



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 June 30, 2022

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

Financial Performance

For the period, tTech earned revenues of \$87.3 million, a decrease of 19.1% compared to the corresponding period in 2021 (\$107.9 million). Total expenses for the period were \$93.9 million, a decrease of 10.4% compared to the same period in 2021 (\$104.9 million).

We continue to experience supply chain challenges. The ongoing global supply issues continue to impact our ability to complete some important projects resulting in another challenging quarter. Also, In the quarter we had a one-off extraordinary item which negatively impacted our revenues by \$6.0 million. These resulted in tTech recording a loss of \$6.4 million for the period.

Highlights

During the period under review, we ramped up customer facing visits as covid-19 measures continue to be relaxed. We used this opportunity to increase our cybersecurity awareness campaign by providing customers & prospects with a roadmap to reduce cybersecurity risks. This has had a positive impact on our pipeline as interest in our Advanced Cybersecurity Services continue to grow. During the period, we also executed our major annual marketing event, TechCon by tTech. This event was fully online again this year. With just under 800 registrants from 16 counties and a higher-than-average attendance rate, this has been our biggest event in its 5 year history.

TechCon by tTech 2022.

tTechCon by tTech this year featured speakers such as Microsoft's Chief Digital Officer Jacky Wright who was recently named the United Kingdom's most influential Black person; The Hon. Daryl Vaz, MP, Minister of Science, Energy and Technology; Senator The Hon. Aubyn Hill, Minister of Industry, Investment and Commerce; The Hon. Floyd Green, Minister without portfolio in the Office of the Prime Minister; and Richard Byles, Governor, Bank of Jamaica. Along with other local & international speakers they delivered sessions covering the following topics:

- Digital Leadership & The Future of Work
- The Jamaican Digital Age : Emerging out of the Pandemic
- Jamaica's Digital Transformation and Maturity
- Data Protection: Rights of Employee, Consumer & Direct Marketing
- Beyond Cybersecurity: Advanced Security Solutions to fight sophisticated attacks
- Putting a price on Data Protection; what your exposure could cost you.



tTech Limited
69 ½ Harbour Street, Kingston, JAMAICA
Tel: 876.656.8448 | Fax: 876.922.0569
www.ttech.com.jm

We are now following up with organizations that attended the event and expressed interest in tTech's services with the aim of solving their IT problems and converting them to lifetime business partners.

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 six months ended 30 June 2022

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2021

(Unaudited)


	Page
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6

tTech Limited

STATEMENT OF FINANCIAL POSITION
 SIX MONTHS ENDED 30 JUNE 2022
 (Unaudited)

Expressed in \$'000	Notes	As at 30-Jun-22	As at 30-Jun-21	Audited 31-Dec-21
Current assets				
Cash and cash equivalents	2c	41,934	27,241	36,389
Investments		29,578	-	28,485
Tax Recoverable		1,190	-	884
Contract assets	2d	22,774	42,798	26,337
Government securities purchased under resale agreements		94,603	93,944	87,710
Accounts receivable		60,311	86,140	68,433
Other receivables	2e	16,222	19,613	17,428
Inventory		2,041	1,146	1,518
		<u>268,653</u>	<u>270,882</u>	<u>267,184</u>
Current liabilities				
Accounts payable		47,949	60,619	40,847
Contract liabilities	2f	4,069	1,684	3,323
Taxation payable	2b	-	910	-
Lease liability (current portion)		1,887	1,572	1,959
		<u>53,905</u>	<u>64,785</u>	<u>46,129</u>
Net current assets		<u>214,748</u>	<u>206,096</u>	<u>221,055</u>
Non-current assets				
Investments		4,395	31,919	10,158
Right-of-use asset		20,710	23,768	22,235
Property and equipment		12,313	12,453	12,947
Intangibles		368	576	304
Deferred tax		2,292	1,559	1,068
		<u>40,078</u>	<u>70,276</u>	<u>46,712</u>
Non-current liabilities				
Long-term lease liability		25,145	27,144	25,940
Net non-current assets		<u>14,933</u>	<u>43,132</u>	<u>20,772</u>
Total net assets		<u>229,681</u>	<u>249,228</u>	<u>241,827</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		177,953	197,501	190,100
		<u>229,681</u>	<u>249,228</u>	<u>241,827</u>

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


 Director


 Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2022
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Jun-22	Qtr Ended 30-Jun-21	YTD 30-Jun-22	YTD 30-Jun-21	Audited Y/E 31-Dec-21
Revenue		87,301	107,970	185,287	204,340	392,160
Cost of Sales		(26,855)	(34,884)	(64,310)	(66,276)	(136,150)
Gross Profit		60,446	73,087	120,977	138,065	256,010
Other income		1,024	1,874	1,034	1,891	17,170
Administrative expenses		(57,713)	(62,655)	(115,889)	(117,957)	(229,673)
Other operating expenses		(9,328)	(7,426)	(16,798)	(12,218)	(34,983)
Operating (loss)/profit		(5,570)	4,880	(10,675)	9,781	8,524
Finance income		607	508	1,212	992	1,938
Finance cost		(534)	(576)	(1,086)	(1,158)	(2,286)
(Loss)/Profit before taxation		(5,497)	4,812	(10,549)	9,615	8,176
Tax credit	2b	1,224	(914)	1,224	(997)	45
Net profit		(4,273)	3,898	(9,325)	8,618	8,221
Other comprehensive income						
Unrealised gain/(loss) on investments		(2,172)	3,675	(2,821)	7,004	-
Total comprehensive (loss)/income		(6,445)	7,573	(12,146)	15,622	8,221
Net (loss)/profit attributable to owners		(6,445)	7,573	(12,146)	15,622	8,221
Earnings per share	2g	-\$0.06	\$0.07	-\$0.11	\$0.15	\$0.08

tTech LimitedSTATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 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	-	15,622	15,622
Dividends		(5,618)	(5,618)
Balance at 30 June 2021	51,727	197,501	249,228
Balance at 31 December 2021	51,727	190,100	241,827
Net loss being total comprehensive income	-	(12,146)	(12,146)
Balance at 30 June 2022	51,727	177,954	229,681

tTech Limited

COMPANY STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2022

(Unaudited)

Expressed in \$'000	YTD Ended 30-Jun-22	YTD Ended 30-Jun-21	Audited 31-Dec-21
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net profit being total comprehensive income	(12,146)	15,622	8,221
Adjustments for:			
Allowance for expected credit losses	162	69	4,760
Depreciation - Right-of-use asset	1,525	1,533	3,067
Depreciation	3,053	2,576	5,506
Amortization	64	73	346
Loss on disposal of equipment	-	-	313
Dividend income	(35)	(46)	(126)
Foreign exchange loss/(gain)	2,580	(6,304)	(8,608)
Tax credit	-	-	(45)
Depreciation in fair value of equity investments	241	(700)	(398)
Interest Income	(1,212)	(992)	(1,938)
Interest expense - lease liability	1,086	1,158	2,286
Operating cash flows before movements in working capital	(4,682)	12,989	13,384
Accounts receivable	8,122	(14,351)	79
Other receivables	1,206	14,148	(3,235)
Contract assets	3,563	-	7,083
Inventories	(523)	(25,234)	1,897
Accounts payable	7,100	17,285	(2,487)
Contract liabilities	746	(3,568)	(1,929)
Tax payable	-	738	-
Deferred tax	(1,223)	(1,559)	-
	14,309	448	14,792
Dividend received	35	46	126
Interest received	1,164	932	1,970
Interest paid - lease liability	(1,086)	(1,158)	(2,286)
	14,422	268	14,602
Taxation paid	(136)	-	(1,907)
Net cash flows provided by operating activities	14,286	268	12,695
Cash flows from investing activities			
Additions to property, plant and equipment	(2,430)	(2,220)	(5,555)
Additions to intangibles	(116)	-	(313)
Securities purchased	(6,893)	(10,303)	-
Investments	(19,114)	(11,084)	(2,124)
Cash (used in)/provided by investing activities	(28,554)	(23,607)	(7,992)
Cash flows from financing activities			
Payment of lease liability - principal portion	(1,525)	(718)	(1,537)

Dividends paid	-	(5,618)	(5,618)
Cash (used in)/provided by financing activities	(1,525)	(6,336)	(7,155)
Increase in cash and cash equivalents	(15,793)	(29,674)	(2,452)
Effect of exchange rate on cash and cash equivalents	(1,291)	4,060	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	105,337	90,651	122,421
Comprised of:			
Cash and bank balances	41,934	27,241	33,840
Short term investments	63,403	63,410	88,581
Net cash and cash equivalents at end of the period	105,337	90,651	122,421

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS SIX MONTHS ENDED 30 JUNE 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 June 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-Jun-22	YTD Ended 30-Jun-21
Reverse repurchase agreements - classified as cash and cash equivalents	63,403	63,410
Reverse repurchase agreements - other	31,201	30,534
Securities purchased	94,603	93,944

(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

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

SIX MONTHS ENDED 30 JUNE 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 JUNE 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	1,002,009
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	-