



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, 2021

tTech Limited is pleased to submit the unaudited results for the quarter ended March 31, 2021.

Financial Performance

For the period, tTech recorded revenues of \$96.3 million, an increase of 10.1% above the corresponding period in 2020 (\$87.5 million). Expenses for the period were \$60 million, this is practically flat compared to the same period in 2020 (\$59.4 million). Net Profit (Total Comprehensive Income) for the period was \$8.0 million. This represents a 94% increase over the same period in 2020 (\$ 4.1 million).

tTech has now entered phase two of the Junior Market incentive scheme where 50% of income taxes will be remitted to the Government of Jamaica during the second five years of listing on the Junior Market of the Jamaica Stock Exchange.

Highlights

tTech has had an encouraging start to 2021. Our marketing activities during the second half of 2020 have begun to bear fruit; also customers who reached out to us for assistance as a result of the pandemic are requesting more services and products. Several other new opportunities have been converted contributing positively to revenues and profits in the quarter. Another major contributing factor towards the momentum is tTech's continued rollout of a holistic business management system to align and synchronize our business processes, particularly in relation to service delivery.

Data Protection as a service launched

The Data Protection Act, 2020, which seeks to safeguard the privacy and personal information of Jamaicans was passed by the upper and lower houses of parliament and approved by the Governor General of Jamaica in mid-2020. While the nation awaits an effective date, the laws now require that personal data must be protected using appropriate technical and organizational remedies. tTech provides the IT Security services required to implement these technical measures and we have partnered with a boutique Data Protection services firm, Design Privacy, to offer the complete set of technical & organizational Data Protection services to all Jamaican businesses. We had a successful launch of this service in the quarter which saw a number of organizations signing up for a special introductory offer.

COVID-19

Our team at tTech has fully adapted to the hybrid on-premises/remote working environment and we are still focused on adhering to all the protocols while delivering the expected IT services to our customers regardless of where we sit.



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TechCon by tTech 2021.

During the period the marketing team began preparations for TechCon, our annual business technology event to be held online this year on May 18-19. At TechCon, business and technology decision makers come together to learn about the latest IT trends and Digital Transformation solutions that can help organizations to improve efficiencies, reduce costs, increase profits, improve team engagement and increase customer satisfaction. The theme of this year's event is *"Enabling a Digital Society: Resilience in the Face of Change"*. Please visit our website www.ttech.com.jm for more information and to register.

Summary

tTech is working aggressively to fulfill our promise of delivering insanely good IT Services to our valued clients and we are grateful for the opportunities we receive weekly. 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 three months ended 31 March 2021

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2021

(Unaudited)

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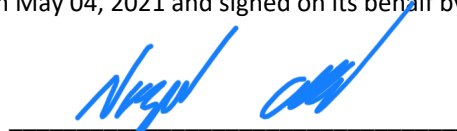
tTech Limited

STATEMENT OF FINANCIAL POSITION
THREE MONTHS ENDED 31 MARCH 2021
(Unaudited)

Expressed in \$'000	Notes	As at 31-Mar-21	As at 31-Mar-20	Audited 31-Dec-20
Current assets				
Cash and cash equivalents	2c	41,875	27,888	23,577
Government securities purchased under resale agreements		101,223	93,086	99,572
Accounts receivable		67,059	63,688	71,789
Other receivables	2d	36,045	42,617	33,761
Inventory		22,097	15,392	18,710
		<u>268,299</u>	<u>242,671</u>	<u>247,409</u>
Current liabilities				
Accounts payable		55,492	49,989	43,334
Contract liabilities	2e	6,016	11,829	5,252
Taxation payable		1,642		
Lease liability (current portion)		1,635	1,250	1,536
		<u>64,785</u>	<u>63,068</u>	<u>50,122</u>
Net current assets		<u>203,514</u>	<u>179,603</u>	<u>197,287</u>
Non-current assets				
Investments		31,936	29,640	30,987
Right-of-use asset		24,535	27,621	25,302
Property and equipment		12,594	12,273	12,898
Intangibles		613	870	650
Deferred tax		1,559	-	-
		<u>71,237</u>	<u>70,404</u>	<u>69,837</u>
Non-current liabilities				
Long-term lease liability		27,478	29,114	27,900
Net non-current assets		<u>43,759</u>	<u>41,290</u>	<u>41,937</u>
Total net assets		<u>247,273</u>	<u>220,893</u>	<u>239,224</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		195,545	169,166	187,497
		<u>247,273</u>	<u>220,893</u>	<u>239,224</u>

Approved and authorised by the Board of Directors on May 04, 2021 and signed on its behalf by:


Director


Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED 31 MARCH 2021
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 31-Mar-21	Qtr Ended 31-Mar-20	Audited Y/E 31-Dec-20
Revenue		96,370	87,551	359,481
Cost of Sales		(31,392)	(26,973)	(113,993)
Gross Profit		64,978	60,578	245,488
Other income		17	67	904
Administrative expenses		(55,302)	(51,643)	(206,526)
Other operating expenses		(4,792)	(7,841)	(30,213)
Operating profit		4,901	1,161	9,653
Finance income		484	566	1,726
Finance cost		(582)	(607)	(2,393)
Profit before taxation		4,803	1,120	8,986
Taxation	2f	(83)	-	-
Net profit		4,720	1,120	8,986
Other comprehensive income				
Unrealised gain/(loss) on investments		3,329	3,029	13,495
Total comprehensive income		8,049	4,149	22,481
Net profit attributable to owners		8,049	4,149	22,481
Earnings per share	2g	\$0.08	\$0.04	\$0.21

tTech LimitedSTATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2021
(Unaudited)

Expressed in \$'000	Share Capital	Unappropriated Profit	Total
Balance at 31 December 2019	51,727	165,016	216,743
Net profit being total comprehensive income		4,150	4,150
Balance at 31 March 2020	51,727	169,166	220,893
Balance at 31 December 2020	51,727	187,497	239,224
Net profit being total comprehensive income		8,049	8,049
Balance at 31 March 2021	51,727	195,546	247,273

tTech Limited

COMPANY STATEMENT OF CASH FLOWS
THREE MONTHS ENDED 31 MARCH 2021
(Unaudited)

Expressed in \$'000	YTD Ended 31-Mar-21	YTD Ended 31-Mar-20	Audited 31-Dec-20
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net profit being total comprehensive income	8,049	4,150	22,481
Adjustments for:			
Allowance for expected credit losses	430	-	4,845
Depreciation - Right-of-use asset	767	748	3,067
Depreciation	1,256	1,122	4,480
Amortization	37	84	304
Dividend income	(17)	(6)	(112)
Foreign exchange gain	(2,860)	(4,055)	(14,607)
Depreciation in fair value of equity investments	(468)	1,026	1,112
Interest Income	(484)	(566)	(1,726)
Interest expense - lease liability	582	607	2,393
Operating cash flows before movements in working capital	7,292	3,110	22,237
Accounts receivable	4,730	(20,552)	(33,478)
Other receivables	(2,284)	(4,071)	4,617
Inventories	(3,387)	764	(2,554)
Accounts payable	12,158	8,264	1,609
Contract liabilities	764	8,159	1,582
Tax payable	1,642	-	-
Deferred Tax	(1,559)	-	-
	19,356	(4,326)	(5,987)
Dividend received	17	6	112
Interest received	426	408	1,831
Interest paid - lease liability	(582)	(607)	(2,393)
Net cash flows used by operating activities	19,217	(4,519)	(6,437)
Cash flows from investing activities			
Additions to property and equipment	(951)	(293)	(4,276)
Additions to intangibles	-	-	-
Securities purchased	(1,938)	(11,243)	-
Investments	(1,092)	(9,444)	(2,070)
Cash (used in)/provided by investing activities	(3,981)	(20,980)	(6,346)
Cash flows from financing activities			
Payment of lease liability - principal portion	(422)	(322)	(1,163)
Cash used in/(provided by) financing activities	(422)	(322)	(1,163)
Increase/ (decrease) in cash and cash equivalents	14,814	(25,822)	(13,946)
Effect of exchange rate on cash and cash equivalents	448	1,189	14,607
Cash and cash equivalents at beginning of the year	116,265	115,194	115,604

Net cash and cash equivalents at end of the period	<u>131,527</u>	<u>90,561</u>	<u>116,265</u>
Comprised of:			
Cash and bank balances	41,875	27,888	23,916
Short term investments	<u>89,652</u>	<u>62,674</u>	<u>92,349</u>
Net cash and cash equivalents at end of the period	<u>131,527</u>	<u>90,561</u>	<u>116,265</u>

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS THREE MONTHS ENDED 31 MARCH 2021 (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 2021, 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 2020.

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 2020, 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.

	31-Mar-21	31-Mar-20
Reverse repurchase agreements - classified as cash and cash equivalents	89,652	62,674
Reverse repurchase agreements - other	11,571	30,412
Securities purchased	101,223	93,086

(d) Other receivables

Other receivables include withholding tax, prepayments and procurement - amounts recoverable from customers for purchases of renewal licenses made on their behalf.

(e) 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)

THREE MONTHS ENDED 31 MARCH 2021

(Unaudited)

(f) Taxation

tTech Limited has entered Phase two of the Junior Market incentive scheme where 50% of income taxes will be remitted by the Minister of Finance during the second five years of listing on Junior Market of the Jamaica Stock Exchange.

(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 (2019 - 106,000,000).

3. SHAREHOLDERS' INFORMATION AT MARCH 31, 2021

(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	8,412,850
Mayberry Jamaican Equities Limited	5,617,468
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,002,009
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	8,412,850
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000
Tracy-Ann Spence	-
Justin Morin	-

(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	8,412,850
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