

ST. LUCIA ELECTRICITY SERVICES LIMITED

Unaudited Consolidated Financial Statements
For the Six Months Ended June 30, 2023
(Expressed in thousands of Eastern Caribbean Dollars)

ST. LUCIA ELECTRICITY SERVICES LIMITED

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ST. LUCIA ELECTRICITY SERVICES LIMITED
Unaudited Consolidated Statement of Financial Position
(Expressed in thousands of Eastern Caribbean Dollars)

	As at June 30, 2023 \$'000	As at December 31, 2022 \$'000
Assets		
Non-current		
Property, plant and equipment	401,556	400,152
Right-of-use assets	1,963	2,213
Intangible assets	10,017	10,325
Total non-current assets	<u>413,536</u>	<u>412,690</u>
Current		
Inventories	15,412	15,675
Trade, other receivables and prepayments	68,565	83,987
Other financial assets	52,407	49,748
Derivative financial instruments	-	30
Income tax recoverable	3,443	-
Cash and cash equivalents	46,436	37,808
Total current assets	<u>186,263</u>	<u>187,248</u>
Total assets	<u>599,799</u>	<u>599,938</u>

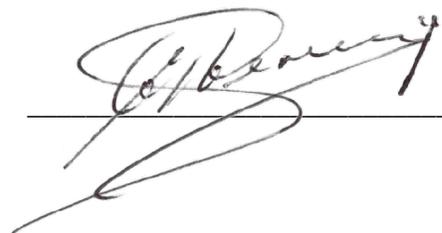
ST. LUCIA ELECTRICITY SERVICES LIMITED
Unaudited Consolidated Statement of Financial Position
(Expressed in thousands of Eastern Caribbean Dollars)

	As at June 30, 2023	As at December 31, 2022
Note	EC\$'000	EC\$'000
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	80,163	80,163
Retained earnings	211,993	209,765
Fair value reserve	(2,032)	(3,077)
Revaluation reserve	59,862	59,862
Self-insurance reserve	51,801	49,614
Total shareholders' equity	401,787	396,327
Liabilities		
Non-current		
Lease liabilities	1,307	1,567
Borrowings	59,966	53,938
Consumer deposits	21,677	21,269
Deferred tax liabilities	37,143	37,094
Post-employment medical benefit liabilities	2,518	2,518
Total non-current liabilities	122,611	116,386
Current		
Lease liabilities	761	723
Borrowings	19,033	20,778
Trade and other payables	53,388	59,883
Provision for other liabilities	1,671	1,671
Derivative financial instruments	4 65	1,270
Dividends payable	483	486
Income tax payable	-	2,414
Total current liabilities	75,401	87,225
Total liabilities	198,012	203,611
Total shareholders' equity and liabilities	599,799	599,938

Approved on behalf of the Board of Directors:



Director



Director

ST. LUCIA ELECTRICITY SERVICES LIMITED
Unaudited Consolidated Statement of Comprehensive Income
(Expressed in thousands of Eastern Caribbean Dollars)

	For the 3 months ended June 30, 2023	For the 3 months ended June 30, 2022	For the 6 months ended June 30, 2023	For the 6 months ended June 30, 2022
Note	EC\$'000s	EC\$'000s	EC\$'000s	EC\$'000s
Revenue				
Energy sales	102,460	77,650	193,585	149,464
Fuel surcharge	(11,189)	22,953	(11,564)	35,973
Other revenue	1,012	1,277	2,206	1,907
	<u>92,283</u>	<u>101,880</u>	<u>184,227</u>	<u>187,344</u>
Operating expenses				
Fuel costs	50,173	60,326	105,786	107,258
Transmission and distribution	9,203	8,406	18,608	16,625
Generation	7,379	6,318	14,374	12,770
	<u>66,755</u>	<u>75,050</u>	<u>138,768</u>	<u>136,653</u>
Gross income	25,528	26,830	45,459	50,691
Administrative expenses	(8,880)	(4,710)	(16,827)	(12,258)
Operating profit	16,648	22,120	28,632	38,433
Investment income	375	205	718	362
Fair value gain/(loss) on FVTPL financial assets	5 173	(3,210)	1,075	(5,056)
Gain on disposal of FVTPL financial assets	39	-	75	-
Other (losses)/gains, net	(11)	23	(18)	6
Profit before finance costs and taxation	17,224	19,138	30,482	33,745
Finance costs	(850)	(933)	(1,750)	(1,915)
Profit before taxation	16,374	18,205	28,732	31,830
Taxation	(4,527)	(6,157)	(7,654)	(10,536)
Net profit for the period	11,847	12,048	21,078	21,294
Other comprehensive income/(loss):				
Items that may be reclassified to profit or loss:				
Fair value gain/(loss) on FVTOCI financial assets	52	34	(32)	67
Total comprehensive income for the period	11,899	12,082	21,046	21,361
Basic and diluted earnings per share (EC\$)	0.52	0.53	0.92	0.93

ST. LUCIA ELECTRICITY SERVICES LIMITED

Unaudited Consolidated Statement of Cash Flows

(Expressed in thousands of Eastern Caribbean Dollars)

	For the 3 months ended June 30, 2023 ECS'000s	For the 3 months ended June 30, 2022 ECS'000s	For the 6 months ended June 30, 2023 ECS'000s	For the 6 months ended June 30, 2022 ECS'000s
Cash flows from operating activities				
Profit before taxation	16,374	18,205	28,732	31,830
Adjustments for:				
Depreciation on property, plant and equipment	6,147	5,854	12,285	11,712
Depreciation on right-of-use assets	194	145	382	290
Amortisation of intangible assets	264	223	506	444
Investment income	(375)	(205)	(718)	(362)
Fair value (gain)/loss on FVTPL financial assets	(173)	3,210	(1,075)	5,056
Finance costs	850	933	1,750	1,915
Impairment losses on trade and other receivables	(440)	(3,585)	(421)	(3,585)
Gain on disposal of FVTPL financial assets	(39)	-	(75)	-
Operating profit before working capital	22,802	24,780	41,366	47,300
Decrease in inventories	1,240	2,854	263	(864)
Decrease/(increase) in trade, other receivables and prepayments	11,511	(4,912)	14,668	(16,186)
(Decrease)/increase in trade and other payables	(19,660)	1,145	(6,495)	9,272
Cash generated from operations	15,893	23,867	49,802	39,522
Interest and dividends received	173	173	325	317
Finance costs paid	(802)	(891)	(1,768)	(1,824)
Income tax paid	(6,030)	(5,019)	(13,462)	(11,070)
Net cash from operating activities	9,234	18,130	34,897	26,945
Cash flows from investing activities				
Acquisition of property, plant and equipment	(7,152)	(7,321)	(13,689)	(10,786)
Acquisition of intangible assets	(64)	(178)	(198)	(231)
Acquisition of other financial assets	(16,323)	(4,029)	(25,091)	(16,653)
Proceeds from disposal of other financial assets	15,457	2,703	23,942	14,864
Net cash used in investing activities	(8,082)	(8,825)	(15,036)	(12,806)

ST. LUCIA ELECTRICITY SERVICES LIMITED

Unaudited Consolidated Statement of Cash Flows

(Expressed in thousands of Eastern Caribbean Dollars)

	For the 3 months ended June 30, 2023 ECS'000s	For the 3 months ended June 30, 2022 ECS'000s	For the 6 months ended June 30, 2023 ECS'000s	For the 6 months ended June 30, 2022 ECS'000s
Cash flows from financing activities				
Proceeds from borrowings	15,000	15,000	15,000	15,000
Repayment of borrowings	(4,793)	(4,586)	(10,627)	(9,123)
Repayment of lease liabilities	(144)	(134)	(355)	(268)
Dividends paid	(15,587)	(15,594)	(15,588)	(15,601)
Net collection of consumer deposits	140	411	337	593
Net cash used in financing activities	(5,384)	(4,903)	(11,233)	(9,399)
Net (decrease)/increase in cash and cash equivalents	(4,232)	4,402	8,628	4,740
Cash and cash equivalents at beginning of period	50,668	26,557	37,808	26,219
Cash and cash equivalents at end of period	46,436	30,959	46,436	30,959

ST. LUCIA ELECTRICITY SERVICES LIMITED

Notes to Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2023

(Expressed in thousands of Eastern Caribbean Dollars)

Accompanying Notes

1. These unaudited consolidated financial statements present the results of St. Lucia Electricity Services Limited and its subsidiaries: LUCELEC Cap-Ins. Inc. and Energyze Holdings Inc.
2. The principal accounting policies adopted and methods of computation have been consistently applied to the periods presented in these unaudited consolidated financial statements.
3. There were no unusual assets, liabilities, income or expenses recorded during the quarter.
4. The fair value of all the Company's hedging contracts at the end of the period as disclosed on the Unaudited Consolidated Statement of Financial Position as Derivative Financial Liability was EC\$0.1M.
5. The unrealised fair value gain on the investments classified as Fair Value through Profit or Loss (FVTPL) held by LUCELEC Cap-Ins. Inc. at the end of the period was EC\$1.1M.
6. There were no issuances, repurchases and repayments of equity securities during the quarter.
7. The second and final drawdown of EC\$15.0M from the new loan facility of EC\$30.0M was received at the end of the current period. Loan principal and interest repayments totaled EC\$5.5M for the quarter.
8. The final dividend for the 2022 financial year of EC\$0.68 per share was declared at the annual general meeting of the shareholders held during the second quarter; the total dividends paid was EC\$15.6M.
9. There were no material events subsequent to the end of the quarter that have not been reflected in the unaudited consolidated financial statements.
10. There were no changes in contingent liabilities since the end of the prior financial year.