

Productive Business Solutions Limited

**Consolidated Financial Statements
31 December 2025**

Productive Business Solutions Limited

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Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Productive Business Solutions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Productive Business Solutions Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Area	Significant Risks	How our audit addressed the key audit matter
Impairment assessment of goodwill	<p>As at 31 December 2025, Goodwill accounted for US\$86.2 million, which represents 20.5% of total assets of the Group.</p> <p>On an annual basis, management tests whether goodwill is subject to impairment. The recoverable amounts of cash generating units (CGU) have been determined using value in use calculations based on the higher of the recoverable amount compared to fair value less costs to sell.</p>	<p>Our approach to testing management's impairment assessment, with the assistance of our valuation specialist involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> Obtained management's discounted cash flow model (DCF) including qualitative and quantitative analyses and updated our understanding of the process used by management to determine the value in use of each CGU and evaluated for any changes.

INDEPENDENT AUDITORS' REPORT (continued)

To the Shareholders of Productive Business Solutions Limited

Key Area	Significant Risks	How our audit addressed the key audit matter
<p>Impairment assessment of goodwill (Cont'd)</p>	<p>We focused on this area because the assessment of the carrying value of goodwill involves significant judgement and estimation, is sensitive to changes in key assumptions and determining economic recovery is challenging.</p> <p>The key assumptions were assessed by management as being:</p> <ul style="list-style-type: none"> • Revenue growth rate; • Terminal growth rate; • Average Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to revenue; and <p>Pre-tax Discount rate.</p>	<ul style="list-style-type: none"> • Agreed the 31 December 2025 base year financial information to current year results and compared previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. • Compared the revenue growth rates to historical revenue growth and externally derived data as well as our own assessments in relation to key inputs such as projected economic growth, inflation and pre-tax discount rates. • Developed a range of parameters using available market inputs and historical information and performed sensitivity analyses using these parameters, which was compared to management's terminal growth and pre-tax discount rates. • Compared EBITDA margins to historical results, and verified reconciling variances to underlying supporting data and current period results. <p>Tested management's impairment model calculations for mathematical accuracy</p>
<p>Operating and finance lease revenue (Forming part of sale of goods)</p>	<p>Revenue arising from the inception of new finance leases is included within the sale of goods revenue stream and is not captured through a specific identifier. As a result, identifying transactions that contain lease arrangements requires manual assessment for every underlying subsidiary.</p> <p>Recognition of revenue in these arrangements requires judgment to identify the lease and non-lease components of the contract and to determine whether the lease should be classified as an operating lease or a finance lease. This classification can materially affect the timing and presentation of revenue recognition, the measurement of lease receivables, and the related financial statement disclosures.</p>	<p>Our approach to testing lease revenue to mitigate the identified risks includes the following procedures:</p> <ul style="list-style-type: none"> • Obtained the population of leases entered into by the entities and reviewed Management's assessment on their classification between operating and finance leases. • Compared the revenue recognised on initial recognition of the finance lease within the Sale of Goods revenue stream, based on the lease amortisation schedule prepared by the management. • On a sample basis, obtained and inspected the related customer contracts / signed agreements to review Management's

INDEPENDENT AUDITORS' REPORT (continued)

To the Shareholders of Productive Business Solutions Limited

Key Area	Significant Risks	How our audit addressed the key audit matter
	<p>Lease classification is based on the terms set out in customer agreements and purchase orders. Accordingly, significant judgment is required to assess whether the contractual terms are consistent with the underlying transaction and whether the classification has been applied appropriately across the population of relevant sales arrangements. As it involves manual review and interpretation of contract documentation, there is an increased risk of error and inconsistent application.</p> <p>The key assumptions and judgments applied by management include:</p> <ul style="list-style-type: none"> • assessment of whether the arrangement is an operating lease or a finance lease; • determination of the discount rate used in lease classification and measurement; and • identification of the standalone selling price of goods where contracts include both leasing and maintenance components. 	<p>assessment on the classification between finance or operating lease.</p> <ul style="list-style-type: none"> • For the selected samples, obtained and verified the inputs (interest rates, delivery dates, lease & non-lease component) as determined by Management to recalculate the finance lease revenue to be recognised in the accounts at lease inception. • Compared the revenue recognised on initial recognition and subsequent interest income based on our independent recalculation to the amounts recorded by management.
<p>Management override of controls</p>	<p>Management is in a unique position to perpetrate fraud because of its ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding established controls that otherwise appear to be operating effectively. The risk of management override of controls is pervasive. Because of its unpredictable nature, this risk could result in a material misstatement.</p> <p>This significant risk also represents a fraud risk for the audit.</p>	<ul style="list-style-type: none"> • Engaged in periodic fraud discussions with certain members of senior management and utilized our internal fraud specialist to guide and support our fraud-related testing procedures. • Considered the potential for bias in judgments and estimates, including performing retrospective analysis of significant accounting estimates. • Evaluated whether the Company has entered into any significant unusual transactions and, if so, the nature, terms, and business purpose (or lack thereof) of those transactions and whether such transactions involved related parties. • Evaluated the Company's fraud risk assessment and consider indirect controls

INDEPENDENT AUDITORS' REPORT (continued)

To the Shareholders of Productive Business Solutions Limited

Key Area	Significant Risks	How our audit addressed the key audit matter
		<p>and internal controls over the closing and reporting process.</p> <ul style="list-style-type: none"> Using our propriety software tool we extracted and tested journal entries that exhibit characteristics of possible management override of controls. Tested controls over significant, unusual transactions, particularly those that result in late or unusual journal entries and controls over journal entries and adjustments made in the period-end financial reporting process. No evidence of management override of controls was identified as a results of our audit procedures.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (continued)

To the Shareholders of Productive Business Solutions Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information other than the financial statements

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditors' report thereon which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITORS' REPORT (continued)

To the Shareholders of Productive Business Solutions Limited

The engagement partner on the audit resulting in this independent auditors' report is Steve Clarke.

Other matter – responsibility for our audit work

This report is made solely to the shareholders of Productive Business Solutions Limited as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders for our audit work, for this report, or for the opinion we have formed.

Other matter – predecessor auditors

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2025.

7 June 2026

Productive Business Solutions Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

(Expressed in United States dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Revenue	6	374,918	387,389
Direct expenses	8	(247,544)	(273,027)
Gross Profit		127,374	114,362
Other income	7	2,402	4,145
Selling, general and administrative expenses	8	(97,523)	(88,195)
Impairment (losses)/gains on financial instruments	8	(917)	223
Operating Profit		31,336	30,535
Share of profit of associated company	20	718	513
Finance costs	10	(17,703)	(18,430)
Profit before Taxation		14,351	12,618
Taxation	11	(9,912)	(5,042)
Net Income for the year		4,439	7,576
Other Comprehensive Income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences on the net assets of foreign subsidiaries		260	(907)
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of Property, plant and equipment	13	-	716
Actuarial gains/(losses) – termination benefits	30	54	(96)
		314	(287)
TOTAL COMPREHENSIVE INCOME		4,753	7,289
Net Income for the Year is Attributable to:			
Shareholders of the Company		4,287	7,461
Non-controlling interests		152	115
		4,439	7,576
Total Comprehensive Income for the Year is Attributable to:			
Shareholders of the Company		4,601	7,174
Non-controlling interests		152	115
		4,753	7,289
Basic and diluted earnings per share			
	12	Cents 1.38	Cents 3.31

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Consolidated Statement of Financial Position

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Non-Current Assets			
Property, plant and equipment	13	36,106	35,865
Right-of-use assets	14	15,269	12,802
Intangible assets	15	104,757	107,595
Lease receivables	16	4,538	6,869
Pension plan assets	30	3,752	3,674
Long term receivables	17	608	551
Deferred tax assets	18	11,507	14,491
Investments	34	-	243
Contract Asset	33	28	-
Investments in Associate	20	4,774	4,056
Total Non-Current Assets		<u>181,339</u>	<u>186,146</u>
Current Assets			
Due from related parties	19	8,066	7,467
Inventories	21	58,043	48,584
Contract assets	33	-	1,602
Trade and other receivables	22	127,296	105,760
Current portion of lease receivables	16	11,437	2,696
Current portion of long-term receivables	17	161	38
Taxation recoverable		14,476	17,462
Cash and bank	23	21,574	29,961
Total Current Assets		<u>241,053</u>	<u>213,570</u>
Current Liabilities			
Trade and other payables	24	91,049	85,855
Contract liabilities	33	15,101	15,602
Due to related parties	19	13,739	12,308
Taxation payable		5,219	11,255
Current portion of lease liabilities	25	6,998	6,441
Short term loans	26	19,245	5,941
Current portion of long-term loans	26	14,250	10,633
Total Current Liabilities		<u>165,601</u>	<u>148,035</u>
Net Current Assets		<u>75,452</u>	<u>65,535</u>
Total Non-current Assets and Net Current Assets		<u>256,791</u>	<u>251,681</u>

Productive Business Solutions Limited

Consolidated Statement of Financial Position (Continued)

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Equity			
Attributable to Shareholders of the Company			
Share capital	27	123,016	123,016
Other reserves/ (deficit)	28	(17,025)	(17,339)
Accumulated deficit		(30,198)	(23,274)
Total Shareholders' Equity		<u>75,793</u>	<u>82,403</u>
Non-controlling Interests		1,337	1,185
Total Equity		<u>77,130</u>	<u>83,588</u>
Non-Current Liabilities			
Retirement benefit obligations	30	3,111	1,553
Deferred tax liabilities	18	6,570	6,153
Lease liabilities	25	17,988	15,465
Borrowings	26	151,992	144,515
Other long-term liabilities		-	407
Total Non-Current Liabilities		<u>179,661</u>	<u>168,093</u>
Total Non-Current Liabilities and Equity		<u>256,791</u>	<u>251,681</u>

Approved for issue by the Board of Directors on 7 June, 2026 and signed on its behalf by:



Paul Scott

Director



Pedro Paris

Director

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

(Expressed in United States dollars unless otherwise indicated)

	Attributable to Shareholders of the Company					Total \$'000
	Number of Shares '000	Share Capital \$'000	Other Reserves / (Deficit) \$'000	Accumulated Deficit \$'000	Non- Controlling Interest \$'000	
Balance at 31 December 2023	188,213	123,016	(17,139)	(29,359)	1,070	77,588
Currency translation differences	-	-	(820)	(87)	-	(907)
Actuarial loss	-	-	(96)	-	-	(96)
Revaluation of Property, plant & equipment	-	-	716	-	-	716
Net income	-	-	-	7,461	115	7,576
Total comprehensive income	-	-	(200)	7,374	115	7,289
Dividends paid (note 36)	-	-	-	(1,289)	-	(1,289)
Balance at 31 December 2024	188,213	123,016	(17,339)	(23,274)	1,185	83,588
Currency translation differences	-	-	260	-	-	260
Actuarial gain	-	-	54	-	-	54
Revaluation of Property, plant & equipment	-	-	-	-	-	-
Net income	-	-	-	4,287	152	4,439
Total comprehensive income	-	-	314	4,287	152	4,753
Dividends paid (note 36)	-	-	-	(11,211)	-	(11,211)
Balance at 31 December 2025	188,213	123,016	(17,025)	(30,198)	1,337	77,130

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2025

(Expressed in United States dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Cash Flows from Operating Activities (Note 31)		<u>2,726</u>	<u>32,531</u>
Cash Flows from Financing Activities			
Interest paid		(17,094)	(18,801)
Dividends paid		(11,211)	(1,289)
Proceeds from borrowing		48,808	147,041
Repayments of borrowings		(19,297)	(141,672)
Repayments of lease liabilities		(8,370)	(10,699)
Net cash used in financing activities		<u>(7,164)</u>	<u>(25,420)</u>
Cash Flows from Investing Activities			
Acquisition of subsidiaries net of cash acquired	35	(592)	(1,293)
Interest received		1,769	1,999
Purchase of property, plant and equipment		(5,102)	(6,378)
Proceeds on disposal of property, plant and equipment		42	238
Purchase of Investments in Associates	20	-	(3,543)
Net cash used in investing activities		<u>(3,883)</u>	<u>(8,977)</u>
Net (Decrease) in Cash		(8,321)	(1,866)
Cash and cash equivalents at beginning of the year		29,961	31,991
Effect of foreign exchange in cash		(66)	(164)
Cash and Cash Equivalents at end of the year	23	<u><u>21,574</u></u>	<u><u>29,961</u></u>
		2025	2024
		\$'000	\$'000
Cash at bank and in hand		<u><u>21,574</u></u>	<u><u>29,961</u></u>

The principal non-cash transactions include:

- Transfer to property, plant and equipment from inventory during the financial year \$9,380,000 (2024 - \$9,017,000).
- Transfer from property, plant and equipment to inventory upon expiry of operating lease of \$4,018,000 (2024 - \$4,799,000).

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Notes to the Consolidated Financial Statements

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

1. Identification and Principal Activities

Productive Business Solutions Limited (“the Company”) is a company incorporated on 16 December 2010, and domiciled in Barbados, originally under the International Business Corporation (IBC) Act 77 (Barbados).

Effective July 1st, 2021, the Company operates under the Companies Act Cap. 308 (Barbados) and holds a Foreign Currency Permit under the Foreign Currency Permits Act, 2018-44 (Barbados). The tax rate for the fiscal year commencing 1 January 2025 is 9.0% of taxable income.

The registered office of the Company is at Facey House # 42 Warrens Industrial Park, Warrens, St. Michaels, Barbados.

The Company is capitalised by ordinary shares. The Company is a subsidiary of Facey Group Limited, owned by Musson (Jamaica) Limited. Facey Group Limited is a company incorporated in Barbados under the Companies Act, Cap. 308 (Barbados) as an international business company. In combination, Musson (Jamaica) Limited and Facey Group Limited own 66.98% of the ordinary shares of the Company.

The Company is listed on the Jamaica Stock Exchange and the International Securities Market in Barbados.

The Company’s ultimate parent company and controlling party is Elkon Limited (“Elkon”), which is incorporated and domiciled in Jamaica, and Paul B. Scott, respectively.

The principal activities of the Company and its subsidiaries, (referred to as “Group”) are the distribution of printing equipment, business machines, handsets and related accessories, automated teller machines, security checkpoints, system integration, cloud services, data analytics, communication solutions, e-transactions, development of software and other technology solutions.

In May 2025 the Group acquired 100% holding in Regional Business Systems Limited (RBS), incorporated and domiciled in Barbados (Note 35).

Productive Business Solutions Limited

Notes to the Consolidated Financial Statements

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements, hereinafter referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of property, plant and equipment. The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has affected the following, which are immediately relevant to its operations:

Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates', Amendments to IAS 21 were made to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Management's assessment is that the amendments of this standard have no impact on the Group's financial statements.

Productive Business Solutions Limited

Notes to the Consolidated Financial Statements

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

2. Material Accounting Policies

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in current year (continued)

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment did not have a significant impact on the Group's financial statements.

There are no other IFRS Accounting Standards or IFRIC interpretations effective in the current year which are expected to have a significant impact on the accounting policies or financial disclosures of the company.

Productive Business Solutions Limited

Notes to the Consolidated Financial Statements

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after 1 January 2026, but the Group has not early adopted them:

Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures', (effective for annual periods beginning on or after 1 January 2026). Amendments to IFRS 9 and 7 (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. It is not anticipated that the amendments will have a significant impact on the Group's financial statements.

IFRS 18, 'Presentation and Disclosure in Financial Statements', (effective for annual periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Management is assessing the impact of this new standard on the Group's financial statements.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', (effective for accounting periods beginning on or after 1 January 2027). This standard permit eligible subsidiaries to apply reduced IFRS disclosure requirements. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An eligible entity may opt to revoke the application of this standard after implementation. The entity may also elect to apply the standard more than one. The group is currently assessing the impact of this standard.

Productive Business Solutions Limited

Notes to the Consolidated Financial Statements

31 December 2025

(Expressed in United States dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

There are no other new or amended IFRS Accounting Standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired and liabilities assumed is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss, in the statement of comprehensive income.

Productive Business Solutions Limited

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(Expressed in United States dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Consolidation (Continued)

(i) Subsidiaries

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group's subsidiaries, countries of incorporation, and the Group's percentage interest are as follows:

	Country of incorporation	Group's Percentage Interest	
		2025	2024
Nicaragua Holdings and its subsidiary	St., Lucia & Nicaragua	100	100
Productive Business Solutions Limited and its subsidiaries	St. Lucia & Dominican Republic	100	100
Mobay Holdings N.V. and its subsidiary	Curacao & Aruba	100	100
PBS Caribbean Limited and its subsidiaries	St. Lucia, Jamaica, Barbados, Colombia, Suriname	100	100
Cayman Business Machines Limited*	Cayman	40	40
PBS Technology Group Limited	St. Lucia, Antigua & Barbuda, Jamaica, Trinidad, Guyana, Curacao, Bonaire, Colombia, Suriname & Aruba	100	100
Infotrans Group Holding B.V.	El Salvador and Honduras	100	100
PBS Central America and its subsidiaries	Panama, Guatemala, Costa Rica, El Salvador	100	100
PBS Honduras	Honduras	75	75
PBS Peru	Peru	100	100
PBS Ecuador	Ecuador	100	100

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2. Material Accounting Policies (Continued)

(b) Consolidation (Continued)

- (i) In accordance with Cayman laws, entities that are domiciled in the Cayman Islands and are not issued with Local Companies Control Law Licenses, are required to be at least 60% owned by a Caymanian. The operation of Cayman Business Machines Limited is however controlled by Productive Business Solutions Limited and is therefore, in substance, categorised as a subsidiary.
- (ii) Transactions with non-controlling interests
The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases of ownership interest in subsidiaries from non-controlling interests in which the Group retains control of the subsidiary, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests where control is retained by the Group are also recorded in equity.
- (iii) Disposal of subsidiaries
When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) *Business combination under common control*

Acquisitions from entities under common control are determined by the substance and specific facts and circumstances surrounding any particular business combination under common control. Business combinations under common control are accounted for using the predecessor method of accounting. Under the predecessor method of accounting, the cost of an acquisition is measured in a manner similar to the purchase method of accounting. Identifiable assets and liabilities are measured at book value at the date of acquisition. Under the predecessor method of accounting, no goodwill is created, as any difference between the cost of acquisition and the book value of the net assets acquired is dealt with as an adjustment to retained earnings.

(v) *Investment in associates*

Associates are categorized as entities over which the Group has influence but not control, with shareholding and voting rights between 20% and 50%. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associate's post-acquisition profits or losses is recognised in profit and loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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2. Material Accounting Policies (Continued)

(c) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in United States Dollars, which is the Group's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the weighted average closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

(iii) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- a) Assets and liabilities for each statement of financial position presented are translated at year end rates,
- b) Items affecting the statement of comprehensive income are translated at average rates, and
- c) The resultant gains or losses are recognised in other comprehensive income as translation gains or losses.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Productive Business Solutions Limited

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2. Material Accounting Policies (Continued)

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of applicable value added taxes, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

Reprographic products

Revenue earned from reprographic products is either through an outright sale or a lease of equipment and from related service contracts.

Revenues from the sale of equipment, including those from finance leases, are recognised at the time of sale or at the inception of the lease, as appropriate. For equipment sales that require installation, revenue is recognised when the equipment has been delivered and installed at the customer location. Sales of customer-installable products are recognised upon shipment or receipt by the customer according to the customer's shipping terms. Revenues from equipment under other leases and similar arrangements are accounted for by the finance lease method and are recognised as earned over the lease term. A substantial portion of the Group's reprographic products is sold with full-service maintenance agreements. Service revenues are derived primarily from these maintenance contracts on equipment sold to customers and are recognised over the term of the contracts in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue is recognised only after there are specific indicators of transfer of control to the customer. To evidence transfer of control on contracts where revenue is recognised at a point in time, management has defined that revenue can only be recognised after the equipment or part is installed or the supplies are delivered. Bill and hold agreements are scrutinised to ensure the transfer of control to the customer is effective.

For contracts where revenue is recognised over time, management measures the fulfilment of the performance obligations based on the value that the delivered goods or services represent to the customer.

Telecommunications products

Revenue from telecommunications products comprises revenue from the sales of cellular phones. These products are sold under contractual agreements with the telecommunications providers.

Revenue from the sale of telecommunications products is recognised on a gross basis as management has determined that the Group acts as a principal in relation to these transactions, due to the fact that the Group bears the majority of risk, principally credit and inventory risk, in relation to such transactions, and the Group also acts as primary obligor. *Control* is the key consideration when assessing the nature of the promise to the customer.

When the entity does not control the good or service (or inventory) before it is transferred to the customer it is likely that the promise in the contract is to *arrange* for goods or services to be delivered (rather than these to be provided by the entity). In such cases, the Company recognises revenue for an amount equal to the net income (revenue minus cost).

Revenue from the sale of telecommunications products is recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Interest income is recognised on the accrual basis on the effective interest basis, except when collectability is considered doubtful. In such cases, income is recorded when economic benefits are received.

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2. Material Accounting Policies (Continued)

(e) Property, plant and equipment

Freehold land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed every three years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of freehold, land and buildings are credited to other comprehensive income and shown as other reserves in shareholder's equity. Decreases that offset previous increases of the same asset are recorded in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the profit or loss.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Land is not depreciated as it is deemed to have an indefinite life. For all other property, plant and equipment, depreciation is calculated at annual rates on the straight-line basis to write-off the cost of the assets to their residual values over their estimated useful lives at annual rates as follows:

Freehold buildings	2 - 2 ½%
Leasehold buildings and improvements	10 - 20%
Furniture, fixtures, plant and equipment	10 - 33 ⅓%
Motor vehicles	20 - 25%

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

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2. Material Accounting Policies (Continued)

(f) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and investment in joint venture, respectively. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Customer Relationships, Brands, contracts, software, franchise agreements and licences.

Customer Relationships, Brands, contracts, software, franchise agreements and licences are shown at historical cost less accumulated amortisation and impairment. All, excepting licenses are deemed to have finite useful lives and amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives between 5 and 20 years. Licenses have an indefinite useful life.

(iii) Proprietary Software

The Group is the owner of a software internally developed to address diverse customer needs. This asset is carried at cost and amortised according to its defined useful life.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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2. Material Accounting Policies (Continued)

(h) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

Classification

The Group classifies its financial assets at amortised cost. The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

Impairment

The Group assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets classified at amortised cost, lease receivables, long term receivables and related party balances.

Application of the General Model

The Group has applied the 'general model' as required under IFRS 9 for financial assets other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level.

This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

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2. Material Accounting Policies (Continued)

(h) Financial instruments (continued)

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses three scenarios that are probability weighted to determine ECL.

Expected Life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Financial liabilities

The Group's financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, this is the initial recognition minus the cumulative amortisation of any difference between that initial amount and the maturity amount. Financial liabilities at amortised costs are classified as current or non-current depending on whether these are due within 12 months after the statement of financial position date or beyond. Financial liabilities are derecognised when either of the following take place: The Group is discharged from its obligation, upon expiration or when they are cancelled or replaced by a new liability.

(i) Inventories

Inventories are carried at weighted average purchase cost. These items are stated at cost less provision for write down to net realisable value, where necessary and are stated at the lower weighted average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Trade receivables

Impairment over trade receivables is determined with the aid of a matrix based on the ageing of the account. Twice a year, management assesses whether there has been any indicator of a change in the credit risk. Additionally, periodically a comprehensive evaluation is performed with the objective of identifying individual accounts that may be subject to impairment which are either written off or fully provided for.

(k) Cash and bank

Cash and bank include cash on hand net of bank overdrafts. In the consolidated statement of cash flows, cash and bank include cash in hand and at bank and bank overdrafts. Bank overdrafts are shown in current liabilities on the statement of financial position.

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2. Material Accounting Policies (Continued)

(l) Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Contract assets and contract liabilities

The Group recognises a contract asset whenever it has the right for consideration as a result of transferring goods or services to a customer. Contract assets are different from accounts receivables as the former would only require the passage of time for the consideration to be due. Contract assets are subject to impairment assessment. The Group recognises a contract liability when it has received a payment, or a payment is due for goods or services that have not yet been transferred to the customer.

(n) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the date of the statement of financial position.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case, deferred tax is also dealt with in other comprehensive income.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Share capital

Ordinary shares, and redeemable cumulative preference shares where the declaration of dividends is discretionary, are classified as equity instruments. The preference shares are perpetual and are only redeemable at the sole discretion of the Company but not before the 16th year after the issue of the shares. Dividends on these shares are recognised in equity in the period in which they are declared.

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2. Material Accounting Policies (Continued)

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Borrowings

Borrowings are recognised initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Preference shares issued by the Group are treated as borrowings if they carry a contractual term of redemption either by cash or another financial asset and dividends payments are not discretionary.

(s) Leases

As Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

As Lessor

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessee are classified as finance leases. When assets are leased out under a finance leases, the asset is derecognized and treated as revenue in accordance with accounting policy (d) with the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

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2. Material Accounting Policies (Continued)

(s) Leases (continued)

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised in profit or loss on a straight-line basis over the period of the lease. In some instances, transfers are made from Inventory to property, plant and equipment to facilitate the leasing of assets. In instances where leased equipment is returned this is transferred from property, plant and equipment to Inventory.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised in profit or loss in the period in which termination takes place.

(t) Post-employment benefits

The Group participates in a defined contribution plan operated by a related party, Musson (Jamaica) Limited, whereby it pays contributions to a separate, trustee-administered fund for its Jamaican operation. Once the contributions have been paid, the Group has no further payment obligations. Contributions to the plan are charged to profit or loss in the period to which they relate.

There is an unfunded retirement benefit plan in the Nicaragua and El Salvador operations which is reflected in the statement of financial position as a liability. Changes to benefits are calculated by third party actuaries and are reflected in the Change to statement of comprehensive income.

The Parent Company also participates in a defined benefit pension plan relating to PBS Technologies (Barbados) Limited, the assets of which are held in a separate fund administered by a Trustee. The pension plan is funded by payments from the Parent Company, taking into account the recommendations of independent qualified actuaries.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(u) Finance costs

Finance costs includes interest payable on borrowings calculated using the effective interest method, interest on finance leases, material bank charges and foreign exchange gains and losses recognised in profit or loss.

(v) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(w) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Chief Executive Officer.

(x) Dividend distribution

Dividend distribution is recognised as equity in the financial statements in which the dividends are approved by the shareholders. Dividend distributions on preference shares classified as borrowings are included in finance costs when the dividends are approved.

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3. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers and are influenced mainly by the individual characteristics of each customer. The Group has established credit policies under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Credit limits are assigned to each customer and are reviewed on an ongoing basis. The Group has procedures in place to restrict customer orders if the order will result in customers exceeding their credit limits. Customers who fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties. The Group establishes an allowance for impairment that represents an estimate of expected credit losses in respect of trade and other receivables. The Group addresses impairment assessment in two areas: individually and collectively assessed allowances.

Cash transactions are limited to high credit quality financial institutions. The Group has policies in place to limit the amount of exposure to any one financial institution. The maximum exposure to credit risk is the amount reflected on the statement of financial position.

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3. Financial Risk Management (Continued)

(a) Financial risk factors (continued)

(i) Credit risk (continued)

At year end, the banks where the Group maintains most of its cash, were rated by Fitch Ratings as follows:

	2025	
	Short Term	Long Term
BAC Bank, Int.	B	BB+
CIBC First Caribbean International Bank	F1+	AA+
Citibank	F1	A+

	2024	
	Short Term	Long Term
BAC Bank, Int.	F1+	AA-
CIBC First Caribbean International Bank	F1+	AA-
Citibank	F1	A+

Maximum credit risk exposure

The Group's maximum exposure to credit risk equals the carrying amounts on the statement of financial position, of the assets which expose the Group to credit risk. There has been no change over the prior year in the manner in which the Group manages and measures credit risk.

Analysis of trade receivables

The Group's trade receivables, broken down by customer sector is as follows:

	2025 \$'000	2024 \$'000
Government	42,058	41,804
Private entities	58,254	48,815
	100,312	90,619
Less: Provision for credit losses	(2,755)	(2,601)
	<u>97,557</u>	<u>88,018</u>

Impairment of financial assets

The Group has four types of financial assets that are subject to expected credit losses as follows:

- (i) Trade receivables
- (ii) Lease receivable and long-term receivables
- (iii) Accounts receivable from related parties
- (iv) Other debt instruments carried at amortised cost

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3. Financial Risk Management (Continued)

(a) Financial risk factors (continued)

(i) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses (ECL) which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information. On that basis, the loss allowance at 31 December 2025 and 2024 was determined as follows for trade receivables:

	Current (0 - 30) days \$'000	1 - 180 days past due \$'000	181 - 360 days past due \$'000	Over 360 days past due \$'000	Total \$'000
31 December 2025					
Expected loss rate	0.02%	2.83%	11.54%	30.39%	
Gross carrying amount	71,856	19,451	2,878	6,127	100,312
Loss allowance provision	11	550	332	1,862	2,755
	Current (0 - 30) days \$'000	1-180 days past due \$'000	181-360 days past due \$'000	Over 360 days past due \$'000	Total \$'000
31 December 2024					
Expected loss rate	0.02%	0.67%	7.50%	38.38%	
Gross carrying amount	45,859	33,441	6,404	4,915	90,619
Loss allowance provision	10	224	480	1,887	2,601

The closing loss allowances for trade receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	2025 \$'000	2024 \$'000
Opening loss allowance as at 1 January	2,601	2,872
On Acquisition of Subsidiary (Note 34)	-	299
Impairment (gains)/losses on receivables during the year	917	(223)
Amounts written off	(461)	(314)
Unused amounts reversed	(320)	-
Exchange difference	18	(33)
At 31 December	2,755	2,601

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables

The Group applies the 'three stage' model of IFRS 9 in measuring the expected credit losses (ECL) for all lease and long-term receivable. The application makes estimation about likelihood of default occurring, of the associated loss ratios of default correlations between counter parties. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The following tables contains an analysis of the credit exposure for lease and long-term receivables as at 31 December 2025 and 2024 as follows:

Long term receivables	2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
\$'000	\$'000	\$'000		
Gross carrying amount	769	-	-	769
Carrying amount	769	-	-	769
	2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	
Gross carrying amount	589	-	-	589
Carrying amount	589	-	-	589
Lease receivables	2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
\$'000	\$'000	\$'000		
Gross carrying amount	15,975	-	-	15,975
Carrying amount	15,975	-	-	15,975

The lease receivable net investment is lower than the fair value of the equipment, therefore no loss is recognised.

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables (continued)

	2024			
	Stage 1 12-month ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Total \$'000
Gross carrying amount	9,565	-	-	9,565
Carrying amount	9,565	-	-	9,565

The lease receivable net investment is lower than the fair value of the equipment, therefore no loss is recognised.

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables (continued)

Loss Allowance – Lease Receivables:

No loss allowance was recorded for lease receivables in 2025 (2024: nil) as the potential loss was considered not material.

Lease and long-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity, and where the Group's recovery method is foreclosing on collateral, and the value of the collateral is such that there is no reasonable expectation of recovering in full.

ECL movements without a profit and loss impact relates to amounts transferred from trade receivables to lease/long term receivables which previously existed and for which the ECL would have also been transferred.

Expected credit losses are presented net of subsequent recoveries of amounts previously written off.

Cash and bank and other receivables

Other financial assets at amortised cost include cash and bank balances, due from related parties and other receivables. These debt instruments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period on those deemed to have low credit risk was therefore limited to the 12 month expected losses. Management considers these instruments as having low credit risk when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The allowance is assessed by estimating the likelihood of default, associated loss ratio and default correlation between counterparties.

No opening loss allowances were recognised on balances for cash and bank, due from related parties and other receivables, and there were no movements during the current year, as the amounts determined were deemed immaterial.

(iii) Due from related parties

ECL is determined on yearly basis by performing a review of the financial position of the related party debtors for those where the receivable balances are material. If the related party debtor has an 'intent' and strong financial capacity to meet its contractual obligation, the probability of default is low and the credit risk is deemed to be immaterial, otherwise it would be classified under stage 2 or 3 and ECL computed accordingly.

(iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and maintaining the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors, primarily includes:

- (i) Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required.
- (ii) Maintaining committed lines of credit; and
- (iii) Managing the concentration and profile of debt maturities.

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3. Financial Risk Management (Continued)

(iii) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of financial liabilities based on contractual undiscounted payments is as follows:

	Within 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
	2025			
Trade payables	58,350	-	-	58,348
Other payables	32,699	-	-	32,701
Due to related parties	13,739	-	-	13,739
Lease liabilities	7,975	18,549	1,952	28,476
Borrowings	37,108	184,943	-	222,051
	149,871	203,492	1,952	355,315
	2024			
Trade payables	48,628	-	-	48,628
Other payables	37,220	7	-	37,227
Due to related parties	12,308	-	-	12,308
Other long-term liabilities	-	-	407	407
Lease liabilities	9,335	14,453	126	23,914
Borrowings	25,339	141,834	-	167,173
	132,830	156,294	533	289,657

(iii) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Facey Group Limited's treasury department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Jamaican (JMD) dollar, Honduran Lempira (HNL), Nicaraguan Córdoba (NIO), Dominican Peso (DOP), Costa Rican Colón (CRC), Trinidadian dollar (TTD) and the Guatemala Quetzal (GTQ). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by invoicing where possible in US dollars and converting foreign currency balances into US dollar denominated accounts.

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3. Financial Risk Management (Continued)

(iii) Market risk (continued)

The Group has certain investments in foreign operations, the net assets of which are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December:

	USD \$'000	HNL \$'000	JMD \$'000	NIO \$'000	DOP \$'000	CRC \$'000	GTQ \$'000	TTD \$'000	Other* \$'000	Total \$'000
2025										
Financial Assets										
Long term receivables	391	369	-	1	-	-	-	-	8	769
Lease receivables	2,937	-	-	-	-	8,232	-	3,232	1,574	15,975
Due from related parties	4,837	-	69	-	-	-	-	-	3,160	8,066
Trade receivables	22,584	20,983	6,670	4,107	3,900	7,052	9,336	8,946	13,979	97,557
Other receivables	3,696	209	848	400	949	9,203	319	2,497	6,311	24,432
Cash and bank	9,085	496	260	568	73	382	183	4,506	6,021	21,574
Total financial assets	43,530	22,057	7,847	5,076	4,922	24,869	9,838	19,181	31,053	168,373
Financial liabilities										
Trade payables	48,232	920	234	629	47	618	968	557	6,145	58,348
Other payables	6,557	1,562	2,323	1,194	1,520	4,013	3,973	2,172	9,385	32,701
Lease liabilities	16,808	-	2,604	339	1,248	-	-	2,045	1,942	24,986
Due to related parties	11,761	-	305	-	-	-	-	-	1,673	13,739
Borrowings	183,138	-	1,672	-	-	-	-	489	188	185,487
Total financial liabilities	266,496	2,482	7,138	2,162	2,815	4,631	4,941	5,263	19,333	315,261
Net position	(222,966)	19,575	709	2,914	2,107	20,238	4,897	13,918	11,720	(146,888)

* Includes currencies traded at fixed exchange rate or with minimum fluctuation against the US Dollar

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3. Financial Risk Management (Continued)

(v) Market risk (continued)

Currency risk (continued)

	USD	HNL	JMD	NIO	DOP	CRC	GTQ	TTD	Other*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024									
Financial Assets										
Long term receivables	224	355	-	2	-	-	-	-	8	589
Lease receivables	3,211	-	-	-	-	-	-	4,337	2,017	9,565
Due from related parties	7,120	-	347	-	-	-	-	-	-	7,467
Trade receivables	41,110	7,129	6,093	2,106	4,787	1,876	6,644	7,871	10,402	88,018
Other receivables	1,421	259	854	47	(196)	3,788	240	533	6,811	13,757
Cash and cash equivalents	11,560	1,364	240	881	1,181	300	483	3,860	10,092	29,961
Total financial assets	64,646	9,107	7,534	3,036	5,772	5,964	7,367	16,601	29,330	149,357
Financial liabilities										
Trade payables	42,928	159	749	178	326	1,944	595	204	1,545	48,628
Other payables	11,452	1,698	2,681	901	887	2,770	2,616	4,358	9,864	37,227
Lease liabilities	14,721	-	929	302	1,155	-	-	2,339	2,460	21,906
Due to related parties	12,150	-	158	-	-	-	-	-	-	12,308
Other long-term liabilities	407	-	-	-	-	-	-	-	-	407
Borrowings	158,321	-	1,772	-	-	-	-	934	62	161,089
Total financial liabilities	239,979	1,857	6,289	1,381	2,368	4,714	3,211	7,835	13,931	281,565
Net position	(175,333)	7,250	1,245	1,655	3,404	1,250	4,156	8,766	15,399	(132,208)

* Includes currencies traded at fixed exchange rate or with minimum fluctuation.

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3. Financial Risk Management (Continued)

(iii) Market risk (continued)

Currency risk (continued)

The following tables indicate the currencies to which the Group had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a reasonably expected change in foreign currency rates. The sensitivity of the profit or loss was primarily as a result of foreign exchange gains and losses on translation of trade receivables and payables, long term receivables and borrowings.

	% Change in Currency Rate 2025	Effect on Profit before Tax 2025 \$'000	Effect on Equity 2025 \$'000
Currency:			
HNL	-1.5	-	109
HNL	1	-	(73)
JMD	-1.5	607	-
JMD	1	(152)	-
NIO	-1.5	-	446
NIO	1	-	(111)
DOP	-1.5	-	(154)
DOP	1	-	38
CRC	-1.5	-	270
CRC	1	-	(180)
TTD	-1.5	-	368
TTD	1	-	(245)
GTQ	-1.5	140	-
GTQ	1	(93)	-

	% Change in Currency Rate 2024	Effect on Profit before Tax 2024 \$'000	Effect on Equity 2024 \$'000
Currency:			
HNL	-4	-	174
HNL	1	-	(44)
JMD	-4	665	-
JMD	1	(166)	-
NIO	-4	-	471
NIO	1	-	(118)
DOP	-4	-	(119)
DOP	1	-	30
CRC	-4	-	683
CRC	1	-	(171)
TTD	-4	-	834
TTD	1	-	(209)
GTQ	-4	281	-
GTQ	1	(70)	-

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3. Financial Risk Management (Continued)

(iv) Cash flow and fair value interest rate risk

As the Group has no significant variable rate interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate exposure arises from borrowings. Borrowings issued at variable rates and revolving short-term borrowings expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated for borrowings that represent the major interest-bearing positions, taking into consideration refinancing, renewal of existing positions and alternative financing.

The Group's interest rate risk arises primarily from borrowings, the sensitivity of the profit or loss is the effect of the assumed changes in interest rates based on floating rate long term and revolving short-term borrowings. There is no direct impact on other components of equity.

The table below indicates the sensitivity to a reasonably expected change in interest rates

	2025	2024
	Change in basis points - 50/25 \$'000	Change in basis points - 50/25 \$'000
Floating rate borrowings	<u>750/ (375)</u>	<u>619/ (310)</u>

(b) Capital management

The capital management process is carried out by the parent company. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the Group defines as net operating income (excluding non-recurring items) divided by total equity (excluding non-redeemable preference shares and non-controlling interests). There was no change to the capital management process during the year.

The Group has no specific capital management strategy and is not exposed to externally imposed capital requirements. There are contractual capital requirements as follows:

- The syndicated credit agreement with Citibank, N.A. acting as administrative agent and collateral agent and Citibank, N.A., Banco Continental S.A.E.C.A, First Citizens Bank (Limited) and Banco G&T Continental, S.A. as joint lead arrangers and book runners - The financial covenants include: The Leverage Ratio, The Debt Service Coverage Ratio, The Central American Assets Test and The Specified Central American Assets Test. The Group was in compliance with the financial covenants as at year end.
- The revolving credit agreement and loan agreement with First Citizens Bank (FCB) - The financial covenants include: the Current ratio, the Funded Debt to EBITDA ratio and the Debt Service ratio. The Group was in compliance with the financial covenants as at the year end.

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3. Financial Risk Management (Continued)

(c) Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an orderly transaction between market participants at the measurement date.

The fair value of the Group's financial instruments that, subsequent to initial recognition, are not measured at fair value is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. The fair values of these financial instruments are determined as follows:

- (i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, trade receivables and payables and short-term borrowings.
- (ii) The carrying values of non-current borrowings to non-related parties approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions. The fair value of borrowings is disclosed in note 26.
- (iii) The fair values of the long-term receivables and loans to and from related parties could not be reliably determined as these instruments were granted under special terms and are not likely to be traded in a fair market exchange.

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, which require the use of estimates. In determining the value in use, management has made certain assumptions regarding revenue growth rate, EBITDA to revenue ratios, terminal growth rate and discount rates. See Note 15 for sensitivity of amounts to estimates.

Intangible assets

Intangible assets arising from the acquisition of subsidiaries have been deemed to be indefinite life intangibles. Other intangible assets have been deemed to be finite lives intangibles. Their estimated useful lives have been determined by management, based on their best estimate of the time period over which the Group will benefit from the assets acquired. Management has estimated that the useful lives of the intangibles will be between 5 and 20 years.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for actual and anticipated tax audit issues based on estimates of whether additional taxes will be due. In determining these estimates, management considers the merit of any audit issues raised, based on their interpretation of the taxation laws, and their knowledge of any precedents established by the taxation authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could materially impact the current tax and deferred tax provisions in the period in which such determination is made (see Notes 11 and 18).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of administrative offices, retail stores, equipment and vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in office equipment and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

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5. Segment Financial Information

The Group's Chief Executive Officer examines the Group's performance from a geographic perspective and has identified two reportable segments of business:

- **Central America-** The principal activities of this part of the business are the sale and leasing of reprographic products including printing equipment, business machines and related accessories to customers in the Central America Region such as Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua and Panama.
- **Caribbean-** The principal activities of this part of the business are the sale and leasing of reprographic products including printing equipment, business machines and related accessories to customers in the Caribbean region such as Dominican Republic, Jamaica, Barbados, Curacao and Aruba, Colombia, Trinidad and Tobago, Suriname, Peru and Ecuador.

Management primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, information about the segments' revenue, assets and liabilities are also submitted for review on a monthly basis.

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5. Segment Financial Information (Continued)

	2025			Total
	Central America	Caribbean	Intersegment elimination	
Revenue from external customers	216,487	158,045	-	374,532
Revenue from another operating segment	21,602	342	(21,558)	386
Total Income	<u>238,089</u>	<u>158,387</u>	<u>(21,558)</u>	<u>374,918</u>
Adjusted EBITDA	<u>39,468</u>	<u>22,189</u>	<u>(6,463)</u>	55,194
Finance costs				(17,703)
Depreciation				(20,684)
Amortisation				(3,174)
Unallocated EBITDA				-
Share of Investee's profit				718
Profit before taxation				<u>14,351</u>
Other profit and loss disclosures				
Depreciation	(11,766)	(8,918)	-	(20,684)
Amortisation	(286)	(2,888)	-	(3,174)
Income tax	(8,252)	(1,660)	-	(9,912)
Segment assets-				
Total segment assets	<u>284,690</u>	<u>257,335</u>	<u>(458,838)</u>	83,187
Unallocated items				339,205
Total assets per statement of financial position				<u>422,392</u>
Capital expenditure	<u>2,986</u>	<u>2,116</u>	<u>-</u>	<u>5,102</u>
Segment liabilities-				
Total segment liabilities	<u>204,830</u>	<u>244,064</u>	<u>(398,616)</u>	50,278
Unallocated items				294,984
Total liabilities per statement of financial position				<u>345,262</u>

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5. Segment Financial Information (Continued)

	2024			Total
	Central America	Caribbean	Intersegment elimination	
Revenue from external customers	233,913	158,166	-	392,079
Revenue from another operating segment	15,339	337	(20,366)	(4,690)
Total Income	<u>249,252</u>	<u>158,503</u>	<u>(20,366)</u>	<u>387,389</u>
Adjusted EBITDA	<u>23,676</u>	<u>27,880</u>	<u>(2,569)</u>	48,987
Finance costs				(18,430)
Depreciation				(17,441)
Amortisation				(2,884)
Unallocated EBITDA				2,386
Profit before taxation				<u>12,618</u>
Other profit and loss disclosures				
Depreciation	(10,386)	(7,055)	-	(17,441)
Amortisation	(286)	(2,598)		(2,884)
Income tax	(3,565)	(1,591)	114	(5,042)
Segment assets-				
Total segment assets	<u>239,813</u>	<u>237,830</u>	<u>(380,101)</u>	97,542
Unallocated items				302,174
Total assets per statement of financial position				<u>399,716</u>
Capital expenditure	<u>2,306</u>	<u>4,072</u>	<u>-</u>	<u>6,378</u>
Segment liabilities-				
Total segment liabilities	<u>175,217</u>	<u>226,053</u>	<u>(323,383)</u>	77,887
Unallocated items				238,241
Total liabilities per statement of financial position				<u>316,128</u>

Productive Business Solutions Limited

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5. Segment Financial Information (Continued)

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The parent entity is domiciled in Barbados. The amount of its revenue from external customers broken down by location of the customers is shown in table below.

	2025	2024
	\$'000	\$'000
Barbados	18,992	20,676
Costa Rica	52,701	37,423
Dominican Republic	15,958	17,836
El Salvador	56,750	99,808
Guatemala	35,148	38,892
Honduras	24,704	20,110
Nicaragua	19,273	15,450
Panama	12,122	11,411
USA	7,841	5,848
Antilles	10,512	11,597
Jamaica	27,960	30,229
Trinidad	23,554	30,125
Guyana	8,518	5,920
Cayman	2,822	2,715
Antigua	731	696
Colombia	4,345	5,071
Suriname	1,233	2,180
Other	51,754	31,402
Total	<u>374,918</u>	<u>387,389</u>

The total of capital expenditure, broken down by location of the assets is shown in the table below.

Country	2025		
	Central America	Caribbean	Total
	\$'000	\$'000	\$'000
Colombia	-	240	240
Trinidad	-	244	244
Costa Rica	1,443	-	1,443
El Salvador	552	-	552
Panama	406	-	406
Guatemala	324	-	324
Jamaica	-	908	908
Other	261	724	985
Total	<u>2,986</u>	<u>2,116</u>	<u>5,102</u>

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5. Segment Financial Information (Continued)

Country	2024		
	Central America \$'000	Caribbean \$'000	Total \$'000
Colombia	-	2,037	2,037
Trinidad	-	974	974
Costa Rica	791	-	791
El Salvador	552	-	552
Panama	406	-	406
Guatemala	324	-	324
Jamaica	-	311	311
Other	233	750	983
Total	2,306	4,072	6,378

6. Revenue

	2025 \$'000	2024 \$'000
Business Solutions		
Sale of goods	310,839	330,420
Services	41,461	32,302
	352,300	362,722
Lease Income	22,618	24,667
	374,918	387,389

Revenue from contracts with customers is \$352,300,000 (2024: \$362,722,000).

	2025			
	Central America \$'000	Caribbean \$'000	Intersegment elimination \$'000	2025 \$'000
Timing of Revenue Recognition				
At a point in time	207,119	122,957	(21,558)	308,518
Over time	17,257	26,525	-	43,782
	224,376	149,482	(21,558)	352,300

	2024			
	Central America \$'000	Caribbean \$'000	Intersegment elimination \$'000	2024 \$'000
Timing of Revenue Recognition				
At a point in time	212,881	117,599	(20,366)	310,114
Over time	23,913	28,695	-	52,608
	236,794	146,294	(20,366)	362,722

Productive Business Solutions Limited

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7. Other Income

	2025	2024
	\$'000	\$'000
Interest income	1,769	1,999
Gain/ (loss) on disposal of property, plant and equipment	(179)	103
Negative Goodwill (Note a)	-	1,150
Customer Deposits Write-back	-	700
Miscellaneous	812	193
	<u>2,402</u>	<u>4,145</u>

(a) This relates to the acquisition of Xerox Ecuador. (Note 35)

Productive Business Solutions Limited

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8. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	2025	2024
	\$'000	\$'000
Cost of inventories and cost related to services*	<u>247,544</u>	<u>273,027</u>
Impairment losses/(gains) on financial instruments	917	(223)
Staff costs (Note 9)	48,573	43,811
Depreciation (Notes 13 and 14) *	10,630	9,470
Commission	6,905	6,895
Travel	5,180	5,433
Management fees	2,434	2,014
Telephone and communication	1,476	1,369
Transportation	801	803
Amortisation of intangible assets (Note 15)	3,174	2,884
Legal and professional fees	2,441	2,312
Occupancy costs	911	1,043
Bank charges	859	743
Auditor's remuneration	1,940	1,251
Office supplies, printing and stationery	266	605
Repairs and maintenance	536	950
Advertising	324	450
Motor Vehicle Expenses	1,663	1,315
General Insurance	1,210	1,349
Other expenses	8,200	5,498
	<u>97,523</u>	<u>88,195</u>
	<u>345,984</u>	<u>360,999</u>

* Depreciation included in Cost of inventories and cost related to services amounts to \$10,054,000 (2024: 7,971,000) for a total depreciation of \$20,684,000 (2024: \$17,441,000).

Audit fees for the year ended 31 December 2025 totalled for the Group of \$1,940,000 (2024: \$1,251,000). Other fees paid to the auditor (and related network firms) for non-assurance services are not material.

Productive Business Solutions Limited

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9. Staff Costs

	2025	2024
	\$'000	\$'000
Salaries and wages	53,950	43,426
Payroll taxes – employer's portion	6,453	5,005
Pension costs – defined contribution	503	410
Redundancy costs	1,993	2,791
Retirement benefit obligation (Note 30)	462	261
Other	2,313	2,949
	<u>65,674</u>	<u>54,842</u>

	2025	2024
	\$'000	\$'000
Staff costs that have been included in Selling general and administrative expenses (Note 8)	48,573	43,811
Staff costs that have been included in Direct expenses	17,101	11,031
	<u>65,674</u>	<u>54,842</u>

Staff costs that have been included in direct expenses:

	2025	2024
	\$'000	\$'000
Salaries and wages	14,379	8,488
Payroll taxes – employer's portion	2,057	1,165
Redundancy costs	184	501
Other	481	877
	<u>17,101</u>	<u>11,031</u>

Staff costs that have been included in selling, general and administrative expenses:

	2025	2024
	\$'000	\$'000
Salaries and wages	39,571	34,938
Payroll taxes – employer's portion	4,474	3,840
Pension costs – defined contribution	425	410
Redundancy costs	1,809	2,290
Retirement benefit obligation (Note 30)	462	261
Other	1,832	2,072
	<u>48,573</u>	<u>43,811</u>

Productive Business Solutions Limited

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10. Finance Costs

	2025	2024
	\$'000	\$'000
Net foreign exchange losses (gains)	609	(371)
Interest expense - Loans and lease liabilities	17,094	18,801
	<u>17,703</u>	<u>18,430</u>

11. Taxation

Taxation is based on profit for the year or, in some jurisdictions, the greater of a percentage of profit before tax or revenue adjusted for taxation purposes, and comprises:

	2025	2024
	\$'000	\$'000
Current tax charge	6,384	5,920
Deferred tax charge (credit) (Note 18)	3,528	(878)
	<u>9,912</u>	<u>5,042</u>

The tax on the profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	2025	2024
	\$'000	\$'000
Profit before tax	<u>14,351</u>	<u>12,618</u>
Tax calculated at domestic tax rate of 9% (2024: 9%)	1,292	1,136
Adjusted for the effects of:		
Different tax rates in other countries	4,935	5,087
Tax on net assets at 1%	128	137
Income not subject to tax	(3,048)	(2,324)
Expenses not deductible for tax purposes	1,101	550
Other charges and credits	5,504	456
Tax charge	<u>9,912</u>	<u>5,042</u>

Productive Business Solutions Limited

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11. Taxation (Continued)

	2025		
	Before tax \$'000	Tax charge \$'000	After tax \$'000
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences on the net assets of foreign subsidiaries	260	-	260
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of PPE	-	-	-
Actuarial gains – termination benefits	54	-	54
Other comprehensive income	314	-	314
	-----	-----	-----
Deferred tax (Note 18)		-	

	2024		
	Before tax \$'000	Tax charge \$'000	After tax \$'000
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences on the net assets of foreign subsidiaries	(907)	-	(907)
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of PPE	716	-	716
Actuarial gains – termination benefits	(96)	-	(96)
Other comprehensive income	(287)	-	(287)
	-----	-----	-----
Deferred tax (Note 18)		-	

12. Earnings per Share

	2025 \$'000	2024 \$'000
Profit for the year attributable to shareholders of the company	4,287	7,461
Profit attributable to preference shareholders	(1,713)	(1,289)
Profit for the year attributable to ordinary shareholders	2,574	6,172
	-----	-----
Weighted average number of ordinary shares ('000)	186,213	186,213
	-----	-----
Total basic and diluted earnings per share (cents) from continuing operations.	1.38	3.31
	-----	-----

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13. Property, Plant and Equipment

The furniture, fixtures, plant and equipment category for the Group includes equipment held for leases. Lease contracts for these items are entered into with third parties, with periodic lease payments being 36 to 60 months. Items which are leased are transferred from inventory on commencement of the lease arrangements and are transferred back to inventory on termination of the lease arrangements.

	Freehold Land and Buildings	Leasehold Buildings and Improvements	Furniture, Fixtures, Plant and Equipment	Artwork	Motor Vehicles	Capital Work in Progress (CWIP)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025							
At Cost/ Valuation -							
At 1 January	111	6,398	98,790	776	1,665	1,144	108,884
Exchange differences	-	3	(107)	-	(21)	(4)	(129)
Additions	-	1,103	3,663	-	67	269	5,102
Acquisition of business (Note 35)	-	-	502	-	24	-	526
Transfers from inventory	-	-	9,380	-	-	-	9,380
Disposals	-	(553)	(241)	-	(24)	-	(818)
Transfers to inventory	-	-	(4,018)	-	-	-	(4,018)
On revaluation	-	-	-	-	-	-	-
Transfer from CWIP*	-	23	186	-	-	(374)	(165)
At 31 December	111	6,974	108,155	776	1,711	1,035	118,762
Depreciation -							
At 1 January	24	3,320	68,580	-	1,095	-	73,019
Exchange differences	-	(3)	(193)	-	(18)	-	(214)
Charge for the year**	-	819	13,800	-	162	-	14,781
Acquisition of business (Note 35)	-	-	171	-	24	-	195
On transfer to inventory	-	-	(4,528)	-	-	-	(4,528)
Relieved on disposals	-	(365)	(230)	-	(2)	-	(597)
At 31 December	24	3,771	77,600	-	1,261	-	82,656
Net Book Value -	87	3,203	30,555	776	450	1,035	36,106

* Capital work in progress

**Depreciation of \$10,054,000 relating to equipment leased to customers has been included in direct expenses.

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13. Property, Plant and Equipment (Continued)

	Freehold Land and Buildings	Leasehold Buildings and Improvements	Furniture, Fixtures, Plant and Equipment	Artwork	Motor Vehicles	Capital Work in Progress (CWIP)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024							
At Cost/ Valuation -							
At 1 January	111	6,739	88,464	60	1,822	514	97,710
Exchange differences	-	(197)	(898)	-	(294)	-	(1,389)
Additions	-	422	4,960	-	121	875	6,378
Acquisition of business (Note 35)	-	-	2,217	-	24	-	2,241
Transfers from inventory	-	-	9,017	-	-	-	9,017
Disposals	-	(657)	(290)	-	(70)	-	(1,017)
Transfers to inventory	-	-	(4,789)	-	-	-	(4,789)
On revaluation	-	-	-	716	-	-	716
Transfer from CWIP*	-	91	109	-	62	(245)	17
At 31 December	111	6,398	98,790	776	1,665	1,144	108,884
Depreciation -							
At 1 January	24	3,292	62,728	-	1,067	-	67,111
Exchange differences	-	(87)	(222)	-	(214)	-	(523)
Charge for the year**	-	678	11,282	-	271	-	12,231
On transfer to inventory	-	-	(4,918)	-	-	-	(4,918)
Relieved on disposals	-	(563)	(290)	-	(29)	-	(882)
At 31 December	24	3,320	68,580	-	1,095	-	73,019
Net Book Value -	87	3,078	30,210	776	570	1,144	35,865

* Capital work in progress

**Depreciation of \$7,971,000 relating to equipment leased to customers has been included in direct expenses.

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13. Property, Plant and Equipment (Continued)

The amounts of equipment leased to customers and included in property, plant and equipment are as follows:

	2025	2024
	\$'000	\$'000
Equipment held for lease at cost	80,979	86,403
Accumulated depreciation	(61,596)	(66,856)
Net book value	<u>19,383</u>	<u>19,547</u>

Equipment is ordinarily moved from inventory to docu-centers, printshops and internal use. Equipment from inventory is also placed under lease contracts. When the equipment is no longer assigned to a specific function, it is moved back to inventory at net book value. The most significant of these movements is for equipment held for lease which is as follows:

	2025	2024
	\$'000	\$'000
Opening net book value	19,547	16,502
Acquisition of subsidiaries (Note 35)	-	1,870
Transfers from inventory during lease period	9,380	9,017
Depreciation charges	(10,054)	(7,971)
Disposals – transfers to inventory upon expiry of lease	(4,018)	(4,789)
Depreciation released	4,528	4,918
Closing net book value	<u>19,383</u>	<u>19,547</u>

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13. Property, Plant and Equipment (Continued)

The pieces of freehold land of the Group were independently revalued as at various dates during 2023 on the basis of open market value or other market comparable approaches by independent qualified valuers. The directors are of the view that there were no material changes in the value over the prior year for Freehold land. Fair value movements on freehold are recognised in OCI under other revaluation reserves, see Note 28.

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, or directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2), and
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

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13. Property, Plant and Equipment (Continued)

There were no transfers between levels during the year.

Level 3 fair values of land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot. The valuation techniques for Level 3 fair values of land and buildings are disclosed in the tables below.

	Fair value measurements at 31 December 2025 using significant unobservable inputs (Level 3)	
	Land – Surges St Thomas, Barbados \$'000	Total \$'000
Opening balance and closing balance	87	87
	<u>87</u>	<u>87</u>
	Fair value measurements at 31 December 2024 using significant unobservable inputs (Level 3)	
	Land – Surges St Thomas, Barbados \$'000	Total \$'000
Opening balance and closing balance	87	87
	<u>87</u>	<u>87</u>

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14. Right-of-Use Assets

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets	2025 \$'000	2024 \$'000
Buildings	12,599	10,376
Equipment	2,596	2,308
Motor vehicles	74	118
	<u>15,269</u>	<u>12,802</u>

Movement analysis is as follows:

	2025 \$'000	2024 \$'000
At Cost/Valuation -		
At 1 January	32,312	28,876
Exchange differences	(40)	266
Acquisition on subsidiaries (Note 35)	-	109
Additions	10,207	5,804
Lease Expiry	(4,737)	(2,743)
At 31 December	<u>37,742</u>	<u>32,312</u>
Amortisation -		
At 1 January	19,510	16,203
Exchange differences	(9)	348
Relieved on lease expiry	(2,931)	(2,251)
Charge for the year	5,903	5,210
At 31 December	<u>22,473</u>	<u>19,510</u>
Net book value		
At 31 December	<u>15,269</u>	<u>12,802</u>

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14. Right-of-Use Assets (Continued)

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2025	2024
	\$'000	\$'000
Amortisation charge of right-of-use assets		
Buildings	4,709	4,488
Equipment	1,105	623
Motor vehicles	89	99
	<u>5,903</u>	<u>5,210</u>

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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15. Intangible Assets

	Goodwill	Customer Relationships and Brands	Contracts	Franchise Agreement, Licenses & Proprietary Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Year ended 31 December 2025					
Opening net book value	85,894	18,624	2,437	640	107,595
Acquisition of subsidiary (Note 35)	337	-	-	-	337
Exchange Difference	-	1	-	(2)	(1)
Amortisation (Note 8)	-	(2,256)	(734)	(184)	(3,174)
Closing net book amount at 31 December 2025	86,231	16,369	1,703	454	104,757
Cost	86,952	29,196	17,089	7,447	140,684
Accumulated amortisation and impairment	(721)	(12,827)	(15,386)	(6,993)	(35,927)
Closing net book value	86,231	16,369	1,703	454	104,757
2024					
Year ended 31 December 2024					
Opening net book value	81,218	20,880	-	824	102,922
Acquisition of subsidiary (Note 35)	5,964	-	2,881	-	8,845
Adjustment	(1,288)	-	-	-	(1,288)
Amortisation (Note 8)	-	(2,256)	(444)	(184)	(2,884)
Closing net book amount at 31 December 2024	85,894	18,624	2,437	640	107,595
Cost	86,615	29,196	17,089	7,447	140,347
Accumulated amortisation and impairment	(721)	(10,572)	(14,652)	(6,807)	(32,752)
Closing net book value	85,894	18,624	2,437	640	107,595

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15. Intangible Assets (Continued)

Amortisation charges have been included in the selling, general and administrative expenses in the statement of comprehensive income.

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in the circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

The allocation of goodwill to the Group's cash generating units (CGUs) as categorised by subsidiary is as follows:

	2025	2024
	\$'000	\$'000
Productive Business Solutions (Barbados) Limited	403	403
PBS Central America, S.A.	7,539	7,539
Mobay Holdings N. V.	4,256	4,256
Productive Business Solutions Limited (Dominican Republic)	523	523
High Tech Corporation S.A. de C.V	2,957	2,957
PBS Technology Group Limited	62,655	62,655
Infotrans	1,438	1,438
PBS Peru	5,964	5,964
Regional Business Systems	337	-
Other	159	159
	<u>86,231</u>	<u>85,894</u>

The recoverable amount of each CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5th year are extrapolated using the estimated growth rates stated below.

Key assumptions for value in use calculations for 2025 were as follows:

	Revenue growth rate year 1	Terminal Growth rate	Average EBITDA to revenue	Pre-tax Discount rate 2025
Productive Business Solutions (Barbados) Limited	73.2%	2.0%	14.4%	20.56%
PBS Central America S.A.	0.7%	3.4%	13.3%	20.96%
Mobay Holdings N. V.	20.7%	1.7%	12.6%	20.70%
Productive Business Solutions Limited (Dominican Republic)	24.6%	4.9%	16.7%	19.41%
High Tech Corporation	31.7%	3.3%	15.2%	25.19%
PBS Technology Group Limited	42.3%	3.1%	27.3%	22.25%
Infotrans Group Holdings B.V.	39.1%	1.8%	14.9%	19.04%
PBS Peru	29.2%	2.5%	12.1%	20.27%
Regional Business Systems	174.7%	2.0%	16.6%	20.56%

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15. Intangible Assets (Continued)

Key assumptions for value in use calculations for 2024 were as follows:

	Revenue growth rate year 1	Terminal Growth rate	Average EBITDA to revenue	Pre-tax Discount rate 2024
Productive Business Solutions (Barbados) Limited	19.7%	2.3%	11.4%	22.0%
PBS Central America S.A.	-10.0%	3.0%	9.2%	22.4%
Mobay Holdings N. V.	13.7%	1.7%	16.0%	17.4%
Productive Business Solutions Limited (Dominican Republic)	4.4%	5%	11.5%	24.9%
High Tech Corporation	52.6%	3.2%	14.3%	26.6%
PBS Technology Group Limited	25.0%	3.0%	25.7%	24.1%
Infotrans	50.0%	1.9%	11.8%	24.5%
PBS Peru	10.0%	2.5%	11.5%	21.4%

The table below shows the change in key assumptions for value in use calculations that would result in the recoverable amount being equal to the carrying amount. This represents only the cash generating units for which the excess of the recoverable amounts over the carrying amounts of the CGUs was low.

	2025			
	Revenue growth rate year 1	Terminal growth rate	Average EBITDA to revenue	Pre-tax Discount rate
Mobay Holdings N.V.	20.7%	-1.4%	11.9%	23.6%
High Tech Corporation	31.7%	3.5%	15.2%	25.0%
PBS Peru	29.2%	2.9%	12.2%	20.0%
Regional Business Systems	174.7%	-19.2%	9.7%	35.7%

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15. Intangible Assets (Continued)

	2024			
	Revenue growth rate year 1	Terminal growth rate	Average EBITDA to revenue	Pre-tax Discount rate
Productive Business Solutions (Barbados) Limited	19.7%	2.3%	8.1%	22.4%
Productive Business Solutions Limited (Dominican Republic)	4.4%	5.0%	10.4%	26.7%
High Tech Corporation	52.6%	3.2%	12.7%	27.0%
PBS Peru	10.0%	2.5%	12.7%	16.4%

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16. Lease Receivables

	2025 \$'000	2024 \$'000
Gross investment in finance leases		
Not later than one year	12,292	4,538
Later than one year and not later than five years	6,130	8,966
	<u>18,422</u>	<u>13,504</u>
Less: Unearned income	(2,447)	(3,939)
	<u>15,975</u>	<u>9,565</u>
Net investment in finance leases may be classified as follows:		
Not later than one year	11,437	2,696
Later than one year and not later than five years	4,538	6,869
	<u>15,975</u>	<u>9,565</u>

No loss allowance was recorded for lease receivables in 2025 (2024: nil) as the potential loss was considered not material.

17. Long Term Receivables

	2025 \$'000	2024 \$'000
Print Spot S de R.L. (Note a)	22	91
Guarantee deposits for building rents (Note b)	87	111
Other (Note c)	660	387
	<u>769</u>	<u>589</u>

The current portion of long-term receivables is \$161,000 (2024: \$38,000) and is recorded in Current Assets.

No loss allowance was recorded for long-term receivables in 2025 (2024: nil) as the potential loss was considered not material.

a) Print Spot S de R.L.

The balance earns interest of 14% and matures in August 2027.

b) Guarantee deposits for building rents

These balances do not earn interest and they are guarantee deposits for the rent of buildings in Guatemala, Cayman, Panama and Nicaragua. They mature between February 2027 (renewables) and July 2029.

c) Other

The balance relates to amounts that are individually insignificant. These balances relate to equipment sales with terms between 13 months and up to 37 months. These are secured with promissory notes and earn interest between 10% and 21% and are guaranteed with a pledge on the financed equipment.

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18. Deferred Income Taxes

- (a) Deferred income taxes are calculated in full on all temporary differences under the liability method and comprise:

	2025	2024
	\$'000	\$'000
Deferred Tax Asset	11,507	14,491
Deferred Tax Liability	(6,570)	(6,153)
Net assets at end of the year	<u>4,937</u>	<u>8,338</u>

- (b) The movement on the deferred income tax assets balance for the year is as follows:

	2025	2024
	\$'000	\$'000
Net asset at beginning of the year	8,338	7,971
Acquisition of subsidiaries	-	89
(Charge) credit to profit and loss (Note 11)	(3,528)	878
Exchange difference	127	(600)
Net assets at end of the year	<u>4,937</u>	<u>8,338</u>

- (c) Deferred income tax assets and liabilities are attributable to:

	2025	2024
	\$'000	\$'000
Property, plant and equipment	(843)	(1,081)
Provisions	2,117	7,034
Foreign exchange (losses)/gains	(3)	(29)
Tax losses	3,621	2,600
Other	45	(186)
	<u>4,937</u>	<u>8,338</u>

- (d) The movement on the net deferred tax asset is attributable to:

	2025	2024
	\$'000	\$'000
Property, plant and equipment	125	(1,178)
Provisions	66	(915)
Tax losses	(3,934)	1,144
Other	342	1,316
	<u>(3,401)</u>	<u>367</u>

- (e) Deferred income tax liabilities have not been established for withholding tax that would be payable on unremitted profits of subsidiaries as the amounts are permanently reinvested.

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19. Related Party Transactions and Balances

The following transactions were carried out with related parties:

(a) Sale of goods and services

	2025 \$'000	2024 \$'000
Sale of goods		
Other related parties	26	428
	<u>26</u>	<u>428</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

(b) Purchase of goods and services

	2025 \$'000	2024 \$'000
Purchases of goods		
Other related parties	10	204
	<u>10</u>	<u>204</u>

Transactions with other related parties.

(c) Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	2025 \$'000	2024 \$'000
Salaries and other short-term employee benefits	4,837	4,905
Payroll taxes – employer's portion	373	372
Pension benefits	33	33
Other	106	9
	<u>5,349</u>	<u>5,319</u>
Directors' fees	<u>118</u>	<u>104</u>

(d) Other transactions

	2025 \$'000	2024 \$'000
Parent		
Management fee expense	1,429	970
Other related parties		
Management fee expense	1,005	1,044
Interest Income	(6)	(2)
Interest paid	50	3
Rental Expense	634	-
	<u>3,112</u>	<u>2,015</u>

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19. Related Party Transactions and Balances (Continued)

(e) Year end balances with related parties

Balances with the parent company and fellow subsidiaries are repayable on demand and earn no interest.

	2025	2024
	\$'000	\$'000
Receivable from related parties:		
Parent	5,346	5,247
Fellow subsidiaries and shareholder	2,720	2,220
	<u>8,066</u>	<u>7,467</u>
Payable to related parties:		
Parent	9,487	9,421
Fellow subsidiaries	4,252	2,887
	<u>13,739</u>	<u>12,308</u>

20. Investment in Associates

In January 18, 2024, Trinidad Systems Group Limited ("TSGL"), a Special Purpose Vehicle (SPV), completed the acquisition of 100% of the operations of Trinidad Systems Limited ("TSL") for a total purchase price of TT\$107,208,000.00 (US\$15,765,882.35). The acquisition was financed through a combination of 50% cash and 50% debt.

PBS participated in the ownership consortium of TSGL, securing a 45% equity stake. As a result, PBS contributed 45% of the cash portion of the purchase price, amounting to TT\$24,121,800 (US\$3,543,000). The debt portion, representing the remaining 50% of the purchase price, is solely the responsibility of TSGL.

	2025	2024
	\$'000	\$'000
As at January	4,056	3,543
Share of net profit	718	513
At 31 December	<u>4,774</u>	<u>4,056</u>

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20. Investment in Associates (Continued)

The associate's year-end is 31 December.

The summarized unaudited consolidated information for the associate and its subsidiary is presented below. The information disclosed reflects the amounts presented in the financial statements of Trinidad Systems Group Limited and not the Group's share of those amounts.

	2025	2024
	\$'000	\$'000
Statement of financial position:		
Total Assets	26,790	24,316
Total Liabilities	<u>(13,592)</u>	<u>(11,254)</u>
Net Assets	<u>13,198</u>	<u>13,062</u>
Statement of comprehensive income:		
Revenues	22,501	22,243
Expenses	<u>(21,177)</u>	<u>(21,127)</u>
Net Profit for the Year	<u>1,324</u>	<u>1,116</u>

21. Inventories

	2025	2024
	\$'000	\$'000
Finished goods	57,311	47,625
Goods in transit	<u>13,198</u>	<u>12,801</u>
	70,509	60,426
Less: Provision for obsolete stock	<u>(12,466)</u>	<u>(11,842)</u>
	<u>58,043</u>	<u>48,584</u>

Cost of inventory recognised as an expense aggregating to \$203,222,000 (2024: \$232,404,000), were recognised in profit and loss.

22. Trade and Other Receivables

	2025	2024
	\$'000	\$'000
Trade receivables	100,312	90,619
Less: Provision for credit losses (Note 3)	<u>(2,755)</u>	<u>(2,601)</u>
	97,557	88,018
Prepaid expenses	5,307	3,985
Current portion of Long-Term Receivable	77	273
Other (Note a)	<u>24,355</u>	<u>13,484</u>
	<u>127,296</u>	<u>105,760</u>

a) Includes advances to vendors of \$3,359,442 (2024: \$852,000) and Sundry Debtors of \$3,808,003 (2024: \$5,992,202)

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23. Cash and Bank

	2025 \$'000	2024 \$'000
Cash at bank and in hand	21,574	29,961

The cash and bank balances disclosed for 2025 include restricted cash of \$6,644,000 (2024: \$6,131,000)

The weighted average interest rate at the reporting date for short term bank deposits was 0.70% (2024: 0.70%) per annum.

24. Trade and Other Payables

	2025 \$'000	2024 \$'000
Trade payables	58,348	48,628
Interest Payables	378	1,001
Accrued liabilities	15,792	20,860
Other	16,531	15,366
	<u>91,049</u>	<u>85,855</u>

The carrying amounts of trade and other payables is a reasonable approximation to their fair values, due to their short-term nature.

25. Lease Liabilities

The Group currently has long term lease agreements related to buildings, equipment, and motor vehicles.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025 \$'000	2024 \$'000
Lease liabilities		
Current	6,998	6,441
Non-current	17,988	15,465
	<u>24,986</u>	<u>21,906</u>

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2025 \$'000	2024 \$'000
Interest expense (included in finance cost)	1,353	1,580
Expenses relating to short term leases or low value underlying assets (included in selling, general and administrative expenses)	1,178	1,835
	<u>2,531</u>	<u>3,415</u>

The total cash outflow for leases in 2025 was \$ 9,723,000 (2024: \$10,699,000).

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25. Lease Liabilities (Continued)

(iii) Incremental borrowing rate

For the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by bankers as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.
- The weighted average incremental borrowing rate for the Group in 2024 and 2025 was determined to be 7%.

(iv) Lease payments

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2025, potential future cash outflows of \$18,867,000 (2024: \$14,702,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil.

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26. Borrowings

	2025	2024
	\$'000	\$'000
Short term loans –		
(a) Citibank	12,000	-
(b) Operaciones de Consumo, S.A.	2,860	2,274
(c) First Citizens	1,700	1,500
(d) Quedex	1,129	-
(e) Davivienda	762	1,088
(f) Banco Popular Dominicano	540	400
(g) Banco de Crédito del Perú	254	-
(h) Lafise	-	679
	<u>19,245</u>	<u>5,941</u>
Current portion of non-current borrowings	14,250	10,633
Total Current Borrowings	<u>33,495</u>	<u>16,574</u>
Non-Current Borrowings –		
(i) Citibank	135,469	120,926
(j) JCSD Preference Shares	16,701	16,582
(k) Xerox	6,875	9,375
(l) Davivienda	3,060	3,006
(m) National Commercial Bank	1,672	2,190
(n) Former owners of Infotrans companies	1,320	1,232
(o) First Citizens	489	934
(p) BICSA	324	341
(q) Banco de Bogotá	134	62
(r) Banistmo	99	428
(s) ASEPBS	99	-
(t) Former owners of High-Tech companies	-	72
Non-current borrowings	<u>166,242</u>	<u>155,148</u>
	2025	2024
	\$'000	\$'000
Non-current borrowings	166,242	155,148
Current portion of non-current borrowings	(14,250)	(10,633)
Total Non-Current Borrowings	<u>151,992</u>	<u>144,515</u>
Total Borrowings	<u>185,487</u>	<u>161,089</u>

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26. Borrowings (Continued)

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	2025	2024
	\$'000	\$'000
0-12 months	33,495	16,574
1-5 years	151,992	144,515
	<u>185,487</u>	<u>161,089</u>

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loans	135,468	123,858	138,367	137,374
Redeemable preference shares	16,701	17,000	17,000	17,000
Other	14,073	14,290	14,073	17,674
	<u>166,242</u>	<u>155,148</u>	<u>169,440</u>	<u>172,048</u>

The Group's undrawn borrowing facilities as of December 2025 is \$12,837,000 (2024: \$15,000,000).

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26. Borrowings (Continued)

Short term loans

(a) **Citibank N.A.**

This represents three unsecured US dollar loans earning interest rates of SOFR plus a margin of 3.9% per annum with due dates between March 18 and June 18, 2026.

(b) **Operaciones de Consumo, S.A.**

This represents four unsecured US dollar loans earning interest rates of between 10.20% and 10.99% per annum with due dates between January 20 and March 11, 2026.

(c) **First Citizens**

This represents loans which attracts interest of 8% per annum and mature in June 2026.

(d) **Quedex**

This represents a loan which attracts interest of 12% per annum and mature in March 2026.

(e) **Davivienda**

This represents an unsecured loan to finance working capital bearing interest of 9.30% per annum and maturing March 2026.

(f) **Banco Popular Dominicano**

This represents a loan which attracts interest of 9% per annum and matures on June 30, 2026.

(g) **Banco de Crédito del Perú**

This represents a short-term loan which attracts interest of 6.57% per annum and matures on June 19, 2026.

(h) **Lafise**

This represented three fiduciary loans to finance working capital, bearing interest between 9.5% and 10% per annum and which matured between January 25 and June 29, 2025.

Non-Current Borrowings

(i) **Citibank**

This facility was granted in June 2024. The credit agreement was signed by Citibank as Administrative and Collateral Agent, and with Banco Continental S.A.E.C.A., First Citizens Bank (Limited) and Banco G&T Continental, S.A. as Joint Lead Arrangers and Bookrunners.

The facility also grants the group access to incremental loans on which the same terms and conditions as the initial disbursement apply. The group accessed the first tranche of \$12,500,000 on December 8, 2025 and the second of \$8,000,000 on December 26, 2025.

It matures in June 2030 and attracts an interest base rate of 3.4% plus a Term SOFR CME – 6 month rate, which results in an All-in rate of 7% at December 2025.

Payments of principal and interests are to be paid in variable installments payments, in a semi-annual basis. Such semi annual amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth.

The deferred financing charges offset against the loan amount is \$2,588,432.

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26. Borrowings (Continued)

Guarantor companies are PBS Technology Group Limited, Productive Business Solutions (Central America), S.A., Productive Business Solutions Caribbean Limited, Dorada Management Inc., Productive Business Solutions

(Guatemala), S.A., Productive Business Solutions El Salvador, S.A. de C.V., High Tech Corporation, S.A. de C.V., Productive Business Solutions Honduras, S.A. de C.V., Hight Tech Consulting, S.A. de C.V., Productive Business Solutions (Nicaragua), S.A., Productive Business Solutions (Costa Rica), S.A., and Productive Business Solutions (Panamá), S.A..

(j) JCSD Preference Shares

This represents 17,000,000 Redeemable Cumulative Preference Shares in United States dollars (US\$) entitled to a fixed preferential cumulative cash dividend of 8.25% US\$ per annum. These preference shares issued in June 2024, mature in June 2028 and are mandatorily redeemable by the Company on this date. The deferred finance charges offset against the loan amounts to \$298,790

The Preference Shares may not be redeemed by the Company until after the second anniversary of issue thereof. Thereafter the Voluntary Redemption Payment shall be the aggregate of (i) repayment in US\$ of the Redemption Price; (ii) any arrears or accruals of the cumulative preferential dividend on the Preference Shares, whether declared or earned, or not, calculated down to the date of such repayment.

(k) Xerox

PBS Group acquired Xerox companies in Peru and Ecuador and signed a 4-year unsecured promissory note on July 1, 2024 issued pursuant to the Purchase Agreement dated as of March 26, 2024. Principal and interest of 7% per annum are to be paid on a quarterly basis, total of 16 quarterly instalments that ends in June 2028.

(l) Davivienda

This represents two loans to finance working capital at 9.75% and 15.24% interest rate per annum and are due on May 24, 2027 and December 12, 2028, respectively.

(m) NCB - National Commercial Bank

This represents an unsecured loan attracting interest of 11.75% annual, due on October 19, 2028. All of this loan is disclosed as current portion of non-current borrowing given a breach in the corresponding financial covenants of the affiliate that holds the debt.

(n) Former owners of Infotrans companies

This represents the unsecured deferred purchase price on acquisition of Infotrans subsidiaries in Aruba, Bonaire, Colombia and Curacao, maturing in May 2027. The short-term portion has been classified as a current portion of non-current borrowings. The balance purchase price was set in four equal instalments of six hundred thousand united state dollars, each payable on the first, second, third and fourth anniversaries of completion of the sale which took place on June 12, 2023. The short-term portion has been classified as a current portion of non-current borrowings.

(o) FCIT - First Citizens

This represents an unsecured loan facility granted in TT Dollars which attracts interest of 7.5% per annum, maturing on January 11, 2027.

(p) BICSA – Banco Internacional de Costa Rica, S.A.

This represents an unsecured loan attracting interest of 9% annual, due on September 15, 2028.

(q) Banco de Bogotá

This represents two loans which attracts interest of 12.72% and 12.03% per annum and maturing on January 17, 2027, and December 04, 2027.

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26. Borrowings (Continued)

(r) **Banistmo – Banco del Istmo**

This represents an unsecured loan which attracts interest of 7.9% per annum and due date is on March 28, 2027.

(s) **ASEPBS – Asociación Solidarista de Empleados de PBS**

This represents a loan which attracts interest of 9% per annum and matures on November 01, 2027.

(t) **Former owners of High-Tech companies**

This represented the unsecured deferred purchase price on acquisition of High-Tech subsidiaries in El Salvador and Honduras which matured in July 2025.

27. Share Capital

	2025 \$'000	2024 \$'000
Authorised -		
186,213,000, (2024 – 186,213,000) Ordinary shares	105,782	105,782
2,000,000, (2024 – 2,000,000) Preference shares	17,234	17,234
	<u>123,016</u>	<u>123,016</u>
Issued and fully paid -		
186,213,000 (2024 – 186,213,000) Ordinary shares	105,782	105,782
2,000,000 (2024 – 2,000,000) Preference shares	17,234	17,234
	<u>123,016</u>	<u>123,016</u>

The preference shares are redeemable cumulative preference shares (1,500,000 9.25% perpetual cumulative redeemable USD and 500,000 10.50% perpetual cumulative redeemable Jamaican Dollars Preference Shares) where the declaration of dividends is discretionary. There is no contractual redemption date for these shares and may only be called for the first time at the sole discretion of the issuer, on the last Business Day of the financial year which falls immediately before the 15th anniversary of the issue date of the Preference Shares

28. Other Reserves (deficits)

Other reserves primarily represent the currency translation differences resulting from the unrealized gains and losses on the translation of the net assets of subsidiaries that have a different functional currency from that of the Company.

Other reserves also include revaluation reserve for the revaluation of assets and actuarial gains.

	Revaluation Surplus \$'000	Actuarial Gains \$'000	Currency Translation Differences \$'000	Total \$'000
Balance as at 1 January 2024	70	2,902	(20,111)	(17,139)
Actuarial gains	-	(96)	-	(96)
Movement during 2024	716	-	(820)	(104)
Balance as at 31 December 2024	<u>786</u>	<u>2,806</u>	<u>(20,931)</u>	<u>(17,339)</u>
Actuarial gains	-	54	-	54
Movement during 2025	-	-	260	260
Balance as at 31 December 2025	<u>786</u>	<u>2,860</u>	<u>(20,671)</u>	<u>(17,025)</u>

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29. Litigation and Contingent Liabilities

The Group is subject to various claims, disputes and legal proceedings in the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

Claims asserted against the Group, according to the principles outlined above, have not been provided for. Management is of the opinion that the claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both financial position and results of operations.

30. Retirement Benefit Obligation and pension plan asset

The movement in the present value of the defined benefit obligation during the year was as follows:

	2025	2024
	\$'000	\$'000
Opening balance	1,553	1,389
Reallocation of pension plan liability	1,045	-
Current service cost	350	190
Interest cost	112	71
Actuarial gains on termination benefits	124	(24)
Benefits paid	(73)	(73)
At end of year	<u>3,111</u>	<u>1,553</u>

The movement of the pension plan asset during the year was as follows:

	2025	2024
	\$'000	\$'000
Opening balance	3,674	3,596
Actuarial gains / (losses)	110	(96)
Current service cost	122	122
Interest Cost	493	546
Benefits paid	(653)	(726)
Other	6	232
At end of year	<u>3,752</u>	<u>3,674</u>

The amounts recognised in arriving at profit or loss were as follows:

	2025	2024
	\$'000	\$'000
Current service cost	350	190
Interest cost	112	71
At end of year	<u>462</u>	<u>261</u>

The distribution of the obligation by country was as follows:

	2025	2024
	\$'000	\$'000
Nicaragua	120	115
Panama	338	280
El Salvador	968	810
Honduras	393	348
Ecuador	1,292	-
	<u>3,111</u>	<u>1,553</u>

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30. Retirement Benefit Obligation and pension plan asset (Continued)

The value of the plan asset was as follows:

	2025	2024
	\$'000	\$'000
Barbados	3,034	3,034
Panama	575	557
Honduras	143	83
	<u>3,752</u>	<u>3,674</u>

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025		
	Impact on Retirement benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(500)	485
Inflation rate	1%	52	(47)
	<hr/>		
	2024		
	Impact on Retirement benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(432)	465
Inflation rate	1%	31	(27)
	<hr/>		

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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30. Retirement Benefit Obligation (Continued)

Termination benefits in El Salvador and Nicaragua are established by law and entitle the employee to receive a payment upon termination of employment, regardless of cause. In El Salvador the benefit is founded in the law 592, that is the regulatory law for the economic benefit for voluntary resignation. Employees with more than two years of uninterrupted service for the company shall receive a payment of, at least, the equivalent of 15 days of minimum wage for each year of service. In Nicaragua, the law 185, Labour Code, entitles the employee to the right to receive a payment equivalent to one monthly salary for each year of service, up to the third year, and 20 days of salary for each additional year. Neither of these plans require the employer to establish a fund.

The principal actuarial assumptions used in valuing post-employment benefits are as follows:

	2025	2024
	\$'000	\$'000
PBS Nicaragua		
Discount rate	11%	11%
Future salary increases	5%	5%
Retirement age	60 years	60 years
PBS El Salvador		
	2025	2024
	\$'000	\$'000
Discount rate	5%	5%
Future salary increases	3.4%	3.4%
Retirement age	55 and 60 years for Women and men respectively	55 and 60 years for Women and men respectively
PBS Panama		
	2025	2024
	\$'000	\$'000
Discount rate	5.5%	5.5%
Future salary increases	6%	6%
Retirement age	57 and 62 years for Women and men respectively	57 and 62 years for Women and men respectively

The principal assumptions used in valuing the pension plan asset for Barbados as follows:

	2025	2024
	\$'000	\$'000
Discount rate	7.75%	7.75%
Future salary increases	3%	3%
Retirement age	65	65

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31. Cash Flows from Operating Activities

Reconciliation of the Group's net profit to cash generated from operating activities:

	Note	2025 \$'000	2024 \$'000
Net profit		4,439	7,576
Items not affecting cash:			
Depreciation	13&14	20,684	17,441
Amortisation and impairment of intangible assets	15	3,174	2,884
Share of profit of associate		(718)	(513)
Taxation expense	11	9,912	5,042
Foreign exchange Losses/(Gains)		609	734
Loss / (Gains) on disposal of Property plant and equipment		179	(103)
Interest income	7	(1,769)	(1,999)
Interest expense	10	17,094	18,801
		<u>53,604</u>	<u>49,863</u>
Change in non-cash working capital, net of effects from acquisition of subsidiaries:			
Inventories		(14,646)	(6,961)
Contract assets		1,574	429
Trade and other receivables		(21,595)	29
Due from related parties		(599)	(499)
Long term liabilities		(407)	(906)
Long term receivable		(180)	218
Lease receivable		(6,410)	(15)
Accounts payable		(7,288)	2,183
Contract liabilities		(505)	(4,243)
Retirement benefit obligation		1,480	86
Due to related parties		1,431	1,249
		<u>6,459</u>	<u>41,433</u>
Taxation paid		(3,733)	(8,902)
Net cash provided by operating activities		<u><u>2,726</u></u>	<u><u>32,531</u></u>

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 December.

	2025 \$'000	2024 \$'000
Cash and Bank	21,574	29,961
Borrowings - repayable within one year (including overdraft)	(33,495)	(16,915)
Borrowings - repayable after one year	(151,992)	(144,174)
Lease liability	(24,986)	(21,906)
Net debt	<u><u>(188,899)</u></u>	<u><u>(153,034)</u></u>
Cash and Bank	21,574	29,961
Gross debt - fixed interest rates	(185,487)	(161,089)
Lease liability	(24,986)	(21,906)
Net debt	<u><u>(188,899)</u></u>	<u><u>(153,034)</u></u>

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31. Cash Flows from Financing Activities (Continued)

	Cash and Bank	Lease liability	Borrowing due within 1 year	Borrowing due after 1 year	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Net debt as at 31 December 2023	31,991	(19,197)	(50,306)	(96,936)	(134,448)
Addition	8,735	(13,552)	(4,041)	(143,000)	(151,858)
Repayments	(10,760)	10,699	46,254	95,418	141,611
Foreign exchange adjustments	(5)	144	9	830	978
Other non-cash movements	-	-	(8,490)	(827)	(9,317)
Net debt as at 31 December 2024,	29,961	(21,906)	(16,574)	(144,515)	(153,034)
Addition	-	(4,676)	(17,271)	(24,523)	(46,470)
Repayments	(8,366)	7,630	12,646	473	12,383
Foreign exchange adjustments	(21)	21	18	170	188
Other non-cash movements	-	(6,055)	(12,314)	16,403	(1,966)
Net debt as at 31 December 2025	21,574	(24,986)	(33,495)	(151,992)	(188,899)

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32. Pledged as Security

The net assets of some subsidiaries of the group have been pledged as security for borrowings. The value of these pledged assets at the year end totalled \$177,643,000 (2024: \$159,054,000).

33. Contract Assets and Contract Liabilities

The Group classifies rights and obligations in its relationship with customers whenever either party performs any of its contractual obligations.

The contract assets relate to unbilled work in progress for which the Group has provided the services. The contract assets become a receivable when the entity's right to consideration is unconditional, and the revenue has been billed. The contract assets are classified as current assets as the associated contract is expected to be completed in less than 12 months. The contract assets relate to equipment contracts.

	2025	2024
	\$'000	\$'000
Contract assets	<u>28</u>	<u>1,602</u>

The contract liabilities refer to advances received from customers under the promise to deliver equipment. Total contract liabilities at the end of the year are reflected in the table below.

	2025	2024
	\$'000	\$'000
Contract liabilities		
on equipment contracts	10,717	8,139
on service contracts	<u>4,384</u>	<u>7,463</u>
Total contract liabilities	<u>15,101</u>	<u>15,602</u>

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33. Contract Assets and Contract Liabilities (Continued)

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2025	2024
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
on equipment contracts	3,391	4,781
on service contracts	2,534	1,252
	<u>5,925</u>	<u>6,033</u>

(ii) Unsatisfied contracts at the end of the period

The following table shows unsatisfied performance obligations resulting from fixed-price contracts:

	2025	2024
	\$'000	\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
	84,215	63,651
	<u>84,215</u>	<u>63,651</u>

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34 . Investments

In October 2022 the Group acquired 17% of the shares of Arel Limited, which resulted in an investment of \$242,000 (equivalent to \$246,000 at prior year's rate). Arel Limited is a private company established in 1967 and domiciled in 2 Piccadilly Road, Kingston 5, St. Andrew, Jamaica. The company is focused on providing engineering services and equipment such as air conditioning, medical and elevators.

The valuation techniques for Level 3 fair value of the unquoted equity investment are disclosed in the table below.

The Group divested its entire holding in this investment during 2025.

	Fair value measurements at 31 December 2025 and 2024 using significant unobservable inputs (Level 3)	
	Total 2025 \$'000	Total 2024 \$'000
Unquoted equity	<u>-</u>	<u>243</u>

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35. Acquisition of Subsidiaries

Acquisition of Regional Business Systems Limited

On 1 May 2025, the Group acquired a 100% stake in Regional Business Systems Limited. The principal activity of the company is to provide information technology solutions and services to clients.

(i) Identifiable assets acquired – Regional Business Systems Limited

	2025
	\$'000
Property and equipment	331
Tax Recoverable	12
Inventories	175
Trade and other payables	(231)
Other Current Liabilities	(32)
Bank Overdraft	(197)
Net identifiable assets acquired	<u>58</u>
Consideration	395
Less net identifiable assets acquired	(58)
Goodwill	<u><u>337</u></u>

(ii) Cash flow on acquisition

	2025
	\$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	395
Less: Cash balance (overdraft) acquired	(197)
Net outflow of cash	<u><u>592</u></u>

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35. Acquisition of Subsidiaries (Continued)z

Acquisition of Xerox Peru and Ecuador

On 1 July 2024, the Group acquired a 100% stake in Xerox Peru. The principal activity of the company is to provide information technology solutions and services to clients.

The following summarizes the fair value of the identifiable assets and liabilities recognized by the Group at the date of acquisition:

(i) Identifiable assets acquired - Peru

	2024 \$'000
Property and equipment	1,638
Trade and other receivables	1,722
Cash and cash equivalents	1,254
Deferred tax asset	594
Inventories	1,353
Intangible assets	2,200
Other Assets	277
Trade and other payables	(2,214)
Other Current Liabilities	(59)
Deferred Tax Liabilities	(763)
Net identifiable assets acquired	<u>6,002</u>
Consideration	11,966
Less net identifiable assets acquired	<u>(6,002)</u>
Goodwill	<u>5,964</u>

(ii) Cash flow on acquisition

	2024 \$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	4,231
Less: Cash balance acquired	<u>1,254</u>
Net outflow of cash	<u>2,977</u>

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35. Acquisition of Subsidiaries (Continued)

Acquisition of Xerox Peru and Ecuador

(iii) Purchase consideration

	2024
	\$'000
Cash paid	4,231
Loan used for acquisition (note 26)	7,735
Total purchase consideration	<u>11,966</u>

(iv) The fair value of certain material asset categories was established as follows:

- Property and equipment:
The value of property and equipment were assessed as net book values as at the date of acquisition.
- Intangible assets:
The value of goodwill, customer relationships, software and licenses were assessed through market benchmarking information provided by independent data specialists through the multi-period excess earnings and relief from royalty methods, performed by a qualified independent valuator using the incremental cash flow method.

Acquisition of Xerox Ecuador

On 1 July 2024, the Group acquired a 100% stake in Xerox Ecuador. The principal activity of the company is to provide information technology solutions and services to clients.

The following summarizes the fair value of the identifiable assets and liabilities recognized by the Group at the date of acquisition:

(i) Identifiable assets acquired:

	2024
	\$'000
Property and equipment	603
Right of Use Asset	109
Trade and other receivables	1,646
Cash and cash equivalents	2,909
Deferred tax asset	471
Inventories	527
Intangible assets	681
Taxation Recoverable	812
Trade and other payables	(2,826)
Tax Payable	(5)
Short term loans	(112)
Deferred Tax Liabilities	(175)
Net identifiable assets acquired	<u>4,640</u>
Consideration	3,490
Less net identifiable assets acquired	(4,640)
Negative Goodwill	<u>(1,150)</u>

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35. Acquisition of Subsidiaries (Continued)

Acquisition of Xerox Ecuador

(ii) Cash flow on acquisition

	2024
	\$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	1,225
Less: Cash balance acquired	2,909
Net inflow of cash	<u>(1,684)</u>

(iii) Acquisition-related costs

In 2024 the Group incurred a combined (Peru and Ecuador) acquisition-related costs of \$98,000 which were fully expensed. These costs have been included in professional fees expenses for the current period.

(iv) Purchase consideration

	2024
	\$'000
Cash paid	1,225
Loan used for acquisition (note 26)	2,265
Total purchase consideration	<u>3,490</u>

(v) The fair value of certain material asset categories was established as follows:

1. Property and equipment:

The value of property and equipment were assessed as net book values as at the date of acquisition.

2. Intangible assets:

The value of goodwill, customer relationships, software and licenses were assessed through market benchmarking information provided by independent data specialists through the multi-period excess earnings and relief from royalty methods, performed by a qualified independent valuator using the incremental cash flow method.

36. Distributions

2025

During 2025 the Group made the following distribution to ordinary shareholders

On February 10, 2025, the group paid a cash dividend of \$6,499,000 (3.49 cents per share)

On December 31, 2025, the group paid a cash dividend of \$2,999,000 (1.61 cents per share)

During 2025 the following distributions were made to the perpetual cumulative preference shareholders

On January 22, 2025, the group paid a dividend of USD429,000 (21.45 cents per share)

On April 15, 2025, the group paid a dividend of USD429,000 (21.45 cents per share)

On June 30, 2025, the group paid a dividend of USD428,000 (21.38 cents per share)

On September 20, 2025, the group paid a dividend of USD427,000 (21.38 cents per share)

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36. Distributions (Continued)

2024

During 2024 the following distributions were made to the perpetual cumulative preference shareholders

On April 02, 2024, the group paid a dividend of USD430,000 (21.50 cents per share)

On July 04, 2024, the group paid a dividend of USD430,000 (21.50 cents per share)

On September 30, 2024, the group paid a dividend of USD429,000 (21.45 cents per share)

37. Pillar II

The Group is a part of a Multinational Entity (MNE) with revenues above €750 million. As such, it is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has not been enacted in Jamaica, the jurisdiction in which the MNE is incorporated. The Group has subsidiaries in the following countries with tax rate below 15%: Barbados, British Virgin Islands (BVI), Cayman Islands and St. Lucia. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion (GloBE) effective tax rate for each jurisdiction and the 15% minimum rate. The Group's effective tax rates exceed 15% in most jurisdictions in which it operates, with a few exceptions. For these exceptions, although the average effective tax rate may be below 15%, the Group's exposure to paying Pillar Two income taxes might not be for the full difference in tax rates in relation to these entities. Additionally, not all entities jurisdictions have legislative frameworks to accommodate the Pillar Two top up tax. The Group is in the process of assessing its exposure to the Pillar Two legislation and will implement once adopted by the MNE in the jurisdiction of incorporation.

38. Subsequent Events

1. On January 14, 2026, the Board of Directors declared a dividend payment of 1.88 cents per ordinary share. The record date is January 28, 2026, and payable February 25, 2026.
2. On February 27, 2026, the Board of Directors declared dividends to the Perpetual Cumulative Redeemable Preference Shareholders on record as of March 16, 2026, and payable on April 1, 2026:
 - a. To the 9.25% Perpetual Cumulative Redeemable Preference Shareholders a dividend of US\$0.23 per share.
 - b. To the 10.50% Perpetual Cumulative Redeemable Preference Shareholders a dividend of **JM\$25.89** (US\$0.16) per share.
3. On May 22, 2026, the Board of Directors declared dividends to the Perpetual Cumulative Redeemable Preference Shareholders on record as of May 28, 2026, and payable on July 2, 2026:
 - a. To the 9.25% Perpetual Cumulative Redeemable Preference Shareholders a dividend of US\$0.23 per share.
 - b. To the 10.50% Perpetual Cumulative Redeemable Preference Shareholders a dividend of **JM\$25.89** (US\$0.16) per share.