



# INTERIM REPORT

2nd Quarter Period Ended  
March 31, 2024





Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B	\$488.5M	\$187.7M	\$103.8M	<b>32.8%</b>
↑ YOY Increase 121.3%	↑ YOY Increase 119.1%	↑ YOY Increase 162.7%	↑ YOY Increase 108.6%	

\* Adjusted for non-recurring acquisition related costs

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# INTERIM REPORT TO OUR SHAREHOLDERS

## Q2 FY2024 (JANUARY 1, 2024 TO MARCH 31, 2024)

### Overview

Tropical Battery Company Limited experienced a remarkable period of growth in Q2 FY2024, marked by substantial revenue and gross profit increases. This success is primarily attributed to strategic acquisitions, including Rose Batteries in Silicon Valley, California, and Kaya Energy Group, acquired in Q3 FY2023.

The Rose Batteries team's strength was further enhanced by adding key personnel, including Katey Daniel as the new Customer Success Manager and Noelle Machado as the Procurement Manager, who have made significant positive impacts. Wouter Potman, Rose's recent Project Management hire, has also made substantial improvements in professionally documenting the status of the development pipeline, reinforcing the effectiveness of the project management strategies.

KAYA Energy successfully navigated public relations challenges and regulatory uncertainties in the renewable energy sector to close several vital deals north of \$250 million for the quarter.

### Industry Outlook

In the last three months, the customised smart battery industry has also made significant strides alongside the broader growth observed in the renewable energy and energy storage sectors. This niche within the energy storage market has been gaining momentum, fueled by technological advancements and increased demand for personalised energy solutions that cater specifically to unique operational needs that benefit us.

The industry's development is buoyed by the regulatory and financial frameworks propelling the renewable sector, particularly the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). These acts have facilitated a surge in investments to enhance battery technology capabilities, including developing intelligent batteries that are more efficient, durable, and capable of interfacing with various digital management systems.

Customised intelligent batteries are increasingly critical components in integrating renewable energy systems. They offer optimised storage solutions that adapt to different scales and types of renewable energy installations. They are vital in applications requiring high reliability and efficiency, such as utility-scale solar and wind projects, where they help stabilise the grid and manage output variability.

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B ↑ YOY Increase 121.3%	\$488.5M ↑ YOY Increase 119.1%	\$187.7M ↑ YOY Increase 162.7%	\$103.8M ↑ YOY Increase 108.6%	32.8%
<small>* Adjusted for non-recurring acquisition related costs</small>				

Moreover, the drive towards domestic production emphasised by recent policy initiatives has strengthened the supply chain for intelligent battery components. This domestic focus not only aids in reducing logistic vulnerabilities but also supports the U.S. economy and job creation in the tech and manufacturing sectors. As more companies enter the smart battery market, competition is spurring innovation, leading to rapid advancements in battery technology that could further enhance the performance and cost-effectiveness of these systems.

The customised smart battery industry is well-positioned to capitalise on the growing shift towards cleaner energy solutions. It will play a pivotal role in the green transition while continuing to evolve in response to technological advances and market demands.

### Financial Review

The statement of financial position as of March 31, 2024, illustrates a dynamic period of growth fueled by strategic acquisitions and significant capital investments. The acquisition of substantial new assets and the expansion into new facilities have poised the company for continued success in its market sector. Moreover, the planned deleveraging through an Additional Public Offering indicates a proactive approach to managing increased debt levels, aiming to optimise the financial structure and enhance shareholder value. The overall economic health of Tropical Battery is robust, with strong liquidity and asset bases that provide a solid foundation for future growth and profitability.

### Revenue and Gross Profit

During Q2 FY2024, Tropical Battery's gross operating revenue increased, climbing from \$700 million in Q2 FY2023 to \$1.5 billion in the current fiscal year, representing a surge of approximately 121%. This significant rise is directly linked to the company's recent acquisitions, which expanded its market presence and operational scale. The gross profit also reflected this positive trend, increasing from \$223 million to \$489 million, translating to a growth of 119%. These figures underscore the successful integration of the new acquisitions and suggest an effective management strategy for leveraging new assets to enhance overall profitability.

### Expenses and Operating Profit

During the fiscal period, we witnessed notable increases in specific expense categories. Non-recurring acquisition-related costs amounted to \$77 million, reflecting the one-time cost of the recent acquisitions. Additionally, administration, marketing, and selling expenses rose from \$161 million to

# INTERIM REPORT TO OUR SHAREHOLDERS

## Q2 FY2024 (JANUARY 1, 2024 TO MARCH 31, 2024) CONTINUED

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B ↑ YOY Increase 121.3%	\$488.5M ↑ YOY Increase 119.1%	\$187.7M ↑ YOY Increase 162.7%	\$103.8M ↑ YOY Increase 108.6%	32.8%

\* Adjusted for non-recurring acquisition related costs

\$305 million, an increase of 90%. This escalation is due to the expanded operations and the need to support a larger organisational structure post-acquisition. Despite these increased outlays, operating profit improved significantly by 71%, from \$62 million in Q2 FY2023 to \$107 million in Q2 FY2024, indicating effective cost management relative to the increased revenue. Furthermore, if we add back the one-time nonrecurring acquisition-related cost of \$77 million, the increase in operating profit would be significantly higher.

### Finance Costs and Net Profit

Finance costs presented a challenge, escalating by 526% from \$16 million to \$102 million. This rise was partially offset by increased finance income, which increased from \$11 million to \$38 million. Net finance costs after adjustments stood at \$64 million. These costs notably impacted profit before taxation, which decreased from \$50 million to \$27 million.

### Strategic Financial Planning

Tropical Battery plans to deleverage its balance sheet through an Additional Public Offering (APO) to enhance financial stability and reduce interest costs. This offering is set to raise significant capital and pay down existing debt substantially, which is expected to lower interest costs moving forward and contribute positively to the company's financial health.

### Community (ESG)

In our commitment to enhancing community engagement and supporting employee well-being, Tropical Battery Co. Ltd. spearheaded several initiatives that reflect our dedication to Environmental, Social, and Governance (ESG) principles. In January 2024, we organised a vibrant Health Fair at our Ferry location, bringing together service providers such as the Heart Foundation, Advance Family Medical, and the Diabetes Association. This event offered health screenings and financial planning services. It featured engaging activities like music and competitive games, culminating in various prizes for our staff for this enriching staff engagement initiative.

Further demonstrating our commitment to tradition and cultural appreciation, we distributed Bun & Cheese to all staff members during the Easter Holidays, celebrating this festive season while maintaining regular operational hours to ensure service continuity. Additionally, our team's spirit shone brightly during the Sigma run in February 2024, where employees, their families and friends donned Tropical Battery T-shirts and participated actively. This involvement fostered team spirit and showcased our brand's commitment to community health and wellness initiatives. Through these activities, Tropical

Battery strengthens community ties and reinforces our dedication to the social aspects of our ESG objectives.

### Company Outlook

Tropical Battery Company Limited's strategic financial decisions have dramatically transformed its landscape over the last six months. The investment in acquisitions and capital expenditures, supported by substantial financing activities, has set the stage for expanded operations and potential revenue growth.

To achieve greater cohesion across the markets we serve – Jamaica, the Dominican Republic, and the United States – we plan to capitalise on the synergies among Tropical Battery, Kaya Energy, and Rose Batteries. This strategy is designed to expand growth opportunities and realise cost efficiencies throughout the group. By synchronising our operations, strengthening our market presence, and leveraging our brand advantages, we aim to develop a unified group strategy that enhances efficiency and increases profitability.

Our approach includes thoroughly reviewing and integrating systems and processes to ensure smooth coordination among the three companies. This alignment is expected to enhance our return on capital employed, drawing on the combined strengths of these distinguished brands to foster growth, drive innovation, and deliver exceptional customer service.

The planned APO represents a proactive strategy to optimise the financial structure and support sustainable development. The strategic benefits of these acquisitions and financial strategies are expected to materialise over the coming periods, potentially leading to enhanced economic performance and shareholder value.

Sincerely,



Alexander Melville  
Chief Executive Officer



Daniel Melville  
Chief Operating Officer

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\$1.5B	\$488.5M	\$187.7M	\$103.8M	32.8%
↑ YOY Increase 121.3%	↑ YOY Increase 119.1%	↑ YOY Increase 162.7%	↑ YOY Increase 108.6%	

\* Adjusted for non-recurring acquisition related costs

## Tropical Battery Company Limited


### GROUP STATEMENT OF FINANCIAL POSITION - (UNAUDITED)

#### MARCH 31, 2024

Notes	Unaudited 31-Mar-24	Unaudited 31-Mar-23	Audited 30-Sep-23
	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	428,968,996	105,092,127	189,447,956
Accounts receivable	1,049,269,142	362,767,685	474,360,591
Due from related companies	791,471,857	305,255,735	319,813,663
Due from parent company	44,188,184	23,385,227	44,158,531
Inventories	1,477,733,145	1,027,546,389	958,310,861
Other assets	-	-	1,526,256
Taxation recoverable	946,912	770,091	818,484
	<u>3,792,578,236</u>	<u>1,824,817,254</u>	<u>1,988,436,342</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	1,080,240,427	410,415,385	443,199,042
Short-term Loan	1,352,816,600	-	10,700,000
Current portion of lease liabilities	24,650,450	16,569,069	25,680,587
Current portion of long-term loan	364,710,200	41,824,344	372,639,569
	<u>2,822,417,677</u>	<u>468,808,798</u>	<u>852,219,198</u>
<b>NET CURRENT ASSETS</b>	<u>970,160,559</u>	<u>1,356,008,456</u>	<u>1,136,217,144</u>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	153,735,603	38,133,005	38,133,005
Goodwill	2,474,159,446	-	61,120,229
Property, plant & equipment	206,494,415	159,458,800	180,244,560
Right of use assets	232,467,102	132,897,746	164,703,065
Employee benefits	13,866,000	68,619,000	13,866,000
Interest in joint venture	5,000,000	66,528,165	5,000,000
	<u>3,085,722,566</u>	<u>465,636,716</u>	<u>463,066,859</u>
	<u>\$ 4,055,883,125</u>	<u>1,821,645,172</u>	<u>1,599,284,003</u>
Represented by:			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	164,287,800	156,675,300	164,287,800
Capital Contribution	459,207,861	459,207,861	459,207,861
Accumulated profit	517,284,104	435,453,443	430,654,579
Foreign currency translation	(1,898,679)	-	(3,608)
Equity attributable to owners of the company	<u>1,138,881,086</u>	<u>1,051,336,604</u>	<u>1,054,146,632</u>
Non-Controlling Interest	25,318,118	-	13,313,744
	<u>1,164,199,204</u>	<u>1,051,336,604</u>	<u>1,067,460,376</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	225,881,918	127,440,900	154,793,061
Long-term loans	2,662,114,122	629,289,476	373,342,685
Deferred tax liability	3,687,881,000	13,578,192	3,687,881,000
	<u>2,891,683,921</u>	<u>770,308,568</u>	<u>531,823,627</u>
	<u>\$ 4,055,883,125</u>	<u>1,821,645,172</u>	<u>1,599,284,003</u>

These financial statements were approved by the Board of Directors and signed on its behalf by:

  
Director  
Marc Melville

  
Director  
Alexander Melville

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

## Tropical Battery Company Limited

### GROUP STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME – (UNAUDITED)

#### FOR THE SIX MONTHS ENDED MARCH 31, 2024

	Q2 (3 mths.) 31-Mar-24	Q2 (3 mths.) 31-Mar-23	Q2 YTD (6 mths.) 31-Mar-24	Q2 YTD (6 mths.) 31-Mar-23	Audited 30-Sep-23
Gross operating revenue	1,549,686,289	700,380,677	2,358,818,141	1,349,818,219	2,801,540,923
Cost of Goods Sold	(1,061,154,900)	(477,369,650)	(1,623,187,609)	(911,526,298)	(1,925,312,151)
Gross Profit	488,531,389	223,011,027	735,630,532	438,291,921	876,228,772
<i>Non-recurring acquisition related cost</i>	(77,064,239)	-	(77,064,239)	-	-
Administration, marketing and selling expenses	(304,861,188)	(160,511,899)	(452,268,157)	(305,211,442)	(630,395,427)
Administration, marketing and selling expenses	(381,925,427)	(160,511,899)	(529,332,396)	(305,211,442)	(630,395,427)
Operating profit	106,605,962	62,499,128	206,298,136	133,080,479	245,833,345
Other operating Income	4,122,858	8,985,514	10,697,186	11,038,392	12,640,813
Profit before depre., net financial costs and taxation	110,728,820	71,484,642	216,995,322	144,118,871	258,474,158
Depreciation	(20,436,477)	(16,005,635)	(37,438,977)	(32,000,596)	(56,767,316)
Profit before net financial costs and taxation	90,292,343	55,479,007	179,556,345	112,118,275	201,706,842
Interest income recognised using the effective interest rate method	-	-	-	-	12,174,725
Finance costs	(101,837,769)	(16,247,852)	(125,735,014)	(31,643,613)	(92,098,881)
Finance income	38,245,969	10,522,419	45,122,110	13,453,940	22,991,968
Net finance costs	(63,591,800)	(5,725,433)	(80,612,904)	(18,189,673)	(56,932,188)
Profit before taxation	26,700,543	49,753,574	98,943,441	93,928,602	144,774,654
Taxation	(124,278)	-	(124,278)	-	(4,933,939)
Profit for the year	26,576,265	49,753,574	98,819,163	93,928,602	139,840,715
Profit attributable to:					
Owners of Tropical Battery Co. Ltd	22,405,155	49,753,574	86,629,525	93,928,602	135,200,116
Non-controlling interest	4,171,110	-	12,189,638	-	4,640,599
Profit for the periods/year	<u>26,576,265</u>	<u>49,753,574</u>	<u>98,819,163</u>	<u>93,928,602</u>	<u>139,840,715</u>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Currency translation difference	(2,079,131)	-	(2,080,335)	-	(3,608)
Re-measurement gain on employee benefit assets	-	-	-	-	(59,297,000)
Related taxation on re-measurement	-	-	-	-	14,824,250
Other comprehensive income	(2,079,131)	-	(2,080,335)	-	(44,476,358)
Total comprehensive income for the periods/year	<u>\$ 24,497,134</u>	<u>49,753,574</u>	<u>96,738,828</u>	<u>93,928,602</u>	<u>95,364,357</u>
Earnings per stock unit	\$ 0.020	\$ 0.038	\$ 0.076	\$ 0.072	\$ 0.108
<i>Profit for period without non-recurring acquisition related cost</i>		\$ 103,840,504			

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

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B	\$488.5M	\$187.7M	\$103.8M	32.8%
↑ YOY Increase 121.3%	↑ YOY Increase 119.1%	↑ YOY Increase 162.7%	↑ YOY Increase 108.6%	

\* Adjusted for non-recurring acquisition related costs

## Tropical Battery Company Limited GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY - (UNAUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2024

	Share capital	Foreign Translation	Capital contribution	Accumulated profit	Non-controlling Interest	Total
Balance as at September 30, 2022	156,675,300		459,207,861	391,927,213		1,007,810,374
Dividends				(52,000,000)		(52,000,000)
Total comprehensive income	-		-	93,928,603		93,928,603
<b>Balance as at March 31, 2023</b>	<b>156,675,300</b>		<b>459,207,861</b>	<b>433,855,816</b>		<b>1,049,738,977</b>
Re-measurement loss on employee benefit asset, net of taxation				(44,472,750)		(44,472,750)
Issue of Shares	7,612,500					7,612,500
Acquisition of subsidiary with NCI					8,673,144	8,673,144
Profit for the period		(3,608)		41,271,513	4,640,600	45,908,505
Balance as at September 30, 2023	164,287,800	(3,608)	459,207,861	430,654,579	13,313,744	1,067,460,376
Translation of foreign subsidiaries'		(1,895,071)			(185,264)	(2,080,335)
Profit for the period, being comprehensive income				86,629,525	12,189,638	98,819,163
Total comprehensive income		(1,895,071)		86,629,525	12,004,374	96,738,828
<b>Balance as at March 31, 2024</b>	<b>164,287,800</b>	<b>(1,898,679)</b>	<b>459,207,861</b>	<b>517,284,104</b>	<b>25,318,118</b>	<b>1,164,199,204</b>

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

## Tropical Battery Company Limited GROUP STATEMENT OF CASH FLOWS - (UNAUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2024

	Q2(6 Mths.) 31-Mar-24	Q2(6 Mths.) 31-Mar-23	Unaudited 30-Sep-23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the period	98,819,163	93,928,602	139,840,716
Adjustment to reconcile net profit for the period to net cash used by operating activities:			
Employee benefits	-	-	(4,544,000)
Depreciation	20,436,477	32,000,596	56,767,316
Taxation expenses	124,278	-	4,933,939
Interest on loans	96,673,523	18,469,157	62,161,882
Interest on lease liabilities	5,164,246	5,164,246	12,398,162
Amortisation of debt issuance costs	-	1,011,395	-
Interest income	(38,245,969)	(5,423,551)	(12,174,725)
Unrealised foreign exchange gains	(37,620,902)	-	75,179
Gain on disposal of property, plant and equipment	-	(518,428)	(4,371,233)
Foreign currency translation	(2,080,335)	-	(3,608)
	143,270,481	144,632,017	255,083,628
Changes in working capital:			
Accounts receivable	(129,796,362)	35,000,021	(39,064,256)
Due from related companies	(471,658,194)	(52,773,164)	(92,749,543)
Due from parent company	(29,653)	-	-
Inventory	(19,577,324)	(232,420,379)	(134,675,473)
Payables	343,927,435	29,714,592	28,272,361
Cash generated by operations	(133,863,617)	(75,846,913)	16,866,717
Interest received	38,245,969	5,423,551	12,174,725
Interest paid	(101,837,769)	(18,469,157)	(74,560,044)
Taxation paid	(252,706)	-	(90,675)
Net cash provided/(used) by operating activities	(197,708,123)	(88,892,519)	(45,609,277)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of property, plant and equipment	-	2,392,906	6,762,907
Acquisition of subsidiary	(3,061,805,975)	(61,528,165)	(58,828,196)
Issue of Shares	-	-	7,612,500
Acquisition of intangible assets	(115,602,598)	-	-
Purchase of property, plant and equipment	(44,605,997)	(32,295,494)	(48,622,300)
Net cash used by investing activities	(3,222,014,570)	(91,430,753)	(93,075,089)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term loan	2,339,816,852	202,297,053	278,070,544
Repayment of Long-term loan	(21,354,784)	(20,715,243)	(45,549,584)
Repayment of short-term loan	1,352,816,600	-	-
Payment of dividends	(10,700,000)	(50,402,373)	(52,000,000)
Payment of lease liabilities	(1,334,935)	(13,885,384)	(20,509,982)
Net cash provided/(used) by financing activities	3,659,243,733	117,294,053	160,010,978
Net decrease in cash and cash equivalents	239,521,040	(63,029,219)	21,326,612
Cash and cash equivalents at the beginning of the period/year	189,447,956	168,121,344	168,121,344
Cash and cash equivalents at the end of the period/year	428,968,996	105,092,125	189,447,956
Represented by:			
Cash and cash equivalents	\$ 428,968,996	105,092,127	189,447,956

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

## Tropical Battery Company Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2024

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B	\$488.5M	\$187.7M	\$103.8M	32.8%
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\* Adjusted for non-recurring acquisition related costs

**1 Corporate structure and principal activities**

The company is incorporated in Jamaica and its registered office is situated at 30 Automotive Parkway, Kingston 20, Jamaica.

Up to September 30, 2015, the company was a wholly owned subsidiary of Melville Enterprises Limited, a company incorporated in Jamaica, which in turn is a subsidiary of Archer Caribbean Inc., a company incorporated in the British Virgin Islands.

Pursuant to a deed of amalgamation between various companies in the group, effective September 30, 2015, the company became a wholly-owned subsidiary of Dai Diverze (Jamaica) Limited, (parent company), a company incorporated in Jamaica, which in turn is a wholly owned subsidiary of Diverze Assets Inc., (ultimate parent company) a company incorporated in St. Lucia.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on September 29, 2020.

The company's primary operations involve selling, distributing, designing and installing energy storage and generating solutions, automotive batteries, accessories, speciality application intelligent battery packs, and renewable energy systems, including solar panels, inverters, and lithium-ion phosphate batteries. Additionally, it maintains offices, warehouses, retail outlets, and distribution networks across Jamaica, the United States, and the Dominican Republic.

**2 Statement of compliance, basis of preparation and significant accounting policies**

- (a) Statement of compliance:  
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaica Companies Act.

- (b) Basis of preparation:  
These condensed interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended September 30, 2023, and have been consistently applied.

In the interim financial statements no provision is made for Employee Benefits and Deferred Tax.

The unaudited interim financial statements are prepared in accordance with IAS 34 "Interim Financial Statements"

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The financial statements are presented in Jamaica dollars (\$), which is the currency in which the company conducts the majority of its operations.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended September 30, 2022.

**3 CASH and CASH EQUIVALENTS**

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
Cash and bank balances	398,319,221	138,048,204
Short term investments	30,649,775	51,399,752
	<u>\$ 428,968,996</u>	<u>189,447,956</u>

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B	\$488.5M	\$187.7M	\$103.8M	32.8%
↑ YOY Increase 121.3%	↑ YOY Increase 119.1%	↑ YOY Increase 162.7%	↑ YOY Increase 108.6%	

\* Adjusted for non-recurring acquisition related costs

## Tropical Battery Company Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2024 (CONTINUED)

## 4 RECEIVABLES &amp; PREPAYMENTS

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
Trade Receivables	735,164,061	291,990,394
Other Receivables	338,050,691	205,243,916
	<u>1,073,214,752</u>	<u>497,234,310</u>
Less: Provision for bad debts	(23,945,610)	(22,873,719)
	<u>\$ 1,049,269,142</u>	<u>474,360,591</u>

## 5 RELATED PARTY BALANCES

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
a) Due from related companies		
Chukka Caribbean Adventure Limited	4,597,132	4,597,132
Diverze Properties Limited	774,873,132	302,887,218
Reside Realty Limited	28,676	6,656,397
Enrvate Limited	11,972,917	5,672,916
	<u>\$ 791,471,857</u>	<u>319,813,663</u>
b) Due from parent company		
Dai Diverze (Jamaica) Limited	\$ 44,188,184	44,158,531

## 6 INVENTORIES

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
Inventories		
Raw Material	463,599,332	741,424,830
WIP	16,176,521	-
Finished Goods	722,266,789	-
Inventory - Spent Battery	1,839,050	-
Inventories-in-transit	280,114,344	219,405,113
	<u>1,483,996,036</u>	<u>960,829,943</u>
Provision for obsolescence	(6,262,891)	(2,519,082)
	<u>\$ 1,477,733,145</u>	<u>958,310,861</u>

Inventories comprising merchandise for resale have been valued by management at the lower of cost and net realizable value, using the first-in, first-out method.

## 7 PAYABLES &amp; ACCRUED CHARGES

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
Trade payables	784,626,023	306,114,200
Other payables	295,614,404	137,084,842
	<u>\$ 1,080,240,427</u>	<u>443,199,042</u>

## 8 EMPLOYEE BENEFITS

Present value of funded obligations  
Fair value of plan assets  
Recognized pension asset

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
	(231,249,000)	(231,249,000)
	245,115,000	245,115,000
	<u>\$ 13,866,000</u>	<u>13,866,000</u>

## 9 SHARE CAPITAL

Authorized:

Unlimited ordinary shares of no par value

Shares issued during the year

Stated, issued and fully paid:

1,303,750,000 ordinary shares of no par value

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
	164,287,800	156,675,300
	-	7,612,500
	<u>\$ 164,287,800</u>	<u>164,287,800</u>

## 10 GROSS OPERATING REVENUE

Gross operating revenue represents the invoiced value of sales after deduction of returns and is measured net of consumption taxes.

Net Battery Sales  
Net Tyre Sales  
Renewable Energy  
Total Accessories  
Net Sales before discounts  
Discounts on All Products  
**Net Sales**

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
	1,683,433,398	2,196,482,748
	1,772,147	24,736,990
	458,876,317	142,413,960
	228,459,000	459,150,353
	2,372,540,862	2,822,784,051
	(13,722,721)	(21,243,128)
	<u>\$ 2,358,818,141</u>	<u>2,801,540,923</u>

## 11 LONG-TERM LOANS

- a) Related party loan  
b) Bond - April 2024  
c) Bank loan  
d) Stewart Finance Ja. Ltd  
e) Bond - April 2026  
f) Convertible Cumulative Redeemable Preferred Equity  
g) Senior Secured Bridge Notes  
h) CIBC Loan  
i) Other long term long

Less: Current portion - (a,c,d & f)  
Non-current

	Q2(6 Mths.) 31-Mar-24	Audited 30-Sep-23
	8,065,337	8,472,489
	300,000,000	300,000,000
	120,000,000	140,000,000
	20,695,311	21,849,465
	248,000,000	248,000,000
	1,920,747,746	-
	1,352,816,600	-
	376,071,429	-
	33,244,499	27,660,271
	4,379,640,922	745,982,225
	1,717,526,800	342,355,190
	<u>\$ 2,662,114,122</u>	<u>403,627,035</u>

- a) The company has an unsecured loan from the ultimate parent company. This loan is interest-free and has no specified repayment date.
- b) In April 2019, the company authorized the private placement of secured J\$ notes for an aggregate principal amount of \$300 million. These notes attract interest at the rate of 7.5% per annum and they mature in April 2024.
- c) This represents a loan facility obtained in June 2022 from FirstCaribbean International Bank Limited in the amount of \$200 million. The loan is secured by a promissory note, attracts interest of 6.75% per annum and matures in October 2027.
- d) This represents a motor vehicle loan facility from Stewart Finance Jamaica Ltd. in the amount of \$23.7 million. The loan is secured and attracts interest of 7.99% per annum and matures in November 2030.
- e) In February 2023, the company authorized the private placement of secured J\$ notes for an aggregate principal amount of \$250 million. These notes attract interest at the rate of 11% per annum and they mature in April 2026.



Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B YOY Increase 121.3%	\$488.5M YOY Increase 119.1%	\$187.7M YOY Increase 162.7%	\$103.8M YOY Increase 108.6%	32.8%
<small>* Adjusted for non-recurring acquisition related costs</small>				

## Tropical Battery Company Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2024 (CONTINUED)

- f) This represents a facility a three - year term preferred equity facility with Sygnus Credit Investments Limited to partially fund the acquisition of a subsidiary, Rose Electronics Distributing Company LLC. The facility commenced January 2024 with dividends payable quarterly, at a rate of 10% per annum.
- g) This represents bridge notes which were arranged with Sygnus Credit Investments Limited to partially fund the acquisition of a subsidiary, Rose Electronics Distributing Company LLC. The facility, which commenced January 2024 is for a tenure of 12 months. Interest is payable quarterly a rate of 13% per annum with a bullet payment at maturity.
- h) The CIBC loan facility commenced in October 2023 for a tenure of 7 years. The loan was granted to facilitate off-lending to a related party. Interest is payable quarterly at a fixed rate of 8.5% per annum for 2 years. Thereafter, interest is charged at 3 month Weighted Average Treasury Bill Yield (WATBY) plus 2% with the interest rate reset based on the most recent 3 month Treasury Bill rate immediately prior to the date of reset. The facility will have a WATBY floor of 3% which itself is subject to review

#### 12 CONTINGENT LIABILITY

The company has undertaken a guarantee for a loan of \$125 million made to its joint venture entity Enrvate Limited, The amount drawn down on the loan at March 31, 2023 was \$25 million and mature in March 2028.

#### 13 NON-CONTROLLING INTEREST

The acquisition of Kaya Energy Group, SRL by Tropical Battery Company was finalized on April 1, 2023, for a 51% stake at a total purchase price of US\$449,304.01. This investment was structured with US\$399,304.01 paid in cash and US\$50,000 allocated through shares to the sellers, Karina Chez and Andrew Cramer.

#### 14 ACQUISITION OF SUBSIDIARY

Effective December 22, 2023, Tropical Battery (USA) LLC ("TBC USA"), a subsidiary of Tropical Battery Company Limited, entered into a member interest agreement to purchase the shares in Rose Electronics Distributing Company LLC, for a consideration of US\$19.7 million. The closing date of the acquisition was January 30, 2024.



Top 10 shareholdings for TROPICAL BATTERY COMPANY LIMITED  
 as at March 31, 2024

Primary Account Holder	Joint Holder(s):	Volume	Percentage
1 DAI DIVERZE (JAMAICA) LIMITED		975,000,000	74.7843%
	<b>Client total ownership</b>	<b>975,000,000</b>	<b>74.7843%</b>
2 CONSCIOUS CAPITAL INC		41,250,000	3.1640%
	<b>Client total ownership</b>	<b>41,250,000</b>	<b>3.1640%</b>
3 TROPICAL BATTERY COMPANY LIMITED CONTRIBUTORY PENSION SCHEME		23,035,000	1.7668%
	<b>Client total ownership</b>	<b>23,035,000</b>	<b>1.7668%</b>
4 DANIEL MELVILLE	ANNA MELVILLE	5,016,130	0.3847%
		7,692,307	0.5900%
	<b>Client total ownership</b>	<b>12,708,437</b>	<b>0.9748%</b>
5 NCB CAPITAL MARKETS LTD. A/C 2231		11,296,943	0.8665%
	<b>Client total ownership</b>	<b>11,296,943</b>	<b>0.8665%</b>
6 PAM - POOLED EQUITY FUND		8,491,860	0.6513%
		2,434,161	0.1867%
	<b>Client total ownership</b>	<b>10,926,021</b>	<b>0.8380%</b>
7 PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND		9,187,924	0.7047%
	<b>Client total ownership</b>	<b>9,187,924</b>	<b>0.7047%</b>
8 VMPPM- POOLED PRIVATE EQUITY		7,320,796	0.5615%
	<b>Client total ownership</b>	<b>7,320,796</b>	<b>0.5615%</b>
9 SAGICOR SELECT FUND LIMITED - ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION		4,222,222	0.3239%
	<b>Client total ownership</b>	<b>4,222,222</b>	<b>0.3239%</b>
10 HERBERT L. HALL		4,000,000	0.3068%
	<b>Client total ownership</b>	<b>4,000,000</b>	<b>0.3068%</b>

NOTE: Information reflected above reports on the top 'x' shareholdings where 'x' identifies the shareholder count. In cases where more than one shareholder has equal number of units as at report date; the holdings will be 'grouped' for counting purposes and counted as one.

Total Issued Capital: **1,303,750,000**

Total Units Owned by Top 10 Shareholders: **1,098,947,343**

Total Percentage Owned by Top 10 Shareholders: **84.2913%**

Tropical Battery Company Limited  
**DIRECTORS & CONNECTED PARTIES  
 SHAREHOLDINGS REPORT AS AT  
 AS AT MARCH 31, 2024**



Jamaica Central Securities Depository Limited Registrar Services Unit  
 P.O. Box 1084, 40 Harbour Street, Kingston, Jamaica Tel: (876) 967-3271-4 Fax: (876) 948-6653

**TROPICAL BATTERY COMPANY LIMITED - JME202000092**  
 Directors and Connected Parties Shareholdings Report as at March 31, 2024

Board Member Account ID	*Primary Holder Joint Holder	Position on Board	Relationship	Volume	%
Marc Melville	Marc Melville Dai Diverze (Jamaica) Limited	Director	Self	-	<b>0.00000</b>
			Connected	975,000,000	<b>74.78428</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	<b>975,000,000</b>	<b>74.78428</b>
			<b>Combined Holdings</b>	<b>975,000,000</b>	<b>74.78428</b>
Alexander Melville	Alexander Melville Dai Diverze (Jamaica) Limited Conscious Capital Inc.	Director	Self	-	<b>0.00000</b>
			Connected	975,000,000	<b>74.78428</b>
			Connected	41,250,000	<b>3.16395</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	<b>1,016,250,000</b>	<b>77.94823</b>
			<b>Combined Holdings</b>	<b>1,016,250,000</b>	<b>77.94823</b>
Daniel Melville	*Daniel Melville Anna Melville *Daniel Melville Dai Diverze (Jamaica) Limited	Director	Self	5,016,130	<b>0.38475</b>
			Self	7,692,307	<b>0.59001</b>
			Connected	975,000,000	<b>74.78428</b>
			<b>Director's Holdings</b>	<b>12,708,437</b>	<b>0.97476</b>
			<b>Connected Party Holdings</b>	<b>975,000,000</b>	<b>74.78428</b>
			<b>Combined Holdings</b>	<b>987,708,437</b>	<b>75.75904</b>
Ricardo Hutchinson	Ricardo Hutchinson Dai Diverze (Jamaica) Limited	Director	Self	-	<b>0.00000</b>
			Connected	975,000,000	<b>74.78428</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	<b>975,000,000</b>	<b>74.78428</b>
			<b>Combined Holdings</b>	<b>975,000,000</b>	<b>74.78428</b>
Marc Ramsay	Marc Ramsay Operor Auctus Limited	Director	Self	-	<b>0.00000</b>
			Connected	1,500,000	<b>0.11505</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	<b>1,500,000</b>	<b>0.11505</b>
			<b>Combined Holdings</b>	<b>1,500,000</b>	<b>0.11505</b>
Caryl Fenton	Caryl Fenton	Director	Self	-	<b>0.00000</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	-	<b>0.00000</b>
			<b>Combined Holdings</b>	-	<b>0.00000</b>
Andrew Cramer	Andrew Cramer	Director	Self	-	<b>0.00000</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	-	<b>0.00000</b>
			<b>Combined Holdings</b>	-	<b>0.00000</b>
Itamar Frankenthal	Itamar Frankenthal	Director	Self	-	<b>0.00000</b>
			<b>Director's Holdings</b>	-	<b>0.00000</b>
			<b>Connected Party Holdings</b>	-	<b>0.00000</b>
			<b>Combined Holdings</b>	-	<b>0.00000</b>
Issued Shares		<b>1,303,750,000</b>			
Combined Director's Holdings		<b>12,708,437</b>	<b>0.97476</b>		
Combined Connected Party Holdings		<b>1,017,750,000</b>	<b>78.06328</b>		
Comined Holdings		<b>1,030,458,437</b>	<b>79.03804</b>		

Tropical Battery Company Limited  
**SENIOR MANAGERS & CONNECTED  
PARTIES SHAREHOLDINGS REPORT  
AS AT MARCH 31, 2024**



Jamaica Central Securities Depository Limited Registrar Services Unit  
P.O. Box 1084, 40 Harbour Street, Kingston, Jamaica Tel: (876) 967-3271-4 Fax: (876) 948-6653

TROPICAL BATTERY COMPANY LIMITED - JME202000092  
Senior Managers and Connected Parties Shareholdings Report as at March 31, 2024

Board Member Account ID	*Primary Holder Joint Holder	Position on Board	Relationship	Volume	%
<b>Reshando Mais</b>	Reshando Mais	Manager	Self	300,000	0.02301
			<b>Senior Managers Holdings</b>	<b>300,000</b>	0.02301
			<b>Connected Party Holdings</b>	-	0.00000
			<b>Combined Holdings</b>	<b>300,000</b>	0.02301
<b>Stacy-Ann Spence</b>	*Stacy-Ann Spence Leah-Stacia McLean	Manager	Self Connected	50,000	0.00384
			<b>Senior Managers Holdings</b>	<b>50,000</b>	0.00384
			<b>Connected Party Holdings</b>	-	0.00000
			<b>Combined Holdings</b>	<b>50,000</b>	0.00384
<b>Kamesha Robinson</b>	Kamesha Robinson *Kamesha Robinson Taron Robinson	Manager	Self	1,157,924	0.08881
			Self	196,000	0.01503
			<b>Senior Managers Holdings</b>	<b>1,353,924</b>	0.10385
			<b>Connected Party Holdings</b>	-	0.00000
<b>Combined Holdings</b>	<b>1,353,924</b>	0.10385			
<b>Karina Chez</b>	Karina Chez	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	0.00000
			<b>Combined Holdings</b>	-	0.00000
<b>Andrew Cramer</b>	Andrew Cramer	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>O'rane Gray</b>	O'rane Gray *Tawana Gray	Manager	Self Connected	- <b>150,000</b>	0.00000 0.01151
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	<b>150,000</b>	-
			<b>Combined Holdings</b>	<b>150,000</b>	0.01151
<b>Sandra Russell</b>	*Sandra Russell Patrick Russell	Manager	Self	360,000	0.02761
			<b>Senior Managers Holdings</b>	<b>360,000</b>	0.02761
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	<b>360,000</b>	0.02761
<b>Alexander Melville</b>	Alexander Melville	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Daniel Melville</b>	*Daniel Melville Anna Melville Daniel Melville	Manager	Self	<b>5,016,130</b>	0.38475
			Manager	Self	<b>7,692,307</b>
		<b>Senior Managers Holdings</b>	<b>12,708,437</b>	0.97476	
		<b>Connected Party Holdings</b>	-	-	
<b>Combined Holdings</b>	<b>12,708,437</b>	0.97476			
<b>David Walton</b>	David Walton	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Jeffrey Brown</b>	Jeffrey Brown	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Oliver Hill</b>	Oliver Hill	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Chris Wunderlich</b>	Chris Wunderlich	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Tim Gray</b>	Tim Gray	Manager	Self	-	0.00000
			<b>Senior Managers Holdings</b>	-	0.00000
			<b>Connected Party Holdings</b>	-	-
			<b>Combined Holdings</b>	-	0.00000
<b>Issued Shares</b>				<b>1,303,750,000</b>	
<b>Combined Senior Managers Holdings</b>			<b>14,772,361</b>		<b>1.13307</b>
<b>Combined Connected Party Holdings</b>			<b>150,000</b>		<b>0.01151</b>
<b>Combined Holdings</b>			<b>14,922,361</b>		<b>1.14457</b>

Revenue	GROSS PROFIT	*EBITDA	*NET INCOME	*RETURN ON EQUITY (ROE)
\$1.5B ↑ YOY Increase 121.3%	\$488.5M ↑ YOY Increase 119.1%	\$187.7M ↑ YOY Increase 162.7%	\$103.8M ↑ YOY Increase 108.6%	32.8%
<small>* Adjusted for non-recurring acquisition related costs</small>				



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