



# **PRODUCTIVE BUSINESS SOLUTIONS LIMITED**

INTERIM REPORT Q3 2023

**UNAUDITED**



## INTERIM REPORT TO OUR STOCKHOLDERS

### PBS' REVENUE AND PROFIT GROWTH CONTINUES IN Q3 2023

#### Fellow Shareholders:

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

#### Financial Performance

PBS continued its trajectory of growth in Profit After Tax for the nine months ending September 30, 2023. For the nine months, EBITDA was US\$31.5 million versus US\$34.3 million over the corresponding period last year. The third quarter in 2022 included a one-time gain of US\$2.5 million related to our leasing operations. Our EBITDA performance so far this year was flat adjusting for the impact of this non-recurring transaction. Our Profit after Tax for the first nine months of 2023 was US\$5.4 million an increase of 26% over US\$4.3 million recorded in the corresponding period last year.

#### Highlights:

- Continued integration of our recently acquired Infotrans business in Curacao, Aruba, Bonaire, Suriname and Colombia.
- Large Multi-year Oracle ERP implementation with a leading Central American bank.
- Record growth maintains in our ATM and Self-Checkout business throughout our territories.
- Printing of the electoral ballots in the mid-term elections in Costa Rica.
- High single digit annual growth of machines in field in our imaging business regionally.
- Large Oracle licensing support and services agreement with the Ministry of Hacienda in El Salvador.
- Upgrade of the Central Bank of Nicaragua's data center infrastructure.

As we look ahead, PBS' backlog of confirmed orders is at an all-time high. While our business has traditionally been skewed to Q4, we expect that our performance for the rest of 2023 will be particularly strong.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Scott', written over a light grey grid background.

**Paul B. Scott**  
Chairman of the  
Board

A handwritten signature in black ink, appearing to read 'Pedro M. Paris C.', written over a light grey grid background.

**Pedro M. Paris C.**  
Director  
Group CEO



**Productive Business Solutions Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the quarter ending September 30<sup>th</sup>, 2023**

(Expressed in United States dollars unless otherwise indicated)

	Third Quarter		Nine Months Ending September 30 <sup>th</sup>	
	2023 Unaudited USD'000	2022 Unaudited USD'000	2023 Unaudited USD'000	2022 Unaudited USD'000
<b>Continuing Operations</b>				
Revenue	72,244	68,377	232,992	227,494
Direct Expenses	47,285	45,138	159,031	156,843
<b>Gross Profit</b>	<b>24,959</b>	<b>24,239</b>	<b>73,961</b>	<b>70,651</b>
Other Income	(805)	(1,415)	(2,361)	(2,153)
Selling, general, and administrative expenses	20,373	16,864	58,002	51,548
<b>Operating Profit</b>	<b>5,391</b>	<b>8,790</b>	<b>18,319</b>	<b>21,256</b>
Finance Costs	3,458	4,931	10,289	12,736
<b>Profit before Taxation</b>	<b>1,932</b>	<b>3,859</b>	<b>8,030</b>	<b>8,520</b>
Taxation	747	1,896	2,500	4,196
<b>Profit/(loss) for the period</b>	<b>1,185</b>	<b>1,963</b>	<b>5,530</b>	<b>4,323</b>
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Currency Translation differences on net assets of subsidiaries	156	1,904	2,755	328
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,341</b>	<b>3,867</b>	<b>8,286</b>	<b>4,651</b>
<b>Income/(loss) for the Year Attributable to:</b>				
Shareholder of the Company	1,181	1,968	5,469	4,292
Non-controlling interest	5	(5)	62	31
	<b>1,185</b>	<b>1,963</b>	<b>5,530</b>	<b>4,323</b>
<b>Comprehensive Income/(loss) for the Year Attributable to:</b>				
Shareholder of the Company	1,336	3,872	8,224	4,620
Non-controlling interest	5	(5)	62	31
	<b>1,341</b>	<b>3,867</b>	<b>8,286</b>	<b>4,651</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share for profit/(loss) from continuing operation attributable to ordinary share holder	0.63	1.05	2.91	2.28

Note: ordinary shares outstanding in September 2023: 188,216,523 and in September 2022: 186,213,523



**Productive Business Solutions Limited**  
**Non-IFRS Performance Measures – Unaudited**  
**For the quarter ending September 30<sup>th</sup>, 2023**

(Expressed in United States dollars unless otherwise indicated)

	Third Quarter		Year to date September	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Operating profit	5,391	8,790	18,319	21,256
(+) Depreciation/ amortization and gain/loss on disposition of property (included in Operating profit)				
Depreciation	2,030	1,834	6,175	6,156
Amortization	787	831	2,362	2,362
<i>Depreciation included in COGS</i>	<i>1,562</i>	<i>1,423</i>	<i>4,640</i>	<i>4,516</i>
<b>EBITDA</b>	<b>9,770</b>	<b>12,878</b>	<b>31,497</b>	<b>34,290</b>



**Productive Business Solutions Limited**  
**Consolidated Statement of Financial Position**  
**September 30<sup>th</sup>, 2023**

(Expressed in United States dollars unless otherwise indicated)

	Unaudited USD '000	Unaudited USD '000	Audited USD '000
<b>Non-Current Assets</b>			
Property, plant and equipment	32,996	29,192	29,473
Intangible assets	103,507	102,452	101,762
Right of use	11,284	14,038	13,768
Lease receivables	8,552	6,888	6,699
Pension plan assets	533	119	528
Long term receivables	4,899	383	4,438
Deferred tax assets	5,667	3,673	5,591
Contract assets LT	7,602	6,516	6,849
Investments	242	0	246
	<u>175,281</u>	<u>163,261</u>	<u>169,354</u>
<b>Current Assets</b>			
Due from related parties	6,185	4,131	4,875
Inventories	43,563	53,750	49,480
Trade and other receivables	100,760	103,735	99,242
Current portion of lease receivables	2,346	2,032	1,790
Taxation recoverable	16,598	14,383	13,730
Contract assets ST	7,415	8,127	9,434
Financial assets at amortized cost	-	1,596	-
Cash and cash equivalents	32,592	36,049	31,230
	<u>209,459</u>	<u>223,803</u>	<u>209,781</u>
<b>Current Liabilities</b>			
Trade and other payables	79,563	77,217	65,746
Due to related parties	10,253	1,610	9,636
Taxation payable	10,219	9,548	8,859
Lease payable ST	2,782	2,574	4,262
Short term loans	26,502	26,271	20,652
Current portion of LT loans	19,866	5,831	5,084
Contract liabilities	7,843	22,896	25,583
Bank overdraft	2,923	2,977	2,967
	<u>159,951</u>	<u>148,924</u>	<u>142,789</u>
<b>Net Current Assets</b>	<u>49,508</u>	<u>74,879</u>	<u>66,992</u>
	<u>224,789</u>	<u>238,139</u>	<u>236,346</u>



**Productive Business Solutions Limited**  
**Consolidated Statement of Financial Position (continued)**  
**September 30<sup>th</sup>, 2023**

(Expressed in United States dollars unless otherwise indicated)

	<u>September 2023</u>	<u>September 2022</u>	<u>December 2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
<b>Equity</b>			
<b>Attributable to Shareholder of the Company</b>			
Share capital	123,016	123,016	123,016
Other reserves	(15,305)	(19,787)	(18,377)
Accumulated superavit	1,969	1,689	233
	<u>109,680</u>	<u>104,919</u>	<u>104,872</u>
<b>Non-controlling Interests</b>	1,062	958	1,002
	<u>110,742</u>	<u>105,876</u>	<u>105,874</u>
<b>Non-Current Liabilities</b>			
Retirement benefit obligation	824	598	991
Contingent consideration payable	-	1,848	912
Deferred income tax liabilities	2,918	2,117	2,925
Lease payable LT	14,430	15,503	16,260
Borrowings	94,932	110,919	108,369
Other long term liabilities	942	1,277	1,015
	<u>114,047</u>	<u>132,262</u>	<u>130,472</u>
	<u>224,789</u>	<u>238,139</u>	<u>236,346</u>

Approved for issue by the Board of Directors on 14th of November 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

### September 30<sup>th</sup>, 2023

(Expressed in United States dollars unless otherwise indicated)

	Nine months ending	
	2023	2022
	Unaudited USD'000	Unaudited USD'000
<b>Net profit</b>	<b>5,555</b>	<b>4,322</b>
Items not affecting cash:		
Depreciation	6,176	10,671
Amortization	2,362	2,362
Other reserves on acquisition of entity	(317)	-
Taxation expense	2,500	3,882
Currency translation differences	2,755	1,353
Interest expense	10,285	10,760
Interest income	(1,418)	-
Deferred tax	(7)	280
	<b>27,890</b>	<b>33,630</b>
Changes in non-cash working capital balances:		
Inventories	8,709	(16,001)
Contract assets	2,019	(860)
Accounts receivable	989	(19,569)
Long-term receivable	(466)	47
Lease receivables	(2,370)	(5,551)
Taxation recoverable	(1,440)	(1,063)
Accounts payable	(5,508)	23,789
Contract liabilities	(4,252)	4,105
Due to related parties	(466)	(6,501)
<b>Cash provided by operations</b>	<b>25,106</b>	<b>12,026</b>
	<u>25,106</u>	<u>12,026</u>
<b>Cash Flows from Financing Activities</b>		
Interest paid bond holders	(2,543)	(2,281)
Interest paid on preference shares	(825)	(1,625)
Other interest paid	(6,091)	(6,549)
Dividends paid	(3,794)	-
Issuance of shares	-	17,234
Proceeds from borrowing	48,668	41,130
Repayments of borrowings	(48,814)	(40,969)
<b>Net cash used in/provided by financing activities</b>	<b>(13,399)</b>	<b>6,940</b>
	<u>(13,399)</u>	<u>6,940</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(9,270)	(4,694)
<b>Net cash used in investing activities</b>	<b>(10,345)</b>	<b>(4,694)</b>
	<u>(10,345)</u>	<u>(4,694)</u>
Net Increase in Cash and Cash Equivalents	1,362	14,272
Cash and cash equivalents at beginning of the year	31,230	21,777
<b>Cash and Cash Equivalents at end of Period</b>	<b>32,592</b>	<b>36,049</b>
	<u>32,592</u>	<u>36,049</u>



**Productive Business Solutions Limited**  
**Consolidated Statement of Changes in Equity – Unaudited**  
**September 30<sup>th</sup>, 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
<b>Balance at 1 January 2023</b>	<b>188,213</b>	<b>123,016</b>	<b>(18,377)</b>	<b>233</b>	<b>1,002</b>	<b>105,874</b>
Currency translation differences	-	-	2,755	-	-	2,755
Net income	-	-	-	5,530	60	5,590
Total comprehensive income	-	-	2,755	5,530	60	8,345
On acquisition of subsidiaries	-	-	(784)	-	-	(784)
Dividends paid	-	-	-	(3,794)	-	(3,794)
<b>Balance at 30 June 2023</b>	<b>188,213</b>	<b>123,016</b>	<b>(16,406)</b>	<b>1,969</b>	<b>1,062</b>	<b>109,641</b>

	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
<b>Balance at 1 January 2022</b>	<b>186,213</b>	<b>105,782</b>	<b>(19,870)</b>	<b>(2,633)</b>	<b>927</b>	<b>84,206</b>
Currency translation differences	-	-	304	-	-	304
Preference shares issued	2,000	17,234	-	-	-	17,234
Net income	-	-	-	4,322	31	4,353
Total comprehensive income	2,000	17,234	304	4,322	31	21,891
<b>Balance at 30 September 2022</b>	<b>188,213</b>	<b>123,016</b>	<b>(19,566)</b>	<b>1,689</b>	<b>958</b>	<b>106,097</b>



## **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