



tTech Limited
69 ½ Harbour Street, Kingston, JAMAICA
Tel: 876.656.8448 | Fax: 876.922.0569
www.ttech.com.jm

Report to Shareholders For the 3 Months Ended March 31, 2019

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the quarter ended March 31, 2019.

Financial Performance

For the period, tTech recorded revenues of \$66.5 million, a decrease of 4.8% below the corresponding period in 2018 (\$69.8 million). Expenses for the period were \$54.2 million, an increase of 17.1% over the same period in 2018 (\$46.2million).

Net Profit (Total Comprehensive Income) for the period was \$0.758 million. The appreciation of the Jamaican dollar relative to the United States dollar adversely affected the company's profits in the quarter. Work-in-progress and the impact of new accounting standards also affected revenue recognition for some of our services.

Highlights

tTech has had a challenging start to 2019. Our team was excited with the addition of new outsourcing clients in Kingston and Montego Bay, however, we are still awaiting decisions on several major projects which could have contributed positively to revenues and profit in the quarter.

Our important monthly recurring revenue from Managed IT Services grew in Q1 with the addition of several new customers including one of the country's largest law firms which outsourced the management of their IT infrastructure to tTech.

Our IT Security activities which now include Security Awareness Training increased as we helped more customers put in place solutions to reduce risks related to cybersecurity threats. The tTech IT Security team was kept busy delivering vulnerability testing services, IT systems penetration tests, and provided guidance on IT security to new and existing customers.

Cloud Services also contributed positively to our results, as we migrated clients away from on-premises email systems to the Microsoft cloud based Office 365 environment. We also assisted organizations to replace old server equipment with cloud based alternatives.

For the quarter there was an increase in accounts receivable to \$66.7 million. This was largely due to procedural changes at some of our clients, but our team has been working with them and the balances owing have been reduced.

Summary

With all things considered, we are buoyed by the fact that our recurring revenues continue to trend in the right direction and our organization is working aggressively on the promise of delivering insanely good IT Services to our valued clients. Our sales team is diligently working through the strong pipeline of opportunities and their efforts are expected to positively impact our growth and performance in 2019.

On behalf of the board and management, I would like to thank our team of dedicated IT Professionals, and our valued customers who are becoming more like business partners by showing continued confidence in tTech and our services.

A handwritten signature in black ink, appearing to read 'G. Reckord', written over a horizontal line.

G. Christopher Reckord
Chief Executive Officer

tTech Limited

Financial Statements

For the three months ended 31 March 2019

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2019

(Unaudited)

	Page
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6

tTech Limited

STATEMENT OF FINANCIAL POSITION
 THREE MONTHS ENDED 31 MARCH 2019
 (Unaudited)

Expressed in \$'000	Notes	As at 31-Mar-19	As at 31-Mar-18	Audited 31-Dec-18
Current assets				
Cash and cash equivalents	2c	22,510	46,646	35,886
Securities purchased		102,471	95,298	102,866
Accounts receivable		66,668	33,449	51,389
Other receivables		14,343	13,166	14,231
Inventory		7,284	5,396	7,457
		<u>213,276</u>	<u>193,955</u>	<u>211,829</u>
Current liabilities				
Accounts payable		37,482	46,586	36,611
Contract liabilities	2d	15,603	388	14,772
		<u>53,085</u>	<u>46,974</u>	<u>51,383</u>
Net current assets		<u>160,191</u>	<u>146,981</u>	<u>160,446</u>
Non-current assets				
Investments		27,761	26,361	27,781
Property, plant and equipment		11,996	11,761	10,648
		<u>39,757</u>	<u>38,122</u>	<u>38,429</u>
		<u>199,948</u>	<u>185,103</u>	<u>198,875</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		148,221	133,376	147,148
		<u>199,948</u>	<u>185,103</u>	<u>198,875</u>

Approved and authorised by the Board of Directors on May 7, 2019 and signed on its behalf by:


 Director


 Director

tTech Limited
STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 31-Mar-19	Qtr Ended 31-Mar-18	Audited Y/E 31-Dec-18
Revenue		66,468	69,816	283,923
Cost of Sales		<u>(11,831)</u>	<u>(17,423)</u>	<u>(63,085)</u>
Gross Profit		54,637	52,393	220,838
Other income, gains and losses		(2,369)	(32)	2,734
Administrative expenses		(44,047)	(39,979)	(165,863)
Other operating expenses		<u>(7,785)</u>	<u>(6,261)</u>	<u>(32,185)</u>
Operating profit		436	6,120	25,524
Finance Income		322	605	2,013
Net profit		<u>758</u>	<u>6,725</u>	<u>27,537</u>
Net profit being				
total comprehensive income		<u>758</u>	<u>6,725</u>	<u>27,537</u>
Net profit attributable to owners		758	6,725	27,537
Earnings per share	2e	<u>\$0.01</u>	<u>\$0.06</u>	<u>\$0.26</u>

tTech Limited
STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in \$'000	Share Capital	Unappropriated Profit	Total
Balance at 31 December 2017	51,727	126,651	178,378
Net profit being total comprehensive income		6,725	6,725
Balance at 31 March 2018	51,727	133,376	185,103
Balance at 31 December 2018	51,727	147,463	199,190
Net profit being total comprehensive income		758	758
Balance at 31 March 2019	51,727	148,221	199,948

tTech Limited
COMPANY STATEMENT OF CASH FLOWS
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

Expressed in \$'000	YTD Ended 31-Mar-19	YTD Ended 31-Mar-18	Audited 31-Dec-18
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net profit being total comprehensive income	758	6,725	27,537
Adjustments for:			
Allowance for expected credit losses	-		(3,968)
Reversal of prior year impact of IFRS 15 adoption			(3,072)
Depreciation	950	850	4,229
Interest income	(322)	(605)	(2,013)
Dividend income	(21)	(19)	(96)
Foreign exchange loss/(gain)	2,258	247	(1,152)
Depreciation/(Appreciation) in fair value of equity investments	157	(50)	(1,042)
Operating cash flows before movements in working capital	3,780	7,148	20,423
Accounts receivable	(15,279)	(3,648)	(21,549)
Other receivables	(112)	(3,554)	1,094
Inventories	173		(7,457)
Accounts payable	871	16,890	6,233
Contract liabilities	831		14,772
	(9,736)	16,836	13,516
Dividend received	21	19	96
Interest received	322	575	1,974
Net cash provided by operating activities	(9,393)	17,430	15,586
Cash flows from investing activities			
Additions to property, plant and equipment	(2,298)	(346)	(2,726)
Securities purchased	395	(451)	(2,117)
Investments	(179)	(310)	(738)
Cash provided/(used in) by investing activities	(2,082)	(1,107)	(5,581)
Cash flows from financing activities			
Dividends paid	-	-	(11)
Net cash provided by financing activities	-	-	(11)
Increase in cash and cash equivalents	(11,475)	16,324	9,994
Effect of exchange rate on cash and cash equivalents	(2,258)	(247)	1,152
Cash and cash equivalents at beginning of the year	110,653	99,507	99,507
Net cash and cash equivalents at end of the period	96,920	115,584	110,653
Comprised of:			
Cash and bank balances	22,510	46,646	35,886
Short term investments	74,411	68,938	74,767
Net cash and cash equivalents at end of the period	96,920	115,584	110,653

tTech Limited
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 31 MARCH 2019
(Unaudited)

1. GENERAL INFORMATION

tTech Limited ("Company") is a limited liability company, which was incorporated under the Companies Act and is domiciled in Jamaica with registered office located at 69 1/2 Harbour Street, Kingston.

The principal activity of the Company is that of information technology service providers and consultants.

On January 7, 2016, the Company's ordinary shares were listed on the Junior Market of the Jamaica Stock Exchange.

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 31 March 2019, have been prepared in accordance with IAS34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018.

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 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

(b) Tax Status

The Company was listed on the Junior Market of the Jamaica Stock Exchange on 7 January 2016 and under the Income Tax Act (Jamaica Stock Exchange Junior Market) Remission Notice, 2010, 100% of income taxes will be remitted by the Minister of Finance during the first five years of listing on Junior Market (Phase one) of the Jamaica Stock Exchange and 50% of income taxes will be remitted by the Minister of Finance during the second five years of listing on the Junior Market (Phase two) of the Jamaica Stock Exchange.

(c) Net Cash & Cash Equivalents

Cash & cash equivalents includes investments with settlement dates of 90 days or less.

	YTD Ended 31-Mar-19	YTD Ended 31-Mar-18
Reverse repurchase agreements - classified as cash and cash equivalents	74,411	68,938
Reverse repurchase agreements - other	28,060	26,360
Securities purchased	102,471	95,298

(d) Contract liabilities

Contract liabilities include short-term customer advances received to deliver equipment and to render services. This amount was reclassified from other payables in the prior year audit as a result of the adoption of IFRS 15.

tTech Limited**NOTES TO THE FINANCIAL STATEMENTS (Cont'n)****THREE MONTHS ENDED 31 MARCH 2019****(Unaudited)****(e) Earnings per Share**

Earnings per stock unit have been calculated by dividing the 'Net Profit' by the total number of weighted average stock units at the end of the respective period 106,000,000 (2017 - 106,000,000).

3. SHAREHOLDERS' INFORMATION AT MARCH 31, 2019**(a) Top 10 Shareholders**

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Auctus Holdings Inc.	15,628,500
Enqueue Inc.	15,391,566
Hugh O'Brian Allen	8,455,028
Mayberry Jamaican Equities Limited	4,062,929
Marcelle Smart	2,026,105
GraceKennedy (2009) Pension Plan	1,604,893
Douglas Orane	881,448
Ravers Limited	806,448
Ja. Credit Union Pension Fund	806,448

(b) Shareholding of Directors and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,455,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000
Tracy-Ann Spence	-

(c) Shareholding of Senior Managers and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,455,028
Marcelle Smart	2,026,105
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Omar St. Elmor Bell	240,909
Gillian Thorpe-Murray	240,909
Lesley Cousins (Wade Brown)	50,000
Nardia Puran	-