



PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q4 2023

UNAUDITED



INTERIM REPORT TO OUR STOCKHOLDERS

PBS REVENUE AND PROFIT GROWTH CONTINUES IN Q4 2023

Fellow Shareholders

Productive Business Solutions Limited (PBS) is pleased to present its financial results for the fourth quarter ended December 31, 2023. PBS produced the best fourth quarter and full year financial performance in our history.

Financial Performance

In the fourth quarter, PBS achieved revenues of US\$99.9 million, an increase of US\$9.8 million or 11% over the corresponding period in 2022. EBITDA for the fourth quarter was US\$16.8 million, an increase of 33% over the fourth quarter of 2022. Profit after tax was US\$5.9 million in the final quarter of 2023 or 40% over the corresponding period in 2022.

For the full year, PBS achieved revenues of US\$333.3 million, an increase of US\$21.3 million over 2022. EBITDA for the full year was US\$48.3 million, compared to US\$46.9 million in the corresponding period in 2022. Profit after tax for the full year was US\$11.4 million, compared to US\$8.5 million in the corresponding period in 2022.

Highlights

- PBS' business of providing ATM and Self-Checkout solutions to leading banks and retailers across the Caribbean and Central America is now one of our leading businesses both in terms of Revenue and EBITDA.
- We have successfully integrated Infotrans, our recent acquisition in Curacao, Aruba, Bonaire, Suriname and Colombia which contributed US\$3.3 million in revenue and US\$0.9 million in EBITDA in the fourth quarter.
- PBS was selected by the Costa Rican elections authority, TSE, to execute the first electronic vote in Costa Rica which demonstrates our electoral operational capability and services.

- Our professional services group was selected to provide support to over 100,000 credit and debit card point of sale terminals in Guatemala and Honduras.
- PBS Colombia was selected to provide a device as a service (DAAS) project for a major Latin American airline across 68 cities in 20 countries.
- PBS El Salvador secured a contract with the government of El Salvador providing 140,000 hours of Information Technology (IT) manpower support across 17 expertise profiles.
- We have successfully completed our first installation of a continuous feed inkjet press in Peru.

We would like to recognize the contribution of our 2,600 IT professionals in delivering our best results since becoming a publicly listed company.


As we look ahead to 2024, PBS remains focused on solidifying its position as the leading Information Communication Technology (ICT) provider in the Caribbean and Central America.

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 December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Fourth Quarter		Twelve Months Ending December30th	
	2023	2022	2023	2022
	Unaudited USD'000	Unaudited USD'000	Unaudited USD'000	Audited USD'000
Continuing Operations				
Revenue	99,917	90,138	333,328	311,997
Direct Expenses	66,211	63,151	225,661	(214,181)
Gross Profit	33,706	26,987	107,667	97,816
Other Income	29	(1,440)	(2,331)	2,582
Selling, general, and administrative expenses	21,388	20,102	79,390	70,943
Operating Profit	12,288	8,325	30,608	29,455
Finance Costs	3,752	4,910	14,041	17,665
Profit before Taxation	8,537	3,415	16,567	11,790
Taxation	2,663	(753)	5,163	3,314
Profit/(loss) for the period	5,873	4,169	11,404	8,476
Items that may be subsequently reclassified to profit or loss:				
Currency Translation differences on net assets of subsidiaries	1,052	1,035	3,807	1,420
Actuarial gains	2,607	-	2,607	63
TOTAL COMPREHENSIVE INCOME	9,533	5,203	17,818	9,959
Income/(loss) for the Year Attributable to:				
Shareholder of the Company	5,864	4,164	11,335	8,391
Non-controlling interest	9	5	69	85
	5,873	4,169	11,404	8,476
Comprehensive Income/(loss) for the Year Attributable to:				
Shareholder of the Company	9,524	5,199	17,749	9,874
Non-controlling interest	9	5	69	85
	9,533	5,203	17,818	9,959
	Cents	Cents	Cents	Cents
Basic and diluted earnings per share for profit/(loss) from continuing operation attributable to ordinary share holder	3.12	2.21	6.02	4.22

Note: ordinary shares outstanding in December 2023: 188,213,523 and in December 2022: 188,213,523



Productive Business Solutions Limited Non-IFRS Performance Measures – Unaudited For the quarter ending December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Fourth Quarter		Year to date December	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Operating profit	12,288	8,325	30,608	29,581
(+) Depreciation/ amortization and gain/loss on disposition of property (included in Operating profit)				
Depreciation	2,109	2,155	8,285	8,311
Amortization	742	787	3,105	3,150
Depreciation included in COGS	1,637	1,351	6,276	5,867
EBITDA	16,777	12,619	48,273	46,909

Productive Business Solutions Limited

Consolidated Statement of Financial Position

December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	December 2023	December 2022
	Unaudited	Audited
Non-Current Assets		
Property, plant and equipment	33,424	29,473
Intangible assets	102,995	101,762
Right of use	12,042	13,768
Lease receivables	6,375	6,699
Pension plan assets	2,697	528
Long term receivables	5,670	4,438
Deferred tax asset LT	5,098	5,591
Contract assets LT	8,854	6,849
Investments	232	246
	<u>177,386</u>	<u>169,354</u>
Current Assets		
Due from related parties	6,942	4,875
Inventories	44,767	49,480
Trade and other receivables	105,859	99,242
Current portion of lease receivables	2,106	1,790
Taxation recoverable	20,514	13,730
Contract assets ST	12,520	9,434
Cash and cash equivalents	31,837	31,230
	<u>224,544</u>	<u>209,781</u>
Current Liabilities		
Trade and other payables	76,624	65,746
Due to related parties	11,054	9,636
Taxation payable	12,380	8,859
Lease payable ST	2,622	4,262
Short term loans	26,787	20,652
Current portion of LT loans	20,777	5,084
Contract liabilities	21,513	25,583
Bank overdraft	-	2,967
	<u>171,756</u>	<u>142,789</u>
Net Current Assets	<u>52,788</u>	<u>66,992</u>
	<u>230,174</u>	<u>236,346</u>

Productive Business Solutions Limited
Consolidated Statement of Financial Position (continued)
December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

Equity

Attributable to Shareholder of the Company

Share capital	123,016	123,016
Other reserves	(12,046)	(18,377)
Accumulated superavit/(deficit)	3,301	233
	114,273	104,872

Non-controlling Interests

	1,071	1,002
	115,343	105,874

Non-Current Liabilities

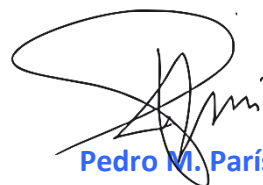
Retirement benefit obligation	988	991
Contingent consideration payable	-	912
Deferred income tax liabilities	2,759	2,925
Lease payable LT	13,035	16,260
Borrowings	96,680	108,369
Other long term liabilities	1,369	1,015
	114,831	130,472
	230,174	236,346

Approved for issue by the Board of Directors on 14th of February 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 December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Unaudited	Audited
	USD'000	USD'000
Net profit	11,450	8,476
Items not affecting cash:		
Depreciation	15,354	14,168
Amortization	3,104	3,150
Other reserves on acquisition of entity	(317)	-
Taxation expense	5,167	3,314
Currency translation differences	3,807	397
Interest expense	14,043	16,108
Loss on disposal	-	624
Interest income	(2,285)	(1,874)
Deferred tax	(559)	-
	49,763	44,363
Changes in non-cash working capital balances:		
Inventories	1,012	(14,191)
Contract assets	228	(1,248)
Accounts receivable	(10,509)	(15,727)
Due from related parties	33	(1,018)
Long-term receivable	(758)	(3,888)
Lease receivables	(2,089)	(4,964)
Taxation recoverable	(3,485)	-
Retirement benefit obligation	-	41
Accounts payable	27,351	17,849
Contract liabilities	(17,931)	11,790
Due to related parties	(1,418)	(3,373)
Cash provided by operations	42,198	29,634
Taxation paid	(6,707)	(5,228)
	35,491	24,406
Cash Flows from Financing Activities		
Interest paid bond holders	(3,408)	(3,144)
Interest paid on preference shares	(1,631)	(1,625)
Other interest paid	(8,159)	(11,339)
Dividends paid	(8,224)	(5,000)
Issuance of shares	-	17,234
Proceeds from borrowing	54,212	50,890
Repayments of borrowings	(51,166)	(56,538)
Repayment of lease liabilities	(3,795)	(4,392)
Net cash used in financing activities	(22,171)	(13,914)
Cash Flows from Investing Activities		
Interest received	2,285	1,874
Purchase of property, plant and equipment	(13,918)	(4,258)
Acquisition of subsidiaries, net of cash acquired	(1,075)	-
Acquisition of investment securities	-	(246)
Acquisition of financial assets at amortized cost	-	1,592
Net cash used in investing activities	(12,708)	(1,038)
Net Increase in Cash and Cash Equivalents	612	9,454
Cash and cash equivalents at beginning of the year	31,230	18,837
Exchange losses on cash and cash equivalents	(1)	(28)
Cash and Cash Equivalents at end of Period	31,841	28,263



Productive Business Solutions Limited

Consolidated Statement of Changes in Equity – Unaudited

December 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Number of Shares	Share Capital	Other Reserves	Accumulated Profit/(Deficit)	Non-controlling Interest	Total
	'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2023	188,213	123,016	(18,377)	233	1,002	105,874
Currency translation differences	-	-	3,807	-	-	3,807
Actuarial gains	-	-	2,607	(89)	-	2,518
Net income	-	-	-	11,381	69	11,450
Total comprehensive income	-	-	6,414	11,292	69	17,775
On acquisition of subsidiaries	-	-	(83)	-	-	(83)
Dividends paid	-	-	-	(8,224)	-	(8,224)
Balance at 31 December 2023	188,213	123,016	(12,046)	3,301	1,071	115,342
	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 2022	186,213	105,782	(19,870)	(2,633)	927	84,206
Currency translation differences	-	-	1,430	-	(10)	1,420
Actuarial gains	-	-	63	-	-	63
Preference shares issued	2,000	17,234	-	-	-	17,234
Net income	-	-	-	8,391	85	8,476
Total comprehensive income	2,000	17,234	1,493	8,391	75	27,193
Dividends declared	-	-	-	(5,525)	-	(5,525)
Balance at 31 December 2022	188,213	123,016	(18,377)	233	1,002	105,874



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