



PRODUCTIVE BUSINESS SOLUTIONS LIMITED

INTERIM REPORT Q4 AND FULL YEAR 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 fourth quarter of 2024.

Q4 2024 was a record-breaking quarter for our company, demonstrating effective strategies, execution and sustained demand for PBS' products and services across the 24 markets in which we operate.

Financial Performance:

Quarter Ended December 31st, 2024 vs 2023

PBS achieved revenue of US\$99.2 million in Q4 2024, a 4.8% increase from US\$94.6 million recorded in Q4 2023.

The gross profit increased to US\$36.7 million (37.0% gross margin); a 30.4% increase from US\$28.1 million (29.7% gross margin) in the same period last year.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) was US\$19.3 million, marking a notable 46.5% improvement compared to US\$13.1 million in Q4 2023.

Our Sales, General, and Administrative (SAG) expenses increased 26.4% to US\$25.7 million in Q4 2024. This increase was primarily driven by the integration of our newly incorporated subsidiaries in Ecuador and Peru, as well as investments in unifying information systems to align with PBS standards. Additionally, we have expanded our IT workforce to strengthen our capabilities and support growing initiatives, including the development of our Customer Global Contact Centers and our Managed Services initiatives.

Year Ended December 31, 2024, vs. 2023

PBS achieved in 2024, revenue of US\$387.6 million, an increase of 18.3% compared to US\$327.6 million for the same period in 2023. Our gross profit increased to US\$116.5 million, up 14.0% from US\$102.1 million in 2023.

Our Sales, General, and Administrative (SAG) expenses were US\$90.0 million, an increase of 15.0% from US\$78.1 million in 2023.

EBITDA for the year was US\$51.6 million compared to US\$44.6 million from the prior year, an increase of 15.5%. This is the first time that the company has achieved over the US\$50 million mark in this financial indicator.

Finance costs increased to US\$18.3 million from US\$14.2 million last year, an increase of 29.5%. This increase was primarily due to higher interest rates, an increase in borrowings to fund growth, and the amortization of deferred financing costs related to the previous debt structure, which were refinanced in the period.

Profit after tax (PAT) was US\$8.5 million, compared to US\$8.1 million in the year 2023, equivalent to a 6.7% increase versus prior year.

Highlights

- The company completed the acquisition of Xerox's operations in Perú and Ecuador, increasing its footprint in Latin America and strengthening the relationship we have with Xerox.
- With the Acquisition of 45% of Trinidad Systems Limited (TSL) shares, PBS is in the process of implementing its 7th line of business, Payment Methods, which expands the company's portfolio across the region.
- The company improved its imaging Business Line adding Mimaki, a world leading company from Japan, the wide format segment and Etirama, from Brazil, that positions our group in the Flexographic market mainly used for labeling high-end applications.
- PBS successfully refinanced most of its debt obligations earlier in the year with CITI. Therefore, the company was able to extend its maturity profile, diversify its sources of funding across the region and increase its liquidity.

Outlook

2025's strategy will continue to focus on the opportunities of regional clients looking for a one-stop-shop, one-SLA, one-escalation matrix, and competitive pricing through scale procurement advantages from the leading enterprise technology brands in our region.

Pursuing a better internal and external customer experience, PBS is relocating four offices in the region, Jamaica, El Salvador, Costa Rica and Peru. These new facilities will bring an upgrade from the prior locations.

Our current pipeline is robust. We anticipate 2025, like the past 4 years, we will experience revenue growth and improvements in our key business performance indicators. PBS is a product of the excellence that our 3000 IT professionals bring to solutions every day. We will continue in 2025 to invest in our capacity to improve our service capability and offerings to our valued customers.

On behalf of the board of directors,



Paul B. Scott
Chairman



Pedro M. Pais C.
Group CEO

Productive Business Solutions Limited Consolidated Statement of Comprehensive Income For the quarter ending December 31st, 2024

(Expressed in United States dollars unless otherwise indicated)

	Fourth Quarter		For the Year Ending December 31 st	
	2024 Unaudited	2023 Audited	2024 Unaudited	2023 Audited
	USD'000	USD'000	USD'000	USD'000
Continuing Operations				
Revenue	99,172	94,615	387,564	327,607
Direct expenses	62,409	66,504	271,056	225,535
Gross Profit	36,763	28,111	116,507	102,072
Other income	(2,603)	(201)	(4,854)	(2,562)
Selling, general and administrative expenses	25,659	20,146	89,970	78,149
Operating Profit	13,706	8,166	31,392	26,485
Share of investee's profit or loss	-	-	513	-
Finance costs	6,146	3,881	18,348	14,171
Profit before Taxation	7,560	4,285	13,557	12,314
Taxation	2,287	1,729	5,058	4,229
Profit for the period	5,273	2,557	8,499	8,085
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences on net assets of subsidiaries	12	(3,194)	(1,082)	(439)
Actuarial Gain/(Loss)- termination benefits	-	2,839	-	2,839
	12	(355)	(1,082)	2,400
TOTAL COMPREHENSIVE INCOME	5,285	2,202	7,417	10,485
Income for the Year Attributable to:				
Shareholder of the Company	5,273	2,549	8,404	8,017
Non-controlling interest	-	8	95	68
	5,273	2,557	8,499	8,085
Comprehensive Income for the Year Attributable to:				
Shareholder of the Company:	5,285	2,194	7,322	10,417
Non-controlling interest	-	8	95	68
	5,285	2,202	7,417	10,485
	Cents	Cents	Cents	Cents
Basic and diluted earnings per share for profit from continuing operation attributable to ordinary share holder	2.83	1.37	4.51	3.38

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



Productive Business Solutions Limited
Non-IFRS Performance Measures – Unaudited
For the quarter ending December 31st, 2024

(Expressed in United States dollars unless otherwise indicated)

Reconciliation of EBITDA (Unaudited)
For the Twelve Months Ended December, 2024
(figures in US dollars unless otherwise indicated)

	Fourth Quarter		Year to date December	
	2024	2023	2024	2023
	USD'000	USD'000	USD'000	USD'000
Operating profit	13,706	8,166	31,392	26,485
(+) Depreciation/amortization				
Depreciation	2,469	2,147	9,152	8,323
Amortization	817	742	2,762	3,105
Depreciation included in Direct expenses	2,267	2,032	8,293	6,671
EBITDA	19,260	13,087	51,600	44,583
* EBITDA is being adjusted for depreciation included in COGS by the following amount:	2,267	2,032	8,293	6,671



Productive Business Solutions Limited
Consolidated Statement of Financial Position
December 31st, 2024

(Expressed in United States dollars unless otherwise indicated)

	December 2024	December 2023
	Unaudited	Audited
	USD'000	USD'000
Non-Current Assets		
Property, plant and equipment	37,901	30,599
Intangible assets	106,704	102,922
Right of use	11,421	12,673
Lease receivables	6,527	7,444
Pension plan assets	3,596	3,596
Long term receivables	974	807
Deferred tax assets	12,763	13,056
Investments	4,290	243
	<u>184,176</u>	<u>171,340</u>
Current Assets		
Due from related parties	7,527	6,968
Inventories	49,731	42,940
Trade and other receivables	103,744	105,789
Current portion of lease receivables	3,946	2,106
Taxation recoverable	18,463	14,094
Contract assets ST	1,567	2,031
Cash and cash equivalents	29,779	31,991
	<u>214,758</u>	<u>205,919</u>
Current Liabilities		
Trade and other payables	78,953	83,672
Due to related parties	12,633	11,059
Taxation payable	10,042	10,869
Lease payable ST	5,547	4,975
Short term loans	6,330	30,689
Current portion of LT loans	11,224	19,617
Contract liabilities	22,194	19,845
	<u>146,923</u>	<u>180,726</u>
Net Current Assets	<u>67,835</u>	<u>25,193</u>
	<u>252,011</u>	<u>196,533</u>



Productive Business Solutions Limited
Consolidated Statement of Financial Position (continued)
December 31st, 2024

(Expressed in United States dollars unless otherwise indicated)

	December 2024	December 2023
	Unaudited	Audited
	USD'000	USD'000
Equity		
Attributable to Shareholder of the Company		
Share capital	123,016	123,016
Other reserves	(18,221)	(17,139)
Accumulated deficit	(22,161)	(29,359)
	<u>82,634</u>	<u>76,518</u>
Non-controlling Interests	<u>1,165</u>	<u>1,070</u>
	<u>83,799</u>	<u>77,588</u>
Non-Current Liabilities		
Retirement benefit obligation	1,420	1,389
Deferred income tax liabilities	5,074	5,085
Lease payable LT	14,904	14,222
Borrowings	145,744	96,936
Other long term liabilities	1,070	1,313
	<u>168,212</u>	<u>118,945</u>
	<u>252,011</u>	<u>196,533</u>

Approved for issue by the Board of Directors on 21st of February 2025 and signed on its behalf by:

Paul. B. Scott
Chairman

Pedro M. Paris C.
Group CEO

Productive Business Solutions Limited

Consolidated Statement of Cash Flows

December 31st, 2024

(Expressed in United States dollars unless otherwise indicated)

	Twelve months ending	
	2024	2023
	Unaudited	Audited
	USD'000	USD'000
Net profit	8,499	8,085
Items not affecting cash:		
Depreciation	17,445	14,981
Amortization	2,762	3,105
Taxation expense	5,058	4,229
Currency translation differences	(1,082)	(2,131)
Interest expense	18,948	14,194
Loss on disposal	-	264
Interest income	(3,070)	(2,136)
Deferred tax	(23)	-
	48,538	40,591
Changes in non-cash working capital balances:		
Inventories	(16,868)	(1,688)
Contract assets	464	(726)
Accounts receivable	(5,650)	(10,767)
Due from related parties	289	2,093
Long-term receivable	(167)	(135)
Lease receivables	(923)	(1,061)
Taxation recoverable	(5,196)	-
Retirement benefit obligation	-	(124)
Accounts payable	(4,720)	9,432
Contract liabilities	2,349	(5,738)
Due to related parties	581	1,423
Cash provided by operations	18,696	33,300
Taxation paid	-	(2,938)
	18,696	30,362
Cash Flows from Financing Activities		
Interest paid bond holders	(9,537)	(7,278)
Interest paid on preference shares	(1,617)	(825)
Other interest paid	(6,266)	(6,091)
Dividends paid	(1,207)	(8,224)
Proceeds from borrowing	158,472	20,088
Repayments of borrowings	(142,416)	(15,501)
Repayment of lease liabilities	1,254	(4,359)
Net cash used in financing activities	(1,317)	(22,190)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(11,186)	(5,485)
Investment in associates	(3,547)	-
Acquisition of business - net of cash acquired	(7,928)	(1,075)
Interest Received	3,070	2,136
Net cash used in investing activities	(19,591)	(4,424)
Net Increase/(decrease) in Cash and Cash Equivalents	(2,212)	3,748
Cash and cash equivalents at beginning of the year	31,991	28,263
Exchange losses on cash and cash equivalents	-	(20)
Cash and Cash Equivalents at end of Period	29,779	31,991

Productive Business Solutions Limited

Consolidated Statement of Changes in Equity – Unaudited

December 31st, 2024

(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 2024	188,213	123,016	(17,139)	(29,359)	1,070	77,588
Currency translation differences	-	-	(1,082)	-	-	(1,082)
Net income	-	-	-	8,404	95	8,499
Total comprehensive income	-	-	(1,082)	8,404	95	7,417
Dividends declared/paid	-	-	-	(1,207)	-	(1,207)
Balance at 31 December 2024	188,213	123,016	(18,221)	(22,161)	1,165	83,798

	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	(19,539)	(29,152)	1,002	75,327
Currency translation differences	-	-	(439)	-	-	(439)
Actuarial gains	-	-	2,839	-	-	2,839
Net income	-	-	-	8,017	68	8,085
Total comprehensive income	-	-	2,400	8,017	68	10,485
Dividends declared/paid	-	-	-	(8,224)	-	(8,224)
Balance at 31 December 2023	188,213	123,016	(17,139)	(29,359)	1,070	77,588

Productive Business Solutions Limited

Notes to the Interim Financial Report

These unaudited interim financial statements have been prepared in accordance with the 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 31st 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
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