



PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q2 2023

UNAUDITED



INTERIM REPORT TO OUR STOCKHOLDERS

PBS' EARNINGS GROWTH CONTINUES IN 2023

Fellow Shareholders:

Productive Business Solutions Limited (PBS) is pleased to present its financial results for the second quarter ended June 30th, 2023.

Financial Performance Productive Business Solutions Limited (PBS) continued its trajectory of increased profitability in the second quarter of 2023. EBITDA was US\$11.6 million versus \$US11.8 million over the corresponding period last year. Net Profit Attributable to Shareholders was US\$2.6 million in the three months ended June 30th, 2023, an increase of 56% over the corresponding period last year. Year-to-date PBS has increased Net Profit Attributable to Shareholders by 85%. PBS's significant increase in profitability has taken place despite a decrease in revenues mainly on account of a shift towards higher margin sales in 2023.

Highlights:

- Completed acquisition of Infotrans Group with offices in Curacao, Aruba, Suriname and Colombia. This fortifies PBS presence in the Dutch Caribbean region by adding 175 professional employees, new brands and services. Infotrans has a client base in the Information Technology division that makes it attractive for PBS in the future.
- The company is making significant progress in Guyana, one of the fastest growing economies in the world.
- PBS continues to bolster its Advanced Solutions Division by signing a multiyear contract with a leading Central American Telco which includes Cloud Based Oracle Human Capital Management and a Payroll System for ten thousand employees.
- Organic Growth in the self-service checkout and ATMs achieving all-time records throughout our territories. This is driven by a shift in consumer preferences towards a low touch economy.
- PBS became the first Xerox Partner in the region to introduce their Augmented Reality service "Care AR", which uses remote visual guidance and assistance to increase self-solve and assist in remote service calls to provide a better customer experience.
- PBS Costa Rica won an international tender through the World Bank to implement in the next three years the government's Customs Core System worth US\$25 million partnering with top tier companies such as PWC and Web Fontaine.

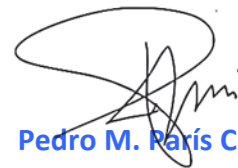
- PBS in its Imaging Division has surpassed its pre-Covid total machines in field and its page volume levels.

PBS remains confident that financial performance will continue to improve for the remainder of 2023. Our confidence of our future is reflected by the interim dividend of \$2.5 million which will be paid on August 17th, 2023.

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, 2023

(Expressed in United States dollars unless otherwise indicated)

	Second Quarter		Six Months Ending June 30th	
	2023 Unaudited USD'000	2022 Unaudited USD'000	2023 Unaudited USD'000	2022 Unaudited USD'000
Continuing Operations				
Revenue	73,260	91,228	160,749	157,591
Direct expenses	(47,521)	(68,572)	(111,818)	(110,682)
Gross Profit	25,739	22,655	48,930	46,909
Other income	742	319	1,365	735
Selling, general and administrative expenses	(19,398)	(15,555)	(37,323)	(34,934)
Operating Profit	7,083	7,420	12,971	12,709
Finance costs	(3,749)	(4,334)	(6,850)	(8,146)
Profit before Taxation	3,334	3,086	6,121	4,563
Taxation	(693)	(1,381)	(1,752)	(2,204)
Profit/(loss) for the period	2,641	1,705	4,369	2,359
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences on net assets of subsidiaries	(415)	(770)	2,641	(1,572)
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,226	935	7,009	787
Income/(loss) for the Year Attributable to:				
Shareholder of the Company	2,614	1,677	4,316	2,323
Non-controlling interest	27	28	53	36
	2,641	1,705	4,369	2,359
Comprehensive Income/(Loss) for the Year Attributable to:				
Shareholder of the Company:	2,199	907	6,956	751
Non-controlling interest	27	28	53	36
	2,226	935	7,009	787
	Cents	Cents	Cents	Cents
Basic and diluted earnings per share for profit/(loss) from continuing operation attributable to ordinary share holder	1.40	0.90	2.32	1.25

Note: ordinary shares outstanding in June 2023 and in June 2022: 186,213,523



Productive Business Solutions Limited
Non-IFRS Performance Measures – Unaudited
For the quarter ending June 30th, 2023

(Expressed in United States dollars unless otherwise indicated)

	Second Quarter		Year to date June	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Operating profit	7,083	7,420	12,971	12,709
(+) Depreciation/amortization and gain/loss on disposition of property (included in Operating profit)				
Depreciation	2,106	797	4,146	4,591
Amortization	787	766	1,575	1,531
<i>Depreciation included in COGS</i>	<i>1,568</i>	<i>2,823</i>	<i>3,077</i>	<i>2,823</i>
EBITDA	11,545	11,805	21,769	21,655



Productive Business Solutions Limited
Consolidated Statement of Financial Position
June 30th, 2023

(Expressed in United States dollars unless otherwise indicated)

	June 2023	June 2022	December 2022
	Unaudited	Unaudited	Audited
Non-Current Assets			
Property, plant and equipment	32,698	29,649	29,473
Intangible assets	103,069	103,280	101,762
Right of use	12,112	14,976	13,768
Lease receivables	8,228	2,423	6,699
Pension plan assets	533	91	528
Long term receivables	4,854	927	4,438
Deferred tax assets	5,639	3,932	5,591
Contract assets LT	7,503	5,956	6,849
Investments	243	0	246
	<u>174,879</u>	<u>161,234</u>	<u>169,354</u>
Current Assets			
Due from related parties	6,229	474	4,875
Inventories	43,108	48,159	49,480
Trade and other receivables	106,137	105,624	99,242
Current portion of lease receivables	2,359	1,436	1,790
Taxation recoverable	16,048	13,029	13,730
Contract assets ST	7,327	6,918	9,434
Cash and cash equivalents	22,783	25,791	31,230
	<u>203,991</u>	<u>201,432</u>	<u>209,781</u>
Current Liabilities			
Trade and other payables	63,605	71,229	65,746
Due to related parties	10,016	7,600	9,636
Taxation payable	10,538	9,299	8,859
Lease payable ST	3,029	3,014	4,262
Short term loans	23,610	23,129	20,652
Current portion of LT loans	3,293	6,634	5,084
Contract liabilities	18,948	19,168	25,583
Bank overdraft	2,933	2,992	2,967
	<u>135,972</u>	<u>143,066</u>	<u>142,789</u>
Net Current Assets	<u>68,020</u>	<u>58,366</u>	<u>66,992</u>
	<u>242,899</u>	<u>219,600</u>	<u>236,346</u>



Productive Business Solutions Limited
Consolidated Statement of Financial Position (continued)
June 30th, 2023

(Expressed in United States dollars unless otherwise indicated)

	<u>June 2023</u>	<u>June 2022</u>	<u>December 2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Equity			
Attributable to Shareholder of the Company			
Share capital	123,016	105,782	123,016
Other reserves	(15,778)	(21,442)	(18,377)
Retained Earnings/(Accumulated deficit)	3,690	(274)	233
	<u>110,928</u>	<u>84,066</u>	<u>104,872</u>
Non-controlling Interests	<u>1,052</u>	<u>963</u>	<u>1,002</u>
	<u>111,979</u>	<u>85,029</u>	<u>105,874</u>
Non-Current Liabilities			
Retirement benefit obligation	824	376	991
Contingent consideration	947	1,831	912
Deferred income tax liabilities	2,538	1,673	2,925
Lease payable LT	14,760	16,088	16,260
Borrowings	110,924	113,392	108,369
Other long term liabilities	926	1,212	1,015
	<u>130,919</u>	<u>134,571</u>	<u>130,472</u>
	<u>242,899</u>	<u>219,600</u>	<u>236,346</u>

Approved for issue by the Board of Directors on 15th of August 2023 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, 2023

(Expressed in United States dollars unless otherwise indicated)

	<u>Six months ending</u>	
	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>USD'000</u>	<u>USD'000</u>
Net profit	4,369	2,359
Items not affecting cash:		
Depreciation	7,223	7,414
Amortization	1,575	1,531
Other reserves on acquisition of entity	41	-
Taxation expense	1,766	2,204
Currency translation differences	2,557	1,022
Interest expense	7,273	7,127
Interest income	<u>(1,120)</u>	<u>-</u>
	23,684	21,657
Changes in non-cash working capital balances:		
Inventories	5,712	(1,688)
Contract assets	2,107	661
Accounts receivable	(4,533)	(13,203)
Due from related parties	(363)	626
Long-term receivable	(421)	(1,350)
Lease receivables	(2,046)	(491)
Taxation recoverable	(592)	41
Accounts payable	(5,974)	8,812
Contract liabilities	(7,646)	846
Due to related parties	<u>(0)</u>	<u>(2,645)</u>
Cash provided by operations	9,927	13,266
Taxation paid	<u>(3,461)</u>	<u>(2,048)</u>
	6,466	11,218
Cash Flows from Financing Activities		
Interest paid bond holders	(1,690)	(1,428)
Interest paid on preference shares	(825)	(814)
Other interest paid	(3,369)	(2,305)
Proceeds from borrowing	10,280	32,799
Repayments of borrowings	(9,347)	(32,902)
Repayment of lease liabilities	<u>(2,733)</u>	<u>-</u>
Net cash used in financing activities	(8,546)	(4,650)
Cash Flows from Investing Activities		
Interest received	1,015	-
Purchase of property, plant and equipment	<u>(6,430)</u>	<u>(2,554)</u>
Net cash used in investing activities	(6,368)	(2,554)
Net Increase in Cash and Cash Equivalents	(8,448)	4,014
Cash and cash equivalents at beginning of the year	<u>31,230</u>	<u>21,777</u>
Cash and Cash Equivalents at end of Period	22,782	25,791



Productive Business Solutions Limited
Consolidated Statement of Changes in Equity – Unaudited
June 30th, 2023

(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 2023	188,213	123,016	(18,377)	233	1,002	105,874
Currency translation differences	-	-	2,641	-	-	2,641
Net income	-	-	-	4,319	50	4,369
Total comprehensive income	-	-	2,641	4,319	50	7,009
On acquisition of subsidiaries	-	-	(42)	-	-	(42)
Dividends paid	-	-	-	(862)	-	(862)
Balance at 30 June 2023	188,213	123,016	(15,778)	3,690	1,052	111,979

	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	123,272	105,782	(19,870)	(2,633)	927	84,206
Currency translation differences	-	-	(1,572)	-	-	(1,572)
Net income	-	-	-	2,359	36	2,395
Total comprehensive income	-	-	(1,572)	2,359	36	823
Balance at 30 June 2022	123,272	105,782	(21,442)	(274)	963	85,029



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	3,226,934
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	253,928
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