



tTech Limited  
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## Report to Shareholders For the 3 months ended September 30, 2017

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the three months ended September 30, 2017.

### Financial Performance:

For the quarter the Company recorded revenues of \$55.8 million, a decrease of 7.8% over the corresponding period in 2016 (\$60.5 million). Revenues for our recurrent managed services increased over 2016 but we did not realize any major projects in this quarter which would have boosted our revenues.

Expenses for the period were \$51.4 million, a decrease of 3.0% over 2016 (\$53.0 million). The decrease being due largely to the higher cost of goods sold in 2016 associated with the sale of a PBX system.

Net Profit (Total Comprehensive Income) for the period was \$6.7 million, a decrease of 22.1% over 2016 (\$8.6 million).

### Highlights:

During the quarter the Company signed contracts with new customers for networking, security and cloud services as well as the sale of PBX equipment. Some of these contracts were long term and will result in monthly recurrent revenue. In addition, since the end of the last quarter we have renewed a multi-year contract with an existing large managed services customer.

The response to our revised marketing campaigns is resulting in more leads being generated. In addition, tTech was a major sponsor of the Jamaica Computer Society's recently concluded BizTech Conference and the exposure at that conference has produced more leads for our sales team.

A partner agreement with Loris Technologies was also signed recently. Loris is an established Canadian company that is the developer of the FileNexus cloud based enterprise workflow/document management system. Initial reviews of FileNexus from our existing customers have been favourable and we are working with Loris to prepare our launch strategy at the beginning of 2018. In the interim we will be offering the service to our existing customers as several have the need for this type of solution.

### Summary:

Despite the results for the quarter, we are confident that growth will resume as new contracts are being realized and the interest in the company's services remains strong. Conversion of the leads has been affected by deferral of purchasing decisions by some customers.

On behalf of the board I would like to thank our team for their dedication and professionalism, and our valued customers who continue to show confidence in tTech and our services.

Edward Alexander  
Chief Executive Officer

# **tTech Limited**

Financial Statements

For the nine months ended 30 September 2017

(Unaudited)

# **tTech Limited**

FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2017

(Unaudited)

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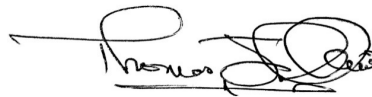
**tTech Limited**  
**STATEMENT OF FINANCIAL POSITION**  
**NINE MONTHS ENDED 30 SEPTEMBER 2017**  
**(Unaudited)**

Expressed in \$'000	Notes	As at 30-Sep-17	As at 30-Sep-16	Audited 31-Dec-16
<b>Current assets</b>				
Cash and cash equivalents	2d	21,627	30,724	24,153
Securities purchased		95,583	80,743	93,908
Accounts receivable		35,474	44,502	47,151
Other receivables		16,976	16,077	15,194
		<u>169,660</u>	<u>172,046</u>	<u>180,406</u>
<b>Current liabilities</b>				
Accounts payable		33,738	36,261	32,079
Taxation payable		-	1,120	-
		<u>33,738</u>	<u>37,381</u>	<u>32,079</u>
<b>Net current assets</b>		<u>135,922</u>	<u>134,665</u>	<u>148,327</u>
<b>Non-current assets</b>				
Investments		29,187	2,304	2,027
Property, plant and equipment		12,691	14,041	13,615
		<u>41,878</u>	<u>16,345</u>	<u>15,642</u>
		<b><u>177,800</u></b>	<b><u>151,010</u></b>	<b><u>163,969</u></b>
Financed by:				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		126,073	99,283	112,242
		<b><u>177,800</u></b>	<b><u>151,010</u></b>	<b><u>163,969</u></b>

Approved and authorised by the Board of Directors on November 10, 2017 and signed on its behalf by:



Director



Director

## tTech Limited

STATEMENT OF COMPREHENSIVE INCOME  
NINE MONTHS ENDED 30 SEPTEMBER 2017  
(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Sep-17	Qtr Ended 30-Sep-16	YTD 30-Sep-17	YTD 30-Sep-16	Audited Y/E 31-Dec-16
Revenue		55,801	60,578	163,633	166,146	223,164
Expenses		51,424	53,045	149,897	143,685	195,108
<b>Profit from operations</b>		4,377	7,533	13,736	22,461	28,056
Other income		62	593	862	2,847	2,740
Investment income		2,250	438	3,473	1,074	7,425
<b>Profit before taxation</b>		6,689	8,564	18,071	26,382	38,221
Taxation		-	-	-	-	1,120
<b>Net profit being</b>						
<b>total comprehensive income</b>		6,689	8,564	18,071	26,382	39,341
<b>Earnings per share</b>	<b>2e</b>	<b>\$0.06</b>	<b>\$0.08</b>	<b>\$0.17</b>	<b>\$0.23</b>	<b>\$0.37</b>

**tTech Limited**STATEMENT OF CHANGES IN EQUITY  
NINE MONTHS ENDED 30 SEPTEMBER 2017  
(Unaudited)

Expressed in \$'000	<u>Share Capital</u>	<u>Unappropriated Profit</u>	<u>Total</u>
Balance at 31 December 2015, as restated	51,727	76,876	128,603
Net profit being total comprehensive income		26,382	26,382
Dividends		(3,975)	(3,975)
<b>Balance at 30 September 2016</b>	<u>51,727</u>	<u>99,283</u>	<u>151,010</u>
Balance at 31 December 2016	51,727	112,242	163,969
Net profit being total comprehensive income		18,071	18,071
Dividends		(4,240)	(4,240)
<b>Balance at 30 September 2017</b>	<u>51,727</u>	<u>126,073</u>	<u>177,800</u>

**tTech Limited**

COMPANY STATEMENT OF CASH FLOWS  
 NINE MONTHS ENDED 30 SEPTEMBER 2017  
 (Unaudited)

Expressed in \$'000	YTD Ended 30-Sep-17	YTD Ended 30-Sep-16	Audited 31-Dec-16
<b>SOURCES/(USES) OF CASH</b>			
Cash Flows From operating activities			
Net profit being total comprehensive income	18,071	26,382	39,341
Adjustments for:			
Bad debts provision	305	-	590
Depreciation	3,166	2,590	4,034
Taxation	-	-	(1,120)
Contingency provision write off	-	-	(1,500)
Investment income	(2,250)	(240)	(7,425)
	<u>19,292</u>	<u>28,732</u>	<u>33,920</u>
Operating cash flows before movements in working capital			
Receivables	11,677	(18,067)	(21,305)
Other receivables	(1,782)	46,585	47,910
Directors account	-	-	(4,549)
Accounts payable	1,659	(1,867)	(4,672)
Tax paid	-	(4,672)	-
Dividend received	62	-	79
Interest received	1,447	-	1,328
	<u>32,355</u>	<u>50,711</u>	<u>52,711</u>
<b>Net cash provided/(used in) by operating activities</b>			
Cash flows Used For investing activities			
Additions to property, plant and equipment	(2,242)	(2,585)	(3,612)
Securities purchased	(1,675)	-	(13,604)
Investments	(12,473)	(68)	(76)
	<u>(16,390)</u>	<u>(2,653)</u>	<u>(17,292)</u>
<b>Net cash provided/(used in) by investing activities</b>			
Cash flows from financing activities			
Dividends paid	(4,240)	(3,865)	(3,865)
	<u>(4,240)</u>	<u>(3,865)</u>	<u>(3,865)</u>
<b>Net cash provided by financing activities</b>			
Increase in cash and cash equivalents	11,725	44,193	31,554
Effect of exchange rate on cash and cash equivalents	1,028	-	5,629
Cash and cash equivalents at beginning of the year	104,457	67,274	67,274
	<u>117,210</u>	<u>111,467</u>	<u>104,457</u>
<b>Net cash and cash equivalents at end of the period</b>			
Comprised of:			
Cash and bank balances	21,627	30,724	24,153
Short term investments classified as cash and cash equivalents	95,583	80,743	80,304
	<u>117,210</u>	<u>111,467</u>	<u>104,457</u>
<b>Net cash and cash equivalents at end of the period</b>			

**tTech Limited****NOTES TO THE FINANCIAL STATEMENTS  
NINE MONTHS ENDED 30 SEPTEMBER 2017  
(Unaudited)**

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**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 2017, 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 2016.

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 2016, 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 in 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) Cash & Cash Equivalents**

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

**(d) 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 (2016 - 106,000,000).



**tTech Limited**

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)  
 NINE MONTHS ENDED 30 SEPTEMBER 2017  
 (Unaudited)

## 3. SHAREHOLDERS' INFORMATION AT SEPTEMBER 30, 2017

## (a) Top 10 Shareholders

Edward Charles Alexander/Charmaine Dawn Alexander	41,607,994
Auctus Holdings Inc.	15,478,795
Enqueue Inc.	15,391,566
Hugh O'Brian Allen	8,806,028
Mayberry West Indies Limited	2,942,797
Marcelle Smart	2,026,105
GraceKennedy (2009) Pension Plan	1,604,893
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	41,607,994
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,478,795
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000

## (c) Shareholding of Senior Managers and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,607,994
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,478,795
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Marcelle Smart	2,026,105
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
John Samuel Gibson	722,727
Omar St. Elmor Bell	240,909
Eldin Reynolds	219,840