



PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q1 2023

UNAUDITED



INTERIM REPORT TO OUR STOCKHOLDERS

PBS' STRONG REVENUE AND EARNINGS GROWTH CONTINUES IN 2023

Fellow Shareholders:

Productive Business Solutions Limited (PBS) is pleased to present its financial results for the first quarter ended March 31st, 2023. PBS continued its growth trajectory in 2023 achieving record first quarter revenues, EBITDA and profit after tax.

Q1 Performance

For the quarter ended March 31st 2023, PBS achieved revenues of US\$87.5 million, an increase of US\$21.1 million or 31.8% over the corresponding period in 2022. Notwithstanding, Gross Margin was flat reflecting a mix of lower margin sales in the most recent period. The EBITDA for the first quarter of this year was US\$10.2 million compared to US\$9.9 million in the first quarter of 2022 or an increase of 3.7%. Net profit after tax increased by US\$1.1 million compared to the first quarter of 2022 allowing PBS to record a net profit of US\$1.7 million in what has traditionally been PBS' slowest quarter.

Highlights

PBS' key wins in the first quarter included the sale of over 178,000 tablets to Ministry of Education in El Salvador with a revenue of more than \$21 million. PBS also closed several material transactions in the Banking sector across the Caribbean. In the printing and imaging arena, PBS installed a Baltoro, the largest inkjet Digital Press that Xerox produces, in El Salvador. This is the first Baltoro in our region and the fourth in Latin America.

PBS is also pleased to announce that we renewed our Level 2 Service contract with a top 10 Fortune 100 company serving 5 countries in Central America.

We believe that our integrated presence in 19 countries in Central America and the Caribbean provides the opportunity to become a trusted partner to regional businesses that want a single contact, contract, price, and service level agreement. PBS core mission is to help our clients to optimize their business processes by being their preferred system integrator, services and technology provider.

As we look forward to the remainder of 2023, PBS' sales pipeline is strong. We are working on a wide variety of large-scale information technology projects across our territories and are particularly encouraged by opportunities in the education, security and banking sectors. The long-term trend of increased IT spending in our regions is enduring and we are confident that PBS' current momentum will continue.

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 March 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Three Months Ending March	
	2023	2022
	Unaudited	Audited
	USD'000	USD'000
Continuing Operations		
Revenue	87,488	66,363
Direct expenses	(64,297)	(42,109)
Gross Profit	23,191	24,254
Other income	622	415
Selling, general and administrative expenses	(17,926)	(19,379)
Operating Profit	5,888	5,290
Finance costs	(3,101)	(3,813)
Profit before Taxation	2,787	1,477
Taxation	(1,059)	(823)
Profit/(loss) for the period	1,728	654
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences on net assets of subsidiaries	3,056	-
TOTAL COMPREHENSIVE INCOME/(LOSS)	4,784	654
Income/(loss) for the Year Attributable to:		
Shareholder of the Company	1,702	654
Non-controlling interest	26	-
	1,728	654
Comprehensive Income/(Loss) for the Year Attributable to:		
Shareholder of the Company:	4,758	654
Non-controlling interest	26	-
	4,784	654
	Cents	Cents
Basic and diluted earnings per share for profit/(loss) from continuing operation attributable to ordinary share holder	0.91	0.35

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



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

(Expressed in United States dollars unless otherwise indicated)

Reconciliation of EBITDA (Unaudited)
For the Six Months Ended March, 2023
(figures in US dollars unless otherwise indicated)

	First Quarter		Year to date March	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Operating profit	5,888	5,290	5,888	5,290
(+) Depreciation/amortization and gain/loss on disposition of property (included in Operating profit)				
Depreciation	2,040	3,795	2,040	3,795
Amortization	787	766	787	766
<i>Depreciation included in COGS</i>	<i>1,509</i>	-	<i>1,509</i>	-
EBITDA	10,224	9,850	10,224	9,850



Productive Business Solutions Limited
Consolidated Statement of Financial Position
March 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	March 2023	March 2022	December 2022
	Unaudited	Unaudited	Audited
Non-Current Assets			
Property, plant and equipment	32,590	30,432	29,473
Intangible assets	100,873	104,048	101,762
Right of use	13,019	15,001	13,768
Lease receivables	7,435	1,982	6,699
Pension plan assets	991	92	528
Long term receivables	4,443	2,918	4,438
Deferred tax assets	5,699	3,860	5,591
Contract assets LT	7,552	4,165	6,849
Investments	246	-	246
	<u>172,849</u>	<u>162,499</u>	<u>169,354</u>
Current Assets			
Due from related parties	5,108	607	4,875
Inventories	44,871	48,540	49,480
Trade and other receivables	104,034	85,010	99,242
Current portion of lease receivables	2,266	1,987	1,790
Taxation recoverable	15,712	12,971	13,730
Contract assets ST	8,998	10,898	9,434
Financial assets at amortized cost	-	1,592	-
Cash and cash equivalents	25,562	22,049	31,230
	<u>206,552</u>	<u>183,655</u>	<u>209,781</u>
Current Liabilities			
Trade and other payables	66,195	69,333	65,746
Due to related parties	9,853	9,947	9,636
Taxation payable	8,809	7,037	8,859
Lease payable ST	3,408	3,285	4,262
Short term loans	23,514	23,048	20,652
Current portion of LT loans	4,891	7,213	5,084
Contract liabilities	18,821	3,814	25,583
Bank overdraft	2,981	2,951	2,967
	<u>138,473</u>	<u>126,629</u>	<u>142,789</u>
Net Current Assets	<u>68,080</u>	<u>57,026</u>	<u>66,992</u>
	<u>240,929</u>	<u>219,525</u>	<u>236,346</u>



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

(Expressed in United States dollars unless otherwise indicated)

Equity**Attributable to Shareholder of the Company**

Share capital	123,016	105,782	123,016
Other reserves	(15,320)	(20,672)	(18,377)
Accumulated surplus/(deficit)	1,935	(1,996)	233
	<u>109,631</u>	<u>83,113</u>	<u>104,872</u>
Non-controlling Interests	<u>1,028</u>	<u>944</u>	<u>1,002</u>
	<u>110,659</u>	<u>84,057</u>	<u>105,874</u>
Non-Current Liabilities			
Retirement benefit obligation	824	627	991
Contingent consideration payable	930	1,813	912
Deferred income tax liabilities	2,755	1,675	2,925
Lease payable LT	15,187	16,897	16,260
Borrowings	109,548	112,963	108,369
Other long term liabilities	1,026	1,492	1,015
	<u>130,270</u>	<u>135,468</u>	<u>130,472</u>
	<u>240,929</u>	<u>219,525</u>	<u>236,346</u>

Approved for issue by the Board of Directors on 10th of May 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
March 31st, 2023

(Expressed in United States dollars unless otherwise indicated)

	Three months ending	
	2023	2022
	Unaudited USD'000	Unaudited USD'000
Net profit	1,729	654
Items not affecting cash:		
Depreciation	3,549	3,795
Amortization	787	255
Taxation expense	1,059	823
Foreign exchange gains	(295)	(165)
Interest expense	2,779	3,091
	9,608	8,453
Changes in non-cash working capital balances:		
Inventories	2,968	(553)
Contract assets	436	1,491
Accounts receivable	(6,002)	(6,103)
Long-term receivable	(468)	(127)
Lease receivables	(1,212)	(600)
Taxation recoverable	(2,032)	-
Accounts payable	3,902	3,219
Contract liabilities	(6,762)	(509)
Due to related parties	0	(390)
Taxation recoverable	-	(2,176)
Cash provided by operations	437	2,705
Taxation paid	(267)	-
	170	2,705
Cash Flows from Financing Activities		
Interest paid bond holders	(842)	(842)
Interest paid on preference shares	(825)	(814)
Other interest paid	(700)	(831)
Proceeds from borrowing	5,763	1,134
Repayments of borrowings	(3,639)	(147)
Repayment of lease liabilities	(1,928)	-
Net cash used in financing activities	(2,171)	(1,500)
Cash Flows from Investing Activities		
Interest received	507	-
Purchase of property, plant and equipment	(4,174)	(1,260)
Net cash used in investing activities	(3,667)	(1,260)
Net Increase in Cash and Cash Equivalents	(5,668)	(55)
Cash and cash equivalents at beginning of the year	31,230	22,104
Cash and Cash Equivalents at end of Period	25,562	22,049



Productive Business Solutions Limited
Consolidated Statement of Changes in Equity – Unaudited
March 31st, 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	123,017	(18,377)	233	1,002	105,875
Currency translation differences	-	-	3,056	-	-	3,056
Net income	-	-	-	1,702	26	1,728
Total comprehensive income	-	-	3,056	1,702	26	4,784
Balance at 31 March 2023	188,213	123,017	(15,321)	1,935	1,028	110,659
	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	-	-	(802)	-	-	(802)
Net income	-	-	-	637	17	654
Total comprehensive income	-	-	(802)	637	17	(148)
Balance at 31 March 2022	186,213	105,782	(20,672)	(1,996)	944	84,058



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	3,184,478
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	254,500
Leonardo Jesus Velasquez Foucault	163,600
Elvin Howard Nash	142,700
Sergio Roberto Molina Barrios	127,200
Lucia Vielman Ruiz De Bernard	90,900
Mario Estuardo Pons Espana	90,900
Francisco Jose Lupiac Rodriguez	90,900