



# **PRODUCTIVE BUSINESS SOLUTIONS LIMITED**

INTERIM REPORT Q3 2024

**UNAUDITED**



## INTERIM REPORT TO OUR STOCKHOLDERS

We are pleased to provide an update on the performance and strategic progress of Productive Business Solutions Limited (PBS) as of the third quarter of 2024.

### Financial Performance

#### Quarter Ended September 30<sup>th</sup>, 2024

PBS achieved revenues of \$120.5M in Q3 2024, a substantial increase of 67% from the \$72.2M recorded in Q3 2023. Our gross profit also increased to \$28.6M, up 14.9% from \$24.9M in the same period last year. These results reflect the continued strong demand for PBS' products and services across the 22 markets in which we operate.

Our sales, general and administrative expenses increased 11.3% to \$22.7M in Q3 2024 as we strengthen our systems and continued to invest in our people and growth initiatives. EBITDA for the quarter was \$12.7M, a notable improvement of 29% from the \$9.8M we earned in Q3 2023.

Finance costs increased to \$5.6M from \$3.4M last year, primarily due to an increase in borrowings to fund growth, higher interest rates and the amortization of deferred financing costs related to loans which were refinanced in the period. Finally, profit after tax was \$0.76M compared to \$1.18M in Q3 2023.

#### Nine Months Ended September 30<sup>th</sup>, 2024

PBS achieved revenue of \$288.4M, an increase of 23.8% compared to \$233.0M for the same period in 2023. Our gross profit increased to \$79.7M, up 7.9% from \$73.9M for the first nine months of 2023.

Our sales, general and administrative expenses were \$64.3M, an increase of 10.9% from the \$58.0M we earned in the first nine months of 2023. This increase is primarily attributed to our newly acquired operations in Ecuador and Peru. EBITDA for the period was \$32.34M. an increase of 2.5% from the prior period.

Finance costs increased to \$12.2M from \$10.2M last year, a rise of 19.6%, primarily due to an increase in borrowings to fund growth, higher interest rates and the amortization of deferred financing costs related to loans which were refinanced in the period. Finally, profit after tax was \$3.2M, compared to \$5.5M in the first nine months of 2023.

## Capital Planning

We are pleased to announce that PBS successfully refinanced most of its debt obligations earlier this year. As a consequence, PBS was able to extend its maturity profile, diversify its sources of funding across the region and increase its liquidity. The transaction exemplifies PBS' ability to fund the continued growth of our business.

## Outlook

PBS continues to benefit from the enduring long-term trends of increasing investment in technology and digital transformation in the regions in which we operate. Our integrated platform allows us to be the partner of choice for the leading enterprise technology brands globally and the leading firms and governments in the Caribbean and Central America.

Our current pipeline is robust, and we anticipate closing 2024 with double-digit annual growth in revenue, cash flow and profitability.

Thank you for your continued support and confidence in PBS.

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 September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|   | Third Quarter     |                   | Nine Months Ending September 30th |                   |
|---|-------------------|-------------------|-----------------------------------|-------------------|
|   | 2024<br>Unaudited | 2023<br>Unaudited | 2024<br>Unaudited                 | 2023<br>Unaudited |
|   | USD'000           | USD'000           | USD'000                           | USD'000           |
| <b>Continuing Operations</b>  |                   |                   |                                   |                   |
| Revenue   | 120,493           | 72,244            | 288,392                           | 232,992           |
| Direct expenses   | 91,885            | 47,285            | 208,647                           | 159,031           |
| <b>Gross Profit</b>   | <b>28,608</b>     | <b>24,959</b>     | <b>79,745</b>                     | <b>73,961</b>     |
| Other income  | (1,392)           | (805)             | (2,251)                           | (2,361)           |
| Selling, general and administrative expenses  | 22,656            | 20,373            | 64,311                            | 58,003            |
| <b>Operating Profit</b>   | <b>7,344</b>      | <b>5,390</b>      | <b>17,685</b>                     | <b>18,320</b>     |
| Share of investee's profit or loss  | 105               | -                 | 513                               | -                 |
| Finance costs   | 5,604             | 3,458             | 12,201                            | 10,290            |
| <b>Profit before Taxation</b>   | <b>1,845</b>      | <b>1,933</b>      | <b>5,997</b>                      | <b>8,030</b>      |
| Taxation  | 1,077             | 747               | 2,771                             | 2,500             |
| <b>Profit for the period</b>  | <b>769</b>        | <b>1,185</b>      | <b>3,226</b>                      | <b>5,530</b>      |
| <b>Items that may be subsequently reclassified to profit or loss:</b>   |                   |                   |                                   |                   |
| Currency translation differences on net assets of subsidiaries  | 12                | 156               | (482)                             | 2,755             |
| <b>TOTAL COMPREHENSIVE INCOME</b>   | <b>781</b>        | <b>1,341</b>      | <b>2,744</b>                      | <b>8,285</b>      |
| <b>Income for the Year Attributable to:</b>   |                   |                   |                                   |                   |
| Shareholder of the Company  | 769               | 1,180             | 3,131                             | 5,470             |
| Non-controlling interest  | -                 | 5                 | 95                                | 60                |
|   | <b>769</b>        | <b>1,185</b>      | <b>3,226</b>                      | <b>5,530</b>      |
| <b>Comprehensive Income for the Year Attributable to:</b>   |                   |                   |                                   |                   |
| Shareholder of the Company:   | 781               | 1,336             | 2,649                             | 8,225             |
| Non-controlling interest  | -                 | 5                 | 95                                | 60                |
|   | <b>781</b>        | <b>1,341</b>      | <b>2,744</b>                      | <b>8,285</b>      |
|   | <b>Cents</b>      | <b>Cents</b>      | <b>Cents</b>                      | <b>Cents</b>      |
| Basic and diluted earnings per share for profit from continuing operation attributable to ordinary share holder | 0.41              | 0.63              | 1.68                              | 2.91              |

Note: ordinary shares outstanding in September 2024: 186,213,513 (September 2023: 186,213,523)



## Productive Business Solutions Limited Non-IFRS Performance Measures – Unaudited For the quarter ending September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|  | Third Quarter   |                 | Year to date June |                 |
|--|-----------------|-----------------|-------------------|-----------------|
|  | 2024<br>USD'000 | 2023<br>USD'000 | 2024<br>USD'000   | 2023<br>USD'000 |
| Operating profit                         | 7,344           | 5,390           | 17,685            | 18,320          |
| (+) Depreciation/amortization            |                 |                 |                   |                 |
| Depreciation                             | 2,219           | 2,030           | 6,683             | 6,176           |
| Amortization                             | 648             | 787             | 1,945             | 2,362           |
| Depreciation included in Direct expenses | 2,442           | 1,562           | 6,026             | 4,639           |
| <b>EBITDA</b>                            | <b>12,653</b>   | <b>9,770</b>    | <b>32,340</b>     | <b>31,497</b>   |

\* EBITDA is being adjusted for depreciation included in COGS by the following amounts:

|  |       |       |       |       |
|--|-------|-------|-------|-------|
|  | 2,442 | 1,562 | 6,026 | 4,639 |
|--|-------|-------|-------|-------|

## Productive Business Solutions Limited Consolidated Statement of Financial Position September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|                                      | September 2024       | September 2023       | December 2023      |
|--------------------------------------|----------------------|----------------------|--------------------|
|                                      | Unaudited<br>USD'000 | Unaudited<br>USD'000 | Audited<br>USD'000 |
| <b>Non-Current Assets</b>            |                      |                      |                    |
| Property, plant and equipment        | 35,731               | 32,996               | 30,599             |
| Intangible assets                    | 107,727              | 103,507              | 102,922            |
| Right of use                         | 10,468               | 11,284               | 12,673             |
| Lease receivables                    | 8,269                | 8,552                | 7,444              |
| Pension plan assets                  | 3,596                | 533                  | 3,596              |
| Long term receivables                | 1,152                | 4,899                | 807                |
| Deferred tax assets                  | 14,133               | 5,667                | 13,056             |
| Contract assets LT                   | -                    | 7,602                | -                  |
| Investments                          | 4,287                | 242                  | 243                |
|                                      | 185,364              | 175,281              | 171,340            |
| <b>Current Assets</b>                |                      |                      |                    |
| Due from related parties             | 7,816                | 6,185                | 6,968              |
| Inventories                          | 51,407               | 43,563               | 42,940             |
| Trade and other receivables          | 118,012              | 100,760              | 105,789            |
| Current portion of lease receivables | 2,750                | 2,346                | 2,106              |
| Taxation recoverable                 | 19,049               | 16,598               | 14,094             |
| Contract assets ST                   | 81                   | 7,415                | 2,031              |
| Cash and cash equivalents            | 30,704               | 32,592               | 31,991             |
|                                      | 229,819              | 209,459              | 205,919            |
| <b>Current Liabilities</b>           |                      |                      |                    |
| Trade and other payables             | 94,115               | 79,563               | 83,672             |
| Due to related parties               | 10,902               | 10,253               | 11,059             |
| Taxation payable                     | 12,859               | 10,219               | 10,869             |
| Lease payable ST                     | 3,305                | 2,782                | 4,975              |
| Short term loans                     | 9,302                | 26,502               | 30,689             |
| Current portion of LT loans          | 10,217               | 19,866               | 19,617             |
| Contract liabilities                 | 23,322               | 7,843                | 19,845             |
| Bank overdraft                       | -                    | 2,923                | -                  |
|                                      | 164,021              | 159,951              | 180,726            |
| <b>Net Current Assets</b>            | 65,798               | 49,508               | 25,193             |
|                                      | 251,162              | 224,789              | 196,533            |

## Productive Business Solutions Limited Consolidated Statement of Financial Position (continued) September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|   | <b>September 2024</b> | <b>September 2023</b> | <b>December 2023</b> |
|---|-----------------------|-----------------------|----------------------|
|   | <b>Unaudited</b>      | <b>Unaudited</b>      | <b>Audited</b>       |
|   | <b>USD'000</b>        | <b>USD'000</b>        | <b>USD'000</b>       |
| <b>Equity</b>                                     |                       |                       |                      |
| <b>Attributable to Shareholder of the Company</b> |                       |                       |                      |
| Share capital                                     | 123,016               | 123,016               | 123,016              |
| Other reserves                                    | (17,621)              | (15,305)              | (17,139)             |
| Accumulated deficit                               | (27,435)              | 1,969                 | (29,359)             |
|   | <u>77,960</u>         | <u>109,680</u>        | <u>76,518</u>        |
| <b>Non-controlling Interests</b>                  | <u>1,165</u>          | <u>1,062</u>          | <u>1,070</u>         |
|   | <u>79,125</u>         | <u>110,742</u>        | <u>77,588</u>        |
| <b>Non-Current Liabilities</b>                    |                       |                       |                      |
| Retirement benefit obligation                     | 1,420                 | 824                   | 1,389                |
| Deferred income tax liabilities                   | 5,055                 | 2,918                 | 5,085                |
| Lease payable LT                                  | 14,909                | 14,430                | 14,222               |
| Borrowings  | 149,642               | 94,932                | 96,936               |
| Other long term liabilities                       | 1,011                 | 942                   | 1,313                |
|   | <u>172,038</u>        | <u>114,047</u>        | <u>118,945</u>       |
|   | <u>251,162</u>        | <u>224,789</u>        | <u>196,533</u>       |

Approved for issue by the Board of Directors on 11th of November 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 September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|  | <b>Nine months ending</b>    |                              |
|--|------------------------------|------------------------------|
|  | <b>2024</b>                  | <b>2023</b>                  |
|  | <b>Unaudited<br/>USD'000</b> | <b>Unaudited<br/>USD'000</b> |
| <b>Net profit</b>  | <b>3,226</b>                 | <b>5,530</b>                 |
| Items not affecting cash:                                |                              |                              |
| Depreciation   | 12,709                       | 10,815                       |
| Amortization   | 1,945                        | 2,362                        |
| Other reserves on acquisition of entity                  | -                            | (318)                        |
| Taxation expense   | 2,771                        | 2,500                        |
| Currency translation differences                         | (482)                        | 2,755                        |
| Interest expense   | 10,365                       | 10,285                       |
| Interest income  | -                            | (1,418)                      |
| Deferred tax   | -                            | (7)                          |
|  | <b>30,534</b>                | <b>32,504</b>                |
| Changes in non-cash working capital balances:            |                              |                              |
| Inventories  | (8,999)                      | 4,095                        |
| Contract assets  | 1,950                        | 2,019                        |
| Accounts receivable                                      | (9,223)                      | 989                          |
| Long-term receivable                                     | (345)                        | (466)                        |
| Lease receivables  | (1,469)                      | (2,370)                      |
| Taxation recoverable                                     | (2,964)                      | (1,440)                      |
| Accounts payable   | 2,092                        | (5,508)                      |
| Contract liabilities                                     | 3,477                        | (4,252)                      |
| Due to related parties                                   | (1,150)                      | (465)                        |
| <b>Cash provided by operations</b>                       | <b>13,901</b>                | <b>25,106</b>                |
| <b>Cash Flows from Financing Activities</b>              |                              |                              |
| Interest paid bond holders                               | (2,859)                      | (2,543)                      |
| Interest paid on preference shares                       | (1,617)                      | (825)                        |
| Other interest paid                                      | (4,361)                      | (6,091)                      |
| Dividends paid   | (1,207)                      | (3,794)                      |
| Proceeds from borrowing                                  | 154,334                      | 48,668                       |
| Repayments of borrowings                                 | (142,416)                    | (48,814)                     |
| Repayment of lease liabilities                           | (983)                        | -                            |
| <b>Net cash provided by/used in financing activities</b> | <b>891</b>                   | <b>(13,399)</b>              |
| <b>Cash Flows from Investing Activities</b>              |                              |                              |
| Purchase of property, plant and equipment                | (11,308)                     | (9,270)                      |
| Investment in associates                                 | (3,547)                      | -                            |
| Acquisition of business - net of cash acquired           | (1,225)                      | (1,075)                      |
| <b>Net cash used in investing activities</b>             | <b>(16,080)</b>              | <b>(10,345)</b>              |
| Net Increase/(decrease) in Cash and Cash Equivalents     | (1,288)                      | 1,362                        |
| Cash and cash equivalents at beginning of the year       | 31,991                       | 31,230                       |
| <b>Cash and Cash Equivalents at end of Period</b>        | <b>30,703</b>                | <b>32,592</b>                |





## Productive Business Solutions Limited Consolidated Statement of Changes in Equity – Unaudited September 30<sup>th</sup>, 2024

(Expressed in United States dollars unless otherwise indicated)

|                                     | Number of<br>Shares | Share Capital  | Other<br>Reserves | Accumulated<br>(Deficit)/Profit | Non-controlling<br>Interest | Total          |
|-------------------------------------|---------------------|----------------|-------------------|---------------------------------|-----------------------------|----------------|
|                                     | '000                | USD'000        | USD'000           | USD'000                         | USD'000                     | USD'000        |
| <b>Balance at 1 January 2024</b>    | <b>188,213</b>      | <b>123,017</b> | <b>(17,139)</b>   | <b>(29,360)</b>                 | <b>1,070</b>                | <b>77,588</b>  |
| Currency translation differences    | -                   | -              | (482)             | -                               | -                           | (482)          |
| Net income                          | -                   | -              | -                 | 3,131                           | 95                          | 3,226          |
| Total comprehensive income          | -                   | -              | (482)             | 3,131                           | 95                          | 2,744          |
| Dividends declared/paid             | -                   | -              | -                 | (1,207)                         | -                           | (1,207)        |
| <b>Balance at 30 September 2024</b> | <b>188,213</b>      | <b>123,017</b> | <b>(17,621)</b>   | <b>(27,435)</b>                 | <b>1,165</b>                | <b>79,125</b>  |
|                                     |                     |                |                   |                                 |                             |                |
|                                     | Number of<br>Shares | Share Capital  | Other<br>Reserves | Accumulated<br>(Deficit)/Profit | Non-controlling<br>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>123,017</b> | <b>(18,377)</b>   | <b>233</b>                      | <b>1,002</b>                | <b>105,875</b> |
| Currency translation differences    | -                   | -              | 2,755             | -                               | -                           | 2,755          |
| Net income                          | -                   | -              | -                 | 5,470                           | 60                          | 5,530          |
| Total comprehensive income          | -                   | -              | 2,755             | 5,470                           | 60                          | 8,285          |
| On acquisition of subsidiaries      | -                   | -              | 316               | -                               | -                           | 316            |
| Dividends declared/paid             | -                   | -              | -                 | (3,734)                         | -                           | (3,734)        |
| <b>Balance at 30 September 2023</b> | <b>188,213</b>      | <b>123,017</b> | <b>(15,306)</b>   | <b>1,969</b>                    | <b>1,062</b>                | <b>110,742</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 Accounting Standards. 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 Accounting Standards 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 actions, 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<sup>st</sup> December 2023.



## 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   |
| 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    |