



tTech Limited  
69 ½ Harbour Street, Kingston, JAMAICA  
Tel: 876.656.8448 | Fax: 876.922.0569  
[www.ttech.com.jm](http://www.ttech.com.jm)

## **Report to Shareholders For the 3 Months Ended Sept 30, 2021**

tTech Limited is pleased to submit the unaudited results for the quarter ended Sept 30, 2021.

### **Financial Performance**

For the period, tTech earned revenues of \$96.8 million, an increase of 4.8% above the corresponding period in 2020 (\$92.3 million). Expenses for the period were \$56.0 million, a decrease of 5.4% compared to the same period in 2020 (\$59.2 million).

Total comprehensive income was \$6.7 million representing an increase of 21.8% compared to the same period in 2020 (\$5.5 million). This quarter represents the third reporting quarter in phase two of the Junior Market incentive where the Minister of Finance remits 50% of the tax payable by a Junior Market listed company in the sixth to tenth years.

### **Highlights**

During the period under review, tTech continued to see increased interest for our services. This has resulted in increased site visits and other sales related activities to prospective customers. The COVID-19 pandemic created global supply chain issues which has affected multiple industries including the regional and local IT industry. tTech has felt some of its effects resulting in equipment supply delays which impact project completion. However, we continue to work with our customers to devise mutually beneficial alternative solutions where possible.

### **Data Protection Officer (DPO) Services**

With the recent announcement by the Minister of Science, Energy and Technology that the Government of Jamaica's Information Commissioner has been appointed and will take up office on December 1, 2021, activity around Data Protection sensitization has been at an all-time high. It is also understood that the Data Protection Act will be gazetted or operationalized at that time. When this occurs, all companies (private and public sector) that process personal data will be required to ensure that they are processing the data in a safe, secure, and confidential manner in accordance with the provisions of the Data Protection Act. A key requirement for many of these organizations will be to appoint a Data Protection Officer (DPO). The DPO is responsible for monitoring internal compliance, informing, and advising the organization on data protection obligations, providing advice regarding Data Protection Impact Assessments (DPIAs) and acting as the contact point for data subjects and the Information Commissioner.

tTech has formed a partnership with Design Privacy, a boutique Data Privacy Consulting firm, to deliver all the services necessary for an organization to be able to be compliant with the Data Protection Act. The first step in this journey is for organizations to put themselves in a position to provide their registration particulars to the Information Commissioner when instructed to do so as required by the law. This process begins with a gap analysis to assess the organization's compliance against the requirements of the Act.



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We hosted a very successful webinar during the period under review and the feedback has been extremely positive with contracts signed for data privacy related services.

### **Advanced Cybersecurity Solutions**

With Digital Transformation projects increasing nationally, the demand for advanced Cybersecurity solutions is also increasing. tTech along with its Cybersecurity partners began formal testing of new delivery and monitoring methodologies of more advanced Cybersecurity services for our customers. This will see us extending to an around the clock Cybersecurity monitoring service in the near future.

### **COVID-19**

Our team at tTech continues to operate a hybrid on-premise/remote working environment but we are still focused on adhering to all COVID-19 protocols while delivering the expected IT services to our customers regardless of where we sit. Approximately 80% of our team has been vaccinated.

### **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 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. Reckord', written over a horizontal line.

G. Christopher Reckord  
Chief Executive Officer

# **tTech Limited**

Financial Statements

For the nine months ended 30 September 2021

(Unaudited)

# tTech Limited

FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2021

(Unaudited)

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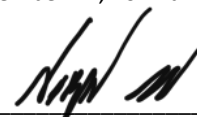
**tTech Limited**

STATEMENT OF FINANCIAL POSITION  
 NINE MONTHS ENDED 30 SEPTEMBER 2021  
 (Unaudited)

Expressed in \$'000	Notes	As at 30-Sep-21	As at 30-Sep-20	Audited 31-Dec-20
<b>Current assets</b>				
Cash and cash equivalents	2c	47,532	32,078	23,577
Government securities purchased under resale agreements		93,190	95,702	99,572
Accounts receivable		68,458	70,098	71,789
Other receivables	2d	20,982	23,010	33,761
Inventory		37,979	36,673	18,710
		<u>268,141</u>	<u>257,561</u>	<u>247,409</u>
<b>Current liabilities</b>				
Accounts payable		49,158	55,659	43,334
Contract liabilities	2e	3,205	10,643	5,252
Taxation payable	2f	828	-	-
Lease liability (current portion)		1,677	1,180	1,536
		<u>54,868</u>	<u>67,482</u>	<u>50,122</u>
<b>Net current assets</b>		<u>213,273</u>	<u>190,079</u>	<u>197,287</u>
<b>Non-current assets</b>				
Investments		32,812	33,416	30,987
Right-of-use asset		23,002	26,069	25,302
Property and equipment		12,009	13,310	12,898
Intangibles		30	702	650
Deferred tax		1,559	-	-
		<u>69,412</u>	<u>73,497</u>	<u>69,837</u>
<b>Non-current liabilities</b>				
Long-term lease liability		26,635	28,571	27,900
<b>Net non-current assets</b>		<u>42,777</u>	<u>44,926</u>	<u>41,937</u>
<b>Total net assets</b>		<u><b>256,050</b></u>	<u><b>235,005</b></u>	<u><b>239,224</b></u>
Financed by:				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		204,323	183,278	187,497
		<u><b>256,050</b></u>	<u><b>235,005</b></u>	<u><b>239,224</b></u>

Approved and authorised by the Board of Directors on November 11, 2021 and signed on its behalf by:

  
 Director

  
 Director

## tTech Limited

### STATEMENT OF COMPREHENSIVE INCOME NINE MONTHS ENDED 30 SEPTEMBER 2021 (Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Sep-21	Qtr Ended 30-Sep-20	YTD 30-Sep-21	YTD 30-Sep-20	Audited Y/E 31-Dec-20
Revenue		96,878	92,353	301,218	262,630	359,481
Cost of Sales		(33,691)	(30,569)	(99,967)	(84,249)	(113,993)
<b>Gross Profit</b>		63,187	61,784	201,251	178,381	245,488
Other income		1,450	27	3,341	691	904
Administrative expenses		(48,360)	(53,910)	(166,317)	(152,312)	(206,526)
Other operating expenses		(7,734)	(5,345)	(19,952)	(18,375)	(30,213)
<b>Operating profit</b>		8,543	2,556	18,323	8,385	9,653
Finance income		533	541	1,525	1,626	1,726
Finance cost		(568)	(595)	(1,726)	(1,803)	(2,393)
<b>Profit before taxation</b>		8,508	2,502	18,122	8,208	8,986
Taxation	2f	(705)	-	(1,619)	-	-
<b>Net profit</b>		7,803	2,502	16,503	8,208	8,986
<b>Other comprehensive income</b>						
Unrealised gain/(loss) on investments		(1,063)	3,033	5,941	10,054	13,495
<b>Total comprehensive income</b>		6,740	5,535	22,444	18,262	22,481
Net profit attributable to owners		6,740	5,535	22,444	18,262	22,481
<b>Earnings per share</b>	2g	<b>\$0.06</b>	<b>\$0.05</b>	<b>\$0.21</b>	<b>\$0.17</b>	<b>\$0.21</b>

**tTech Limited**STATEMENT OF CHANGES IN EQUITY  
NINE MONTHS ENDED 30 SEPTEMBER 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	-	18,262	18,262
<b>Balance at 30 September 2020</b>	<b>51,727</b>	<b>183,278</b>	<b>235,005</b>
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)
<b>Balance at 30 September 2021</b>	<b>51,727</b>	<b>204,323</b>	<b>256,050</b>

**tTech Limited**

COMPANY STATEMENT OF CASH FLOWS  
 NINE MONTHS ENDED 30 SEPTEMBER 2021  
 (Unaudited)

Expressed in \$'000	YTD Ended 30-Sep-21	YTD Ended 30-Sep-20	Audited 31-Dec-20
<b>SOURCES/(USES) OF CASH</b>			
Cash Flows From operating activities			
Net profit being total comprehensive income	22,444	18,262	22,481
Adjustments for:			
Allowance for expected credit losses	174	286	4,845
Depreciation - Right-of-use asset	2,300	2,300	3,067
Depreciation	4,003	3,405	4,480
Amortization	67	236	304
Dividend income	(102)	(60)	(112)
Foreign exchange gain	(5,490)	(11,419)	(14,607)
Depreciation in fair value of equity investments	(450)	1,365	1,112
Interest Income	(1,525)	(1,626)	(1,726)
Interest expense	1,726	1,803	2,393
Operating cash flows before movements in working capital	23,147	14,552	22,237
Accounts receivable	3,331	(26,962)	(33,478)
Other receivables	12,779	15,536	4,617
Inventories	(19,269)	(20,517)	(2,554)
Accounts payable	5,824	13,934	1,609
Contract liabilities	(2,047)	6,973	1,582
Tax payable	828	-	-
Deferred tax	(1,559)	-	-
	23,034	3,516	(5,987)
Dividend received	102	60	112
Interest received	1,438	1,577	1,831
Interest paid - lease liability	(1,726)	(1,803)	(2,393)
Net cash flows provided by operating activities	22,848	3,350	(6,437)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	(2,561)	(3,512)	(4,276)
Securities purchased	(18,711)	(32,078)	-
Investments	(1,825)	(3,421)	(2,070)
Cash (used in)/provided by investing activities	(23,097)	(39,011)	(6,346)
<b>Cash flows from financing activities</b>			
Payment of lease liability - principal portion	(1,123)	(848)	(1,163)
Dividends paid	(5,618)	-	-
Cash (used in)/provided by financing activities	(6,741)	(848)	(1,163)
Increase in cash and cash equivalents	(6,990)	(36,509)	(13,946)
Effect of exchange rate on cash and cash equivalents	964	9,884	14,607
Cash and cash equivalents at beginning of the year	116,265	115,194	115,604
<b>Net cash and cash equivalents at end of the period</b>	<b>110,239</b>	<b>88,569</b>	<b>116,265</b>



Comprised of:

Cash and bank balances  
Short term investments

47,532	32,078	23,916
<u>62,707</u>	<u>56,491</u>	<u>92,349</u>
<u>110,239</u>	<u>88,569</u>	<u>116,265</u>

**Net cash and cash equivalents at end of the period**

## tTech Limited

### NOTES TO THE FINANCIAL STATEMENTS NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 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.

	YTD Ended 30-Sep-21	YTD Ended 30-Sep-20
Reverse repurchase agreements - classified as cash and cash equivalents	62,706	56,492
Reverse repurchase agreements - other	30,484	39,210
Securities purchased	93,190	95,702

##### (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 in the prior year audit as a result of the adoption of IFRS 15.

**tTech Limited**

## NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

NINE MONTHS ENDED 30 SEPTEMBER 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 the 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 (2020 - 106,000,000).

## 3. SHAREHOLDERS' INFORMATION AT SEPTEMBER 30, 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	8,367,479
Mayberry Jamaican Equities Limited	5,737,927
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	8,367,479
Uriah Philip Alexander	267,965
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	8,367,479
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Gillian Thorpe-Murray	240,909
Lesley Cousins (Wade Brown)	50,000