PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q4 2022

UNAUDITED

INTERIM REPORT TO OUR STOCKHOLDERS

PBS' REVENUE AND EARNINGS GROWTH CONTINUED IN 2022

Fellow Shareholders:

Productive Business Solutions Limited (PBS) is pleased to present its financial results for the fourth quarter ended December 31st, 2022. PBS continued its growth trajectory in 2022 achieving record revenues, EBITDA and profit after tax.

Financial Performance

In the fourth quarter, PBS achieved revenues of US$89.2 million, an increase of US$10.9 million or 14% over the corresponding period in 2021. Despite the increased revenues, both EBITDA and profit after tax in the fourth quarter declined compared to the similar period last year.

For the full year, PBS achieved revenues of US$316.1 million, an increase of US$92.1 million or 41% over 2021. EBITDA grew 44% to US$46.0 million. Profit after tax was US$8.4 million in 2022 compared to US$5.6 million in the prior year, an increase of 66.6%.

Highlights

PBS' results for 2022 were achieved by increasing our focus on sales in each of our operations. The Company's growth was broad-based with the majority of our 19 markets registering increased sales and profitability.

We have successfully executed a strategy to diversify our business creating a balanced business with increased regional scale, product diversification and growing recurring revenue. Last year, PBS provided information technology, communication, security, printing and advanced technology solutions to leading governments and businesses in most major markets in the Caribbean and Central America.

Our core mission is to help our clients to be more efficient in their business processes by being their preferred partner as system integrator, services and technology provider across the region.

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

Sincerely,

P. B. Scott
Chairman of the Board

Pedro M. París C.
Group CEO

Productive Business Solutions Limited
Consolidated Statement of Comprehensive Income
For the quarter ending December 31st, 2022

(Expressed in United States dollars unless otherwise indicated)

	Fourth Quarter		For the Year Ending December 31st	
	2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Audited
	USD'000	USD'000	USD'000	USD'000
Continuing Operations				
Revenue	89,181	78,258	316,148	223,997
Direct expenses	(63,630)	(48,269)	(219,449)	(145,214)
Gross Profit	**25,551**	**29,988**	**96,700**	**78,783**
Other income	100	798	2,249	744
Selling, general and administrative expenses	(18,544)	(19,150)	(70,343)	(62,195)
Operating Profit	**7,107**	**11,636**	**28,606**	**17,332**
Finance costs	(3,662)	(3,673)	(16,740)	(10,213)
Profit before Taxation	**3,444**	**7,963**	**11,866**	**7,118**
Taxation	605	(121)	(3,494)	(1,519)
Profit/(loss) for the period	**4,050**	**7,843**	**8,372**	**5,599**
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences on net assets of subsidiaries	2,321	(473)	1,276	(1,434)
Items that will not be reclassified to profit or loss:				
Actuarial gains on termination benefits	33	-	33	-
TOTAL COMPREHENSIVE INCOME/(LOSS)	**6,404**	**7,370**	**9,681**	**4,165**
Income/(loss) for the Year Attributable to:				
Shareholder of the Company	4,006	8,212	8,297	5,523
Non-controlling interest	44	(369)	75	76
	4,050	**7,843**	**8,372**	**5,599**
Comprehensive Income/(Loss) for the Year Attributable to:				
Shareholder of the Company:	6,360	7,739	9,606	4,089
Non-controlling interest	44	(369)	75	76
	6,404	**7,370**	**9,681**	**4,165**
	Cents	**Cents**	**Cents**	**Cents**
Basic and diluted earnings per share for profit/(loss) from continuing operation attributable to ordinary share holder	2.15	4.41	4.46	3.83

Note: ordinary shares outstanding in December 2021 and in December 2022: 186,213,523

Productive Business Solutions Limited
Non-IFRS Performance Measures – Unaudited
For the quarter ending December 31st, 2022

(Expressed in United States dollars unless otherwise indicated)

Reconciliation of EBITDA (Unaudited)

For the twelve Months Ended December 31st, 2022

(figures in US dollars unless otherwise indicated)

	Fourth Quarter		**Year to date December 31st**	
	2022 USD'000	**2021 USD'000**	**2022 USD'000**	**2021 USD'000**
Operating profit	7,107	11,636	28,606	17,332
(+) Depreciation/amortization and gain/loss on disposition of property (included in Operating profit)				
Depreciation	1,902	3,731	14,195	12,910
Amortization	787	833	3,150	1,745
Depreciation included in COGS	*1,621*	-	*5,867*	-
EBITDA	**11,417**	**16,200**	**45,950**	**31,986**

Productive Business Solutions Limited
Consolidated Statement of Financial Position
December 31st, 2022

(Expressed in United States dollars unless otherwise indicated)

	December 2022	December 2021
	Unaudited	**Audited**
Non-Current Assets		
Property, plant and equipment	30,273	31,574
Intangible assets	101,661	104,813
Right of use	12,952	15,708
Lease receivables	6,463	1,804
Pension plan assets	119	114
Long term receivables	376	550
Deferred tax assets	4,871	3,765
Contract assets Long Terms	6,849	6,390
	163,564	164,718
Current Assets		
Due from related parties	5,193	3,857
Inventories	50,561	39,681
Trade and other receivables	104,101	83,515
Current portion of lease receivables	2,680	1,721
Taxation recoverable	13,929	11,492
Contract assets Short Term	8,129	8,645
Financial assets at amortized cost	-	1,592
Cash and cash equivalents	31,244	21,740
	215,837	172,243
Current Liabilities		
Trade and other payables	84,620	47,372
Due to related parties	2,925	13,009
Taxation payable	9,765	7,777
Lease payable Short Term	2,788	3,773
Finance lease Short Term	(0)	-
Short term loans	20,652	20,661
Current portion of Long Term loans	5,674	9,188
Contract liabilities	14,176	13,793
Bank overdraft	2,981	2,903
	143,581	118,476
Net Current Assets	72,256	53,767
	235,820	218,485

Productive Business Solutions Limited
Consolidated Statement of Financial Position (continued)
December 31st, 2022

(Expressed in United States dollars unless otherwise indicated)

Equity		
Attributable to Shareholder of the Company		
Share capital	123,016	105,782
Other reserves	(18,564)	(19,870)
Accumulated deficit	142	(2,633)
	104,594	83,279
Non-controlling Interests	1,002	927
	105,596	84,206
Non-Current Liabilities		
Retirement benefit obligation	539	599
Contingent consideration payable	1,866	1,796
Deferred income tax liabilities	2,057	1,677
Lease payable Long Term	14,063	15,871
Borrowings	110,408	112,844
Other Long Term liabilities	1,291	1,492
	130,224	134,279
	235,820	218,485

Approved for issue by the Board of Directors on 14th of February 2023 and signed on its behalf by

Paul. B. Scott
Chairman of the Board

Pedro M. París C.
Director,
Group CEO

Productive Business Solutions Limited
Consolidated Statement of Cash Flows
December 31st, 2022

(Expressed in United States dollars unless otherwise indicated)

	Year ending 2022 Unaudited USD'000	Year ending 2021 Audited USD'000
Net profit	**8,372**	**5,599**
Items not afecting cash:		
Depreciation	14,194	13,176
Amortization	3,150	1,745
Taxation expense	3,494	1,519
Foreign exchange gains	1,471	(3,867)
Interest expense	15,268	11,253
Interest income	1,218	(447)
	48,386	**28,978**
Changes in non-cash working capital balances:		
Inventories	(12,812)	(1,271)
Contract assets	(863)	(2,351)
Accounts receivable	(19,283)	(10,767)
Due from related parties	(1,062)	26
Long-term receivable	54	535
Lease receivables	(5,775)	51
Accounts payable	23,292	(5,035)
Contract liabilities	2,774	1,560
Due to related parties	(4,790)	938
Retirement benefit obligation	230	45
Cash provided by operations	**30,151**	**12,709**
Taxation paid	(917)	(2,066)
	29,234	10,643
Cash Flows from Financing Activities		
Interest paid bond holders	(3,144)	(3,418)
Interest paid on preference shares	(1,625)	(1,682)
Other interest paid	(10,499)	(10,033)
Dividends paid	(5,000)	(2,029)
Proceeds from borrowing	55,536	92,851
Repayments of borrowings	(62,838)	(80,844)
Net cash used in financing activities	**(10,336)**	**(5,155)**
Cash Flows from Investing Activities		
Interest received	(1,218)	447
Purchase of property, plant and equipment	(8,213)	(5,065)
Acquisition of business - net of cash acquired	-	16,636
Acquisition of financial assets at amortized cost	-	(1,592)
Proceeds on disposal of property, plant and equipment	-	14
Net cash used in/provided by investing activities	**(9,431)**	**10,440**
Net Increase in Cash and Cash Equivalents	9,467	15,928
Cash and cash equivalents at beginning of the year	21,776	2,676
Exchange losses on cash and cash equivalents	1	233
Cash and Cash Equivalents at end of Period	**31,244**	**18,837**

Productive Business Solutions Limited
Consolidated Statement of Changes in Equity – Unaudited
December 31st, 2022

(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 2022	**186,213**	**105,782**	**(19,870)**	**(2,633)**	**927**	**84,206**
Currency translation differences	-	-	1,276	-	-	1,276
Actuarial gains on termination benefits	-	-	33	-	-	33
Preference shares issued	-	-	-	-	-	-
Net income	-	-	-	8,297	75	8,372
Total comprehensive income	-	-	1,309	8,297	75	9,681
Preference shares issued	2,000	17,234			-	17,234
Dividends paid				(5,525)		(5,525)
Balance at 31 December 2022	**188,213**	**123,016**	**(18,561)**	**139**	**1,002**	**105,596**

	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 2021	**123,272**	**57,317**	**(18,429)**	**(6,127)**	**851**	**33,612**
Currency translation differences	-	-	(1,434)	-	-	(1,434)
Net income	-	-	-	5,523	76	5,599
Total comprehensive income	-	-	(1,434)	5,523	76	4,165
On acquisition of subsidiaries			(7)			(7)
Dividends paid				(2,029)		(2,029)
Increase in share capital	62,941	48,465				48,465
Balance at 31 December 2021	**186,213**	**105,782**	**(19,870)**	**(2,633)**	**927**	**84,206**

Productive Business Solutions Limited
Notes to the Interim Financial Report

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Productive Business Solutions Limited ("the Company") is a company incorporated and domiciled in Barbados under the International Business Corporation (IBC) Act Cap. 77 on 16 December 2010. The registered office of the Company is at Corporate Services Limited, Erin Court, Bishop Court's Hill, St. Michael, Barbados.

The principal activities of the Company and its subsidiaries, (referred to as "Group") are the distribution of printing equipment, business machines, handsets and related accessories, automated teller machines, security checkpoints, system integration, cloud services, data analytics, communication solutions, e-transactions, development of software and other technology solutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements, hereinafter referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) and IFRS Interpretation 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 management's best knowledge of current events and action, actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has affected the following, which are immediately relevant to its operations:

IFRS 9, 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018) specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and subsequently measured at amortized cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 introduces a new model for the recognition of impairment losses - the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. Management has assessed the application of the credit loss model on trade receivables, lease receivables and inter-company balances under IFRS 9. The impact on these financial statements were not material. Management has utilized the modified retrospective transition approach. The Group applied IFRS 9 on 1 January 2018 and has elected not to restate comparative information in accordance with the transitional provisions. As a result,

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED

(a) Basis of preparation (continued)

the comparative information provided continues to be accounted in accordance with the Group's previous accounting policy.

IFRS 15, 'Revenue from Contracts with Customers', (effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognized if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalized and amortized over the period when the benefits of the contract are consumed. Management has utilized the modified retrospective transition approach. The Group applied IFRS 15 on 1 January 2018 and has elected not to restate comparative information in accordance with the transitional provisions. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy. Furthermore, management has identified contract assets and liabilities as reported in the statement of financial position.

Amendment to IFRS 15, 'Revenue from contracts with customers', (effective for accounting periods beginning on or after 1 January 2018}. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation}. The IASB has also included additional practical expedients related to transition to the new revenue standard.

`IFR/C 22,' Foreign currency transactions and advance consideration', (effective for annual periods beginning on or after 1 January 2018). The amendment clarifies how to determine the exchange rate for initial recognition of a non-monetary asset or non-monetary liability in connection with an advance consideration. The entity has not been materially impacted by this interpretation as there has always been consensus on the definition of date of the transaction {consequently the date for determining the exchange rate) as the date of initial recognition, as required by the interpretation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after 1 January 2018, but the Group has not early adopted them:

IFRIC 23, 'Uncertainty over income tax treatments' (effective for annual period beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize, and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The adoption of this standard is not expected to have a significant impact on the group.

Amendment to IFRS 9, 'Financial instruments', on prepayment features with negative compensation (effective for annual period beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortized cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which maybe a change in practice from IAS 39. The adoption of this standard is not expected to have a significant impact on the group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)

Annual improvements 2015-2017 (effective for annual period beginning on or after 1 January 2019). These amendments include minor changes to:

- IFRS 3, 'Business combinations', - a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, 'Joint arrangements',- a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, 'In come taxes' - a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, 'Borrowing costs' - a company treats as part of general borrowings any
- borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The adoption of these standards is not expected to have a significant impact on the Group. There are no other new or amended standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred far the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non- controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired and liabilities assumed is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss, in the statement of comprehensive income.

Common 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	3,054,626
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 Guiliermo 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