

## **Tropical Battery Agrees to Acquire 50% Stake in Dominican Republic-based KAYA Energy Group**

Santo Domingo, 14 February 2023 // Tropical Battery Company Limited (JSE:TROPICAL) has signed an agreement to acquire a 50% stake in Dominican Republic-based solar photovoltaic engineering, procurement and construction company KAYA Energy Group for a combination of cash and shares. The transaction is pending financial close and approval by the regulatory authorities in Jamaica and Dominican Republic.

The acquisition of KAYA advances Tropical Battery's strategy of diversifying its product and service offering and extending its geographical footprint across the Caribbean Basin. The deal expands the addressable market for solar power and energy storage equipment distributed under Tropical Battery's Tropical Renewable Energy division fourfold. It will also enable a vertical integration of Tropical Energy's business with KAYA's design, engineering, installation and maintenance expertise.

KAYA Energy Group management will remain at the helm of the acquired company for the foreseeable future as it is integrated with Tropical Renewable Energy. The deal is expected to be accretive to Tropical Battery earnings in FY2023.

"We are very excited to be integrating our operations with Tropical Energy," said KAYA Co-founder and CEO Karina Chez. "This transaction validates all the hard work we have put into building KAYA Energy Group and marks a new chapter in our growth and development. We are proud of what we have achieved and look forward to building an even greater, more regional platform in the years ahead as part of the Tropical Battery group of companies. Affordable energy independence is within reach for households and businesses across the Caribbean, and with Tropical Energy by our side, it's more accessible than ever," Chez added.

"We are pleased to be entering the largest renewable energy market in the Spanish-speaking Caribbean in partnership with KAYA Energy Group," commented Tropical Battery Managing Director Alexander Melville. "The Dominican Republic has a population of more than 11 million and GDP of nearly USD 100bn, over six times the size of the Jamaican economy, with considerable momentum driving the adoption of renewables. KAYA Energy Group has built an impeccable reputation over the past decade, while spearheading the push for an enabling regulatory regime in the country, and we have a lot of synergies that will propel our combined growth for years to come," Melville said.

"KAYA Energy Group's founders share our core values, our regional vision, and our mission to facilitate the transition to a more sustainable, low-carbon economy in the Caribbean by providing world class renewable energy solutions," Melville added.

### **About Tropical Battery**

Tropical Battery was founded in 1950 as an energy storage company supplying the automotive, marine, and industrial markets with batteries, lubricants, automotive care products, and tyres. The company has over 125 employees with six branches and an island-wide distribution network. Tropical Battery was listed on the Junior Market of the Jamaica Stock Exchange in 2020, and subsequently launched new divisions dedicated to energy efficiency, renewable energy, electric mobility, and sustainable finance.

### **About KAYA Energy Group**

KAYA Energy Group is a Santo Domingo-based engineering procurement and construction company that has been providing renewable energy solutions to residential, commercial and industrial customers since 2010.