; Managing Director, Korea East-West Power Co. Ltd.; MSc Engineering Project Management, BSc Electrical Engineering. Over 30+ years of experience in the industry spanning the construction of thermal power plants and managing the operation and maintenance of power plants.

Nadani Chung

Group Chief Financial Officer, Supreme Ventures Limited; BSc. Economics & Accounting; Masters, Business Administration (MBA); Certified Public Accountant; Member of the Certified Corporate Financial Planning & Analysis body. A Finance Professional and Business Consultant with a rich blend of financial, operational, strategic management and leadership talents gained from over 28 years of executive management experience in retail, trading, hospitality, insurance and fund management organizations.

Hon. Danville Walker, OJ, JP

Senior Vice President, West Indies Petroleum Limited. Chair, Trade Board Ltd. and Project Monitoring Committee of the Caymanas Track Limited. Has held several leadership positions, including National Project Director in the Ministry of Economic Growth and Job Creation; Group Managing Director at ATL Industrial Group; and Commissioner of Customs at the Jamaica Customs Department. Former member of the Electoral Commission of Jamaica and Director of Elections. A Certified Public Accountant; Master of Business Administration; Bachelor of Business Administration.

Yun Suk Choi

Director, South Jamaica Power Company Limited; Senior Manager, Korea East-West Power Co. Ltd.; Over 15 years of experience in the energy industry, spanning IPP project developer, land compensation, Front-End Engineering Design (FEED); BSc, Civil Engineering.

Dennis Morgan

Chairman, Port Security Corps Ltd.; Former CEO, Protection and Security Ltd; Former Executive VP and Group Investment Controller of Jamaica Mutual Life Insurance Company Limited. Former Board Member: Jamalco, National Commercial Bank Jamaica Limited, Petrojam Limited and National Solid Waste Management Authority. MA, Business Administration and Finance; BSc. Economics. A leader with decades of diverse experience.

Hon. Charles Johnston, OJ, CD

Executive Chairman of Jamaica Freight and Shipping Company Ltd.; Chairman, Jamaica Producers Group Ltd., Geest Line Ltd., Seaboard Freight & Shipping Jamaica Ltd., Lennox Portland Ltd., Jamaican Patties Ltd., Hoogesteger B.V. and JP Logistics Solutions Ltd.; Director, Pan Jamaica Group Ltd., Kingston Wharves Ltd., SAJE Logistics Infrastructure Ltd., German Jamaica Ship Repair Ltd., and Kingston Logistics Centre Ltd. Past President of the Shipping Association of Jamaica. Inductee into the Private Sector Organization of Jamaica Hall of Fame; DSch, International Shipping; BSc. Economics. Graduate of the Wharton School of Finance & Commerce.

Minna Israel

Chair of the Audit Committee, Jamaica Public Service Co. Ltd.; Board Member: First Global Bank, RJRGleaner Communications Group, Cari-Med Group, Stanley Motta Limited, Mona School of Business & Management, Quadrant Home Developers Ltd, Rating Committee of Caribbean Information and Credit Rating Services (CariCRIS). BSc, Management Studies. Master of Business Administration. Honorary Doctor of Law, LLD

Board of Directors

as at April 30, 2024



Damian Obiglio

*Chairman of the Board & Acting
President & Chief Executive Officer*



Nadani Chung



Dennis Morgan



Yun Suk Choi



Minna Israel



Hon. Charles Johnston, CD, OJ



Mohamed Majeed



Ha Kyoung Song



Hon. Danville Walker, OJ, JP

Alternate Directors

as at April 30, 2024



Keisuke Harada



Hyung Chae Yang



Sangho Lee

Keisuke Harada, MaruEnergy | Alternate Director for Mohamed Majeed

Hyung Chae Yang, EWP | Alternate Director for Ha Kyoung Song

Sangho Lee, EWP | Alternate Director for Hyung Chae Yang

Directors' Report

Directors of the Jamaica Public Service Company Limited submit herewith their Annual Report with the Audited Financial Statements for the year ended December 31, 2023:

	THE GROUP		THE COMPANY	
	Year ended December 31, 2023 US\$'000	Year ended December 31, 2022 US\$'000	Year ended December 31, 2023 US\$'000	Year ended December 31, 2022 US\$'000
OPERATING REVENUES				
Profit before Taxation	90,746	69,616	97,224	54,521
Taxation	(22,591)	(15,238)	(22,223)	(14,854)
Net Profit attributable to shareholders	68,155	54,378	75,001	39,667
Dividends on Preference				
Classes 'B' through 'E'	1	1	1	1
Class 'F'	2,333	2,333	2,333	2,333
Dividends on Ordinary Shares	31,000	15,000	31,000	15,000

Dividends: The dividends for the year on the preference shares for Classes B-F have been paid in full; Dividends were declared and paid on the ordinary stocks and shares for the year 2023.

Auditors: In accordance with Section 154 of the Companies Act, a resolution proposing the appointment of the Auditors and for the Directors to fix the Auditors' remuneration will be put to the Annual General Meeting.

Directors: In accordance with Articles 117 and 119 of the Company's Articles of Incorporation, Directors Mohamed Majeed, Minna Israel, Nadani Chung, Dennis Morgan, Hon. Danville Walker J.P., O.J. having been appointed to the Board shall cease to hold office and being eligible, offer themselves for re-election. Consequent on the re-election of Mohamed Majeed to the position of Director, in accordance with Article 86 of the

Company's Articles of Incorporation, Keisuke Harada being eligible to hold office of Alternate Director offers himself for appointment.

In accordance with Articles 62, 86 and 123 of the Company's Articles of Incorporation, Director Yun Suk Choi, and Hyung Chae Yang (Alternate Director), and Sang Ho Lee (Alternate Director), having been appointed to the Board since the last Annual General Meeting shall cease to hold office and being eligible, offer themselves for election. The Directors acknowledge the Company's ability to respond to the growing demand for energy – "Powering What Matters" – despite the continued supply chain challenges. The Directors thank Management and staff for their agility in responding to the energy needs of the customers safely, their dedication to achieve greater efficiency and the overall performance during the year under review in spite of the challenges experienced.

Executive Leadership Team



Damian Obiglio
Chief Executive Officer (Acting)



Vernon Douglas
Chief Financial Officer



Joseph Williams
Senior VP – Generation



Melanie Gilchrist
*Senior VP – Legal & General
Counsel & Corporate Secretary*



Charmaine Heslop-Dacosta
Senior VP – People Operations



Blaine Jarret
Senior VP – Energy Delivery



Earl Manning
Chief Technology Officer



Pia Baker
*Senior VP - Customer
Experience and Commercial*

JPS

Powering What





Powering Businesses at the Jamaica Manufacturers and Exporters Association (JMEA) Expo 2023

Prime Minister of Jamaica, the Most Hon. Andrew Holness (2nd left) makes a point to Dionne Nugent, JPS Director – Business Development (centre) and Winsome Callum, JPS Director – Corporate Communications (2nd right) when he stopped by the JPS booth at the JMEA Expo. Looking on are Minister of Industry, Investment and Commerce, Senator the Hon. Aubyn Hill (left) and Kamesha Blake, Executive Director of the JMEA. JPS was one of the main sponsors of the event, through which over 230 local companies were able to reach Jamaican 15,000 consumers, and 800 buyers from 30 countries.

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Corporate Governance Framework

Corporate Governance Framework

In “Powering What Matters” our Board of Directors believe that sustained viability cannot be achieved without a foundation grounded in the core tenets of transparency, accountability, responsibility, fairness and integrity. These guiding principles are the building blocks with which the Board of Directors, with the support of Management, have constructed an organisation that fosters ethical practices; aligning governance policies with best practices in stakeholder engagement, procurement, risk management and financial reporting. Recognising the ever evolving environment within which we operate, the Board of Directors periodically reviews its overarching governance framework.

A review of the Company’s governance framework for the period under review, resulted in the Board’s recognition for adaption in several areas. In addition to the Company’s Corporate Governance Guidelines, the Company’s governance framework also consists of Board approved Code of Ethics and Business Conduct, Environmental Policy Statement, Business Preparedness Recovery Policy, Whistleblower Policy, and Enterprise Risk Management Policy (and risk appetite statements). The Board of Directors last reviewed and approved the Corporate Governance Guidelines on June 27, 2023. Our Corporate Governance Guidelines are available on our website at: www.myjpsco.com. Having reviewed and approved the Company’s Whistleblower Policy and the Business

Preparedness Recovery Policy on December 2, 2022, the Company delved into other areas, and expanded the governance framework establishing a more targeted approach to data governance and privacy, sexual harassment with the approval of the Sexual Harassment Workplace Policy on April 27, 2023 and environmental social governance first with the approval of the Environmental Policy Statement on March 24, 2023 and later the Environmental Social Governance Statement on October 26, 2023.

The Company’s commitment to a culture of compliance and integrity throughout the organisation and with whom it does business has resulted in financial gains that enures to the benefit of its shareholders and, by extension its customers through its ability to serve in spite of continued supply chain challenges and respond to adverse weather conditions during the period under review. During the year under review, the Board worked closely with Management to ensure that the standards of ethics remain relevant, in keeping with prudent governance practices and that it is communicated to and adhered to by all persons throughout the organization. The Company’s steadfast commitment to ethical practices encompasses not only its employees, but also extends to its third party partners and contractors.

At JPS, we maintain a zero-tolerance policy towards unethical conduct across all stakeholders. This is important especially as it pertains to doing the right thing in our business and ensuring compliance within the established governance structure.

The Board, through its work and the work of the Audit Committee together with the Executive Leadership Team, and the Legal, Risk & Compliance Department, monitors and ensures the effectiveness of the Company's corporate governance practices and approves changes, as needed. The Company's Code of Ethics and Business Conduct was last reviewed and approved by the Board on March 20, 2024. Through the Audit Committee Charter, the Board delegated to the Audit Committee the function of reviewing major policies of the Company relating to corporate governance, ethics and conduct, insider trading risk management, and conflicts of interest.

The Board of Directors continues to recognise compliance as a key tenet of the Company's strategic risk management framework. Risk management continues to be the basis of any successful entity. The Board, through the Audit Committee, oversees the process for identifying and managing the significant risks facing the Company. The Board and the Executive Leadership Team agree on the Company's risk appetite, and the Board is comfortable that the strategic plans are consistent with the Company's

risk appetite. The Board has an established structure for overseeing risk, delegating responsibility to Committees and overseeing the designation of senior management responsible for risk management. The Board last reviewed and approved the Company's Enterprise Risk Management Policy on February 23, 2022. Management is responsible for the execution of an agreed upon strategy and for all operational matters. The Committees of the Board also provide technical oversight that supports Management. The year in review tested the agility of the organisation to readily identify and respond to unforeseen threats to the organisation's operations and financial position namely, adverse weather conditions, and respond to increase in demand for electricity.

Investors may communicate with the Company through companysecretary@jpsco.com.



JPS
VOLTS

JPS
100

JPS
Community
Renewal

PIC
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JPS
Prepaid and Done



Strengthening Communities

Pia Baker - JPS SVP Customer Experience and Commercial (left), Marilyn McDonald - Community Relations Manager (2nd left) and Kerrica McGregor - Community Relations Officer (centre), spend time with children of Barrett Hall in St James during a Christmas Treat in the community. The team joined residents in celebrating a successful partnership, which saw JPS investing over US \$1M to increase access to safe and reliable electricity. This transformative initiative, implemented through JPS' Community Renewal Portfolio, focused on essential electrical infrastructural improvements as well as social intervention initiatives. Established in 2014, the JPS Community Renewal Programme has successfully enabled thousands of households to access electricity supply in communities across the nation.

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**Corporate
Governance
Framework**

Governance Structure

The Board of Directors is led by the Chairman and supported by the Company Secretary. The President & Chief Executive Officer who leads the management team discharges a separate function from the Chairman of the Board.

Governance Roles & Responsibilities

Chairman

The Chairman is essential to the smooth running and effectiveness of the Board in developing and overseeing the implementation of the Company's strategies. He represents the Company to the outside world and determines the order of the board agenda. His role is also important in maintaining excellence as an organisation, as we hold true to the Company's core values and balance the interests of the stakeholders.

Company Secretary

Ms. Melanie A. Gilchrist, is the appointed Company Secretary of the Company. The Companies Act gives specific rights to a Company Secretary in ensuring the compliance of the Company and the Board of Directors with the relevant laws, rules & regulations, resolutions of both the Board and Annual General Meeting including corporate governance practices. She also provides support to the Board in arranging Directors' training and onboarding for newly appointed Directors.

President & Chief Executive Officer

The Office of the President & Chief Executive Officer is the highest-ranking employee within the organization and reports to the Company's Board of Directors. The core function includes setting and executing the strategies of the Company, and leading the Executive Leadership Team. The Office must possess strong communication skills, great leadership acumen, and unparalleled passion for the organization and its people; qualities evidently found in the persons appointed to the position during the period under review.

Appointment of Board of Directors and Its Chairman

Articles 85 and 86 of the Company's Articles of Incorporation mandate that the Board be comprised of a minimum of three (3) members and a maximum of nine (9), three (3) of whom are to be nominated by EWP (Barbados) 1, SRL, three (3) by MaruEnergy (JPSCo) I, SRL, and three (3) by the Government of Jamaica acting through its appointed shareholders on record for the Company. Having regard to the Company's stakeholder composition, the Company's Board is presently comprised of nine (9) Directors. During the reporting period, there was a handover of chairmanship of the Board from Mr. Mr. Yong Hyun Kim, a representative nominated by our majority shareholder, EWP (Barbados) 1, SRL, to Mr. Damian Obiglio, a representative nominated by our other majority shareholder, MaruEnergy (JPSCo) I, SRL.

Notwithstanding the rights of nomination enshrined in the Company's Articles of Incorporation, prior to appointment to the Board, the Board of Directors receive and consider the suitability of each nominated candidate based on his or her qualification, experience and expertise against the background of the existing membership. This assessment is undertaken to ensure that not only does the candidate have the capacity to discharge the duties of the position and represent the interests of the key stakeholders, but to also safeguard adherence to the overall commitment to diversity in age, gender and composition, and to maintain the balance of competencies required to effectively govern the organisation. This level of diversity positions the Company to identify and satisfy the needs of its cross-section of customers and shareholders, while leveraging the benefit of international experience in a continuously evolving industry. During the period under review, the expertise of the Directors included in engineering, finance and audit, strategic management, banking and risk management; facilitating informed and strategic decision-making. Directors are not grouped into classes who serve terms of different lengths.

Additionally, in keeping with the Company's Corporate Governance Guidelines, as at December 31, 2023, five (5) of the nine (9) Directors are Independent Directors. For the reporting period there are no Executive Directors on the Board of the Company. An "Independent Director" is defined within the Company's Corporate Governance Guidelines as a Director who: (a) has not been employed to the Company with the last five (5) years; (b) has not had any material business relationship with the Company (outside of being a customer of the Company)

either directly, or as a partner, or as a significant shareholder, director or officer of a body that has had such a relationship with the Company within the last five (5) years; (c) is not affiliated with any non-profit organisation that receives significant funding from the Company; (d) is not employed as senior management of another company where any of the Company's Directors or senior management serve on that company's board; (e) has not received additional remuneration from the Company apart from the Board or Board Committee related fees. Independent Directors who experience any changes in circumstances that could affect their status as an Independent Director are obligated to disclose such change in writing to the Chairman of the Company's Board.

Remuneration

The Company's shareholders have enshrined in the Articles of Incorporation the compensation payable to Directors for their service in that role. In accordance with Article 101 of the Company's Articles of Incorporation, Directors who are not employed to either EWP (Barbados) 1, SRL or MaruEnergy (JPSCO) I, SRL receive a fixed amount equivalent to US\$1,000 for attendance at each Board or Committee meeting, and any other meeting requiring a director's attendance. Directors who are employed to either EWP (Barbados) 1, SRL, MaruEnergy (JPSCO) I, SRL, or their affiliates, receive no compensation from the Company in respect of their service to the Company in the capacity of Director of the Board of the Company. Regardless, all Directors of the Board are non-executive directors.

Service of Directors

Director	Service Year 2023			Service Year 2024
	Status	No. of Board Meetings Eligible to Attend	No. of Board Meetings Attended	Status
Yong Hyun Kim (Chairman) Resigned April 7, 2023	NI	2	2	-
Damian Obiglio (Chairman) Appointed April 8, 2023	NI	6	6	Director
Mohamed Majeed	NI	7	7	Director
Ha Kyoung Song Appointed April 8, 2023	NI	5	5	Director
Minna Israel	I	7	7	Director
Hon. Charles Johnston, O.J., C.D.	I	7	6	Director
Hon. Danville Walker, O.J., J.P.	I	7	7	Director
Nadani Chung	I	7	7	Director
Dennis Morgan	I	7	7	Director
Hyung Chae Yang*** Resigned January 11, 2024	NI	7	7	Alternate Director
Shogo Otani Resigned March 18, 2023	NI	1	1	
Alternate Directors				
Keisuke Harada				Alternate Director
Yu Numasawa Resigned April 8, 2023				
Dong Uk Kim Ceased April 7, 2023				
Jin Kyo Kim Appointed April 8, 2023 Ceased January 11, 2024				Alternate Director
Youn Gyu Jung Ceased September 13, 2023				
Yun Suk Choi***** Appointed January 12, 2024	NI			Director
Sangho Lee Appointed January 12, 2024				Alternate Director

Non-independent (NI)*
Independent (I)**

***Appointed Alternate Director – January 12, 2024

****Appointed Alternate Director – October 26, 2023

The Board: Function & Responsibility

The Board of Directors provides robust strategic oversight and maintains the utmost ethical conduct. In leading from the frontline, the Board of Directors has established a governance framework which embraces the core principles of fairness, transparency, accountability, responsibility, and integrity. Having set the strategic direction of the organization, the Board oversees Management's implementation of same, ensuring adherence to the founding principles, while maintaining the delicate balance of interests of all stakeholders, including that of the shareholders, customers, and regulators. The Board remains accountable to the shareholders for Management's implementation of the strategic and operational objectives; and remains agile to respond to threats and risks to which the Company is exposed.

In discharging its role to ensure the sustained viability of the Company, the Board oversees and monitors the overall performance of the Company measured against in respect of specific key performance indicators. The primary areas of focus range from occupational health, safety and environment targets, to employee engagement and customer satisfaction. In analyzing the measured level of employee engagement the Board is given an opportunity to enquire into the views of employees.

In addition to ensuring the sustainable profitable operations of the organisation, the Board is responsible for the appointment of officers of

the Company and ensure succession planning framework is in place to ensure the continuity of management. By virtue of Article 135 of the Company's Articles of Incorporation, the Board elects Officers of the Company with the EWP (Barbados) 1, SRL and MaruEnergy (JPSCO) I, SRL, reserving the right under Article 136 to designate the President & Chief Executive Officer. These functions to appoint and set the remuneration of persons appointed to these positions has not been delegated by the Board to any other Committee. The President & Chief Executive Officer, however, in conjunction with the Board appoints other members of the Executive Leadership Team. Persons appointed to the Executive Leadership Team are persons with a high standard of expertise, integrity and significant experience in the particular area. The Board assesses the performance of the President & Chief Executive Officer who in turn assesses and analyses the performance of the remaining members of the Executive Leadership Team and in conjunction with its People Operations team, establish such succession planning mechanism for the Company. It is the Board who has the responsibility to establish and maintain a succession plan for the position of the President & Chief Executive Officer to ensure that, in the event of a sudden vacancy, the overall management of the organisation continues seamlessly until such vacancy is filled in accordance with the provision of the Company's Articles of Incorporation.

Always in the Know

It is the practice of the Board of Directors and the members of the Executive Management Team to ensure that the Directors are informed of the operational performance of the organisation and any developments which impact, or could potentially impact, the business and key stakeholders, such as its customers and shareholders. This was done not only in the seven (7) scheduled meetings of the Board of Directors but also through the meetings of the Committees, as well as outside of formal meetings as matters of importance arose which necessitated communication throughout the year.

In addition to being present at each meeting of the Board and the Committees, and responding to questions posed by the Directors and Committee Members, the members of the Executive Management Team maintain an open channel of communication with the Directors. This facilitates dialogue with the Executive Management and senior management teams, to ensure that the Directors are infused with the necessary knowledge to make informed decisions, develop strategies and appropriately respond to threats to, and opportunities for, the business in a timely manner.

Induction and Training

As part of its induction of new members, the Company Secretary ensures that new members are provided with the requisite documentation and information concerning their role and the organisation. As part of the induction package, each Director is provided with a copy of the Company's articles of incorporation, Corporate Governance Guidelines, Terms of Reference and Charter for the Committee on which he is appointed, Code of Ethics and Business Conduct, and general information concerning the fixed remuneration payable, conduct of meetings and the overall responsibility of the Director. Directors also participate in onboarding sessions with each member of the Executive Leadership Team and other representatives as required.

As required by the Board's Corporate Governance Guidelines, the Board of Directors and members of the Executive Leadership Team are expected to participate in training programmes specifically designed to enable the Directors and Management to discharge their obligations having regard to the environment within which the Company operates. On August 26, 2023 the Executive Leadership Team and sixty-six percent (66%) of the Directors actively participated in a training session facilitated by a third party data privacy specialist. The session delved in the Data Protection Act, 2020, the obligations and liability of the Company.

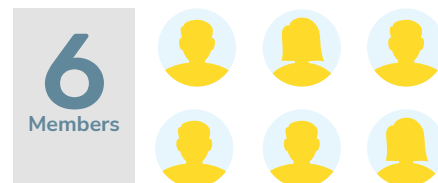
Performance Evaluation

In December 2023, the Company Secretary facilitated the evaluation of the Board for the period under review. This evaluation examined the performance of the Board and its Committees, the overall conduct and dynamics of the Board, together with general governance matters such as the adequacy of the ongoing education and training programmes, the delivery of documentation, the accessibility of Management and the Company Secretary outside of Board meetings. One hundred percent (100%) of Directors participated in the performance evaluation process. The evaluation process delved into the role and composition of the Board, the performance of the Board and Committees and how the Directors viewed their own performance. The Board was assessed as functioning at a high level of performance; continuing the trend of positive performance. However, in the pursuit of excellence, areas were identified in which further improvement was achievable. As regards, Management, the Board is responsible for evaluating the performance of the President & Chief Executive Officer who in turns assesses the performance of the remaining members of the Executive Leadership Team. This evaluation occurs annually and is measured against the goals established against the Company's strategic objectives for the period.

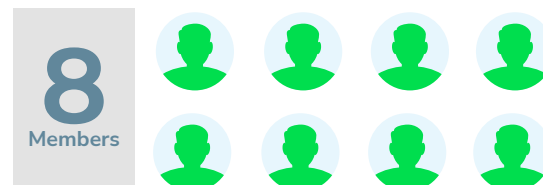
Committees of the Board

Having regard to the size of the Board, the Board has established two Committees; the Audit Committee and the Operations Committee. This approach facilitates effective and efficient strategic oversight of the organisation; financial, technical, and controls. With the shareholders fixing the remuneration of the Board and Committee members under Article 101 of the Articles of Incorporation and the responsibility for the designation of the Chief Executive Officer to the majority shareholders under Article 136, a nomination committee is not required. Furthermore, the delegation of the oversight of overall governance to the Audit Committee obviates the need for a separate and distinct governance committee.

THE AUDIT COMMITTEE



THE OPERATIONS COMMITTEE



Audit Committee

The Board established the Audit Committee to primarily oversee the following areas:

1. Reliability and integrity of accounting policies and practices and the Company's financial statement;
2. Qualification, independence and performance of the external auditors of the Company;
3. Performance of the internal audit function;
4. System of internal controls and procedures established by management and reviewing their effectiveness; and
5. Risk management functions and processes of the Company.

Albeit the primary role of the Audit Committee is to provide oversight of financial reporting and risk reporting and monitoring, the Audit Committee was also charged with the governance responsibility to periodically review major policies of the Company relating to corporate governance, ethics and conduct, insider trading, and conflicts of interest, as is necessary. This role also includes the review of the process for communicating the code of conduct throughout the Company and the monitoring of compliance therewith.

This oversight responsibility for the risk management and internal controls functions resulted in the Committee delving into the following:

1. The risk management function includes overseeing the Enterprise Risk Management Framework through which the Company monitors and manages the

operational risks of the Company with a view to securing business continuity; monitoring the risk tolerance levels, stress testing, and metrics in the areas of risk exposure and where necessary, approving changes.

2. Reviews and monitors all financial, operational, and compliance risks as identified and prioritised by Management, including potential and emerging risks that may arise from time to time along with the tracking of those risks.
3. Compliance with the *Data Protection Act, 2020*. The Committee monitored the Company's implementation of the measures required to comply with the Data Protection Act, 2020 including the development and implementation of a Data Management Policy and the attendant data governance framework.

The Audit Committee reviewed and recommended for approval (where relevant) the following items during the year under review:

- Adherence to Management established controls to prevent, detect and mitigate fraud risks.
- Management accounts for the Company
- Audited Financial Statements
- Engagement Letter of the External Auditors
- External Audit Fees
- Internal Audit Plan which guides the activities of the Internal Audit Department.
- Internal Audit Reports
- Examination Reports and Management Response
- Connected Party list and transactions

- Compliance Reports
- Management Letter from the External Auditor
- Audit Committee Charter
- Data governance framework
- Enterprise Risk Management Database
- Code of Ethics and the measures to monitor compliance therewith

As delegated by the Board, the Audit Committee has control over the internal audit function. The internal audit function is exercised through the Internal Audit Department which is led by the Director, Internal Audit. The Internal Audit Charter is periodically reviewed and, as necessary, revisions are approved by the Audit Committee. The Board of Director last reviewed and amended the Audit Committee Charter on March 24, 2023.

In keeping with the Company's Audit Committee Charter, the Committee is comprised of six (6) members of the Board, the majority of whom are Independent Directors, including the position of Chair who is appointed by the Board. All members of the Audit Committee are Non-Executive Directors, that is to say, Directors who are not employed to the Company and are therefore not normally responsible for aspects of the Company's day to day operations. As mandated by the Audit Committee Charter, the Committee is comprised of members who possess the skills commensurate with the operation of the Company and the type of transactions in which the Company engages. All members are also Financially Literate, as defined in the Audit Committee Charter, and has amongst its membership at least one (1) member who is a Financial Expert as defined in the said Charter. The Committee is mandated to meet at least four (4) times in each calendar year.

Members of the Audit Committee 2023

Director	Status	No. of Meetings Eligible to Attend	No. of Meetings Attended
Minna Israel (Chair)	I	4	4
Nadani Chung	I	4	4
Hyung Chae Yang	NI	4	4
Mohamed Majeed	NI	4	4
Charles Johnston	I	4	3
Dennis Morgan	I	4	4

Independent (I)*

Non-Independent (NI)**

During the reporting period with the exception of one (1) meeting at which eighty-three percent (83%) of the Committee meetings were present, one hundred percent (100%) of the Directors attended the meetings. All meetings were convened with a majority of independent directors present.

Other invitees to the Committee's meeting include:

- JPS Board Chairman
- President & CEO
- Chief Financial Officer (to whom the Manager, Risk & Insurance reports administratively)
- Financial Controller
- Company Secretary
- Director, Internal Audit
- Other executives or managers as required
- Representatives of the Company's external auditor, KPMG, attend Committee meetings as needed.

Prior to the adjournment of Audit Committee meetings, where the circumstances so dictate, the Chair of the Committee meets independently with the Internal Auditors (Executive Session) to discuss any areas of concern.

The Audit Committee through the Internal Audit function monitored the established controls through its various programmes to determine whether they are operating effectively and whether these and other risks are being appropriately managed. The Internal Audit function provides regular reports to the Audit committee in relation to the results of its Audit

programmes and reviews undertaken throughout the year. There were no identified instances of suspected fraud or misconduct or unethical behaviour relating to financial reporting in the period under review.

The Audit Committee also monitored the review and updating of several policies and procedures of the Company with a view to ensuring that the necessary operational controls and safeguards remained up-to-date and relevant, and afforded adequate measures in response to identified risks. This function was carried in addition to the oversight of the implementation of the internal audit plan established for 2023 with the approval of the Audit Committee.

The Committee's Charter was last reviewed by the Board on March 24, 2023 and is available on our website at: www.myjpsco.com.



Scan here to read the
Audit Committee Charter

Operations Committee

Article 131 of the Company's Articles of Incorporation permits the formation of committee to give technical advice to the officers of the Company with respect to the day-to-day management of the Company, subject to the powers, authority, direction and control of the Board and the terms of the Articles. In keeping with this, the Board formed the Operations Committee through which a core group of technical experts strategically manage the operations of the Company under the supervision of the Board. Pursuant to its mandate captured in the Terms of Reference approved by the Board on December 1, 2022, during the year under review, the Committee analysed the performance of the Company against the established key performance indicators in several areas. These areas included, the operational performance of the generation fleet and the Company's ability to meet the present and expected future energy demand of its customers, the reliability performance of the transmission and distribution grid, new generation projects, the Company's compliance with the environmental regulations, permits and licences, system losses and the initiatives formulated to stymie the growth of loss, the execution of major capital projects, the Company's response to emergency situations such as earthquakes, as well as how the Company serves and communicates with its customers. In addition to the overall wellbeing of the employees, the Board, through the Committee, considered the health and safety of its employees and the public at large, especially having regard to the inherent danger of the electric utility business. In so doing, the

Committee closely examined the Company's performance against leading and lagging safety performance indicators related to injury or potential injury to persons and damage to property. This allowed the assessment of the route of causes of incidents, and the determination and implementation of corrective measures as required.

As provided for in the Committee's approved Terms of Reference, the Committee is comprised of six (6) members. Pursuant to Article 131 of the Company's Articles of Incorporation of the Company, each of Prime Shareholders – EWP (Barbados) 1, SRL, MaruEnergy (JPSCO) I, SRL, and the Government of Jamaica acting through its nominee – nominates two (2) members to the Committee. The table below depicts the participation of each member in the six (6) meetings scheduled during the reporting period. Following each meeting the Chairman submits a report to the Board for information and deliberation as desired. Details of the Committee's Terms of Reference are available on our website at: www.myjpsco.com.



Scan here to read the
**Operations Committee
Terms of Reference (TOR)**

Members of the Operations Committee 2023

Director	Status	No. of Meetings Eligible to Attend	No. of Meetings Attended
Hyung Chae Yang***	NI	6	6
Mohamed Majeed	NI	6	6
Hon. Danville Walker, O.J., J.P.	I	6	6
Dennis Morgan	I	6	6
Shogo Otani	NI	1	1
Keisuke Harada	NI	5	5
Youn Gyu Jung	NI	2	2
Yun Suk Choi	NI	1	1
Ha Kyoung Song	NI	3	2

Non-Independent (NI)*

Independent (I)**

***Director Yang demitted office as Chairman of the Committee in April 2023 and was succeeded by Director Majeed.

With the exception of one (1) meeting at which 83% of the Directors were present, during the reporting period all meetings of the Committee were attended by 100% of Directors who either appeared in person or by their alternate in keeping with the Company's Articles of Incorporation.

Other invitees to Committee meetings include:

- JPS Board Chairman
- The President & CEO
- Ms. Melanie Gilchrist –Company Secretary
- Other Members of the Executive Leadership Team

In discharging its technical advisory role, during the period under review, the Operations Committee monitored the actual operational performance of the Company against the targeted operational key performance indicators with particular focus on the following:

- The monthly dispatch of the generation fleet and projected availability of the units;
- The reliability of the transmission and distribution networks;
- System losses and the programmes which contribute to the reduction in system losses;
- Major capital expenditure projects;
- Operational health, safety and environmental matters;
- The development and implementation of major projects and areas of growth for the business;
- Proposed legal commitments which require the approval of the Board of Directors; and
- Delved into the major challenges which impacted the operations of the business.

Stewardship

We are passionate about what we do and how we impact our community. On March 24, 2023, through the approved Environmental Policy Statement, the Board of Directors documented its commitment to safeguarding compliance with the environmental regulations and environmental sustainability programmes. Acknowledging that environmental social governance was more than a strategy but an inherent part of the identity of the Company, on October 26, 2023 the Board of Directors expanded its commitment to strategically addressing the overall impact of the Company's operations on the wider community by approving the Environmental, Social & Governance Statement (ESG Statement). In so doing, the Company expounded on its commitment to environmental stewardship, expressing its commitment to improving its operational efficiency, promoting the use of renewable energy, reducing greenhouse gas emissions, and mitigating climate change. In 2023, the Company planted 5,000 trees in partnership with the Forestry Department.

Through the ESG Statement, the Company also renewed its commitment to helping to build the communities we serve not only through the JPS Foundation, but also its Community Renewal arm, partnering with international, national, local and community-based organizations to support causes that contribute to positive social, economic and environmental impacts. Additionally, the Board of Directors reiterated its belief in adhering to a foundation of robust governance principles encompassing transparency, accountability, responsibility, fairness and integrity.

AGM 2023

Annual General Meeting

The annual general meeting of the Company was last convened on July 28, 2023. The meeting was properly constituted in accordance with Article 63 of the Company's Articles of Incorporation and presided over by the then Chairman of the Board, Mr. Damian Obiglio. Also present at the meeting were members of the Management team (including the President and C.E.O., Chief Financial Officer, SVP Legal General Counsel & Company Secretary, Chief Operating Officer, SVP Customer Service, and SVP Energy Delivery), representatives of the Auditors, KPMG, and, in addition to the Chairman, five (5) of the then sitting Directors namely, Director Minna Israel, Director Walker, Director Johnston, Director Morgan and Director Yang.

All business for which notice was given to be transacted at the meeting was conducted, including but not limited to the passing of resolutions to approve the audited financial statements for the year ended December 31, 2022 together with directors' report, approval and ratification of the declaration and payment of dividends on ordinary shareholdings, the appointment and remuneration of auditors and the appointment of directors and alternate directors. Members of the Company were also given the opportunity to ask questions and make comments. Members utilised this opportunity and queried the measures established by the Company to address electricity theft and those to help low income people and the elderly regularise their supply, and also concerning the pursuit of renewables and the impact on the electricity bills. Minutes of the meeting may be available in accordance with the Companies Act of Jamaica and the policies of the Company through the companysecretary@jpsco.com.

Corporate Compliance

JPS Code of Ethics and Business Conduct

A key attribute of an organisation's success is its dedication to strong core values and practice of sound business conduct by its Board of Directors, Management, other employees and partners. At JPS, our commitment to integrity is the solid foundation upon which we build our operations and interactions with our regulator, customers, partners and each other. It is our pledge to do business the right way, based on a culture of ethics and compliance. This is codified by our Code of Ethics and Business Conduct (the "Code") which was last reviewed and approved by the Board on March 20, 2024. The Code is designed to provide guidance and set common ethical standards to promote consistency in behaviour across all levels of employment, build trust amongst stakeholders, ensure compliance with applicable laws and provide a mechanism by which ethical violations and concerns may be reported without reprisal.

The Code seeks to protect employees against all forms of harassment, intimidation or discrimination based on disability, gender, skin colour, age, religion, national origin, pregnancy, and marital status, to name a few areas.

As a recent legal requirement and an extension of the Code, the Sexual Harassment Workplace Policy was approved on April 27, 2023 to further promote a workplace that is free from sexual harassment for men and women, as well as outline the new procedure for the making and investigation of reports of that nature.

In fulfilling the purpose of the Compliance Programme, the Company Secretary who also holds the role of Compliance Officer, leads the updates to the Code and the necessary training and awareness/sensitization campaigns across the organization with the support of Management and human resource teams. This training is afforded to all employees of the Company and Directors and Committee members and is conducted in person as well as through the use of technology by way of an interactive course which may be accessed from the web or mobile device. Campaigns are carried out via push and pull communications, live sessions and annual roadshows across the island, all aimed at providing information and facilitating discussions on the key and/or revised areas of the Code. Where applicable, the necessity for adherence to an ethical code of conduct in doing business with the Company is imposed on third party service providers through the legal engagement mechanism.

The Board of Directors, Management and all employees of the Company are required to observe the Code of Ethics and Business Conduct and in this regard, annual certification of due compliance is required and achieved through the Annual Questionnaire. Through this mechanism, all internal stakeholders are given an opportunity to report on instances of breaches of the Company's policies and procedures and the law without fear of retribution. In addition to

the ethics hotline number, employees are also able to anonymously make reports via a newly implemented compliance hub.

JPS appreciates the implications of actual or perceived conflicts of interest of its Board of Directors and employees. As such, persons are required to complete and submit a Declaration of External Interest Form where any such conflict may or does arise.

As dictated by the Audit Committee Charter, it is the responsibility of the Audit Committee to review the process for communicating the Code of Ethics and Business Conduct to the Company's personnel and to monitor compliance therewith. The Code is explicitly made available to all members of staff and Directors and is available on our website at: www.myjpsco.com.



CUSTOMER SERVICE WELCOME

Elderly & Persons with Disabilities JPS

JPS STORE
9W Smart Life LED Light Bulb
Energy Efficient

JPS

JPS
100
CUSTOMER
SERVICE
WEEK 2022



Celebrating Our Customers

Melanie Gilchrist, JPS SVP - Legal & General Counsel & Company Secretary, rewards a customer during a customer appreciation event at the JPS Spanish Town service centre. Earl Manning, Chief Technology Officer, shares in the moment. Customers across the island were feted throughout the year, as JPS expressed appreciation for the privilege of serving them as Jamaica's leading energy provider for more than a century.

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Our Policies
and Practices

Our Policies & Practices

JPS is a regulated energy Company, governed by the applicable laws and regulations of Jamaica, as well as by international standards and best practices. The Company is also guided by a set of policies and procedures that provide a framework for effective decision making and ensure accountability to team members, customers, business partners, shareholders and other stakeholders.

Code of Ethics

JPS is dedicated to conducting its business with integrity. All employees are required to uphold the highest ethical standards. The JPS Code of Ethics and Business Conduct, which is available on the Company's intranet, provides detailed guidance on what is regarded as ethical and unethical conduct in the normal course of business. The Company has established an Ethics Office that, among other things, is responsible for managing reports and queries about unethical behaviour. The Ethics Office also administers the Annual Compliance and Ethics Questionnaire, which all employees are required to complete.

JPS' zero tolerance for unethical behaviour transcends the expectations of its employees and members of the Board of Directors. Adherence to the laws of Jamaica and ethical conduct is imposed on third party contractors who are engaged by the Company to carry out specified activities. These third party contractors are expected to be personally responsible for the highest standards of ethical business behaviour

in their own conduct and to strive to see that these standards are upheld in the conduct of their employees, in dealing with the Company's customers, employees, and other stakeholders.

Code of Practice

The purpose of the JPS Code of Practice is to set out the principles, requirements, services and actions a customer can reasonably expect from JPS. The document is provided as a guideline to which customers can refer as a means of identifying their rights and obligations. It outlines the JPS Service Promises, Ethical Values, the Service Standards set by the Regulator, as well as guidance on how to do business with the Company. The Code of Practice is complemented by the Terms and Conditions of Service and the JPS Welcome Kit for new customers.

Occupational Health, Safety & Environmental (OSHE) Policy

The JPS Occupational, Health, Safety & the Environmental Policy aims to promote an accident-free organization that operates in an environmentally sound manner. We are committed to a culture of safety, protecting our people, operations, processes and the environment.

JPS aspires to excellence in Occupational Health Safety and Environmental performance and views this as fundamental to providing quality service to our customers.

External Communications Policy

JPS is cognizant of the critical nature of the essential service it provides, and the importance of communication with all stakeholders in carrying out its obligations as the only licensed electricity distribution company in Jamaica. The Company is committed to promoting the truth; dispelling falsehoods; engaging with and educating customers to facilitate smooth business; and maintaining vital connections with key stakeholders.

JPS' External Communications Policy establishes a suitable set of controls to be implemented, monitored, reviewed and improved, where necessary, to ensure that accurate, timely, empowering and useful information is disseminated to all external stakeholders.

The primary objectives of this policy are to: ensure the provision of accurate, relevant, consistent and timely external communication; promote transparent external communication that fosters trust and confidence; educate stakeholders. This is achieved by ongoing use of traditional and digital media, as well as direct communication with specially identified groups, to reach as wide a cross-section of stakeholders as possible. **JPS consistently seeks and utilises customer feedback to improve its communication, and ensure that the appropriate channels are being used to get the information to the respective audience segments.**

Human Resource Development Policies & Practices

Engagement and Communication

JPS has been deliberate about engaging employees using all mediums available to them, along with the traditional email platform and meetings. The Company has implemented a corporate social platform for employees to share their accomplishments, provide project updates to the business and recognize each other. Employees record their own videos of their work and initiatives, and share these using the various forums provided. The Executive Leadership engages employees in face to face and online sessions, sharing Company updates and engaging in feedback sessions. Team Leaders are required to provide regular updates to their teams, ensuring that information is cascaded down to all levels, and opportunities provided for feedback.

Succession Planning

A comprehensive programme has been implemented to support business continuity in alignment with our Corporate Risk Register. Business critical roles, as well as those impacted by pending retirements, have been earmarked for clear successors. A targeted development programme is being implemented to address and reduce potential gaps in knowledge and experience, as well as build the leadership skills needed for managerial roles.

Performance Management and Reward & Recognition

JPS has a consistent culture of performance management across the business. Goal setting and appraisals are aligned with the corporate strategic objectives. Reward and recognition are done at all levels across the organization, and all leaders are empowered to recognize team and individual performance.

Employee Health & Wellness

Significant emphasis is placed on mental health and work-life balance, as the country entered its second year of lockdowns and remote work due to the Covid-19 pandemic. Team and individual support was provided by mental health professionals, in cases where colleagues fell ill or family members were lost. JPS actively engaged in partnerships with other private sector entities through the Private Sector Vaccination Initiative (PSVI) to provide convenient vaccination locations island wide for team members and their families. The Company also provided oxygen concentrators to employees in need, to reduce mental anguish and aid in speedy recovery from the Covid virus.

Remote Work

JPS has implemented flexible, employee-focused policies around remote work. Depending on the operational area, team members can be rostered to work from home two days of the week.

Union Partners

JPS has been able to maintain a stable environment with our four (4) union partners through engagement and consultation. Greater engagement and increased sharing of information with employees and Union representatives have led to a more transparent atmosphere.

Facilities Management

Several key initiatives are being undertaken to improve our employee and customer service environments. Some work environments are being renovated to enhance the experience of employees.

Learning & Development

Through its Learning and Development Institute (LDI), JPS provides ongoing learning opportunities for all employees. Training courses are delivered in person and online.

Education and Benefits

JPS provides scholarships for continuing education to its employees. These scholarships are available to both fixed-term and permanent employees. Children of employees are also offered scholarships, with provision for children with special needs.

Security Management

The security of our people and property has always been a top priority. Internal personnel and third parties provide coverage across the island, securing our valuable assets.

Disaster Preparedness

JPS has always been a leader in disaster preparedness in Jamaica and the region. Our cross-functional teams work with several external agencies to improve and test the resilience of our grid and our resources leading up to each Hurricane Season. The Company has a longstanding history of supporting the Caribbean during disasters, and supports the Caribbean Electric Utility Services Corporation (CARILEC) with training and response to disasters.

Internal customer service delivery

To improve responsiveness to employee queries and concerns, a Shared Services Division was created within the People Operations Division. This has streamlined the communication and resolution of employee requests, resulting in faster response rates. Digitization of the related processes through the Business Transformation Office has facilitated the creation of dashboards to monitor performance and address bottlenecks as they occur.





Corporate Social Responsibility

JPS Volunteers On Location To Serve (VOLTS) celebrate after a day of service on Labour Day 2023. As part of its 100th Anniversary Celebrations, JPS helped to improve the learning environment for students in several schools. This formed part of the company's ongoing investment in education and community empowerment.

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ESG
Commitment

ESG Commitment

Environmental, Social & Governance

At JPS, we are committed to creating sustainable value for our Customers, Employees, Shareholders, Communities and the Environment. Our core values are at the heart of everything we do:

Accountability

Safety

Passion

Integrity

Respect

Excellence

Drawing on our solid expertise and unwavering dedication to sustainability, JPS has embraced the charge towards a cleaner, more radiant future for Jamaica. We believe in the transformative power of clean energy, the agility to embrace new technologies, and the importance of renewable resources in shaping a resilient tomorrow. With every solution we deliver, we aim to spark hope and empower our customers and the communities we serve.

Powering Our Environment for a Sustainable Tomorrow

JPS is committed to improving our operational efficiency, promoting the use of renewable energy, reducing greenhouse gas emissions, and mitigating climate change.

We believe in conserving our natural resources for tomorrow, while working to meet today's energy needs. To this end, we strive to produce and deliver electricity to Jamaicans in an environmentally sustainable manner. Our environmental stewardship strategy includes: renewable energy production, energy efficiency, electric mobility, water conservation, and waste minimisation.

Environmental Compliance

We are committed to operating within the framework of local laws and regulations, and maintaining the various required licences and permits. We also conduct our operational activities in accordance with our corporate policies and local regulations. Where there are no regulations, JPS adopts international standards and operationally manages within an Environmental Policy and Environmental Management System (EMS), which includes:

- Air Quality Management (Ambient Air Monitoring and Stack Emissions)
- Beach Licences Management (Industrial use of seafloor and foreshore)
- Waste Management (including Solid, Industrial and Hazardous Waste)
- Water Management (abstraction/diversion and discharge)
- Hazardous Material Management (transformers, oils and chemicals)
- Spill Control, Prevention and Response Management
- Emergency Response Plans

Restoration, Preservation & Protection of the Environment

We are dedicated to environmental conservation and the preservation of natural habitats. Through collaborations with relevant governmental agencies, we actively engage in reforestation and habitat protection initiatives.

Powering Our People for Positive Impacts

We are dedicated to creating a secure and empowering work environment that cultivates high performing teams and nurtures a sense of belonging, where every individual is treated with respect and provided equal opportunities to thrive. We are committed to diversity; building leaders; fostering fairness and accessibility; and enhancing the physical and mental wellness of our team members. Safety stands as a paramount principle, and we relentlessly pursue the goal of zero harm in all our endeavours.

We support and respect the protection of human rights, and reject all forms of discrimination, harassment and exploitation.

Powering Our Company through Good Corporate Governance

Our Company's Board of Directors provides robust oversight and maintains the utmost standards of ethical conduct. We adhere to a foundation of robust governance principles encompassing transparency, accountability, responsibility, fairness and integrity. Our corporate governance policies align with best practices in stakeholder engagement, procurement, risk management and financial reporting. We continuously evaluate potential risks associated with our operations and devise mitigating strategies.

We have formulated a comprehensive Code of Ethics and Business Conduct that delineates the fundamental principles governing our business interactions, emphasizing integrity and respect in all endeavours. Our steadfast commitment to ethical practices encompasses not only our employees, but also extends to our third party partners and contractors. At JPS, we maintain a zero-tolerance policy towards unethical conduct across all stakeholders.

Continuous Improvement

We recognize that our ESG journey is ongoing, and commit to regularly assessing our performance, setting ambitious goals, and transparently reporting on our progress.

At JPS, ESG is not just a strategy. It's an inherent part of who we are and how we operate. By embracing sustainable practices, fostering social responsibility, and upholding strong governance principles, we aim to make a meaningful and lasting impact on our environment, society, and business. Together, we are shaping a future where energy is a catalyst for progress, sustainability, and shared prosperity.

Data Privacy & Protection

In 2023 JPS embarked on a transformative journey to ensure compliance with the Jamaica Data Protection Act 2020 (DPA, 2020). This initiative was not just about meeting legal requirements but also about upholding our commitment to safeguarding the privacy and rights of our customers and other stakeholders.

One of the pivotal steps in our compliance journey was the establishment of a dedicated Data Privacy and Protection Committee (DPPC). This committee was tasked with enhancing governance and accountability in relation to our privacy practices, ensuring that they align seamlessly with the provisions of the DPA, 2020. With cross-functional representation and expertise, the committee played a crucial role in steering our compliance efforts and fostering a culture of data privacy across the organization.

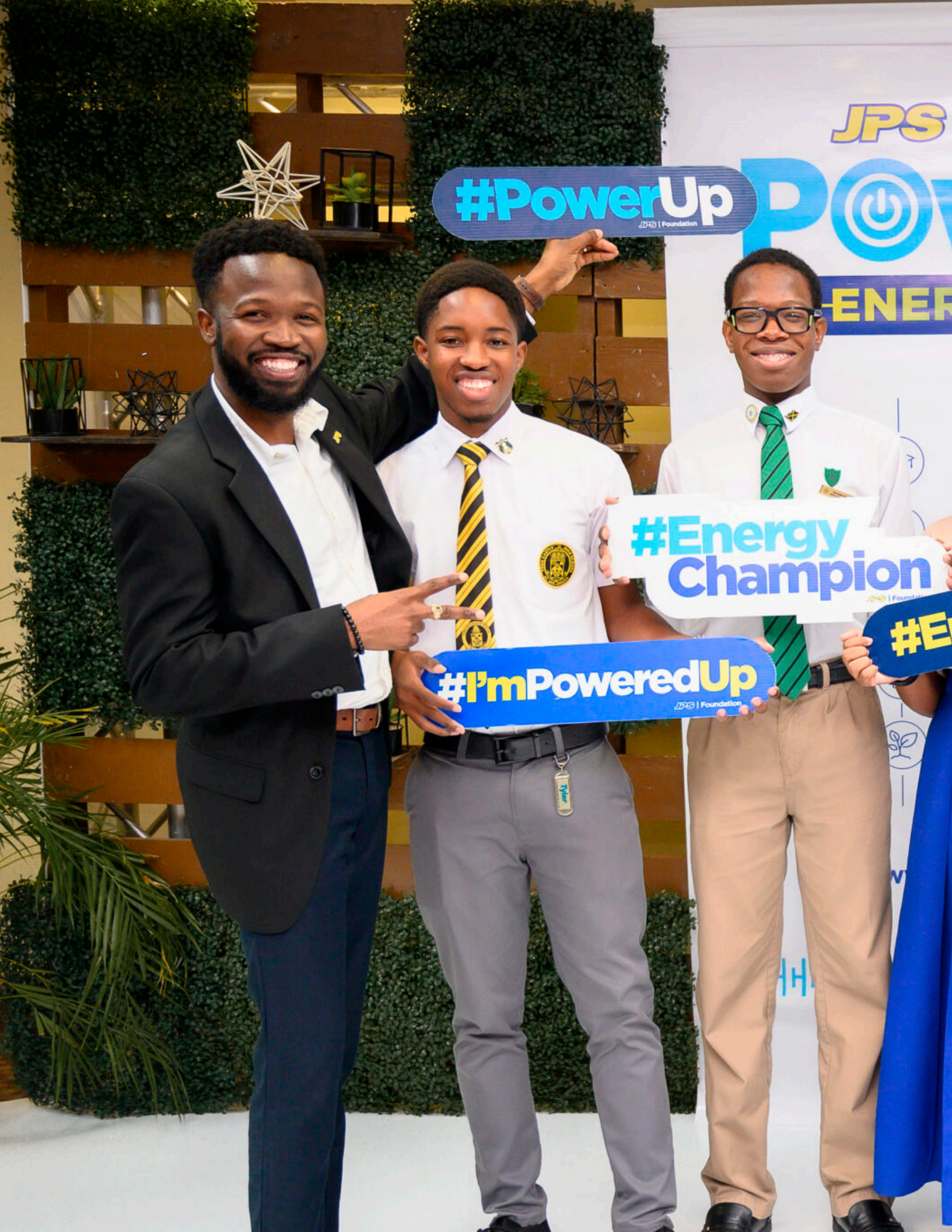
Simultaneously, we undertook a comprehensive review and update of our Data Management Policy and the JPS Privacy Notice. These documents were meticulously revised to reflect the requirements of the DPA, 2020, and to provide clear guidance on how we collect, use, and protect personal data. By ensuring these foundational documents were robust and up-to-date, we laid a solid foundation for our ongoing compliance efforts.

Responding promptly and effectively to Data Subject requests was another critical aspect of our compliance strategy. We revamped our processes, procedures, and technology to facilitate the timely handling of requests from individuals seeking to exercise their rights under the DPA, 2020. Through training and awareness campaigns, we empowered our team to handle these requests with professionalism and efficiency.

We were able to achieved a high level of compliance ahead of the original registration deadline set by the Office of the Information Commission (OIC) for December 1, 2023 (now planned for June 1, 2024). This early accomplishment stands as a testament to the dedication and hard work of everyone involved in our compliance initiative.

As we move forward, JPS recognizes the importance of sustaining and reinforcing the gains made in 2023. To this end, we will establish of a dedicated Function for Data Privacy and Governance within our organization. This new function will be responsible for ensuring that our data privacy practices and compliance efforts continue to evolve in line with regulatory requirements and best practices.

By maintaining a focus on data privacy and governance, we aim to build upon the foundation laid in 2023 and further strengthen our commitment to protecting the privacy and rights of our customers and stakeholders.



#PowerUp
JPS | Foundation

JPS
POWER
ENERGY

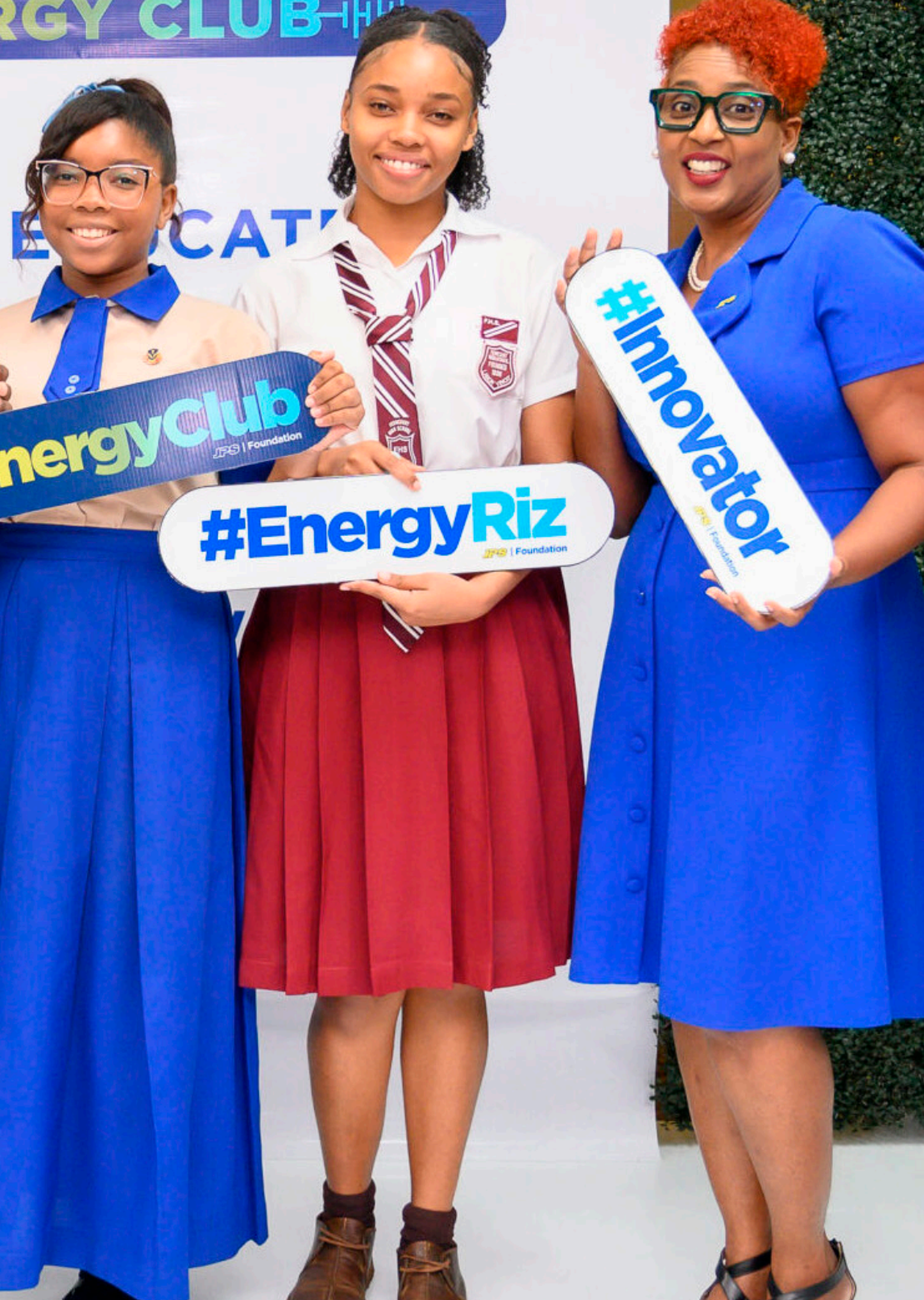
#Energy
Champion
JPS | Foundation

#I'm PoweredUp
JPS | Foundation

#E

| Foundation

PowerUp
ENERGY CLUB



Launch of Energy Clubs in Schools

Sophia Lewis - Head of the JPS Foundation (right), and Winston Blackwood - Head of Digital Transformation & Business Effectiveness (left), share a light moment with students from York Castle High School, Calabar High School, Holy Childhood High School, and Ferncourt High School. The occasion was the relaunch of Energy Clubs in secondary schools across the island, as part of the Foundation's focus on STEM education. Through these clubs, students will be provided with an opportunity to delve deeper into the world of energy, with mentorship and support from JPS Volunteers On Location To Serve (VOLTS).

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Financial
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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Jamaica Public Service Company Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 78 to 145, which comprise the Group's and the Company's statements of financial position as at December 31, 2023, the Group's and the Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2023, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Valuation of employee benefits asset*

Key audit matter	How the matter was addressed in our audit
<p>The Group operates a defined benefit pension plan that provides retirement benefits to the staff. The valuation of the carrying value of the net defined benefit asset is considered to be an elevated risk.</p>	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none">• Evaluating the independence and objectivity of the appointed actuarial expert.
<p>Given the value of the assets, small changes in the assumptions can have a material financial impact on the Group. The key assumptions involved in calculating employee benefit asset and obligations are discount rates, inflation, and future increases in salaries and pensions.</p>	<ul style="list-style-type: none">• Involving our own actuarial specialists in determining that the actuarial valuation was performed in accordance with the requirements of IAS 19 <i>Employee Benefits</i>.
<p>Management appointed an external actuarial expert in measuring the employee benefit asset and obligations at the reporting date.</p>	<ul style="list-style-type: none">• Testing employee data provided by management to the actuarial expert.
<p>The use of significant assumptions increases the risk that management's estimate can be materially misstated.</p>	<ul style="list-style-type: none">• Assessing key assumptions used by the actuary, including inflation and discount rates, by comparing them to information from independent sources.• Assessing whether disclosures in the financial statements are appropriate in respect of the Group's employee benefit arrangements.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)

2. Valuation of land and buildings

Key audit matter

During the year, in accordance with its accounting policy [see note 3(a)] the Group revalued land and buildings at fair value. The revaluation requires significant estimation, which is affected by uncertainty of market factors, pricing assumptions and general business and economic conditions.

Given the infrequency of trades in comparable properties and the absence of a number of observable recent market prices, significant judgement is used by management in arriving at the fair value of these properties. Management appointed an external property appraiser in measuring the value of land and building at the reporting date.

The use of significant assumptions increases the risk that management's estimate could be materially misstated.

How the matter was addressed in our audit

Our audit procedures in this area included the following:

- Evaluating the reasonableness of the valuation methodologies and inputs used by the property appraiser engaged by management and the fair value conclusions for the properties at the valuation date.
- Involving our own valuation specialist to:
 - Assess the methods and assumptions applied by the property appraiser employed by management.
 - Assess whether the valuations were performed and reported in accordance with relevant professional standards for valuation reports.
 - Assess the qualifications, experience and objectivity of the property appraiser.
- Assessing the adequacy and appropriateness of the Group's disclosures, including the valuation techniques and significant unobservable inputs in accordance with IFRS 13, *Fair Value Measurement*.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 76-77, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The partner on the audit resulting in this independent auditors' report is Nigel Chambers.

Chartered Accountants
Kingston, Jamaica

March 20, 2024



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PUBLIC SERVICE COMPANY LIMITED

Appendix to the Independent Auditors' report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Group Statement of Financial Position December 31, 2023 (Expressed in United States Dollars)

	<u>Notes</u>	<u>2023</u> \$'000	<u>Restated*</u>	
			<u>2022</u> \$'000	<u>2021</u> \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	831,478	810,872	803,603
Right-of use assets	6(a)(i)	438,019	473,538	511,127
Intangible assets	7	18,236	17,298	17,972
Investment in equity-accounted investee	8(b)	83,245	91,457	78,712
Employee benefits asset	9(a)(i)	<u>27,964</u>	<u>44,285</u>	<u>47,449</u>
		<u>1,398,942</u>	<u>1,437,450</u>	<u>1,458,863</u>
Current assets				
Cash and cash equivalents	10	66,235	60,123	42,783
Restricted cash	11	58,525	54,523	51,447
Accounts receivable	12	172,956	189,423	152,773
Due from related parties	18(a)(i)	1,106	2,733	1,351
Inventories	13	36,133	33,841	30,176
Corporation tax recoverable		<u>-</u>	<u>2,819</u>	<u>-</u>
		<u>334,955</u>	<u>343,462</u>	<u>278,530</u>
Total assets		<u>1,733,897</u>	<u>1,780,912</u>	<u>1,737,393</u>
Shareholders' equity				
Share capital	14	261,786	261,786	261,786
Capital reserve	15	24,663	18,899	19,288
Capital redemption reserve	16	3,000	3,000	3,000
Retained earnings		<u>310,789</u>	<u>286,745</u>	<u>250,836</u>
		<u>600,238</u>	<u>570,430</u>	<u>534,910</u>
Current liabilities				
Accounts payable and provisions	17	145,863	146,719	113,588
Current portion of customer deposits	19	33,988	31,785	24,836
Corporation tax payable		1,516	-	2,535
Due to related parties	18(a)(ii)	32,128	42,698	23,501
Lease liabilities	6(a)(ii)	31,252	28,814	26,970
Current portion of long-term loans	20	56,062	35,713	45,567
Employee benefits obligation	9(b)	<u>-</u>	<u>8,992</u>	<u>-</u>
		<u>300,809</u>	<u>294,721</u>	<u>236,997</u>
Non-current liabilities				
Long - term portion of customer deposits	19	18,261	14,645	7,868
Long-term loans	20	281,403	335,779	355,830
Lease liabilities	6(a)(ii)	462,691	490,300	517,628
Preference shares	21	24,688	24,688	24,688
Deferred taxation	22	17,032	22,189	25,141
Decommissioning provision	23	28,775	28,160	27,742
Employee benefits obligation		<u>-</u>	<u>-</u>	<u>6,589</u>
		<u>832,850</u>	<u>915,761</u>	<u>965,486</u>
Total liabilities		<u>1,133,659</u>	<u>1,210,482</u>	<u>1,202,483</u>
Total shareholders' equity and liabilities		<u>1,733,897</u>	<u>1,780,912</u>	<u>1,737,393</u>

The financial statements on pages, 78 to 145, were approved by the Board of Directors on March 20, 2024, and signed on its behalf by:



Chairman

Damian Obiglio



Director

Minna Israel

*See note 34

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2023

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
Operating revenue	24	1,072,811	1,163,587
Cost of sales	25(a)	(658,443)	(775,232)
Gross profit		414,368	388,355
Operating expenses	25(b)	(265,255)	(258,712)
Impairment loss on trade receivables	12	(9,108)	(7,435)
Operating profit		<u>140,005</u>	<u>122,208</u>
Finance income		7,137	5,922
Finance costs		(67,043)	(71,384)
Net finance costs	25(c)	(59,906)	(65,462)
Other income	26(a)	5,603	5,578
Other expenses	26(b)	(1,870)	(5,453)
		83,832	56,871
Share of profit in equity-accounted investee, net of tax	8(b)	<u>6,914</u>	<u>12,745</u>
Profit before taxation		90,746	69,616
Taxation	27	(22,591)	(15,238)
Profit for the year		<u>68,155</u>	<u>54,378</u>
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Gain on revaluation of property	5	6,662	-
Remeasurement loss on defined benefit plan	9(a)(v)	(21,013)	(5,787)
Tax on remeasurement loss on defined benefit plan	22	<u>7,004</u>	<u>1,929</u>
Other comprehensive loss, net of tax		(7,347)	(3,858)
Total comprehensive income attributable to shareholders		<u>60,808</u>	<u>50,520</u>
Earnings per share	28	<u>0.31¢</u>	<u>0.25¢</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Group Statement of Changes in Shareholders' Equity
Year ended December 31, 2023
 (Expressed in United States Dollars)

	Share capital \$'000 (Note 14)	Capital reserve \$'000 (Note 15)	Capital redemption reserve \$'000 (Note 16)	Retained earnings \$'000	Total \$'000
Balance at December 31, 2021	<u>261,786</u>	<u>19,288</u>	<u>3,000</u>	<u>250,836</u>	<u>534,910</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	(3,858)	(3,858)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,520</u>	<u>50,520</u>
Transfer from capital reserves on disposal of property	-	(389)	-	389	-
Transactions with owners of the Company:					
Dividends [note 29(a)]	<u>-</u>	<u>-</u>	<u>-</u>	(15,000)	(15,000)
Balance 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	-	-	-	68,155	68,155
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Gain on revaluation of property	-	6,662	-	-	6,662
Remeasurement loss on defined benefit plan, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	(14,009)	(14,009)
Total comprehensive income for the year	<u>-</u>	<u>6,662</u>	<u>-</u>	<u>54,146</u>	<u>60,808</u>
Transfer from capital reserves on disposal of property	-	(898)	-	898	-
Transactions with owners of the Company:					
Dividends [note 29(a)]	<u>-</u>	<u>-</u>	<u>-</u>	(31,000)	(31,000)
Balance at December 31, 2023	<u>261,786</u>	<u>24,663</u>	<u>3,000</u>	<u>310,789</u>	<u>600,238</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Group Statement of Cash Flows
Year ended December 31, 2023
(Expressed in United States Dollars)

	<u>Notes</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		68,155	54,378
Adjustments for:			
Depreciation and amortisation	5,6,7	117,785	116,578
Gain on disposal of property, plant and equipment		(173)	(205)
Amortisation of debt issuance costs	25(c)	745	788
Unrealised foreign exchange gains, net	25(c)	(986)	(5,845)
Interest expense	25(c)	65,637	67,687
Interest income	25(c)	(7,137)	(5,922)
Taxation expense	27	20,744	16,261
Deferred tax	22	1,847	(1,023)
Employee benefits asset/obligation, net		(5,521)	(8,574)
Share of profit in equity-accounted investee	8(b)	(6,914)	(12,745)
Cash generated before changes in working capital		254,182	221,378
Restricted cash		(4,002)	(3,076)
Accounts receivable		16,964	(27,501)
Inventories		(2,292)	(3,665)
Accounts payable and provisions		(9,020)	42,112
Due from/to related parties		(8,943)	17,815
Customers' deposits and advances		<u>6,473</u>	<u>12,876</u>
Cash generated from operations		253,362	259,939
Taxation paid		(16,408)	(21,615)
Net cash provided by operating activities		<u>236,954</u>	<u>238,324</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of property, plant and equipment		1,201	826
Purchase of property, plant and equipment	5	(88,560)	(80,920)
Purchase of intangible assets	7	(3,397)	(2,304)
Dividends received from investee equity - accounted		15,126	-
Interest received		<u>6,713</u>	<u>5,717</u>
Net cash used in investing activities		(68,917)	(76,681)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(33,317)	(33,318)
Payment of lease liabilities		(29,150)	(27,239)
Interest paid		(65,185)	(67,185)
Dividend paid, including preference shares	25(c), 29(a)	(33,334)	(17,334)
Net cash used in financing activities		(160,986)	(145,076)
Net increase in cash and cash equivalents		7,051	16,567
Effect of changes in exchange rates		(939)	773
Net cash and cash equivalents at beginning of year		<u>60,123</u>	<u>42,783</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>66,235</u>	<u>60,123</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

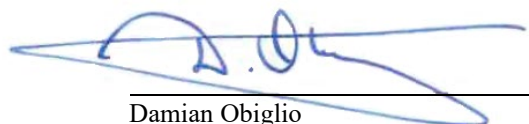
Company Statement of Financial Position


December 31, 2023

(Expressed in United States Dollars)

	Notes	2023 \$'000	Restated*	
			2022 \$'000	2021 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	831,439	810,840	803,603
Right-of-use assets	6	438,019	473,537	511,121
Intangible assets	7	18,236	17,298	17,972
Investment in subsidiaries	8(a)(i)	46,004	46,004	46,004
Employee benefits asset	9(a)(i)	27,964	44,285	47,449
		<u>1,361,662</u>	<u>1,391,964</u>	<u>1,426,149</u>
Current assets				
Cash and cash equivalents	10	61,329	57,489	42,759
Restricted cash	11	58,525	54,523	51,447
Accounts receivable	12	171,746	189,065	152,018
Corporation tax recoverable		-	3,241	-
Due from related parties	18(a)(i)	265	1,883	1,294
Inventories	13	36,133	33,841	30,176
		<u>327,998</u>	<u>340,042</u>	<u>277,694</u>
Total assets		<u>1,689,660</u>	<u>1,732,006</u>	<u>1,703,843</u>
Shareholders' equity				
Share capital	14	261,786	261,786	261,786
Capital reserve	15	24,663	18,899	19,288
Capital redemption reserve	16	3,000	3,000	3,000
Retained earnings		268,639	237,749	216,551
		<u>558,088</u>	<u>521,434</u>	<u>500,625</u>
Current liabilities				
Accounts payable and provisions	17	145,033	145,861	113,250
Current portion customer deposits	19	33,988	31,785	24,836
Corporation tax payable		1,240	-	2,341
Due to related parties	18(a)(ii)	31,147	43,647	24,775
Lease liabilities	6(a)(ii)	31,252	28,813	26,964
Current portion of long-term loans	20(b)	56,062	35,713	45,567
Employee benefits obligation	9(b)	-	8,992	-
		<u>298,722</u>	<u>294,811</u>	<u>237,733</u>
Non-current liabilities				
Long - term portion of customer deposits	19	18,261	14,645	7,868
Long-term loans	20	281,403	335,779	355,830
Lease obligations	6(a)(ii)	462,691	490,300	517,627
Preference shares	21	24,688	24,688	24,688
Deferred taxation	22	17,032	22,189	25,141
Decommissioning provision	23	28,775	28,160	27,742
Employee benefits		-	-	6,589
		<u>832,850</u>	<u>915,761</u>	<u>965,485</u>
Total liabilities		<u>1,131,572</u>	<u>1,210,572</u>	<u>1,203,218</u>
Total shareholders' equity and liabilities		<u>1,689,660</u>	<u>1,732,006</u>	<u>1,703,843</u>

The financial statements on pages, 78 to 145, were approved by the Board of Directors on March 20, 2024, and signed on its behalf by:


 _____ Chairman
 Damian Obiglio


 _____ Director
 Minna Israel

*See note 34

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Company Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2023

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
Operating revenue	24	1,063,875	1,154,058
Cost of sales	25(a)	(658,443)	(775,232)
Gross profit		405,432	378,826
Operating expenses	25(b)	(258,105)	(251,523)
Impairment loss on trade receivables	12	(9,108)	(7,435)
Operating profit		<u>138,219</u>	<u>119,868</u>
Finance income	25(c)	7,125	5,922
Finance costs	25(c)	(66,978)	(71,391)
Net finance costs	25(c)	(59,853)	(65,469)
Dividend income from subsidiary		15,126	-
Other income	26(a)	5,602	5,575
Other expenses	26(b)	(1,870)	(5,453)
Profit before taxation		97,224	54,521
Taxation	27	(22,223)	(14,854)
Profit for the year		<u>75,001</u>	<u>39,667</u>
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Gain on revaluation of property	5	6,662	-
Remeasurement loss on defined benefit plan	9(a)(v)	(21,013)	(5,787)
Tax on remeasurement loss on defined benefit plan	22	<u>7,004</u>	<u>1,929</u>
Other comprehensive loss, net of tax		(7,347)	(3,858)
Total comprehensive income attributable to shareholders		<u>67,654</u>	<u>35,809</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Company Statement of Changes in Shareholders' Equity
Year ended December 31, 2023
(Expressed in United States Dollars)

	Share capital \$'000 (Note 14)	Capital reserve \$'000 (Note 15)	Capital redemption reserve \$'000 (Note 16)	Retained earnings \$'000	Total \$'000
Balance at December 31, 2021	<u>261,786</u>	<u>19,288</u>	<u>3,000</u>	<u>216,551</u>	<u>500,625</u>
Total comprehensive income for the year 2022:					
Profit for the year	-	-	-	39,667	39,667
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Remeasurement loss on defined benefit plan, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,858)</u>	<u>(3,858)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,809</u>	<u>35,809</u>
Transfer from capital reserves on disposal of property	-	(389)	-	389	-
Transactions with owners of the Company:					
Dividends [note 29(a)]	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Balance at December 31, 2022	<u>261,786</u>	<u>18,899</u>	<u>3,000</u>	<u>237,749</u>	<u>521,434</u>
Total comprehensive income for the year 2023:					
Profit for the year	-	-	-	75,001	75,001
Other comprehensive income: <i>Items that will not be reclassified to profit or loss</i>					
Gain on revaluation of property	-	6,662	-	-	6,662
Remeasurement loss on defined benefit plan, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,009)</u>	<u>(14,009)</u>
Total comprehensive income for the year	<u>-</u>	<u>6,662</u>	<u>-</u>	<u>60,992</u>	<u>67,654</u>
Transfer from capital reserves on sale of property	-	(898)	-	898	-
Transactions with owners of the Company:					
Dividends [note 29(a)]	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,000)</u>	<u>(31,000)</u>
Balance at December 31, 2023	<u>261,786</u>	<u>24,663</u>	<u>3,000</u>	<u>268,639</u>	<u>558,088</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Company Statement of Cash Flows
Year ended December 31, 2023
(Expressed in United States Dollars)

	<u>Notes</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		75,001	39,667
Adjustments for:			
Depreciation and amortisation	5,6,7	117,775	116,571
Gain on disposal of property, plant and equipment		(173)	(205)
Amortisation of debt issuance costs	25(c)	745	788
Unrealised foreign exchange losses, net	25(c)	(1,051)	(5,838)
Interest expense		65,686	67,687
Dividend income from subsidiary		(15,126)	-
Interest income	25(c)	(7,125)	(5,922)
Taxation expense	27	20,376	15,877
Deferred tax	22	1,847	(1,023)
Employee benefits asset/obligation, net		(5,521)	(8,574)
Cash generated before changes in working capital		252,434	219,028
Restricted cash		(4,002)	(3,076)
Accounts receivable		17,815	(27,905)
Inventories		(2,292)	(3,665)
Accounts payable and provisions		(8,927)	41,592
Due from/to related parties		(10,882)	18,283
Customers' deposits and advances		6,473	12,876
Cash generated from operations		250,619	257,133
Taxation paid		(15,895)	(21,459)
Net cash provided by operating activities		<u>234,724</u>	<u>235,674</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of property, plant and equipment		1,201	826
Purchase of property, plant and equipment	5	(88,543)	(80,886)
Purchase of intangible assets	7	(3,397)	(2,304)
Interest received		6,701	5,717
Dividends received		15,126	-
Net cash used in investing activities		(68,912)	(76,647)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(33,317)	(33,318)
Payment of lease liabilities		(29,150)	(27,233)
Interest paid		(65,234)	(67,185)
Dividend paid, including preference shares	25(c), 29(a)	(33,334)	(17,334)
Net cash used in financing activities		(161,035)	(145,070)
Net increase in cash and cash equivalents		4,777	13,957
Effect of changes in exchange rates		(937)	773
Net cash and cash equivalents at beginning of year		<u>57,489</u>	<u>42,759</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>61,329</u>	<u>57,489</u>

The accompanying notes form an integral part of the financial statements.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

1. Identification, Regulation and Licence

(a) Identification:

Jamaica Public Service Company Limited ("the Company") is incorporated and domiciled in Jamaica as a limited liability Company. The Company 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 principal activities of the Company are generating, transmitting, distributing and supplying electricity in accordance with the terms of the amended Electricity Licence, 2016 (the Licence), granted on January 27, 2016, by the Minister of Science, Technology, Energy and Mining.

The Company holds a 100% interest in South Jamaica Energy Holdings Limited (SJEH). The primary activity of SJEH is the holding of a 50% interest in South Jamaica Power Company Limited. The Company also holds 100% interest in Caribbean Blue Skies Energy Limited (CBSE) whose primary activities are the provision of operation and maintenance services to entities within in the energy industry.

The registered office of the Company and its Subsidiaries is situated at 6 Knutsford Boulevard, Kingston 5, Jamaica, W. I., and its preference shares are listed on the Jamaica Stock Exchange.

(b) Regulatory arrangements and tariff structure:

The Licence authorises the Company to supply electricity for public and private purposes within the Island of Jamaica, subject to regulation by the Office of Utilities Regulation (OUR). The OUR is 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.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

1. Identification, Regulation and Licence (continued)

(b) Regulatory arrangements and tariff structure (continued):

Under the provisions of the Licence, the Company 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 the initial three-year period, the Company has the right, together with other persons, to compete for the right to develop new generation capacity. The Licence was extended in August 2007 for an additional period of six years through to 2027 upon the sale of the Company by Mirant Corporation to Marubeni Corporation.

Schedule 3 of the Licence defines the rates for electricity and the mechanism for rate adjustments.

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 Company 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 Company 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 to provide for a Self-Insurance Sinking Fund in case of a major catastrophe affecting the Company's operations.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards) and comply with the provisions of the Jamaican Companies Act.

Effective January 1, 2023, the Group adopted the amendments to IAS 1, which resulted in the Group disclosing *material* accounting policies, rather than *significant* accounting policies, based on the following definition from the amended standard:

“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

Other pronouncements under IFRS Accounting Standards did not result in any changes to amounts recognised or disclosed in these financial statements.

(b) Basis of preparation

These financial statements are presented in United States dollars, which is the functional currency of the Company.

Except where otherwise indicated, all financial information presented in United States dollars has been rounded to the nearest thousand.

The financial statements are prepared under the historical cost basis, modified for the inclusion of land at valuation, and defined benefits asset and obligation at fair value of plan assets less the present value of the defined benefits asset and obligation as explained in note 3(b).

Basis of consolidation

A subsidiary is an entity controlled by and forming part of the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, exposure to variable returns from the investee and a link between the power the Group has and the variability of returns. In assessing control, the existence and effect of potential voting rights that are currently exercisable are considered. Subsidiaries are consolidated from the date on which the Group effectively takes control until the date that control ceases. Accounting policies of subsidiaries are aligned with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

2. Statement of compliance and basis of preparation (continued)

(c) Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if applicable.

Judgements made by management that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Post-employment benefits (note 9)

The amounts recognised in the financial statements for post-employment benefits are determined actuarially using several assumptions.

The primary assumptions used in determining the amounts recognised include expected rates of salary and pension increases, and the discount rate used to determine the present value of estimated future cash flows required to settle the obligations.

The discount rate is determined based on the estimated yield on long-term government securities that have maturity dates approximating the terms of the Group's obligation. In the absence of such instruments in Jamaica, the Group extrapolated from the longest-tenured security on the market. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables (note 12)

Allowances for expected credit losses ("ECL") are determined upon origination of the trade accounts receivable based on a model that uses a matrix of days past due, considering actual credit loss experience over the last 12 months and analysis of future delinquency.

The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions introduces uncertainty in such estimates. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

2. Statement of compliance and basis of preparation (continued)

(c) Use of estimates and judgements (continued)

(ii) Allowance for impairment losses on receivables (note 12)

In determining forward-looking estimates, the group considers macro-economic factors such as gross domestic product, inflation and fuel rate. The gross carrying amount of trade receivables is written off when the Group has no reasonable expectations of recovering a receivable balance in its entirety or portion thereof.

(iii) Unbilled revenue

Unbilled revenue at each month-end is estimated based on the average amounts billed in the immediately preceding billing period, including amounts unbilled for Independent Power Provider (IPP) charges.

(iv) Capitalisation and useful lives of property, plant and equipment

Management exercises judgement in determining whether the costs incurred can be capitalised, based on whether they are expected to generate significant future economic benefits to the Group.

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation thereon.

3. Material accounting policies

(a) Property, plant and equipment and intangible assets

Recognition and measurement

Additions to property, plant and equipment, replacement of retirement units of plant in service, or additions to construction work-in-progress include direct labour, materials, professional fees and an appropriate charge for overheads. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Land was revalued as at December 31, 2023, by an independent valuator using the Market Comparable Basis, which utilises the sale values for similar properties within the relevant period. Valuations are performed with sufficient frequency to ensure that the fair value of the revalued assets do not differ materially from their carrying amounts at each reporting date.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(a) Property, plant and equipment and intangible assets (continued)

Recognition and measurement (continued)

Property, plant and equipment being constructed are measured at cost less recognised impairment losses.

Intangible assets include computer software measured at cost, less amortisation and impairment losses, and land rights measured at cost. Impairment losses are recognised in profit or loss in operating expenses.

Depreciation and amortisation

Land and land rights are not depreciated. Other property, plant and equipment and intangible assets are depreciated or amortised on the straight-line basis at annual rates estimated to write down the assets to their recoverable values over their expected useful lives.

The depreciation rates, which are specified by the Licence, are as follows:

Steam production plant	4%
Hydraulic production plant	2%, 2.5% & 3.08%
Other production plant	2.5, 4%, 4.17% & 5%
Transmission plant	4%
Distribution plant	3.33%, 4%, 6.67%, 10% & 20%
General plant & equipment:	
Buildings and structures	2%
Transport equipment	8.33% & 14.29%
Other equipment	6.67%, 8.33%, 10%, 16.67% & 20%

Computer software, which is classified as an intangible asset, is amortised at 16.67% per annum. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset. All other expenditure is recognised in profit or loss as incurred.

Useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(b) Employee benefits

Employee benefits, comprising pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management.

The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Group's post-employment benefits asset and obligation as computed by the actuary.

(i) Pension assets

The Group participates in two contributory pension plans (a defined benefit plan and a defined contribution pension plan), the assets of which are held separately from those of the Group.

Obligations for contributions to the defined contribution pension plan are recognised as an expense in profit or loss as incurred.

The Group's net obligation in respect of the defined benefit pension plan is calculated at each reporting date by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods, discounting it to determine its present value, and deducting the fair value of the plan assets. The net asset recognised is restricted to the discounted value of future benefits available to the Group in the form of future refunds or reductions in contributions.

At each reporting date the discount rate applied on long-term government instruments that have maturity dates approximating the term of the Group's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenured security on the market.

The calculation of the net defined benefits obligation/asset is performed by the appointed actuary using the Projected Unit Credit Method.

Remeasurements of the net defined benefits obligation/asset, which comprise actuarial gains and losses, and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits with maturities ranging between one and three months from the date of placement and are measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

(d) Accounts receivable

Trade and other accounts receivable are measured at amortised cost less impairment losses. An impairment loss is recognised using the expected credit loss model for the lifetime of such financial assets on initial recognition, and at each subsequent reporting date, even in the absence of a credit event or if a loss has not occurred. The provision methodology considers past events and current conditions, as well as reasonable and supportable forecasts affecting collectability [see also note 3(l)].

(e) Inventories

Inventories comprise fuel stocks and generation, transmission and distribution spare parts. Inventories are valued at the lower of cost, determined on a weighted average cost basis, and net realisable value.

(f) Accounts payable

Trade and other accounts payable are recorded initially at amounts representing the fair value of the consideration due for goods and services received by the reporting date, whether or not billed. Thereafter they are measured at amortised cost.

(g) Provisions

A provision is recognised in the statement of financial position when the Group has an obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of that obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and, where appropriate, the risks specific to the obligation.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(g) Provisions (continued)

Decommissioning obligations

The Group's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalised in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date.

Subsequent to the initial measurement, the obligation is adjusted at each reporting date to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time (and unwinding of the discount) is recognised within finance costs whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalised. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(h) Borrowings:

(i) Capitalisation of borrowing costs:

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(ii) Debt issuance costs:

These represent legal, accounting and financing fees associated with securing certain long-term loans, which are amortised on an effective interest basis over the lives of the loans.

(iii) Interest-bearing borrowings:

Interest-bearing borrowings are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost using the effective interest method.

(i) Customers' deposits:

Given the long-term nature of customer relationships, customers' deposits and construction advances are shown in the statement of financial position as non-current liabilities (i.e., amounts not likely to be repaid within twelve months of the reporting date). Interest is credited annually on customers' deposits at rates prescribed by the Licence.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(j) Preference shares:

The Group's redeemable preference shares are classified as liabilities because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

(k) Share capital:

Ordinary shares are classified as equity.

(l) Impairment

Financial assets

The Group recognises allowances for Expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets

The Group measures expected credit loss allowances for financial assets at 12-month ECLs if credit risk has not increased significantly since acquisition and otherwise at lifetime ECLs. Trade receivables and contract assets at an amount equal to lifetime ECLs

In estimating ECLs, the Group considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security if any is held; or
- the financial asset is more than 365 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)
December 31, 2023
(Expressed in United States Dollars)

3. Material accounting policies (continued)

(l) Impairment (continued)

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as.

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- increased probability that the borrower will enter bankruptcy; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written down (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in the net charge for 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off are still subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Group's non-financial assets (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Sale of electricity

Revenue is recognised over time for the price, before tax on sales, expected to be received by the Company for electricity supplied as a result of its ordinary activities, as the electricity is consumed by the customer. Revenues are recognized net of any trade discounts granted to customers. Customer bills are due within 30 days.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(m) Revenue recognition:

Sale of goods (energy saving equipment)

Revenue is recognised at a point in time for the price, before tax on sales, expected to be received by the Company for goods and services supplied, as contractual performance obligations are fulfilled and control of goods and services passes to the customer. Revenues are decreased by any trade discounts granted to customers. Transactions between the Company and its Subsidiaries are eliminated on consolidation.

Variable consideration is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

The right to recover returned goods is measured at the previous carrying amount of inventory less any expected cost to recover.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate.

The effective interest rate of a financial asset is calculated on initial recognition. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(m) Revenue recognition:

Operation and maintenance services income

Revenue from plant operations and maintenance services are recognised over time as the services are provided. Customer obtains control of service based upon operation and maintenance activities performed during the period at rates specified in the contract.

(n) Taxation:

Current and deferred taxes:

Taxation on profit or loss for the year comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is computed by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for taxable temporary differences, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Related parties

• Definitions

Parties are considered to be related to the Company if one party has the ability to control or exercise significant influence over, or is controlled or significantly influenced by, the other party or both parties are subject to common control or significant influence.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(o) Related parties (continued)

- Identity of related parties

The company has a related party relationship with its directors and senior management personnel. The directors and senior management collectively comprise, and are referred to as, “key management personnel”.

The Group’s key related party relationships are with its primary shareholders, their parent companies, fellow subsidiaries and associated companies, the Government of Jamaica, directors, key management personnel and its two.

(p) Interest in equity-accounted investee:

The Group’s interest in equity-accounted investee comprise interest in associate and it is classified and accounted for as follows:

- Associates – entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates is accounted for using the equity method.

They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(q) Leases:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(q) Leases (continued):

(ii) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost of the asset, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects an expectation that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated and assessed for impairment over the useful life of the underlying asset, on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(q) Leases (continued):

(i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is:

- a change in future lease payments arising from a change in an index or rate;
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee;
- a change in the Group's assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on the straight-line basis over the lease term as part of 'other revenue'.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(r) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to United States dollars at the rates of exchange ruling at that date. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

For the purposes of the statement of cash flows, realised foreign currency gains and losses are treated as cash items and included in cash flows from operating or financing activities along with movement in the relevant balances.

(s) Segment reporting:

An operating segment is a component of an entity:

- (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (iii) for which discrete financial information is available.

The Group maintains an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. The operations of the subsidiaries are not material for segment disclosure. Consequently, no segment disclosures are included in the financial statements.

(t) Financial instruments and fair value measurement:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise trade and other receivables, cash and cash equivalents, long term receivables, due from related parties, other assets and restricted cash. Financial liabilities comprise trade and other payables, loan from bank due to related parties, also financial substitutes; preference shares, customer deposits and other payables.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(t) Financial instruments and fair value measurement (continued):

(ii) Classification and subsequent measurement

Financial assets that meet the relevant criteria and are not designated as at fair value through profit or loss are classified as “Held to collect” and measured at amortised cost, comprising:

- Cash and cash equivalents
- Trade receivables
- Due from related parties

Due to their short-term nature, the Company initially recognises these assets at the original invoiced or transaction amounts, less expected credit losses.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in their respective accounting policy notes.

Impairment of financial assets

Impairment losses of financial assets is determined in accordance with note 2(1).

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs, in the case of loans and borrowings. The Company’s financial liabilities, which include payables and accruals, loan obligations, due to parent and related companies and redeemable preference shares which are recognised initially at fair value.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(t) Financial instruments and fair value measurement (continued):

(ii) Classification and subsequent measurement (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in their respective accounting policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group does not generally use derivative financial instruments, such as interest rate swaps to hedge its interest rate risks.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(t) Financial instruments and fair value measurement (continued):

(ii) Classification and subsequent measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

(u) Standards issued but not yet effective:

New and amended standards and interpretations that are not yet effective

- Amendments to IFRS 16 *Leases* will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following:
 - (i) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
 - (ii) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

The Group is assessing the impact that the amendment will have on its 2024 financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, the standard requires that a right to defer settlement must have substance and exist at the reporting date.

An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date.

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

3. Material accounting policies (continued)

(u) Standards issued but not yet effective:

New and amended standards and interpretations that are not yet effective (continued)

It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Group is assessing the impact that the amendment will have on its 2024 financial statements.

4. Power purchase contracts

The Group has entered into agreements with Independent Power Providers (IPPs) for the purchase of energy capacity and net energy output. The IPP arrangements are:

	<u>Contract termination date</u>
The Jamaica Private Power Company Limited (JPPC)	December 2024
Wigton Wind Farm Limited (Wigton)	April 2024, December 2030 & March 2036
Jamaica Energy Partners (JEP)	February 2026
West Kingston Power Partners (WKPP)	July 2032
Content Solar Limited (CS)	August 2036
BMR Jamaica Wind Limited (BMR)	June 2036
Eight Rivers Energy Company Limited (EREC)	June 2039
South Jamaica Power Company Limited (SJPC)	December 2039
NFE South Power Holdings Limited	March 2040

All agreements are subject to termination prior to the contract dates upon the occurrence of certain events of default as specified in the agreements, and are renewable for an additional period, provided the party seeking the extension gives written notice, ranging from two to six years, before the end of the initial term.

Certain agreements require payment for available energy capacity and for certain operating costs and overheads. Additionally, certain agreements require the Group to provide a banker's guarantee in relation to contractual payments. The Group has financing arrangements with financial institutions, which guarantee access to funds by IPPs for contractually agreed payments. As at December 31, 2023, the total guarantees under Standby Letters of Credit amounted to \$53.5 million (2022: \$44.8 million). These facilities were not accessed during the year. Some of power purchase contracts contain a lease and are recognised as right-of-use asset in Note 6.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)
 December 31, 2023
 (Expressed in United States Dollars)

5. Property, plant and equipment

	<u>Group</u>						Total \$'000
	Land & buildings \$'000	Production (generation) plant & equipment \$'000	Transmission and distribution plant & equipment \$'000	General plant & machinery \$'000	Computer equipment, office fixtures & fittings \$'000	Construction work-in- progress \$'000	
Cost or valuation:							
December 31, 2021	82,328	865,287	1,401,813	41,885	85,493	35,137	2,511,943
Additions	32	2,262	13,760	151	900	65,041	82,146
Transfers	3,061	16,523	18,945	774	166	(39,469)	-
Disposals/retirements	(917)	(20,459)	-	(6)	(182)	-	(21,564)
December 31, 2022	84,504	863,613	1,434,518	42,804	86,377	60,709	2,572,525
Additions	-	496	20,888	460	723	68,230	90,797
Transfers	43	15,781	39,862	110	10	(55,806)	-
Revaluation	6,662	-	-	-	-	-	6,662
Disposals/retirements	(1,498)	(7,405)	-	(34,148)	(73,801)	-	(116,852)
December 31, 2023	89,711	872,485	1,495,268	9,226	13,309	73,133	2,553,132
Depreciation:							
December 31, 2021	17,295	694,630	879,849	37,425	79,141	-	1,708,340
Charge for the year	1,321	23,922	46,053	670	2,290	-	74,256
Disposals/retirements	(299)	(20,458)	-	(6)	(180)	-	(20,943)
December 31, 2022	18,317	698,094	925,902	38,089	81,251	-	1,761,653
Charge for the year	1,215	25,312	46,828	721	1,749	-	75,825
Disposals/retirements	(472)	(7,404)	-	(34,148)	(73,800)	-	(115,824)
December 31, 2023	19,060	716,002	972,730	4,662	9,200	-	1,721,654
Net book values:							
December 31, 2023	70,651	156,483	522,538	4,564	4,109	73,133	831,478
December 31, 2022	66,187	165,519	508,616	4,715	5,126	60,709	810,872

Notes to the Financial Statements (Continued)
 December 31, 2023
 (Expressed in United States Dollars)

5. Property, plant and equipment (continued)

	Company					Total \$'000
	Land & buildings \$'000	Production (generation) plant & equipment \$'000	Transmission and distribution plant & equipment \$'000	General plant & machinery \$'000	Computer equipment, office fixtures & fittings \$'000	
Cost or valuation:						
December 31, 2021	82,328	865,287	1,401,813	41,885	85,493	2,511,943
Additions	32	2,262	13,760	151	866	82,112
Transfers	3,061	16,523	18,945	774	166	(39,469)
Disposals/retirements	(917)	(20,459)	-	(6)	(182)	(21,564)
December 31, 2022	84,504	863,613	1,434,518	42,804	86,343	2,572,491
Additions	-	496	20,888	460	709	68,230
Transfers	43	15,781	39,862	110	10	(55,806)
Revaluation	6,662	-	-	-	-	6,662
Disposals/retirements	(1,498)	(7,405)	-	(34,148)	(73,801)	(116,852)
December 31, 2023	89,711	872,485	1,495,268	9,226	13,261	2,553,084
Depreciation:						
December 31, 2021	17,295	694,630	879,849	37,425	79,141	1,708,340
Charge for the year	1,321	23,922	46,053	670	2,288	74,254
Disposals/retirements	(299)	(20,458)	-	(6)	(180)	(20,943)
December 31, 2022	18,317	698,094	925,902	38,089	81,249	1,761,651
Charge for the year	1,215	25,312	46,828	721	1,743	75,819
Disposals/retirements	(473)	(7,404)	-	(34,148)	(73,800)	(115,825)
December 31, 2023	19,059	716,002	972,730	4,662	9,192	1,721,645
Net book values:						
December 31, 2023	70,652	156,483	522,538	4,564	4,069	831,439
December 31, 2022	66,187	165,519	508,616	4,715	5,094	810,840

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

5. Property, plant & equipment (continued)

- (a) Land and buildings include land, at valuation, aggregating approximately \$46 million (2022: \$40.4 million). Of this amount, the cost of land, amounted to \$21.3 million (2022: \$21.5 million). Land, which is considered a separate class of assets, was revalued in 2023 by an independent professional valuator.
- (b) The fair value of land is categorised as level 3 in the fair value hierarchy. The following table shows the valuation technique used in measuring fair value, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Market comparable approach:</i></p> <ul style="list-style-type: none"> The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable assuming no cost delay in making the substitution. The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past. However, as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties. 	<ul style="list-style-type: none"> Details of the sales of comparable properties. Conditions influencing the sale of comparable properties. Comparability adjustments which includes the size and location of the properties. Average price per square meter of \$35 based on comparable properties 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> Sale value of comparable properties were higher/(lower). Comparability adjustments were higher/(lower).

- (c) Interest capitalised during construction for the year amounted to approximately \$2.2 million (2022: \$1.2 million). The capitalisation rate used for the year was 3.53% (2022: 3.23%)
- (d) The composite rate of depreciation for the year was approximately 5.99% (2022: 5.94%).

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

6. Leases

(a) Amounts recognised in the statement of financial position:

(i) Right-of-use asset

	<u>Group and Company</u>				
	<u>Land and</u>	<u>Generation</u>	<u>Motor</u>	<u>Computer</u>	<u>Total</u>
	<u>buildings</u>	<u>equipment</u>	<u>vehicles</u>	<u>equipment</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at December 31, 2021	3,088	505,198	2,835	6	511,127
Additions to right-of-use assets	-	-	1,763	-	1,763
Depreciation charge for the year	(514)	(37,325)	(1,500)	(5)	(39,344)
Disposals	(8)	-	-	-	(8)
Balance at December 31, 2022	<u>2,566</u>	<u>467,873</u>	<u>3,098</u>	<u>1</u>	<u>473,538</u>
Additions to right-of-use assets	-	-	3,980	-	3,980
Depreciation charge for the year	(513)	(37,325)	(1,660)	(1)	(39,499)
Balance at December 31, 2023	<u>2,053</u>	<u>430,548</u>	<u>5,418</u>	<u>-</u>	<u>438,019</u>

(ii) Lease liability

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Current	31,252	28,813
Non-current	<u>462,691</u>	<u>490,300</u>
	<u>493,943</u>	<u>519,113</u>

(b) Amounts recognised in profit or loss:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Depreciation charge on right-of-use asset	(39,499)	(39,344)
Interest on lease liabilities	(37,443)	(39,149)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(36)	(55)
Expenses related to variable lease payment not included in lease liabilities	<u>(133,435)</u>	<u>(128,806)</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

6. Leases (continued)

(c) Reconciliation of amount recognised in the statement of cash flows

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at start of the year	519,114	544,598
Changes from financing cash flows	(66,594)	(66,388)
Interest expense	37,443	39,149
New lease	3,980	1,763
Disposals	<u>-</u>	<u>(8)</u>
Balance at end of the year	<u>493,943</u>	<u>519,114</u>

(d) Leases as lessee

The Group leases power generation facilities including both fixed and variable lease payments. A typical lease runs for a period of 20 years, with an option to renew the lease after the initial term. Lease payments are derived based on a formula set by the Regulator. The contracts provide for additional rent payments that are based on changes in local price indices.

Property leases were entered into as combined leases of land and buildings.

The Group leases other equipment with contract terms of one to three years. These leases are short- term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

For property leases, the Group has elected not to separate lease and non-lease components, accounting for them as a single lease component.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses extension options at lease commencement and when there is a significant event or change in circumstances within its control.

(e) Leases as lessor

The Group leases out certain of its owned commercial properties as well as leased property. All leases are classified as operating leases from the Group's perspective.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

7. Intangible assets

This represents acquired software costs capitalised and land rights purchased as follows:

	<u>The Group and Company</u>		
	<u>Software</u>	<u>Land rights</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost or valuation:			
December 31, 2021	40,577	8,224	48,801
Additions	<u>2,304</u>	<u>-</u>	<u>2,304</u>
December 31, 2022	42,881	8,224	51,105
Additions	3,397	-	3,397
Disposals/retirements	<u>(25,812)</u>	<u>-</u>	<u>(25,812)</u>
December 31, 2023	<u>20,466</u>	<u>8,224</u>	<u>28,690</u>
Depreciation:			
December 31, 2021	30,829	-	30,829
Charge for the year	<u>2,978</u>	<u>-</u>	<u>2,978</u>
December 31, 2022	33,807	-	33,807
Charge for the year	2,458	-	2,458
Disposals/retirements	<u>(25,811)</u>	<u>-</u>	<u>(25,811)</u>
December 31, 2023	<u>10,454</u>	<u>-</u>	<u>10,454</u>
Net book values:			
December 31, 2023	<u>10,012</u>	<u>8,224</u>	<u>18,236</u>
December 31, 2022	<u>9,074</u>	<u>8,224</u>	<u>17,298</u>

Software includes software projects in development of \$2.7 million (2022: \$2.9 million).

8. Subsidiaries and equity-accounted investee

(a) Subsidiaries

i. South Jamaica Energy Holdings Limited (SJEH)

The Company holds 46,004 ordinary shares representing 100% ownership.

The primary activity of SJEH is the holding of an investment in South Jamaica Power Company Limited [see note 8(b)].

ii. Caribbean Blue Skies Energy Limited

The Company holds 1 ordinary share, representing 100% ownership. The primary activities of Caribbean Blue Skies Energy Limited are the provision of operation and maintenance services to entities within the energy industry.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

8. Subsidiaries and equity-accounted investee (continued)

(b) Equity accounted investee – South Jamaica Power Company Limited (SJPC)

Through SJEH, the Group holds a 50% interest in SJPC. The primary activity of SJPC is the operation of a power plant pursuant to an electricity generation licence. The Group has rights to its share of the net assets/ (liabilities) of the entity.

The investment in SJPC is accounted for as an interest in associated company using the equity method, as below:

	<u>Interest in Associate</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at the start of the year	91,457	78,712
Share of profit	6,914	12,745
Dividend received	(15,126)	-
Balance at the end of the year	<u>83,245</u>	<u>91,457</u>

The following table represents the summarised financial information for the equity-accounted investee as at the year end.

	<u>Interest in Associate</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Cash and cash equivalents	9,028	48,419
Current assets	64,987	61,314
Non-current assets	300,830	307,548
Current liabilities	(37,952)	(55,419)
Non-current liabilities	(170,404)	(178,948)
Net assets	<u>166,489</u>	<u>182,914</u>

	<u>Interest in Associate</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Revenue	184,426	243,072
Depreciation and amortization	(18)	(17)
Profit for the year, being total comprehensive income	<u>(13,828)</u>	<u>25,490</u>
Group's share of total comprehensive income	<u>6,914</u>	<u>12,745</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

8. Subsidiaries and equity-accounted investee (continued)

- (b) Equity-accounted investee – South Jamaica Power Company Limited (SJPC)
(continued)

Reconciliation of summarised financial information to the carrying amount of the Group's interest in equity accounted investee:

	<u>Interest in Associate</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Net assets as at the end of the year	<u>166,489</u>	<u>182,914</u>
Carrying value	<u>83,245</u>	<u>91,457</u>
Interest in equity-accounted investee	<u>50%</u>	<u>50%</u>

9. Employee benefits

- (a) Defined benefit pension plan:

The Group administers an approved defined-benefit pension plan for selected employees and their beneficiaries. The accumulated fund is administered by the trustees who are assisted by an independent plan administrator and three fund managers; Sagicor Life of Jamaica Limited, Victoria Mutual Pensions Management Limited and NCB Insurance Company Limited.

The administrator is Employee Benefits Administrator Limited. Effective February 1, 2007, the fund was closed to new entrants.

On retirement, a member is entitled to be paid an annual pension of 2% (2022: 2%) on the highest average of the member's annual pensionable salary during any consecutive three year period of pensionable service, multiplied by the number of years of pensionable service.

- (i) Employee benefits:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Fair value of plan assets	221,226	213,986
Present value of funded obligations	<u>(165,298)</u>	<u>(125,416)</u>
	<u>55,928</u>	<u>88,570</u>
Asset recognised	<u>27,964</u>	<u>44,285</u>

The Rules of the plan permit the Company, as sponsor, an unconditional right to a maximum of 50% of the surplus on discontinuance of the plan. The economic benefit was determined as the lower of 50% of the surplus on discontinuance and the surplus on a going concern basis, in accordance with Trust deed.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

9. Employee benefits (continued)

(a) Defined benefit pension plan (continued):

(ii) Movements in funded obligations:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at beginning of year	(125,416)	(96,426)
Benefits paid	5,260	4,591
Current service cost	(1,420)	(1,118)
Interest cost	(15,663)	(8,793)
Voluntary contributions	(1,660)	(1,644)
Past service cost	-	(2,295)
Remeasurement loss on obligation for OCI	(28,745)	(17,803)
Exchange gain	<u>2,346</u>	<u>(1,928)</u>
Balance at end of year	<u>(165,298)</u>	<u>(125,416)</u>

(iii) Movements in plan assets:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Fair value of plan assets at beginning of year	213,986	191,324
Contributions paid:		
Employer	1,110	1,111
Employees	1,665	1,644
Interest income on assets	27,138	16,646
Benefits paid	(5,260)	(4,591)
Remeasurement (loss)/gain on assets for OCI	(13,411)	4,032
Exchange loss	<u>(4,002)</u>	<u>3,820</u>
Fair value of plan assets at end of year	<u>221,226</u>	<u>213,986</u>
Plan assets consist of the following:		
Investments quoted in active markets:		
Equities	68,428	66,102
Government bonds	53,708	49,693
Corporate bonds and other debt securities	21,155	29,030
Pooled pension investments	14,798	20,014
Unquoted investments:		
Real estate	14,998	13,074
Net current assets	<u>48,139</u>	<u>36,073</u>
	<u>221,226</u>	<u>213,986</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)
December 31, 2023
(Expressed in United States Dollars)

9. Employee benefits (continued)

(a) Defined benefit pension plan (continued):

(iii) Movements in plan assets (continued):

Included in the plan assets as at December 31, 2023 are:

- Real estate occupied by the Group with a fair value of \$13.3 million (2022: \$13.3 million); and
- JPS 7.35% promissory notes with a fair value of \$714,000 (2022: \$809,000).

All investments are issued by the Jamaican government or companies domiciled in Jamaica.

(iv) Credit recognised in the statement of profit or loss:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Current service cost	1,420	1,118
Past service cost	-	2,295
Interest cost	15,663	8,793
Interest income on assets	(27,138)	(16,646)
Interest on effect of asset ceiling	5,647	3,870
Exchange gains	<u>-</u>	<u>(1,892)</u>
Total credit	<u>(4,408)</u>	<u>(2,462)</u>
Net credit recognised due to limitation	<u>(2,204)</u>	<u>(1,231)</u>

The credit is recognised in staff cost [Note 25(b)].

(v) Remeasurement loss recognised in other comprehensive income:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Remeasurement loss on obligation for OCI	28,745	17,803
Remeasurement loss on assets for OCI	(13,411)	4,032
Change in effect of asset ceiling	<u>5,679</u>	<u>(16,048)</u>
Total remeasurement loss, net	<u>21,013</u>	<u>5,787</u>

Notes to the Financial Statements (Continued)
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9. Employee benefits (continued)

(a) Defined benefit pension plan (continued):

(vi) Remeasurement loss on defined benefit obligation arising from:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Changes in financial assumptions	24,427	(31,252)
Changes in demographic assumptions	-	(46)
Change in effect of asset ceiling	(21,142)	(7,985)
Experience adjustments	<u>17,728</u>	<u>45,070</u>
Remeasurement loss	<u>21,013</u>	<u>5,787</u>

(vii) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
Inflation rate	6.00%	5.50%
Discount rate	11.00%	13.00%
Future salary increases	6.50%	7.50%
Future pension increases	<u>0.00%*</u>	<u>0.00%*</u>

* 3% per annum for pensioners who retired and deferred pensioners who left before September 30, 2015.

Assumptions regarding future mortality are based on (GAM94S) tables with ages reduced by five years. The expected long-term rate of return is based on the assumed long-term rate of inflation.

The weighted average duration of the defined benefit obligation as at December 31, 2023, is 24 years (2022: 22 years).

The Group's estimated contribution for the 12 months after the reporting date is \$1.1 million (2022: \$1.1 million).

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Notes to the Financial Statements (Continued)
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9. Employee benefits (continued)

(a) Defined benefit pension plan (continued):

(viii) Sensitivity analysis:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarises how the defined benefit obligation measured at the reporting date would have increased/ (decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analysis for each assumption, all others were held constant.

	<u>Group and Company</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>%</u>	<u>%</u>	<u>1%</u>	<u>1%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	(14,198)	17,457	(9,431)	11,417
Future salary growth	<u>3,775</u>	<u>(3,491)</u>	<u>2,769</u>	<u>(2,545)</u>

There were no changes to the methods used to prepare the sensitivity analyses as compared to those used in the prior year.

(b) Other employee benefits obligation:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Accumulated sick pay - Current	-	8,992
Accumulated sick pay – Non-current	<u>-</u>	<u>-</u>

(c) Defined contribution pension plan:

The Group's contributions to the defined contribution pension plan for the year aggregated \$1.4 million (2022: \$1.3 million). These are recognised in staff cost-other employees' costs [Note 25(b)] in profit or loss.

10. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash at bank and in hand	<u>66,235</u>	<u>60,123</u>	<u>61,329</u>	<u>57,489</u>

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11. Restricted cash

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Self-insurance sinking fund	57,524	53,522
Deposit guarantees on staff loans, IPP contracts etc.	<u>1,001</u>	<u>1,001</u>
	<u>58,525</u>	<u>54,523</u>

The self-insurance sinking fund is administered by the Company under the direction of the OUR [Note 1(b)]. The term deposits in the sinking fund earn interest at an average rate of 5.26% (2022: 3.33%) per annum.

12. Accounts receivable

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Trade receivables	143,381	179,062	143,381	179,062
Unbilled revenue	30,804	29,232	30,804	29,232
Allowance for impairment losses	(49,055)	(63,136)	(49,055)	(63,136)
	125,130	145,158	125,130	145,158
Prepayments	16,994	12,924	16,787	12,762
Other receivables	<u>30,832</u>	<u>31,341</u>	<u>29,829</u>	<u>31,145</u>
	<u>172,956</u>	<u>189,423</u>	<u>171,746</u>	<u>189,065</u>

Other receivables as at December 31, 2023 includes a disputed amount recoverable from a supplier (see note 31).

Allowances for expected credit losses are determined upon origination of accounts receivable based on the model described in note 3(l). The average ECL rate as at December 31, 2023 was 2.83 (2022: 4.274%) [Note 32 (a)[i].

The movement in impairment losses for trade receivables is as follows:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at the beginning of year	63,136	67,625
Impairment loss recognised	9,108	7,435
Amounts written off	(23,189)	(11,924)
Balance at the end of year	<u>49,055</u>	<u>63,136</u>

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Notes to the Financial Statements (Continued)
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13. Inventories

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Fuel	9,597	11,262
Generation spares	5,588	6,428
Transmission, distribution and other spares	<u>25,756</u>	<u>20,670</u>
	40,941	38,360
Less: Allowance for impairment	(<u>4,808</u>)	(<u>4,519</u>)
	<u>36,133</u>	<u>33,841</u>

Inventories of \$148 million (2022: \$116 million) were recognised as inventory related expenses during the year and included in cost of sales.

14. Share capital

	<u>No of shares</u>
	<u>'000</u>
Authorised 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 year end (Note 28)	<u>21,828,195</u>	<u>261,786</u>	<u>261,786</u>

15. Capital reserve

This represents the accumulated surplus on revaluation of land (see note 5).

	<u>Group and Company</u>	
	<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	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>

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Notes to the Financial Statements (Continued)
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16. Capital redemption reserve

This represents the reserve established to facilitate the value of the Class "G" preference shares redeemed.

17. Accounts payable and provisions

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade payables	92,516	97,117	91,845	96,509
Interest accrued on customer deposits and loans	9,971	9,613	9,971	9,613
Dividend payable (Note 29)	621	621	621	621
Other payables	40,129	37,095	39,970	36,845
Provisions (see below)	<u>2,626</u>	<u>2,273</u>	<u>2,626</u>	<u>2,273</u>
	<u>145,863</u>	<u>146,719</u>	<u>145,033</u>	<u>145,861</u>

Movement in provisions during the year was as follows:

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
At the beginning of the year	2,273	2,141
Provisions made during the year	459	503
Provisions utilised during the year	(106)	(371)
At the end of the year	<u>2,626</u>	<u>2,273</u>

18. Related party balances and transactions

(a) The following balances were due from/to related parties:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(i) Due from:				
South Jamaica Power Company Limited	1,070	2,693	225	1,839
South Jamaica Energy Holdings Limited	-	-	4	4
Maru Energy JPSCO I SRL	<u>36</u>	<u>40</u>	<u>36</u>	<u>40</u>
	<u>1,106</u>	<u>2,733</u>	<u>265</u>	<u>1,883</u>
(ii) Due to:				
South Jamaica Power Company Limited	31,181	41,185	30,194	39,859
Caribbean Blue Skies Energy Limited	-	-	6	2,275
EWP (Barbados) 1 SRL	<u>947</u>	<u>1,513</u>	<u>947</u>	<u>1,513</u>
	<u>32,128</u>	<u>42,698</u>	<u>31,147</u>	<u>43,647</u>

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18. Related party balances and transactions (continued)

(a) The following balances were due from/to related parties (continued):

These balances are unsecured, interest-free and are payable on demand. No impairment allowance has been recognised in the current year in respect of amounts owed by related companies.

Transactions with related companies in the ordinary course of business include the provision of technical support and related professional services, the acquisition of specialized equipment and spare parts and operation and maintenance support services, as below:

	<u>2023</u> \$'000	<u>2022</u> \$'000
Associate		
Power purchase costs (including fuel)	189,243	247,059
Other related party		
Insurance expenses	7,072	5,832
Rental expense	703	703
Subsidiary		
Operation and maintenance support expenses	1,870	1,121
Majority shareholders		
Management and other technical fees	<u>2,084</u>	<u>2,849</u>

(i) The Group supplies electricity to related parties, including the Government of Jamaica [see note 32 (a)(i)]. Total revenue from the Government for the year 2023 was \$155.4 million (2022: \$174.6 million). Electricity sales to South Jamaica Power Company Limited for the year 2023 \$1.3 million (2022: \$1.1 million).

(ii) The Group entered into a commercial lease agreement for its Head Office land and building situated at 6 Knutsford Boulevard, Kingston 5 with The Jamaica Public Service Company Limited (JPSCO) (Original 1973) Employees' Pension Plan, a related party. The lease agreement is for an initial lease term of ten (10) years, which commenced on January 1, 2013 and is renewable for a further period of five (5) years.

(iii) Key management personnel

Key management personnel compensation comprised the following.

	<u>2023</u> \$'000	<u>2022</u> \$'000
Short-term employee benefits	2,186	2,012
Post-employment benefits	<u>52</u>	<u>43</u>
	<u>2,238</u>	<u>2,055</u>

Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan (see Note 9).

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19. Customers' deposits

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
		(restated)
Customers' deposits for electricity service (i)	24,388	22,406
Customers' advances for construction (ii)	<u>27,861</u>	<u>24,024</u>
	52,249	46,430
Less: Current portion	(33,988)	(31,785)
Non-current portion	<u>18,261</u>	<u>14,645</u>

(i) In general, the Group requires a deposit from customers before providing service. The deposit is refundable upon termination of service subject to certain conditions. Interest is paid annually to customers and applied to their electricity accounts according to rates prescribed by the OUR [Note 1(b)], which are broadly equivalent to rates applicable to saving deposit accounts.

(ii) This represents customer advances for construction relate to non-interest-bearing deposits obtained by the Group in relation to construction projects being undertaken by potential customers. These amounts are refundable subject to certain conditions.

20. Long-term loans

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
(i) Kreditanstalt fur Weideraufbau of Frankfurt Government of Jamaica (KFW/GOJ), 7% fixed rate, repayable 2030 [€3.89M (2022: €3.9 million)]	4,335	4,211
(ii) Peninsula Corporation US\$10M 4.25% fixed rate, repayable 2025	10,000	10,000
(iii) NCB Syndicated J\$2.45B Loan 5.96% & US\$20M 5.95% fixed rate, repayable 2029 [J\$3.611B (2022: J\$4.0 billion)]	23,108	26,296
(iv) Citibank/Overseas Private Investment Corporation US\$120M variable rate, repayable 2026	45,731	60,818
(v) Caribbean Development Bank US\$25M variable rate, repayable 2029	15,000	17,500
(vi) CIBC First Caribbean International Bank US\$ 80.625M fixed rate, repayable 2029		
Tranche A - US\$50.625M 6% fixed rate	30,597	36,158
Tranche B - J\$1.370B 7.5% fixed rate [J\$989 million (2022: J\$989 million)]	5,403	6,507
Tranche C – US\$20.0M 5.5% fixed rate	<u>12,721</u>	<u>14,920</u>
Balance carried forward	<u>146,895</u>	<u>176,410</u>

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20. Long-term loans (continued)

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance brought forward from	<u>146,895</u>	<u>176,410</u>
(vii) Sagicor Investments 8.4% fixed rate US\$180M JMD portion, repayable 2034 [J\$10.7B (2022: J\$10.7 billion)]	68,245	69,449
(viii) Sagicor Investments 7.35% fixed rate US\$180M USD portion, repayable 2029	99,420	99,229
(ix) BNS J\$2.362B 5.75% fixed rate, repayable 2027 [J\$1.654B (2022: J\$1.654 billion)]	10,673	12,430
(x) BNS US\$17.5M 4.75% fixed rate, repayable 2027	<u>12,232</u>	<u>13,974</u>
Total long-term loans	337,465	371,492
Less: Current portion	<u>(56,062)</u>	<u>(35,713)</u>
Non-current portion	<u>281,403</u>	<u>335,779</u>

- (i) This loan was received from the Government of Jamaica, based on a formal on-lending agreement dated January 17, 1996. Under the terms of the original agreement with KFW, the loan is unsecured and repayable commencing in 2010 through 2030. Interest is payable semi-annually in arrears.
- (ii) This loan is unsecured and is repayable by a bullet payment at maturity in January 2025. Interest is paid quarterly at a fixed interest rate of 4.25%.
- (iii) This loan is an unsecured Syndicated Jamaican Dollar loan and has a fixed interest rate 5.95% (JMD) and 5.96% (USD). The funds were designated for refinancing of existing loan, capital expenditure and general corporate purposes. Repayment is in quarterly instalments of J\$212.46 million (US\$1.39 million equivalent) beginning December 2019 with bullet payment of J\$1.274 billion (US\$8.37 million equivalent) at maturity. The amount due is carried net of debt issuance costs of \$0.20 million (2022: \$ 0.25 million).
- (iv) This unsecured loan is in two tranches – \$100 million from OPIC and \$20 million from Citibank. The funds were designated for capital expenditure.
 The OPIC tranche has a variable interest rate of the Applicable Base Rate (ABR) plus 5.0% and 5.30% and matures on December 15, 2026. The Citibank tranche has a variable rate of 3-month LIBOR and was fully repaid in December 2021. Repayment is in quarterly instalments beginning March 2020. The amount due is carried net of debt issuance costs of \$0.42 million (2022: \$0.72 million).
- (v) This unsecured loan has a variable rate calculated using a spread of 1.24% over the weighted cost of borrowings for the previous three-month period. The utilization of the funds is restricted to the Street Lighting Retrofitting Project. There is a two-year moratorium on the principal beginning January 2020, with interest payment quarterly. Repayment will be in forty (40) equal instalments of \$0.625 million.

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20. Long-term loans (continued)

- (vi) This unsecured loan is in three tranches – US\$50.625 million (Tranche A) with a fixed rate of 6% for the first five years and J\$1.370 billion (US\$10 million equivalent) – (Tranche B) with a fixed rate of 7.5% for the first five years and US\$20 million with a fixed rate of 5.5% (Tranche C). Thereafter, interest is paid at a variable rate of 3-month LIBOR plus 3.5% on Tranche A and WATBY plus 4.50% on Tranche B and 3-month LIBOR plus 2.8% on Tranche C. Principal is repaid in quarterly instalments of US\$2.24 million and J\$38.05 million respectively commencing January 2020. Interest is paid quarterly. The amount is carried net of debt issuance costs in the amount of \$0.39 million. (2022: \$0.49 million).
- (vii) Sagicor US\$180 million (JMD portion - J\$10.68 billion) – This loan is unsecured and has a fixed rate of 8.4% with a 5-year moratorium on the principal. The funds were utilised for liquidating and refinancing of existing debt. Quarterly principal repayment of J\$267 million will begin in May 2024 with maturity in February 2034. The amount is carried net of debt issuance costs of \$0.68 million. (2022: \$0.79 million)
- (viii) Sagicor US\$180 million (USD portion - US \$100 million) – This loan is unsecured and has a fixed rate of 7.35% with a 5-year moratorium on the principal. The funds were utilised for liquidating and refinancing of existing debt. Quarterly principal repayment of US\$5 million will begin in May 2024 with maturity in February 2029. The amount is carried net of debt issuance costs of \$0.58 million. (2022: \$0.77 million).
- (i) This loan is unsecured and has a fixed rate of 4.75%. The funds were utilised for general corporate purposes. There is a six-month moratorium with semi-annual principal repayment of US\$875k to begin January 2021 and mature in July 2027. The amount is carried net of debt issuance costs of \$0.04 million.
- (ii) This loan is unsecured and has a fixed rate of 5.75%. The funds were utilised for general corporate purposes. There is a six-month moratorium with semi-annual principal repayment of J\$118.125 million (US\$0.77 million equivalent) to begin January 2021 and mature in July 2027.

Reconciliation of movement of long term loans to cash flows arising from financing activities;

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at start of the year	371,492	401,397
Changes from financing cash flows	(62,132)	(61,354)
Interest expense	26,506	26,221
Other changes	<u>1,599</u>	<u>5,228</u>
Balance at end of the year	<u>337,465</u>	<u>371,492</u>

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21. Preference shares

This comprises cumulative preference shares as follows:

	Group and Company			
	Number of shares			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
'000	'000	\$'000	\$'000	
7% Class B shares	420	420	38	38
5% Class C shares	66	66	6	6
5% Class D shares	680	680	61	61
6% Class E shares	300	300	27	27
9.5% Class F shares	<u>2,456</u>	<u>2,456</u>	<u>24,556</u>	<u>24,556</u>
	<u>3,922</u>	<u>3,922</u>	<u>24,688</u>	<u>24,688</u>

The preference shares listed as Classes B, C, D and E are cumulative non-voting and are preferred only in respect of return of capital and any dividends in arrears on a winding up. Dividends on these shares are payable quarterly at fixed rates per annum in Jamaica dollars.

Class F preference shares are listed on the Jamaica Stock Exchange and are non-redeemable. The significant terms and conditions of these shares are as follows:

- (i) Priority of payment to receive all dividends over any form of capital distributions;
- (ii) Full voting rights on winding up;
- (iii) Ranking in priority to ordinary shares and stock units in issue (but behind preference shares listed as classes B, C, D and E) in the event of a winding up; and
- (iv) Dividends are payable quarterly at fixed rates per annum in Jamaica dollars indexed to the United States dollar.

Preference shares have been classified in these financial statements as financial liabilities.

22. Deferred taxation

Deferred taxation relates to:

	Group and Company						
	Balance at	Recognised in	Recognised in	Balance at	Recognised in	Recognised in	Balance at
	December 31, <u>2021</u>	profit of loss [Note 27 (a)]	other comprehensive income	December 31, <u>2022</u>	profit of loss [Note 27 (a)]	other comprehensive income	December 31, <u>2023</u>
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Employee benefits, net	(13,620)	(74)	1,989	(11,765)	(4,560)	7,004	(9,321)
Unrealised foreign exchange gains	1,561	(4,383)	-	(2,822)	2,955	-	133
Property, plant & equipment	(41,111)	27	-	(41,084)	(3,368)	-	(44,452)
Right-of-use assets	(170,373)	12,527	-	(157,846)	11,840	-	(146,006)
Lease obligations	181,530	(8,493)	-	173,037	(8,389)	-	164,648
Accounts payable	13,207	383	-	13,590	407	-	13,997
Other	<u>3,665</u>	<u>1,036</u>	-	<u>4,701</u>	<u>(732)</u>	-	<u>3,969</u>
	<u>(25,141)</u>	<u>1,023</u>	<u>1,989</u>	<u>(22,189)</u>	<u>(1,847)</u>	<u>7,004</u>	<u>(17,032)</u>

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23. Decommissioning provision

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Decommissioning obligation at the beginning of the year	28,160	27,742
Unwinding of discount (included in finance costs)	615	696
Provision utilized during the year	<u>-</u>	<u>(278)</u>
	<u>28,775</u>	<u>28,160</u>

The Group estimates the total undiscounted cash flows required to settle its decommissioning obligations is approximately \$37.6 million, which will be incurred between 2026 and 2027. The provision has been calculated using a discount rate of 3.2%-4.8%, which is close to the risk-free rate in Jamaica.

24. Operating revenue

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Supply of electricity	1,054,104	1,140,973	1,054,104	1,140,973
Operation and maintenance services	7,898	8,227	-	-
Other revenue	<u>10,809</u>	<u>14,387</u>	<u>9,771</u>	<u>13,085</u>
	<u>1,072,811</u>	<u>1,163,587</u>	<u>1,063,875</u>	<u>1,154,058</u>

25. Expenses

(a) Cost of sales

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Fuel	515,024	636,933
Purchased power (excluding fuel) [Note 4]	143,294	138,138
Other	<u>125</u>	<u>161</u>
	<u>658,443</u>	<u>775,232</u>

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25. Expenses (continued)

(b) Operating expenses

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Depreciation and amortisation	117,785	116,578	117,775	116,571
Staff cost	72,174	73,066	67,093	68,559
Directors' fees and emoluments	65	59	65	59
Repairs and maintenance	14,390	10,636	13,706	9,579
Selling expense (advertising and marketing)	1,088	665	1,088	665
Audit fees	282	258	282	258
General expenses	<u>59,471</u>	<u>57,450</u>	<u>58,096</u>	<u>55,832</u>
	<u>265,255</u>	<u>258,712</u>	<u>258,105</u>	<u>251,523</u>

(c) Net finance cost

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Realised foreign exchange losses, net	(1,319)	(8,245)	(1,319)	(8,245)
Unrealised foreign exchange gains, net	<u>986</u>	<u>5,845</u>	<u>1,051</u>	<u>5,838</u>
Foreign exchange losses, net	<u>(333)</u>	<u>(2,400)</u>	<u>(268)</u>	<u>(2,407)</u>
Other finance costs:				
Long-term loans	(26,506)	(26,221)	(26,506)	(26,221)
Leases	(37,443)	(39,149)	(37,443)	(39,149)
Customer deposits	(774)	(778)	(774)	(778)
Bank overdraft and other	(820)	(431)	(820)	(431)
Preference dividends	(2,334)	(2,334)	(2,334)	(2,334)
Debt issuance costs and expenses	(745)	(788)	(745)	(788)
Other debt expenses	(328)	(509)	(328)	(509)
Interest capitalised during construction	<u>2,240</u>	<u>1,226</u>	<u>2,240</u>	<u>1,226</u>
	<u>(66,710)</u>	<u>(68,984)</u>	<u>(66,710)</u>	<u>(68,984)</u>
	<u>(67,043)</u>	<u>(71,384)</u>	<u>(66,978)</u>	<u>(71,391)</u>
Finance income:				
Interest income	<u>7,137</u>	<u>5,922</u>	<u>7,125</u>	<u>5,922</u>
	<u>(59,906)</u>	<u>(65,462)</u>	<u>(59,853)</u>	<u>(65,469)</u>

Interest income arises materially from treasury transactions entered into in the ordinary course of business.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

26. Other income and expenses

(a) Other income comprises:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Miscellaneous income	1,826	2,113	1,825	2,113
Rental income	223	175	223	175
Credit balances and other deposits written off	298	90	298	90
Income from scrap sales and other settlements	3,083	2,995	3,083	2,992
Gain on sale of property, plant and equipment	<u>173</u>	<u>205</u>	<u>173</u>	<u>205</u>
	<u>5,603</u>	<u>5,578</u>	<u>5,602</u>	<u>5,575</u>

(b) Other expenses comprise:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Miscellaneous expenses	61	420	61	420
Restructuring costs	978	2,326	978	2,326
Inventory and other costs written off	<u>831</u>	<u>2,707</u>	<u>831</u>	<u>2,707</u>
	<u>1,870</u>	<u>5,453</u>	<u>1,870</u>	<u>5,453</u>

27. Taxation

(a) Taxation is computed at 33 $\frac{1}{3}$ % and 25% of the results for the year, adjusted for tax purposes and comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current tax expense:				
Current income tax expense	20,744	16,261	20,376	15,877
Deferred tax:				
Origination and reversal of temporary differences (Note 22)	<u>1,847</u>	<u>(1,023)</u>	<u>1,847</u>	<u>(1,023)</u>
Taxation expense	<u>22,591</u>	<u>15,238</u>	<u>22,223</u>	<u>14,854</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (Continued)
December 31, 2023
(Expressed in United States Dollars)

27. Taxation (continued)

(b) Reconciliation of tax expense:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Profit before taxation	<u>91,297</u>	<u>69,616</u>	<u>97,224</u>	<u>54,521</u>
Computed "expected" tax at 33½% or 25%	30,287	23,205	32,408	18,174
Tax effect of differences between profit for financial statements and tax reporting purposes in respect of:				
Investment allowances	(5,899)	(5,363)	(5,899)	(5,363)
Dividends received from subsidiary	-	-	(5,042)	-
Loan fees disallowed	358	325	358	325
Share of results of interest in equity-accounted investee	(2,488)	(4,248)	-	-
Other	<u>333</u>	<u>1,319</u>	<u>398</u>	<u>1,718</u>
Taxation expense	<u>22,591</u>	<u>15,238</u>	<u>22,223</u>	<u>14,854</u>

28. Earnings per share (EPS)

EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Profit for the year	68,706	54,378
Number of shares (shown in thousands - Note 14)	<u>21,828,195</u>	<u>21,828,195</u>
Earnings per share/stock unit	<u>0.31¢</u>	<u>0.25¢</u>

29. Dividends

(a) Dividends on ordinary shares:

	<u>2023</u> \$'000	<u>2022</u> \$'000
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>

Notes to the Financial Statements (Continued)

December 31, 2023

(Expressed in United States Dollars)

29. Dividends (continued)

- (b) Dividends on cumulative preference shares accrued at December 31, 2023 amounted to \$0.6 million (2022: \$0.6 million) [see note 17].

30. Commitments for expenditure

As at December 31, 2023, commitments for capital expenditure, for which no provision has been made in these financial statements, amounted to approximately \$3 million (2022: \$2 million). At the reporting date, the Group has sufficient cash resources to fulfil these commitments.

31. Legal disputes and contingencies

Other receivables includes a balance of \$26,627,000 relating to amounts recoverable from a key fuel supplier. Based on the contractual arrangements, in the event of the non-supply of the product, under particular circumstances, the Group can recover the price differential incurred in acquiring a suitable replacement product. However, the supplier has indicated that they are not of the opinion that the circumstances giving rise to the non-supply of the product entitled the Group to recover such additional cost. The contract provides for specific remedies and guidance to address any matters of disagreement between the parties and these are currently being explored to ultimately achieve resolution.

The Group is subject to various lawsuits and other third party challenges in the normal course of business. The outcome of these matters cannot be determined with certainty. However, where in the opinion of management and its legal counsel, it is more likely than not that an outflow of resources by the Group will occur and the amount can be determined, a provision is made. As at December 31, 2023, provisions of \$2.6 million (2021: \$2.3 million) relating to pending legal actions, were made in the financial statements (Note 17).

32. Financial instruments

- (a) Financial risk management:

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks arising in the ordinary course of the Group's business, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

The Board of Directors oversees the Group's risk management framework. Key management has responsibility for monitoring the Group's risk management policies in their specified areas and report quarterly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group's directors are assisted in their oversight functions by the Group's internal audit department. The internal audit department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(i) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, unbilled revenue and other financial assets, which is stated net of an allowance for impairment losses.

As part of its management of credit risk, the Group requires account deposits from most customers. Additionally, management has processes in place for the prompt disconnection of services to, and recovery of amounts owed by defaulting customers.

Trade receivables

The aged receivable balances are regularly monitored. Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are updated over the lifetime of the receivables.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)

December 31, 2023

(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

The Group estimates expected credit losses (“ECL”) on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following table provides information about the ECL for trade receivables.

<u>Age buckets</u>	<u>Group and Company</u>			
	<u>Computed ECL rate</u>	<u>Gross carrying amount</u> \$'000	<u>Impairment loss allowance</u> \$'000	<u>Credit impaired</u>
1 - 30 days	3.45%	83,134	2,869	No
31-60 days	15.91%	3,959	630	No
61-90 days	32.83%	2,187	718	No
Over 90 days	82.88%	<u>54,101</u>	<u>44,838</u>	Yes
		<u>143,381</u>	<u>49,055</u>	

<u>Age buckets</u>	<u>Group and Company</u>			
	<u>Computed ECL rate</u>	<u>Gross carrying amount</u> \$'000	<u>Impairment loss allowance</u> \$'000	<u>Credit impaired</u>
1 - 30 days	3.64%	97,925	3,563	No
31-60 days	16.78%	6,687	1,122	No
61-90 days	34.61%	2,589	896	No
Over 90 days	80.09%	<u>71,861</u>	<u>57,555</u>	Yes
		<u>179,062</u>	<u>63,136</u>	

The Group considers concentrations of risk by reference to the amount of exposure it has to individual customers, including their related parties. At December 31, 2023, the Group had significant concentrations of credit risk in respect of amounts receivable from the Government of Jamaica and its affiliates, in respect of electricity charges, aggregating \$17.2 million (2022: \$24 million).

Notes to the Financial Statements (continued)

December 31, 2023

(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Restricted cash, cash and cash equivalents

Cash and short-term deposit balances are managed by the Group's Treasury department and amounts are held with reputable banks and financial institutions with high credit ratings and considered to have minimal risk of default.

Maximum exposure to credit risk

Impairment on restricted cash, cash and cash equivalents have been measured at 12 months ECL and reflects the short maturities of the exposures. The Group considered that cash and cash equivalents have low credit risk and therefore the ECL on such financial assets is immaterial.

(ii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Key management of the Group aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies.

For example, the Group's Treasury department receives and monitors information from other departments regarding the liquidity profile of their financial assets and liabilities and maintains short-term liquid assets to ensure that sufficient liquidity is maintained within the Group as a whole. As at December 31, 2023, the Group had unutilized lines of credit aggregating \$88.5 million (2022: \$68.8 million).

An analysis of the contractual maturities of the Group's financial liabilities is presented below. The analysis is provided by estimating the timing of gross payments (including principal and interest) in respect of the amounts recognised in the statement of financial position.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)

December 31, 2023

(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

		The Group					
		2023					
		Contractual undiscounted cash flows					
Carrying amount	Total cash outflow	Less than 1 year	1-2 years	3-5 years	6-10 years	More than 10 years	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Accounts payable*	137,984	137,984	137,984	-	-	-	
Long-term loans	337,465	372,264	90,422	84,973	79,319	117,550	
Lease obligations	493,943	839,174	76,274	74,897	192,656	269,947	
Preference shares**	24,688	59,698	2,334	2,334	7,002	11,670	
Due to related parties	32,128	32,128	32,128	-	-	-	
Customer deposits	52,249	52,249	33,988	18,261	-	-	
Total financial liabilities	<u>1,078,457</u>	<u>1,493,497</u>	<u>373,130</u>	<u>180,465</u>	<u>278,977</u>	<u>399,167</u>	
						<u>261,758</u>	
		2022 (Restated)					
		Contractual undiscounted cash flows					
Carrying amount	Total cash outflow	Less than 1 year	1-2 years	3-5 years	6-10 years	More than 10 years	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Accounts payable*	144,446	144,446	144,446	-	-	-	
Long-term loans	371,492	485,905	67,240	104,788	99,770	160,404	
Lease obligations	519,114	834,704	75,456	74,079	190,278	269,475	
Preference shares**	24,688	59,698	2,334	2,334	7,002	11,670	
Due to related parties	42,698	42,698	42,698	-	-	-	
Customer deposits	46,430	46,430	31,785	14,645	-	-	
Total financial liabilities	<u>1,148,868</u>	<u>1,613,881</u>	<u>363,959</u>	<u>195,846</u>	<u>297,050</u>	<u>441,549</u>	
						<u>315,477</u>	

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

The Company							
2023							
Contractual undiscounted cash flows							
Carrying amount	Total cash outflow	Less than 1-year	1-2 years	3-5 years	6-10 years	More than 10 years	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accounts payable*	137,148	137,148	137,148	-	-	-	-
Long-term loans	337,465	372,264	90,422	84,973	79,319	117,550	-
Lease obligations	493,943	839,174	76,274	74,897	192,656	269,947	225,400
Preference shares**	24,688	59,698	2,334	2,334	7,002	11,670	36,358
Due to related parties	31,147	31,147	31,147	-	-	-	-
Customer deposits	<u>52,249</u>	<u>52,249</u>	<u>33,988</u>	<u>18,261</u>	-	-	-
Total financial liabilities	<u>1,076,640</u>	<u>1,491,680</u>	<u>371,313</u>	<u>180,465</u>	<u>278,977</u>	<u>399,167</u>	<u>261,755</u>
2022 (Restated)							
Contractual undiscounted cash flows							
Carrying amount	Total cash outflow	Less than 1-year	1-2 years	3-5 years	6-10 years	More than 10 years	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accounts payable*	143,588	143,588	143,588	-	-	-	-
Long-term loans	371,492	485,905	67,240	104,788	99,770	160,404	53,703
Lease obligations	519,113	864,703	75,455	74,079	190,278	269,475	255,416
Preference shares**	24,688	59,698	2,334	2,334	7,002	11,670	36,358
Due to related parties	43,647	43,647	43,647	-	-	-	-
Customer deposits	<u>46,430</u>	<u>46,430</u>	<u>31,785</u>	<u>14,645</u>	-	-	-
Total financial liabilities	<u>1,148,958</u>	<u>1,643,971</u>	<u>364,049</u>	<u>195,846</u>	<u>297,050</u>	<u>441,549</u>	<u>345,477</u>

*Excludes provisions

**The preference shares have no specific maturity dates.

(iii) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the Group's assets, the amount of its liabilities and/or the Group's income. Market risk arises in the Group due to fluctuations in the value of assets and liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued):

The nature of the Group's exposures to market risks and its objectives, policies and processes for managing these risks have not changed materially over the prior year.

For each of the major components of market risk, the Group has policies and procedures in place which detail how each risk is managed and monitored. The management of each of these major components of market risk and the exposure of the Group at the reporting date to each major risk are addressed below.

At December 31, 2023, the Group had no exposure to market risk relating to changes in equity prices.

• *Interest rate risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group contracts financial liabilities at fixed or floating interest rates. These primarily relate to loans, customer deposits, certain trade payables and bank overdrafts.

The maturity profiles and interest rates of the Group's borrowings are disclosed in Note 20, and the details of customer deposits in Note 19.

Interest bearing financial assets relate to cash and cash equivalents and restricted cash.

At December 31, 2023, the interest profile of the Group's interest-bearing financial instruments was:

	<u>Group and Company</u>	
	<u>Carrying amount</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Fixed rate instruments:		
Financial assets	<u>58,627</u>	<u>54,626</u>
Financial liabilities	<u>(301,421)</u>	<u>(317,862)</u>
Variable rate instruments:		
Financial liabilities	<u>(85,120)</u>	<u>(100,724)</u>

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss or other comprehensive income.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
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32. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued)

- *Interest rate risk (continued):*

Cash flow sensitivity analysis for variable rate instruments:

A change of 25 (2022: 100) basis points in interest rates at the reporting date would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	<u>Group and Company</u>			
	<u>Effect on profit or loss</u>			
	<u>2023</u>		<u>2022</u>	
	<u>100bp increase \$'000</u>	<u>100bp decrease \$'000</u>	<u>100bp increase \$'000</u>	<u>100bp decrease \$'000</u>
Cash flow sensitivity (net)	(<u>213</u>)	<u>213</u>	(<u>1,007</u>)	<u>1,007</u>

- *Foreign currency risk:*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group incurs foreign currency risk primarily on the settlement of accounts receivable, accounts payable and borrowings that are denominated in a currency other than the United States dollar. The currencies giving rise to significant foreign currency risk are the Jamaica dollar (J\$) and Euro (€).

The Group manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued)

- *Foreign currency risk (continued):*

The table below shows the Group's foreign currency exposure at the reporting date:

	<u>Group</u>			
	<u>2023</u>			
	J\$	€	£	US\$ equivalent
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6,143,781	-	-	39,650
Trade and other receivables	25,929,723	-	-	167,342
Accounts payable	(11,020,894)	(4,994)	-	(77,299)
Long-term loans	(16,782,044)	(3,879)	-	(112,640)
Customer deposits	<u>(8,096,007)</u>	<u>-</u>	<u>-</u>	<u>(52,249)</u>
	<u>(3,825,441)</u>	<u>(8,873)</u>	<u>-</u>	<u>(35,196)</u>
	<u>2022</u>			
	J\$	€	£	US\$ equivalent
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	16,073,220	-	-	50,128
Trade and other receivables	24,841,918	-	-	163,378
Accounts payable	(13,069,453)	(4,761)	(10)	(91,177)
Long-term loans	(17,595,348)	(3,897)	-	(119,931)
Customer deposits	<u>(7,059,789)</u>	<u>-</u>	<u>-</u>	<u>(46,430)</u>
	<u>(3,190,548)</u>	<u>(8,658)</u>	<u>(10)</u>	<u>(44,032)</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued)

- *Foreign currency risk (continued):*

Sensitivity analysis:

A 4% (2022: 4%) strengthening of the United States dollar against the Jamaica dollar and the Euro would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<u>Group and Company</u>			
	<u>2023</u>		<u>2022</u>	
	Equity \$'000	Profit/(loss) \$'000	Equity \$'000	Profit/(loss) \$'000
J\$	967	967	1,363	1,363
Euro (€)	<u>381</u>	<u>381</u>	<u>361</u>	<u>361</u>
Total	<u>1,348</u>	<u>1,348</u>	<u>1,724</u>	<u>1,724</u>

A 2% (2022: 1%) weakening of the United States dollar against the Jamaica dollar and the Euro respectively, at year end would have the following effect, on the basis that all other variables remain constant.

	<u>Group and Company</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Equity</u> \$'000	<u>Profit</u> \$'000	<u>Equity</u> \$'000	<u>Profit</u> \$'000
J\$	(254)	(254)	(358)	(358)
Euro (€)	<u>(100)</u>	<u>(100)</u>	<u>(95)</u>	<u>(95)</u>
Total	<u>(354)</u>	<u>(354)</u>	<u>(453)</u>	<u>(453)</u>

(b) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes including regulatory risk, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Notes to the Financial Statements (continued)

December 31, 2023

(Expressed in United States Dollars)

32. Financial instruments (continued)

(b) Operational risk (continued):

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Group.

(c) Capital management:

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To enable creditor and market confidence by maintaining an optimal capital structure
- To maintain a strong capital base to support the development of its business and compliance with loan covenants; and
- To comply with the operational requirements set by the regulators.

The Group monitors capital on the basis of debt to equity which is calculated as long-term debt divided by shareholders' equity.

There were no changes in the Group's approach to capital management during the year.

(d) Fair value disclosure:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. Management assessed that the carrying amounts of cash and cash equivalents, accounts receivable, related party balances, bank overdraft, accounts payable and short-term loan approximate their fair values largely due to the short-term maturities of these instruments. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realization or discounts on settlement.

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)

December 31, 2023

(Expressed in United States Dollars)

32. Financial instruments (continued)

(d) Fair value disclosure (continued):

The fair value of customer deposits and refundable customer advances cannot practically be determined, as payment dates and amounts are not determinable.

Long-term loans and preference shares are valued using the following techniques:

- Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids).
- Using this yield, determine price using discounted cash flow.
- Apply quoted price to estimate fair value.

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	<u>Group and Company</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Carrying amount</u> \$'000	<u>Fair value</u> \$'000	<u>Carrying amount</u> \$'000	<u>Fair value</u> \$'000
Financial liabilities:				
Preference shares	24,688	46,059	24,688	48,445
Long term loans	<u>337,465</u>	<u>387,700</u>	<u>371,492</u>	<u>433,457</u>

The following table provides the fair value measurement hierarchy of the Group's liabilities.

	<u>Group and Company</u>		
	<u>2023</u>		
	<u>Level 1</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
Liabilities for which fair values are disclosed:			
Preference shares	(46,059)	-	(46,059)
Long term loans	<u>-</u>	<u>(387,700)</u>	<u>(387,700)</u>
	<u>(46,059)</u>	<u>(387,700)</u>	<u>433,759</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

32. Financial instruments (continued)

(d) Fair value disclosure (continued):

	<u>The Group and Company</u>		
	2022		
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	\$'000	\$'000	\$'000
Liabilities for which fair values are disclosed:			
Preference shares	(48,445)	-	(48,445)
Long term loans	-	(433,457)	(433,457)
	<u>(48,445)</u>	<u>(433,457)</u>	<u>481,902</u>

33. Subsequent events

During February 2024, the Company signed a financing agreement for \$100 million from the Inter-American Development Bank which will be used to partially fund the Company's future capital investment projects and other activities.

34. Prior year reclassification

During the year, the Group reassessed the presentation of customer deposits to reflect whether it had an unconditional right to defer payment for more than 12 months from the reporting date, in accordance with IAS 1 *Presentation of Financial Statements*. Consequently, the Group determined that certain customer deposits should be reclassified to current liabilities. The impact on the 2022 and 2021 statement of financial position were as follows:

	<u>Group</u>		
	2022		
	<u>As previously reported</u>	<u>Adjustments</u>	<u>As restated</u>
Total assets	1,780,912	-	1,780,912
Current portion of customer deposits	-	31,785	31,785
Long-term portion of customer deposits	46,430	(31,785)	14,645
Total liabilities	<u>1,210,482</u>	<u>-</u>	<u>1,210,482</u>
Total equity	<u>570,430</u>	<u>-</u>	<u>570,430</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

Notes to the Financial Statements (continued)
December 31, 2023
(Expressed in United States Dollars)

34. Prior year reclassification (continued)

	<u>Group</u>		
	<u>2021</u>		
	<u>As previously</u>	<u>Adjustments</u>	<u>As restated</u>
	<u>reported</u>		<u>As restated</u>
Total assets	1,737,393	-	1,737,393
Current portion of customer deposits	-	24,836	24,836
Long-term portion of customer deposits	<u>32,704</u>	<u>(24,836)</u>	<u>7,868</u>
Total liabilities	<u>1,202,483</u>	<u>-</u>	<u>1,202,483</u>
Total equity	<u>534,910</u>	<u>-</u>	<u>534,910</u>
	<u>Company</u>		
	<u>2022</u>		
	<u>As previously</u>	<u>Adjustments</u>	<u>As restated</u>
	<u>reported</u>		<u>As restated</u>
Total assets	1,732,006	-	1,732,006
Current portion of customer deposits	-	31,785	31,785
Long-term portion of customer deposits	<u>46,430</u>	<u>(31,785)</u>	<u>14,645</u>
Total liabilities	<u>1,210,572</u>	<u>-</u>	<u>1,210,572</u>
Total equity	<u>521,434</u>	<u>-</u>	<u>521,434</u>
	<u>Company</u>		
	<u>2021</u>		
	<u>As previously</u>	<u>Adjustments</u>	<u>As restated</u>
	<u>reported</u>		<u>As restated</u>
Total assets	1,703,843	-	1,703,843
Current portion of customer deposits	-	24,836	24,836
Long-term portion of customer deposits	<u>32,704</u>	<u>(24,836)</u>	<u>7,868</u>
Total liabilities	<u>990,321</u>	<u>-</u>	<u>990,321</u>
Total equity	<u>500,625</u>	<u>-</u>	<u>500,625</u>

The reclassification had no impact on the statements of profit or loss and other comprehensive income, or statements of cash flows.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jamaica Public Service Company Limited will be held on Wednesday, 26th day of June, 2024 at the Company's registered office, 6 Knutsford Boulevard, Kingston 5 commencing at 10:00 a.m. for the following purposes:

1. TO RECEIVE THE ACCOUNTS

To receive the Audited Accounts for the year ended December 31, 2023 and the Reports of the Directors and Auditors thereon and to consider and if thought fit pass the following resolution:

- i. That the Accounts for the year ended December 31, 2023 together with the Reports of the Directors and Auditors thereon be approved and adopted.

2. TO APPROVE and RATIFY DIVIDEND

- i. RESOLVED that this Board HEREBY APPROVES an interim dividend of the Jamaican equivalent of Eight Million United States Dollars (US\$8,000,000.00) or 0.0003664984627 United States cents per share/stock on the Ordinary Stock/Shares of the Company at the rate of exchange of the Bank of Jamaica's daily weighted average selling rate on the 31st day of July 2023 payable on the 31st day of August 2023 to share/stockholders registered at close of business on the 31st day of July 2023. This amount having been distributed out of retained earnings.
- ii. RESOLVED that this Board HEREBY APPROVES a special dividend of the Jamaican equivalent of Twelve Million United States Dollars (US\$12,000,000.00) or 0.000549747694 United States cents per share/stock on the Ordinary Stock/Shares of the Company at the rate of exchange of the Bank of Jamaica's daily weighted average selling rate on the 22nd day of September 2023 payable on the 29th day of September 2023 to share/stockholders registered at close of business on the 8th day of September 2023. This amount having been distributed out of retained earnings.
- iii. RESOLVED that this Board HEREBY APPROVES an interim dividend of the Jamaican equivalent of Two Million United States Dollars (US\$2,000,000.00) or 0.0000916246157 United States cents per share/stock on the Ordinary Stock/Shares of the Company at the rate of exchange of the Bank of Jamaica's daily weighted average selling rate on the 31st day of October 2023 payable on the 30th day of November 2023 to share/stockholders registered at close of business on the 31st day of October 2023. This amount having been distributed out of retained earnings.

- iv. RESOLVED that this Board HEREBY APPROVES a final dividend of the Jamaican equivalent of Nine Million United States Dollars (US\$9,000,000.00) or 0.0004123107705 United States cents per share/stock on the Ordinary Stock/Shares of the Company at the rate of exchange of the Bank of Jamaica's daily weighted average selling rate on the 22nd day of December 2023 payable on the 29th day of December 2023 to share/stockholders registered at close of business on the 20th day of December 2023. This amount having been distributed out of retained earnings.

3. TO ELECT DIRECTORS

- (a). In accordance with Articles 117 and 119 of the Company's Articles of Incorporation, Directors Mohamed Majeed, Minna Israel, Nadani Chung, Dennis Morgan, Hon. Danville Walker J.P., O.J. having been appointed to the Board shall cease to hold office and being eligible, offer themselves for re-election.
- i. "That Mohamed Majeed, MaruEnergy JPSCO 1, Srl, is hereby re-elected a Director of the Company";
 - ii. "That Minna Israel, MaruEnergy JPSCO 1, Srl, is hereby re-elected a Director of the Company";
 - iii. "That Nadani Chung, Minority Shareholder, is hereby re-elected a Director of the Company";
 - iv. "That Hon. Danville Walker, J.P., O.J., Minority Shareholder, is hereby re-elected a Director of the Company;"
 - v. "That Dennis Morgan, Minority Shareholder, is hereby re-elected a Director of the Company."
- (b). Consequent on the re-election of Mohamed Majeed to the position of Director, in accordance with Article 86 of the Company's Articles of Incorporation, Keisuke Harada being eligible to hold office of Alternate Director offers himself for re-election.

The Company is asked to consider, and if thought fit pass the following resolutions:

- i. "That Keisuke Harada, MaruEnergy JPSCO 1, Srl, is hereby elected an Alternate Director of the Company."
- (c). In accordance with Articles 62, 86 and 123 of the Company's Articles of Incorporation, Directors Yun Suk Choi, and Hyung Chae Yang (Alternate Director), and Sang Ho Lee (Alternate Director), having been appointed to the Board since the last Annual General Meeting shall cease to hold office and being eligible, offer themselves for election.

The Company is asked to consider, and if thought fit pass the following resolutions:

- i. “That Yun Suk Choi, EWP (Barbados) 1, Srl, is hereby elected a Director of the Company”;
- ii. “That Hyung Chae Yang, EWP (Barbados) 1, Srl, is hereby elected an Alternate Director of the Company”; and
- iii. “That Sang Ho Lee, EWP (Barbados) 1, Srl, is hereby elected an Alternate Director of the Company”.

4. TO AUTHORIZE DIRECTORS TO APPOINT AUDITORS AND FIX THEIR REMUNERATION.

5. ANY OTHER BUSINESS FOR WHICH DUE NOTICE HAS BEEN GIVEN.

DATED THIS 29th DAY OF MARCH, 2024



BY ORDER OF THE BOARD

Melanie A. Gilchrist

Secretary

Form of Proxy

I/WE.....of.....
 being a member/members of the above Company hereby appoint the Chairman of the meeting or failing him
of.....as my/our Proxy to vote for me/
 us on my/our behalf at the Annual General Meeting of the Company to be held on the **26th** day of **June, 2024** at
10:00 a.m. and at any adjournment thereof.

RESOLUTION	FOR	AGAINST
Resolution 1		
Resolution 2(i)		
Resolution 2(ii)		
Resolution 2(iii)		
Resolution 2(iv)		
Resolution 3(a)(i)		
Resolution 3(a)(ii)		
Resolution 3(a)(iii)		
Resolution 3(a)(iv)		
Resolution 3(a)(v)		
Resolution 3(b)(i)		
Resolution 3(c)(i)		
Resolution 3(c)(ii)		
Resolution 3(c)(iii)		
Resolution 4		
ANY OTHER BUSINESS		

DATED THE DAY OF 2024

.....
 (signature)

.....
 (signature)

1. If you wish to appoint a proxy other than the Chairman of the Meeting, please insert the person's name and address and delete the words "the Chairman of the Meeting or failing him". Initial the deletion.
2. Any alteration to this form of proxy should be initialled.
3. If the appointer is a corporation this form of proxy must be UNDER ITS COMMON SEAL or under the hand of some officer or attorney of the corporation DULY AUTHORISED IN WRITING.
4. In case of joint holders the vote of the person whose name stands first on the Register will be accepted in preference to the vote of the other holders.
5. To be effective this form of proxy and the power of attorney or other (if any) under which it is signed or a notarially certified copy, of that power or authority must be deposited at Jamaica Public Service Company Limited, 6 Knutsford Boulevard, Kingston 5 for the attention of the Secretary not less than forty-eight (48) hours before the time for the holding of the meeting.





EXIT

LONG POND

Aslo





Jamaica Public Service Company Limited
6 Knutsford Boulevard
Kingston 5, Jamaica, W.I.
www.jpSCO.com