



tTech Limited
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Report to Shareholders For the 3 Months Ended March 31, 2022

tTech Limited is pleased to submit the unaudited results for the quarter ended March 31, 2022.

Financial Performance

For the period, tTech earned revenues of \$97.9 million, an increase of 1.6% above the corresponding period in 2021 (\$96.3 million). Total expenses for the period were \$101.9 million, an increase of 11.4% compared to the same period in 2021 (\$91.4 million).

The increase in expenses, inability to close some projects primarily due to the continuous global supply chain issues, and contract terminations towards the end of 2021, contributed to a challenging first quarter. This resulted in tTech recording a loss of -\$4.8 million. This quarter represents the fifth 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.

This quarter provided major lessons and growth opportunities. However, tTech's strategy to deliver insanely good IT services via the Managed IT Services Provider (MSP) model is globally tested and proven and as local businesses, private or public sector, begin their Digital Transformation journey our services model is needed now more than ever.

Highlights

During the period under review, we successfully presented our new Advanced Security Services to prospects and customers, who showed great interest in demonstrations and proof of concepts. In recent years, the sophistication of cybersecurity threats has increased tremendously, and many businesses are no longer protected by the entry level solutions that they currently have in place. We have been testing Artificial Intelligence based Endpoint Protection Solutions and we are now offering these solutions to customers.

tTech has been participating in several sensitization sessions on data privacy & data protection including celebrating Data Protection Day in January where we introduced Jamaica to the newly appointed Information Commissioner Celia Barclay. There is increased interest in services related to Data Privacy & Protection as the deadline date for compliance is now written law.

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 three months ended 31 March 2022

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)


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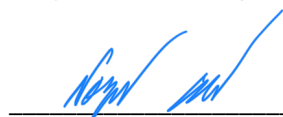
tTech Limited

STATEMENT OF FINANCIAL POSITION
THREE MONTHS ENDED 31 MARCH 2022
(Unaudited)

Expressed in \$'000	Notes	As at 31-Mar-22	As at 31-Mar-21	Audited 31-Dec-21
Current assets				
Cash and cash equivalents	2c	43,849	41,875	36,389
Investments		28,410	-	28,485
Tax Recoverable		884	-	884
Contract assets	2d	20,846	-	26,337
Government securities purchased under resale agreements		91,215	101,223	87,710
Accounts receivable		66,886	67,059	68,433
Other receivables	2e	15,774	36,045	17,428
Inventory		1,518	22,097	1,518
		<u>269,382</u>	<u>268,299</u>	<u>267,184</u>
Current liabilities				
Accounts payable		47,431	55,492	40,847
Contract liabilities	2f	3,290	6,016	3,323
Taxation payable	-	0	1,642	-
Lease liability (current portion)		1,893	1,635	1,959
		<u>52,613</u>	<u>64,785</u>	<u>46,129</u>
Net current assets		<u>216,769</u>	<u>203,514</u>	<u>221,055</u>
Non-current assets				
Investments		10,132	31,936	10,158
Right-of-use asset		21,468	24,535	22,235
Property and equipment		11,917	12,594	12,947
Intangibles		356	613	304
Deferred tax		1,922	1,559	1,068
		<u>45,796</u>	<u>71,237</u>	<u>46,712</u>
Non-current liabilities				
Long-term lease liability		25,585	27,478	25,940
Net non-current assets		<u>20,210</u>	<u>43,759</u>	<u>20,772</u>
Total net assets		<u>236,980</u>	<u>247,273</u>	<u>241,827</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		185,253	195,545	190,100
		<u>236,980</u>	<u>247,273</u>	<u>241,827</u>

Approved and authorised by the Board of Directors on May 11, 2022 and signed on its behalf by:


Director


Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED 31 MARCH 2022
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 31-Mar-22	Qtr Ended 31-Mar-21	Audited Y/E 31-Dec-21
Revenue		97,986	96,370	392,160
Cost of Sales		(37,455)	(31,392)	(136,150)
Gross Profit		60,531	64,978	256,010
Other income		10	17	17,170
Administrative expenses		(58,176)	(55,302)	(229,673)
Other operating expenses		(7,471)	(4,792)	(34,983)
Operating (loss)/profit		(5,106)	4,901	8,524
Finance income		605	484	1,938
Finance cost		(552)	(582)	(2,286)
(Loss)/profit before taxation		(5,052)	4,803	8,176
Taxation	2g	854	(83)	45
Net (loss)/profit		(4,198)	4,720	8,221
Other comprehensive loss				
Unrealised (loss)/gain on investments		(649)	3,329	-
Total comprehensive (loss)/profit		(4,847)	8,049	8,221
Net (loss)/profit attributable to owners		(4,847)	8,049	8,221
Earnings per share	2h	-\$0.05	\$0.08	\$0.08

tTech LimitedSTATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 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		8,049	8,049
Balance at 31 March 2021	51,727	195,546	247,273
Balance at 31 December 2021	51,727	190,100	241,827
Net loss being total comprehensive income		(4,847)	(4,847)
Balance at 31 March 2022	51,727	185,253	236,980

tTech Limited

COMPANY STATEMENT OF CASH FLOWS
 THREE MONTHS ENDED 31 MARCH 2022
 (Unaudited)

Expressed in \$'000	YTD Ended 31-Mar-22	YTD Ended 31-Mar-21	Audited 31-Dec-21
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net loss being total comprehensive income	(4,847)	8,049	8,221
Adjustments for:			
Allowance for expected credit losses	31	430	4,760
Depreciation - Right-of-use asset	767	767	3,067
Depreciation	1,507	1,256	5,506
Amortization	26	37	346
Loss on disposal of equipment	-	-	313
Dividend income	(15)	(17)	(126)
Foreign exchange (loss)/gain	623	(2,860)	(8,608)
Tax credit	-	-	(45)
Depreciation in fair value of equity investments	26	(468)	(398)
Interest Income	(605)	(484)	(1,938)
Interest expense - lease liability	552	582	2,286
Operating cash flows before movements in working capital	(1,934)	7,292	13,384
Accounts receivable	1,547	4,730	79
Other receivables	1,654	(2,284)	(3,235)
Contract assets	5,491	764	7,083
Inventories	-	(3,387)	1,897
Accounts payable	(6,584)	12,158	(2,487)
Contract liabilities	33	764	(1,929)
Tax payable	-	1,642	-
Deferred Tax	(854)	(1,559)	-
	(648)	20,120	14,792
Dividend received	15	17	126
Interest received	557	426	1,970
Interest paid - lease liability	(552)	(582)	(2,286)
	(627)	19,981	14,602
Taxation paid	-	-	(1,907)
Net cash flows provided by operating activities	(627)	19,981	12,695
Cash flows from investing activities			
Additions to property and equipment	(477)	(951)	(5,555)
Additions to intangibles	(78)	-	(313)
Securities purchased	(3,505)	(1,938)	-
Investments	101	(1,092)	(2,124)
Cash (used in)/provided by investing activities	(3,960)	(3,981)	(7,992)
Cash flows from financing activities			
Payment of lease liability - principal portion	(355)	(422)	(1,537)
Dividends paid	-	-	(5,618)

Cash used in/(provided by) financing activities	(355)	(422)	(7,155)
(Decrease)/ increase in cash and cash equivalents	(4,942)	15,578	(2,452)
Effect of exchange rate on cash and cash equivalents	(587)	448	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	116,892	132,291	122,421
Comprised of:			
Cash and bank balances	43,849	41,875	33,840
Short term investments	73,043	89,652	88,581
Net cash and cash equivalents at end of the period	116,892	131,527	122,421

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS THREE MONTHS ENDED 31 MARCH 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. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 31 March 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.

(c) Net Cash & Cash Equivalents

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

	31-Mar-22	31-Mar-21
Reverse repurchase agreements - classified as cash and cash equivalents	73,043	89,652
Reverse repurchase agreements - other	18,172	11,571
Securities purchased	91,215	101,223

(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, pre-payments 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)

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)

(g) 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.

(h) 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 (2021 - 106,000,000).

3. SHAREHOLDERS' INFORMATION AT MARCH 31, 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	5,840,129
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,002,009
Douglas Orane	881,448
Ja. Credit Union Pension Fund	806,448
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523

(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	-