



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 Sept 30, 2022

tTech Limited is pleased to submit the unaudited results for the quarter ended Sept 30, 2022.

Financial Performance

For the period, tTech earned revenues of \$98.0 million, a marginal increase compared to the corresponding period in 2021 (\$96.6 million). Total expenses for the period were \$95.7 million, an increase of 6.6% compared to the same period in 2021 (\$89.7 million). The quarter operations resulted in tTech recording a profit of \$1.8 million for the period.

Highlights

During the period under review, tTech completed one its largest cybersecurity projects to date, the implementation of a leading Endpoint Detection and Response (EDR) solution with artificial intelligence (AI) and machine learning (ML) capabilities across multiple organizations and geographies. We have been on a push to improve the Cybersecurity protection of all our customers. We have been on a campaign to inform and educate customers and prospects; our main message during the period was to replace or upgrade all antivirus with faster and smarter AI-powered prevention and autonomous detection and response solutions. These advanced cybersecurity solutions seamlessly combine automation with both AI and ML to detect and remediate modern attacks in real-time, at machine speed, and without extra intervention.

The Sales & Marketing team closed on new contracts during the period that will contribute positively to both top and bottom line over the next 12 months.

Also, during the period, we hosted a successful Digital Transformation Webinar under the title: **Why Digital Transformation projects fail, what to do and what not to do**. We had about 90 highly engaged attendees who gave us positive feedback and insights for future events.

Special Announcement

After 10 years of service to tTech Limited, approximately 5 years as CEO, I have decided to exit the organization effective November 30th, 2022, to explore some other opportunities that have been on the table for some time. Norman Chen, who currently serves as tTech's Director for IT Security, will assume the role of Acting CEO on December 1, 2022. Norman joined the tTech team in 2013, where he has served in several leadership roles.

I am proud of the team, both present and former, that I had the opportunity to work with and I am also very proud of the name and reputation that we have built in the local and regional market during my tenure.



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I take this opportunity to thank our management team, our board of directors and to you our shareholders, especially those that attend our Annual General Meetings to dialogue with us towards improvement in our company.

Summary

tTech is working aggressively to fulfil our promise of delivering insanely good IT Services to our valued clients and we are grateful for the opportunities we continuously receive. 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. Be Safe!!

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

G. Christopher Reckord
Chief Executive Officer

tTech Limited

Financial Statements

For the nine months ended 30 September 2022

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2022

(Unaudited)

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tTech Limited

STATEMENT OF FINANCIAL POSITION

NINE MONTHS ENDED 30 SEPTEMBER 2022

(Unaudited)

Expressed in \$'000	Notes	As at 30-Sep-22	As at 30-Sep-21	Audited 31-Dec-21
Current assets				
Cash and cash equivalents	2c	18,248	47,532	36,389
Investments		-	-	28,485
Tax Recoverable		903	-	884
Contract assets	2d	25,260	36,833	26,337
Government securities purchased under resale agreements		95,227	93,190	87,710
Accounts receivable		81,689	68,458	68,433
Other receivables	2e	13,934	20,982	17,428
Inventory		3,447	1,146	1,518
		<u>238,708</u>	<u>268,141</u>	<u>267,184</u>
Current liabilities				
Accounts payable		46,696	49,158	40,847
Contract liabilities	2f	2,059	3,205	3,323
Taxation payable	2b	-	828	-
Lease liability (current portion)		2,000	1,677	1,959
		<u>50,755</u>	<u>54,868</u>	<u>46,129</u>
Net current assets		<u>187,953</u>	<u>213,273</u>	<u>221,055</u>
Non-current assets				
Investments		32,894	32,812	10,158
Right-of-use asset		19,968	23,002	22,235
Property and equipment		12,551	12,009	12,947
Intangibles		373	30	304
Deferred tax		2,292	1,559	1,068
		<u>68,078</u>	<u>69,412</u>	<u>46,712</u>
Non-current liabilities				
Long-term lease liability		24,545	26,635	25,940
Net non-current assets		<u>43,534</u>	<u>42,777</u>	<u>20,772</u>
Total net assets		<u>231,486</u>	<u>256,050</u>	<u>241,827</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		179,759	204,323	190,100
		<u>231,486</u>	<u>256,050</u>	<u>241,827</u>

Approved and authorised by the Board of Directors on November 01, 2022 and signed on its behalf by:



Director



Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED 30 SEPTEMBER 2022
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Sep-22	Qtr Ended 30-Sep-21	YTD 30-Sep-22	YTD 30-Sep-21	Audited Y/E 31-Dec-21
Revenue		98,057	96,878	283,344	301,218	392,160
Cost of Sales		(32,381)	(33,691)	(96,691)	(99,967)	(136,150)
Gross Profit		65,676	63,187	186,653	201,251	256,010
Other income		944	1,450	1,978	3,341	17,170
Administrative expenses		(58,561)	(48,360)	(174,450)	(166,317)	(229,673)
Other operating expenses		(4,833)	(7,734)	(21,630)	(19,952)	(34,983)
Operating profit/(loss)		3,226	8,543	(7,449)	18,323	8,524
Finance income		645	533	1,857	1,525	1,938
Finance cost		(507)	(568)	(1,593)	(1,726)	(2,286)
Profit/(Loss) before taxation		3,364	8,508	(7,185)	18,122	8,176
Taxation	2b	(287)	(705)	937	(1,619)	45
Net profit		3,077	7,803	(6,248)	16,503	8,221
Other comprehensive income						
Unrealised (loss)/gain on investments		(1,272)	(1,063)	(4,093)	5,941	-
Total comprehensive income/(loss)		1,805	6,740	(10,341)	22,444	8,221
Net profit/(loss) attributable to owners		1,805	6,740	(10,341)	22,444	8,221
Earnings per share	2g	\$0.02	\$0.06	-\$0.10	\$0.21	\$0.08

tTech Limited

STATEMENT OF CHANGES IN EQUITY

NINE MONTHS ENDED 30 SEPTEMBER 2022

(Unaudited)

Expressed in \$'000	Share Capital	Unappropriated Profit	Total
Balance at 31 December 2020	51,727	187,497	239,224
Net profit being total comprehensive income	-	22,444	22,444
Dividends		(5,618)	(5,618)
Balance at 30 September 2021	51,727	204,323	256,050
Balance at 31 December 2021	51,727	190,100	241,827
Net loss being total comprehensive income	-	(10,341)	(10,341)
Balance at 30 September 2022	51,727	179,759	231,486

tTech Limited

COMPANY STATEMENT OF CASH FLOWS

NINE MONTHS ENDED 30 SEPTEMBER 2022

(Unaudited)

Expressed in \$'000	YTD Ended 30-Sep-22	YTD Ended 30-Sep-21	Audited 31-Dec-21
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net (loss)/profit being total comprehensive income	(10,341)	22,444	8,221
Adjustments for:			
Allowance for expected credit losses	(81)	174	4,760
Depreciation - Right-of-use asset	2,267	2,300	3,067
Depreciation	4,625	4,003	5,506
Amortization	92	67	346
Loss on disposal of equipment	-	-	313
Dividend income	(73)	(102)	(126)
Foreign exchange loss/(gain)	3,404	(5,490)	(8,608)
Tax credit	-	-	(45)
Depreciation in fair value of equity investments	689	(450)	(398)
Interest Income	(1,857)	(1,525)	(1,938)
Interest expense - lease liability	1,593	1,726	2,286
Operating cash flows before movements in working capital	317	23,147	13,384
Accounts receivable	(13,256)	3,331	79
Other receivables	3,494	12,779	(3,235)
Contract assets	1,077	-	7,083
Inventories	(1,929)	(19,269)	1,897
Accounts payable	5,848	5,824	(2,487)
Contract liabilities	(1,264)	(2,047)	(1,929)
Tax payable	287	828	-
Deferred tax	(1,223)	(1,559)	-
	(6,649)	23,034	14,792
Dividend received	73	102	126
Interest received	1,517	1,438	1,970
Interest paid - lease liability	(1,593)	(1,726)	(2,286)
	(6,652)	22,848	14,602
Taxation paid	(136)	-	(1,907)
Net cash flows provided by operating activities	(6,788)	22,848	12,695
Cash flows from investing activities			
Additions to property, plant and equipment	(4,172)	(2,561)	(5,555)
Additions to intangibles	(161)	-	(313)
Securities purchased	(7,517)	(18,711)	-
Investments	(15,091)	(1,825)	(2,124)
Cash (used in)/provided by investing activities	(26,941)	(23,097)	(7,992)
Cash flows from financing activities			
Payment of lease liability - principal portion	(2,267)	(1,123)	(1,537)
Dividends paid	-	(5,618)	(5,618)
Cash (used in)/provided by financing activities	(2,267)	(6,741)	(7,155)

Increase in cash and cash equivalents	(35,996)	(6,990)	(2,452)
Effect of exchange rate on cash and cash equivalents	(1,897)	964	8,608
Cash and cash equivalents at beginning of the year	122,421	116,265	116,265
Net cash and cash equivalents at end of the period	84,528	110,239	122,421

Comprised of:

Cash and bank balances	18,248	47,532	33,840
Short term investments	66,280	62,707	88,581
Net cash and cash equivalents at end of the period	84,528	110,239	122,421

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS NINE MONTHS ENDED 30 SEPTEMBER 2022 (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. NOTES TO FINANCIAL STATEMENTS

(a) Statements of Compliance

These interim financial statements for the period ended 30 September 2022, 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 2021.

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 2021, 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. tTech has entered phase two of the Junior Market incentive scheme.

(c) Net Cash & Cash Equivalents

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

	YTD Ended 30-Sep-22	YTD Ended 30-Sep-21
Reverse repurchase agreements - classified as cash and cash equivalents	66,280	62,706
Reverse repurchase agreements - other	28,947	30,484
Securities purchased	95,227	93,190

(d) Contract assets

Contract assets include short-term procurement of goods for customers prior to implementation and delivery of equipment and services. This amount was reclassified from other receivables and inventory.

(e) Other receivables

Other receivables include withholding tax, prepayments and deposits. Amounts have been reclassified to contract assets.

(f) Contract liabilities

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

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

NINE MONTHS ENDED 30 SEPTEMBER 2022

(Unaudited)

(g) 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 (2020 - 106,000,000).

3. SHAREHOLDERS' INFORMATION AT SEPTEMBER 30, 2022

(a) Top 10 Shareholders

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Auctus Holdings Inc.	17,720,550
Enqueue Inc.	13,298,816
Hugh O'Brian Allen	8,367,479
Mayberry Jamaican Equities Limited	6,340,129
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,002,759
Douglas Orane	881,448
Ja. Credit Union Pension Fund	806,448
Zachary Henry	749,968

(b) Shareholding of Directors and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,298,816
Hugh O'Brian Allen	8,367,479
Uriah Philip Alexander	267,965
Joan-Marie Powell	32,000
Tracy-Ann Spence	-

(c) Shareholding of Senior Managers and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,298,816
Hugh O'Brian Allen	8,367,479
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Gillian Thorpe-Murray	240,909
Lesley Cousins (Wade Brown)	50,000
Marsha Bucknor	-
Moneshe Hutchinson	600
Damani Brown	30,000