



PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q2 2024

UNAUDITED



INTERIM REPORT TO OUR STOCKHOLDERS

We are pleased to provide an update on Productive Business Solutions (PBS) performance and strategic progress as of the second quarter of 2024.

Financial Performance Overview

In Q2 2024, PBS achieved revenue of \$102 million, reflecting a 39.2% increase over the comparable period last year. Our Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) slightly declined to \$11.1 million from \$11.5 million. Our Profit After Tax (PAT) also experienced a slight reduction, totaling \$1.9 million compared to \$2.6 million in the first quarter of last year.

For the first half of 2024, we recorded a revenue of \$167.9 million, surpassing the \$160.7 million achieved in the first half of 2023. EBITDA for the first six months of 2024 was \$19.7 million, a decrease from the \$21.8 million earned in the first half of last year.

The results from the first half have set a strong foundation for the remainder of the year and our outlook remains that PBS will surpass last year's financial performance in 2024.

Strategic Initiatives and Development

We are excited to announce the successful completion of our acquisition of Xerox's operations in Ecuador and Peru, effective July 1, 2024. This acquisition marks an important step in our strategy to expand the scope and scale of our business by entering new, large markets in South America. We have now commenced a comprehensive integration process to maximize the benefits of these acquisitions.

In addition, PBS has acquired a 45% beneficial interest in Trinidad Systems Limited (TSL). TSL is a prominent provider of electronic payment solutions and the exclusive distributor of Xerox in Trinidad and Tobago. This investment will further bolster our strong presence in the Caribbean region and allow us to better serve our customers.

Audit Update

As previously disclosed, we now anticipate releasing the audited financial statements for the year ended December 31, 2023, no later than October 31, 2024. This delay is due to additional audit procedures required by restatements of material accounting transactions conducted by our Costa Rican subsidiary.

Outlook

PBS is well-positioned to achieve its financial and strategic goals for the year. We are witnessing the highest level of demand for our products and services in our history. The demand is broad-based and spans most of our markets, product categories and customer segments reflecting the long-term enduring trend of increased information technology investment in our region. PBS' strong pipeline aligns closely with our full-year 2024 expectations of continued growth in our revenue and profitability.

Thank you for your continued support and confidence in PBS.

Sincerely,



Paul B. Scott

Chairman of the
Board



Pedro M. Paris C.

Director
Group CEO



Productive Business Solutions Limited

Consolidated Statement of Comprehensive Income

For the quarter ending June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	Second Quarter		Six Months Ending June 30th	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
	USD'000	USD'000	USD'000	USD'000
Continuing Operations				
Revenue	101,998	73,260	167,899	160,749
Direct expenses	(74,246)	(47,521)	(116,762)	(111,818)
Gross Profit	27,752	25,739	51,137	48,930
Other income	419	742	859	1,365
Selling, general and administrative expenses	(21,588)	(19,398)	(41,247)	(37,323)
Operating Profit	6,584	7,083	10,749	12,971
Finance costs	(3,648)	(3,749)	(6,597)	(6,850)
Profit before Taxation	2,936	3,334	4,152	6,121
Taxation	(1,020)	(693)	(1,695)	(1,752)
Profit for the period	1,916	2,641	2,457	4,369
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences on net assets of subsidiaries	(228)	(415)	(494)	2,641
TOTAL COMPREHENSIVE INCOME	1,688	2,226	1,963	7,009
Income for the Year Attributable to:				
Shareholder of the Company	1,894	2,614	2,362	4,316
Non-controlling interest	22	27	95	53
	1,916	2,641	2,457	4,369
Comprehensive Income for the Year Attributable to:				
Shareholder of the Company:	1,666	2,199	1,868	6,956
Non-controlling interest	22	27	95	53
	1,688	2,226	1,963	7,009
	Cents	Cents	Cents	Cents
Basic and diluted earnings per share for profit from continuing operation attributable to ordinary share holder	1.01	1.40	1.26	2.32

Note: ordinary shares outstanding in June 2024 186,213,523 (June 2023: 186,213,523)



Productive Business Solutions Limited Non-IFRS Performance Measures – Unaudited For the quarter ending June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	Second Quarter		Year to date June	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Operating profit	6,584	7,083	10,749	12,971
(+) Depreciation/amortization				
Depreciation	2,303	2,106	4,464	4,146
Amortization	648	787	1,297	1,575
Share of investee's profit	(408)	-	(408)	-
Depreciation included in Direct expenses	1,942	1,568	3,585	3,077
EBITDA	11,070	11,545	19,687	21,769



Productive Business Solutions Limited Consolidated Statement of Financial Position June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	June 2024	June 2023	December 2023
	Unaudited	Unaudited	Unaudited
Non-Current Assets			
Property, plant and equipment	35,818	32,698	34,784
Intangible assets	101,618	103,069	102,917
Right of use	10,107	12,112	10,940
Lease receivables	8,336	8,228	7,118
Pension plan assets	1,025	533	1,025
Long term receivables	8,715	4,854	8,365
Deferred tax assets	15,513	12,162	12,748
Contract assets LT	1,948	-	2,000
Investments	6,310	243	232
	<u>189,389</u>	<u>173,899</u>	<u>180,128</u>
Current Assets			
Due from related parties	8,393	6,229	4,842
Inventories	45,150	41,405	41,696
Trade and other receivables	101,611	100,930	104,783
Current portion of lease receivables	2,989	2,359	3,461
Taxation recoverable	16,204	16,048	14,317
Contract assets ST	952	-	3,031
Cash and cash equivalents	34,511	22,783	31,923
	<u>209,810</u>	<u>189,754</u>	<u>204,051</u>
Current Liabilities			
Trade and other payables	89,214	63,605	89,556
Due to related parties	12,442	10,016	8,228
Taxation payable	10,618	10,538	12,276
Lease payable ST	2,195	3,029	3,180
Short term loans	8,938	23,610	26,611
Current portion of LT loans	9,410	3,293	20,777
Contract liabilities	4,796	18,948	7,708
Bank overdraft	-	2,934	-
	<u>137,613</u>	<u>135,972</u>	<u>168,337</u>
Net Current Assets	<u>72,197</u>	<u>53,782</u>	<u>35,715</u>
	<u>261,587</u>	<u>227,681</u>	<u>215,843</u>



Productive Business Solutions Limited
Consolidated Statement of Financial Position (continued)
June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	<u>June 2024</u>	<u>June 2023</u>	<u>December 2023</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Equity			
Attributable to Shareholder of the Company			
Share capital	123,017	123,017	123,017
Other reserves	(12,540)	(15,778)	(12,046)
Accumulated deficit	(13,156)	(11,528)	(14,659)
	<u>97,321</u>	<u>95,711</u>	<u>96,312</u>
Non-controlling Interests	<u>1,166</u>	<u>1,052</u>	<u>1,071</u>
	<u>98,486</u>	<u>96,763</u>	<u>97,383</u>
Non-Current Liabilities			
Retirement benefit obligation	991	824	1,050
Contingent consideration payable	930	947	-
Deferred income tax liabilities	4,819	2,538	2,653
Lease payable LT	13,762	14,760	13,766
Borrowings	141,232	110,923	99,768
Other long term liabilities	1,366	926	1,223
	<u>163,100</u>	<u>130,918</u>	<u>118,460</u>
	<u>261,587</u>	<u>227,681</u>	<u>215,843</u>

Approved for issue by the Board of Directors on 14th of August 2024 and signed on its behalf by

Paul. B. Scott
Chairman of the
Board

Pedro M. Paris C.
Director
Group CEO

Productive Business Solutions Limited Consolidated Statement of Cash Flows June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	Six months ending	
	2024	2023
	Unaudited USD'000	Unaudited USD'000
Net profit	2,457	4,369
Items not affecting cash:		
Depreciation	8,049	7,223
Amortization	1,297	1,575
Taxation expense	1,695	41
Currency translation differences	(494)	1,766
Interest expense	5,753	2,557
Interest income	(1,035)	(1,120)
Deferred tax	(584)	7,273
	17,138	23,684
Changes in non-cash working capital balances:		
Inventories	(3,926)	5,712
Contract assets	2,078	2,107
Accounts receivable	3,224	(4,533)
Due from related parties	-	(363)
Long-term receivable	(349)	(421)
Lease receivables	(746)	(2,046)
Taxation recoverable	(3,545)	(592)
Accounts payable	(1,074)	(5,974)
Contract liabilities	(2,912)	(7,646)
Due to related parties	664	-
Cash provided by operations	10,551	9,928
Taxation paid	(3,678)	(3,461)
	6,873	6,467
Cash Flows from Financing Activities		
Interest paid bond holders	(1,686)	(1,690)
Interest paid on preference shares	(826)	(825)
Other interest paid	(3,602)	(3,369)
Dividends paid	(430)	(862)
Proceeds from borrowing	154,334	10,280
Repayments of borrowings	(138,264)	(9,347)
Repayment of lease liabilities	(990)	(2,733)
Net cash provided by/used in financing activities	8,536	(8,546)
Cash Flows from Investing Activities		
Interest received	1,035	1,015
Purchase of property, plant and equipment	(7,779)	(6,434)
Investment in associates	(6,078)	-
Acquisition of business - net of cash acquired	-	(953)
Net cash used in investing activities	(12,822)	(6,372)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,587	(8,451)
Cash and cash equivalents at beginning of the year	31,924	31,234
Cash and Cash Equivalents at end of Period	34,511	22,783

Productive Business Solutions Limited

Consolidated Statement of Changes in Equity – Unaudited

June 30th, 2024

(Expressed in United States dollars unless otherwise indicated)

	Number of Shares	Share Capital	Other Reserves	Accumulated (Deficit)/Profit	Non-controlling Interest	Total
	'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2024	188,213	123,017	(12,046)	(14,659)	1,071	97,383
Currency translation differences	-	-	(494)	-	-	(494)
Net income	-	-	-	2,362	95	2,457
Total comprehensive income	-	-	(494)	2,362	95	1,963
Dividends declared/paid	-	-	-	(860)	-	(860)
Balance at 30 June 2024	188,213	123,017	(12,540)	(13,156)	1,166	98,486
	Number of Shares	Share Capital	Other Reserves	Accumulated (Deficit)/Profit	Non-controlling Interest	Total
	'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2023	188,213	123,017	(18,377)	(14,985)	1,002	90,657
Currency translation differences	-	-	2,641	-	-	2,641
Net income	-	-	-	4,319	50	4,369
Total comprehensive income	-	-	2,641	4,319	50	7,010
On acquisition of subsidiaries	-	-	(42)	-	-	(42)
Dividends declared/paid	-	-	-	(862)	-	(862)
Balance at 30 June 2023	188,213	123,017	(15,778)	(11,528)	1,052	96,763

Productive Business Solutions Limited

Notes to the Interim Financial Report

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of property, plant and equipment.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022.



Shareholders

Ten Largest Shareholders

Facey Group Limited	84,181,818
Musson (Jamaica) Limited	45,164,017
Portland Caribbean Fund II L.P.	34,264,960
Portland Caribbean Fund II Barbados L.P.	6,330,663
Pedro Paris Coronado	5,485,214
NCB Capital Markets (Cayman) Ltd	3,230,166
Portland Fund II Co-invest Partnership	1,632,140
Jose Misrahi	1,087,308
Courtney Sylvester	663,473
General Accident Insurance Co	612,721

Shareholding of Directors

	Personal	Connected
Paul B Scott	-	129,958,556
Thomas Agnew	-	-
Douglas Hewson	-	42,227,763
Ricardo Hutchinson	-	42,227,763
Edward Ince	-	-
Jose Misrahi	1,087,308	-
Pedro Paris Coronado	5,485,214	-
Patrick A. W. Scott	-	45,164,017
Melanie M. Subratie	-	129,958,556
Blondell Walker	-	45,164,017
Brian Wynter	-	-

Shareholdings of Executives

Pedro Paris Coronado	5,485,214
Jose Guillermo Rodriguez Perdomo	363,600
Marco Antonio Almendarez Cisneros	363,600
Christian Asdrubal Sanchez Mena	253,588
Leonardo Jesus Velasquez Foucault	163,600
Elvin Howard Nash	142,700
Sergio Roberto Molina Barrios	127,200
Mario Estuardo Pons Espana	90,900
Francisco Jose Lupiac Rodriguez	90,900
Lucia Vielman Ruiz De Bernard	50,000