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Chairman's Report for the Six Month Period Ended October 31, 2023

Blue Power Group delivered strong results for the six-month period ended October 31, 2023 (the "First Half"). Shareholder profits were up 330% relative to the comparable period in the prior year. The improved profits reflect the combined effect of (a) a range of initiatives to improve plant productivity and labour productivity, (b) improved procurement conditions and logistics costs, and (c) a change in the sales mix, to focus our production capacity on higher margin products. We are particularly pleased to be able to report that the range of bar soaps manufactured here in Jamaica by Blue Power Group are consistently among the most price competitive in the market.

For the First Half, Blue Power Group achieved revenues of \$402 million and shareholder profits of \$71 million. Blue Power benefitted from its initiative to develop and maintain strategic long term customer relationships with some of the leading soap brands and distribution enterprises in Jamaica. Blue Power Group has made investments in plant and equipment to improve its competitiveness and to support these relationships with enhanced reliability and increased capacity to produce a wide range of high quality and specialty soaps. This resulted in improved gross margins. Importantly, the Group also successfully contained the cost of administration and delivered improved results from credit control and net finance income.

Outlook

With the improved operating performance, Blue Power Group now has a healthy business supplying the Jamaican market for laundry soap and a wide range of bath soaps including value-products, medicated soaps, anti-bacterial soaps, beauty soaps and natural soaps that include local ingredients and locally made formulations that support healthy skin. We are now the leading manufacturer of soaps in the Jamaican market.

An important part of our plan for sustained business growth is our ongoing commitment to efficiency and innovation. During the quarter we continued to complete capital projects and make improvements to our quality systems, efficiency, facilities, and product lines. We note that some market opportunities within CARICOM may be constrained by current legal uncertainties about the trade rules within the region. We do, however, remain hopeful that Blue Power Group will be able to grow in the years ahead by manufacturing and co-packing bar soaps for both domestic and export markets. We believe that our export prospects are directly in line with Jamaica's stated policy goal of developing a logistics-centered economy with value-added manufacturing that competitively serves the global

marketplace. We will continue to build the business on the basis that this policy framework will ultimately prevail.

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

The value of our cash and investments totaled approximately \$435 million at the end of the First Half. We also hold land that is adjacent to our core operations and is intended to allow for the expansion of our plant over time, as well as for the development of commercial buildings that can contribute in due course to our rental and investment income. Our associated company investment in Lumber Depot Limited, which is a material part of our holdings, performed satisfactorily during the period.

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

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

Jeffrey Hall
Chairman

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

	<u>Unaudited</u> <u>October 31, 2023</u>	<u>Unaudited</u> <u>October 31, 2022</u>	<u>Audited</u> <u>April 30, 2023</u>
NON-CURRENT ASSETS			
Property, plant and equipment	349,493,779	331,709,715	358,752,932
Right of use asset	8,730,046	9,758,346	9,244,196
Interest in associated company	378,838,563	362,331,071	372,936,660
Investments	242,361,954	260,171,144	238,990,350
	<u>979,424,342</u>	<u>963,970,276</u>	<u>979,924,138</u>
CURRENT ASSETS			
Cash and cash equivalents	192,124,600	18,517,319	92,352,045
Accounts receivable and prepayments	139,857,258	160,658,818	155,480,063
Due from related company	4,088,910	8,602,941	845,441
Inventories	313,304,254	396,283,922	356,675,564
Taxation recoverable	7,329,707	18,318,068	22,812,129
	<u>656,704,729</u>	<u>602,381,068</u>	<u>628,165,242</u>
CURRENT LIABILITIES			
Accounts payable	48,195,164	65,379,887	47,684,485
Current portion of lease liability	789,810	744,929	777,460
Revolving loan facility	15,000,000	40,000,000	35,000,000
	<u>63,984,974</u>	<u>106,124,816</u>	<u>83,461,945</u>
NET CURRENT ASSETS	<u>592,719,755</u>	<u>496,256,252</u>	<u>544,703,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,572,144,097</u>	<u>1,460,226,528</u>	<u>1,524,627,435</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Capital Reserve	168,201,280	179,501,080	168,201,280
Retained earnings	1,291,973,215	1,167,725,842	1,244,042,128
	<u>1,547,074,642</u>	<u>1,434,127,069</u>	<u>1,499,143,555</u>
NON-CURRENT LIABILITIES			
Lease Liability	9,475,635	10,251,867	9,890,058
Deferred tax liability	15,593,820	15,847,592	15,593,822
	<u>25,069,455</u>	<u>26,099,459</u>	<u>25,483,880</u>
Total Equity And Non-Current Liabilities	<u>1,572,144,097</u>	<u>1,460,226,528</u>	<u>1,524,627,435</u>

Approved for issue by the Board of Directors on December 6, 2023 and signed on its behalf by:

 Jeffrey Hall Chairman

 Lisa Kong Director

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

	Unaudited 6 months to <u>October 31, 2023</u>	Unaudited 6 months to <u>October 31, 2022</u>	Unaudited 3 months to <u>October 31, 2023</u>	Unaudited 3 months to <u>October 31, 2022</u>	Audited <u>April 30, 2023</u>
Revenue	402,062,084	439,673,229	185,729,233	225,413,376	871,324,697
Cost of revenue	<u>(258,155,010)</u>	<u>(357,524,064)</u>	<u>(114,532,569)</u>	<u>(187,532,427)</u>	<u>(661,584,183)</u>
Gross profit	143,907,074	82,149,165	71,196,664	37,880,949	209,740,514
Impairment gains/(losses) on trade receivables	437,958	(726,216)	437,958	7,445,888	(857,947)
Impairment losses on investment	(451,343)	(761,958)	(482,142)	(20,586)	(959,701)
Administrative and other expenses	(95,346,853)	(90,271,391)	(48,401,157)	(44,398,341)	(178,130,136)
Other income	<u>9,408,917</u>	<u>15,852,147</u>	<u>4,466,170</u>	<u>5,349,686</u>	<u>20,138,797</u>
	57,955,753	6,241,747	27,217,493	6,257,596	49,931,527
Share of profit of associated company	<u>14,267,416</u>	<u>12,864,045</u>	<u>5,621,446</u>	<u>4,913,311</u>	<u>24,364,024</u>
Profit before net finance income and taxation	<u>72,223,169</u>	<u>19,105,792</u>	<u>32,838,939</u>	<u>11,170,907</u>	<u>74,295,551</u>
Finance income	19,867,615	5,220,065	9,979,526	4,701,208	19,312,080
Finance cost	<u>(2,076,116)</u>	<u>(1,689,420)</u>	<u>(958,731)</u>	<u>(890,725)</u>	<u>(7,245,457)</u>
Net finance income	<u>17,791,499</u>	<u>3,530,645</u>	<u>9,020,795</u>	<u>3,810,483</u>	<u>12,066,623</u>
Profit for the period	90,014,668	22,636,437	41,859,734	14,981,390	86,362,174
Taxation	<u>(19,483,981)</u>	<u>(6,243,132)</u>	<u>(9,334,117)</u>	<u>(4,858,646)</u>	<u>(4,952,383)</u>
Profit for the period	<u>70,530,687</u>	<u>16,393,305</u>	<u>32,525,617</u>	<u>10,122,744</u>	<u>81,409,791</u>
Earnings per stock unit	<u>\$ 0.12</u>	<u>\$ 0.03</u>	<u>\$ 0.06</u>	<u>\$ 0.02</u>	<u>\$ 0.14</u>

BLUE POWER GROUP LIMITED
Consolidated Statement of Cash Flows
Six months ended October 31, 2023

	Unaudited October 31, 2023	**Unaudited October 31, 2022	Audited April 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	70,530,687	16,393,305	81,409,791
Adjustments for:			
Exchange (gain)/loss on foreign currency balances	(8,640,217)	3,250,624	2,840,858
Impairment loss/(gain) on investments	451,343	761,958	959,701
Impairment (gain)/loss on trade receivables	(437,958)	726,216	857,947
Depreciation and amortisation	18,841,191	16,235,650	32,827,262
Interest Income	(11,227,398)	(8,470,689)	(19,312,080)
Share of profit in associated company	(14,267,416)	(12,864,045)	(24,364,024)
Interest expense	1,408,998	1,689,420	3,889,829
Taxation	19,483,981	6,243,132	4,952,383
Cash generated before changes in working capital	<u>76,143,211</u>	<u>23,965,571</u>	<u>84,061,667</u>
Increase/(decrease) in current assets:			
Accounts receivables and prepayments	15,622,805	(30,884,080)	(32,148,686)
Inventories	43,371,310	(49,333,367)	(9,725,009)
Due from related party	(3,243,469)	4,888,665	12,646,165
Decrease in current liability:			
Accounts payable	510,679	7,214,507	(11,396,408)
Cash generated from/(used) by operations	<u>132,404,536</u>	<u>(44,148,704)</u>	<u>43,437,729</u>
Interest paid	(1,408,998)	(1,689,420)	(3,889,829)
Taxation paid	(4,001,559)	(9,264,662)	(12,721,744)
Net cash provided/ (used) by operating activities	<u>126,993,979</u>	<u>(55,102,786)</u>	<u>26,826,156</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(9,067,890)	(72,861,615)	(122,734,043)
Interest received	11,151,429	14,054,833	24,897,494
Dividends received	8,365,613	5,147,441	6,041,831
Net cash provided/(used) by investing activities	<u>10,449,152</u>	<u>(53,659,341)</u>	<u>(91,794,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Revolving loan received	-	20,000,000	30,000,000
Revolving loan repaid	(20,000,000)	-	(15,000,000)
Distributions paid to stockholders	(22,599,600)	(10,734,809)	(11,299,800)
Payment of lease liabilities	(402,074)	(408,968)	(713,803)
Cash (used)/provided by Financing Activities	<u>(43,001,674)</u>	<u>8,856,223</u>	<u>2,986,397</u>
Net increase/(decrease) in cash and cash equivalents	94,441,457	(99,905,904)	(61,982,165)
Effects of exchange rate fluctuations on cash and cash equivalents	5,331,098	(6,662,270)	826,780
Cash and cash equivalents at beginning of the period	<u>92,352,045</u>	<u>125,085,493</u>	<u>153,507,430</u>
Cash and cash equivalents at end of period	<u>192,124,600</u>	<u>18,517,319</u>	<u>92,352,045</u>

BLUE POWER GROUP LIMITED
Consolidated Statement of Changes in Equity
Six months ended October 31, 2023

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$	\$
Balances as at April 30, 2022 (audited)	86,900,147	179,501,080	1,162,632,337	1,429,033,564
Dividends Paid			(11,299,800)	(11,299,800)
Total comprehensive income for the quarter:				
Profit for the period	-	-	16,393,305	16,393,305
Balance as at October 31, 2022 (unaudited)	<u>86,900,147</u>	<u>179,501,080</u>	<u>1,167,725,842</u>	<u>1,434,127,069</u>
Balances as at April 30, 2023 (audited)	86,900,147	168,201,280	1,244,042,128	1,499,143,555
Dividends Paid			(22,599,600)	(22,599,600)
Total comprehensive income for the quarter:				
Profit for the period	-	-	70,530,687	70,530,687
Balance as at October 31, 2023 (unaudited)	<u>86,900,147</u>	<u>168,201,280</u>	<u>1,291,973,215</u>	<u>1,547,074,642</u>

Blue Power Group Limited

Notes to the Unaudited Financial Statements

October 31, 2023

1 Incorporation and Identity

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

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

2 Basis of preparation

(a) Statement of compliance:

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

(b) Basis of consolidation:

(i) Subsidiaries:

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

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

(ii) Associates:

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

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

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

(iii) Transactions eliminated on consolidation

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

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

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

3 Use of estimates and judgements:

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

4 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investments, cash and cash equivalents and accounts receivable. Financial liabilities comprise accounts payable and due to related party.

5 Revenue:

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

6 Foreign currencies:

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

7 Net realisable value of inventories:

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

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

8 Finance cost

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



OCTOBER 31, 2023

TOTAL SHARES OUTSTANDING: 564,990,000

DIRECTORS AND CONNECTED PARTIES REPORT

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

SENIOR MANAGERS REPORT

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

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED*	283,008,000	50.09
MAYBERRY JAMAICAN EQUITIES LTD	112,369,745	19.88
KENNETH BENJAMIN & SHEILA MCNEIL**	32,854,650	5.82
MARY J. FRAY	30,954,000	5.48
NOEL DAWES***	14,127,150	2.50
SILVER INVESTMENTS LIMITED	10,732,303	1.90
PAM-POOLED EQUITY	9,365,467	1.66
JPS EMPLOYEE SUPERANNUATION	9,214,220	1.63
PETER MILLINGEN****	8,211,000	1.45
GUARDSMAN GROUP LTD**	6,872,850	1.22
TOTAL UNITS OWNED BY TOP 10	517,709,385	91.63