



tTech Limited
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Chief Executive Officer Report – 3rd Quarter Ending September 30, 2023

We are pleased to present tTech’s report for the 3rd quarter 2023. This has been the third profitable quarter for the year, continuing the turnaround from the previous year.

Financial Performance: tTech achieved positive financial results for the 3rd quarter. Revenue for the quarter was \$117.6M, an increase of 20.1% over 2022, and Net profit attributable to shareholders was \$5.8M, an improvement of 222.2% from the profit of \$1.8M in 2022.

Year to date, the company’s Revenues are \$354.0M, an increase of 24.9% over 2022, while Net profit attributable to shareholders are \$18.6M compared to a loss of \$10.3M in 2022.

Highlights:

In Q3 2023, our profitability was driven by several factors, including:

- **Strategy:** The foundation that supports our profitability is our continued execution of our strategy, which is aligned with our vision, mission, and values. Our strategy is based on team engagement, customer-centricity, and being a best-in-class company offering advanced cybersecurity solutions.
- **Security First Approach:** We continue to strongly emphasise security to mitigate the ever evolving and increasing Cybersecurity threats. This focus has contributed to exceeding our budgeted targets.
- **Data Protection:** With the Data Protection Act becoming fully implemented on December 1, 2023, there has been an uptick in our Advanced Security Solutions, and we expect this demand to continue and grow.
- **TechCon:** The annual TechCon conference was held on October 4th. The theme was “Resilience – Building Resilient Cyber Infrastructure Strategies for the Digital Age” and the presentations covered topics on Cybersecurity and Data Protection. The hybrid audience of Information Technology professionals and business executives were engaged for the day. We also received exceptional support from several of our technology partners, including Fortinet, Hitachi and ConnectWise.

Outlook:

While recognising that improvements are still required to maximise the opportunities that lie ahead, we will continue executing our strategy to achieve our short- and long-term goals. We remain committed to investing in our people, solutions, and processes to drive value creation for our stakeholders, customers, and society.

Once again, we would like to thank our engaged team, partners, and loyal customers for their support. Together, we will continue to strive for excellence, ensuring tTech’s continued profitability and success to increase shareholder value.

Norman Chen
Chief Executive Officer

tTech Limited

Financial Statements

For the nine months ended 30 September 2023

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2023

(Unaudited)

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tTech Limited


STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

(Unaudited)

Expressed in \$'000	Notes	As at 30-Sep-23	As at 30-Sep-22	Audited 31-Dec-22
Current assets				
Inventories	2c	3,238	3,447	5,680
Contract assets		32,767	25,260	20,695
Tax Recoverable		-	903	-
Accounts receivable	2d	87,431	81,689	78,344
Other receivables		20,906	13,934	12,951
Investments		30,098	-	29,044
Government securities purchased under resale agreements	2e	88,118	95,227	72,791
Cash and bank balances		35,116	18,248	30,823
		<u>297,673</u>	<u>238,708</u>	<u>250,328</u>
Current liabilities				
Accounts payable		59,935	46,696	41,335
Contract liabilities	2f	6,449	2,059	2,493
Taxation payable		573	-	-
Lease liability (current portion)		2,707	2,000	2,283
		<u>69,664</u>	<u>50,755</u>	<u>46,111</u>
Net current assets		<u>228,010</u>	<u>187,953</u>	<u>204,217</u>
Non-current assets				
Deferred tax		541	2,292	2,292
Property and equipment		10,111	12,551	12,742
Intangibles		262	373	596
Right-of-use asset		16,987	19,968	19,226
Investments		3,261	32,894	3,649
		<u>31,163</u>	<u>68,078</u>	<u>38,505</u>
Non-current liabilities				
Long-term lease liability		21,614	24,545	23,764
Net non-current assets		<u>9,551</u>	<u>43,533</u>	<u>14,741</u>
Total net assets		<u>237,560</u>	<u>231,486</u>	<u>218,958</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		185,833	179,759	167,231
		<u>237,560</u>	<u>231,486</u>	<u>218,958</u>

Approved and authorised by the Board of Directors on October 31, 2023 and signed on its behalf by:



 Director



 Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME NINE MONTHS ENDED 30 SEPTEMBER 2023 (Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Sep-23	Qtr Ended 30-Sep-22	YTD 30-Sep-23	YTD 30-Sep-22	Audited Y/E 31-Dec-22
Revenue		117,736	98,057	354,029	283,344	374,221
Direct costs		(66,720)	(52,988) *	(199,861)	(178,181) *	(226,226)
Gross Profit		51,018	45,069	154,168	105,163	147,995
Other income		108	944	549	1,978	(1,311)
Administrative expenses		(38,951)	(37,954) *	(119,127)	(92,960) *	(144,701)
Other operating expenses		(6,012)	(4,833)	(15,596)	(21,630)	(26,676)
Operating profit/(loss)		6,163	3,226	19,994	(7,449)	(24,693)
Finance income		990	645	2,662	1,857	2,690
Finance cost		(473)	(507)	(1,445)	(1,593)	(2,090)
Profit/(Loss) before taxation		6,680	3,364	21,211	(7,185)	(24,093)
Taxation	2g	(1,219)	(287)	(3,942)	937	1,224
Net profit		5,461	3,077	17,269	(6,248)	(22,869)
Other comprehensive income						
Unrealised gain/(loss) on investments		361	(1,272)	1,333	(4,093)	-
Total comprehensive income/(loss)		5,821	1,805	18,602	(10,341)	(22,869)
Net profit/(loss) attributable to owners		5,821	1,805	18,602	(10,341)	(22,869)
Earnings per share	2h	\$0.05	\$0.02	\$0.18	-\$0.10	-\$0.22

* Restated to conform to audited presentation

tTech LimitedSTATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED 30 SEPTEMBER 2023
(Unaudited)

Expressed in \$'000	Share Capital	Unappropriated Profit	Total
Balance at 31 December 2021	51,727	190,100	241,827
Net loss being total comprehensive income	-	(10,341)	(10,341)
Balance at 30 September 2022	<u>51,727</u>	<u>179,759</u>	<u>231,486</u>
Balance at 31 December 2022	51,727	167,231	218,958
Net profit being total comprehensive income	-	18,602	18,602
Balance at 30 September 2023	<u>51,727</u>	<u>185,833</u>	<u>237,560</u>

tTech Limited

COMPANY STATEMENT OF CASH FLOWS
 NINE MONTHS ENDED 30 SEPTEMBER 2023
 (Unaudited)

Expressed in \$'000	YTD Ended 30-Sep-23	YTD Ended 30-Sep-22	Audited 31-Dec-22
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net profit being total comprehensive income	18,602	(10,341)	(22,869)
Adjustments for:			
Allowance for expected credit losses	270	(81)	4,185
Depreciation - Right-of-use asset	2,239	2,267	3,009
Depreciation	5,520	4,625	5,739
Amortization	247	92	221
Dividend income	(85)	(73)	(87)
Foreign exchange (gain)/loss	(1,721)	3,404	2,448
Tax credit	-	-	(1,224)
Depreciation in fair value of equity investments	388	689	987
Interest Income	(2,662)	(1,857)	(2,690)
Interest expense - lease liability	1,445	1,593	2,090
Operating cash flows before movements in working capital	24,244	317	(8,191)
Inventories	2,442	(1,929)	(4,162)
Contract assets	(12,072)	1,077	5,642
Accounts receivable	(9,087)	(13,256)	(14,097)
Other receivables	(7,955)	3,494	5,361
Accounts payable	18,498	5,848	1,201
Contract liabilities	3,956	(1,264)	(830)
Tax payable	573	287	-
Deferred tax	1,751	(1,223)	-
	22,351	(6,649)	(15,076)
Dividend received	85	73	87
Interest received	2,252	1,517	2,643
Interest paid - lease liability	(1,445)	(1,593)	(2,090)
	23,243	(6,652)	(14,436)
Taxation paid	(723)	(136)	(714)
Net cash flows provided by operating activities	22,520	(6,788)	(15,150)
Cash flows from investing activities			
Additions to property, plant and equipment	(2,561)	(4,172)	(5,534)
Additions to intangibles	(63)	(161)	(513)
Securities purchased	(26,735)	(7,517)	-
Investments	(666)	(15,091)	6,699
Cash (used in)/provided by investing activities	(30,025)	(26,941)	652
Cash flows from financing activities			
Payment of lease liability - principal portion	(2,631)	(2,267)	(1,852)
Dividends paid	-	-	-
Cash (used in)/provided by financing activities	(2,631)	(2,267)	(1,852)
Decrease in cash and cash equivalents	(10,136)	(35,996)	(16,350)

Effect of exchange rate on cash and cash equivalents	(343)	(1,897)	(2,457)
Cash and cash equivalents at beginning of the year	103,614	122,421	122,421
Net cash and cash equivalents at end of the period	93,135	84,528	103,614
Comprised of:			
Cash and bank balances	35,116	18,248	30,823
Short term investments	58,019	66,280	72,791
Net cash and cash equivalents at end of the period	93,135	84,528	103,614

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS NINE MONTHS ENDED 30 SEPTEMBER 2023 (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 September 2023, 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 2022.

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 2022, 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) Contract assets

Contract assets include short-term procurement of goods for customers prior to implementation and delivery of equipment and services.

(d) Other receivables

Other receivables include withholding tax, prepayments and deposits.

(e) Government securities

Government securities includes investments with settlement dates of 90 days or less included as part of cash and cash equivalents at end of period.

	30-Sep-23	30-Sep-22
Reverse repurchase agreements - classified as cash and cash equivalents	58,019	66,280
Reverse repurchase agreements - other	30,098	28,947
Securities	88,118	95,227

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

NINE MONTHS ENDED 30 SEPTEMBER 2023

(Unaudited)

(f) Contract liabilities

Contract liabilities include short-term customer advances received to deliver equipment and to render services.

(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 (2022 - 106,000,000).

3. SHAREHOLDERS' INFORMATION AT SEPTEMBER 30, 2023

(a) Top 10 Shareholders

Edward Alexander/Charmaine Alexander/Renee Alexander/ Jordanne Alexander	46,712,834
Enqueue Inc.	13,298,816
Auctus Holdings Inc.	12,720,550
Hugh O'Brian Allen	8,367,479
Mayberry Jamaican Equities Limited	6,421,966
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,004,759
Zachary Henry	894,018
Douglas Orane	881,448
Ja. Credit Union Pension Fund	806,448

(b) Shareholding of Directors and Connected Parties

Edward Alexander (Charmaine Alexander/Renee Alexander/ Jordanne Alexander)	46,712,834
Norman Abraham Chen (Enqueue Inc.)	13,298,816
Gordon Christopher Reckord (Auctus Holdings Inc.)	12,720,550
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 Alexander (Charmaine Alexander/Renee Alexander/ Jordanne Alexander)	46,712,834
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
Moneshe Hutchinson	600
Marsha Bucknor	-