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Chairman's Report for the Quarter Ended July 31, 2023

Blue Power Group delivered strong results for the three-month period ended July 31, 2023 (the "First Quarter"). Shareholder profits were up 449% or \$31M relative to the comparable period in the prior year. The improved profits reflect the combined effect of (a) a range of initiatives to improve plant productivity and labour productivity, (b) improved procurement conditions and logistics costs, and (c) a change in the sales mix, to focus our production capacity on higher margin products.

For the First Quarter, Blue Power Group achieved revenues of \$216M and shareholder profits of \$38M. Blue Power benefitted from its initiative to develop and maintain strategic long term customer relationships with some of the leading soap brands and distribution enterprises in Jamaica. Blue Power Group has made investments in plant and equipment to improve its competitiveness and to support these relationships with enhanced reliability and increased capacity to produce a wide range of high quality and specialty soaps. This resulted in improved gross margins. Importantly, the Group also successfully contained the cost of administration and delivered improved results from credit control and net finance income.

Outlook

With the improved operating performance, Blue Power Group now has a healthy business supplying the Jamaican market for laundry soap and a wide range of bath soaps including value-products, medicated soaps, anti-bacterial soaps, beauty soaps and natural soaps that include local ingredients and locally made formulations that support healthy skin. We are now the leading manufacturer of soaps in the Jamaican market. An important part of our plan for sustained business growth, is our ongoing commitment to efficiency and innovation. During the quarter we continued to complete capital projects and make improvements to our quality systems, efficiency, facilities and product lines. We remain hopeful that these improvements will allow Blue Power Group to grow its export volumes in the years ahead by manufacturing and co-packing bar soaps for the international market. We believe that our export prospects are directly in line with Jamaica's goal of developing a logistics-centered economy with value-added manufacturing that serves regional and international markets.

The Blue Power balance sheet, investment portfolio, and liquidity also remain strong.

The value of our cash, investments and associated company interests totaled approximately \$800M at the end of the First Quarter. We also hold land that is adjacent to our core operations and is intended to allow for the expansion of our plant over time, as well as for the development of commercial buildings that can contribute in due course to our rental and investment income. Our investment in Lumber Depot Limited, which is a material part of our holdings, performed satisfactorily during the period.

We continue to be optimistic about the competitive position and growth prospects for our business in Jamaica, as well as the opportunity to develop new markets. We are also prepared to diversify the business through opportunistic investments in related businesses.

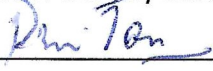
I thank our customers, staff, management team and board for their commitment to the business.

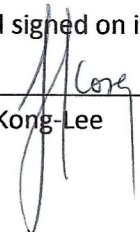
Jeffrey Hall
Chairman

BLUE POWER GROUP LIMITED
Consolidated Statement of Financial Position
As at July 31, 2023

| | <u>Unaudited</u> <u>July 31, 2023</u> | <u>Unaudited</u> <u>July 31, 2022</u> | <u>Audited</u> <u>April 30, 2023</u> |
|---|--|--|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 355,027,613 | 334,967,920 | 358,752,932 |
| Right of use asset | 8,987,121 | 10,015,421 | 9,244,196 |
| Interest in associated company | 381,582,631 | 362,565,200 | 372,936,660 |
| Investments | 241,246,900 | 253,194,359 | 238,990,350 |
| | <u>986,844,265</u> | <u>960,742,900</u> | <u>979,924,138</u> |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 173,331,435 | 20,230,558 | 92,352,045 |
| Accounts receivable and prepayments | 91,503,407 | 148,390,844 | 155,480,063 |
| Due from related company | 1,397,391 | 21,275,419 | 845,441 |
| Inventories | 364,722,178 | 379,959,474 | 356,675,564 |
| Taxation recoverable | 13,000,251 | 19,830,593 | 22,812,129 |
| | <u>643,954,662</u> | <u>589,686,888</u> | <u>628,165,242</u> |
| CURRENT LIABILITIES | | | |
| Accounts payable | 42,599,347 | 57,456,355 | 47,684,485 |
| Current portion of lease liability | 772,167 | 729,193 | 777,460 |
| Revolving loan facility | 25,000,000 | 30,000,000 | 35,000,000 |
| | <u>68,371,514</u> | <u>88,185,548</u> | <u>83,461,945</u> |
| NET CURRENT ASSETS | <u>575,583,148</u> | <u>501,501,340</u> | <u>544,703,297</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>1,562,427,413</u> | <u>1,462,244,240</u> | <u>1,524,627,435</u> |
| EQUITY | | | |
| Share capital | 86,900,147 | 86,900,147 | 86,900,147 |
| Investment Revaluation Reserve | 168,201,280 | 179,501,080 | 168,201,280 |
| Retained earnings | 1,282,047,098 | 1,169,551,313 | 1,244,042,128 |
| | <u>1,537,148,525</u> | <u>1,435,952,540</u> | <u>1,499,143,555</u> |
| NON-CURRENT LIABILITIES | | | |
| Lease Liability | 9,685,068 | 10,444,108 | 9,890,058 |
| Deferred tax liability | 15,593,820 | 15,847,592 | 15,593,822 |
| | <u>25,278,888</u> | <u>26,291,700</u> | <u>25,483,880</u> |
| Total Equity And Non-Current Liabilities | <u>1,562,427,413</u> | <u>1,462,244,240</u> | <u>1,524,627,435</u> |

Approved for issue by the Board of Directors on September 7, 2023 and signed on its behalf by:

 Director
Dhiru Tanna

 Director
Lisa Kong-Lee

BLUE POWER GROUP LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Three months ended July 31, 2023

| | Unaudited July 31, 2023 | Unaudited July 31, 2022 | Audited April 30, 2023 |
|--|------------------------------------|------------------------------------|-----------------------------------|
| Revenue | 216,332,850 | 214,259,851 | 871,324,697 |
| Cost of revenue | <u>(143,622,439)</u> | <u>(169,991,636)</u> | <u>(661,584,183)</u> |
| Gross profit | 72,710,411 | 44,268,215 | 209,740,514 |
| Impairment gains/(losses) on trade receivables | 1,638,952 | (8,172,104) | (857,947) |
| Impairment gains/(losses) on investment | 30,799 | (741,371) | (959,701) |
| Administrative and other expenses | (48,584,648) | (45,224,634) | (178,130,136) |
| Other income | <u>4,942,644</u> | <u>10,502,458</u> | <u>20,138,797</u> |
| | 30,738,158 | 632,564 | 49,931,527 |
| Share of profit of associated company | <u>8,645,971</u> | <u>7,950,734</u> | <u>24,364,024</u> |
| Profit before net finance income and taxation | <u>39,384,129</u> | <u>8,583,298</u> | <u>74,295,551</u> |
| Finance income | 9,888,089 | 518,857 | 19,312,080 |
| Finance cost | <u>(1,117,385)</u> | <u>(798,694)</u> | <u>(7,245,457)</u> |
| Net finance income/(cost) | <u>8,770,704</u> | <u>(279,837)</u> | <u>12,066,623</u> |
| Profit for the period | 48,154,833 | 8,303,461 | 86,362,174 |
| Taxation | <u>(10,149,863)</u> | <u>(1,384,485)</u> | <u>(4,952,383)</u> |
| Profit for the period | <u>38,004,970</u> | <u>6,918,976</u> | <u>81,409,791</u> |
| Earnings per stock unit | <u>\$ 0.07</u> | <u>\$ 0.01</u> | <u>\$ 0.14</u> |

BLUE POWER GROUP LIMITED
Consolidated Statement of Cash Flows
Three months ended July 31, 2023

| | <u>Unaudited</u> <u>July 31, 2023</u> | <u>Unaudited</u> <u>July 31, 2022</u> | <u>Audited</u> <u>April 30, 2023</u> |
|--|--|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit for the period | 38,004,970 | 6,918,976 | 81,409,791 |
| Adjustments for: | | | |
| Exchange (gain)/loss on foreign currency balances | (4,123,707) | 3,240,185 | 2,840,858 |
| Impairment loss on investments | 2,256,550 | - | 959,701 |
| Impairment loss on trade receivables | 1,638,952 | - | 857,947 |
| Depreciation and amortisation | 9,380,243 | 8,106,106 | 32,827,262 |
| Interest Income | (5,764,381) | (3,759,043) | (19,312,080) |
| Share of profit in associated company | (8,645,971) | (7,950,734) | (24,364,024) |
| Interest expense | 761,290 | 677,185 | 3,889,829 |
| Taxation | 10,149,863 | 1,384,485 | 4,952,383 |
| Cash generated before changes in working capital | <u>43,657,809</u> | <u>8,617,160</u> | <u>84,061,667</u> |
| Increase/(decrease) in current assets: | | | |
| Accounts receivables and prepayments | 65,615,608 | (18,616,106) | (32,148,686) |
| Inventories | (8,046,614) | (33,008,919) | (9,725,009) |
| Due from related party | (551,950) | (7,783,813) | 12,646,165 |
| Decrease in current liability: | | | |
| Accounts payable | <u>(5,085,138)</u> | <u>(709,025)</u> | <u>(11,396,408)</u> |
| Cash generated/(used) by/from operations | 95,589,715 | (51,500,703) | 43,437,729 |
| Interest paid | (761,290) | (677,185) | (3,889,829) |
| Taxation paid | <u>(2,909,866)</u> | <u>(5,918,539)</u> | <u>(12,721,744)</u> |
| Net cash provided/ (used) by operating activities | <u>91,918,559</u> | <u>(58,096,427)</u> | <u>26,826,156</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | (4,883,052) | (68,247,348) | (122,734,043) |
| Interest received | 3,498,053 | 7,281,841 | 24,897,494 |
| Dividends received | - | - | 6,041,831 |
| Net cash (used) by investing activities | <u>(1,384,999)</u> | <u>(60,965,507)</u> | <u>(91,794,718)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Revolving loan received | - | 10,000,000 | 30,000,000 |
| Revolving loan repaid | (10,000,000) | - | (15,000,000) |
| Distributions paid to stockholders | - | - | (11,299,800) |
| Payment of lease liabilities | <u>(210,284)</u> | <u>(172,785)</u> | <u>(713,803)</u> |
| Cash (used)/provided by Financing Activities | <u>(10,210,284)</u> | <u>9,827,215</u> | <u>2,986,397</u> |
| Net increase/(decrease) in cash and cash equivalents | 80,323,276 | (109,234,719) | (61,982,165) |
| Effects of exchange rate fluctuations on cash and cash equivalents | 656,114 | 4,379,784 | 826,780 |
| Cash and cash equivalents at beginning of the period | <u>92,352,045</u> | <u>125,085,493</u> | <u>153,507,430</u> |
| Cash and cash equivalents at end of period | <u>173,331,435</u> | <u>20,230,558</u> | <u>92,352,045</u> |

BLUE POWER GROUP LIMITED
Consolidated Statement of Changes in Equity
Three months ended July 31, 2023

| | Share Capital | Investment Revaluation Reserve | Retained earnings | Total |
|---|----------------------|---|--------------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| Balances as at April 30, 2022 (audited) | 86,900,147 | 179,501,080 | 1,162,632,337 | 1,429,033,564 |
| Total comprehensive income for the quarter: | | | | |
| Profit for the period | - | - | 38,004,970 | 38,004,970 |
| Balance as at July 31, 2022 (unaudited) | <u>86,900,147</u> | <u>179,501,080</u> | <u>1,200,637,307</u> | <u>1,467,038,534</u> |
| Balances as at April 30, 2023 (audited) | 86,900,147 | 168,201,280 | 1,244,042,128 | 1,499,143,555 |
| Total comprehensive income for the quarter: | | | | |
| Profit for the period | - | - | 38,004,970 | 38,004,970 |
| Balance as at July 31, 2023 (unaudited) | <u>86,900,147</u> | <u>168,201,280</u> | <u>1,282,047,098</u> | <u>1,537,148,525</u> |

Blue Power Group Limited

Notes to the Unaudited Financial Statements

July 31, 2023

1 Incorporation and Identity

Blue Power Group Limited (the company) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company is listed on the Junior Market of the Jamaica Stock Exchange and also has two wholly owned subsidiaries [see note 2(d)]. The company is a subsidiary of Antibes Holding Limited, a company incorporated and domiciled in Saint Lucia.

The ultimate holding company is Pechon Properties Limited, a company incorporated and domiciled in Saint Lucia. The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries, Papine Properties Limited and Cotrade Limited made up to April 30, 2023. Cotrade Limited is a wholly owned subsidiary of Papine Properties Limited, which, in turn, is owned by Blue Power Group Limited. Papine Properties Limited is registered in the British Virgin Islands and Cotrade Limited is registered in Jamaica. The company and its subsidiaries are collectively referred to as “the group”. These subsidiaries have minimal transactions, and the shareholdings are the same for 2023 and 2022. The parent company administers the affairs of the subsidiaries and bears the related expenses. The main activities of the company comprise the manufacture and sale of soap. Cotrade Limited is the group’s property holding entity.

2 Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

(b) Basis of consolidation:

(i) Subsidiaries:

A “subsidiary” is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiaries, Papine Properties Limited and Cotrade Limited made up to April 30, 2023. Cotrade Limited is a wholly owned subsidiary of Papine Properties Limited, which is owned by Blue Power Group Limited. The company and its subsidiaries are collectively referred to as “the group”. These subsidiaries are currently dormant, and the shareholdings are the same for 2023 and 2022. Cotrade Limited is the group’s nominee for holding properties from which the group manages its operations. The parent company administers the affairs of the subsidiaries and bears the related expenses. Papine Properties Limited is registered in the British Virgin Islands and Cotrade Limited is registered in Jamaica.

(ii) Associates:

Associates are all entities over which the group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, including transaction costs.

The group's investment is carried at the group's share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies. Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group will not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

(iii) Transactions eliminated on consolidation

Balances and transactions between companies within the group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the company and its subsidiaries are eliminated to the extent of the company's interest in the subsidiary. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c New and amended standards that became effective during the period

Certain new and amended standards which were in issue, came into effect during the current financial period. The adoption of these standards did not have any impact on the amounts recognized or disclosures in the financial statements.

3 Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

4 Financial instruments:

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 investments, cash and cash equivalents and accounts receivable. Financial liabilities comprise accounts payable and due to related party.

5 Revenue:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer.

6 Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss.

7 Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

8 Finance cost

Finance cost comprises bank charges, loan interests and lease interest, and is recognised in profit or loss.



JULY 31, 2023

TOTAL SHARES OUTSTANDING: 564,990,000

DIRECTORS AND CONNECTED PARTIES REPORT

| PRIMARY HOLDER (JOINT HOLDER) | RELATIONSHIP | UNITS | PERCENTAGE |
|--------------------------------------|---------------------|--------------|-------------------|
| KENNETH BENJAMIN** | SELF | 31,302,000 | 5.540 |
| FELICE CAMPBELL | SELF | 0 | 0.000 |
| NOEL DAWES*** | SELF | 14,127,150 | 2.500 |
| CATHERINE GOODALL | SELF | 0 | 0.000 |
| JEFFREY HALL* (SWEE TEEN CHUA) | SELF | 2,151,363 | 0.381 |
| PETER MILLINGEN**** | SELF | 8,211,000 | 1.453 |
| DHIRU TANNA* (LAURA TANNA) | SELF | 100,000 | 0.017 |
| LAURA TANNA* | SELF | 0 | 0.000 |
| LISA KONG-LEE | SELF | 0 | 0.000 |
| *ANTIBES HOLDINGS LTD | CONNECTED PARTY | 283,008,000 | 50.090 |
| **SHEILA BENJAMIN MCNEIL | CONNECTED PARTY | 1,552,650 | 0.274 |
| **GUARDSMAN GROUP | CONNECTED PARTY | 6,872,850 | 1.216 |
| ***KAREL DAWES | CONNECTED PARTY | 38,070 | 0.006 |

SENIOR MANAGERS REPORT

| PRIMARY HOLDER (JOINT HOLDER) | RELATIONSHIP | UNITS | PERCENTAGE |
|--------------------------------------|---------------------|--------------|-------------------|
| VISHWANAUTH TOLAN | SELF | 0 | 0.000 |
| ANDRIENNE JONES | SELF | 0 | 0.000 |

TOP 10 SHAREHOLDERS

| PRIMARY HOLDER (JOINT HOLDER) | UNITS | PERCENTAGE |
|--------------------------------------|--------------------|-------------------|
| ANTIBES HOLDINGS LIMITED* | 283,008,000 | 50.09 |
| MAYBERRY JAMAICAN EQUITIES LTD | 112,369,745 | 19.88 |
| KENNETH BENJAMIN & SHEILA MCNEIL** | 32,854,650 | 5.82 |
| MARY J. FRAY | 30,954,000 | 5.48 |
| NOEL DAWES*** | 14,127,150 | 2.50 |
| SILVER INVESTMENTS LIMITED | 10,732,303 | 1.90 |
| JPS EMPLOYEE SUPERANNUATION | 9,214,220 | 1.63 |
| PAM-POOLED EQUITY | 8,914,510 | 1.58 |
| PETER MILLINGEN**** | 8,211,000 | 1.45 |
| GUARDSMAN GROUP LTD** | 6,872,850 | 1.22 |
| TOTAL UNITS OWNED BY TOP 10 | 517,258,428 | 91.55 |