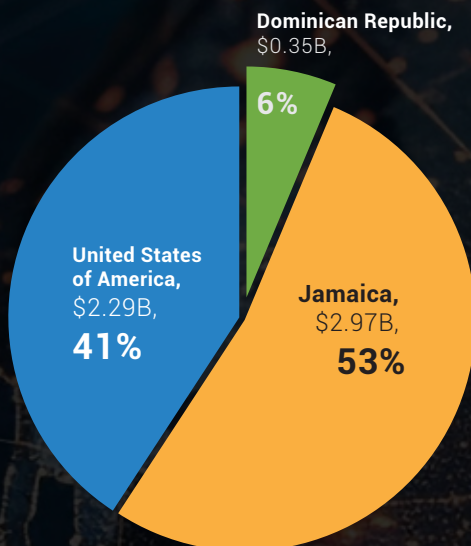




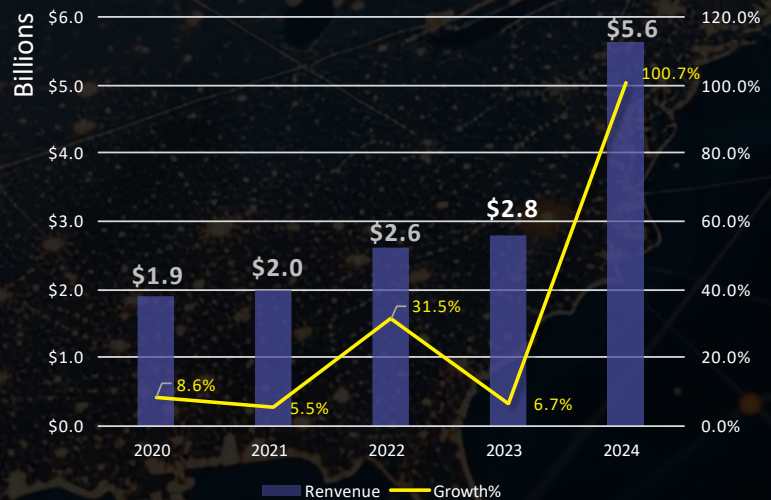
2024

ANNUAL REPORT

SALES% (JMD) BY COUNTRY -FY2024



Revenue (JMD) vs. Growth Rate %



REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B	\$1.86B	\$519.37M	\$596.37M	\$200.35M
↑	↑	↑	↑	↑
YOY Increase 100.7%	YOY Increase 112.7%	YOY Increase 100.9%	YOY Increase 130.7%	YOY Increase 38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

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REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
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01 Vision and Core Values

Vision
Core Values

OUR VISION

To be a global leader in safe, high-quality, sustainable, and mission-critical energy storage solutions, powering the transition to renewable energy and electric mobility. We achieve this by empowering our team through continuous education and fostering environmental stewardship among our stakeholders.

CORE VALUES

Passion.

Service.

Integrity.

Innovation.

Gratitude.

REVENUE
\$5.62B
YOY Increase
100.7%



GROSS PROFIT
\$1.86B
YOY Increase
112.7%



EBITDA
\$519.37M
YOY Increase
100.9%



* ADJUSTED EBITDA
\$596.37M
YOY Increase
130.7%



* ADJUSTED PROFIT
BEFORE TAX
\$200.35M
YOY Increase
38.4%

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02 Notice of Annual Meeting

Annual General Meeting

NOTICE OF THE ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Tropical Battery Company Limited (hereinafter referred to as the Company) will be held on March 20, 2025, at 10 am online to consider and (if thought fit) pass the following resolutions:

1. To receive the report of the Board of Directors and the Audited Financial Statements for the Year ended 30 September 2024 circulated herewith

RESOLUTION NO 1

"THAT the Audited Financial Statements for the year ended 30 September 2024 and the reports of the Directors and Auditors circulated with the Notice convening the meeting be and are hereby adopted."

2. To elect Directors

RESOLUTION NO 2

"THAT the following Directors who retire in accordance with Section 108 of the Articles of Incorporation and who being eligible, offer themselves for re-appointment, be hereby reappointed en bloc:-

..... Ricardo Hutchinson

..... Caryl Fenton

..... Marc Ramsay

3. Additional Public Offering

RESOLUTION NO. 3

"THAT the Company, be and is hereby authorised to issue new ordinary shares by way of an offer for subscription to the public pursuant to a prospectus (herein the "Additional Public Offering") in lieu of a rights issue to existing stockholders.

"THAT the Board of Directors of the Company and/or any duly appointed Committee of the Board of Directors be and is hereby authorised to determine in their discretion any terms and conditions relating to the Additional Public Offering."

"THAT any pre-emption rights to which the existing stockholders may be entitled, howsoever arising, be and are hereby dis-applied for the purposes of the Additional Public Offering."

"THAT all ordinary shares issued in the Additional Public Offering once issued and allotted be and are hereby converted into stock units."

REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

4. To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.

RESOLUTION NO 4

"THAT KPMG, Chartered Accountants, having signified their willingness to serve, continue in the office as Auditors of the Company pursuant to Section 154 of the Companies Act to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

5. To fix the fees of the Directors

RESOLUTION NO 5

"THAT the amount shown in the Financial Statements of the Company for the year ended 30 September 2024 for fees of the Directors be and is hereby approved."

By Order of the Board

For AspireSec Limited
Company Secretary
Tropical Battery Company Limited

REVENUE
\$5.62B
YOY Increase
100.7%

GROSS PROFIT
\$1.86B
YOY Increase
112.7%

EBITDA
\$519.37M
YOY Increase
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* ADJUSTED EBITDA
\$596.37M
YOY Increase
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BEFORE TAX
\$200.35M
YOY Increase
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03 Chairman and CEO Statement

MESSAGE FROM OUR CHAIRMAN & CEO

Tropical Battery Company Limited's ("Tropical Battery") financial performance for FY 2024 reflects exceptional growth, demonstrating strong operational execution, strategic expansion, and increased market penetration. With a 100.7% year-over-year revenue increase, the company has successfully leveraged organic growth, acquisitions, and market expansion to solidify its position as a leader in the energy storage and renewable energy sectors.

Tropical Battery provides energy storage solutions. The company is headquartered in Kingston, Jamaica with a growing presence in the US and the Dominican Republic. This geographic expansion positions Tropical Battery to tap into substantial growth opportunities, particularly in the renewable energy and energy storage sectors, where demand for sustainable solutions is rising rapidly.

In Jamaica, Tropical Battery operates two distribution centres in Kingston and Montego Bay and six retail stores in Ocho Rios, Mandeville, Montego Bay, and Kingston. It also services a network of approximately 1,000 resellers, including gas stations, auto parts stores, and other retail outlets.

Founded in 1950 by Tex Williams, Tropical Battery was acquired by John Melville in 1967 and remains under the control of the Melville family today. The company began as a manufacturer of lead-acid storage batteries before transitioning in the 1990s to focus on distribution. Over the past three decades, Tropical Battery has emerged as a player in mission-critical energy storage solutions' design, manufacture, distribution, and retail.

Today, Tropical Battery is not only a player in Jamaica but is leveraging its strong subsidiary brands and respective leadership teams to scale operations internationally. Its recent entry into the U.S. and Dominican Republic markets demonstrates the company's capacity for growth and innovation, expanding its influence in markets poised for rapid adoption of sustainable energy solutions.

STRATEGIC FOCUS

With its focus on sustainability and cutting-edge technology, Tropical Battery is at the forefront of energy storage and renewable energy, offering solutions for automotive, industrial, and renewable applications. Whether for vehicles, smart meters, medical devices, marine equipment, forklifts, or industrial uses, the company provides reliable energy storage products that meet the evolving needs of its diverse customer base.

Tropical Battery's mission is to provide the highest quality energy storage solutions at competitive prices, cultivate a highly competent and motivated workforce, and operate with the utmost integrity. Through innovation and strategic expansion, Tropical Battery aims to lead the energy sector in Jamaica, the Caribbean, and beyond, delivering sustainable energy solutions that meet the demands of a rapidly changing world.

CONCLUSION

Tropical Battery's FY 2024 performance highlights substantial revenue expansion, strategic acquisitions, and operational enhancements. The Group is well-positioned for continued double-digit growth, focusing on maximising shareholder value, leveraging subsidiaries, and accelerating global expansion. With a clear vision, disciplined execution, and market-driven innovation, Tropical Battery remains poised for sustained success in the energy storage and renewable energy sectors.



Marc Melville, Chairman



Alexander Melville, CEO

REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
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04 Our Business

Subsidiaries & Expansion
Financial Highlights
Operating KPI's
5-Year Statistical Review

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

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SUBSIDIARIES & EXPANSION

Tropical Battery's growth strategy is driven by its subsidiaries, each addressing key opportunities in the energy and mobility sectors:

TROPICAL Renewable Energy

Tropical Renewable Energy:

This subsidiary was established in 2022 to cater to the growing demand for clean energy in the Caribbean. It focuses on developing, procuring, and managing renewable energy solutions, working with consumers, installers, and EPC (engineering, procurement, and construction) firms to support the region's transition to energy independence.

TROPICAL Mobility

Tropical Mobility Limited (herein "Tropical Mobility"):

Tropical Mobility is an importer/dealer of new and lightly used electric vehicles, offering sales, after-sales parts and service, and warranty support on vehicles sold by the company. The company has built a portfolio of fully electric vehicles for several market segments, including

- • • • • electric motorbikes for consumers and last-mile delivery fleets,
- • • • • electric ATVs for the tourism market,
- • • • • electric passenger vehicles for personal transportation and corporate fleets, and
- • • • • electric coach and coaster buses for tourism operators, institutional transportation, and inter-city transport.
- • • • • Tropical Mobility was awarded a grant by the Development Bank of Jamaica to build the Tropical

Delivery mobile app and commercialise a last-mile delivery service, enabling the digitalisation of Tropical Battery's logistics and mobile response teams and driving the demand for and utilisation of battery electric vehicles in the last mile delivery segment for group companies and third-party business partners. This pioneering initiative seeks to decarbonise last-mile delivery, reduce tailpipe emissions and eliminate noise pollution associated with the explosive growth of e-commerce and related delivery services while making transactions and everyday purchases more convenient.

TROPICAL Finance

Tropical Finance (herein "Tropical Finance Limited"):

Aimed at expanding access to renewable energy and electric mobility solutions, Tropical Finance is working with local and regional commercial banks, insurance companies and multilateral financial institutions to develop and broker loan and insurance products for the renewable energy and EV markets and will function as a broker/reseller of these products to customers of sister companies Tropical Renewable Energy and Tropical Mobility. Tropical Finance is working with fund managers to deploy capital into leasing structures to build a portfolio of renewable energy assets in partnership with large commercial and industrial customers who want to lock in long-term energy savings. Tropical Finance was registered with the Companies Office of Jamaica in 2022 and established a special purpose vehicle to facilitate leasing structures in 2024 but has yet to launch operations, pending the signing of letters of intent with renewable energy and electric mobility customers and financial partners.

These subsidiaries are in early-stage development, and their financial results are currently consolidated within the parent company, Tropical Battery.

STRATEGIC INVESTMENTS & GLOBAL EXPANSION

Strategic acquisitions have accelerated Tropical Battery's entry into large, fast-growing markets:

Kaya Energy Group, SRL:

Based in the Dominican Republic, Kaya Energy is a leader in renewable energy solutions, specialising in solar power installations, energy management systems, and project financing. In 2023, with the 51% investment in Kaya Energy, Tropical Battery has significantly expanded its footprint into a market five times larger than Jamaica's, underscoring its commitment to driving clean energy adoption across the Caribbean.

Rose Batteries Distributing Company (Rose Batteries):

Acquired in 2024, Rose Batteries is a mission-critical energy storage solutions provider in Silicon Valley. The acquisition has strengthened Tropical Battery's foothold in the U.S. market, aligning the company with Silicon Valley's innovative, high-tech culture. Rose Electronics specialises in custom battery packs for critical sectors such as aerospace, defence, medical devices, and industrial automation, positioning Tropical Battery as a global leader in advanced energy storage solutions. Rose ships their products to an extensive list of countries, including the following:

AUSTRALIA	BANGLADESH	BRAZIL	CANADA
CHINA	ESTONIA	FINLAND	FRANCE
GERMANY	GUATEMALA	HONG KONG	INDIA
INDONESIA	ISRAEL	ITALY	REPUBLIC OF KOREA
KUWAIT	MEXICO	NETHERLANDS	NEW ZEALAND
PHILIPPINES	POLAND	PUERTO RICO	SAINT KITTS & NEVIS
SAMOA	SAUDI ARABIA	SINGAPORE	SOUTH AFRICA
SPAIN	SWEDEN	TAIWAN	THAILAND
UAE	UNITED KINGDOM	USA	VIETNAM

With operations now spanning three countries - Jamaica, the United States, and the Dominican Republic - Tropical Battery is well-positioned to leverage these large markets to accelerate growth, expand its product offerings, and meet the increasing global demand for renewable energy and energy storage solutions.

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

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CUSTOMER SUPPORT AND DISTRIBUTION

Tropical Battery serves many customers, including gas stations, auto parts dealers, garages, fleets, and mega-stores. To meet demand efficiently, the company typically maintains an inventory representing three months of sales. In addition to product distribution, Tropical Battery provides technical support for its customers, including handling warranty claims, training dealers, and offering free battery replacement services.

Tropical Battery's retail operations contribute significantly to sales and gross profit while supporting its dealer network with pricing, warranty activation, and technical assistance. Battery warranties range from 6 to 30 months, depending on the product and application.

The company's distribution capabilities are further strengthened by its fleet of delivery trucks, an island-wide sales team, and mobile response units, which ensure prompt and reliable service.

ENVIRONMENTAL COMMITMENT

Tropical Battery is dedicated to environmental sustainability. Tropical Battery is licensed by the National Environment and Planning Agency (NEPA) as a collection centre for used batteries. The company ensures the environmentally responsible disposal of batteries by exporting them to licensed recycling plants, with over 90% of the materials used in battery manufacturing being recyclable. Tropical Battery provides customers with detailed records of all collections and exports, reflecting its commitment to eco-friendly practices.

COMPETITIVE LANDSCAPE

Tropical Battery maintains a strong market position in Jamaica, with an estimated 65% share of the local battery sales market. The company's long-standing reputation, supported by quality products, comprehensive warranty offerings, and a reliable distribution network, continues to distinguish it from competitors such as AC Delco, Daewoo, Rocket, Miatsu, and Track.

USA BUSINESS

Now over 40% of Tropical Battery's sales, Rose Electronics Distributing Co., LLC ("Rose" or "Rose Batteries"), located in San Jose, CA, is a leading full-suite provider of customised batteries and charger power solutions to a diverse array of original equipment manufacturers ("OEMs").

Rose's scope of services starts with a needs assessment, moves to engineering design, and then to assembly and supply. Customised battery assemblies are used for technologies that require unique power needs due to extreme temperature environments, difficult-to-service locations, and high-reliability requirements. Industries serviced include medical, robotics, telecom, enterprise storage, backup power, smart grid, test and measurement, and global positioning industries.

Rose's strategy is to service OEMs that manufacture products that require customisation and midsize production runs. The high degree of customisation increases customer loyalty once they have begun to work with Rose, resulting in a frequently recurring customer. The OEMs' mid-volume production makes them unqualified for larger/offshore battery pack assemblers, resulting in a high-margin customer.

ROSE

The Battery Experts.

REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M
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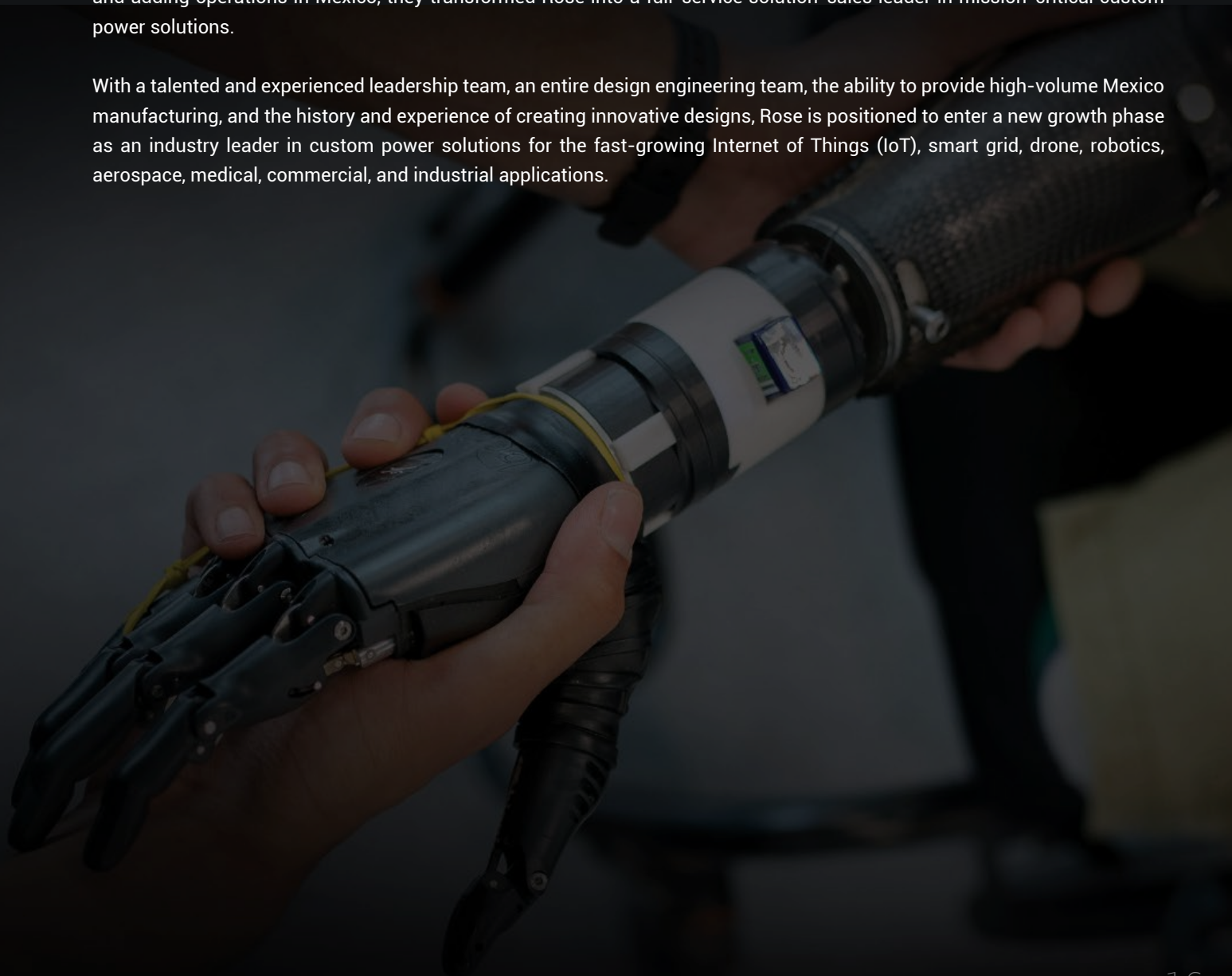
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Background on Rose

Founded in 1963, Rose Electronics Distributing Co, LLC ("Rose") is an engineering design and assembler of high-reliability battery and charger power solutions. Rose built its reputation as an expert in custom power solutions by developing deep expertise in mission-critical applications for medical and industrial customers. The Company's "turnkey" solution for design, launch, and high-volume manufacturing helps customers launch and scale. Rose specialises in batteries for extreme environments where most batteries fail—Rose's technical expertise and being single-sourced and specked in drives a 98%+ revenue recurrence.

In 2016, Itamar Frankenthal acquired Rose in partnership with Double R Partners, a private investment fund specialising in helping owner-operated businesses exit, professionalise, and scale. By building a management team and an engineering team and adding operations in Mexico, they transformed Rose into a full-service solution-sales leader in mission-critical custom power solutions.

With a talented and experienced leadership team, an entire design engineering team, the ability to provide high-volume Mexico manufacturing, and the history and experience of creating innovative designs, Rose is positioned to enter a new growth phase as an industry leader in custom power solutions for the fast-growing Internet of Things (IoT), smart grid, drone, robotics, aerospace, medical, commercial, and industrial applications.



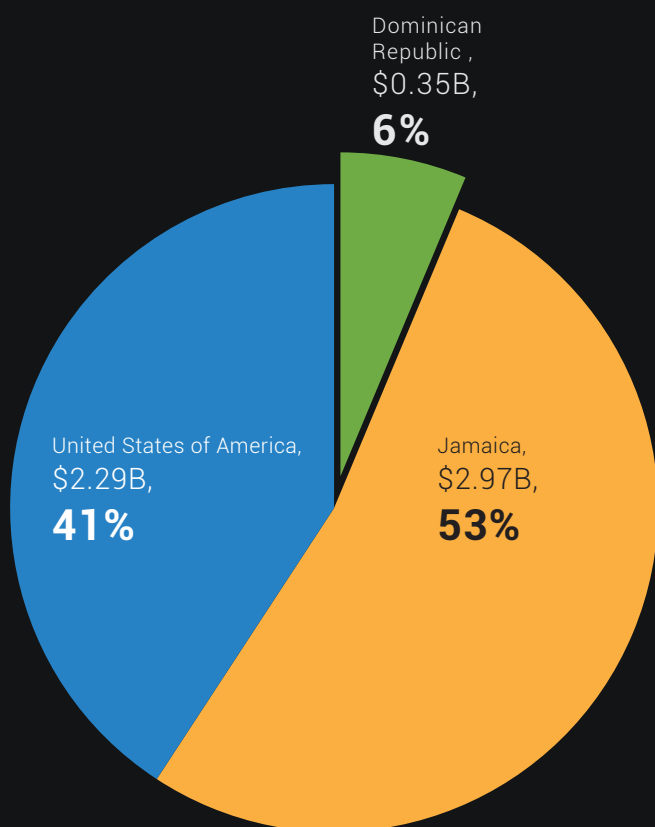
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REVENUE COMPOSITION

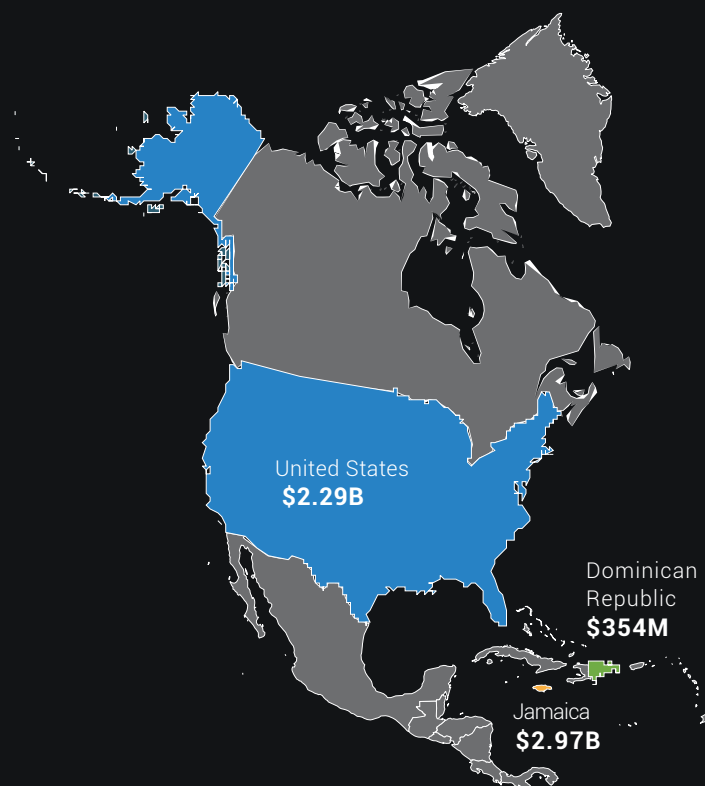
For the fiscal year ended September 30, 2024

SALES% (JMD) BY COUNTRY -FY2024



● Dominican Republic
 ● Jamaica
 ● United States of America

SALES (JMD) BY COUNTRY -FY2024



Sales by Country	FY 2024	FY 2023	Increase
Dominican Republic	\$0.35B	\$0.08B	338.0%
Jamaica	\$2.97B	\$2.72B	9.4%
United States of America	\$2.29B	\$0.00B	N/A
TOTAL SALES	\$5.62B	\$2.80B	100.7%

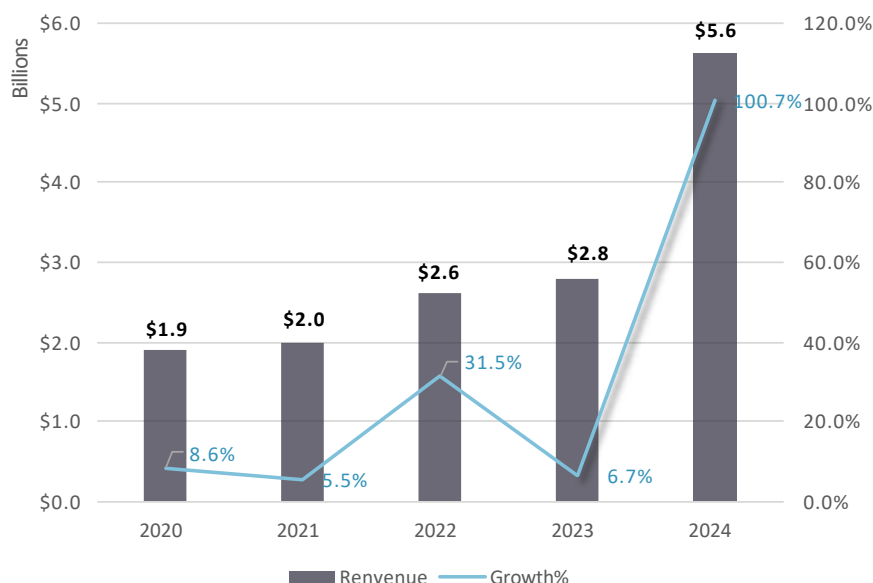
FINANCIAL HIGHLIGHTS

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
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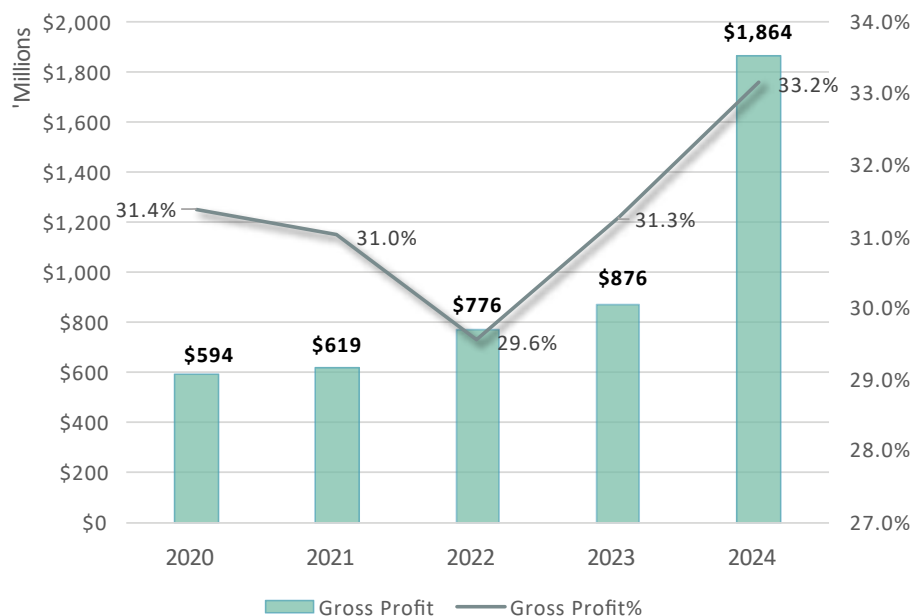
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For the fiscal year ended September 30, 2024

Revenue (JMD) vs. Growth Rate %



Gross Profit (JMD) vs GP %



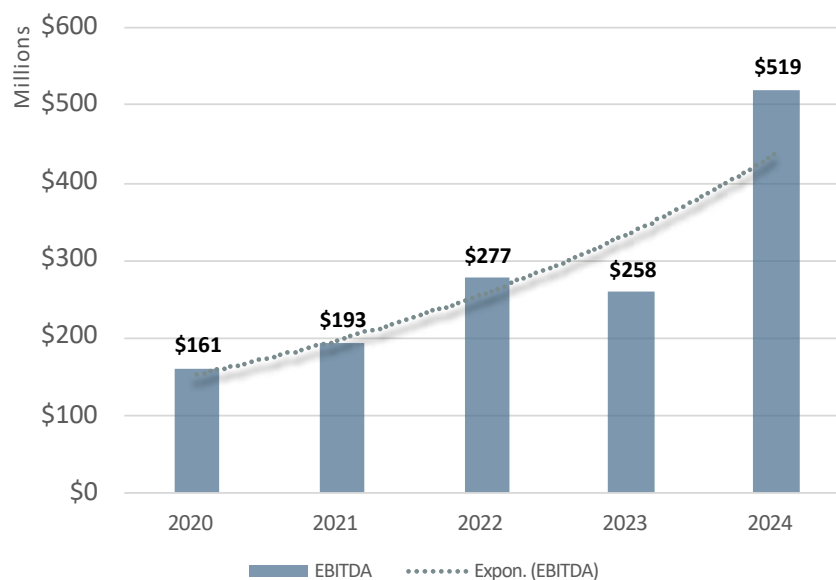
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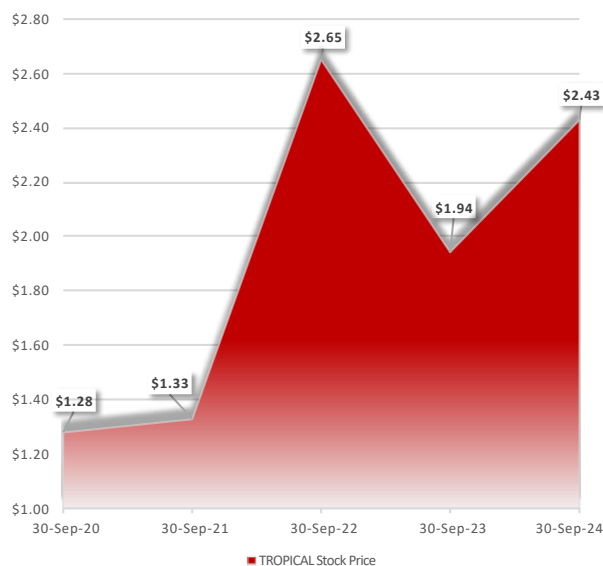
For the fiscal year ended September 30, 2024

EBITDA (JMD)

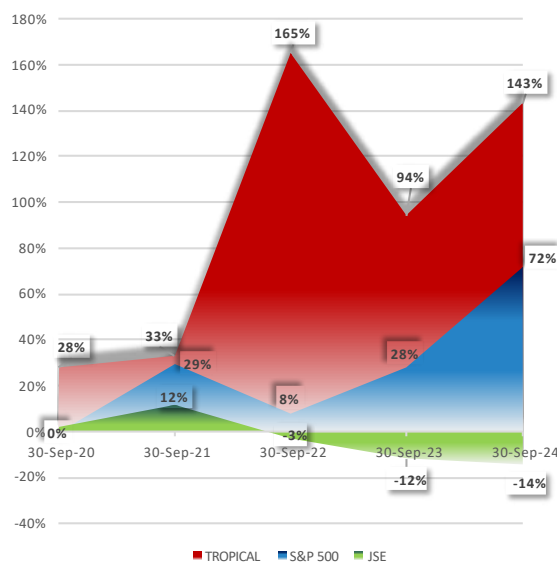


Stock Price Performance

TROPICAL Stock Price Performance from IPO to FYE 2024:
ROI = 143% & CAGR = 24.9%



TROPICAL Stock Price Performance Relative to S&P 500
& JSE for the same period (IPO to FYE 2024)



OPERATING KPI'S

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B YOY Increase 100.7%	\$1.86B YOY Increase 112.7%	\$519.37M YOY Increase 100.9%	\$596.37M YOY Increase 130.7%	\$200.35M YOY Increase 38.4%
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For the fiscal year ended September 30, 2024

Key Performance Indicators

		Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024
Financial KPIs						
Cash Conversion Cycle (CCC)	= DIO + DSO - DPO	172.9	143.2	156.4	185.9	96.3
Return on Capital Employed (30% or higher)	= $\frac{\text{Operating Profit/Revenue}}{\text{Revenue / Operating Assets}} \times$	12.3%	10.7%	13.7%	10.1%	11.6%
Current Ratio	= $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	4.4	2.9	3.7	2.3	1.0
Debt to Equity	= $\frac{\text{Total Debt}}{\text{Equity}}$	0.6	0.5	0.4	0.4	4.2
Debt to EBITDA	= $\frac{\text{Total Debt}}{12 \text{ mths. EBITDA}}$	3.1	2.4	2.4	2.3	6.4
Debt Service Coverage Ratio (DSCR)	= $\frac{\text{Net Operating Income / Debt Service [12 mths. Interest Payments + Principal Repayments]}}{}$	4.3	3.5	4.3	0.6	0.9
Operation KPIs						
Days Sales Outstanding (DSO)	= $\frac{\text{Average Accounts Receivable}}{\text{Total Credit Sales}} \times 365$	96.4	107.0	92.4	103.0	105.5
Days Payable Outstanding (DPO)	= $\frac{\text{Average Accounts Payable}}{\text{Cost of Goods Sold}} \times 365$	32.5	86.8	75.1	84.0	135.5
Days Inventory Outstanding (DIO)	= $\frac{\text{Average Inventory}}{\text{Cost of Goods Sold}} \times 365$	108.9	123.0	139.1	167.0	126.3
Inventory Turnover Ratio	= $\frac{\text{Cost of Goods Sold}}{\text{Avg Inventory}}$	4.3	2.3	2.3	2.0	2.3

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
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5-YEAR STATISTICAL REVIEW

INCOME STATEMENT

For the fiscal year ended September 30, 2024

	Audited	Audited	Audited	Audited	Audited
	2020	2021	2022	2023	2024
Total Revenue	1,892,094,312	1,997,076,917	2,625,322,327	2,801,540,923	5,622,301,471
	8.6%	5.5%	31.5%	6.7%	100.7%
Total Cost of Sales	(1,298,237,958)	(1,377,640,850)	(1,849,274,283)	(1,925,312,151)	(3,758,152,425)
Gross Profit	593,856,354	619,436,067	776,048,044	876,228,772	1,864,149,046
Total Operating Expenses	(446,501,079)	(450,275,765)	(511,900,970)	(630,395,427)	(1,355,609,352)
Operating Profit	147,355,275	169,160,302	264,147,074	245,833,345	508,539,694
Other operating income	13,715,756	23,578,641	12,832,950	12,640,814	10,833,435
Total EBITDA	161,071,031	192,738,943	276,980,024	258,474,159	519,373,129
Depreciation	(33,350,517)	(52,123,793)	(53,706,335)	(56,767,316)	(110,398,338)
EBIT (operating profit)	127,720,514	140,615,150	223,273,689	201,706,843	408,974,791
Finance Costs & Depreciation					
Loan interest	(34,771,281)	(35,158,227)	(42,395,533)	(62,161,882)	(432,925,658)
Lease interest	-	(12,701,106)	(11,547,593)	(12,398,162)	(13,396,665)
Bank Charges	(10,252,848)	(15,059,705)	(17,419,684)	(17,538,837)	(29,500,692)
Finance income	2,824,912	3,634,501	3,991,142	12,174,725	84,621,784
FX Realized gain / (loss)	-	6,194,293	41,573,656	22,991,968	16,575,099
Total Finance Costs	(42,199,217)	(53,090,244)	(25,798,012)	(56,932,188)	(374,626,132)
Profit before Tax	85,521,297	87,524,906	197,475,677	144,774,655	34,348,659
Taxation	(31,239,774)	808,044	(462,155)	(4,933,939)	(14,488,138)
Profit After Tax (PAT)	54,281,523	88,332,950	197,013,522	139,840,716	19,860,521
Owners of Tropical Battery Co. Ltd.	-	-	-	135,200,116	(13,179,236)
Non-controlling interest	-	-	-	4,640,600	33,039,757
Other comprehensive income	2,326,500	15,494,250	10,923,750	(44,476,358)	13,969,020
Total comprehensive income	56,608,023	103,827,200	207,937,272	95,364,358	33,829,541
EPS (Earning Per Share)	\$ 0.06	\$ 0.07	\$ 0.15	\$ 0.10	\$ (0.01)

5-YEAR STATISTICAL REVIEW

BALANCE SHEET

For the fiscal year ended September 30, 2024

	Audited	Audited	Audited	Audited	Audited
	2020	2021	2022	2023	2024
CURRENT ASSETS	\$142.63	\$152.41	\$153.93	\$157.01	\$157.80
Cash and cash equivalent	262,502,567	173,828,917	168,121,344	189,447,956	461,674,349
Accounts receivables	299,986,594	351,235,981	398,821,383	474,360,591	974,838,458
Taxation recoverable	-	525,060	727,809	818,484	974,962
Due from related companies	154,049,214	157,400,499	247,837,424	319,813,663	408,776,540
Other assets	-	-	-	1,526,256	-
Due from parent company	23,385,227	23,385,227	23,385,227	44,158,531	56,112,124
Inventories	299,609,370	608,593,378	795,126,010	958,310,861	1,629,966,712
Total Current Assets	1,039,532,972	1,314,969,062	1,634,019,197	1,988,436,342	3,532,343,145
CURRENT LIABILITIES					
Accounts payable	115,511,333	327,676,037	380,700,793	443,199,042	1,396,814,137
Due to related party	-	5,000,000	-	-	-
Short-term loan	100,000,000	100,000,000	-	10,700,000	1,986,216,962
Current portion of long-term loans	-	15,856,683	17,442,276	372,639,569	98,281,573
Current portion of lease liability	14,415,231	-	40,000,000	25,680,587	51,372,228
Taxation payable	5,931,345	-	-	-	-
Total Current Liabilities	235,857,909	448,532,720	438,143,069	852,219,198	3,532,684,900
NET CURRENT ASSETS	803,675,063	866,436,342	1,195,876,128	1,136,217,144	(341,755)
NON-CURRENT ASSETS					
Investment in joint venture	-	5,000,000	5,000,000	5,000,000	5,000,000
Goodwill	-	-	-	61,120,229	2,898,755,987
Intangible assets	38,133,005	38,133,005	38,133,005	38,133,005	93,831,768
Property, plant & equipment	161,908,088	176,695,423	161,038,380	180,244,560	1,214,278,082
Right of use assets	172,400,723	152,649,254	132,897,745	164,703,065	74,081,728
Deferred Taxation	-	-	-	-	-
Employee Benefits	35,517,000	54,407,000	68,619,000	13,866,000	33,211,000
Total Non-Current Assets	407,958,816	426,884,682	405,688,130	463,066,859	4,319,158,565
	1,211,633,879	1,293,321,024	1,601,564,258	1,599,284,003	4,318,816,810
Represented by:					
SHAREHOLDER'S EQUITY					
Share Capital	156,675,300	156,675,300	156,675,300	164,287,800	164,287,800
Foreign currency translation	-	-	-	(3,608)	5,270,382
Capital contribution	459,207,861	459,207,861	459,207,861	459,207,861	459,207,861
Accumulated retained earnings	33,641,444	122,465,035	194,451,536	290,813,863	430,754,843
Current earnings	85,521,297	87,524,906	197,475,677	139,840,716	-
	735,045,902	825,873,102	1,007,810,374	1,054,146,632	1,059,520,886
Minority interest	-	-	-	13,313,744	41,769,031
	735,045,902	825,873,102	1,007,810,374	1,067,460,376	1,101,289,917
NON-CURRENT LIABILITIES	34.4%	12.4%	22.0%	5.9%	3.2%
Related party loan	-	-	-	-	500,000,000
Lease liability	161,423,393	145,566,710	128,124,434	154,793,061	28,690,562
Long-term loans	307,668,546	310,028,468	452,051,258	373,342,685	2,671,781,372
Deferred tax liability	7,496,038	11,852,744	13,578,192	3,687,881	17,054,959
	476,587,977	467,447,922	593,753,884	531,823,627	3,217,526,893
	1,211,633,879	1,293,321,024	1,601,564,258	1,599,284,003	4,318,816,810

5-YEAR STATISTICAL REVIEW

CASH FLOW STATEMENT

For the fiscal year ended September 30, 2024

	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024
	US\$ to \$JM FX Rate:	142.63	152.41	153.93	157.01
Net profit after Tax	54,281,523	88,332,950	197,013,522	139,840,716	19,860,521
Adjustments to reconcile net profit/(loss)					
Employee Benefit	9,263,000	1,769,000	353,000	(4,544,000)	(1,639,000)
Depreciation	33,350,517	52,123,793	53,706,335	56,767,316	110,398,338
Taxation expense	31,239,774	(808,044)	462,155	4,933,939	14,488,138
Interest expense	26,111,669	35,158,227	42,395,533	62,161,882	432,925,658
Interest on lease liabilities	7,010,725	12,701,106	11,547,593	12,398,162	13,396,665
Amortisation of Debt issuance costs	2,022,790	2,022,790	2,022,790	-	-
Interest income	(2,374,833)	(3,634,501)	(3,991,142)	(12,174,725)	(84,621,784)
Unrealised foreign exchange gains	-	(6,943,306)	(11,525,177)	75,179	(1,617,977)
Gain/(Loss) on disposal of PPE	36,046	(1,519,087)	(4,500,000)	(4,371,233)	(2,360,575)
Gain on disposal of investments	-	(13,208,345)	-	(3,608)	(75,079,517)
	160,941,211	165,994,583	287,484,609	255,083,628	425,750,467
Changes in operating assets and liabilities					
Inventories	150,524,088	(308,983,997)	(188,312,967)	(134,675,473)	(171,810,891)
Receivables	(17,756,957)	(51,323,427)	(46,306,083)	(39,064,256)	(35,632,360)
Taxation	-	-	-	-	1,526,256
Related parties	118,983,218	(3,351,285)	(90,436,925)	(92,749,543)	(467,783,360)
Due from parent company	2,163,107	5,000,000	(5,000,000)	-	(11,953,594)
Short term loan	-	-	-	-	-
Payables	(77,008,078)	219,519,171	61,636,040	28,272,361	246,578,045
Cash (used)/provided by operating activities	337,846,589	26,855,045	19,064,674	16,866,717	(13,325,437)
Interest received	2,374,833	3,634,501	3,991,142	12,174,725	84,621,784
Interest paid	(26,111,669)	(35,158,227)	(51,239,965)	(74,560,044)	(443,497,513)
Taxation recovered / (paid)	(17,364,710)	(6,456,405)	(2,580,706)	(90,675)	(5,704,037)
Net cash (used)/provided by operations	296,745,043	(11,125,086)	(30,764,855)	(45,609,277)	(377,905,203)
Cash flows from investing activities					
Investments encashed/ Issuing of shares	-	(50,000,000)	4,500,000	7,612,500	-
Proceeds for the sale of investments	-	63,208,345	-	-	(5,209,522)
Proceeds from sale of property plant and equipment	50,001	3,800,000	-	6,762,907	14,063,898
Acquisition of subsidiary	-	-	-	(58,828,196)	(3,068,609,990)
Investment in joint venture	-	(5,000,000)	-	-	(99,002,724)
Purchase of property plant and equipment	(114,717,193)	(49,440,572)	(18,297,783)	(48,622,300)	(112,647,269)
Net cash provided by/(used in) investing activities	(114,667,192)	(37,432,227)	(13,797,783)	(93,075,089)	(3,271,405,607)
Cash flows from financing activities					
Loan received or bond raise	100,000,000	-	200,000,000	278,070,544	4,182,484,670
Repayment of long-term loan	-	-	(20,000,000)	(45,549,584)	(96,502,888)
Proceeds from short term loan	-	-	-	-	1,392,266,700
Repayment of short term loan	-	-	-	-	(1,392,266,700)
Debt issuance costs	-	-	-	-	(86,384,129)
Proceeds from issuing share capital	156,305,300	-	-	-	-
Payment of lease liabilities	(39,119,418)	(27,116,337)	(15,880,378)	(20,509,982)	(78,267,185)
Dividends paid	-	(13,000,000)	(25,264,557)	(52,000,000)	-
(Loan or bond repaid principal) / short term loan	(280,000,000)	-	(100,000,000)	-	-
Net cash provided by financing activities	(62,814,118)	(40,116,337)	38,855,065	160,010,978	3,921,330,468
Net increase/(decrease) in cash and cash equivalents	119,263,733	(88,673,650)	(5,707,573)	21,326,612	272,226,393
Cash & cash equivalents at beginning of the period	143,238,834	262,502,567	173,828,917	168,121,344	189,447,956
Cash & cash equivalents at end of the period	262,502,567	173,828,917	168,121,344	189,447,956	461,674,349
Comprising of:					
Cash and cash equivalents	262,502,567	173,828,917	168,121,344	189,447,956	461,674,349
	262,502,567	173,828,917	168,121,344	189,447,956	461,674,349



REVENUE		GROSS PROFIT		EBITDA		ADJUSTED EBITDA		ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition/restructuring fees, totalling \$166M.

05 Corporate Governance

Board of Directors
Corporate Governance

BOARD OF DIRECTORS & LEADERSHIP TEAMS

Marc Melville OD,
Chairman

Marc has over 31 years of extensive experience in the Tropical Battery Group and a proven track record of leadership across multiple industries. He began his career at Tropical Battery on April 1, 1996, where he committed himself to learning the intricacies of the business “from the ground up.” Marc’s hands-on approach allowed him to gain deep operational insights, contributing to his rise to the position of General Manager. He serves as Chairman of Tropical Battery, leading the company’s strategic planning initiatives and guiding the organisation through significant growth and modernisation.

In addition to his role at Tropical Battery, Marc is the Chief Executive Officer of the Chukka Group, a leader in adventure tourism across the Caribbean. Under his leadership, Chukka has expanded its operations from Jamaica into Belize, the Dominican Republic, Barbados, the US Virgin Islands, and Turks and Caicos. The company has become a flagship for eco-tourism, providing innovative, culturally rich experiences to visitors from around the globe.

Marc’s expertise and commitment to the tourism sector are further demonstrated by his service on the Board of Directors for the Jamaica Tourist Board (JTB), of which he has been a member since 2013. Marc has contributed to developing and promoting Jamaica as a world-class tourism destination through this role, leveraging his operational experience to influence policy and strategic direction in the industry.

Recognised for his outstanding contributions to business and tourism, Marc was awarded the Order of Distinction (OD), a national honour reflecting his commitment to excellence and the positive impact of his leadership on Jamaica’s economy and global reputation.



REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%
* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.				

Alexander Melville

CEO - Tropical Battery

Alexander Melville has served as CEO of Tropical Battery since January 1, 2015, bringing over 30 years of experience in the energy storage and automotive industries. From roles such as warehouse and receivables clerk and finance director, Alexander has played a pivotal role in the company's significant transformation and growth.

Alexander envisioned and led Tropical Battery's effective Initial Public Offering (IPO), successfully listing the company on the Jamaica Stock Exchange (JSE) in September 2020, further solidifying its financial foundation and growth potential.

Under his leadership, Tropical Battery expanded beyond Jamaica, strategically entering the Dominican Republic and U.S. markets. In 2023, he led the 51% investment of Kaya Energy Group in the Dominican Republic, positioning the company as a key player in the region's renewable energy sector, and in 2024, Rose Batteries in San Jose, California, marking Tropical Battery's entry into the U.S. market with advanced energy storage solutions.

In addition to his role at Tropical Battery, Alexander serves on the board of Eppley Limited, where he is involved in the Audit and Remuneration Committees. He also holds leadership roles in the Chukka Group, including Treasury Director of Chukka Caribbean Adventures Ltd.

His strategic vision and leadership in driving international expansion and complex acquisitions have positioned Tropical Battery as a significant player in the Caribbean and U.S. energy markets, ensuring sustainable growth and long-term success.





Daniel Melville

COO - Tropical Battery

On May 19, 2016, Daniel took up the role of the VP of Sales & Marketing at Tropical Battery, where his skills allowed him to lead the sales team and execute successful customer service strategies. Since taking over this role, sales have grown by more than 15% annually. He teams up with all department heads to brainstorm, motivate, and inspire our fellow employees while overseeing business operations. In June 2021, he was promoted to Chief Operating Officer COO. Daniel is also a board member, and his mandate is to ensure that Tropical Battery is constantly moving toward fulfilment of its short-term and long-term goals and does not diverge from its strategic plan.

Before Tropical Battery, he worked for over 14 years at the Chukka Group, both on the operating side and in the marketing team. Before that, he worked with Carnival Cruise Lines, which helped him gain a unique understanding of visitors' vacation preferences and needs.

Ricardo Hutchinson MSc, CFA,
Non-Executive Director

Ricardo Hutchinson joined the Board of Tropical Battery on June 2, 2017. Ricardo has more than 10 years of experience in the Caribbean banking sector, providing corporate banking and capital markets solutions to clients across the Caribbean region. Before joining Portland Private Equity, Ricardo was Associate Director of Investment Banking with a leading regional commercial bank, where he was responsible for structuring and successfully placing several capital markets transactions. He holds a Master of Science degree in Economics from the University of the West Indies and is a Chartered Financial Analyst (CFA) holder.





Caryl Fenton, FCCA, FCA,
Independent Director

Caryl Fenton is a Chartered Accountant who retired as an audit partner from KPMG Chartered Accountants on September 30, 2011. She joined the Board Of Tropical Battery on January 13, 2020. During her 30 years at KPMG, she held engagement partner responsibility for an extensive portfolio of clients and the human resources area of that firm's administration.

Audits included some of Jamaica's most significant general and two life insurance companies. Within KPMG, her other responsibilities included being Head of Audit for the Jamaican member firm and KPMG CARICOM. This role involved oversight of quality control and training. Ms. Fenton chaired the Accounting Standards Committee of the Institute of Chartered Accountants of Jamaica for over eight years. She represented that body on the Council of the Jamaica Stock Exchange.

Marc Ramsay, Esq.,
Independent Director

Marc Ramsay joined the Board of Tropical Battery on January 13, 2020. Marc is an Attorney-at-Law called to the Bar in Barbados, Jamaica, and Belize and a Professionally Accredited Corporate Secretary and Professionally Accredited Director (GovStrat). As Managing Partner of Ramsay & Partners, Attorneys-at-Law, his practice focuses on mergers and acquisitions, finance, and international trade, including advising Diverze Assets Inc., Tropical Battery Company Limited and the Chukka group. He is an Approved Mentor by the Jamaica Stock Exchange.

Marc has served on several private and public sector boards, including One Great Studio Limited, Aeronautical Telecommunications Limited (AEROTEL), Jamaica Civil Aviation Authority, Teacher Services Commission, and Key Insurance Company Limited. Passionate about service, Marc was Chairman of the Kingston and St. Andrew Parish Library Service Advocacy Committee, an Adjunct Lecturer at the University of the West Indies Faculty of Law, and coach to the international law mooting team at the Norman Manley Law School.



Itamar Frankenthal, MBA Hons.,

Non-Executive Director



Itamar Frankenthal is the Founder and Managing Director of New Concord Capital, LLC. As an Electrical Engineer, Mr. Frankenthal is well-versed in batteries and the technology industry. He gained technical experience as a systems and software engineer at the Information and Electronic Warfare division of BAE Systems. Mr. Frankenthal developed next-generation technology for the F-15 radar system and counter-missile defence systems for the Department of Homeland Security.

Mr. Frankenthal gained production, operational, management, and marketing experience at Global Foods International ("GFI"), a niche custom foods speciality manufacturer, where he led a division, reported directly to the CEO, and was one of three executive team members. Mr. Frankenthal gained financial skills as a quantitative financial analyst at Sanford Bernstein Alliance Capital ("AB"). At AB, Itamar researched and created modules for a patented model to forecast global capital markets and asset classes using advanced regression techniques, resulting in an analysis of \$50B in investments and new business of \$1B in Europe and Asia.

Mr. Frankenthal holds a B.S. in Electrical Engineering from the City University of New York, where he led his team to win the capstone robotics competition and graduated summa cum laude. He holds an M.B.A. from Harvard Business School, where he graduated with EC Honors. Mr. Frankenthal joined the board of Tropical Battery Company Limited in February 2024.

Andrew Cramer, MIA,

Non-Executive Director

Mr. Andrew Cramer is a co-founder and COO of KAYA and oversees project development and implementation processes. He is a frequent speaker at regional energy and technology conferences, including the MIT Technology Review's EmTech and the Caribbean Renewable Energy Forum, on topics such as the role disruptive technologies like machine learning will play in the renewable energy industry.

Before KAYA, Mr. Cramer worked with the United Nations as a post-conflict electoral consultant in countries including Timor-Leste, Nepal, Sudan, Comoros, Afghanistan, and Libya.

In 2017, Mr. Cramer was selected to be among 90 thought leaders worldwide to participate in a program – funded by Google and based on the NASA Ames Research Facility in Silicon Valley – to examine how exponential technologies can be leveraged to address the negative impacts of climate change. Mr. Cramer has a degree in Environmental Sciences from Loyola University Chicago and a Master of International Affairs from Columbia University.



REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%
* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.				

Jody Gager Rose, MBA, FCCA, FCA,
Independent Director

Jody Gager-Rose is a distinguished finance professional with over 21 years of experience in accounting, including 9 years at a senior management level. She holds a Master of Business from Heriot-Watt University and is a Fellow Chartered Certified Accountant and a Fellow of the Institute of Chartered Accountants of Jamaica.

Jody's expertise lies in International Financial Reporting Standards (IFRS). She has a proven track record in preparing standalone and consolidated financial statements, particularly within the travel, leisure, and tourism sectors. Her career highlights include her tenure as Chief Financial Officer, overseeing the accounting, purchasing, and IT departments. At a Big Four audit firm, Jody became Director, supporting audit business operations across the Caricom region.

Her accomplishments have been acknowledged with awards such as Manager of the Year for 2011/2012 and the Sushil Jain Award for her academic achievements.





CORPORATE GOVERNANCE

ROLE, STRUCTURE & COMPOSITION OF THE BOARD

The primary responsibility of the Board is to supervise the execution of the Group's strategic plans and ensure its operation adheres to the established framework in compliance with relevant statutory and regulatory requirements.

The board ensures the adequacy of financial and operational systems and internal control. In addition, it ensures that the Corporate Governance Policy is adhered to. The Corporate Governance Policy is available on the website at www.tropicalbattery.com.

COMPOSITION OF THE BOARD

The Articles of Incorporation of TROPICAL govern the Board's composition, a mix of diversity, independence, skills, and expertise to promote objectivity in decision-making. A high level of professional skills and suitable personal qualities are required for directorships. As of September 30, 2024, the Board consisted of nine directors. There are three independent, three non-executive directors and three executive directors: the Chairman, CEO, and COO.

Accordingly, the following criteria have been used to define 'executive directors', 'non-executive directors', and 'independent directors':

Executive Director - An employee who handles the company's day-to-day operations.

Independent Director - A director who:

- a) hold no interest, position, association, or relationship that might influence or reasonably be perceived to influence any material respect for their ability to apply independent judgment to issues before the board and to act in the best interest of the company and its shareholders;
- b) does not represent a substantial shareholding of TROPICAL;
- c) Has no close relatives who are significant shareholders of TROPICAL and
- d) does not have an employment relationship with TROPICAL or its parent companies.

These definitions are generally consistent with those outlined in the PSOJ Corporate Governance Code.

The Board has established an Audit and Risk Committee and a Remuneration Committee, both required under the Junior Market Rules. Each of these committees must comprise a majority of independent, non-executive directors and at least one (1) member with an accounting or financial background. The members are as follows:

Audit & Risk Committee	Remuneration Committee
Caryl Fenton (Chair) Alexander Melville Ricardo Hutchinson Jody Gager-Rose	Marc Ramsay (Chair) Alexander Melville Caryl Fenton

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

MENTOR

We also have a well-respected mentor, Mr Jeffrey Hall, the Chief Executive Officer and Vice Chairman of the Pan Jamaica Group Limited and Managing Director of the Jamaica Producers Group. He serves as Chairman of Scotia Group Jamaica Limited, Scotia Investments Jamaica Limited, Kingston Wharves Limited and Lumber Depot Limited. He is a director of Blue Power Group Limited and a Vice-President of the Private Sector Organization of Jamaica. Mr Hall received his Juris Doctorate, with honours, from Harvard University and practised banking and securities law at Davis Polk and Wardwell in New York. He holds a Master of Public Policy degree from Harvard University and a Bachelor of Arts in Economics from Washington University. Mr. Hall has served as a director of the Bank of Jamaica, the Jamaica Stock Exchange, JAMPRO, the National Housing Trust and the Institute of Jamaica.

AUDIT & RISK COMMITTEE

The Audit Committee's role is to support the Board of Directors in overseeing the financial and operational reporting processes, risk management, internal controls, the audit process, and the Group's compliance monitoring with laws, regulations, and the code of conduct.

The Audit Committee's meetings are generally held a few days before the Board's meetings, and meeting packages are distributed in advance. Representatives of the External Auditors, KPMG, are invited to the Year End Audit Committee meetings.

The main activities undertaken by the Committee:

Reviewed quarterly unaudited financial statements and recommended approval of their release by the Board, considering whether they were complete and consistent with the information known to Committee members.

Review International Financial Reporting Standards changes to determine how they might impact financial statements.

Review the proposal from the External Auditor for the audit of the year-end financial statements, including the audit strategy, scope, and fees.

The Audit Committee believes that KPMG's continued retention as our external auditor is in the company's and our shareholders' best interest. Accordingly, the committee will recommend to our shareholders that KPMG's selection as the external auditor for the 2024/2025 financial year be approved at the upcoming Annual General Meeting in March 2025.

TRANSPARENCY AND ACCOUNTABILITY

Directors must abstain from conflicts of interest. Upon appointment and annually thereafter, directors must disclose their interests to assess potential conflicts hindering their ability to fulfil their duties. Furthermore, directors must promptly update their disclosures for any changes. If a conflict cannot be avoided, directors must promptly notify the Board or Chairman to initiate appropriate resolution measures. Members of the Board and designated committees are mandated to attend and actively participate in meetings. Our board of directors consistently demonstrates their commitment to fulfilling their duties by actively attending and engaging in Board and committee meetings.

MEETINGS AND ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Meetings have continued to occur virtually and in person, with Directors receiving meeting packages via email. These packages include agendas, minutes, and other materials for the meeting. Directors reviewed and discussed the items in these packages before the meeting.

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B YOY Increase 100.7%	\$1.86B YOY Increase 112.7%	\$519.37M YOY Increase 100.9%	\$596.37M YOY Increase 130.7%	\$200.35M YOY Increase 38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

CORPORATE GOVERNANCE CONTINUED

DIRECTORS' AND AUDIT COMMITTEE MEMBERS' ATTENDANCE SCHEDULE

Name of Director / *Manager	Executive (E)/ Non- Executive (NE)	Board	Audit Committee	Date of Appointment to the Board
Caryl Fenton	NE	2/3	2/3	13-Jan-2020
Marc Ramsay	NE	3/3	N/A	13-Jan-2020
Ricardo Hutchinson	NE	3/3	3/3	02-Jun-2017
Marc Melville	E	3/3	N/A	01-Apr-1996
Alexander Melville	E	3/3	3/3	01-Apr-1996
Daniel Melville	E	3/3	N/A	19-May-2004
*Reshando Mais		N/A	3/3	
Andrew Cramer	NE	2/3	N/A	12-Feb-2024
Itamar Frankenthal	NE	2/3	N/A	12-Feb-2024
Jody Gager Rose	NE			08-Aug-2024



REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

06 Business Leadership

Leadership Team

GROUP STRATEGY TEAM



Alexander Melville

CEO - Tropical Battery

Alexander Melville has served as CEO of Tropical Battery since January 1, 2015, bringing over 30 years of experience in the energy storage and automotive industries. From roles such as warehouse and receivables clerk and finance director, Alexander has played a pivotal role in the company's significant transformation and growth.

Alexander envisioned and led Tropical Battery's effective Initial Public Offering (IPO), successfully listing the company on the Jamaica Stock Exchange (JSE) in September 2020, further solidifying its financial foundation and growth potential.

Under his leadership, Tropical Battery expanded beyond Jamaica, strategically entering the Dominican Republic and U.S. markets. In 2023, he led the 51% investment of Kaya Energy Group in the Dominican Republic, positioning the company as a key player in the region's renewable energy sector, and in 2024, Rose Batteries in San Jose, California, marking Tropical Battery's entry into the U.S. market with advanced energy storage solutions.

Daniel Melville,

COO - Tropical Battery

On May 19, 2016, Daniel took up the role of the VP of Sales & Marketing at Tropical Battery, where his skills allowed him to lead the sales team and execute successful customer service strategies. Since taking over this role, sales have grown by more than 15% annually. He teams up with all department heads to brainstorm, motivate, and inspire our fellow employees while overseeing business operations. In June 2021, he was promoted to Chief Operating Officer COO. Daniel is also a board member, and his mandate is to ensure that Tropical Battery is constantly moving toward fulfilling its short-term and long-term goals and does not diverge from its strategic plan.

Before Tropical Battery, he worked for over 14 years at the Chukka Group, both on the operating side and in the marketing team. Before that, he worked with Carnival Cruise Lines, which helped him gain a unique understanding of visitors' vacation preferences and needs.





Oliver Hill, MSc,

CEO - Tropical Renewable Energy

Oliver Hill is CEO of Tropical Renewable Energy, Tropical Mobility, and Tropical Finance, a majority-owned subsidiary established in 2022 to facilitate the transition to sustainable energy and transport. Oliver brings nearly two decades of experience in mergers and acquisitions intelligence and consulting across Latin America and the Caribbean.

Before joining Tropical Battery, he consulted with the Inter-American Development Bank, supporting energy, water, and state modernisation portfolios. Oliver holds a Bachelor of Science from Cornell University and a Master of Science from Columbia University.

Karina Chez, MBA, MIA,

CEO - Kaya Energy

Mrs. Karina Chez brings extensive business management and international trade experience to the KAYA team. She is a strategic visionary driving the company's growth into the future. Karina is a sought-after international speaker who has presented on solar energy, entrepreneurship, women's leadership, and climate change topics. She has a broad business network relevant to KAYA's growth, including serving as the founding President of ASOFER, the Dominican Republic's renewable energy association; a former president and board member of Entrepreneurs' Organization; a former Board Member of AIRD; and the Chapter Director of Startup Grind.

Before KAYA, Karina founded The Chess Group, a digital marketing firm based in Dubai and New York. She was a marketing executive for JumpTV in the Middle East and North America. Karina received an MBA from Pace University and a Master of International Affairs from Columbia University.





Andrew Cramer, MIA,
COO - KAYA Energy

Mr. Andrew Cramer is a co-founder and COO of KAYA and oversees project development and implementation processes. He is a frequent speaker at regional energy and technology conferences, including the MIT Technology Review's EmTech and the Caribbean Renewable Energy Forum, on topics such as the role disruptive technologies like machine learning will play in the renewable energy industry.

Before KAYA, Mr. Cramer worked with the United Nations as a post-conflict electoral consultant in countries including Timor-Leste, Nepal, Sudan, Comoros, Afghanistan, and Libya.

In 2017, Mr Cramer was selected to be among 90 thought leaders worldwide to participate in a program – funded by Google and based on the NASA Ames Research Facility in Silicon Valley – to examine how exponential technologies can be leveraged to address the negative impacts of climate change. Mr. Cramer has a degree in Environmental Sciences from Loyola University Chicago and a Master of International Affairs from Columbia University.

Chris Wunderlich, BSME,
CEO – Rose Batteries

Chris Wunderlich was appointed the CEO of Rose Electronics Distributing (Rose Batteries), effective January 30, 2024. Chris possesses a solid background in operations and engineering. Significant enhancements in manufacturing processes and operational efficiency have distinguished his tenure in previous roles. Emphasising talent development and continuous improvement in his leadership style, Chris aligns well with Tropical Battery's vision for the company. His strategic approach to empowering teams to solve complex challenges and his commitment to refining operational systems position him as a key leader, ready to drive Rose Electronics toward a future of innovation and success.



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Tim Gray, BSc.,
Director of Business Intelligence & Accounting – Rose Batteries

Tim Gray continues bringing a rich tapestry of experience that blends military discipline with business acumen. His nine-year tenure in the US Marine Corps, marked by leadership in high-pressure environments, laid a foundation for his subsequent business success. With a Bachelor's in Managerial Economics from UC Davis, Tim has rapidly ascended in the finance and accounting sectors, demonstrating a profound ability to navigate complex challenges and implement strategic solutions. As Director of Business Intelligence and Accounting, Tim's forward-thinking approach and commitment to excellence will drive Rose's growth and innovation in the evolving battery technology landscape.



SENIOR LEADERSHIP TEAM



Reshando Mais, MBA,
CFO - Tropical Battery

Reshando joined Tropical Battery Company Limited in July 2017 as a Financial Controller. He is responsible for the company's accounting and financial operations, including generating and reporting periodic financial statements in accordance with International Financial Reporting Standards. He is a graduate of Northern Caribbean University and the University of the Commonwealth Caribbean, where he obtained a Bachelor of Science Degree in Business Administration with an emphasis in Accounting and a Commonwealth Executive Master of Business Administration, respectively. He has over 10 years of experience in accounting, external auditing, real estate, and merchandising.

David Walton, BSc.,
Chief Marketing Officer (CMO)

David joined our Management Team in August 2021 as Director of Sales & Marketing. David is an innovative commercial leader with a background in both Sales & Marketing. With over 20 years of experience as a team lead for commercially successful brands in the alcoholic beverage and FMCG industries and entrepreneurial ventures in the Entertainment & Hospitality Industry, David has consistently built brands and delivered commercial results.





Kamesha Robinson, AAS,
Corporate Governance & Administration

Kamesha joined the Tropical Battery family in March 2010. She oversees the Administration Department and comprehensively supports the Board of Directors. She has over 16 years of experience in the telecommunications, retail, and automotive industries, high-quality administrative skills, and solid general business knowledge. Before joining Tropical Battery, she worked in Customer Service and Site Acquisition at Mossel Jamaica Ltd. (Digicel).

She graduated with honours from Kirkwood Community College, Cedar Rapids, Iowa, in 2000 with an Associate of Applied Science Degree in Marketing and a Diploma in Business Administration. She completed a Corporate Governance Executive Course at the University of the Commonwealth Caribbean (UCC) in August 2022.

Jeffrey Brown, BSc.,
MIS Manager

Jeffrey Brown is a seasoned IT professional with over 18 years of experience managing and maintaining complex network infrastructure, hardware, and software systems. Throughout his career, he has demonstrated a strong ability to support and optimise operations for various organisations in Jamaica. Jeffrey has been with Tropical Battery since February 2023; he oversees the entire IT infrastructure, administers LAN and wireless (WAN) networks and leads project management initiatives. Jeffrey's career trajectory demonstrates a deep dedication to the IT field. He has consistently developed his skills and taken on increasingly complex roles, showcasing his ability to adapt and thrive in different environments. With his comprehensive knowledge, technical expertise, and leadership qualities, Jeffrey Brown is a valuable asset to any organisation requiring a reliable and efficient IT manager.





Stacy-Ann Spence, BSc.

Operations Manager

Stacy-Ann has been a part of the Tropical Battery family for nearly 9 years. Her portfolio includes direct oversight of our warehouse distribution, Battery Recycling & Export coordination, Occupational Health & Safety, Corporate Social Responsibility, Administration & Maintenance Management and overall general operations. Stacy-Ann graduated from the University of the West Indies with honours in 2012 with a Bachelor of Science in Labour & Employment Relations.

Katherine Mack,

VP, Sales & Marketing - Rose Batteries

Katherine Mack, our VP of Sales and Marketing, is a seasoned veteran with 35+ years of experience in the battery industry. She has pioneered a sales approach that values trust and technical expertise over traditional sales techniques, becoming the driving force behind Rose's consultative sales process for almost 20 years. Her drive is to find the optimal solution for the customer, not the sales pitch. She was a member of the IEEE working group for establishing safety standards for mobile computing and has led several webinars with Texas Instruments (a leader in battery chips). Working remotely from Oregon, she joined Rose from a competitor due to the culture of opportunity and independence that is a part of our DNA.



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Ericka Herst

VP Operations – Rose Batteries

Ericka Herst, our Vice President of Operations, was recently promoted from the Director of Supply Chain position. She was so exemplary as a reference for a different candidate that we sought her out. Ericka has navigated the supply chain challenges of 2021- 2022 and now leads our Colombia-based supply chain and San Jose-based warehouse teams with strategic foresight and proactive planning. After meeting her on the reference call for another candidate, Rose contacted and recruited her a year later when there was an appropriate job opening. She is 100% committed to Rose and the team.



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07 Management Discussion and Analysis

Outlook
Industry Overview
Outlook

OUTLOOK

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
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Tropical Battery Company Ltd. has set ambitious targets to achieve US\$150 million in revenue and US\$15 million in profit before taxation (PBT), sustaining a 10% PBT ratio over the next three to five years. This will be accomplished through organic expansion in our key markets - Jamaica, the Dominican Republic, and the United States - and inorganic growth via strategic acquisitions to broaden our service offerings. The long-term vision for Tropical Battery is to list on the NASDAQ, enhancing our global presence and unlocking access to larger capital markets.

By 2030, we project the Tropical Battery and associated branded product lines to contribute US\$50 million in revenue. This will be driven by the introduction of new product lines, including Tropical Battery-branded Windshield Wipers, CariBrake brake fluid, and alkaline batteries, which will be distributed through traditional retail and e-commerce platforms such as Amazon.com. A new battery brand, Mac Battery, will be introduced and distributed through selected Partners. Furthermore, as global shifts towards electric vehicles (EVs) and renewable energy accelerate, Tropical Battery positions itself as a key player in these markets. Our subsidiaries—Tropical Mobility, Tropical Renewable Energy, and Tropical Finance—are actively pursuing partnerships with international players to distribute energy-efficient solutions like Tesla, expanding our reach in the EV and renewable energy sectors.

Tropical Battery is part of a consortium that was awarded two Government of Jamaica contracts in 2024 under the Energy Management and Efficiency Programme (EMEP) to perform deep energy efficiency and renewable energy upgrades to six hospitals and 16 other public facilities, including high schools, ministries and government agencies. The projects were awarded by the Ministry of Science Energy Telecommunications and Transport with funding provided by the Inter-American Development Bank (IDB), the European Union and the Japan International Cooperation Agency (JICA), representing the most significant energy efficiency and renewable energy project of its kind to date in Jamaica valued at nearly US \$4 million, with total installed rooftop

solar photovoltaic capacity of 2.83MW. The EMEP projects are to be implemented by the close of FY2025.

Additionally, Tropical Mobility is establishing itself as a pioneering electric vehicle (EV) service provider in Jamaica. To support Tesla's growth in the region, Tropical Mobility has launched an independent Tesla service centre staffed with technicians trained by a Tesla-certified master technician from Canada. The centre is equipped to offer comprehensive after-sales service and parts, fulfilling a growing demand among Tesla owners. Tropical Mobility recently imported two Tesla Model Y vehicles. It is further diversifying its EV offerings with electric motorbikes for transport and delivery, electric ATVs for ecotourism, and electric buses for the tourism sector. This commitment to the EV market aligns with Tropical Mobility's asset-light model, emphasising minimal-maintenance vehicles and convenience-enhancing services, including upcoming remote service options for Tesla and other EV owners. This initiative positions Tropical Mobility as a forward-looking leader in Jamaica's expanding EV landscape.

Tropical Battery also plans to open its seventh retail store in Kingston this fiscal year and acquire another retail operation within the next three years to strengthen its market position and enhance its product offerings.

Kaya Energy Group, operating out of the Dominican Republic, targets US\$40 million in revenue by focusing on large-scale renewable energy projects. This includes introducing innovative products such as glass solar panels, bright panels with batteries, inverters, and solar water heaters to the Caribbean and African markets. These projects will materialise over the next two years and will be driven by partnerships with a prominent California-based electrical contractor. Kaya's expansion will be funded through grant funding, bank loans, and strategic collaborations, positioning it as a leading player in renewable energy in both regions.

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OUTLOOK

CONTINUED

ROSE

The Battery Experts.

Rose Batteries, acquired at the end of January 2024, aims to nearly triple its revenue to US\$60 million by expanding its customer base and enhancing its mission-critical energy storage solutions portfolio. The company plans to target blue-chip clients and develop safer, more efficient Powerwall/Tesla-like energy storage systems. A significant growth driver will be partnerships with electrical contractors to explore large solar and battery projects over the next two years. Additionally, Rose Batteries will launch on the Digikey platform for engineers in FY2025. Future growth will also be fuelled by vertical acquisitions in the U.S.

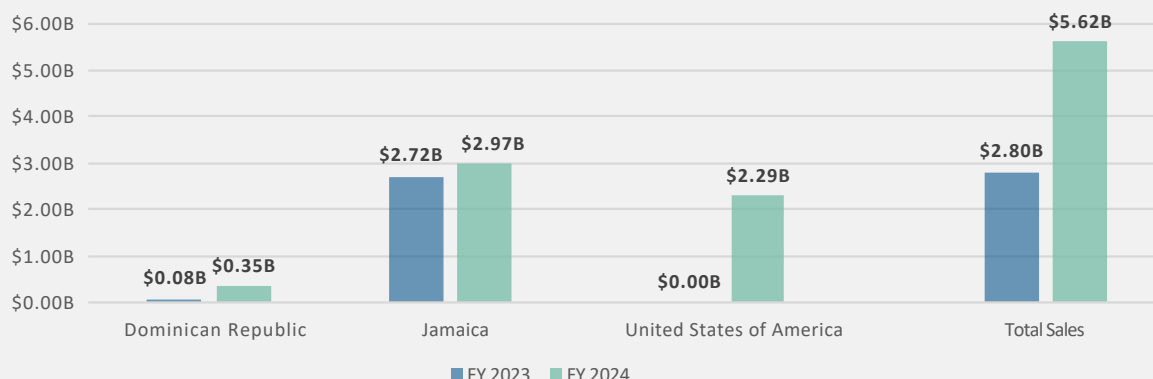
These strategic developments align with Tropical Battery's long-term goal of listing on NASDAQ by the decade's end. Our recent entry into the U.S. and Dominican Republic markets marks the beginning of this journey, and our planned graduation to the Main Market of the Jamaica Stock Exchange (JSE) is a crucial step in positioning Tropical Battery as a global energy leader. This growth strategy will be the launchpad for propelling a Jamaican company onto one of the world's largest stock markets.

FINANCIAL PERFORMANCE

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
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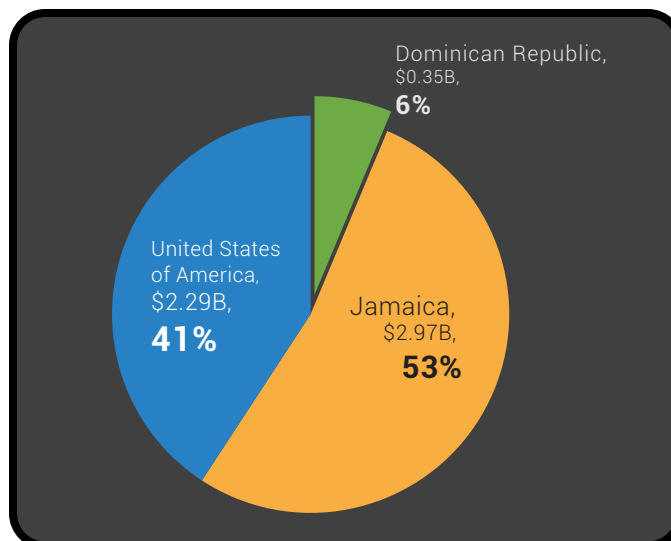
FY 2024 vs FY 2023 Sales by Country (billions JMD)



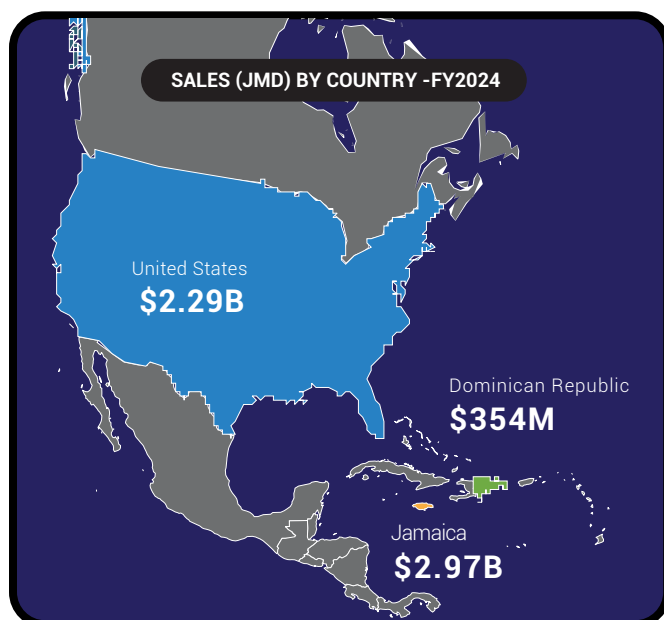
The company's financial performance for FY 2024 demonstrates extraordinary growth across 90% of the key metrics, reflecting strong operational execution and strategic market positioning. Total revenue surged to \$5.62 billion, representing a 100.7% year-over-year increase, signalling a successful expansion into new markets and heightened demand across core regions. This top-line growth was accompanied by an equally impressive rise in gross profit, which climbed by 112.7% to reach \$1.86 billion, underscoring improved margins and efficiency gains.

Profitability metrics also experienced substantial growth, with EBITDA increasing by 100.9% year-over-year to \$519 million. When adjusted for certain one-time items, adjusted EBITDA reached \$596 million, reflecting an outstanding 130.7% year-over-year improvement. This significant growth highlights the company's ability to manage operational costs effectively while scaling its revenue. Unfortunately, higher than estimated interest costs, financial transaction costs, and one-time non-recurring due diligence expenses dragged profit down to \$34 million or a reduction of 76.3%. Contrarily, the adjusted profit before tax would've been \$200 million, representing a 38.4% increase year of a year. The adjustment accounts for one-off or non-operational Rose Batteries due diligence costs, financing fees and acquisition expenses,

presenting a clearer picture of the underlying profitability. These results paint a picture of a company that is not only growing rapidly but is also improving its profitability at an accelerated pace. The balance between top-line expansion and margin improvement demonstrates the strength of its business model and strategic decisions. The robust growth trajectory indicates a solid foundation for sustained long-term success as the company continues to refine its operations and expand its market footprint.



FINANCIAL SEGMENT & COUNTRY PERFORMANCE



Jamaica remained the company's most substantial market, generating J\$2.97 billion in revenue, compared to J\$2.72 billion in the previous year. This represents a year-over-year increase of J\$280 million, or approximately 9.4%. The continued growth in Jamaica underscores the company's dominance in the Caribbean market and its ability to deepen customer engagement in a mature market.

In the Dominican Republic, revenues climbed from J\$81 million in FY 2023 to J\$354 million in FY 2024, reflecting an exceptional increase of J\$273 million, or about 338.0%. This remarkable growth highlights the company's ability to capitalise on regional opportunities, further strengthening its position as a key player in the Caribbean energy and battery market.

Meanwhile, FY 2024 marked the company's first year of operations in the United States, achieving revenues of J\$2.26 billion in just eight months. This rapid success in a new and highly competitive market is a testament to the company's effective entry-acquisition strategy and strong demand for Rose Batteries products and services.

Overall, the company's ability to generate J\$5.62 billion in total revenue—a significant leap fueled by double-digit growth in established markets and exceptional early results in the United States—demonstrates its business model's strength and ability to scale operations effectively across diverse markets. The outlook for sustained growth in all regions, particularly the burgeoning U.S. market, appears promising.

REVENUE

- **Energy Storage:** Revenue grew by 81.5% to J\$5.08 billion, led by robust demand for automotive, mission-critical (Rose) and renewable energy batteries.
- **Renewable Energy:** Sales rose significantly to J\$540 million, reflecting investments in renewable energy capacity, mainly through Kaya Energy Group.

SEGMENT PERFORMANCE

- **Energy Storage:** Operating profit was J\$397 million, with a margin of 7.5%, boosted by economies of scale in Rose Batteries.
- **Renewable Energy:** Operating profit of J\$82.1 million reflected improved asset utilisation and demand growth in the Dominican Republic.

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KEY ACQUISITIONS

Rose Batteries (USA)

Acquired on January 31, 2024, Rose Batteries contributed J\$2.29 billion in revenue and J\$280 million in profit during its first eight months. The acquisition expands Tropical Battery's footprint in aerospace, medical, and defence sectors, aligning with our strategic focus on high-margin, mission-critical solutions. The acquisition was financed through a high-cost bridge loan facility, which will be refinanced using proceeds from the Group's planned secondary public offering. This strategy is expected to reduce interest costs significantly, thereby enhancing profitability in the long term.

Kaya Energy Group (Dominican Republic)

Kaya Energy reported J\$357.8 million in revenue and J\$67.3 million in profit. The subsidiary's renewable energy solutions align with regional sustainability goals and offer a competitive edge in high-growth markets.

Strategic Initiatives

1. Inventory Management:

- Improved inventory turnover to 2.3x from 2.0x in FY 2023.
- Improving our gross profit margin to 33.2% is a positive step toward building a more profitable business.
- Strategic procurement reduced obsolescence losses by 5.7% to J\$13.77 million.
- The company has made significant strides in optimising its cash conversion cycle (CCC), reducing it from 185.9 days in FY 2023 to 96.3 days. This dramatic improvement underscores the company's enhanced inventory management, faster receivables collection, and better supplier payment terms, all of which contribute to better working capital efficiency.

2. Expansion in High-Growth Markets:

- Initiated operations in California, leveraging Rose Batteries' presence in the U.S.
- Kaya Energy's footprint in the Dominican Republic offers scalability for renewable energy solutions.

3. Operational Efficiencies:

- Leveraged synergies from acquisitions to reduce administrative expenses as a percentage of revenue by 2.4%.

KEY PERFORMANCE INDICATORS (KPIs)

Metric	FY 2024	FY 2023	Industry Norms
Revenue Growth	100.7%	6.7%	8-12%
Gross Profit Margin	33.2%	31.3%	28-35%
Inventory Turnover	2.3x	2.0x	3.0x
Cash Conversion Cycle	96.3 Days	185.9 Days	60 – 120 Days

Enhanced Cash Conversion Cycle Driving Stronger Working Capital Efficiency

In FY 2024, Tropical Battery made significant strides by shortening the time it takes to convert investments in inventory and receivables into cash, the company has freed up liquidity to reinvest in growth initiatives, acquisitions, and operational expansion. This improvement strengthens financial flexibility and supports scalability and profitability, positioning Tropical Battery for sustainable long-term growth in the evolving energy and mobility sectors.

MARKET & INDUSTRY ANALYSIS

ENERGY STORAGE

The global energy storage market is projected to grow at a CAGR of 10.8% through 2030, driven by increasing renewable energy adoption and electric vehicle demand. Tropical Battery's focus on custom solutions for the aerospace and medical sectors positions the Group to capitalise on this growth.

RENEWABLE ENERGY

Renewable energy installations in the Caribbean and Central America are expected to grow 9% annually. Kaya Energy's positioning in the Dominican Republic supports Tropical Battery's regional solar and renewable solutions leadership.

MISSION-CRITICAL BATTERIES

The global mission-critical battery market, encompassing medical and defence applications, is projected to grow 8.5% annually. Rose Batteries' expertise enables Tropical Battery to secure long-term contracts in these resilient sectors.

RISKS AND MITIGATIONS

1. Debt Management:

The planned secondary offerings in FY 2025 will reduce leverage.

2. Currency Risk:

With 40% of revenue in USD, the Group mitigates risk through natural hedges.

3. Supply Chain Disruptions:

Expanded supplier base and inventory buffer strategies to address global challenges.

OUTLOOK

The Group targets revenue of J\$7.5 billion for FY 2025, driven by:

- Expansion into high-margin U.S. and European markets.
- A whole year of Rose Batteries operations instead of just eight months.
- Additional investments in renewable energy and energy storage innovations.
- Improved operational efficiencies, targeting a gross margin of 34%.

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CONCLUSION

Looking ahead, Tropical Battery Company Limited is on an ambitious growth trajectory. The Group is targeting revenue of J\$7.5 billion for FY 2025, driven by its expansion into high-margin U.S. and European markets, the full-year impact of Rose Batteries' operations, strategic investments in renewable energy and energy storage innovations, and enhanced operational efficiencies to achieve a gross margin of 34%.

Tropical Battery's outstanding performance in FY 2024, marked by strategic acquisitions and robust execution, has solidified its position as a leader in energy storage and renewable energy solutions. Building on this momentum, the Group is poised for sustained double-digit revenue growth and aims to maintain a profit-before-tax ratio exceeding 10%. By leveraging its subsidiaries, entering new markets, and fostering innovation, the Group is confident in achieving its financial objectives and maximising shareholder value.

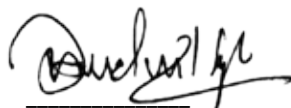
We extend our deepest gratitude to our dedicated team, supportive shareholders, and Board of Directors for their commitment and contributions. With a clear vision and strategic priorities, Tropical Battery looks forward to continued success and growth in the years ahead.

Respectfully,



Alexander Melville

Chief Executive Officer



Daniel Melville

Chief Operating Officer

REFERENCES

- International Energy Agency (IEA): Energy Storage Market Report 2024.
- Bloomberg New Energy Finance: Global Renewable Energy Trends 2024.
- S&P Global Market Intelligence: Mission-Critical Battery Insights, 2024.
- Financial Statements, Tropical Battery Company Limited, FY 2024.

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08 Environment, Social, and Governance (ESG) Report

Environmental Initiatives and impact
Safety and Compliance
Social Responsibility

ENVIRONMENTAL INITIATIVES & IMPACT

Recycling and Sustainability:

- Implemented a comprehensive recycling log to track materials recycled or reused, supporting sustainability objectives.
- Collaborated with the JPS Foundation on tree planting and beach clean-up exercises, contributing to our sustainable environmental goals.
- Launched a recycling program for degraded electric vehicles (EV) and solar batteries, offering customers a 5% discount for participating.

Spent Battery Operation:

- Expanded collections through retail networks by incentivising customers to participate in the "Going Green Initiative."
- Acquired new customers, establishing contracts and targets for continued growth and environmental responsibility into the next financial year.

Expansion into Renewable Energy:

- Diversified offerings by launching sales of Tesla electric vehicles through the Tropical Mobility subsidiary, aligning with sustainable energy goals and carbon emission reductions.

SAFETY & COMPLIANCE

Fire Safety:

- Completed fire safety evaluations, securing full renewal approval.
- Conducted a fire drill with the Jamaica Fire Brigade, demonstrating efficient emergency response and evacuation protocols.

Road Safety:

- All drivers completed defensive driving training to enhance road safety and operational standards.

Certifications and Compliance:

- Renewed Public Procurement Certification, enabling participation in government contracts.
- Recertified forklift operators, maintaining high safety and operational standards.
- Submitted renewal applications for retail location re-registration and equipment inspections to the Ministry of Labour, demonstrating continued compliance.

SOCIAL RESPONSIBILITY

Community Engagement:

- Sponsored trophies and awards for the Little Einsteins Learning Centre's graduation ceremony.
- Participated in Labour Day projects, including a beautification project in Montego Bay and a tree-planting exercise at the Hydel Group of Schools.
- Continued active involvement in community development projects to promote environmental conservation and education.

KEY METRICS

Environmental Progress:

- Due to market conditions, spent battery sales decreased to 26% of World LME pricing in Q4, compared to 36% earlier in the year.
- Increased battery collections through expanded retail efforts and customer incentives.

Safety Standards:

- Emergency evacuations were executed in under three minutes during fire drills.
- All fleet drivers completed defensive driving training.

FUTURE FOCUS

- Continue increasing collections by emphasising the branch network and acquiring new customers.
- Strengthen partnerships and collaborative initiatives for environmental and safety programs.
- Maintain rigorous compliance and certifications across all operational facets.
- Expand renewable energy efforts, focusing on clean energy solutions and sustainable transportation.

REVENUE
\$5.62B
YOY Increase
100.7%

GROSS PROFIT
\$1.86B
YOY Increase
112.7%

EBITDA
\$519.37M
YOY Increase
100.9%

ADJUSTED EBITDA
\$596.37M
YOY Increase
130.7%

ADJUSTED PROFIT
BEFORE TAX
\$200.35M
YOY Increase
38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totaling \$166M.

09 ROSE Signing Photos

REVENUE	GROSS PROFIT	EBITDA	ADJUSTED EBITDA	ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

* Adjusted for 2023 one-time non-recurring Rose Batteries due diligence & acquisition cost \$77 million plus \$39 million of financial transaction arranging fees, totaling \$116 million.

CELEBRATING GROWTH & INNOVATION

Tropical Battery CEO Alexander Melville shares a moment with Itamar Frankenthal, former CEO and owner of Rose Batteries, who now joins the board of Tropical Battery. A highly accomplished entrepreneur and investor with a background in electrical engineering, he began his career developing next-generation radar and counter-missile defence systems at BAE Systems. He later transitioned into finance, serving as a quantitative analyst at Sanford Bernstein Alliance Capital, where he contributed to a patented investment forecasting model that influenced \$50 billion in assets. A summa cum laude graduate in Electrical Engineering from the City University of New York and an MBA graduate with honours from Harvard Business School, his technical and business acumen will be invaluable as Tropical Battery accelerates its expansion in energy storage and mobility solutions.





REVENUE	GROSS PROFIT	EBITDA	ADJUSTED EBITDA	ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost, \$77M plus \$89 million of financial acquisition-related fees, totaling \$166M.

10 Audited Financial Statements

Tropical Battery Company Limited
Financial Statements September
30, 2024



KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
TROPICAL BATTERY COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Tropical Battery Company Limited and its subsidiary ("the Group") and the separate financial statements of the Company, set out on pages 8 to 75, which comprise the Group's and Company's statement of financial position as at September 30, 2024, the statements of profit or loss and other comprehensive income, changes in shareholders' net 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 Company as at September 30, 2024, and of the Group's and 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 in the manner required by 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 Group and the Company in accordance with the 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.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers

Nyssa A. Johnson
Wilbert A. Spence
Sandra A. Edwards

Karen Ragoobirsingh
Al A. Johnson
Damion D. Reid



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)*Key Audit Matter*

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Impairment of goodwill

Key audit matter	How the matter was addressed in our audit
The Group has recognised goodwill in the amount of \$2,898,755,987 (2023: \$61,120,229). The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the Cash Generating Unit of which goodwill forms part has been derived from discounted cashflow models. These models use several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal growth rates and the weighted average cost of capital (discount rate). <i>See notes 3(i) and 9(c) of the financial statements.</i>	In performing our audit in respect of this matter, in the main, we performed the following procedures: • Involving our own valuation specialist to assist in evaluating the appropriateness of discount rates applied and the valuation model used. • Evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes, operating costs, inflation, growth rates which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and the industry. • Performing our own sensitivity analysis which included assessing the effect of reasonably possible reductions in growth rates and forecast cashflows to evaluate the impact on the recoverable amount. • Evaluated the adequacy of disclosures in the financial statements including disclosures of key assumptions and judgements.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)*Acquisition of Subsidiary*

Key audit matter	How the matter was addressed in our audit
On January 30, 2024, the Group acquired 100 percent of Rose Electronics Distributing Company for consideration of \$3.5 billion. The accounting for this transaction is complex due to the significant judgements and estimates that are required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired and liabilities assumed. Due to the size and complexity of the acquisition, we considered this to be a key audit matter. <i>See notes 2(c) and 27 of the financial statements.</i>	In performing our audit in respect of this matter, in the main, we performed the following procedures: • Examined the purchase and shareholder's agreement to understand the terms of the acquisition and the nature of the assets and liabilities acquired. • Challenging the fair value of the contingent consideration, which included assessing future forecast business performance by agreeing amounts to approved forecast and underlying contracts and comparing forecast with historical performance and results since the date of acquisition. • Evaluated the adequacy of disclosures in the financial statement by evaluating whether they are in accordance with the IFRS Standards. In particular, we evaluated the adequacy of the disclosures in showing key judgments made by the Group based on our cumulative audit knowledge and our understanding of the specific acquisition transaction.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)*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 consolidated financial statements, management is responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY 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 6 to 7, 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 engagement partner on the audit resulting in this independent auditors' report is Sandra Edwards.

A handwritten version of the KPMG logo in blue ink, located below the signature line.

Chartered Accountants
Kingston, Jamaica

February 10, 2025



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY 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 and the Company'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 Group's and 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 Group and 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.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
TROPICAL BATTERY 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.

TROPICAL BATTERY COMPANY LIMITED**Group Statement of Financial Position**
September 30, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash and cash equivalents	4	461,674,349	189,447,956
Accounts receivable	5	974,838,458	474,360,591
Due from related parties	6[b,(i)]	408,776,540	319,813,663
Due from parent company	6[b,(ii)]	56,112,124	44,158,531
Inventories	7	1,629,966,712	958,310,861
Other assets		-	1,526,256
Taxation recoverable		<u>974,962</u>	<u>818,484</u>
		<u>3,532,343,145</u>	<u>1,988,436,342</u>
CURRENT LIABILITIES			
Accounts payable	8	1,396,814,137	443,199,042
Short-term loans	17(ii)	1,986,216,962	10,700,000
Current portion of lease liabilities	11(b)	51,372,228	25,680,587
Current portion of long-term loans	17(i)	<u>98,281,573</u>	<u>372,639,569</u>
		<u>3,532,684,900</u>	<u>852,219,198</u>
NET CURRENT (LIABILITIES)/ASSETS		(<u>341,755</u>)	<u>1,136,217,144</u>
NON-CURRENT ASSETS			
Intangible assets	9	93,831,768	38,133,005
Goodwill	9	2,898,755,987	61,120,229
Property, plant and equipment	10	1,214,278,082	180,244,560
Right-of-use assets	11(a)	74,081,728	164,703,065
Employee benefits assets	12(b)	33,211,000	13,866,000
Interest in joint venture	6[b,(vi)]	<u>5,000,000</u>	<u>5,000,000</u>
		<u>4,319,158,565</u>	<u>463,066,859</u>
		<u>\$4,318,816,810</u>	<u>1,599,284,003</u>
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	164,287,800	164,287,800
Capital contribution	16	459,207,861	459,207,861
Accumulated profit		430,754,843	430,654,579
Foreign currency translation		<u>5,270,382</u>	<u>(3,608)</u>
Equity attributable to owners of the company		1,059,520,886	1,054,146,632
Non-controlling interest	28(a)	<u>41,769,031</u>	<u>13,313,744</u>
		<u>1,101,289,917</u>	<u>1,067,460,376</u>
NON-CURRENT LIABILITIES			
Due to fellow subsidiary	6[b,(v)]	500,000,000	-
Lease liabilities	11(b)	28,690,562	154,793,061
Long-term loans	17(i)	2,671,781,372	373,342,685
Deferred tax liability	14(a)	<u>17,054,959</u>	<u>3,687,881</u>
		<u>3,217,526,893</u>	<u>531,823,627</u>
		<u>\$4,318,816,810</u>	<u>1,599,284,003</u>

The financial statements, on pages 7 to 75 were approved for issue by the Board of Directors on February 10, 2025 and signed on its behalf by:



Marc Melville Director



Alexander Melville Director

TROPICAL BATTERY COMPANY LIMITED**Group Statement of Profit or Loss and Other Comprehensive Income**
Year ended September 30, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Gross operating revenue	18	5,622,301,471	2,801,540,923
Cost of operating revenue	19(a)	(3,758,152,425)	(1,925,312,151)
Gross profit		<u>1,864,149,046</u>	<u>876,228,772</u>
Administration, marketing and selling expenses	19(b)	(1,355,609,352)	(630,395,427)
Operating profit		508,539,694	245,833,345
Other income	19(c)	<u>10,833,435</u>	<u>12,640,814</u>
Profit before depreciation and amortisation, net finance costs and taxation		519,373,129	258,474,159
Depreciation and amortisation	9,10,11	(110,398,338)	(56,767,316)
Profit before net finance costs and taxation		<u>408,974,791</u>	<u>201,706,843</u>
Interest income recognised using the effective interest rate method		84,621,784	12,174,725
Finance costs		(475,823,015)	(92,098,881)
Gain on foreign exchange		<u>16,575,099</u>	<u>22,991,968</u>
Net finance costs	20	(374,626,132)	(56,932,188)
Profit before taxation		34,348,659	144,774,655
Taxation	21	(14,488,138)	(4,933,939)
Profit for the year		<u>\$ 19,860,521</u>	<u>139,840,716</u>
(Loss)/Profit attributable to:			
Owners of Tropical Battery Company Limited		(13,179,236)	135,200,116
Non-controlling interest	28(b)	<u>33,039,757</u>	<u>4,640,600</u>
		<u>19,860,521</u>	<u>139,840,716</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign currency translation		689,520	(3,608)
Re-measurement gain/(loss) on employee benefit assets	12(f)	17,706,000	(59,297,000)
Related taxation on re-measurement	14(b)	(4,426,500)	<u>14,824,250</u>
Other comprehensive income, net of taxation		<u>13,969,020</u>	(44,476,358)
Total comprehensive income for the year		<u>\$ 33,829,541</u>	<u>95,364,358</u>
Total comprehensive income attributable to:			
Owners of Tropical Battery Company. Ltd		5,374,254	90,723,758
Non-controlling interest	28(b)	<u>28,455,287</u>	<u>4,640,600</u>
		<u>\$ 33,829,541</u>	<u>95,364,358</u>
Earnings per stock unit	22	<u>(1.00¢)</u>	<u>10.4¢</u>

TROPICAL BATTERY COMPANY LIMITED**Group Statement of Changes in Shareholders' Equity**
Year ended September 30, 2024

	Share capital (note 15)	Capital contribution (note 16)	Accumulated profit	Foreign currency translation	Non- controlling interest	Total
Balances as at September 30, 2022	<u>156,675,300</u>	<u>459,207,861</u>	<u>391,927,213</u>	-	-	<u>1,007,810,374</u>
Profit for the year	-	-	<u>135,200,116</u>	-	<u>4,640,600</u>	<u>139,840,716</u>
Other comprehensive income:						
Foreign currency translation	-	-	-	(3,608)	-	(3,608)
Re-measurement income on employee benefit asset, net of taxation	-	-	(44,472,750)	-	-	(44,472,750)
Total other comprehensive income	-	-	(44,472,750)	(3,608)	-	(44,476,358)
Total comprehensive income	-	-	<u>90,727,366</u>	(3,608)	<u>4,640,600</u>	<u>95,364,358</u>
Transactions with owners of the Company:						
Dividends declared (note 23)	-	-	(52,000,000)	-	-	(52,000,000)
Issue of shares	7,612,500	-	-	-	-	7,612,500
Acquisition of subsidiary with NCI	-	-	-	-	8,673,144	8,673,144
Balances as at September 30, 2023	<u>164,287,800</u>	<u>459,207,861</u>	<u>430,654,579</u>	(3,608)	<u>13,313,744</u>	<u>1,067,460,376</u>
(Loss)/Profit for the year	-	-	(13,179,236)	-	<u>33,039,757</u>	<u>19,860,521</u>
Other comprehensive income:						
Foreign currency translation	-	-	-	5,273,990	(4,584,470)	689,520
Re-measurement income on employee benefit assets, net of taxation	-	-	<u>13,279,500</u>	-	-	<u>13,279,500</u>
Total other comprehensive income	-	-	<u>13,279,500</u>	<u>5,273,990</u>	(4,584,470)	<u>13,969,020</u>
Total comprehensive income	-	-	<u>100,264</u>	<u>5,273,990</u>	<u>28,455,287</u>	<u>33,829,541</u>
Balances as at September 30, 2024	<u>\$164,287,800</u>	<u>459,207,861</u>	<u>430,754,843</u>	<u>5,270,382</u>	<u>41,769,031</u>	<u>1,101,289,917</u>

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

TROPICAL BATTERY COMPANY LIMITED**Group Statement of Cash Flows**
Year ended September 30, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		19,860,521	139,840,716
Adjustment to reconcile profit for the year to net cash provided by/(used in) operating activities:			
Employee benefits		(1,639,000)	(4,544,000)
Depreciation and amortisation	9,10,11	110,398,338	56,767,316
Taxation expense	21	14,488,138	4,933,939
Interest on loans	20	432,925,658	62,161,882
Interest on lease liabilities	20	13,396,665	12,398,162
Interest income	20	(84,621,784)	(12,174,725)
Unrealised foreign exchange gains		(1,617,977)	75,179
Gain on disposal of property plant and equipment	19(c)	(2,360,575)	(4,371,233)
Foreign currency translation		(75,079,517)	(3,608)
		<u>425,750,467</u>	<u>255,083,628</u>
Changes in working capital:			
Accounts receivable		(35,632,360)	(39,064,256)
Due from related companies		(467,783,360)	(92,749,543)
Due from parent Company		(11,953,593)	-
Inventories		(171,810,891)	(134,675,473)
Other assets		1,526,256	-
Accounts payable		<u>246,578,045</u>	<u>28,272,361</u>
Cash generated by operations		(13,325,436)	16,866,717
Interest received		84,621,784	12,174,725
Interest paid		(443,497,513)	(74,560,044)
Taxation paid		(5,704,038)	(90,675)
Net cash used in operating activities		<u>(377,905,203)</u>	<u>(45,609,277)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the disposal of property, plant and equipment		14,063,898	6,762,907
Acquisition of business	27(a)(i)	(3,068,609,990)	(58,828,196)
Payment on contingent consideration	27	(99,002,724)	-
Issue of shares	15	-	7,612,500
Acquisition of intangible assets	9	(5,209,522)	-
Purchase of property, plant and equipment	10	(112,647,269)	(48,622,300)
Net cash used in investing activities		<u>(3,271,405,607)</u>	<u>(93,075,089)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term loans	17(i)	4,182,484,670	278,070,544
Repayment of long-term loans	17(i)	(96,502,888)	(45,549,584)
Proceeds from short-term loan	17(i)	1,392,266,700	-
Repayment of short-term loan	17(i)	(1,392,266,700)	-
Debt issuance costs	17(l)	(86,384,129)	-
Payment of dividends	23	-	(52,000,000)
Payment of lease liabilities	11(d)	(78,267,185)	(20,509,982)
Net cash provided by financing activities		<u>3,921,330,468</u>	<u>160,010,978</u>
Net increase in cash and cash equivalents		272,019,658	21,326,612
Effect of foreign currency on cash and cash equivalents		206,735	-
Cash and cash equivalents at the beginning of the year		<u>189,447,956</u>	<u>168,121,344</u>
Cash and cash equivalents at the end of the year		<u>\$ 461,674,349</u>	<u>189,447,956</u>
Represented by:			
Cash and cash equivalents	4	<u>\$ 461,674,349</u>	<u>189,447,956</u>

TROPICAL BATTERY COMPANY LIMITED**Company Statement of Financial Position
September 30, 2024**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash and cash equivalents	4	121,410,843	181,506,788
Accounts receivable	5	411,406,917	389,925,796
Due from related parties	6[b,(i)]	408,776,540	319,813,663
Due from parent company	6[b,(ii)]	56,112,124	44,158,531
Due from subsidiaries	6[b,(iii)]	420,834,298	-
Current portion of loan to subsidiary	6[b,(iv)]	1,213,143,657	-
Inventories	7	1,029,920,008	930,146,821
Taxation recoverable		<u>974,963</u>	<u>818,484</u>
		<u>3,662,579,350</u>	<u>1,866,370,083</u>
CURRENT LIABILITIES			
Accounts payable	8	757,727,308	378,551,164
Short-term loans	17(ii)	1,748,164,562	-
Current portion of lease liabilities	11(b)	4,726,178	25,680,587
Current portion of long-term loans	17(i)	<u>98,281,573</u>	<u>350,827,679</u>
		<u>2,608,899,621</u>	<u>755,059,430</u>
NET CURRENT ASSETS		<u>1,053,679,729</u>	<u>1,111,310,653</u>
NON-CURRENT ASSETS			
Loan to subsidiary	6[b,(iv)]	1,938,098,558	-
Intangible assets	9	38,133,005	38,133,005
Property, plant and equipment	10	1,195,600,849	173,142,055
Right-of-use assets	11(a)	30,358,699	164,703,065
Employee benefits assets	12	33,211,000	13,866,000
Interest in subsidiaries	13	70,539,066	69,140,665
Interest in joint venture	6[b,(vi)]	<u>5,000,000</u>	<u>5,000,000</u>
		<u>3,310,941,177</u>	<u>463,984,790</u>
		<u>\$4,364,620,906</u>	<u>1,575,295,443</u>
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	164,287,800	164,287,800
Capital contribution	16	459,207,861	459,207,861
Accumulated profit		<u>552,956,673</u>	<u>425,824,566</u>
		<u>1,176,452,334</u>	<u>1,049,320,227</u>
NON-CURRENT LIABILITIES			
Due to fellow subsidiary	6[b,(v)]	500,000,000	-
Lease liabilities	11(b)	28,690,562	154,793,061
Long-term loans	17 (i)	2,642,423,051	367,494,274
Deferred tax liability	14(a)	<u>17,054,959</u>	<u>3,687,881</u>
		<u>3,188,168,572</u>	<u>525,975,216</u>
		<u>\$4,364,620,906</u>	<u>1,575,295,443</u>

The financial statements, on pages 7 to 75, were approved for issue by the Board of Directors on February 10, 2025 and signed on its behalf by:



Marc Melville Director



Alexander Melville Director

TROPICAL BATTERY COMPANY LIMITED**Company Statement of Profit or Loss and Other Comprehensive Income**
Year ended September 30, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Gross operating revenue	18	2,974,796,573	2,719,853,937
Cost of operating revenue	19(a)	(2,103,832,356)	(1,864,625,864)
Gross profit		<u>870,964,217</u>	<u>855,228,073</u>
Administration, marketing and selling expenses	19(b)	(681,840,843)	(621,316,720)
Operating profit		189,123,374	233,911,353
Other income	19(c)	<u>11,317,908</u>	<u>12,328,881</u>
Profit before depreciation, net finance costs and taxation		200,441,282	246,240,234
Depreciation	10,11	(64,655,544)	(55,832,967)
Profit before net finance costs and taxation		<u>135,785,738</u>	<u>190,407,267</u>
Interest income recognised using the effective interest rate method		423,950,152	12,174,725
Finance costs		(463,498,517)	(90,269,918)
Gain on foreign exchange		<u>26,555,812</u>	<u>22,991,968</u>
Net finance costs	20	(12,992,553)	(55,103,225)
Profit before taxation		122,793,185	135,304,042
Taxation	21	(8,940,578)	(4,933,939)
Profit for the year		<u>113,852,607</u>	<u>130,370,103</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on employee benefit assets	12(f)	17,706,000	(59,297,000)
Related taxation on re-measurement	14(b)	(4,426,500)	<u>14,824,250</u>
Other comprehensive income, net of taxation		<u>13,279,500</u>	(44,472,750)
Total comprehensive income for the year		<u>\$ 127,132,107</u>	<u>85,897,353</u>
Earnings per stock unit	22	<u>8.7¢</u>	<u>10.0¢</u>

TROPICAL BATTERY COMPANY LIMITED**Company Statement of Changes in Shareholders' Equity**
Year ended September 30, 2024

	Share capital (note 15)	Capital contribution (note 16)	Accumulated profit	Total
Balances as at September 30, 2022	<u>156,675,300</u>	<u>459,207,861</u>	<u>391,927,213</u>	<u>1,007,810,374</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>130,370,103</u>	<u>130,370,103</u>
Other comprehensive income:				
Re-measurement income on employee benefits asset, net of taxation	<u>-</u>	<u>-</u>	<u>(44,472,750)</u>	<u>(44,472,750)</u>
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>(44,472,750)</u>	<u>(44,472,750)</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>85,897,353</u>	<u>85,897,353</u>
Transactions with owners of the Company:				
Issue of shares	<u>7,612,500</u>	<u>-</u>	<u>-</u>	<u>7,612,500</u>
Dividends declared (note 23)	<u>-</u>	<u>-</u>	<u>(52,000,000)</u>	<u>(52,000,000)</u>
Balances as at September 30, 2023	<u>164,287,800</u>	<u>459,207,861</u>	<u>425,824,566</u>	<u>1,049,320,227</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>113,852,607</u>	<u>113,852,607</u>
Other comprehensive income:				
Re-measurement income on employee benefit asset, net of taxation	<u>-</u>	<u>-</u>	<u>13,279,500</u>	<u>13,279,500</u>
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>13,279,500</u>	<u>13,279,500</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>127,132,107</u>	<u>127,132,107</u>
Balances as at September 30, 2024	<u>\$164,287,800</u>	<u>459,207,861</u>	<u>552,956,673</u>	<u>1,176,452,334</u>

TROPICAL BATTERY COMPANY LIMITED**Company Statement of Cash Flows**
Year ended September 30, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		113,852,607	130,370,103
Adjustment to reconcile net profit for the year to net cash provided by/(used in) operating activities:			
Employee benefits		(1,639,000)	(4,544,000)
Depreciation	10,11,12	64,655,544	55,832,967
Taxation expense	21	8,940,578	4,933,939
Interest on loans	20	433,942,505	60,664,115
Interest on lease liabilities	20	12,667,257	12,398,162
Interest income	20	(423,950,152)	(12,174,725)
Unrealised foreign exchange gains		(1,617,977)	-
Gain on disposal of property plant and equipment	19(c)	(2,360,575)	(4,371,233)
		204,490,787	243,109,328
Changes in working capital:			
Accounts receivable		(21,481,121)	8,895,587
Due from related companies		(959,797,175)	(92,749,543)
Due to related parties		(11,953,593)	-
Inventories		(99,773,187)	(135,020,812)
Accounts payable		362,241,986	(2,149,629)
Cash (used in)/generated by operations		(526,272,303)	22,084,931
Interest received		423,950,152	12,174,725
Interest paid		(443,784,952)	(73,062,277)
Taxation paid		(156,479)	(90,675)
Net cash used in operating activities		(546,263,582)	(38,893,296)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the disposal of property, plant and equipment		2,360,575	6,762,907
Investment in subsidiary	13	(1,398,401)	(61,528,165)
Purchase of property, plant and equipment	10	(108,112,227)	(46,716,716)
Net cash used in investing activities		(107,150,053)	(101,481,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term loans	17(i)	3,942,734,250	271,689,080
Repayment of long-term loans	17(i)	(85,802,888)	(45,418,384)
Proceeds from short-term loan	17(i)	1,392,266,700	-
Repayment of short-term loan	17(i)	(1,392,266,700)	-
Debt issuance costs	17(l)	(86,384,129)	-
Loans subsidiary	6(b)(iv)	(3,151,242,215)	-
Payment of dividends	23	-	(52,000,000)
Payment of lease liabilities	11(d)	(25,482,174)	(20,509,982)
Net cash provided by financing activities		593,822,844	153,760,714
Net (decrease)/increase in cash and cash equivalents		(59,590,791)	13,385,444
Effect of foreign currency on cash and cash equivalents		(505,154)	-
Cash and cash equivalents at the beginning of the year		181,506,788	168,121,344
Cash and cash equivalents at the end of the year		\$ 121,410,843	181,506,788
Represented by:			
Cash and cash equivalents	4	\$ 121,410,843	181,506,788

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

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements**
September 30, 2024**1. Corporate structure and principal activities**

Tropical Battery Company Limited (the Company) is incorporated and domiciled in Jamaica, and its registered office is at 30 Automotive Parkway, Kingston 20.

The Company stock units were listed on the Jamaica Stock Exchange Junior Market (JSE) on September 29, 2020. As a result of the issuance of shares in the initial public offering, the Company became a 75% subsidiary of Dai Diverze (Jamaica) Limited (parent Company).

Dai Diverze (Jamaica) Limited (parent Company) is incorporated in Jamaica and is a wholly owned subsidiary of Diverze Assets Inc. (ultimate parent Company), a Company incorporated in St. Lucia.

These financial statements present the results of operations and financial position of the Company and its subsidiaries, collectively referred to as “the Group”.

On January 30, 2024, the Company, through its subsidiary Tropical Battery (USA) LLC, acquired 100% of the shares in Rose Electronics Distributing Company LLC. Rose Electronics Distributing Company LLC (Rose Batteries) is a renowned provider of specialise mission critical custom battery packs tailored for a wide range of applications, including innovative utility grid solutions, industrial systems, medical devices, robotics, drones, and other demanding high-performance sectors.

The Company’s subsidiaries are as follows:

	<u>Domicile of incorporation</u>	
Tropical Battery (USA) LLC	United States of America	100%
Rose Electronics Distributing Company LLC	United States of America	100%
Tropical Mobility Limited	Jamaica	95%
Tropical Renewable Energy Limited	Jamaica	95%
Tropical Finance Limited	Jamaica	95%
Kaya Energy Group, SRL	Dominican Republic	51%

The Group’s associate is as follows:

	<u>Domicile of incorporation</u>	
EnRvate Limited	Jamaica	50.00%

The Group’s primary activities are selling and distributing energy storage solutions, including automotive and renewable energy batteries, across Jamaica and the Caribbean while also providing custom battery assemblies for mission-critical applications through Rose Batteries in the U.S. The Group offers renewable energy solutions and electric mobility sales and services. It is a major exporter of spent batteries for recycling and has expanded into high-growth markets, leveraging investments like Kaya Energy and Rose Batteries to strengthen its presence in the renewable energy and energy storage sectors.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)****September 30, 2024****2. Statement of compliance and basis of preparation****(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.

New and amended standards issued and interpretations that became effective during the year:

Effective October 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.

New and amended standards issued and interpretations early adopted:

- Effective October 1, 2023, the Group early adopted the amendments to IAS 1 *Presentation of Financial Statements*. 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. 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 [see note 17(f)].

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**2. Statement of compliance and basis of preparation (continued)****(a) Statement of compliance (continued):****New and amended standards issued and interpretations that are not effective:**

At the date of authorisation of the financial statements, certain new and amended standards and interpretations have been issued which are not yet effective and which the Group have not yet adopted:

- IFRS 18 *Presentation and Disclosure in Financial Statements*, is effective for annual reporting periods beginning on or after January 1, 2027.

Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a Company’s main business activities.

All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a Company’s operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a ‘useful structured summary’ of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a Company provides more detailed disclosures about their nature.

Management initial assessment however revealed that IFRS 18 *presentation and disclosure of financial statements* is likely to impact the presentation of the statement of profit or loss and other comprehensive income, Management will however conduct a detailed assessment of the impact that these standards and amendments will have on its financial statements when they become effective.

(b) Basis of preparation:

Items included in the financial statements of each of the Group’s entities are measured using the currency of primary economic environment in which the entity operates, referred to as the functional currency. The consolidated financial statements are presented in Jamaica dollars (\$), which is the Group’s functional and presentation currency.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**2. Statement of compliance and basis of preparation (continued)****(b) Basis of preparation (continued):**

The financial statements are prepared under the historical cost convention, except for the inclusion of 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(n).

The material accounting policies stated in paragraph (c) and note 3 below conform in all material respects with IFRS.

(c) Basis of consolidation:**(i) Business combinations:**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group accounts for business combination under the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired include at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has the option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**2. Statement of compliance and basis of preparation (continued)****(c) Basis of consolidation (continued):****(i) Business combinations (continued):**

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

(ii) Subsidiaries:

A subsidiary is an entity controlled by the Group. The Group “controls” an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The subsidiary companies are listed in note 1 and are referred to as “subsidiaries” or “subsidiary” in these financial statements.

The financial statements comprise the consolidated financial results of the Company and its subsidiaries prepared to September 30, 2024.

Investment in subsidiaries is measured in the financial statements of the Company at cost, less impairment losses, if any.

All significant inter-Company transactions are eliminated.

(iii) Loss of control:

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**2. Statement of compliance and basis of preparation (continued)****(c) Basis of consolidation (continued):****(iv) Joint venture:**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures on the equity accounting basis.

If the Group's share of losses exceeds its interest in a joint venture the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture. If the joint venture subsequently reports gains, the Group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

(v) Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(vi) Transactions eliminated in 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 Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) 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 amounts of 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 these estimates.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**2. Statement of compliance and basis of preparation (continued)****(d) Use of estimates and judgements (continued):**

The estimates and assumptions underlying them, as well as judgements 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 the revision affects both current and future periods.

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(i) Pension and other post-retirement benefits:

The amounts recognised in the statement of financial position and profit or loss for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets considers the long-term returns, asset allocation and future estimates of long-term investment returns; the discount rate is determined based on the estimate of 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, it has been necessary to estimate the rate by extrapolating from the longest-tenure security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations (see note 12).

(ii) Acquisition of subsidiary:

The fair value of the consideration transferred, and fair value of the assets acquired, and liabilities assumed are measured at fair value see note [9].

(iii) Impairment of goodwill

Impairment of goodwill and other intangibles is dependent upon management's internal assessment of future cash flows from the cash-generating units that gave rise to the goodwill and intangible assets. Those internal assessments determine the amount recoverable from the cash generating units and are sensitive to the discount rates used, as well as the economic assumptions of growth [see note 9 (c)].

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies****(a) Cash and cash equivalents:**

Cash and cash equivalents comprise cash, bank balances and investments with maturities of three months or less from the date of placement and are measured at amortised cost. The investments are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments.

(b) Accounts receivable:

Trade and other receivables are initially measured at the transaction price and subsequently at amortised cost.

(c) Related parties:

A related party is a person or entity that is related to the entity which is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

(a) A person or a close member of that person’s family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions apply:

- (i) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (iv) The entity is a post-employment benefit plan established for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (v) The entity is controlled, or jointly controlled by a person identified in (a).

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(c) Related parties (continued):****(b) An entity is related to the reporting entity if any of the following conditions apply (continued):**

- (vi) A person identified in (a)(i) has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity (or of a parent of the entity).**
- (vii) The entity, or any member of a Group of which it is part, provides key management personnel services to the Company or to the parent of the Company.**

A related party transaction involves transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The Company has a related party relationship with its directors, parent Company, jointly controlled entities, and post-employment benefit plan, as well as with its trustees and key management personnel. “Key management personnel” represents certain senior officers of the Company.

(d) Inventories:

Inventories are measured at the lower of cost, materially determined on the weighted average basis, and net realisable value.

The Group classifies photovoltaic panels, batteries, inverters and other related parts as solar inventory. Solar inventory is valued at lower of weighted average cost and net realisable value. Any impairment of solar inventory items due to obsolescence or slow-moving stock is recognised and disclosed as part of inventory management process. Solar inventory is assessed regularly to ensure that carrying amounts are not greater than their net realisable value. If inventory is written down, the amount of the write-down is recognised in profit or loss under cost of operating revenue.

(e) Accounts payable:

Trade and other payables are measured at amortised cost.

(f) Provisions:

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

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(g) Property, plant and equipment:****(i) Owned assets:**

Items of property, plant and equipment are measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefit associated with the expenditure will flow to the Group.

(iii) Depreciation:

Depreciation is computed on the straight-line basis at annual rates to write down the property, plant and equipment to their estimated residual values at the end of their expected useful lives.

Leasehold improvements	- Over the period of the lease
Furniture, machinery and equipment	- 10%
Computers	- 25%
Motor vehicles	- 20%
Right-of-use assets	- Over the period of the lease
Buildings	- 2.5 %

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(h) Leases:**As a lessee:**

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

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(h) Leases (continued):****As a lessee (continued):**

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 the following:

- fixed payments, including in-substance fixed payments;
- 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 to terminate early.

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, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its 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

The Group has elected not to recognise right-of-use assets and lease liabilities 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.

(i) Intangible assets:**Brands:**

Brands represent expenditure incurred for the exclusive right to assume specific trade names and logos associated with the business. These intangible assets are determined to have an indefinite useful life and are tested annually for impairment.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(i) Intangible assets (continued):****Computer software:**

Costs that are directly associated with acquiring identifiable software products which are expected to generate economic benefits beyond one year, are recognised as intangible assets. These assets are measured at cost, less accumulated amortisation and, if any, impairment losses. The assets are amortised using the straight-line method over their expected useful lives, estimated between five to seven years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Goodwill:

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(j) Taxation:

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 directly to equity, in which case it is 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 provided 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 all 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.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(k) Revenue recognition:**

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15.
Revenue from the sale of batteries, oils, lubricants, tyres, renewable energy solutions and other accessories	Revenue is recognised when goods are provided to the customers based on the terms specified in the contract. Invoices are generated and the revenue is recognised at that point in time. Volume discounts are given to customers. Invoices are usually payable within 5-30 days. Discounts are offered to customers ranging from 3-32.5%.	Revenue is recognised when the goods are provided and have been accepted by the customers.
On site installation and repairs services	The Group provides on site installations and repair services to its industrial and marine clients A fee is charged based on the nature of installation and repairs. These services are billed and settled when the service has been completed. Invoices are usually payable within 5-30 days.	Revenue is recognised at the point in time when service has taken place.
Mobile response services	The Company offers roadside assistance including jump starts, battery and electrical system diagnostics. A fixed fee is charged based on the service. These services are billed and settled when the service has been completed. Invoices are usually payable within 5-30 days.	Revenue is recognised at the point in time when service has taken place.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(l) Operating profit:**

Operating profit is the result generated from continuing principal revenue – producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes depreciation and amortisation, net finance costs, share of profit of equity accounted investees and taxation.

(m) Foreign currencies:

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

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at exchange rates ruling at the reporting date.
- (ii) Income and expenses for each income statement are translated at average exchange rates.

(n) Employee benefits:**(i) Pension assets:**

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 valuation was conducted in accordance with IAS 19, and the financial statements reflect the Group's post-employment benefit assets and obligations as computed by the actuary.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(n) Employee benefits (continued):****(ii) Defined benefit pension scheme:**

The Group is a participating employer in a defined benefit pension scheme, the assets of which are held separately from those of the Group.

The Group's net obligation in respect of the defined benefit pension scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of scheme assets is deducted. To the extent that the obligation is less than the fair value of scheme assets, the asset recognised is restricted to the discounted value of future benefits available to the Group.

The discount rate applied is the yield at reporting date on long-term government instruments that have maturity dates approximating the term of the Group's obligation. The calculation is performed using the projected unit credit method.

Where the calculation results in a pension surplus to the Group, the recognised asset is limited to the present value of any future refunds from the scheme or reductions in the future contributions to the scheme.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

(iii) Other employee benefits:

Employee entitlement to leave is recognised when it accrues to employees. A provision is made for the estimated liability for annual leave, as a result of services rendered by employees up to the reporting date.

(o) Dividends and distributions:

Dividends and distributions are recognised in the period in which they are declared.

(p) Net finance costs:

Net finance costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, material bank charges and foreign exchange gains and losses recognised in profit or loss.

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(q) Borrowings:****(i) Debt issuance costs:**

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

(ii) 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.

(r) Impairment:**(i) Financial assets:**

The Group recognises loss allowances for ECLs on financial assets, measured at amortised cost.

The Group measures loss allowances for trade and other receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when 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 also includes forward looking information.

The Group recognises loss allowances for ECLs and 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 360 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(r) Impairment (continued):****(i) Financial assets (continued)***Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. 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).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised costs are credit-impaired. 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.

At each reporting date, the Group assesses whether financial assets carried at amortised costs are credit-impaired. 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(r) Impairment (continued):****(i) Financial assets (continued):***Write-off (continued)*

This is generally the case when the Group determines that the borrower 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 ‘impairment losses on financial instruments’ in the statement of profit or loss.

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

A provision for impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the effective interest rate.

(ii) Non-financial assets

The carrying amount of the Group’s non-financial assets (other than deferred tax assets) is 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.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets’ carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(s) Financial instruments:**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and related party receivables. Similarly, financial liabilities include accounts payable, related party payables and loans.

(i) Financial assets:*Recognition and initial measurement*

Accounts receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), 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.

Recognition and initial measurement

The financial assets that meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “Held to collect” and measured at amortised cost.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Accounts receivable
- Related party receivables

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

Subsequent measurement

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

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(s) Financial instruments (continued):****(i) Financial assets (continued):***Impairment of financial assets*

Impairment losses of financial assets, including receivables, are recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering their measurement of past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

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.

(ii) Financial liabilities:*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's financial liabilities, which include accounts payable, short-term and long-term loans, are recognised initially at fair value.

Subsequent measurement

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

Derecognition

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

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**3. Material accounting policies (continued)****(s) Financial instruments (continued):****(iii) 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.

(t) Fair value disclosures:

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. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The Group's financial instruments lack an available trading market. Further, the Group has no financial instruments that are carried at fair value. The carrying value of the Group's financial instruments approximates their fair value.

(u) Segment reporting:

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of the other segments.

4. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash and bank balances	430,128,208	149,933,843	89,864,702	141,992,675
Short-term investments	<u>31,546,141</u>	<u>39,514,113</u>	<u>31,546,141</u>	<u>39,514,113</u>
	<u>\$461,674,349</u>	<u>189,447,956</u>	<u>121,410,843</u>	<u>181,506,788</u>

Short-term investments earn interest at 1.5% to 2% (2023: 1.5% to 2%) per annum, with maturities of three months or less from date of acquisition.

5. Accounts receivable

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Trade receivables (a)	693,718,741	291,990,394	287,553,790	272,467,706
Others (b)	<u>309,388,597</u>	<u>205,243,916</u>	<u>151,023,517</u>	<u>140,331,809</u>
	1,003,107,338	497,234,310	438,577,307	412,799,515
Less: Allowance for impairment loss (note 259a)]	(<u>28,268,880</u>)	(<u>22,873,719</u>)	(<u>27,170,390</u>)	(<u>22,873,719</u>)
	<u>\$ 974,838,458</u>	<u>474,360,591</u>	<u>411,406,917</u>	<u>389,925,796</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**5. Accounts receivable (continued)**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(a) Trade receivables as detailed below:				
Balances at the beginning of the year	291,990,394	266,855,997	272,467,706	266,855,997
Arising on acquisition of subsidiary	331,116,829	19,522,688	-	-
Increase due to cash received	<u>70,611,518</u>	<u>5,611,709</u>	<u>15,086,084</u>	<u>5,611,709</u>
Balances at the end of the year	<u>\$693,718,741</u>	<u>291,990,394</u>	<u>287,553,790</u>	<u>272,467,706</u>

Trade receivables include \$11,619,687 (2023: \$7,340,908) due from a related party.

The Group's exposure to credit and currency risks and impairment loss related to trade accounts receivables are disclosed in note 25(a).

(b) Others detailed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General consumption tax	33,318,501	40,726,546	33,318,501	40,726,546
Staff loans	24,221,578	26,286,416	23,785,843	26,016,241
Prepayments	100,046,996	55,727,017	69,392,400	49,778,547
Others	<u>151,801,522</u>	<u>82,503,937</u>	<u>24,526,773</u>	<u>23,810,475</u>
	<u>\$309,388,597</u>	<u>205,243,916</u>	<u>151,023,517</u>	<u>140,331,809</u>

*Staff loans attract interest at rates ranging from 2.5% to 7%. The difference between the fair value of the loans and their carrying value is not material to the financial statements.

6. Related party balances and transactions**(a) Identity of related parties:**

The Company has related party relationships with its ultimate parent Company, its parent Company, subsidiaries, fellow subsidiaries, joint venture, its directors, key management personnel and other related companies controlled by key management personnel.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**6. Related party balances and transactions (continued)**

- (b) The statement of financial position includes the following balances arising in the ordinary course of business with related parties:

- (i) Due from related parties (current):

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
<i>Related companies</i>		
Chukka Caribbean Adventure Limited (Jamaica)	8,214,635	4,597,132
Reside Realty Limited (a)	27,863	6,656,397
<i>Fellow subsidiary</i>		
Diverze Properties Limited (b)	384,602,883	302,887,218
<i>Joint venture</i>		
Enrvate Limited (a)	10,931,159	5,672,916
Directors' current account (a)	<u>5,000,000</u>	<u>-</u>
	<u>\$408,776,540</u>	<u>319,813,663</u>

- (a) These balances are unsecured, interest-free and repayable on demand. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

- (b) See note 17(g) for terms of loan.

- (ii) Due from parent Company (current):

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Dai Diverze (Jamaica) Limited	<u>\$56,112,124</u>	<u>44,158,531</u>

This balance is unsecured, interest-free and repayable on demand. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of this amount.

- (iii) Due from subsidiaries (current):

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
Tropical Mobility Limited	3,560,714	-
Tropical Renewable Energy Limited	25,855,900	-
KAYA Energy Group SRL	8,531,374	-
Tropical Battery (USA) LLC	<u>382,886,310</u>	<u>-</u>
	<u>\$420,834,298</u>	<u>-</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**6. Related party balances and transactions (continued)**

- (b) The statement of financial position includes the following balances arising in the ordinary course of business with related parties (continued):

- (iv) Loan to subsidiary (non-current):

These balances are unsecured, interest-free and repayable on demand. No expense has been recognised in the current year for bad or doubtful debts in respect of amounts owed by these subsidiaries.

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
Tropical Battery (USA) LLC	3,151,242,215	-
Less: Current portion	(1,213,143,657)	-
Long-term portion	<u>\$1,938,098,558</u>	<u>-</u>

See note 17(f)

- (v) Due to fellow subsidiary (non-current):

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Diverze Properties Limited	<u>\$ 500,000,000</u>	<u>-</u>

This balance is unsecured bears, interest at of 11%, per annum and not repayable before September 30, 2026.

- (vi) Interest in joint venture

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Enrvate Limited	<u>\$ 5,000,000</u>	<u>5,000,000</u>

In 2021, the Group entered a strategic partnership to provide energy saving solutions to the automobile industry. To carry out this mandate, Enrvate Limited ('Enrvate') was formed as part of an arrangement in which the Company has joint control and a 50% ownership interest. Enrvate is structured as a separate entity and the Company has residual interest in its net assets. Accordingly, the Company has classified its interest in Enrvate as a joint venture. In accordance with the agreement under which Enrvate is established, the Company and the other investor have agreed to seek additional contributions from selected partners of between \$24 million to \$36 million to fund the operations over the next financial year, following which, additional funding will be sought where required. There was no trading during the financial year.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**6. Related party balances and transactions (continued)**

- (c) The statement of profit and loss and other comprehensive income includes the following balances arising in the ordinary course of business with related parties:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Sale of goods and services to other related parties:				
Chukka Caribbean Adventure Limited (Jamaica)	<u>3,617,503</u>	<u>13,521,925</u>	<u>3,617,503</u>	<u>13,521,925</u>
Sale of goods and services to subsidiary:				
Kaya Energy Group SRL	<u>-</u>	<u>-</u>	<u>58,581,730</u>	<u>-</u>
Purchase of goods and services from subsidiary:				
Tropical Mobility Limited	<u>-</u>	<u>-</u>	<u>28,492,862</u>	<u>-</u>
	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Transactions with fellow Subsidiary - Diverze Properties Limited (note 10,11):				
Interest on lease liabilities	12,623,857	11,850,932	12,623,857	11,850,932
Lease payments	25,048,500	29,100,000	25,048,500	29,100,000
Professional fees earned	(7,236,867)	(5,633,333)	(7,236,867)	(5,633,333)
Interest income earned [note 6 (b)(i)]	(63,941,534)	(8,285,665)	(63,941,534)	(8,285,665)
Transaction with subsidiaries:				
Interest income	<u>-</u>	<u>-</u>	<u>(344,363,108)</u>	<u>-</u>

- (d) Key management personnel compensation:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Directors' emoluments -as management	38,574,637	22,945,125	17,944,817	22,945,125
Director's fees	400,000	300,000	400,000	300,000
Compensation for key management:				
Short-term benefits	<u>36,894,863</u>	<u>21,772,201</u>	<u>27,837,983</u>	<u>21,772,201</u>

TROPICAL BATTERY COMPANY LIMITED

Notes to the Financial Statements (Continued) September 30, 2024

7. Inventories

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods:				
Tyres	445,929	6,521,852	445,929	6,521,852
Batteries	515,459,228	475,320,042	479,835,678	447,156,002
Oils	93,400,221	62,048,880	93,400,221	62,048,880
Accessories	129,415,921	197,534,056	129,415,921	197,534,056
Solar	91,548,026	-	59,057,355	-
Raw material	497,615,991	-	-	-
Work-in-progress	35,328,671	-	-	-
Inventories-in-transit	<u>273,108,518</u>	<u>219,405,113</u>	<u>270,283,986</u>	<u>219,405,113</u>
	1,636,322,505	960,829,943	1,032,439,090	932,665,903
Written down to net realisable value	(<u>6,355,793</u>)	(<u>2,519,082</u>)	(<u>2,519,082</u>)	(<u>2,519,082</u>)
	<u>\$1,629,966,712</u>	<u>958,310,861</u>	<u>1,029,920,008</u>	<u>930,146,821</u>

Inventories written fully off during the year amounted to \$17,786,186 for the Group (2023: \$6,919,518) and \$8,200,000 for the Company (2023: \$6,919,518) and were recognised in profit or loss.

8. Accounts payable

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Trade payables	774,934,031	367,221,878	633,592,824	302,619,406
Dividends payable	2,333,070	735,443	2,333,070	735,443
Contingent payment payable - Rose Batteries acquisition [note 27 (a)(i)]	333,154,966	-	-	-
Accruals	141,184,575	13,500,000	44,057,291	12,790,045
Other payables	<u>145,207,495</u>	<u>61,741,721</u>	<u>77,744,123</u>	<u>62,406,270</u>
	<u>\$1,396,814,137</u>	<u>443,199,042</u>	<u>757,727,308</u>	<u>378,551,164</u>

9. Intangible assets and goodwill

	The Group			
	<u>Brands</u>	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
Cost or valuation:				
September 30, 2023	38,133,005	-	61,120,229	99,253,234
Arising on acquisition of subsidiary [see note 27(a) (iii)]	-	77,439,256	2,831,162,172	2,908,601,428
Movement in Kaya goodwill during the year	-	-	8,682,774	8,682,774
Foreign currency adjustment	-	977,987	(2,209,188)	(1,231,201)
Additions	-	<u>5,209,522</u>	-	<u>5,209,522</u>
September 30, 2024	<u>38,133,005</u>	<u>83,626,765</u>	<u>2,898,755,987</u>	<u>3,020,515,757</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**9. Intangible assets and goodwill (continued)**

	The Group			
	<u>Brands</u>	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
Amortization:				
Arising on acquisition of subsidiary [see note 27(a)(iii)]	-	25,375,498	-	25,375,498
Charge for the year	-	2,053,847	-	2,053,847
Foreign currency adjustment	-	498,657	-	498,657
September 30, 2024	-	27,928,002	-	27,928,002
Net book values:				
September 30, 2024	<u>\$38,133,005</u>	<u>55,698,763</u>	<u>2,898,755,987</u>	<u>2,992,587,755</u>
September 30, 2023	<u>\$38,133,005</u>	<u>-</u>	<u>61,120,229</u>	<u>99,253,234</u>

This is represented on the statement of financial position as follows:

	Group	
	<u>2024</u>	<u>2023</u>
Intangible assets	93,831,768	38,133,005
Goodwill	<u>2,898,755,987</u>	<u>61,120,229</u>
	<u>\$2,992,587,755</u>	<u>99,253,234</u>
	Company	
	<u>2024</u>	<u>2023</u>
Intangible assets		
Brands (a)	<u>\$38,133,005</u>	<u>38,133,005</u>

- (a) These brands represent the acquisition of certain assets as part of the Caribrake and Autopower Brands. These assets are carried at cost as intangible assets with indefinite life. There is no foreseeable limit on the period during which the Group expects to consume the future economic benefits embodied in the asset.

The entity projects that the use of these brands will be made indefinitely, whilst the brands would be tested for impairment in line with IAS 36. As at the reporting period no impairment was identified.

- (b) The software represents computer software programs.
- (c) Goodwill of \$2,831,162,172 [note 27(a)(iii)] is attributable to the acquisition of Rose Electronics Distributing Company LLC and \$67,593,815 to the acquisition of Kaya Energy Group, SRL.

In testing goodwill and intangible assets for impairment, recoverable amounts of cash-generating units were estimated based on value in use. Where the recoverable amounts exceed the carrying amount, no impairment allowance is made. The recoverable amount of the cash-generating unit (CGU) was arrived at by estimating its future cash flows and discounting those cash flows using long-term discount rates applicable to the respective jurisdiction. Future sustainable cash flows were estimated based on the most recent forecasts, based on past experience and management's plans.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**9. Intangible assets and goodwill (continued)****(c) (Continued):**

In all cases, projected cash flows are taken over 5 years and a long-term growth rate is applied to determine a terminal value which is then discounted to present value using an appropriate discount rate.

Key assumptions used in the discounted cash flow projections were as follows:

2024**Kaya Energy Group, SRL (CGUs)**

Discount rate	12.71%
Growth rate	<u>5.00%</u>

The discount rate was a post-tax measure estimated based on the weighted average cost of capital, a possible debt leveraging of 60 percent at a market interest rate of 8.1 percent.

The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required.

2024**Rose Batteries(CGUs)**

Discount rate	14.31%
Growth rate	<u>5.00%</u>

The discount rate was a post-tax measure estimated based on the weighted average cost of capital, a possible debt leveraging of 45 percent at a market interest rate of 8.1%

The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required.

10. Property, plant and equipment

	The Group						Total
	<u>Computers</u>	<u>Leasehold improvements</u>	<u>Land and building</u>	<u>Plant and machinery</u>	<u>Furniture, fixtures and equipment</u>	<u>Motor vehicles</u>	
Cost:							
September 30, 2022	75,046,941	76,899,973	-	8,343,610	172,843,628	85,303,283	418,437,435
Additions	5,794,557	1,803,179	-	-	12,924,600	28,099,964	48,622,300
Disposal	-	-	-	-	-	(7,063,518)	(7,063,518)
September 30, 2023	80,841,498	78,703,152	-	8,343,610	185,768,228	106,339,729	459,996,217
Acquired through business combination	11,967,185	798,155	-	45,133,499	45,429,221	-	103,328,060
Additions	7,697,549	3,823,496	950,000,000	701,770	38,259,430	62,165,024	1,062,647,269
Disposal	-	-	-	-	(41,645,206)	(9,733,543)	(51,378,749)
Foreign currency adjustment	62,301	5,312	-	305,019	(745,629)	(553,404)	(926,401)
September 30, 2024	<u>100,568,533</u>	<u>83,330,115</u>	<u>950,000,000</u>	<u>54,483,898</u>	<u>227,066,044</u>	<u>158,217,806</u>	<u>1,573,666,396</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**10. Property, plant and equipment (continued)**

	The Group (continued)						
	Computers	Leasehold improvements	Land and building	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
Depreciation:							
September 30, 2022	51,942,971	17,799,992	-	8,343,610	99,989,278	73,191,934	251,267,785
Charge for the year	10,463,401	1,744,398	-	-	12,365,714	8,582,203	33,155,716
Eliminated on disposal	-	-	-	-	-	(4,671,844)	(4,671,844)
September 30, 2023	62,406,372	19,544,390	-	8,343,610	112,354,992	77,102,293	279,751,657
Acquired through business combination	8,205,075	558,085	-	33,940,902	31,907,227	-	74,611,289
Charge for the year	11,802,818	1,789,759	-	3,887,384	15,094,588	12,164,837	44,739,386
Eliminated on disposal	-	-	-	-	(29,941,883)	(9,733,543)	(39,675,426)
Foreign currency adjustment	70,032	3,714	-	251,735	(354,133)	(9,940)	(38,592)
September 30, 2024	82,484,297	21,895,948	-	46,423,631	129,060,791	79,523,647	359,388,314
Net book values:							
September 30, 2024	\$18,084,236	61,434,167	950,000,000	8,060,267	98,005,253	78,694,159	1,214,278,082
September 30, 2023	\$18,435,126	59,158,762	-	-	73,413,236	29,237,436	180,244,560
	The Company						
	Computers	Leasehold improvements	Land and building	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
Cost:							
September 30, 2022	74,571,559	76,899,973	-	8,343,610	171,103,123	72,012,265	402,930,530
Additions	5,692,771	1,803,179	-	-	12,794,988	26,425,778	46,716,716
Disposal	-	-	-	-	-	(7,063,518)	(7,063,518)
September 30, 2023	80,264,330	78,703,152	-	8,343,610	183,898,111	91,374,525	442,583,728
Additions	7,044,666	3,823,496	950,000,000	-	37,300,230	59,943,835	1,058,112,227
Disposal	-	-	-	-	-	(9,733,543)	(9,733,543)
September 30, 2024	87,308,996	82,526,648	950,000,000	8,343,610	221,198,341	141,584,817	1,490,962,412
Depreciation:							
September 30, 2022	51,633,720	17,799,992	-	8,343,610	98,651,190	65,463,638	241,892,150
Charge for the year	10,432,430	1,744,398	-	-	12,265,364	7,779,175	32,221,367
Eliminated on disposal	-	-	-	-	-	(4,671,844)	(4,671,844)
September 30, 2023	62,066,150	19,544,390	-	8,343,610	110,916,554	68,570,969	269,441,673
Charge for the year	10,287,294	1,789,759	-	-	13,070,640	10,505,740	35,653,433
Eliminated on disposal	-	-	-	-	-	(9,733,543)	(9,733,543)
September 30, 2024	72,353,444	21,334,149	-	8,343,610	123,987,194	69,343,166	295,361,563
Net book values:							
September 30, 2024	\$14,955,552	61,192,499	950,000,000	-	97,211,147	72,241,651	1,195,600,849
September 30, 2023	\$18,198,180	59,158,762	-	-	72,981,557	22,803,556	173,142,055

During the year additions to property, plant and equipment include cash transactions of \$112,647,269 (2023: \$ 48,622,300) for the Group and \$108,112,227 (2023: \$ 46,716,716) for the Company and non-cash transactions of \$950,000,000 (2023: nil) for the Group and the Company.

Property, plant and equipment are held as security for a private placement of a \$300 million bond [see notes 17(b)]. The Company shall not either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, transfer or grant a lease or otherwise dispose of all or any part of its assets exceeding 10% of tangible net worth in any transaction or series of transactions.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**10. Property, plant and equipment (continued)**

The Company purchased land and building of \$950,000,000 on September 19, 2024, from Diverze Properties Limited, a fellow subsidiary. The Company had leased the land and building in previous years. The acquisition is expected to generate significant cost savings for the Group and will provide the necessary resources to expand its operations and pursue growth initiatives. Included in Land and building is land with a carrying value of \$430,000,000.

11. Leases

The Company and the Group lease property and equipment. The leases typically run for 1 to 10 years. The Group has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term. Certain leased properties are held with Diverze Properties Limited, a fellow subsidiary. See note 10 above and note 6(c) for transactions with Diverze Properties Limited relating to leases.

(a) Right-of-use assets:

	<u>Group</u>		<u>Company</u>	
	<u>Leasehold land and buildings</u>	<u>Leasehold land and buildings</u>	<u>Leasehold land and buildings</u>	<u>Leasehold land and buildings</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at October 1	164,703,065	132,897,745	164,703,065	132,897,745
On acquisition of subsidiary [note 27(a)(iii)]	77,552,444	-	-	-
Lease modification	773,579	55,416,920	-	55,416,920
Derecognition of lease	(105,342,255)	-	(105,342,255)	-
Depreciation charge for the year [note 11(c)]	(63,605,105)	(23,611,600)	(29,002,111)	(23,611,600)
Balance at September 30	<u>\$ 74,081,728</u>	<u>164,703,065</u>	<u>30,358,699</u>	<u>164,703,065</u>

(b) Lease liabilities:

Maturity analysis – contractual undiscounted cash flows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Up to one year	54,864,462	38,347,844	8,218,412	38,347,844
One to five years	25,259,344	143,858,880	25,259,344	143,858,880
More than five years	<u>8,777,177</u>	<u>45,282,298</u>	<u>8,777,177</u>	<u>45,282,298</u>
	88,900,983	227,489,022	42,254,933	227,489,022
Less: future interest	(8,838,193)	(47,015,374)	(8,838,193)	(47,015,374)
Total discounted lease liabilities at year end	80,062,790	180,473,648	33,416,740	180,473,648
Less: current portion	(51,372,228)	(25,680,587)	(4,726,178)	(25,680,587)
Non-current	<u>\$ 28,690,562</u>	<u>154,793,061</u>	<u>28,690,562</u>	<u>154,793,061</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**11. Leases (continued)****(c) Amounts recognised in profit or loss:**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Interest on lease liabilities (note 20)	13,396,665	12,398,162	12,667,257	12,398,162
Depreciation on right-of-use assets [note 11(a)]	63,605,105	23,611,600	29,002,111	23,611,600
Short-term lease rentals	<u>-</u>	<u>7,233,594</u>	<u>-</u>	<u>7,233,594</u>

(d) Amounts recognised in the statement of cash flows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Total cash outflows for lease				
Interest payments	13,396,665	12,398,162	12,667,257	12,398,162
Principal payments	<u>78,267,185</u>	<u>20,509,982</u>	<u>25,482,174</u>	<u>20,509,982</u>
	<u>\$91,663,850</u>	<u>32,908,144</u>	<u>38,149,431</u>	<u>32,908,144</u>

12. Employee benefits**(a) Employee benefits assets:**

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Present value of funded obligations[12(c)]	(248,901,000)	(231,249,000)
Fair value of plan assets[12(d)]	<u>282,112,000</u>	<u>245,115,000</u>
Recognised pension asset[12(b)]	<u>\$ 33,211,000</u>	<u>13,866,000</u>

The Group operates a defined benefit pension scheme covering all permanent employees of Tropical Battery Company Limited. The Trustees of the pension scheme are required by law and the Trust deed to act in the interest of the scheme and all relevant stakeholders. The Trustees of the scheme are responsible for the investment policy with regard to the assets of the scheme. The scheme is funded at 10% of pensionable salaries, being 5% by members and 5% by the sponsoring entity within the Group. Members may contribute up to an additional 5%.

The Group expects to pay \$7,226,000 in contributions to its defined benefits scheme in 2025.

Risks associated with defined benefit pension scheme:

Through its defined benefit pension scheme, the Group is exposed to a number of risks, the most significant of which are detailed below:

TROPICAL BATTERY COMPANY LIMITED

Notes to the Financial Statements (Continued) September 30, 2024

12. Employee benefits (continued)

(a) Employee benefits assets (continued):

Asset volatility

The scheme liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the scheme matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds represent investments in Government of Jamaica securities.

The Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the scheme efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the scheme's assets are either unaffected by fixed interest bonds; meaning that an increase in inflation will reduce the surplus or create a deficit.

(b) Movement in the amounts recognised in the statement of financial position:

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Balance at beginning of year	13,866,000	68,619,000
Net expense in profit or loss and other comprehensive income	12,494,000	(61,368,000)
Contribution paid	<u>6,851,000</u>	<u>6,615,000</u>
Balance at end of year[12(a)]	<u>\$33,211,000</u>	<u>13,866,000</u>

(c) Movements in funded obligations:

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	(231,249,000)	(200,085,000)
Benefits paid	8,492,000	5,380,000
Interest cost	(26,594,000)	(23,010,000)
Current service cost	(18,208,000)	(17,138,000)
Re-measurement gained due to experience	12,092,000	3,604,000
Re-measurement gained due to financial assumptions	<u>6,566,000</u>	<u>-</u>
Balance at end of year[12(a)]	<u>\$(248,901,000)</u>	<u>(231,249,000)</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**12. Employee benefits (continued)****(d) Movement in plan assets:**

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at beginning of year	245,115,000	268,704,000
Contributions paid	19,551,000	17,965,000
Expected return on plan assets	28,719,000	31,359,000
Benefits paid	(10,321,000)	(10,012,000)
Re-measurement of actuarial gains	(952,000)	(62,901,000)
Fair value of plan assets at end of year[12(a)]	<u>\$282,112,000</u>	<u>245,115,000</u>
Plan assets consist of the following:		
Fixed-income securities and other investments	252,625,000	224,534,000
Net current assets	<u>29,487,000</u>	<u>20,581,000</u>
	<u>\$282,112,000</u>	<u>245,115,000</u>

The distribution of the fair value of the plan assets attributable to the defined benefit scheme, was as follows:

	<u>Group and Company</u>			
	<u>2024</u>		<u>2023</u>	
	\$	%	\$	%
Equity securities	205,782,000	81	140,942,000	63
Government of Jamaica securities	22,347,000	9	15,111,000	7
Company's own equity shares	-	-	44,227,000	20
Corporate bonds	<u>24,496,000</u>	<u>10</u>	<u>24,254,000</u>	<u>10</u>
	<u>252,625,000</u>	<u>100</u>	<u>224,534,000</u>	<u>100</u>

(e) Expense recognised in profit or loss, net:

	<u>2024</u>	<u>2023</u>
Interest on obligations and current service cost	\$(<u>5,212,000</u>)	(<u>2,071,000</u>)

Total expense is recognised in administration, marketing and selling expenses in profit or loss.

(f) Items in other comprehensive income:

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Re-measurement gains on obligations	18,658,000	3,604,000
Re-measurement gains on plan assets	(952,000)	(62,901,000)
	<u>\$17,706,000</u>	<u>(59,297,000)</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**12. Employee benefits (continued)**

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

	<u>2024</u>	<u>2023</u>
Discount rate	11.0%	11.5%
Long-term rate of inflation	6.0%	5.0%
Future salary increases	<u>8.0%</u>	<u>9.5%</u>

Assumptions regarding future mortality are based on PA (90) Tables for Pensioners (British Mortality Tables). The expected long-term rate is based on assumed long-term rate of inflation.

- (h) Sensitivity analysis of key economic assumptions:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarises how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation.

	<u>Group and Company</u>					
	<u>2024</u>				<u>2023</u>	
	<u>1%</u> <u>Increase</u> \$'000	<u>1%</u> <u>Decrease</u> \$'000	<u>2%</u> <u>Increase</u> \$'000	<u>2%</u> <u>Decrease</u> \$'000	<u>1%</u> <u>Increase</u> \$'000	<u>1%</u> <u>Decrease</u> \$'000
Discount rate	25,939	(32,162)	47,155	(71,460)	25,367	(31,430)
Future salary increases	<u>(14,501)</u>	<u>(12,862)</u>	<u>(30,863)</u>	<u>(24,278)</u>	<u>(14,933)</u>	<u>13,179</u>

- (i) At September 30, 2024, the weighted average duration of the defined benefit obligation was 13.8 years (2023: 14.6 years).

13. Interest in subsidiaries

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
Kaya Energy Group SRL	69,140,665	69,140,665
-Movement during the year	<u>1,398,401</u>	<u>-</u>
	<u>\$70,539,066</u>	<u>69,140,665</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**14. Deferred taxation**

(a) Deferred tax liability is attributable to the following:

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Property, plant and equipment	(9,516,720)	(4,164,027)
Right-of-use assets	(7,589,675)	(41,175,766)
Employee benefits	(8,302,750)	(3,466,500)
Lease liabilities	<u>8,354,186</u>	<u>45,118,412</u>
	<u>\$(17,054,959)</u>	<u>(3,687,881)</u>

(b) Movement in temporary differences during the year are as follows:

	<u>Group and Company</u>			
	<u>October 1, 2023</u>	<u>Recognised in equity</u>	<u>Recognised in income [note 21(a)]</u>	<u>September 30, 2024</u>
Property, plant and equipment	(4,164,027)	-	(5,352,693)	(9,516,720)
Right-of-use assets	(41,175,766)	-	33,586,091	(7,859,675)
Employee benefits	(3,466,500)	(4,426,500)	(409,750)	(8,302,750)
Lease liabilities	<u>45,118,412</u>	<u>-</u>	<u>(36,764,226)</u>	<u>8,354,186</u>
	<u>(3,687,881)</u>	<u>(4,426,500)</u>	<u>(8,940,578)</u>	<u>(17,054,959)</u>
	<u>October 1, 2022</u>	<u>Recognised in equity</u>	<u>Recognised in income [note 21(a)]</u>	<u>September 30, 2023</u>
Property, plant and equipment	409,316	-	(4,573,343)	(4,164,027)
Right-of-use assets	(33,224,436)	-	(7,951,330)	(41,175,766)
Employee benefits	(17,154,750)	14,824,250	(1,136,000)	(3,466,500)
Lease liabilities	<u>36,391,678</u>	<u>-</u>	<u>8,726,734</u>	<u>45,118,412</u>
	<u>\$(13,578,192)</u>	<u>14,824,250</u>	<u>(4,933,939)</u>	<u>(3,687,881)</u>

15. Share capital

	<u>Group and Company</u>	
	<u>2024</u>	<u>2023</u>
Authorised issued and fully paid:		
Balance at the start of the year	164,287,800	156,675,300
Shares issued during the year	<u>-</u>	<u>7,612,500</u>
1,303,750,000 ordinary shares of no par value	<u>\$164,287,800</u>	<u>164,287,800</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**16. Capital contribution**

This represents capital injection by the ultimate parent Company.

17. Loans and borrowings**(i) Long-term loans**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(a) Related party loan	7,758,150	8,472,489	7,758,150	8,472,489
(b) Bonds	-	300,000,000	-	300,000,000
(c) Bank loan	100,000,000	140,000,000	100,000,000	140,000,000
(d) Stewart Finance Ja. Ltd	19,494,274	21,849,464	19,494,274	21,849,464
(e) Bond - April 2026	242,405,546	248,000,000	242,405,546	248,000,000
(f) Convertible cumulative redeemable preferred equity	2,025,894,868	-	2,025,894,868	-
(g) CIBC Loan	345,151,786	-	345,151,786	-
(h) Other long-term-loans	<u>29,358,321</u>	<u>27,660,301</u>	<u>-</u>	<u>-</u>
	2,770,062,945	745,982,254	2,740,704,624	718,321,953
Less: Current portion	<u>98,281,573</u>	<u>372,639,569</u>	<u>98,281,573</u>	<u>350,827,679</u>
Non-current	<u>\$2,671,781,372</u>	<u>373,342,685</u>	<u>2,642,423,051</u>	<u>367,494,274</u>

(ii) Short-term loans

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(b) Bonds – April 2025	300,000,000	-	300,000,000	-
(i) CIBC US\$9.5m loan	1,448,164,562	-	1,448,164,562	-
(j) Line-of-credit	238,052,400	-	-	-
(k) Other short-term loans	<u>-</u>	<u>10,700,000</u>	<u>-</u>	<u>-</u>
	<u>\$1,986,216,962</u>	<u>10,700,000</u>	<u>1,748,164,562</u>	<u>-</u>
Total loans and borrowings	<u>\$4,756,279,907</u>	<u>756,682,254</u>	<u>4,488,869,186</u>	<u>718,821,953</u>

- (a) The Company has an unsecured loan from the ultimate parent Company. The loan attracts interest of 11% per annum and matures in October 2027.

TROPICAL BATTERY COMPANY LIMITEDNotes to the Financial Statements (Continued)
September 30, 202417. Loans and borrowings (continued)

- (b) In April 2019, the Company authorised the private placement of secured J\$ notes for an aggregate principal amount of \$300 million. These notes attracted interest at the rate of 7.5% per annum up to April 10, 2024. Effective April 11, 2024, certain terms within the Trust Deed were amended. The amendments primarily impacted the interest rate which was amended to 11.75% per annum and the maturity date of the bond which was amended to April 1, 2025. Hence, the bond was reclassified from long-term loans to short term borrowings.
- (c) This represents a loan facility obtained in June 2022 from First Caribbean 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 by the motor vehicle and now attracts interest rate of 13% per annum, following its refinancing in September 2024. It was previously subject to an interest rate of 7.99% per annum and is set to mature in November 2030.
- (e) In February 2023, the Company authorised 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.
- (f) On January 29, 2024 the Company issued US\$13m convertible cumulative redeemable preferred equity to Sygnus Credit Investments Limited. Interest is payable quarterly, at a rate of 10% per annum and matures in January 2027.

The terms of the equity conversion events are stated below:

As long as the Preferred Equity is outstanding:

- (1) The Purchasers will have the right to *convert all or part* of the Preferred Equity into Ordinary Shares including accrued dividends at valuation at a Liquidity/Conversion Event.

Conversion Event may take place at:

- a. Maturity
 - b. Initial Public Offering
 - c. At a liquidity event involving the sale of shares in the Issuer or the Targets.
 - d. Change of Control or Ownership in the Issuer
- (2) The conversion of such shares will be capped such that the Purchaser will not own more than 30% of the Target at Conversion.

or

- (3) Conversion of all or part of the Preferred shares into ordinary shares in the capital of the Company at a price equivalent to a 10% discount in the Qualified Public Offering. In the event of an Additional Public Offering, the holders of the preference shares will convert their shares to ordinary shares of the Company, immediately prior to the offer and their shares will be sold as part of the offer.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**17. Loans and borrowings (continued)**

- (g) 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[6 (b)(i)]. 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. The same terms are applied to the loan receivable as described in note [6 (b)(i)].
- (h) These are unsecured loans totaling \$8.75 million from Banco BHD at 8% interest maturing in November 2025, \$7.5 million from Promerica at 9% interest maturing in October 2024, \$3.4 million from Changan Vehicle Credit Engine at 15.95% interest maturing in April 2029 and loan from directors of \$9.5 million at 11% interest maturing in April 2027.
- (i) This represents a Senior Secured Bridge loan from First Caribbean International Bank (Jamaica) Limited of US\$9.5 million. The Bridge loan was issued in June 2024, replaced the US\$9 million loan from Sygnus Credit Investments Ltd. and is secured by second debenture over present and future property, assets and corporate guarantees. Interest is charged at a rate of 8.5% per annum. The loan is repayable by May 2025. The loan was used to facilitate off-lending to Tropical Battery USA LLC in the acquisition of Rose Electronics Distributing Company LLC. See notes [6(b)(iv) and 27(a)].
- (j) A subsidiary within the Group has an approved short-term revolving credit line of up to US\$1,500,000, of which US\$1,500,000 was drawn as at September 30, 2024. The facility attracted an annual interest rate of 8.58%.
- (k) This represented two unsecured short-term loan facilities from Popular Bank, located in Dominican Republic. The facility attracts interest at the rate of 14.95% and 12.61% respectively, per annum. These loans matured and were repaid during the year.
- (l) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Company's and the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's and Group's statements of cash flows as cash flows from financing activities.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**17. Long-term loans (continued)****(l) Reconciliation of liabilities arising from financing activities (continued):**

	The Group			
	Loans		Leases	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at October 1	<u>756,682,254</u>	<u>492,051,258</u>	<u>180,473,648</u>	<u>145,566,710</u>
Proceeds from loans	4,182,484,670	288,770,544	-	-
Loan acquired from Subsidiary	-	21,410,036	-	-
Repayment of loans	(96,502,888)	(45,549,584)	-	-
Debit issuance costs	(86,384,129)	-	-	-
Repayment of lease liabilities	-	-	(78,267,185)	(20,509,982)
	<u>3,999,597,653</u>	<u>264,630,996</u>	<u>(78,267,185)</u>	<u>(20,509,982)</u>
Lease modification	-	-	(22,143,673)	55,416,920
Interest expense	-	-	13,396,665	12,398,162
Interest paid	-	-	(13,396,665)	(12,398,162)
	-	-	(22,143,673)	55,416,920
Balance at September 30 for long term loans	<u>\$4,756,279,907</u>	<u>756,682,254</u>	<u>80,062,790</u>	<u>180,473,648</u>

	The Company			
	Loans		Leases	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at October 1	<u>718,321,953</u>	<u>492,051,257</u>	<u>180,473,648</u>	<u>145,566,710</u>
Proceeds from loans	3,942,734,250	271,689,080	-	-
Repayment of loans	(85,802,888)	(45,418,384)	-	-
Debit issuance costs	(86,384,129)	-	-	-
Repayment of lease liabilities	-	-	(25,482,174)	(20,509,982)
	<u>3,770,547,233</u>	<u>226,270,696</u>	<u>(25,482,174)</u>	<u>(20,509,982)</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**17. Long-term loans (continued)****(l) Reconciliation of liabilities arising from financing activities (continued):**

	The Company			
	Loans		Leases	
	2024	2023	2024	2023
Balance				
Lease modification	-	-	(121,574,734)	55,416,920
Interest expense	-	-	12,667,257	12,398,162
Interest paid	-	-	(12,667,257)	(12,398,162)
	-	-	(121,574,734)	55,416,920
Balance at September 30 for long term loans	<u>\$4,488,869,186</u>	<u>718,321,953</u>	<u>33,416,740</u>	<u>180,473,648</u>

18. Gross operating revenue

Gross operating revenue represents the invoiced value of sales after deduction of discounts and is measured net of consumption taxes. Revenue is recognised when goods are provided to the customers based on the terms specified in the contract. Invoices are generated and the revenue is recognised at that point in time.

	Group		Company	
	2024	2023	2024	2023
Net Battery Sales	4,824,372,974	2,257,209,698	2,548,921,033	2,257,209,698
Net Tyre Sales	5,649,392	24,736,990	5,649,392	24,736,990
Renewable Energy Solutions	354,208,765	81,686,986	-	-
Total Oil and Accessories	<u>477,676,326</u>	<u>459,150,353</u>	<u>449,183,464</u>	<u>459,150,353</u>
Net Sales before discounts	5,661,907,457	2,822,784,027	3,003,753,889	2,741,097,041
Discounts on All Products	(39,605,986)	(21,243,104)	(28,957,316)	(21,243,104)
Net Sales	<u>\$5,622,301,471</u>	<u>2,801,540,923</u>	<u>2,974,796,573</u>	<u>2,719,853,937</u>

19. Expenses by nature

	Group		Company	
	2024	2023	2024	2023
(a) Cost of operating revenue:				
Tyres	7,101,788	28,289,730	7,101,788	28,289,730
Batteries	2,967,119,887	1,377,702,997	1,571,997,931	1,377,702,997
Spent batteries	28,932,616	106,487,802	28,932,616	64,263,797
Oils	225,009,324	247,115,510	225,009,324	247,115,510
Accessories	273,515,808	94,532,797	257,022,946	94,532,797
Renewable energy	242,705,251	64,263,797	-	45,801,515
Inventory obsolescence	<u>13,767,751</u>	<u>6,919,518</u>	<u>13,767,751</u>	<u>6,919,518</u>
	<u>\$3,758,152,425</u>	<u>1,925,312,151</u>	<u>2,103,832,356</u>	<u>1,864,625,864</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**19. Expenses by nature (continued)**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(b) Administration, marketing and selling expenses:				
Salaries, wages and related costs	797,768,501	364,048,446	369,773,735	354,969,739
Staff and canteen expenses	<u>22,111,549</u>	<u>10,003,543</u>	<u>22,111,549</u>	<u>10,003,543</u>
	<u>819,880,050</u>	<u>374,051,989</u>	<u>391,885,284</u>	<u>364,973,282</u>
Other administration, marketing and selling expenses:				
Accommodation	801,118	1,058,102	801,118	1,058,102
Advertising	38,107,753	11,263,305	14,613,782	11,263,305
Audit fees:				
- current	23,036,375	11,000,000	21,000,000	11,000,000
- prior years under accrual	17,410,711	-	17,410,711	-
Computer services	11,104,454	10,448,069	10,577,235	10,448,069
Director's remuneration	38,574,637	22,945,125	17,944,817	22,945,125
Electricity	20,175,615	12,056,560	15,166,411	12,056,560
Gas and oil	27,407,219	20,874,423	27,386,867	20,874,423
Insurance	44,111,080	8,323,564	8,453,053	8,323,564
Impairment loss on trade Receivables [note 25(a)]	4,323,270	-	4,296,671	-
Miscellaneous expenses	23,374,328	30,038,472	17,499,461	30,038,472
Motor vehicle expenses	19,056,091	4,821,651	19,056,091	4,821,651
Postage and telephone	21,986,861	16,920,751	18,248,321	16,920,751
Printing and stationery	7,578,442	7,625,432	7,578,442	7,625,432
Professional fees	35,947,875	25,518,831	22,047,792	25,518,831
Acquisition related costs [note 27(a)(ii)]	77,000,000	-	-	-
Rent, rates and taxes	17,287,342	9,871,247	9,220,500	9,871,247
Repairs and maintenance	16,494,326	21,287,817	6,810,631	21,287,817
Safety supplies	152,835	52,321	152,835	52,321
Sales promotion	3,613,610	3,490,704	3,613,610	3,490,704
Security	31,965,409	17,838,885	31,965,409	17,838,885
Subscription and donations	14,816,136	4,931,172	6,140,413	4,931,172
Travel and entertainment	<u>41,403,815</u>	<u>15,977,007</u>	<u>9,971,389</u>	<u>15,977,007</u>
	<u>535,729,302</u>	<u>256,343,438</u>	<u>289,955,559</u>	<u>256,343,438</u>
	<u>\$1,355,609,352</u>	<u>630,395,427</u>	<u>681,840,843</u>	<u>621,316,720</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**19. Expenses by nature (continued)**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(c) Other income:				
Gain on disposal of property, plant and equipment	2,360,575	4,371,233	2,360,575	4,371,233
Unrealised gain on investments	-	(2,337,106)	-	(2,337,106)
Fair value of contingent Consideration (note 27(a)(ii))	(1,820,146)	-	-	-
Other income	1,335,673	311,932	-	-
Reimbursable expenses with related party *	7,236,867	5,633,333	7,236,867	5,633,333
Miscellaneous	<u>1,720,466</u>	<u>4,661,422</u>	<u>1,720,466</u>	<u>4,661,421</u>
	<u>\$10,833,435</u>	<u>12,640,814</u>	<u>11,317,908</u>	<u>12,328,881</u>

* This relates to reimbursable expenses incurred on behalf of Diverze Properties Limited.

20. Net finance costs

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finance costs:				
Loan interest	432,925,658	62,161,882	433,942,505	60,664,115
Lease interest [note 11(c)]	13,396,665	12,398,162	12,667,257	12,398,162
Bank charges	<u>29,500,692</u>	<u>17,538,837</u>	<u>16,888,755</u>	<u>17,207,641</u>
	<u>475,823,015</u>	<u>92,098,881</u>	<u>463,498,517</u>	<u>90,269,918</u>
Finance income:				
Interest income recognised using the effective interest rate method	(84,621,784)	(12,174,725)	(423,950,152)	(12,174,725)
Gain on foreign exchange	(<u>16,575,099</u>)	(22,991,968)	(<u>26,555,812</u>)	(22,991,968)
	<u>(101,196,883)</u>	<u>(35,166,693)</u>	<u>(450,505,964)</u>	<u>(35,166,693)</u>
	<u>\$374,626,132</u>	<u>56,932,188</u>	<u>12,992,553</u>	<u>55,103,225</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**21. Taxation**

- (a) Depending on the jurisdiction and nature of business, income tax is computed at 25% for the Company, 0% for subsidiaries in United States of America and 27% for the Dominican subsidiary of the profit for the year, as adjusted for taxation purposes, and is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current tax:				
Income tax at 25%	39,031,242	38,418,844	39,031,242	38,418,844
Income tax at 27%	5,547,560	-	-	-
Less: Remission of income tax	(39,031,242)	(38,418,844)	(39,031,242)	(38,418,844)
	<u>5,547,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred taxation [note 14(b)]:				
Origination and reversal of other temporary differences	<u>8,940,578</u>	<u>4,933,939</u>	<u>8,940,578</u>	<u>4,933,939</u>
	<u>\$14,488,138</u>	<u>4,933,939</u>	<u>8,940,578</u>	<u>4,933,939</u>

- (b) Reconciliation of actual tax charge and effective tax rate:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit before taxation	<u>34,348,659</u>	<u>144,744,655</u>	<u>122,793,185</u>	<u>135,304,042</u>
Computed "expected" tax expense @ 25%	30,698,296	33,826,011	30,698,295	33,826,011
Computed "expected" tax expense @27%	19,703,422	2,367,653	-	-
Tax rate differential:				
Depreciation charge and capital allowances	4,964,048	8,857,060	12,041,979	11,224,713
Disallowable (income)/ expenses	(1,846,386)	(1,697,941)	<u>5,231,546</u>	(1,697,941)
Tax recognised in profit or loss	53,519,380	43,352,783	47,971,820	43,352,783
Less: Remission of income tax	(39,031,242)	(38,418,844)	(39,031,242)	(38,418,844)
	<u>\$14,488,138</u>	<u>4,933,939</u>	<u>8,940,578</u>	<u>4,933,939</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**21. Taxation (continued)****(c) Remission of income tax:**

By notice dated August 13, 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMSE) if certain conditions were achieved after the date of initial admission.

Effective September 29, 2020, the Company's shares were listed on the JMSE. Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below, provided the shares remain listed for at least 15 years.

Years 1 to 5: (October 1, 2021 – September 30, 2025) – 100%

Years 6 to 10: (October 1, 2025 – September 30, 2030) – 50%

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions because the conditions at law were met.

22. Basic and diluted earnings per ordinary stock unit

Basic and diluted earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year. There was no dilution in the current or prior year.

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(Loss)/profit for the year attributable to the shareholders of the Company	\$(<u>13,179,236</u>)	<u>135,200,116</u>	<u>113,852,607</u>	<u>130,370,103</u>
Weighted average ordinary stock units held during the year	<u>\$1,303,750,000</u>	<u>1,300,750,000</u>	<u>1,303,750,000</u>	<u>1,300,750,000</u>
Earnings per stock unit	<u>(1.00¢)</u>	<u>10.4¢</u>	<u>8.7¢</u>	<u>10.0¢</u>

23. Dividends

No dividend was declared in the current year. In 2023 dividend of \$52,000,000 was declared and paid to the shareholders on record as at January 2, 2023, This represented a dividend payment of \$0.04 per ordinary share.

24. Guarantees

The Company has guaranteed a loan of \$125 million made to its joint venture entity EnRvate Limited. The amount drawn down as at September 30, 2024 was \$25 million and it will mature in March 2028. This guarantee did not result in any material impairment.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments****Overview:**

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, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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 risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally from the Group's receivables from customers, related parties and cash and cash equivalents.

Management has a credit policy in place to minimise exposure to credit risk. Credit evaluations are performed on all customers requiring credit. The Group generally does not require collateral in respect of financial assets, materially, trade receivables.

Maximum exposure to credit risk is represented by the carrying amount of financial assets on the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions with minimum risk of default. The Group considers that cash resources have low credit risk base on external credit ratings. No material impairment allowances were recognised in the prior year and there was no change during the period.

Related party balances

The Group assesses related parties' ability to pay if payment is demanded at the reporting date. Management reviews recovery scenarios considering given economic conditions and the borrowers' liquidity over the expected life of the recoverable. The expected credit losses are calculated on this basis. This is measured on the same basis as trade receivables.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(a) Credit risk (continued):***Accounts receivable*

The Group allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and the available press information about its customers) and applying experienced credit judgement.

The Group uses a provision matrix to measure ECLs on trade receivables. 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. In determining forward-looking estimates, the Group considers macro-economic factors such as:

	<u>2024</u>	<u>2023</u>
Gross domestic product	1.70%%	1.60%
Inflation	5.30%	5.60 %
Unemployment rate	4.2%	4.2%

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at September 30 (see also note 5).

	<u>Group</u>			
	<u>2024</u>			
	<u>Weighted</u>	<u>Gross</u>	<u>Expected</u>	<u>Credit</u>
	<u>average</u>	<u>carrying</u>	<u>credit loss</u>	<u>impaired</u>
	<u>loss rate</u>	<u>amount</u>		
	<u>%</u>	<u>\$</u>	<u>\$</u>	
0-30 days	0.78	497,644,213	3,894,387	No
31-60 days	0.39	110,701,377	427,352	No
61-90 days	95.75	457,093	437,675	No
91-120 days	3.57	40,482,090	1,446,732	No
121-150 days	4.67	538,687	25,142	No
151-180 days	20.23	9,605,723	1,943,306	No
181-210 days	23.34	14,947,596	3,489,384	No
211-240 days	5.82	916,027	53,317	No
241-270 days	0.14	1,719,375	2,408	No
271-300 days	37.70	114,470	43,153	No
301-330 days	47.89	165,156	79,091	No
More than 330 days	100.00	<u>16,426,933</u>	<u>16,426,933</u>	Yes
		<u>693,718,740</u>	<u>28,268,880</u>	

TROPICAL BATTERY COMPANY LIMITEDNotes to the Financial Statements (Continued)
September 30, 202425. Financial instruments (continued)

(a) Credit risk (continued):

Accounts receivable (continued)

The following table provides information about the exposure to credit risk and ECL for trade receivables as at September 30 (see also note 5) (continued).

Group				
2023				
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Credit impaired
	%	\$	\$	
0-30 days	0.36	195,495,290	699,535	No
31-60 days	0.81	54,005,907	439,951	No
61-90 days	2.16	14,378,476	310,853	No
91-120 days	13.47	5,856,439	788,802	No
121-150 days	12.74	493,849	62,920	No
151-180 days	12.80	104,382	19,618	No
181-210 days	24.12	428,960	103,444	No
211-240 days	32.80	343,624	112,695	No
241-270 days	42.21	253,601	107,038	No
271-300 days	56.16	451,461	253,543	No
301-330 days	68.73	322,033	221,348	No
331-360 days	87.05	790,783	688,383	No
More than 360 days	100.00	19,065,589	19,065,589	Yes
		<u>291,990,394</u>	<u>22,873,719</u>	

Company				
2024				
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Credit impaired
	%	\$	\$	
0-30 days	2.58	108,437,175	2,795,897	No
31-60 days	0.59	72,864,841	427,352	No
61-90 days	1.45	30,111,816	437,675	No
91-120 days	4.00	36,136,681	1,446,732	No
121-150 days	7.69	326,835	25,142	No
151-180 days	22.41	8,670,089	1,943,306	No
181-210 days	24.88	14,023,647	3,489,384	No
211-240 days	19.96	267,146	53,317	No
241-270 days	26.76	9,000	2,408	No
271-300 days	37.70	114,471	43,153	No
301-330 days	47.89	165,156	79,091	No
331-360 days	-	-	-	No
More than 360 days	100.00	16,426,933	16,426,933	Yes
		<u>287,553,790</u>	<u>27,170,390</u>	

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(a) Credit risk (continued):***Accounts receivable (continued)*

The following table provides information about the exposure to credit risk and ECL for trade receivables as at September 30 (see also note 5) (continued).

	Company			
	2023			
	Weighted average <u>loss rate</u> %	Gross carrying <u>amount</u> \$	Expected <u>credit loss</u> \$	Credit <u>impaired</u>
0-30 days	0.40	175,972,602	699,535	No
31-60 days	0.81	54,005,907	439,951	No
61-90 days	2.16	14,378,476	310,853	No
91-120 days	13.47	5,856,439	788,802	No
121-150 days	18.79	493,849	62,920	No
151-180 days	12.74	104,382	19,618	No
181-210 days	24.12	428,960	103,444	No
211-240 days	32.80	343,624	112,695	No
241-270 days	42.21	253,601	107,038	No
271-300 days	56.16	451,461	253,543	No
301-330 days	68.73	322,033	221,348	No
331-360 days	87.05	790,782	688,382	No
More than 360 days	100.00	<u>19,065,590</u>	<u>19,065,590</u>	Yes
		<u>272,467,706</u>	<u>22,873,719</u>	

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	22,873,719	22,873,719	22,873,719	22,873,719
Arising on acquisition of Rose Batteries	1,071,891	-	-	-
Movement during the year	<u>4,323,270</u>	<u>-</u>	<u>4,296,671</u>	<u>-</u>
Balance at end of year	<u>\$28,268,880</u>	<u>22,873,719</u>	<u>27,170,390</u>	<u>22,873,719</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(b) Concentration risk:****(i) Trade receivables:**

Trade receivables are primarily receivable from customers in Jamaica. The following table summarises the Company and the Group's credit exposure for trade receivables at their carrying amounts, as categorised by the concentration of customers:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Top ten customers	456,107,007	80,833,838	133,739,244	72,796,985
Other	<u>237,611,734</u>	<u>211,156,556</u>	<u>153,814,546</u>	<u>199,670,721</u>
	693,718,741	291,990,394	287,553,790	272,467,706
Less: Provision for credit losses	(<u>28,268,880</u>)	(<u>22,873,719</u>)	(<u>27,170,390</u>)	(<u>22,873,719</u>)
	<u>\$665,449,861</u>	<u>269,116,675</u>	<u>260,383,400</u>	<u>249,593,987</u>

(c) Liquidity risk:

Liquidity 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities, by maintaining lines of credit with its bankers and by monitoring expenditure commitments.

The Group's liquidity risk management process includes:

- (i) Maintaining flexibility in funding by keeping lines of funding available with relevant suppliers and bankers, sourcing the appropriate currency through open market purchase to match foreign currency liabilities and by pursuing prompt payment policies.
- (ii) Maintaining committed lines of credit.
- (iii) Monitoring the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.
- (iv) Raising funds from Additional Public Offering to be completed in March 2025. The amounts raised will be used to pay down current liabilities of \$1,000,000,000.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(c) Liquidity risk (continued):***Financial liabilities cash flows*

The table below presents the undiscounted cash flows payable (both interest and principal cash flows) on the Group's and Company's financial liabilities based on contractual repayment obligations at the reporting date.

	Group 2024				Total \$	Carrying amount \$
	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Non-specific maturity* \$		
Accounts payable	1,396,814,137	-	-	-	1,396,814,137	1,396,814,137
Short-term loans	2,082,330,619	-	-	-	2,082,330,619	1,986,216,962
Due to fellow subsidiary	-	610,000,000	-	-	610,000,000	500,000,000
Long-term loans	653,061,659	3,367,697,778	75,432,189	17,258,150	4,113,449,776	2,770,062,945
Leases	<u>54,864,462</u>	<u>25,259,344</u>	<u>8,777,177</u>	<u>-</u>	<u>88,900,983</u>	<u>80,062,790</u>
	<u>4,187,070,877</u>	<u>4,002,957,122</u>	<u>84,209,366</u>	<u>17,258,150</u>	<u>8,291,495,515</u>	<u>6,733,156,834</u>
	Group 2023				Total \$	Carrying amount \$
	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Non-specific maturity* \$		
Accounts payable	443,199,042	-	-	-	443,199,042	443,199,042
Short-term loans	10,700,000	-	-	-	10,700,000	10,700,000
Long-term loans	399,093,766	410,156,463	23,514,417	25,007,436	855,772,082	745,982,254
Leases	<u>38,347,844</u>	<u>143,858,880</u>	<u>45,282,298</u>	<u>-</u>	<u>227,489,022</u>	<u>180,473,648</u>
	<u>891,340,652</u>	<u>554,015,343</u>	<u>68,796,715</u>	<u>25,007,436</u>	<u>1,537,160,146</u>	<u>1,380,354,944</u>
	Company 2024				Total \$	Carrying amount \$
	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Non-specific maturity* \$		
Accounts payable	757,727,308	-	-	-	757,727,308	757,727,308
Short-term loan	1,844,278,219	-	-	-	1,844,278,219	1,748,164,562
Due to fellow subsidiary	-	610,000,000	-	-	610,000,000	500,000,000
Long-term loans	616,361,594	3,367,697,778	75,432,189	7,758,150	4,072,844,165	2,740,704,624
Leases	<u>8,218,412</u>	<u>25,259,344</u>	<u>8,777,177</u>	<u>-</u>	<u>42,254,933</u>	<u>33,416,740</u>
	<u>3,226,585,533</u>	<u>4,002,957,122</u>	<u>84,209,366</u>	<u>7,758,150</u>	<u>7,321,510,171</u>	<u>5,780,013,234</u>
	Company 2023				Total \$	Carrying amount \$
	Within 1 year \$	1 to 5 years \$	Over 5 years \$	Non-specific maturity* \$		
Accounts payable	378,551,164	-	-	-	378,551,164	378,551,164
Long-term loans	392,865,884	403,191,627	19,467,917	8,472,489	823,997,917	718,321,953
Leases	<u>38,347,844</u>	<u>143,858,880</u>	<u>45,282,298</u>	<u>-</u>	<u>227,489,022</u>	<u>180,473,648</u>
	<u>809,764,892</u>	<u>547,050,507</u>	<u>64,750,215</u>	<u>8,472,489</u>	<u>1,430,038,103</u>	<u>1,277,346,765</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(d) 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 from fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on certain of its financial assets. There is no significant exposure to equity price risk. Derivative financial instruments are not used to reduce exposure to market risk.

(i) 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's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities.

The Group materially contracts financial liabilities at interest rates for the duration of the exposure. The bank loans are subject to interest rates which may be varied with appropriate notice by the lender.

Interest-bearing financial assets are primarily represented by short-term bank deposits, which are contracted at fixed interest rates for the duration of the term.

At the reporting date the interest profile of the Company's interest-bearing financial instruments was:

	Group	
	Carrying amount	
	<u>2024</u>	<u>2023</u>
	\$	\$
Fixed rate:		
Liabilities	<u>4,682,862,029</u>	<u>720,974,818</u>
Variable rate:		
Assets	<u>40,470,318</u>	<u>47,455,281</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(d) Market risk (continued):****(i) Interest rate risk (continued):**

	Company	
	Carrying amount	
	2024	2023
	\$	\$
Fixed rate:		
Liabilities	<u>4,415,451,308</u>	<u>709,849,465</u>
Variable rate:		
Assets	<u>40,470,318</u>	<u>39,514,113</u>
Liabilities	<u>-</u>	<u>-</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not hold any fixed rate financial assets that are subject to material changes in fair value. Therefore, a change in interest rates at the reporting date would not affect profit or equity.

Cash flow sensitivity analysis for variable rate instruments

A change in interest rates at the reporting date would have (decreased)/increased profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	Group			
	2024		2023	
	Effect on profit		Effect on profit	
	25bp	100bp	50bp	25bp
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity (net)	<u>\$177,494</u>	<u>709,972</u>	<u>3,367,598</u>	<u>1,683,799</u>

	Company			
	2024		2023	
	Effect on profit		Effect on profit	
	25bp	100bp	50bp	25bp
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity (net)	<u>\$177,494</u>	<u>709,972</u>	<u>3,351,677</u>	<u>1,675,838</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(d) Market risk (continued):****(ii) 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 purchases and borrowings that are denominated in a currency other than the Jamaican dollar. Such exposures comprise the monetary assets and liabilities of the Group that are not denominated in that currency. The main foreign currency risks of the Group are denominated in United States dollars (US\$), which is the principal intervening currency for the Group.

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.

The following significant exchange rates have been applied:

	<u>2024</u>	<u>2023</u>
USD 1	\$155.39	\$154.20
Dominican Peso 1	\$ <u>2.61</u>	\$ <u>2.72</u>

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

	Net foreign currency monetary assets/(liabilities)					
	Group				Company	
	2024		2023		2024	2023
	US\$	Peso	US\$	Peso	US\$	US\$
Cash and cash equivalents	1,965,821	11,638,585	90,083	-	19,516	90,083
Accounts receivable	2,049,333	32,374,115	-	-	-	-
Other receivable	766,008	26,273,304	-	-	-	-
Accounts payable	(7,000,284)	(33,228,564)	(1,712,381)	-	(3,054,323)	(1,712,381)
Short-term loans	(10,781,685)	-	-	-	(9,264,723)	-
Long-term loans	(12,942,993)	(12,189,984)	-	-	(12,909,782)	-
Net exposure	<u>(25,943,800)</u>	<u>24,867,456</u>	<u>(1,622,298)</u>	<u>-</u>	<u>(25,209,312)</u>	<u>(1,622,298)</u>

Foreign currency sensitivity analysis:

A 1% (2023: 1%) weakening of the United States dollar (US\$) against the Jamaica dollar (J\$) at the year-end would have increased profit by \$40,943,039 for the Group and \$38,783,913 for the Company (2023: J\$5,306,009). This analysis assumes that all other variables in particular interest rates, remained constant.

A 4% (2023: 4%) strengthening of the United States dollar (US\$) against the Jamaica dollar (J\$) at the year-end would have decreased profit by \$163,772,157 for the Group and \$159,135,652 for the Company (2023: J\$7,206,484). This analysis assumes that all other variables in particular interest rates, remained constant.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**25. Financial instruments (continued)****(e) Fair value:**

The fair values of cash and cash equivalents, accounts receivable, related party receivables, related party payables, short-term loans and accounts payable with exception of contingent consideration are assumed to approximate to their carrying value due to their short-term nature. These are included in level 2 fair value hierarchy. The carrying value of the long-term loans is assumed to approximate fair value as the loans bear interest at market rates.

The following table below shows the valuation techniques used in measuring level 3 fair value as at September 30, 2024

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	- Expected cash flows of \$375,000 per quarter. - Risk-adjusted discount rate (January 30, 2024 13.92%, September 30, 2024 14.31%.	The estimated fair value would increase/(decrease) if: - the expected cash flows were higher/(lower); or - the risk-adjusted discount rate were lower/(higher).

(f) Capital management:

The Board of Directors monitors the return on capital, which is defined as total shareholders' equity. The board's policy is to maintain adequate capital to sustain future development of the business. There are no externally imposed capital requirements for the Group and there were no changes to capital management during the year.

26. Segment reporting

The Board of Directors has determined the Group's operating segments based on the reports reviewed by them that are used to make strategic decisions. The Group is organised and managed in two main business segments based on its business activities. The segment arose upon the acquisition of Kaya Energy Group SRL and Rose Batteries. The primary business of the subsidiaries is the distribution of renewable energy batteries and provider of specialised batteries for medical devices and aerospace sectors. The revenue segment for energy storage segment includes the following revenue categories: net battery, net tyre and accessories. The renewable energy segment includes revenues for renewable energy solutions.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**26. Segment reporting (continued)**

	2024			
	Energy storage	Renewable energy solutions	Elimination	Total
	\$	\$	\$	\$
Revenues	5,264,511,664	357,789,807	-	5,622,301,471
Operating profit	422,999,720	85,539,974	-	508,539,694
Profit before taxation	(38,289,713)	75,354,989	(2,716,617)	34,348,659
Depreciation and amortisation	(108,471,795)	(1,926,543)	-	(110,398,338)
Interest income	428,652,292	332,600	(344,363,108)	84,621,784
Finance costs	(816,671,092)	(2,618,560)	343,466,637	(475,823,015)
Taxation	(8,940,578)	(5,547,560)	-	(14,488,138)
Impairment loss on trade receivables	4,323,270	-	-	4,323,270
Assets	11,965,715,301	209,758,058	(4,328,971,649)	7,846,501,710
Liabilities	(10,383,841,859)	(122,135,786)	3,755,765,852	(6,750,211,793)
Joint venture	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

	2023			
	Energy storage	Renewable energy solutions	Elimination	Total
	\$	\$	\$	\$
Revenues	2,719,853,937	81,686,986	-	2,801,540,923
Operating profit	233,911,353	11,921,992	-	245,833,345
Profit before taxation	135,304,042	9,470,613	-	144,774,655
Depreciation and amortisation	55,832,968	934,348	-	56,767,316
Interest income	12,174,725	-	-	12,174,725
Finance costs	90,269,918	1,828,963	-	92,098,881
Taxation	4,933,939	-	-	4,933,939
Assets	2,330,354,873	129,168,764	(8,020,436)	2,451,503,201
Liabilities	1,281,034,646	103,008,179	-	1,384,042,825
Joint venture	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**26. Segment reporting (continued)****Geographic information:**

The geographic information analyses the Groups revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

(i) Revenue:

	<u>2024</u>	<u>2023</u>
Jamaica	3,006,870,477	2,719,853,937
United States	2,261,222,229	-
Dominican Republic	<u>354,208,765</u>	<u>81,686,986</u>
	<u>\$5,622,301,471</u>	<u>2,801,540,923</u>

(ii) Non-current assets:

	<u>2024</u>	<u>2023</u>
Jamaica	1,372,842,619	463,984,790
United States	2,938,854,764	-
Dominican Republic	<u>7,461,182</u>	<u>7,102,505</u>
	<u>\$4,319,158,565</u>	<u>471,087,295</u>

27. Effect of purchase of business**(a) Acquisition of Rose Batteries:**

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 100% of the shares in Rose Electronics Distributing Company LLC, for a consideration of \$3.547 billion (US\$22.8 million). The closing date of the acquisition was January 30, 2024. The acquisition was partially financed by a convertible cumulative redeemable preferred equity facility [see note 17(f)] and US\$9m loan from Sygnus Credit Investments Ltd [see note 17(i)].

Included in the identifiable assets and liabilities acquired at the date of acquisition of Rose Batteries Distributing Company LLC are inputs (inventories and property, plant and equipment), production processes and an organized workforce. The Group determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Rose Batteries specialises in custom battery packs for critical sectors such as aerospace, defence and medical devices. The acquisition of Rose Batteries enables the Group to expand its market presence and operational scale. The Group also expects to capitalise on the synergies with the other entities within the Group. This will lead to increased growth, profitability and cost efficiencies.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**27. Effect of purchase of business (continued)****(a) Acquisition of Rose Batteries (continued):**

In the nine months to September 30, 2024, Rose Batteries contributed revenue of \$2.08 billion and profit of \$280 million to the Group's results. If the acquisition had occurred on October 1, 2023, management estimates that the consolidated revenue would have been \$4.25 billion and consolidated profit would have been \$472.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on October 1, 2023.

(i) Consideration transferred:

The following table summarises the acquisition date fair value of each major class of consideration transferred.

Cash	3,080,617,512
Contingent consideration (see note below)	<u>433,977,836</u>
Total consideration transferred	<u>\$3,514,595,348</u>

The Group has agreed to pay the selling shareholders additional consideration of \$472.07 million (USD \$3 million) if the acquiree's customer revenues are achieved as per the agreed targets over the next two years. Payments of USD \$375,000 to be paid each quarter if agreed targets are met. The fair value of contingent consideration is \$433.97 million at the acquisition date. It was estimated by applying discounted cash flow model and estimating the present value of the quarterly payments of \$375,000 using a risk adjusted discount rate of 13.92%. See below table for movement in contingent consideration during the year.

Contingent consideration	466,671,750
Fair value adjustment at acquisition	(<u>32,693,914</u>)
Fair value contingent consideration at acquisition	433,977,836
Payments during the year	(<u>99,002,724</u>)
Fair value of contingent consideration recognised in P&L [note 19(c)]	(<u>1,820,146</u>)
Contingent consideration at year end (note 8)	<u>\$333,154,966</u>

(ii) Acquisition related costs:

The Group has incurred acquisition related costs of \$77 million [note 19(b)] relating to external legal fees and due diligence costs. These have been included in "administration, marketing and selling expenses" in the statement of profit or loss and other comprehensive income.

TROPICAL BATTERY COMPANY LIMITEDNotes to the Financial Statements (Continued)
September 30, 202427. Effect of purchase of business (continued)

(a) Acquisition of Rose Batteries (continued):

(iii) Identifiable assets acquired and liabilities assumed and goodwill:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	<u>January 30, 2024</u>
Property, plant and equipment	28,655,521
Intangible asset	52,063,758
Right-of-use assets (note 11(a))	77,552,444
Inventories	499,844,960
Accounts receivable	464,845,507
Cash	13,405,923
Lease liabilities	(81,182,062)
Accounts payable	(371,752,875)
Total identifiable net assets acquired	<u>683,433,176</u>
Total consideration transferred	3,514,595,348
Total identifiable net assets acquired	(683,433,176)
Goodwill [note 9(c)]	<u>\$2,831,162,172</u>

The fair value of the goodwill acquired has been provisional determined and no adjustment have been made for intangible assets and the associated deferred tax, if any.

The goodwill is attributed mainly to the skills and technical talent of the work force of Rose Batteries and products offered that will expand the Group's market presence.

Measurement of fair values:

Property, plant and equipment and intangible asset:

- Market comparison technique and cost technique

The valuation model considers market prices for similar items when they are available and depreciated replacement cost when appropriate. Depreciated cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

- Inventories:

The fair value is determine based on the estimated selling price in the ordinary course of business and reasonable profit margin based on effort required to sell the inventories.

TROPICAL BATTERY COMPANY LIMITED**Notes to the Financial Statements (Continued)**
September 30, 2024**27. Effect of Purchase of Business (continued)****(a) Acquisition of Rose Batteries (continued):****(iii) Identifiable assets acquired and liabilities assumed and goodwill (continued):**

- The trade receivables comprise of gross contractual amounts due of \$443.6 million, of which all was expected to be collectable at the date of acquisition.
- All liabilities were with external parties.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identified adjustments to the above amounts then accounting for the acquisition will be revised.

28. Non-controlling interest

The following table summarises the Group's material non-controlling interest (NCI) in Kaya Energy Group before any intraGroup eliminations:

(a) Statement of financial position:

	<u>2024</u>	<u>2023</u>
Total assets	202,346,118	129,168,764
Total liabilities	(117,103,198)	(101,997,858)
Net assets	\$ <u>85,242,920</u>	<u>27,170,906</u>
Carrying amount of NCI	\$ <u>41,769,031</u>	<u>13,313,744</u>
NCI percentage	49%	49%

(b) Statement of profit and loss and other comprehensive income:

Revenue	<u>354,208,765</u>	<u>81,686,986</u>
Profit	67,428,075	9,470,613
Other comprehensive income/(loss)	(<u>9,356,061</u>)	-
Total comprehensive income	\$ <u>58,072,014</u>	<u>9,470,613</u>
Profit allocated to NCI	33,039,757	4,640,600
Other comprehensive loss allocated to NCI	(<u>4,584,470</u>)	-
Total comprehensive profit allocated to NCI	\$ <u>28,455,287</u>	<u>4,640,600</u>

TROPICAL BATTERY COMPANY LIMITEDNotes to the Financial Statements (Continued)
September 30, 202428. Non-controlling interest (continued)

	<u>2024</u>	<u>2023</u>
(c) Statement of cash flows:		
Cash flows provided/(used) in operating activities	39,853,185	(6,424,266)
Cash flows used in investment activities	(11,368,462)	(1,905,584)
Cash flows (used in)/provided by financing activities	(<u>6,930,716</u>)	<u>6,083,463</u>
Net increase/(decreased) in cash and cash equivalents	<u>\$21,554,007</u>	(<u>2,246,387</u>)

REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.



11 Disclosure of Shareholdings

Top Ten Shareholders
Shareholdings of Directors and Connected Parties
Shareholdings of Senior Managers



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

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Time: 09:46 PM

Top 10 shareholdings for TROPICAL BATTERY COMPANY LIMITED
As at
September 30, 2024

Primary Account Holder	Joint Holder(s):	Volume	Percentage
1 DAI DIVERZE (JAMAICA) LIMITED			
	Client total ownership	975,000,000	71.6186%
		975,000,000	71.6186%
2 CONSCIOUS CAPITAL INC			
	Client total ownership	41,250,000	3.0300%
		41,250,000	3.0300%
3 CHRISTOPHER J. WUNDERLICH			
	Client total ownership	35,227,273	2.5876%
		35,227,273	2.5876%
4 SYGNUS CAPITAL GROUP LIMITED			
	Client total ownership	20,000,000	1.4691%
		20,000,000	1.4691%
5 TROPICAL BATTERY COMPANY LIMITED CONTRIBUTORY PENSION SCHEME			
	Client total ownership	13,035,000	0.9575%
		13,035,000	0.9575%
6 DANIEL MELVILLE			
	ANNA MELVILLE	5,016,130	0.3685%
		7,692,307	0.5650%
	Client total ownership	12,708,437	0.9335%
7 NCB CAPITAL MARKETS LTD. A/C 2231			
	Client total ownership	11,297,943	0.8299%
		11,297,943	0.8299%
8 PAM - POOLED EQUITY FUND			
	Client total ownership	8,695,315	0.6387%
		2,434,161	0.1788%
		11,129,476	0.8175%
9 TROPICAL BATTERY COMPANY LIMITED PENSION FUND			
	Client total ownership	10,000,000	0.7346%
		10,000,000	0.7346%
10 PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND			
	Client total ownership	9,187,924	0.6749%
		9,187,924	0.6749%
Total Issued Capital:		1,361,377,273	
Total Units Owned by Top 10 Shareholders:		1,138,836,053	
Total Percentage Owned by Top 10 Shareholders:		83.6532%	

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.

End of Report

Production Environment
Report ID 8849



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 September 30, 2024

Board Member	*Primary Holder	Position on Board	Relationship	Volume	%
Account ID	Joint Holder				
Marc Melville	Marc Melville Dai Diverze (Jamaica) Limited	Director	Self	-	0.00000
			Connected	975,000,000	71.61865
			Director's Holdings	-	0.00000
			Connected Party Holdings	975,000,000	71.61865
			Combined Holdings	975,000,000	71.61865
Alexander Melville	Alexander Melville Dai Diverze (Jamaica) Limited Conscious Capital Inc.	Director	Self	-	0.00000
			Connected	975,000,000	71.61865
			Connected	41,427,000	3.04302
			Director's Holdings	-	0.00000
			Connected Party Holdings	1,016,427,000	74.66167
			Combined Holdings	1,016,427,000	74.66167
Daniel Melville	*Daniel Melville Anna Melville	Director	Self	5,016,130	0.36846
			Self	7,692,307	0.56504
			Connected	975,000,000	71.61865
Ricardo Hutchinson	Ricardo Hutchinson Dai Diverze (Jamaica) Limited	Director	Self	-	0.00000
			Connected	975,000,000	71.61865
			Director's Holdings	-	0.00000
			Connected Party Holdings	975,000,000	71.61865
			Combined Holdings	975,000,000	71.61865
Marc Ramsay	Marc Ramsay Operor Auctus Limited	Director	Self	-	0.00000
			Connected	1,500,000	0.11018
			Director's Holdings	-	0.00000
			Connected Party Holdings	1,500,000	0.11018
			Combined Holdings	1,500,000	0.11018
Caryl Fenton	Caryl Fenton	Director	Self	-	0.00000
			Director's Holdings	-	0.00000
			Connected Party Holdings	-	0.00000
			Combined Holdings	-	0.00000
Andrew Cramer	Andrew Cramer	Director	Self	-	0.00000
			Director's Holdings	-	0.00000
			Connected Party Holdings	-	0.00000
			Combined Holdings	-	0.00000
Itamar Frankenthal	Itamar Frankenthal	Director	Self	-	0.00000
			Director's Holdings	-	0.00000
			Connected Party Holdings	-	0.00000
			Combined Holdings	-	0.00000
JODY GAGER-ROSE	Jody Gager-Rose	Director	Self	-	0.00000
			Director's Holdings	-	0.00000
			Connected Party Holdings	-	0.00000
			Combined Holdings	-	0.00000
Issued Shares	1,361,377,273				
Combined Director's Holdings	12,708,437	0.93350			
Combined Connected Party Holdings	1,017,927,000	74.77185			
Comined Holdings	1,030,635,437	75.70535			



Jamaica Central Securities Depository Limited
Registrar Services Unit
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TROPICAL BATTERY COMPANY LIMITED - JME202000092
Senior Managers and Connected Parties Shareholdings Report
as at September 30, 2024

Board Member	*Primary Holder	Position on Board	Relationship	Volume	%
Account ID	Joint Holder				
Reshando Mais	Reshando Mais	Manager	Self	300,000	0.02204
			Senior Managers Holdings	300,000	0.02204
			Connected Party Holdings	-	0.00000
			Combined Holdings	300,000	0.02204
Stacy-Ann Spence	*Stacy-Ann Spence Leah-Stacia McLean	Manager	Self	50,000	0.00367
			Connected	-	-
			Senior Managers Holdings	50,000	0.00367
			Connected Party Holdings	-	0.00000
			Combined Holdings	50,000	0.00367
Kamesha Robinson	Kamesha Robinson Taron Robinson *Kamesha Robinson	Manager	Self	1,157,924	0.08506
			Self	196,000	0.01440
			Senior Managers Holdings	1,353,924	0.09945
			Connected Party Holdings	-	0.00000
			Combined Holdings	1,353,924	0.09945
Karina Chez	Karina Chez	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	0.00000
			Combined Holdings	-	0.00000
Andrew Cramer	Andrew Cramer	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
O'rane Gray	O'rane Gray *Tawana Gray	Manager	Self	-	0.00000
			Connected	150,000	0.01102
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	150,000	-
			Combined Holdings	150,000	0.01102
Sandra Russell	*Sandra Russell Patrick Russell	Manager	Self	360,000	0.02644
			Senior Managers Holdings	360,000	0.02644
			Connected Party Holdings	-	-
			Combined Holdings	360,000	0.02644
Alexander Melville	Alexander Melville Dai Diverze (Jamaica) Limited Conscious Capital Inc.	Manager	Self	-	0.00000
			Connected	975,000,000	71.61865
			Connected	41,427,000	3.04302
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	975,000,000	71.61865
			Combined Holdings	41,427,000	3.04302
Daniel Melville	*Daniel Melville Anna Melville Daniel Melville	Manager	Self	5,016,130	0.36846
		Manager	Self	7,692,307	0.56504
			Senior Managers Holdings	12,708,437	0.93350
			Connected Party Holdings	-	-
			Combined Holdings	12,708,437	0.93350
David Walton	David Walton	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
Jeffrey Brown	Jeffrey Brown	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
Oliver Hill	Oliver Hill	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
Chris Wunderlich	Chris Wunderlich	Manager	Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
Tim Gray	Tim Gray		Self	-	0.00000
			Senior Managers Holdings	-	0.00000
			Connected Party Holdings	-	-
			Combined Holdings	-	0.00000
Issued Shares	1,361,377,273				
Combined Senior Managers Holdings	14,772,361	1.08510			
Combined Connected Party Holdings	975,150,000	71.62967			
Combined Holdings	989,922,361	72.71477			



REVENUE		GROSS PROFIT		EBITDA		• ADJUSTED EBITDA		• ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

12 Corporate Data

Registered Office
Service Centres
Principal Stockbrokers & Financial Advisers

REVENUE	GROSS PROFIT	EBITDA	* ADJUSTED EBITDA	* ADJUSTED PROFIT BEFORE TAX
\$5.62B ↑ YOY Increase 100.7%	\$1.86B ↑ YOY Increase 112.7%	\$519.37M ↑ YOY Increase 100.9%	\$596.37M ↑ YOY Increase 130.7%	\$200.35M ↑ YOY Increase 38.4%

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

REGISTERED OFFICE



TROPICAL BATTERY COMPANY LTD.

30 Automotive Parkway,
Ferry Commercial Park, Mandela
Highway
Kingston 20. P.O. Box 148.
Jamaica W. I.
www.tropicalbattery.com



INTERNATIONAL OFFICES



ROSE Batteries

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KAYA Energy Group

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Domingo, Dom. Rep.
Email: gosolar@kayaenergy.com
Phone: 809.985.KAYA (5292)
Website: www.kayaenergy.com

REVENUE		GROSS PROFIT		EBITDA		* ADJUSTED EBITDA		* ADJUSTED PROFIT BEFORE TAX	
\$5.62B	↑	\$1.86B	↑	\$519.37M	↑	\$596.37M	↑	\$200.35M	↑
YOY Increase 100.7%		YOY Increase 112.7%		YOY Increase 100.9%		YOY Increase 130.7%		YOY Increase 38.4%	

* Adjusted for one-time non-recurring Rose Batteries due diligence & acquisition cost \$77M, plus \$89 million of financial acquisition arranging fees, totalling \$166M.

SERVICE CENTRES

Kingston

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fax (876) 926-7341

Ocho Rios

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Jamaica
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fax (876) 974-8712

Kingston

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Kingston 11 Jamaica
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(876) 923-6233 or
fax (876) 757-3328

Montego Bay

Catherine Hall Trade Centre
Montego Bay St. James Jamaica
(876) 971-6220
fax(876) 971-9408

Kingston

30 Automotive Parkway,
Ferry Commercial Park,
Mandela Highway Kingston 20
(876) 923-6231-3

Manchester

6 Villa Road
Mandeville Manchester Jamaica
(876) 625-0600,(876) 625-9083
fax (876) 625-9084

PRINCIPAL STOCKBROKERS & FINANCIAL ADVISERS

PRINCIPAL STOCKBROKERS & FINANCIAL ADVISERS

SYGNUS Capital
Limited
Unit 28
80 Lady Musgrave
Road, Kingston 10,
Jamaica

NCB Capital
Markets Limited
"The Atrium"
32 Trafalgar Road,
Kingston 10
Stanley Thompson
Manager-Origination
& Structuring
(876)935-2769

AUDITORS

KPMG Jamaica
The Victoria Mutual
Building
6 Duke Street
Kingston, Jamaica.

ATTORNEYS

Ramsay & Partners
8 Lady Musgrave Road
Kingston 5, St Andrew
Jamaica.

Patterson Mair Hamilton
Temple Court 85
Hope Road
Kingston 6, Jamaica.

Clinton Hart & Co.
58 Duke Street
Kingston, Jamaica

REGISTRARS & TRANSFER AGENTS

Jamaica Central
Securities Depository
40 Harbour Street
Kingston, Jamaica

FORM OF PROXY

Tropical Battery Company Limited

I/WE _____

of _____

being a member/members of Tropical Battery Company Limited hereby appoint

of _____

Or failing him/her _____

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 Thursday March 20, 2025 at 10: 00 am in an online format using the Zoom platform and at any adjournment thereof.

Signed this _____ day of _____ 2024

_____ Signature

_____ Signature

To be valid:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- If executed by a corporation, this proxy must be sealed. A corporate shareholder may appoint a representative in accordance with the Company's Articles of Incorporation, instead of appointing a proxy.

This Form of Proxy must be received by the Registrar of the Company, 30 Automotive Parkway, Ferry Commercial Park, Mandela Highway, Kingston 20, Jamaica, not less than 48 hours before the time of the meeting.

- This Form of Proxy should bear stamp duty of \$100.00. Adhesive stamps are to be cancelled by the person signing the proxy.