



Unaudited Financial Results

JMD Q1 2023



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Key Performance Highlights

Three Months Ended March 31, 2023

The Board of Directors of EduFocal Group (“LEARN”) is pleased to present its unaudited consolidated financial statements for the First Quarter ended March 31, 2023 with revenue and profit coming in above the corresponding period of the prior year.

Summary of Changes on the Statement of Profit or Loss				
	3 months Ended 31/3/2023	3 months Ended 31/3/2022	\$ Change	% Change
	\$	\$		
Revenue & Other Income	112,663,940	60,919,909	51,744,031	85%
Administrative & Other Operating Expenses	(70,312,110)	(58,875,567)	(11,436,542)	19%
Net Profit	42,351,830	2,044,342	40,307,488	1972%
Earnings Per Share (\$)	0.065	0.004	0.061	

For the three months ended March 31, 2023, the Group recorded revenues of \$112.7 million, representing a \$51.7 million or 85% increase relative to the preceding reporting period in 2022. Gross profit for the first three months of 2023 was \$51.8 million, \$36 million or 227% higher than the first quarter of 2022.

Administrative & other operating expenses increased by \$11.4 million or 19%, moving from \$58.9 million in first quarter of 2022 to \$70.3 million in the current period under review. This is driven by higher expenditures in core support areas of the business, specifically staff cost, legal and professional fees, consulting fees and advertising expense. Net profit attributable to shareholders for the first quarter of 2023 was \$42.4 million, \$40.3 million higher than that of the corresponding quarter in 2022.

Performance of Divisions

Our Learn division has begun the financial year creditably recording growth in revenue. For the period under review, Learn expanded its impact through the deepening of strategic relationships across the region and the US.

Both EduFocal LLC and Health Education’s profit before taxation continues to be challenged in the first quarter of 2023 by ongoing expenditure to stimulate market exposure and increase customer base.



EduFocal Business division remains a consistent achiever for the first quarter of 2023 as it remains aggressive in its endeavors to achieve positive profits before taxation for the year 2023.

Summary of Changes on the Statement of Financial Position				
	Mar-23	Mar-22	\$ Change	% Change
	\$	\$		
Total Assets	308,792,800	300,403,503	8,389,297	3%
Total Liabilities	258,981,072	108,387,363	150,593,709	139%
Total Equity	49,811,729	192,016,140	-142,204,411	-74%

As at March 2023, total assets for the Group were recorded at \$308.8 million compared to \$300.4 million for the corresponding period ending March 2022. This 3% increase in asset balance was primarily due to an increase in cash and cash equivalent of \$8.5 million. Group total liabilities recorded a \$150.6 million or 139% increase when compared to the first quarter in 2022.

Relative to the first quarter of 2022, the Group shareholder's equity recorded a \$142.2 million or 74% reduction in the period under review.

EduFocal continues to strengthen all initiatives as we seek opportunities both in the local and international markets. The Group remains focused on delivering transformative education through technology as well as increasing shareholder value while managing key risks during this time of increasing inflation and economic uncertainties. As always, we remain grateful to our valued stakeholders for their continued support as we navigate this journey.

Peter Levy
Chairman

Gordon Swaby
Chief Executive Officer



Consolidated Statement of Financial Position
First Quarter Ended March 31, 2023

	Unaudited	Audited	Unaudited
	March 31, 2023	December 31, 2022	March 31, 2022
	\$	\$	\$
ASSETS			
Property, plant and equipment	2,593,033	2,729,412	3,488,581
Intangible assets	132,878,696	130,948,512	113,893,328
Right-of-Use Asset	3,065,008	3,772,319	3,353,187
Deferred Tax Asset	3,004,807	3,004,807	1,267,438
Receivables and prepayments	125,738,662	110,932,733	158,620,812
Director's Account	19,961,957	18,698,180	6,002,609
Due from related party	184,786	2,372,969	-
Cash and Cash equivalents	21,365,850	3,615,644	13,777,547
TOTAL ASSETS	308,792,800	276,074,576	300,403,503
LIABILITIES			
Lease Liability	525,163	1,350,554	748,861
Long Term Borrowings	186,158,656	197,798,580	24,138,675
Accounts payable	14,041,899	14,661,265	29,266,227
Taxation payable	350,810.00	350,810.00	11,392,729
Current portion of Lease Liability	3,156,459	3,029,473	2,752,068
Current portion of Long Term loans	30,908,377	30,948,021	2,664,419
Due to related party	20,311,749	20,311,749	20,371,608
Short- Term Loans	3,527,959	-	17,052,775
	258,981,072	268,450,451	108,387,363
EQUITY			
Attributable to Shareholders			
Share capital	185,631,690	185,631,690	188,519,686
Foreign Exchange Reserve	(991,267)	(649,944)	-
Accumulated Income/(Deficit)	(134,828,694)	(177,357,622)	3,496,454
	49,811,729	7,624,124	192,016,140
TOTAL LIABILITIES AND EQUITY	308,792,800	276,074,576	300,403,503

Approved for the issue by the Board of Directors on May 12, 2023 and signed on its behalf by:



 Peter Levy
 Chairman



 Gordon Swaby
 Chief Executive Officer



Consolidated Statement of Comprehensive Income
 First Quarter Ended March 31, 2023
 (Unaudited)

	3 months to 31/3/2023	3 months to 31/3/2022	December 2022
	\$	\$	\$
Revenue	112,663,940	60,919,909	187,436,765
Administrative & Operating Expenses	(60,835,711)	(45,058,091)	(183,710,380)
Gross Profit	51,828,229	15,861,818	3,726,385
Other income	-	-	27,343
Impairment loss on financial asset	(1,200,000)	(7,848,434)	(153,143,562)
Finance Cost	(8,276,399)	(5,969,042)	(28,736,808)
Profit/(Loss) Before Taxation	42,351,830	2,044,342	(178,126,642)
Taxation	-	-	(683,093)
TOTAL COMPREHENSIVE INCOME/(LOSS)	42,351,830	2,044,342	(178,809,735)
Total comprehensive income attributable to:			
Owners of EduFocal Ltd.	42,351,830	2,044,342	(178,809,735)
Earnings Per Share (\$)	0.065	0.004	(0.287)



Consolidated Statement of Changes in Equity
 First Quarter Ended March 31, 2023
 (Unaudited)

	No. of Shares Issued	Share Capital \$	Foreign Exchange Reserve \$	Accumulated Profit/(Deficit) \$	Total \$
Balance at January 1, 2022	518,756,875.00	72,763,569	-	1,452,112	74,215,681
Issue of Share Capital	116,446,989.00	105,756,117	-	-	105,756,117
Short term loan converted to ordinary shares	13,242,230.00	10,000,000	-	-	10,000,000
Total Comprehensive profit for the period	-	-	-	2,044,342	2,044,342
Balance at March 31, 2022	648,446,094	188,519,686	-	3,496,454	192,016,140
Balance at January 1, 2023	648,446,094	185,631,690	(649,944)	(177,357,622)	7,624,124
Foreign Exchange Reserve	-	-	(341,323)	177,098	(164,226)
Total Comprehensive profit for the period	-	-	-	42,351,830	42,351,830
Balance at March 31, 2023	648,446,094	185,631,690	(991,267)	(134,828,694)	49,811,729



Consolidated Statement of Cash Flow

First Quarter Ended March 31, 2023

	Unaudited March 31, 2023 \$	Audited December 31, 2022 \$	Unaudited March 31, 2022 \$
Cashflows from Operating Activities			
Net Profit/(Loss) before Taxation	42,351,830	(178,126,642)	2,044,342
Adjustments for:			
Bad Debt	-	9,008,325	-
Depreciation	233,579	934,845	239,382
Amortization - Intangibles	6,374,049	22,033,587	3,492,158
Amortization - Right-of-Use	707,310	2,902,585	670,638
Impairment losses on financial assets	1,200,000	153,143,562	7,848,434
Foreign exchange losses	27,409	485,321	108,982
Interest income	(203,062)	(572,113)	(457)
Lease Interest	86,431	611,229	81,926
Loss on Disposal of Asset	-	101,655	-
Loan Interest expense	8,312,612	23,412,371	6,102,088
	<u>59,090,158</u>	<u>33,934,725</u>	<u>20,587,492</u>
Changes in operating assets and liabilities:			
Increase in receivables	(17,935,929)	(91,502,480)	(39,890,822)
(Increase)/decrease in director's account	(1,068,923)	1,853,086	14,103,923
Decrease from related party	-	-	(3,390,246)
Increase/(Decrease) in payables	(615,948)	(8,487,345)	6,219,171
Cash provided/(used) in operating activities	39,469,359	(64,202,014)	(2,370,481)
Interest received	197	127,378	457
Interest paid	(8,552,835)	(23,799,289)	(6,184,014)
Tax paid	-	(13,462,381)	-
Net cash provided/(used) in operating activities	<u>30,916,721</u>	<u>(101,336,306)</u>	<u>(8,554,037)</u>
Cashflows from Investing Activities			
Acquisition of property, plant and equipment	(97,200)	(74,027)	36,079
Acquisition of intangible asset	(8,414,613)	(86,256,632)	(50,660,020)
Net cash used in investing activities	<u>(8,511,813)</u>	<u>(86,330,659)</u>	<u>(50,623,941)</u>
Cashflows from Financing Activities			
Long term loan, net	(11,174,389)	202,592,350	(211,322)
Short term loan, net	3,264,003	(75,484,661)	(67,960,026)
Due to related party	4,076,399	(58,904,414)	1,950,106
Director's Loan	-	20,311,749	20,311,749
Lease Payments	(784,835)	(3,006,284)	(740,250)
Shareholder's loan	-	-	(7,412,995)
Proceeds from issue of share capital	-	102,868,121	123,174,235
Net cash provided/(used) by financing activities	(4,618,822)	188,376,861	69,111,497
Net Increase in cash and cash equivalents	17,786,086	709,896	9,933,518
Net effect of exchange rate changes on cash and cash equivalent	(35,879)	(1,047,264)	(108,982)
Cash and cash equivalent at beginning of period	3,615,644	3,953,012	3,953,011
Cash and cash equivalent at end of period	<u>21,365,850</u>	<u>3,615,644</u>	<u>13,777,547</u>



Notes to the Interim Consolidated Financial Statements

March 31, 2023

1. Accounting Policies

A. Basis of Preparation

This Interim Consolidated Financial for the period ending March 31, 2023, has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

These Financial Statements are presented in Jamaican dollars, which is its functional currency.

The accounting policies followed in these Interim Financial Statements are consistent with those of the last annual financial statements as at December 31, 2022 and the corresponding Interim reporting period.

2. Share Capital

	2023	2022
Authorized	No. of shares	No. of shares
Opening authorized ordinary shares of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Closing authorized ordinary shares of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Issued and Fully Paid		
Opening issued and fully paid ordinary shares	648,446,094	518,756,875
Initial Public Offer issued during the year	-	116,446,989
Short term loan converted to ordinary shares	-	13,242,230
Closing issued and fully paid ordinary shares	<u>648,446,094</u>	<u>648,446,094</u>



	2023	2022
Ordinary shares of no par value	\$	\$
Balance at beginning of year	185,631,690	72,763,569
Initial Public Offer issued during the year	-	102,868,121
Short term loan converted to ordinary shares	-	10,000,000
Balance at end of year	<u>185,631,690</u>	<u>185,631,690</u>

(a) On February 9, 2022, the Company held an Extraordinary General Meeting which resulted in the Board of Directors passing a resolution for the issue of shares through an initial public offer thereby approving the issue of up to 129,689,219 ordinary shares. The additional shares were listed on the Junior Market of the Jamaica Stock Exchange on March 15, 2022.

116,446,989 ordinary shares were issued to the general public and key strategic partners, while 13,242,230 was issued through a short-term loan lender exercising a conversion option.



**Top Ten Largest Shareholders
As at March 31, 2023**

Shareholder	Shareholdings
OKGOSH LIMITED	215,020,395
WIDEBASE LIMITED	86,002,750
MATRIX VENTURES LIMITED	56,250,000
PETER LEVY	40,251,100
DAVID ALEXANDER WALCOTT	26,475,975
RANDY T. ROWE	16,856,460
MARC GAYLE	14,704,045
ROOTS FINANCIAL GROUP LIMITED	13,242,200
KIRK-ANTHONY HAMILTON	12,065,616
ANDREW W. PAIRMAN	12,000,000
	<hr/> <hr/> 492,868,541.00



**Shareholdings of Directors, Senior Managers & Connected Persons
As at March 31, 2023**

	Shareholdings	Connected Persons
Directors		
Peter Levy	40,251,100	
Grace Lindo	7,707,741	
Kevin Donaldson		13,242,200
Gordon Swaby*	1,400,139	226,513,737
Senior Management		
Gordon Swaby	1,400,139	226,513,737
Paul Allen		56,250,000
Connected Persons		
Andre Swaby	1,036,935	

*Includes holdings in joint accounts