



tTech Limited  
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**Report to Shareholders  
For the 3 Months Ended June 30, 2019**

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the quarter ended June 30, 2019.

**Financial Performance**

For the period, tTech recorded revenues of \$90.5 million, an increase of 19.9% above the corresponding period in 2018 (\$75.4 million). Expenses for the period were \$82.5 million, an increase of 14.4% over the same period in 2018 (\$70.6million). Net Profit (Total Comprehensive Income) for the period was \$15.7 million, this represents an increase of 62% over the corresponding period in 2018 (\$9.7M).

**Highlights**

tTech's second quarter performance was buoyed by several major projects which contributed positively to revenues and profit in the quarter. During this quarter, in addition to providing services for these new projects, tTech also procured and provided the equipment required to execute on these projects. Our important monthly recurring revenue from Managed IT Services continues to grow in Q2 with the addition of new customers using these services.

Cloud services continue to positively impact our results, as we assisted organizations to replace old server equipment with cloud based alternatives. Infrastructure Monitoring and IT Security also increased over the prior period. Our Consulting team in partnership with third party solution providers continue to support our customers' digitization efforts.

**Summary**

Monthly 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 six months ended 30 June 2019**

**(Unaudited)**

# **tTech Limited**

## **FINANCIAL STATEMENTS**

**THREE MONTHS ENDED 30 JUNE 2019**

**(Unaudited)**

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**tTech Limited**

STATEMENT OF FINANCIAL POSITION  
 SIX MONTHS ENDED 30 JUNE 2019  
 (Unaudited)

Expressed in \$'000	Notes	As at 30-Jun-19	As at 30-Jun-18	Audited 31-Dec-18
<b>Current assets</b>				
Cash and cash equivalents	2c	75,738	38,006	35,886
Securities purchased		54,908	99,328	102,866
Accounts receivable		66,183	33,694	51,389
Other receivables		10,247	15,571	14,231
Inventory		16,332	6,159	7,457
		<u>223,408</u>	<u>192,758</u>	<u>211,829</u>
<b>Current liabilities</b>				
Accounts payable		46,279	37,691	36,611
Contract liabilities	2d	14,190	1,407	14,772
		<u>60,469</u>	<u>39,098</u>	<u>51,383</u>
<b>Net current assets</b>		<u>162,939</u>	<u>153,660</u>	<u>160,446</u>
<b>Non-current assets</b>				
Investments		32,891	29,925	27,781
Property, plant and equipment		12,792	11,242	10,648
		<u>45,683</u>	<u>41,167</u>	<u>38,429</u>
		<u><b>208,622</b></u>	<u><b>194,827</b></u>	<u><b>198,875</b></u>
<b>Financed by:</b>				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		156,895	143,100	147,148
		<u><b>208,622</b></u>	<u><b>194,827</b></u>	<u><b>198,875</b></u>

Approved and authorised by the Board of Directors on July 30, 2019 and signed on its behalf by:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**tTech Limited****STATEMENT OF COMPREHENSIVE INCOME****SIX MONTHS ENDED 30 JUNE 2019****(Unaudited)**

Expressed in \$'000	Notes	Qtr Ended 30-Jun-19	Qtr Ended 30-Jun-18	YTD 30-Jun-19	YTD 30-Jun-18	Audited Y/E 31-Dec-18
Revenue		90,446	75,436	156,914	145,252	283,923
Cost of Sales		(22,801)	(22,284)	(34,632)	(39,707)	(63,085)
<b>Gross Profit</b>		<b>67,644</b>	<b>53,152</b>	<b>122,281</b>	<b>105,545</b>	<b>220,838</b>
Other income, gains and losses		7,333	4,360	5,128	4,328	2,734
Administrative expenses		(48,571)	(41,351)	(92,618)	(81,330)	(165,863)
Other operating expenses		(11,092)	(6,965)	(18,877)	(13,226)	(32,185)
<b>Operating profit</b>		<b>15,313</b>	<b>9,196</b>	<b>15,914</b>	<b>15,317</b>	<b>25,524</b>
Finance Income		401	527	723	1,132	2,013
<b>Net profit</b>		<b>15,714</b>	<b>9,723</b>	<b>16,637</b>	<b>16,449</b>	<b>27,537</b>
<b>Net profit being</b>						
<b>total comprehensive income</b>		<b>15,714</b>	<b>9,723</b>	<b>16,637</b>	<b>16,449</b>	<b>27,537</b>
Net profit attributable to owners		15,714	9,723	16,637	16,449	27,537
Earnings per share	2e	<b>\$0.15</b>	<b>\$0.09</b>	<b>\$0.16</b>	<b>\$0.16</b>	<b>\$0.26</b>

**tTech Limited**
**STATEMENT OF CHANGES IN EQUITY  
 SIX MONTHS ENDED 30 JUNE 2019  
 (Unaudited)**

Expressed in \$'000	<u>Share Capital</u>	<u>Unappropriated Profit</u>	<u>Total</u>
Balance at 31 December 2017	51,727	126,651	178,378
Net profit being total comprehensive income	-	16,449	16,449
<b>Balance at 30 June 2018</b>	<u>51,727</u>	<u>143,100</u>	<u>194,827</u>
Balance at 31 December 2018	51,727	147,148	198,875
Net profit being total comprehensive income	-	16,637	16,637
Dividends	-	(6,890)	(6,890)
<b>Balance at 30 June 2019</b>	<u>51,727</u>	<u>156,895</u>	<u>208,622</u>

**tTech Limited****COMPANY STATEMENT OF CASH FLOWS****SIX MONTHS ENDED 30 JUNE 2019****(Unaudited)**

Expressed in \$'000	YTD Ended 30-Jun-19	YTD Ended 30-Jun-18	Audited 31-Dec-18
<b>SOURCES/(USES) OF CASH</b>			
<b>Cash Flows From operating activities</b>			
Net profit being total comprehensive income	16,637	16,449	27,537
Adjustments for:			
Allowance for expected credit losses	-	-	(3,968)
Reversal of prior year impact of IFRS 15 adoption	-	-	(3,072)
Depreciation	1,747	1,716	4,229
Interest income	(723)	(1,132)	(2,013)
Dividend income	(48)	(38)	(96)
Foreign exchange loss/(gain)	(5,955)	(3,854)	(1,152)
Depreciation/(Appreciation) in fair value of equity investments	(1,123)	(51)	(1,042)
Operating cash flows before movements in working capital	10,535	13,090	20,423
Accounts receivable	(14,794)	(3,893)	(21,549)
Other receivables	3,984	(6,405)	1,094
Inventories	(8,875)	-	(7,457)
Accounts payable	9,668	8,709	6,233
Contract liabilities	(582)	-	14,772
	(64)	11,500	13,516
Dividend received	48	38	96
Interest received	663	1,080	1,974
Net cash provided by operating activities	647	12,618	15,586
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	(2,298)	(865)	(2,726)
Securities purchased	47,958	(4,417)	(2,117)
Investments	(52,338)	(289)	(738)
Cash provided/(used in) by investing activities	(6,678)	(5,571)	(5,581)
<b>Cash flows from financing activities</b>			
Dividends paid	(6,890)	-	(11)
Net cash provided by financing activities	(6,890)	-	(11)
Increase in cash and cash equivalents	(12,921)	7,048	9,994
Effect of exchange rate on cash and cash equivalents	5,955	3,854	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	103,687	110,409	110,653
Comprised of:			
Cash and bank balances	75,738	38,006	35,886
Short term investments	27,949	72,402	74,767
Net cash and cash equivalents at end of the period	103,686	110,408	110,653

**tTech Limited****NOTES TO THE FINANCIAL STATEMENTS****SIX MONTHS ENDED 30 JUNE 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 30 June 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 30-Jun-19	YTD Ended 30-Jun-18
Reverse repurchase agreements - classified as cash and cash equivalents	27,673	72,402
Reverse repurchase agreements - other	26,959	26,925
Securities purchased	54,632	99,327

**(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)****SIX MONTHS ENDED 30 JUNE 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 (2018 - 106,000,000).

**3. SHAREHOLDERS' INFORMATION AT JUNE 30, 2019****(a) Top 10 Shareholders**

Edward Charles Alexander/Charmaine Dawn Alexander	41,592,834
Auctus Holdings Inc.	15,628,500
Enqueue Inc.	15,391,566
Hugh O'Brian Allen	8,455,028
Mayberry Jamaican Equities Limited	4,538,280
Marcelle Smart	2,001,105
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	41,592,834
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	41,592,834
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	-