EduFocal GROUP

ANNUAL REPORT

2024

EDUFOCAL LIMITED

2024

Annual Report

For the Year Ended December 31, 2024

REGISTERED OFFICE

The Summit, Suite 2014
16 Chelsea Avenue
Kingston 5, Jamaica

WEBSITE

edufocalgroup.com

Contents ANNUAL REPORT 2024

ABOUT US

Who We Are

A leading educational technology company headquartered in Kingston, Jamaica — empowering individuals, schools, organizations, and governments to unlock their full potential through innovative learning solutions.

The EduFocal Group is a leading educational technology (EdTech) company headquartered in Kingston, Jamaica. We aim to empower individuals, schools, organizations, and governments to unlock the full potential of their human capital through innovative training and educational solutions.

Since our establishment in 2012, we have been at the forefront of educational advancement, providing cutting-edge learning platforms and content to schools and companies. With our comprehensive learning platform and e-courses, we have successfully supported over 250,000 parents in preparing their students for the Grade Six Achievement Test (GSAT), its replacement, and the Primary Exit Profile (PEP). In addition, we have collaborated with esteemed institutions like the Transport Authority and HEART Trust NTA to design and implement customized learning environments.

That dedication to innovation drives us to continually explore new avenues in educational technology. Our drive, initiative, and investments in technology have led us to become one of the Top 100 EdTech startup companies in the Latin America and Caribbean Region in 2021 and 2022 as ranked by Holon IQ.

2012	250K+	Top 100
FOUNDED	PARENTS SUPPORTED	EDTECH IN LATAM & CARIBBEAN

We aim to empower individuals, schools, organizations, and governments to unlock the full potential of their human capital through innovative training and educational solutions.

MISSION

Leveraging technology and expertise to educate people at scale — whether at school, home, or the workplace.

VISION

To power a world of learning without boundaries — providing the tools and solutions people need to become the best version of themselves.

Our Values

Collaboration

We enjoy not just the work itself, but also the people around us. We trust each other and as a result, our collective efforts have a real impact in the world.

Impact

Our work is meaningful to the people and communities we serve. We aim to uplift and deliver value at every touch point. This is the source of our strength.

Passion

We are committed to our craft and push ourselves to be bold, innovative, and creative while maintaining the highest standards.

Transformation

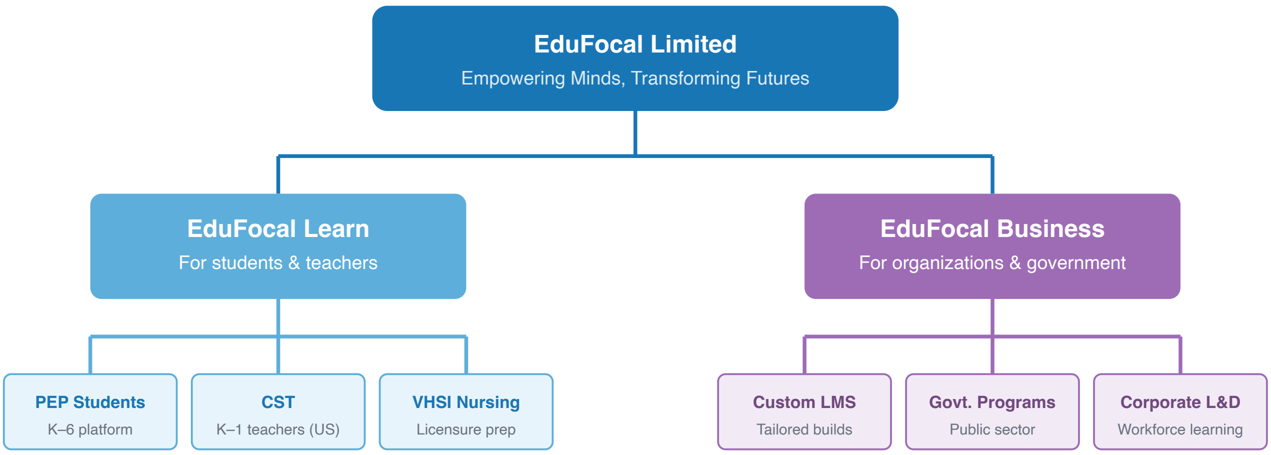
EduFocal is a vehicle for social empowerment. We are the change we want to see in the world.

OUR BUSINESS

What We Do

Empowering Minds, Transforming Futures — through two complementary divisions that bring innovative learning to students, schools, organizations, and governments.

EduFocal Limited comprises two complementary divisions — **EduFocal Learn** and **EduFocal Business** — each designed to bring innovative, technology-driven education to a different audience.



EduFocal Group structure: two divisions, multiple delivery channels.

Empowering Minds, Transforming Futures

At EduFocal Group, we have chosen to embark on a journey that goes beyond just being an educational technology company. We are driven by a deep-rooted passion for transforming lives through education, and our commitment to this purpose is what fuels our every endeavor. We strive to empower individuals, schools, organizations, and government agencies to unlock the full potential of their human capital through innovative learning solutions.

What sets us apart is our unwavering dedication to innovation. We understand that in a world that is rapidly advancing technologically, education must evolve to keep pace. This realization drives us to continually explore new avenues in educational technology, seeking out innovative approaches that revolutionize the way knowledge is acquired and shared. We believe that by embracing emerging technologies, we can empower learners to overcome barriers and unlock their full potential.

Our mission is to leverage technology and expertise to educate people at scale, whether at school, home, or the workplace. We envision a world where education knows no boundaries, where everyone has access to the tools and solutions they need to become the best version of themselves. We are motivated by the belief that education is the key to unlocking human potential and driving social and economic progress.

The EduFocal Group has chosen this path because we believe in the power of education to transform lives. By providing innovative training and educational solutions, we are paving the way for a brighter future — one where learning has no limits, and everyone can thrive.

EduFocal Learn DIVISION

EduFocal Learn develops digital learning experiences for students. With a deep understanding of the evolving educational landscape, EduFocal Learn deploys cutting-edge technology to create engaging and interactive platforms that empower students to learn effectively. By integrating gamification elements and social features into our offerings, we enhance the online learning experience, promoting active engagement and collaboration among students.

Our commitment to fostering a social learning environment is reflected in the incorporation of interactive elements such as points and prizes, which serve as incentives for active participation. With a particular focus on the Primary Exit Profile (PEP) subjects — Language Arts, Mathematics (with worked solutions for hundreds of math questions), Science, Social Studies & Mental Ability, and Performance Tasks — EduFocal Learn provides extensive coverage of the core PEP curriculum. Additionally, in collaboration with the Ministry of Education, we offer extracurricular programs that provide support to students preparing for the Primary Exit Profile exams.

Under the EduFocal Learn division, we manage three distinct programs catering to different customer segments: PEP-aged students, K-1 teachers primarily located in the United States, and Nurses. These programs are tailored to meet the unique needs of each respective group, ensuring targeted and effective learning solutions.

Our offerings include:

- **Live homework sessions** — Interactive, real-time sessions that allow students to receive immediate assistance and clarification on assignments.
- **Learning labs** — Practical exercises and activities that reinforce understanding of various subjects and facilitate effective learning outcomes.
- **Test preparation and practice questions** — Comprehensive resources, including practice questions, to equip students with the tools to excel in examinations.
- **Evening extra lessons** — Additional learning sessions that provide extra support and help consolidate knowledge.

Clever School Teacher (CST)

Clever School Teacher (CST) is a monthly subscription service specifically tailored for K-1 teachers. With CST, educators can enjoy a wide range of benefits, including access to carefully curated K-1 resources and professional development materials delivered on a monthly basis. Subscribers gain the advantage of early access to these resources, receiving them before they become available to others. CST Monthly provides ongoing access to the resources for the current month, as well as future months, as long as the individual maintains an active subscription. This ensures that teachers can continuously enrich their teaching materials and stay up-to-date with the latest educational content.

VHSI Nursing Academy

VHSI Nursing Academy is an extracurricular e-learning platform focused on strengthening the skills of nurses in preparation for licensure and offering continued education for registered nurses. Our services include:

- **Short online classes** — Concise and focused online classes designed to enhance specific nursing skills.
- **Courses** — Comprehensive courses covering key aspects of nursing practice and knowledge.
- **Practice seminars** — Hands-on practice sessions that reinforce theoretical concepts and build practical skills.
- **Products** — Practice quizzes, sample care plans, and other resources to support exam preparation and professional development.

EduFocal Business DIVISION

EduFocal Business collaborates with government entities and the business community to deliver customized learning management systems that deliver and manage various learning programs. Our LMS solutions are designed to be user-friendly, customizable, and scalable, catering to the specific needs of each organization. With advanced features such as progress tracking, assessments, and interactive content delivery, EduFocal Business empowers corporations and government entities to optimize their training initiatives, enhance employee performance, and foster continuous learning and growth within their workforce.

Custom LMS Builds

Tailored learning management systems shaped around each client's training programs, branding, and reporting needs.

Progress Tracking & Assessments

Granular learner analytics, competency tracking, and assessment tools that give organizations real visibility into outcomes.

Interactive Content Delivery

Rich multimedia, scenario-based learning, and SCORM-compatible courses delivered through a modern, mobile-friendly interface.

Scalable for Enterprise

Architected to grow from small training cohorts to enterprise-wide deployments without compromising performance or experience.

NOTICE OF AGM

NOTICE OF ANNUAL GENERAL MEETING
EDUFOCAL LIMITED

The Annual General Meeting (EGM) of EduFocal Limited (hereinafter referred to as "the Company") will be held on Friday, May 22, 2026 at 10:00 a.m. in an online format, to consider and, if thought fit, pass the following resolutions:

1. To receive the report of the Board of Directors and the Audited Financial Statements for the year ended December 31, 2024, circulated herewith

Resolution No. 1

"THAT the Audited Financial Statements for the year ended December 31, 2024, and the reports of the Directors and Auditors circulated with the Notice convening the meeting be and are hereby adopted."

2. Retirement and re-election of Directors

Resolution No. 2.1

"THAT in accordance with the Companies Act section 178 the Directors be and hereby re-elected en bloc"

Resolution No 2.2

Articles 95 of the Company's Articles of Incorporation provides that one-third of the Directors or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office at each Annual General Meeting. The Directors retiring under this Article are:

- Durval Williams
- Kevin Donaldson
- Shauna-Gay Fuller Clarke

3. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors

Resolution No. 3

"THAT Baker Tilly, Chartered Accountants, having signified their willingness to serve, continue in the office as Auditors of the Company pursuant to Articles 136 of the Company's Articles of Incorporation to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

4. To fix the fees of the Directors

Resolution No. 4

"THAT the amount shown in the Financial Statements of the Company for the year ended December 31, 2024, for fees of the Directors be and is hereby approved."

By Order of the Board

For AspireSec Limited
Company Secretary
EduFocal Limited

Message from the CEO

2024 has been a year of significant challenges for EduFocal Limited, as we continued to navigate a difficult operating environment characterized by declines in revenue and profitability. Despite these setbacks, we remain committed to executing our strategic plan, which is focused on restructuring operations, diversifying revenue streams, and building a more resilient business model for sustainable growth. The financial results for 2024 reflect the ongoing transformation process, with early signs of recovery emerging in key areas such as operational efficiency, cash flow management, and technology-driven growth.

REVENUE	NET LOSS REDUCTION	PLATFORM MILESTONE
J$97.17M	**27%**	**Quizzitive**
Down 63% from J$263.54M in 2023	Loss narrowed to J$57.96M from J$79.48M	Major upgrade and rebrand from Amigo

Progress on Strategic Initiatives

Revenue Diversification and Growth Initiatives

One of the key strategies implemented in 2024 was the diversification of our revenue base. Recognizing the limitations of our traditional revenue streams, we focused on expanding into new markets and exploring partnerships that could provide recurring income. Though the impact of these initiatives on the full year's revenue was limited, the early-stage results have been promising. Management is optimistic that these efforts will lead to a more stable and predictable revenue model in the future.

Moreover, EduFocal has begun monetizing its proprietary technology platforms, exploring licensing agreements that can unlock new revenue channels. This expansion into technology-driven services aligns with our focus on building a diversified, long-term growth engine.

Operational Efficiency and Cost Optimization

2024 saw significant progress in our cost optimization efforts. After assessing our cost structure and implementing a leaner operational model, we were able to make meaningful reductions in administrative expenses. This included workforce restructuring, designed to bring our cost base in line with current revenue levels. These savings are being reinvested in high-priority areas such as technology upgrades and market expansion, which are key to our long-term competitiveness.

We will continue to look for further cost efficiencies throughout 2025, maintaining an agile approach to ensure that we can adapt to shifting market dynamics without compromising the quality of our offerings.

Technology Advancements and Platform Enhancements

A major achievement in 2024 was the completion of a significant upgrade to the "Amigo" platform, now rebranded as "Quizzitive," aimed at improving user engagement and retention. The updated platform offers a more interactive and personalized learning experience, which we believe will help strengthen our competitive position in the market. Early feedback from users has been positive, and we expect these enhancements to drive greater user engagement, which will be critical for our shift to a recurring revenue model.

Cash Flow Assessment

Cash Flow Performance and Challenges in 2024

Cash flow continued to be a significant challenge for EduFocal in 2024. As a result of declining revenue and increased impairment losses, the company faced substantial liquidity pressures, which affected our ability to fund operations and invest in growth initiatives. However, despite these challenges, EduFocal made key strides in optimizing cash flow and managing working capital.

Cash Flow from Operating Activities

The company's cash flow from operating activities in 2024 was positive however significantly lesser than the prior year, primarily driven by the significant decline in revenue and the increased bad debt write-offs and impairment losses.

To mitigate these issues, we worked diligently to improve our working capital management by tightening controls on receivables and focusing on enhancing our cash collection processes. While we saw a marginal improvement in cash collections from customers, the overall impact on cash flow remained constrained due to the significant impairments and write-offs.

Cash Flow from Investing Activities

EduFocal made substantial investments in technology upgrades and the development of its new "Quizzitive" platform (formerly Amigo). While these investments are expected to yield long-term benefits, they placed additional pressure on the company's cash flow. The decision to prioritize technology enhancements was made in line with our strategy to diversify revenue streams and build a more resilient, technology-driven business model.

In addition to technology investments, the company also made capital expenditures on essential upgrades to its infrastructure, aimed at supporting future scalability and operational efficiency. These investments, while necessary for future growth, contributed to a cash outflow from investing activities.

Cash Flow from Financing Activities

In response to liquidity concerns, EduFocal undertook several measures to stabilize cash flow from financing activities. This included initiating discussions with financial institutions to refinance existing debt under more favorable terms. The goal was to reduce interest costs, extend repayment terms, and improve the company's overall capital structure.

While refinancing efforts are still ongoing, the company has seen early success in securing improved terms for certain debt facilities. These refinanced agreements are expected to reduce the immediate cash burden associated with interest payments, allowing for greater flexibility in the near term.

Additionally, EduFocal considered equity financing options during 2024, though no new equity was raised. As the company continues to work on improving its financial position, equity financing may remain an option for the future, contingent on market conditions and the company's growth trajectory.

Liquidity and Cash Conservation Efforts

To strengthen liquidity, EduFocal implemented several cash conservation measures, including deferring non-essential capital expenditures and closely monitoring cash outflows. Management also focused on reducing discretionary spending and renegotiating vendor contracts to better align with the company's reduced revenue base.

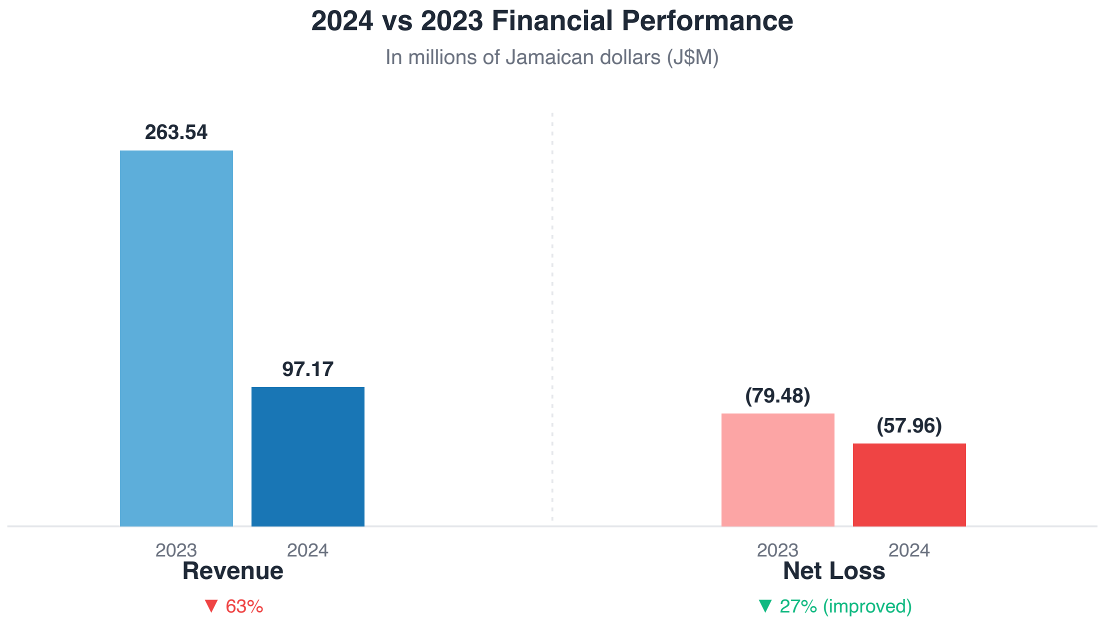
As of the end of 2024, EduFocal's cash position remains under pressure but is being actively managed through these conservation efforts and the ongoing refinancing process. The company expects that the cost optimization efforts implemented in 2024, along with a more predictable revenue model and improved working capital management, will result in gradual improvement in cash flow in 2025.

Outlook for Cash Flow in 2025

Looking ahead, EduFocal's cash flow is expected to improve as we begin to see the results of our strategic initiatives, particularly the ongoing diversification of revenue streams and the expansion of our technology offerings. The shift to a recurring revenue model, as well as the completion of strategic partnerships, should provide more consistent and predictable cash inflows.

Furthermore, the company will continue to prioritize cash flow management in 2025, focusing on reducing working capital requirements, optimizing operating expenses, and strengthening its cash position. These efforts will be critical in providing the necessary liquidity to support ongoing investments in technology and market expansion.

2024 Financial Performance Highlights



Source: 2024 Audited Financial Statements, EduFocal Limited.

Revenue for the year 2024 was J$97.17 million, down significantly from J$263.54 million in 2023. This 63% decrease is primarily due to the shift towards a more predictable and resilient revenue model, which has temporarily impacted our topline performance. However, the move to a diversified revenue base and recurring income streams is expected to stabilize revenue in the long term.

Operating expenses were better aligned with the reduced revenue base as a result of our restructuring efforts. Administrative expenses were effectively managed through renegotiated vendor contracts and optimized staffing. While some cost savings were achieved, these were partly offset by investments in technology, which are essential for future growth and expansion. The company's EBITDA remained negative in 2024, reflecting the continued challenges with declining revenue. However, adjusted EBITDA showed improvement thanks to the cost optimization measures that were implemented. Net profit for the year was a loss of J$57.96 million, though this was an improvement from the loss of J$79.48 million in 2023. Management expects that the diversification efforts and operational improvements will lead to gradual recovery in the coming quarters.

Outlook for 2025

Looking ahead, EduFocal's primary focus will be on rejuvenating revenue streams. The expanded "Quizzitive" platform, along with strategic partnerships and market expansion initiatives, is expected to generate incremental revenue growth. We are also exploring the use of data analytics to better understand user behavior and refine our offerings, maximizing customer lifetime value. The cost reductions and efficiency improvements made in 2024 are part of a long-term strategy to build a more resilient operational model. We will continue to monitor costs and seek additional efficiencies without compromising product quality, positioning ourselves for sustainable profitability.

In addition to focusing on revenue generation, EduFocal is committed to strengthening its balance sheet. Refinancing existing debt and exploring equity financing options remain priorities, as a stronger capital structure will provide flexibility for growth and help navigate potential market uncertainties.

Conclusion

EduFocal's 2024 performance reflects the ongoing challenges we've faced in a difficult market environment. Despite the setbacks, we have made meaningful progress in repositioning the business for future growth. By focusing on revenue diversification, operational efficiency, and technology enhancements, we are setting the foundation for a more resilient business model. While the path to recovery will be gradual, we are confident that the steps we've taken in 2024 will drive meaningful improvements in the years to come.

We remain grateful for the support of our investors and are committed to delivering long-term value as we execute our strategic vision.

Gordon Swaby

Chief Executive Officer, EduFocal Limited

Corporate Governance

Corporate Governance Framework and Policy

The Corporate Governance Framework and Policy of EduFocal Limited establish the role, responsibilities, and processes of the Board of Directors, guided by sound principles and accepted best practices at both local and international levels. This framework aligns with the requirements of the Jamaica Stock Exchange (JSE) and the Private Sector of Jamaica (PSOJ) guidelines, aiming to ensure transparency, accountability, responsiveness, stability, equity, and inclusiveness.

Role of the Board of Directors

The Board of Directors is elected by shareholders to provide oversight of, and strategic guidance to, senior management of the Company. The core responsibility of a Board member is to fulfill his or her duties of care and loyalty and otherwise to exercise his or her business judgment in the best interests of the Company and its shareholders. The Board of Directors is responsible for electing and overseeing the Company's officers, Non-Executive Directors and for ensuring that management and Executive Directors advance the interests of the shareholders through the operation of the Company's business.

The Board recognizes that it is management's responsibility to carry out the policies and strategies approved by the Board and to manage and carry out the operation of the Company's business. The Board is committed to legal and ethical conduct in fulfilling its responsibilities. The Board expects all directors, as well as officers and employees of the Company, to adhere to the Company's Code of Business Conduct & Ethics.

II. Board Composition, Selection and Leadership

A. Size and Classes of Board

The number of directors shall be established by the Board from time to time in accordance with the By-Laws of the Company, as amended from time to time. The Board is divided into Executive and Non-Executive Directors.

B. Independent Directors

It is the policy of the Company that the Board be composed of not less than a majority of independent directors based on applicable laws, regulations, and the Jamaica Stock Exchange listing standards.

To be considered "independent" for purposes of the director qualification standards, the following should be observed: the Board must affirmatively determine that the director otherwise has no material relationship with the Company, directly or as an officer, shareowner or partner of any organization that has a relationship with the Company. In each case, the Board shall broadly consider all relevant facts and circumstances in making an independence determination.

C. Board Membership Criteria and Selection

The Board shall be responsible for nominating individuals for election to the Board by the Company's shareholders. The Board is also responsible for filling vacancies on the Board that may occur between annual meetings of shareholders.

D. Term Limits; Retirement Policy

The Board of Directors does not believe it should limit the number of terms for which an individual may serve as a director. Moreover, the Board of Directors does not believe that there should be a mandatory retirement age for directors. The Board will at least annually review incumbent directors and the strengths and weaknesses of the Board of Directors as a whole. This review includes consideration of a director's interest in continuing as a member of the Board, what skills, experiences, and areas of expertise the director brings to the Board of Directors, and the needs of the Company for a proper mix of personnel and talents on the Board given EduFocal Group's needs at the time.

E. Membership on Other Boards

Directors should not serve on the board of directors of more than four (4) public companies, including EduFocal Group, at any one time. However, the Board may determine that service in excess of these guidelines is appropriate based on the facts and circumstances. If a director wishes to join the board of directors of another public or for-profit private company, he or she must first provide notice in writing to the Chairman of the Board and the Secretary of the Company.

F. Director Resignation

If a director wishes to resign, he or she may do so at any time by giving resignation notice. In order for such resignation to be effective, the resignation notice must be given in writing to the Chairman of the Board and the Secretary of the Company. The director's resignation shall take effect at the time specified in the resignation notice, and, except as provided in the immediately following paragraph, the acceptance of such resignation shall not be necessary to make it effective. If a director is required to tender his or her resignation because such director has failed to receive the required number of votes in accordance with the Company's Director Resignation Policy, as in effect from time to time (the "Director Resignation Policy"), such director shall tender his or her written resignation as required by the Director Resignation Policy. Unless otherwise provided in the Director's Contract, such resignation shall only be effective upon the Board's acceptance thereof in accordance with the terms of the Director's Contract.

G. Board Leadership

The Board of Directors shall, at least annually, evaluate and determine an appropriate leadership structure for the Board so as to provide effective oversight of management.

III. Board Meetings

A. Frequency of Board Meetings

The Board currently plans at least four Board meetings each year. Additional meetings are held as needed and are called in accordance with the Company's By-Laws, as amended from time to time. The Chairman, in consultation with the senior management and Board members, will determine the agenda and length of the meetings.

B. Attendance

Directors are expected to attend all or substantially all Board meetings and meetings of the Board committees on which they serve. The Board expects all directors to attend the annual meeting of shareholders.

C. Management Involvement in Board Meetings; Director Access to Officers, Employees and Information

The Board encourages the CEO to schedule members of senior management or other employees to attend Board meetings and make presentations where such employees can provide insight into the items being discussed. Directors have full access to officers, employees, and the books and records of the Company. Any meetings or contact that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary. The directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

D. Executive Sessions of Non-Employee Directors

The Board Meeting agenda shall include an Executive Session, which non-executive directors will have the opportunity to discuss matters in the absence of any executive directors. The directors shall not take formal action at these sessions but may make recommendations for consideration by the full Board.

IV. Board Committees

A. Number and Type of Committees; Independence of Members

The Board of Directors shall create, maintain and disband its committees depending on internal needs and in compliance with applicable laws, regulations and Jamaica Stock Exchange listing requirements. The current standing committees of the Board are:

1. the Audit Committee
2. the Corporate Governance Committee, and
3. the Remuneration Committee.

Each standing Board committee shall have a written charter. The Audit Committee and the Remuneration Committee shall be composed of no less than 3 independent directors, except to the extent allowed under applicable laws, regulations and Jamaica Stock Exchange listing standards.

B. Committee Member Selection

The CEO shall make recommendations to the Board of Directors with respect to the Board committee members and committee chairpersons. In making such recommendations, the CEO may consult with the Chairman of the Board and shall take into account the desires of the individual Board members. The Board shall consider rotation of committee members and committee chairpersons at such intervals as the Board determines, based on the recommendation of the CEO. Consideration of rotation shall seek to balance the benefits derived from continuity and experience against the benefits derived from gaining fresh perspectives and enhancing directors' understanding of different aspects of the Company's business and functions. The Board shall annually appoint such committee members and committee chairpersons.

C. Committee Meetings

The chairperson of each Board committee, in consultation with the committee members, will determine the frequency and length of the committee meetings, consistent with any requirements set forth in the committee's charter. The chairperson, in consultation with management and committee members, shall develop the committee meeting agendas.

D. Committee Reports

Oral reports of committee meetings shall be provided to the full Board of Directors, subsequent to each committee meeting.

V. Other Matters

A. Director Evaluations

Board members shall annually evaluate the performance and effectiveness of the Board of Directors as a whole, as well as its committees. The Executive Directors shall assume primary responsibility for overseeing the assessment process and report to the Board the results of the assessment and any recommendations arising from such results. All directors are free to make suggestions for improving the Board's practices at any time and are encouraged to do so.

B. Director Remuneration

The Board believes that the level of director Remuneration should generally be competitive. The Remuneration Committee periodically reviews and makes recommendations to the full Board of Directors which determines non-employee director Remuneration.

C. Executive Officer Evaluations and Remuneration Succession Planning

The Remuneration Committee shall annually evaluate the performance of senior executives of the Company for purposes of determining executive Remuneration. The CEO's Remuneration shall be presented to the full Board of Directors for review and approval. The Board shall review periodically with the CEO the Company's plan for succession and other senior executive positions.

D. Independent Advisors

The Board of Directors and its committees shall have the right at any time to retain independent outside financial, legal or other advisors as the Board or its committee deems appropriate. EduFocal Group will pay the fees and expenses of any such advisors.

E. Director Orientation

All new directors shall participate in a Company orientation program within a reasonable time after joining the Board. The orientation shall include presentations by management on appropriate topics and such other matters as the Board or the Secretary shall determine.

F. Communication with Shareholders

The Board believes that management should speak for the Company and that, generally, the Chairman should speak for the Board. In appropriate circumstances, however, chairpersons of committees may engage with the Company's shareholders with the permission of the CEO. Such communications shall be coordinated through the Secretary.

G. Corporate Responsibility

The Board recognizes that a long-term view is required to realize the Company's core mission of using technology to transform education. The Board's policy is to take into consideration the long-term interests of the Company and its shareholders and, as deemed appropriate by the Board, the Company's other stakeholders, including employees, the teaching community, regulators, partners, suppliers, and local communities. Unless the Board determines otherwise, the Executive Directors shall:

(i) be responsible for overseeing the Company's key corporate responsibility initiatives, including those expected to have a significant impact on the Company's ability to deliver sustained growth, and

(ii) conduct a periodic review of environmental, social, and governance matters pertaining to the Company.

The Board has established a Board Charter and Committee Terms of References for three (3) Standing Committees. These documents provide a clear scope of responsibilities and transparency for the Board and Committees to operate effectively. The Standing Committees function under delegated authority from the Board and undertake tasks that cannot be addressed during regular board meetings. Committee members provide timely updates to the Board on their activities, decisions, and recommendations.

Audit Committee

Responsibilities of the Audit Committee

The Audit Committee provides support to the Board in presenting a balanced and comprehensible assessment of the Company's consolidated accounting systems, internal controls, risk management practices, financial position, and business prospects. The Committee's duties include:

- Establishing a suitable framework for identifying and managing risks.
- Ensuring the independence and effectiveness of both internal and external audit functions.
- Establishing and maintaining a robust and effective system of internal controls while monitoring its effectiveness.

Reviewing and confirming the integrity of the consolidated financial statements and addressing matters of significant importance to the investing public, recommending them for Board approval. The Board retains responsibility and accountability for the final release.

Remuneration Committee

Purpose

The Remuneration Committee ("Committee") shall assist the Board of Directors ("the Board") of EduFocal Limited ("the Company") in fulfilling its fiduciary responsibilities relating to

- the fair and competitive Remuneration of the non-executive directors, executives and other key employees of the Company
- the administration of the general employees' welfare plans of the Company

Membership

The Committee shall be appointed by the Board. All Committee members shall be independent and/ or non-executive directors of the Company. The Committee shall consist of not less than three (3) but no more than five (5) members.

The Committee members and chairperson shall be appointed by the Board from among the independent and/or non-executive directors and/or other external non-affiliated representatives approved by the Board and shareholders.

In addition to the Committee members, the Chief Executive Officer and the Company's executive with oversight of the Company's human resource's function will function as management representatives, and will attend all meetings, except those during voting and deliberations dealing with their own Remuneration, and when the Committee determines their attendance is not appropriate.

The Board may fill vacancies on the Committee and may remove a committee member from the membership of the Committee at any time with or without cause.

Meetings and Quorum

The Committee shall meet at least once per year. A majority of Committee members shall constitute a quorum for any meeting. All Committee members are expected to attend each meeting, in person or via tele- or videoconference.

Any action of a majority of the members of the Committee present at any meeting at which a quorum is present; or any action of the Committee if all of the Committee members have signed a Round Robin Resolution circulated by the Corporate Secretary, shall be an action of the Committee. All resolutions approved by Round Robin should be noted at the next regular Board meeting. The Company Secretary shall be the secretary of the Committee.

Responsibilities

The Committee's responsibilities shall be:

Chief Executive Officer and Executive Management Remuneration – Conduct evaluations and determine the remuneration for the Chief Executive Officer and other executive management.

- Review and approve goals and objectives for the Chief Executive Officer and conduct performance evaluations of the Chief Executive Officer against such goals and objectives.
- Consider the evaluations of the other executive management conducted by the Chief Executive Officer.
- Review and approve the annual remuneration framework for the Chief Executive Officer and the other executive officers.
- Agree on the remuneration framework, including salary, target performance incentives, short and long-term incentive awards, perquisite/fringe benefits, and other forms of remuneration.

In setting such remuneration programmes, the Committee shall:

1. Review the remuneration practices of comparable companies.
2. Coordinate the framework with the goal of achieving ongoing effectiveness.
3. Set the appropriate financial performance measures, targets, and goals for the Chief Executive Officer and executive management. Report to the Board on the foregoing annual remuneration framework and details of the remuneration for the Chief Executive Officer and executive management.

- **Board Remuneration** – Based on a comparison of market trends, review and recommend to the Board any changes to the components and amount of Remuneration for its members.
- **Employee Plans** – Review, approve and report to the Board when materially modifying any Remuneration programmes that yield payments and benefits that are not reasonably related to the employees' performance and that have a material cost impact to the Company or, to the extent required by law, have a significant impact to employees, including fringe benefit programmes.
- **Executive Agreements** – Review, approve and report to the Board with input from the Chief Executive Officer, all executive candidates' offer packages and new and existing executives' employment contracts.

Reporting Procedures

The secretary shall prepare meeting agendas which are to be circulated, along with any appropriate briefing materials to members in advance of meetings at least five (5) working days in advance of meetings.

The secretary shall be responsible for preparing minutes of the Committee meetings containing information regarding actions, discussions and decisions taken at the meeting and submit to the Board at its next meeting.

The Committee members shall participate in an annual performance review of their work as part of the Board evaluation process.

Corporate Governance Committee

Governance is about structures and processes that are designed to ensure transparency, accountability, responsiveness, stability, equity, inclusiveness and the promotion of the rule of law. Good governance enhances the company's goodwill as well as bolsters its integrity and ethical standing in the community with regulators, vendors, customers and its most important asset – its employees. The Company's governance regime will, at a minimum, be centered around having the following in place:

1. Board and Committee Charters Developed and Approved

The Board and its sub-committees – The Corporate Governance, Audit, and Compensation Committees – must have charters approved by the Board and uploaded onto the website for Shareholder accessibility. The Charters will provide the remit and scope of responsibilities thereby allowing the Board and Committees to operate with certainty and transparency.

2. Policies Approved by the Board and Fully Implemented

Policies are critical to the company as they create uniformity, consistency, build trust among the stakeholders and drive accountability, thereby reducing the risk of unwanted events. To this end, the existence of policies provides a decision-making framework to ensure that integrity and fairness are adhered to when issues arise as well as minimize risks of exposure for the company. The company's policies will therefore guide its operations by integrating its mission, vision, values and culture into clearly written and easily accessible documents for the benefit of all stakeholders. They cover what employees can expect from the organization (e.g. employee benefits, vacation leave), what the company expects from employees (e.g. code of conduct, confidentiality agreements), and what customers and the community can expect from the organization (e.g. customer service).

3. Divisions and Departments Develop Procedural Manuals that Fully Operationalize Policies

Procedural manuals operationalize policies, streamline processes and provide a road map for day-to-day operations. They help to ensure optimum business operations and consistent delivery of services and completing certain tasks of the company. The risks associated with unplanned events, off boarding and onboarding team members are mitigated by procedural manuals, in that the systematic approach to the business practices is clearly outlined.

4. Committee Meetings Reports to the Board

Committees operate on the delegated authority by the Board and so, the Committees take on work that the Board cannot do during its regular Board meetings. Therefore, it is important for Committees and their members to communicate their work to the other Board members. Committees meet in accordance with their charters, and on a timely basis, the Board is updated on their activities, decisions and recommendations by way of a report.

5. Annual Evaluation of the Board and its Committees

An evaluation examines the roles of the Board and its Committees and the entailing responsibilities and also assesses how effectively these are fulfilled by the Board and the Committees. It is the responsibility of the Corporate Governance Committee to ensure that an assessment instrument and a process exist for the annual evaluation exercise.

Relationship with Stakeholders

The Board is committed to maintaining contact with stakeholders to understand their issues and concerns. General meetings are held to encourage physical and virtual attendance and the opportunity to communicate effectively with the members of the Board. The shareholders are invited to meet and interact with the Board to help it stay abreast of their issues, opinions, and recommendations for the growth and development of EduFocal Limited.

The minutes of general meetings are available for scrutiny by the shareholders, as well as the quarterly and annual financial reports. The JSE and EduFocal Limited's website are the primary channels for communication with stakeholders. Material information for shareholders and other stakeholders is timely disclosed through uploads to the JSE, the Company's website (edufocalgroup.com), and local newspapers. The information disclosed is factual and presented in a clear and balanced way.

The Corporate Governance Structure of the Company

EduFocal prioritizes the highest standards of corporate governance, establishing a streamlined framework to effectively manage and oversee our business operations. Our unwavering dedication to good governance guarantees that everyone within our organization follows fair and transparent decision-making procedures, ensuring the protection of the interests of our shareholders, managers, employees, customers and other stakeholders.

We strictly adhere to the guidelines set forth in the Jamaica Corporate Governance Code, the Jamaica Stock Exchange Junior Market Rules, and globally recognized best practices in corporate governance.

Organizational Structure

EduFocal Group operates under a well-defined organizational structure comprising two distinct divisions: **Learn** and **Business**.

The Learn division of EduFocal focuses on the development of innovative digital learning experiences tailored for students. This division encompasses two key segments: **Health Education** and **K-12 Education**.

The Business division, known as **EduFocal Business**, consists of two segments: **Business Development** and **Corporate Learning**. The Business Development segment collaborates with government entities and the business community to establish strategic partnerships, delivering customized learning management systems.

The Corporate Learning segment provides comprehensive learning solutions for businesses and organizations, offering tailored learning management systems to enhance employee skills and knowledge through effective training and development programs, ensuring a competitive edge in today’s dynamic business landscape.

Corporate Data

Directors

1. Chairman, Non-Executive Director — Peter Levy
2. Chief Executive Officer, Co-founder — Gordon Swaby
3. Independent, Non-Executive Director — Grace Lindo
4. Independent, Non-Executive Director — Kevin Donaldson
5. Independent, Non-Executive Director — Shauna-Gaye Fuller Clarke
6. Independent, Non-Executive Director — Lloyd Swaby
7. Independent, Non-Executive Director — Durval Williams

Company Secretary

AspireSec Limited

Registered Office

The Summit, Suite 2014 16 Chelsea Avenue Kingston 5, Jamaica

Attorneys

Ramsay & Partners, Attorneys-at-Law 8 Lady Musgrave Road Kingston 5, St. Andrew, Jamaica

Bankers

1. National Commercial Bank — Main Street, Christiana, Manchester
2. Jamaica Money Market Brokers — 2 Graham Street, Ocho Rios
3. First Global Bank Jamaica Limited — Shop 27, 121d Hope Road, Kingston

Auditors

Garcia Campbell and Associates, Chartered Accountants 11a East Avenue, Kingston 8

Mentor

Mr. Herbert Hall Investment Banking Consultant *Appointed effective May 28, 2024, succeeding Mrs. Tania Waldron-Gooden who resigned effective March 1, 2024.*

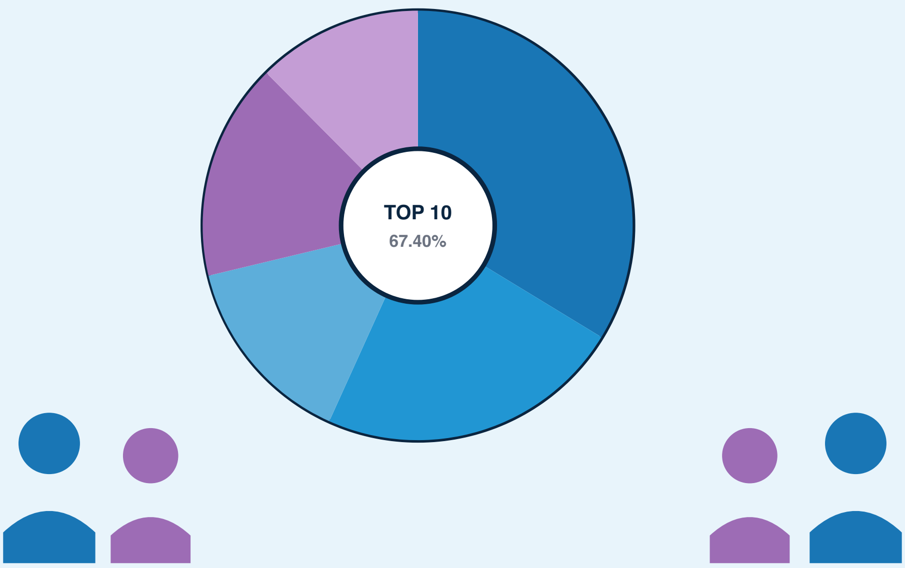
Registrar / Transfer Agent

Jamaica Central Securities Depository 40 Harbour Street, Kingston, Jamaica

Management

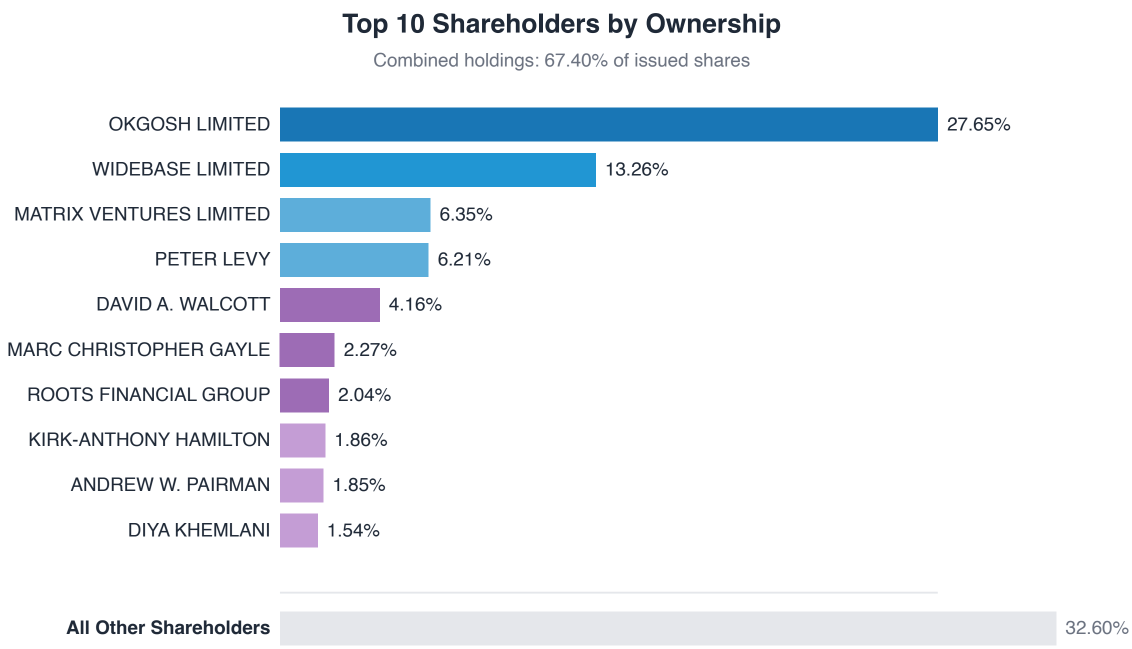
1. Chief Executive Officer — Gordon Swaby
2. Chief Operating Officer — Mark Green
3. Chief Technology Officer, Co-founder — Paul Allen

SHAREHOLDERS PROFILE



Top 10 Shareholders

As at December 31, 2024.



Source: EduFocal Limited shareholder register, December 31, 2024.

	Primary Account Holder	Joint Holder(s)	Volume	Percentage
1	OKGOSH LIMITED		179,308,871	27.6521%
2	WIDEBASE LIMITED		86,002,750	13.2629%
3	MATRIX VENTURES LIMITED		41,187,887	6.3518%
4	PETER LEVY	Carol Levy	40,251,100	6.2073%
5	DAVID A. WALCOTT	Grace A. Walcott	26,962,763	4.1581%
6	MARC CHRISTOPHER GAYLE	Cheyenne-Kari Zoe Alexis Gayle	14,704,045	2.2676%
7	ROOTS FINANCIAL GROUP LIMITED		13,242,200	2.0421%
8	KIRK-ANTHONY HAMILTON		12,065,616	1.8607%
9	ANDREW W. PAIRMAN	Paula Pairman	12,000,000	1.8506%
10	DIYA KHEMLANI	Shashi Vashi Khemlani	10,000,000	1.5421%
	Total		**435,725,232**	**67.40%**

Shareholdings of Directors, Senior Managers & Connected Persons

As at December 31, 2024.

Name	Shareholdings	Connected Persons
Directors		
Peter Levy	41,187,887	—
Grace Lindo	7,707,741	—
Shauna-Gaye Fuller Clarke	—	—
Kevin Donaldson	—	13,242,200
Lloyd Swaby	—	—
Gordon Swaby	762,650	180,505,752
Durval Williams	—	—
Senior Management		
Gordon Swaby	762,650	—
Paul Allen	—	56,250,000
Mark Green	30,842	—

Board of Directors

Peter Levy

Chairman, Non-Executive Director

Peter Levy, the Managing Director of British Caribbean Insurance Company Limited ("BCIC"), is a seasoned Chartered Insurance Professional with over forty years of experience in Jamaica's general insurance industry. Through his strong leadership and customer-centric approach, BCIC has consistently emerged as the most profitable general insurance company in Jamaica, achieving this distinction in both 2017 and 2019.

In addition to his role at BCIC, Peter has held prominent positions within the Insurance Association of Jamaica (IAJ), serving as Vice-President in 2013 and later as President from 2018 to 2020, where he spearheaded strategic initiatives and chaired the IAJ's General Insurance Committee.

Peter's dedication to education is evident in his long-standing position as the Chairman of the Board of Directors of EduFocal since 2012. His remarkable achievements and unwavering commitment to excellence have propelled both BCIC and Jamaica's insurance industry to new heights.

Gordon Swaby

Chief Executive Officer, Co-founder

Mr. Gordon Swaby, the co-founder and current Chief Executive Officer of EduFocal since its establishment in 2010, has garnered widespread international recognition for his exceptional work in the education sector in Jamaica. In 2016, the British Broadcasting Corporation (BBC) acclaimed both EduFocal and Gordon as "Digital Disruptors," producing a compelling documentary that aired on BBC's networks. Gordon's outstanding contributions to the education sector have also been acknowledged locally, including his receipt of the prestigious Governor General's Award. Moreover, Gordon serves as a director for several public sector organizations, such as the Jamaica Library Service and E-Learning Jamaica Limited, further showcasing his commitment to fostering educational advancement.

Grace Lindo

Independent, Non-Executive Director

Grace Lindo is an accomplished commercial and intellectual property lawyer at Carter Lindo, specializing in intellectual property, technology transactions, e-commerce, trade, regulatory compliance, cybersecurity, data protection, corporate governance, and mergers & acquisitions.

A Chevening Scholar with an LL.M. from the London School of Economics and Political Science (LSE) in Competition, Trade and Innovation, she holds a B.A. in Media and Communications and a Bachelor of Laws from the University of the West Indies.

Grace has been consistently recognized as a leading trademark professional in the Caribbean by the World Trademark Review (WTR) since 2014. She is a Certified Information Privacy Professional (CIPPE) and has contributed to global internet and technology policy as an ICANN Fellow.

Grace actively serves on committees within the Jamaican Bar Association and the Jamaica Chamber of Commerce, demonstrating her expertise and commitment to commercial and intellectual property matters.

Kevin Donaldson

Independent, Non-Executive Director

With over 17 years of extensive experience in the financial industry, Kevin has demonstrated his expertise in various sectors including insurance, investment banking, treasury, and research, both locally and internationally. Holding an MBA with distinction in Banking and Finance from the Mona School of Business, as well as a BSc in Economics from the University of the West Indies, Kevin possesses a strong academic background. He serves as a director for Elite Diagnostics Limited, Indies Pharma Jamaica Limited, WiPay Caribbean Ltd, and other notable organizations. Additionally, Kevin is a co-founder and director of Roots Financial Group Limited, which acts as a lender to EduFocal through a loan agreement. This agreement grants Roots Financial the option to convert a portion of its debt into ordinary shares at the Invitation Price of J$1.00.

Shauna-Gaye Fuller Clarke

Independent, Non-Executive Director

Shauna-Gaye is an accomplished senior executive with a wealth of experience in strategic and operational leadership spanning over 20 years. Alongside her corporate work, Shauna has also collaborated with NGOs and governments, enabling her to engage on various global platforms, including addressing the Female Parliamentarians of COPA, Stanford University students, and the Aspire Reimagination Conference. As the Founder of Innovative CEO Academy and Director of Strategy and Innovation at Kingston Bookshop, a family business, Shauna demonstrates her entrepreneurial spirit. She is a sought-after keynote speaker on topics such as leadership, strategic agility, innovation, and organizational culture. In the non-profit sector, Shauna holds the position of Founder and Executive Director of the B.A.S.E. Foundation, dedicated to raising awareness and providing support for those affected by Endometriosis. With a BSc in Economics and Politics from the University of Bristol (UK), an MBA from the University of New Orleans (USA), and a Sloan MSc in Leadership and Strategy from the London Business School (UK), Shauna possesses a strong academic foundation to complement her extensive professional experience.

Lloyd Swaby

Independent, Non-Executive Director

With over 35 years of entrepreneurial expertise, Mr. Lloyd Swaby is a seasoned business leader who has successfully started and managed multiple enterprises. His profound knowledge and experience extend to the realms of retail and commercial real estate. Lloyd actively contributes to the growth and development of the Manchester community; spearheading initiatives aimed at uplifting the region and its surroundings. He has served as the President of the Rotary Club of Christiana and holds the esteemed position of Justice of Peace, further highlighting his commitment to community engagement and public service.

Durval Williams

Independent, Non-Executive Director

Durval Williams is a seasoned audit and risk management professional with extensive experience in internal audit leadership across Jamaica’s financial services sector. He has held senior internal audit leadership positions at Supreme Ventures Limited, Sagicor Group Jamaica, and JMMB Group, developing deep expertise in governance, controls, and enterprise risk management.

Durval holds a Bachelor of Science in Accounting from the University of the West Indies, Mona, and an MBA from Georgia Southwestern State University. His professional credentials include Certified Internal Auditor (CIA), Fellow of the Association of Chartered Certified Accountants (FCCA), Fellow of the Institute of Chartered Accountants of Jamaica (FCA), Chartered Professional Accountant (CPA), and Certified General Accountant (CGA), and he is a member of the Institute of Internal Auditors (IIA). Beyond his professional work, Durval is an active member of the Rotary Club of New Kingston.

Our Management Team

Gordon Swaby

Chief Executive Officer, Co-founder

Mr. Gordon Swaby, the co-founder and current Chief Executive Officer of EduFocal since its establishment in 2010, has garnered widespread international recognition for his exceptional work in the education sector in Jamaica. In 2016, the British Broadcasting Corporation (BBC) acclaimed both EduFocal and Gordon as “Digital Disruptors,” producing a compelling documentary that aired on BBC’s networks. Gordon’s outstanding contributions to the education sector have also been acknowledged locally, including his receipt of the prestigious Governor General’s Award. Moreover, Gordon serves as a director for several public sector organizations, such as the Jamaica Library Service and E-Learning Jamaica Limited, further showcasing his commitment to fostering educational advancement.

Paul Allen

Chief Technology Officer, Co-founder

Paul Allen, a Co-Founder and Chief Technology Officer (CTO) of EduFocal Limited, plays a crucial role in driving the success of the company. With a strong focus on the EduFocal technology platform, Paul is one of the main contributors to its development. His responsibilities include overseeing Product and Engineering decisions, as well as collaborating closely with managers and staff to ensure smooth day-to-day operations of the company.

Throughout his fifteen-year career as a software engineer, Paul has been an integral part of various technology startup teams in Jamaica and the USA. This extensive experience has equipped him with expertise in diverse sectors, including e-commerce, banking, digital media, marketing, data warehousing, and social services.

In addition to his professional achievements, Paul holds a Bachelor of Science degree in Management Information Systems from Excelsior Community College.

Mark Green

Chief Operating Officer

Mark Anthony Green is the Chief Operating Officer of EduFocal Limited, bringing strategic leadership in education technology and telecommunications. Since joining in April 2023, he has enhanced operations across EduFocal’s subsidiaries in Jamaica, the U.S., and Nigeria, driving improvements in performance and partnerships.

Previously, Mark held leadership roles at Cable & Wireless Communications, where he managed mobile products and customer solutions across the Caribbean and Latin America. His background includes advanced degrees in Economics and certifications in cybersecurity and project management, underlining his commitment to innovation and operational excellence.

INDEPENDENT AUDITOR'S REPORT

[INSERT AUDITOR'S REPORT FROM THE COMBINED PDF AT FINAL ASSEMBLY]

The Independent Auditors' Report is included at the front of the combined audited financials PDF: `years/2024/inserts/audited-financial-statements.pdf`.

At final assembly, either: (a) extract the auditor's report pages and insert them here, or (b) merge the two sections into one and remove this placeholder from the build (drop `independent-auditors-report` from `years/2024/config.yaml`).

AUDITED FINANCIAL STATEMENTS

EduFocal Limited

Index
December 31, 2024

Garcia Campbell
AND ASSOCIATES
CHARTERED ACCOUNTANTS

11a East Avenue, Kingston 8
Jamaica, W.I.

T: 876-569-6181

garcamp01@yahoo.com

INDEPENDENT AUDITORS' REPORT

To the Members of
EduFocal Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Edufocal Limited (the Company)and its subsidiary ('the Group') and the stand-alone financial position of the Company as at 31 December 2024, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

EduFocal Limited's consolidated and stand-alone financial statements comprise:

- The consolidated statement of financial position as at 31 December 2024;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended;
- The company statement of financial position as at 31 December 2024;
- The company statement of comprehensive income for the year then ended;
- The company statement of changes in equity for the year then ended
- The company statement of cash flows for the year then ended; and
- The notes to the financial statements which include a summary of significant accounting policies.

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 and stand-alone financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Emphasis of matter

Material uncertainty related to Going Concern
We draw attention to note 2(b) to the financial statements. The note indicates that the Company has an accumulated deficit of $302,358,991 (2023: $247,717,918) as at the reporting date, which is due to significant losses in the past. The Company's current liabilities exceeded its current assets by $120,857,173. The Company's cash flow position shows a net increase of $ 2,281,379 (2023: $693,163). Continuation as a going concern, therefore, may be in doubt and is dependent on those charged with governance's ability to implement strategies to reduce costs and increase revenue. Our opinion has not been modified in respect of this matter.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud

How we tailored our Group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. Our 2024 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

The Group's businesses all operate in the education technology industry. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages.

In establishing the overall group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the group engagement team and component auditors

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
Intangible Assets impairment assets refer to notes 2(f) and 6 of the consolidated and stand-alone financial statements for related disclosures of accounting policies, judgments and estimates. As at 31 December 2024, the Group had recorded intangible assets of $157.7 million (2023: $150.3 million), representing approximately 68% (2023: 47%) of the Group's total assets. We focused on this area as the annual impairment assessment requires management's judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the key assumption being the revenue growth and discount rate in the Group's impairment model. We included the impairment of intangible assets as a key audit matter because the carrying value of these key intangible assets will be affected if the Group is unable to generate revenue growth and produce sustainable operating cash flows.	Our audit procedures performed to address this key audit matter included the following procedures, amongst others, over management's intangible assets impairment assessment: • Evaluated management's future cash flow forecasts, and the process by which they were prepared, including testing the underlying calculations and comparing them to the latest financial forecast. • Assessed the impairment model and determined whether any significant changes to the model were required. • Performed sensitivity analysis around the revenue growth assumptions. Challenged management's key assumptions for revenue growth and discount rate. To do this, we: • Compared the key assumptions to externally derived data where possible, including market expectations of investment returns and projected economic growth. • Evaluated the revenue growth and discount rate used in management's cash flow projection.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The Group's revenue recognition policy (Note 2 (o)) does not generally require a high level of judgment; however, due to the contractual terms of certain contracts, there is a significant risk associated with certain components that has directed the focus of our audit effort. These contracts are often customised solutions and meet the definition for revenue recognition over time in accordance with IFRS 15. Revenue recognition is considered a key audit matter in view of the risk that management may override controls to intentionally misstate revenue transactions in order to achieve financial targets, either through adjusting estimates at the period end or recording fictitious transactions in the business.	Our audit procedures to address the key audit matter relating to the revenue from contracts with customers included the following: • Selected several contracts on a sample basis, reviewed the terms of these contracts, and assessed the reasonableness of the basis adopted by management in relation to the revenue recognition method. • Examined the supporting documents for the sample of contracts to assess if revenue was recognised at a point in time upon the fulfilment of the relevant performance obligation. • Obtained third-party confirmations for a sample of receivable balances outstanding as at the year-end to assist in the assessment of the validity of related revenue. • Performed cut-off tests by examining the supporting documents that management used to recognise the revenue before and after the reporting date, to assess whether the revenue had been recognised in the correct accounting period. Based on our work, we found that the revenue recognition of contracts made by management is adequately supported by available evidence in accordance with IFRS 15 Revenue from Contracts with Customers.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
EduFocal Limited
Page 5

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Expected Credit Loss assessment. The Group recognises expected credit losses (ECL) on financial assets measured at amortised cost. The determination of ECL is highly subjective and requires management to make significant judgments and estimates, and the application of forward-looking information. The combination of significant management estimates and judgment increases the risk that management estimates could be materially misstated. See notes 2(h),3(a),4(i),10and 12 of the financial statements	Our audit procedures in response to this matter included: • Obtaining an understanding of the model used by management for the calculation of expected credit losses on financial assets. • Testing the completeness and accuracy of the data used in the models to the underlying accounting records. • Review the ECL model to assess the appropriateness of the Group's impairment methodology, management's assumptions and compliance with the new requirements of IFRS 9, Financial Instruments. • Assessing the appropriateness of the Group's impairment methodology, management assumptions and compliance with the requirements of IFRS 9, Financial Instruments. • Testing the accuracy of the Group's ageing of accounts receivable. • Testing the accuracy of the ECL calculation.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Borrowings Refer to notes 2 (q), 16 and 19 to the financial statements for management's disclosures of related accounting policies, judgments and estimates relating to borrowings. As at 31 December 2024, long and short-term borrowings, excluding long-term lease liabilities and non-interest-bearing related party liabilities, represented $217 million (2023 - $217 million) or 149% (2023 – 149%) of the total equity and debts of the Group. The Company remains highly leveraged as management continues to strategically use debt financing as the principal pillar to implement structured growth projects within the Group. As a Company initiative to reduce its reliance on high-interest short-term financing, in March 2022, the Company issued shares to the market through an Initial Public Offering (IPO), whereby it raised $102.8 million. Proceeds from the IPO were used in 2022 to retire $75 million of short-term debt. The Company continues to examine its financing options within the context of its debt management strategy and reviews its choices based on the present market conditions as well as its risk profile.	Our audit procedures to address this matter included the following procedures: • Reviewed the loan agreements and repayment schedules. We noted that the loans were not being serviced on a timely basis as per the contractual agreements, principally by predetermined monthly deductions from the Group's various bank accounts. • Confirmed the balances, reviewed the maturity schedule for repayment, tested the interest calculations and determined that the total borrowings represented obligations by the Company and the Group. • Tested the effectiveness of controls over the timely repayment of loans and other credit facilities and noted that they are compliant with the various agreements. We had robust discussions with senior management regarding the growth and expansion strategy, using debt as the principal means of growth and expansion and the ultimate strategy to reduce debt capital over the long term. A downside to this strategy is the inherent liquidity risk that the cash-generating units acquired may not perform as expected, resulting in the Company and Group being unable to meet its obligations as they fall due. Management is mindful of this inherent liquidity risk. However, management is confident that their strategic growth and expansion plan will continue to perform based on historical performance and anticipated future positive trends. Management is of the opinion that adequate safeguards are in place as they have implemented the necessary policies and procedures, including scenario analysis, alternative payment strategies in the event of cash flow challenges and direct monitoring of the individual borrowings. We evaluated the performance of the borrowing portfolio after the end of the reporting period to determine whether there was a need for any adjustment or whether there were any defaults or breaches of any terms of financial covenants. There were no adverse findings. We also reviewed legal and bank confirmations and correspondences, and we did not identify any negative matters or need for adjustment at the time of approval and signing of the audit report by the Board of Directors.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone 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 consolidated and stand-alone 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

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group's and Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

Report on the audit of the consolidated and stand-alone financial statements (continued)

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand- alone 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 it 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 and stand-alone financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone 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

- 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 and Company'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 or Company'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 and standalone 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 or Company to cease to continue as a going concern.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and stand-alone financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
EduFocal Limited
Page 10

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Garcia Campbell.

Garcia Campbell & Associates
Chartered Accountants
Kingston, Jamaica
November 17, 2025

GARCIA CAMPBELL
ACCA
Chartered Accountant

EDUFOCAL LIMITED
Consolidated Statement of Financial Position
As at December 31, 2024

	Note	2024	2023
ASSETS			
Non-current assets			
		$	$
Property, plant and equipment	5	1,195,484	2,024,714
Intangible assets	6	157,715,181	150,318,042
Right-of-use asset	8	-	-
Deferred tax assets	9	1,863,338	7,305,224
		160,774,003	159,647,980
Current assets			
Receivables	10	28,540,380	32,054,672
Director's account	11	38,382,670	29,828,795
Due from related parties	12	3,130,086	-
Cash and cash equivalents	13	2,492,817	158,764
		72,545,953	62,042,231
TOTAL ASSETS		233,319,957	221,690,211
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	185,631,690	185,631,690
Foreign exchange reserves		(1,493,563)	(352,553)
Accumulated deficit		(311,966,359)	(255,366,524)
		(127,828,232)	(70,087,387)
Non-controlling interest	15	(1,343,661)	(1,460,367)
		(129,171,893)	(71,547,754)
Non-current liabilities			
Long term loans	16	154,333,772	175,350,886
Lease liability	8	-	-
		154,333,772	175,350,886
Current liabilities			
Payables	17	129,911,038	75,663,705
Current portion of long term loans	16	76,377,537	38,052,828
Bank Over Draft	8	68,433	-
Director's loan	18	-	-
Short term loan	19	-	4,065,000
Due to related parties	12	1,801,070	105,546
Taxation payable		-	-
		208,158,078	117,887,079
TOTAL EQUITY AND LIABILITIES		233,319,957	221,690,211

Approved for issue by the Board of Directors November 17, 2025 and signed on its behalf by:

Director
Gordon Swaby

Director
Harry Campbell

EDUFOCAL LIMITED
Consolidated Statement of Comprehensive Income
Year ended December 31, 2024

	Note	2024	2023
		$	$
Revenue	20	97,171,745	263,542,463
Administrative and operating expenses	21	(332,441,695)	(298,699,155)
Operating(loss)/profit	22	(235,269,950)	(35,156,692)
Other operating income	23	(2,758,541)	14,303,693
Impairment losses on financial assets	24	216,450,860	(38,404,106)
Loss before finance costs		(21,577,631)	(59,257,105)
Finance costs, net	26	(30,948,129)	(24,523,698)
Loss before taxation		(52,525,759)	(83,780,803)
Taxation	27	(5,441,886)	4,300,417
Loss after taxation being total comprehensive loss		**(57,967,645)**	**(79,480,386)**
Net loss attributable to:			
Stockholders of the company		(57,621,679)	(78,008,902)
Non-controlling interest		(345,966)	(1,471,484)
		(57,967,645)	(79,480,386)
Loss per ordinary stock unit attributable to shareholders of the company	28	(0.08)	(0.12)

EDUFOCAL LIMITED
Consolidated Statement of Changes in Equity
Year ended December 31, 2024

	# of Shares	Share Capital	Foreign Exchange Reserves	Accumulated deficit	Non-controlling Interest	Total Equity
		$	$	$	$	$
Balance at 1 January 2023	648,446,094	185,631,690	(649,944)	(177,357,622)	-	7,624,124
Issue of ordinary shares (Note 14)					-	-
Subsidiary issue of ordinary shares (Note 15)					2,510	2,510
Foreign exchange reserves	-	-	297,391	-	8,607	305,998
Total comprehensive loss	-	-	-	(78,008,902)	(1,471,484)	(79,480,386)
Balance at 31 December 2023	648,446,094	185,631,690	(352,553)	(255,366,524)	(1,460,367)	(71,547,754)
Subsidiary issue of ordinary Shares (Note 15)	-	-	-	-		-
Foreign exchange reserves	-	-	(1,141,010)	-	1,484,516	343,506
Total comprehensive loss	-	-	-	(56,599,835)	(1,367,810)	(57,967,645)
Balance at 31 December 2024	648,446,094	185,631,690	(1,493,563)	(311,966,359)	(1,343,661)	(129,171,893)

EDUFOCAL LIMITED
Consolidated Statement of Cash Flow
Year ended December 31, 2024

	2024 $	2023 $
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Loss before taxation	(52,525,759)	(83,780,803)
Adjustments for:		
Amortization of intangible assets	9,682,253	27,351,025
Amortization of right-of-use asset	-	1,146,933
Bad debt written off	214,517,871	74,729,739
Gain on disposal of right-of-use asset	-	(465,520)
Depreciation	829,229	916,897
Impairment losses on financial assets	(216,450,860)	38,404,106
Foreign exchange losses	92,433	916,018
Interest income	(310,462)	(1,068,639)
Interest expense	31,257,982	24,457,380
Lease interest expense	-	18,939
Loss on disposal of property,plant and equipment	-	-
Changes in operating assets and liabilities:	(12,907,313)	82,626,075
decrease in receivables	5,447,341	(70,466,520)
(Increase)/decrease in director's account	(11,332,363)	(10,322,639)
Increase/(decrease)in payables	54,247,333	60,959,529
Cash provided by/(used in) operating activities	35,454,998	62,796,445
Interest received	310,306	260,663
Interest paid	(29,773,311)	(19,818,667)
Tax paid	-	(350,810)
Net cash provided by/(used in)operating activities	5,991,994	42,887,631
Investing Activities		
Purchase of property, plant and equipment	-	(212,199)
Purchase of intangible assets	(17,079,392)	(46,720,555)
Net cash used in investing activities	(17,079,392)	(46,932,754)
Financing Activities		
Lease payments	-	(1,308,060)
Long term loans,net	(21,017,114)	(20,320,410)
Short term loans, net	(4,065,000)	4,065,000
Due to related parties	40,020,234	38,599,500
Director's loan	-	(20,311,749)
Proceeds from issue of subsidiary shares	-	2,510
Due from Related Parties Subsidiary	(351,598)	-
Net cash provided by financing activities	14,586,521	726,791
Net(decrease)/increase in cash and cash equivalents	3,499,123	(3,318,332)
Effect of foreign exchange losses on cash at the bank	(1,233,503)	(138,548)
Cash and cash equivalents at beginning of year	158,764	3,615,644
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,424,384	158,764
Representedby:		
Cash at bank	158,764	158,764
	2,424,384	158,764

EDUFOCAL LIMITED
Company Statement of Financial Position
As at December 31, 2024

	Note	2024	2023
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,195,484	2,024,714
Intangible assets	6	131,262,848	120,369,467
Investment in subsidiaries	7	23,442,673	23,442,673
Right-of-use asset	8	-	-
Deferred tax assets	9	1,863,338	7,305,224
		157,764,343	153,142,078
Current assets			
Receivables	10	28,500,056	32,054,672
Director's account	11	33,207,254	27,050,307
Due from related parties	12	-	16,507,819
Due from Subsidiary		19,159,729	-
Cash and cash equivalents	13	2,424,384	143,005
		83,291,424	75,755,803
TOTAL ASSETS		241,055,767	228,897,881
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	185,631,690	185,631,690
Accumulated deficit		(302,358,991)	(247,717,918)
		(116,727,301)	(62,086,228)
Non-current liabilities			
Long term loans	16	154,333,771	175,350,886
		154,333,771	175,350,886
Current liabilities			
Payables	17	125,773,212	73,409,849
Current portion of lease liability	8	-	-
Current portion of long-term loans	16	76,377,537	38,052,828
Short-term loan	19	-	4,065,000
Due to related parties	12	1,298,548	105,546
Taxation payable		-	-
		86,721,996	53,546,995
TOTAL EQUITY AND LIABILITIES		241,055,767	228,897,881

Approved for issue by the Board of Directors November 17, 2025 and signed on its behalf by:

Director
Gordon Swaby

HLCAMPBELL Director
Harry Campbell

EDUFOCAL LIMITED
Company Statement of Comprehensive Income
Year ended December 31, 2024

	Note	2024	2023
		$	**$**
Revenue	20	93,229,264	257,236,664
Administrative and operating expenses	21	(324,967,993)	(277,440,389)
Operating(loss)/profit	22	(231,738,729)	(20,203,725)
Other income	23	(2,758,541)	465,520
Impairment losses on financial assets	24	216,450,860	(38,404,106)
Loss before finance costs		(18,046,409)	(58,142,311)
Finance costs, net	26	(31,152,777)	(24,783,759)
Loss before taxation		(49,199,186)	(82,926,070)
Taxation	27	(5,441,886)	4,300,417
Net loss for the year, being total comprehensive loss		**(54,641,072)**	**(78,625,653)**
Loss per ordinary stock unit attributable to shareholders of the company	28	(0.09)	(0.12)

EDUFOCAL LIMITED
Company Statement of Changes in Equity
Year ended December 31, 2024

	Number of shares	Share Capital	Accumulated deficit	Total
		$	$	$
Balance at 1 January 2023	648,446,094	185,631,690	(247,717,918)	(62,086,228)
Issue of ordinary shares (Note 14)			-	
Short-term loan converted to ordinary shares (Note 14)			-	
Total comprehensive loss	-	-		
Balance at 31 December 2023	648,446,094	185,631,690	(247,717,918)	(62,086,228)
Total comprehensive loss	-	-	(54,641,072)	(54,641,072)
Balance at 31 December 2024	648,446,094	185,631,690	(302,358,990)	(116,727,300)

EDUFOCAL LIMITED
Company Statement of Cash Flow
Year ended December 31, 2024

	2024	2023
CASH RESOURCES WERE PROVIDED BY/(USEDIN):	$	$
Operating Activities		
Loss before taxation	(49,199,186)	(82,926,070)
Adjustments for:		
Bad debt written off	214,517,871	74,729,739
Depreciation	829,229	916,897
Amortization of intangible assets	5,241,533	18,681,086
Amortization of right-of-use asset	-	1,146,933
Gain on disposal of right-of-use asset	-	(465,520)
Impairment losses on financial assets	(216,450,860)	38,404,106
Foreign exchange losses	8,232	916,018
Interest income	(91,943)	(808,578)
Lease interest expense	-	18,939
Loss on disposal of plant, property and equipment	-	-
Interest expense	31,257,982	24,457,380
	(13,887,142)	75,070,930
Changes in operating assets and liabilities:		
Increase in receivables	(3,554,616)	(70,466,520)
(Increase)/decrease in director's account	(6,156,947)	(9,667,215)
Increase/(decrease) in payables	52,363,363	59,611,722
Cash provided by/(usedin)operating activities	28,764,659	54,548,917
Interest received	-	602
Interest paid	(28,996,005)	(19,818,667)
Tax paid	-	(350,810)
Net cash provided by/(used in operating activities	(231,346)	34,380,042
Investing Activities		
Purchase of property, plant and equipment	-	(212,199)
Purchase of intangible assets	(16,134,914)	(43,970,567)
Investment in subsidiary	-	(3,264,883)
Net cash used in investing activities	(16,134,914)	(47,447,649)
Financing Activities		
Proceeds from the issue of shares	-	-
Lease payments	-	(1,308,060)
Long term loans, net	(17,307,594)	(20,055,454)
Shortt erm loans, net	(4,065,000)	4,065,000
Due to related parties, net	40,020,234	29,672,958
Net cash provided by financing activities	18,647,640	12,374,444
Net decrease in cash and cash equivalents	2,281,379	(693,163)
Effect of foreign exchange losses on cash at bank	-	(534,297)
Cash and cash equivalents at beginning of year	143,005	1,370,465
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,424,384	143,005
Represented by:		
Cash at bank	2,424,384	143,005
	2,424,384	143,005

1. Identification and Principal Activities

EduFocal Limited is an education technology company incorporated in Jamaica under the Companies Act of Jamaica on 19 November 2010. The registered office of the company is located at 29 Munroe Road, Kingston 6, Saint Andrew.

On March 15, 2022, the Company was successful in issuing an Initial Public Offering (IPO) on the Junior Market of the Jamaica Stock Exchange of 129,689,219 ordinary shares.

The principal activities of the Group are to provide proprietary learning platforms and e-courses for individuals and organisations.

These financial statements present the results of operations and financial positions of the Company and its subsidiaries, which are referred to as "the Group"; the subsidiaries are as follows:

Subsidiary	Country of incorporation and place of Business	Principal Activity	% ownership of the Company at 31 December 2024		% ownership of the Company at 31 December 2023	
			Company	subsidiary	Company	subsidiary
EduFocal LLC	USA	Online Learning Platform	100%		100%	
EduFocal Africa Inc.	USA	Online Learning Platform	70%		70%	
And Its Subsidiary EduFocal Nigeria Limited	USA	Learning Platform		100%		100%

On March 16, 2023, EduFocal Limited acquired 70% of the share capital of EduFocal Africa Inc., a company incorporated in the United States of America. EduFocal Africa Inc. is also the parent company of EduFocal Nigeria Limited, another company incorporated in 2023.

These financial statements are presented in Jamaican dollars, which is the Company's functional currency

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to the current year presentation.

a) Basis of Operation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis, and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

2. Summary of Significant Accounting Policies cont'd

(a) Basis of preparation cont'd

Standards and amendments to published standards effective in the current year that are relevant to the Group's operations

The following amendments to standards have been adopted by the Group for the first time, which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2023:

Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Deferred Tax related to assets and liabilities (Amendments to IAS 12 Income Taxes) (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendments did not result in any material effect on the Group's financial statements.

2. Summary of Significant Accounting Policies cont'd

(a) Basis of preparation cont'd

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

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretations to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

The amendments in Classification of Liabilities as Current or Non-current – Amendments of IAS1(effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Lack of Exchangeability Amendments to IAS 21(effective for annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

2. Summary of Significant Accounting Policies cont'd

Going Concern Assumption

The preparation of the financial statements in accordance with IFRS assumes that the company will continue operations for the foreseeable future. This means, in part, that the statement of comprehensive income and the statement of financial position assume no intention or necessity to liquidate or curtail the scale of the company's operations. This is commonly referred to as the going concern basis.

The company at 31 December 2024 has an accumulated deficit of $302,358,991 (2023: $247,717,918) and a net current liability position of $120,857,173 (2023 - net current liability position of $39,877,420). The company's cash flow position shows a net increase of $2,281,379 (2023: $693,163). These conditions indicate the existence of a material uncertainty that may cast doubt on the ability of the company to continue as a going concern.

The ability of the company to sustain profitability and to generate the incremental cash flows to meet its obligations and other costs is therefore dependent on its ability to successfully minimise costs and increase sales of the business

The Board of Directors of the company has made the financial stability of the company a priority and will continue to strategically align these objectives with operations to make the company profitable, including generating sufficient cash flow to meet its liabilities.

The Board of Directors of the Company will continue the growth strategic plan to achieve the company's mandate. The Company's management plans to implement certain strategies to ensure sufficient liquidity and financial viability: -

(a) The company's cost containment strategy is continuous and realignment of the organisation structure to ensure that specific costs are associated with revenue, including leveraging contractors as needed per project

(b) Management intends to introduce a rights issue to raise $250M, secure large contracts for $200M and seek restructuring of loans from creditors to help with cash flow.

Management is of the view that the strategies being pursued will resolve the issues and believes that the going concern basis of presentation of the financial statements is appropriate.

2. **Summary of Significant Accounting Policies cont'd**

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary as at 31 December 2024. A subsidiary is an entity controlled by the company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee(i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policy in line with the Group's accounting policy. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

Disposal of Subsidiary

When the Group ceases to have control o f any retained interest in the entity is remeasured to its fair value at the date when control is lost, 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.

(d) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing on the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica's weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income

2. Summary of Significant Accounting Policies cont'd

(e) Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Furniture and Equipment	10%
Computers and Accessories	25%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repair and maintenance expenditures are charged to the statement of comprehensive income during the financial period in which they are incurred.

(f) Intangible Assets

This represents the costs of software and educational content development, which includes costs incurred to bring to use the specific software, as well as certain acquired computer software licences. These intangible assets are identified separately and reported at cost less accumulated amortisation and accumulated impairment losses. The costs of these intangible assets are amortised over their estimated useful life of five years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

(g) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents, receivables and directors' accounts. Financial liabilities consist of trade and other payables, long-term loans and short-term borrowings.

Generally, financial instruments are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 3 (e).

2. **Summary of Significant Accounting Policies cont'd**

(h) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Prepayments are partial or full settlements of debt or expenses before the contractually obligated due date; this includes advances and deposits.

(i) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at the bank and bank overdraft.

2. Summary of Significant accounting policies cont'd

(j) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Where applicable, current and deferred taxes are recognised as income tax expense.

- Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

- Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled, based on enacted rates.

  Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the 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.

(l) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be determined.

(m) Share Capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Summary of Significant accounting policies cont'd

(n) Dividends

Dividends on ordinary shares are recognised in shareholders' equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors, while shareholders approve final dividends at the Annual General Meeting. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

(o) Revenue Recognition

The Group provides online learning to different business segments of society, to include corporate contracts, partnerships with government agencies, schools and individual clients.

Revenue comprises the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts and General Consumption Tax.

The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the company; and when specific criteria have been met for each of the entity's activities, as described below:

For sales of services, revenue is recognised on the accrual basis, in the accounting period in which the related services are provided

(a) Online sales – This relates to paid access to the learning content platform. These are cash

(b) Partnership and business sales–These are contractual arrangements

(i) Interest income and interest expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest rate method on the actual purchase price.

(ii) Other operating income

Includes miscellaneous inflows. Income is recognised on the accrual basis

2. Summary of Significant Accounting Policies cont'd

(p) Net finance Costs

Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest income on funds invested during the course of routine treasury transactions, lease interest expense and foreign exchange gains and losses recognised in the income statement.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Summary of significant accounting policies(continued

(r) Impairment of non-financial assets

At each statement of financial position date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset(or cash-generating unit)is estimated to be less than its carrying amount, the carrying amount of the asset(or cash-generating unit)is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(s) Related party transactions

A party is related to the company if:

(i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the company that gives it significant influence over the company; or has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venture partner

(iv) the party is a member of the key management personnel of the company or its parent

(v) the party is a close member of the family of any individual referred to in (i) or (iv)

(vi) the party is the company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any company that is a related party of the company

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

2. Summary of significant accounting policies (continued)

(t) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for
(i) Leases of low-value assets; and
(ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes
(i) Amounts expected to be payable under any residual value guarantee;

(ii) the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option;
(iii) any penalties payable or terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

To determine the incremental borrowing rate, the company
(i) since it does not have recent third-party financing, it uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
(ii) makes adjustments specific to the lease, e.g. term, currency and security

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
(i) lease payments made at or before commencement of the lease;
(ii) initial direct costs incurred; and
(iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

2. Summary of significant accounting policies (continued)

(t) Right-of-use assets and lease liabilities (continued)

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases 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 are assets valued at US$5,000 or less when new. The Group has no short-term leases or leases for low-valued assets at this time.)

Extension and termination options

Extension and termination options are included in a number of property and equipment 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.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

a. If the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

b. In all other cases where the renegotiation increases the scope of the lease(whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

2. Summary of significant accounting policies (continued)

(t) Right-of-use assets and lease liabilities (continued)

c. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease, with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the Group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company'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. The company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Group's risk profile. This Committee oversees how management monitors compliance with the Group's risk management policies and reviews the adequacy of the risk management framework. This committee is also assisted by Internal Audit, which reports to the Audit Committee after it undertakes regular and ad hoc reviews of risk management controls and procedures, especially over inventories and receivables.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, due from related parties, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

(a) Credit risk(continued)

Risk management (continued)

Management determines concentrations of credit risk by monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers who are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security

The Group and the Company do not hold any collateral as security.

Impairment of financial assets

The Group and the Company have two types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Due from related parties

While the director's account and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 and 31 December 2023, and the corresponding credit losses experienced within these periods. EduFocal Limited does not have a significant history of losses relating to revenues. The management has estimated the loss rate by taking into consideration mostly forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP, inflation and the unemployment rate of the countries in which it sells its services to be the most relevant factors, and will accordingly adjust the expected loss rates based on changes in these factors.

3. Financial risk management(continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

The Group and Company:

31-Dec-24	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0%	0%	0%	82.88%	82.88%
Gross carrying amount– trade receivables	-	-	-	244,749,030	244,749,030
Loss allowance	-	-	-	202,847,996	202,847,996

31-Dec-23	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0%	0%	0%	82.88%	82.88%
Gross carrying amount – trade receivables	-	-	-	180,203,036	180,203,036
Loss allowance	-	-	-	149,352,276	149,352,276

The closing loss allowances for trade receivables as at 31 December 2024 and 31 December 2023 reconciled to the opening loss allowances are as follows:

Opening Expected Credit Loss balance	224,415,939	149,344,581
Decrease in loss allowance recognised in profit or loss during the year	(9,897,438)	75,071,358
Closing Expected Credit Loss balance (Note10)	214,518,501	224,415,939

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there's no reasonable expectation of recovery include, amongst others, the failure of a debt or to engage in a repayment plan with the company, and a failure to make contractual payments for a period of greater than 90 days past due.

3. Financial risk management(continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item

As at 31 December 2024 and 31 December 2023, trade receivables with lifetime expected credit losses of the full value of the receivables were as follows

The Group and Company	**2024**	**2023**
Trade receivables with lifetime expected credit losses	142,637,581	142,637,581

Other financial assets at amortised cost

Other financial assets at amortised cost include receivables due from a related party.

	Related Party Receivables 2024	**Related Party Receivables** 2023
Balance of expected credit loss at the beginning of the year	67,602,291	104,269,543
(Decrease)/increase in loss allowance:		
Recognised in profit or loss during the year	(254,854,966)	(36,667,252)
Balance of expected credit loss at the end of the year (Note12)	(187,252,675)	67,602,291

Net impairment losses on financial and contract assets recognised in profit or loss.

During the period, the following losses were recognised in profit or loss in relation to impaired financial assets.

The Group and Company:

	2024	2023
Impairment losses		
• movement in loss allowance for amounts due From the related party	38,404,106	75,071,358
• movement in loss allowance for trade receivables	(254,854,966)	(36,667,252)
Net impairment losses on financial and contract Assets Note 24	(216,450,860)	38,404,106

3. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions

Liquidity risk management process

The company's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis
(ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
(iii) Maintaining a committed line of credit

Undiscounted cash flows of financial liabilities

The maturity profile of the group's financial liabilities at year-end on contractual undiscounted payments was as follows

The Group

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total	Carrying amount
	$	$	$	$	$	$
2024						
Payables	129,911,038				129,911,038	129,911,038
Due to related parties			1,801,070		1,801,070	**1,801,070**
Short-term loan					-	
Long-term loans			76,377,537	154,333,772	230,711,309	230,711,309
	129,911,038	-	78,178,608	154,333,772	362,423,417	362,423,417
2023						
Payables	75,663,705	-	-		75,663,705	75,663,705
Due to related parties			105,546			105,546
Short-term loan	-	-	4,065,000		4,065,000	4,065,000
Long-term loans	12,856,601	12,005,016	36,437,748	208,941,475	270,240,840	213,403,714
	88,520,306	12,005,016	40,608,294	208,941,475	350,075,091	293,237,965

Assets available to meet all of the liabilities and to cover financial liabilities include cash at the bank and in hand, short-term deposits and a guarantee from the ultimate parent company.

3. Financial risk management (continued)

(b) Liquidity risk (continued) Undiscounted cash flows of financial liabilities

The maturity profile of the company's financial liabilities at year-end on contractual undiscounted payments was as follows:

The Company:

	Within 1month	1 to 3 months	3to12 months	1 to 5 Years	Total	Carrying amount
2024						
	$	$	$	$	$	$
Payables	125,773,212				125,773,212	125,773,212
Due to related parties			1,298,548		1,298,548	1,298,548
					-	
Short-term loan					-	
					-	
Long-term loans			76,377,537	154,333,771	230,711,308	230,711,308
	125,773,212	-	77,676,085	154,333,771	357,783,068	357,783,068
2023						
Payables	73,409,849				73,409,849	73,409,849
Due to related parties					-	
			105,546		105,546	105,546
Short-term loan			4,065,000		4,065,000	4,065,000
					-	
	12,856,601	12,005,016	36,437,748	208,941,475	270,240,840	213,403,714
	86,266,450	12,005,016	40,608,294	208,941,475	347,821,235	290,984,109

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents.

3. Financial risk management(continued)

(c) Market Risk

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (see Note 3 (c)(i)) and foreign currency exchange rates (see Note 3 (c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which it manages and measures the risk.

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group incurs interest on its borrowings disclosed in Notes 16 and 19. These borrowings are at fixed rates and expose the Group to fair value interest rate risk. Interest rate fluctuations are not expected to have a material effect on the net results or stockholders' equity. The Group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

At the reporting date, the Group's financial liabilities subject to interest rates were aggregated $230, 711,308 (2023: $217,468,714). The company contracts financial liability at a fixed interest rate; hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarises the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the contractual re-pricing or maturity dates.

4. Financial risk management (continued)
(c) Market Risk (continued)

i. Interest rate risk (continued)

The Group:

	Within1 month	1 to 3 months	3to12 months	1–5 years	Non Interest bearing	Total
	$	$	$	$	$	$
2024						
Assets						
Receivables	-	-	-	-	28,540,380	28,540,380
Director's account	-	-	-	38,382,670	-	38,382,670
Due from related party	-	-	3,130,086	-	-	3,130,086
Cash and cash equivalents	2,492,817	-	-	-	-	2,492,817
Total financial assets	2,492,817	-	3,130,086	38,382,670	28,540,380	72,545,953
Liabilities						
Due to related parties	-	-	-	-	1,801,070	1,801,070
Long term loans	-	-	76,377,537	154,333,772	-	230,711,309
Lease liability	-	-	-	-	-	-
Payables	-	-	-	-	129,911,038	129,911,038
Overdraft	68,433	-	-	-	-	68,433
Total financial liabilities	68,433	-	76,377,537	154,333,772	129,911,038	360,690,780
Total interest re-pricing gap	2,424,384	-	(73,247,451)	(115,951,102)	(101,370,658)	(288,144,826)

3. Financial risk management (continued)

(c) Market risk (continued)

i. Interest rate risk (continued)

The Group:

	Within1 month	**1to3 months**	**3to12 months**	**1–5 years**	**Non-interest bearing**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
2023						
Assets						
Receivables	-	-	-	-	32,054,672	32,054,672
Director's account	-	-	29,828,795	-	-	29,828,795
Cash and cash equivalents	6,880	-	-	-	151,884	158,764
Total financial assets	6,880	-	29,828,795	-	32,206,556	62,042,231
Liabilities						
Due to related parties	-	-	-	-	105,546	105,546
Short-term loan	-	-	4,065,000	-	-	4,065,000
Long-term loans	7,328,750	7,519,418	23,204,660	175,350,886	-	213,403,714
Payables	-	-	-	-	75,663,705	75,663,705
Total financial liabilities	7,328,750	7,519,418	27,269,660	175,350,886	75,769,251	293,237,965
Total interest re-pricing gap	(7,321,870)	(7,519,418)	2,559,135	(175,350,886)	(43,562,695)	(231,195,734)

The Group has no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

3. Financial risk management(continued)

(c) Market risk(continued)

(i) Interest rate risk (continued)

At the reporting date, the Company's financial liabilities are subject to interest rates aggregated $230,711,308 (2023: $217,468,714). The Company contracts financial liability at a fixed interest rate, hence changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts, categorised by the contractual repricing or maturity dates.

The Company

2024	within 1 month $	1-3 months $	3-12 months $	1 to 5 years $	Non Interest Bearing $	Total $
Assets						
Receivables	-	-	-	-	28,500,056	28,500,056
Director's account	-	-	-	33,207,254	-	33,207,254
Due from related parties	-	-	-	-	-	-
Cash and cash equivalents	2,424,384	-	-	-	-	2,424,384
Total financial assets	2,424,384	-	-	33,207,254	28,500,056	64,131,694
Liabilities						
Due to related parties	-	-	-	-	1,298,548	1,298,548
Short term loan	-	-	-	-	-	-
Long term loans	-	-	76,377,537	154,333,771	-	230,711,308
Lease liability	-	-	-	-	-	-
Payables	-	-	-	-	125,773,212	125,773,212
Total financial liabilities	-	-	76,377,537	154,333,771	127,071,760	357,783,068
Total interest re- pricing gap	2,424,384	-	(76,377,537)	(121,126,517)	(98,571,703)	(293,651,373)

The Group has no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

3. Financial risk management(continued)

(c) Market risk(continued)

i. Interest rate risk (continued)

The Company

2023	within 1 month $	1-3 months $	3-12 months $	1 to 5 yeears $	Non Interest Bearing $	Total $
Assets						
Receivables	-	-	-	-	32,054,672	32,054,672
Director's account	-	-	27,050,307	-	-	27,050,307
Du e from related parties	-	-	-	-	16,507,819	16,507,819
Cash and cash equivalents	6,880	-	-	-	136,125	143,005
Total financial assets	6,880	-	27,050,307	-	48,698,616	75,755,803
Liabilities						
Due to related parties	-	-	-	-	105,546	105,546
Short term loan	-	-	4,065,000	-	-	4,065,000
Long term loans	7,328,750	7,519,418	23,204,660	175,350,886	-	213,403,714
Payables	-	-	-	-	73,409,849	73,409,849
Total financial liabilities	7,328,750	7,519,418	27,269,660	175,350,886	73,515,395	290,984,109
Total interest re- pricing gap	(7,321,870)	(7,519,418)	(219,353)	(175,350,886)	(24,816,779)	(215,228,306)

3. Financial risk management (continued) (c)

Market risk (continued)

a. 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 is exposed to foreign exchange risk arising from exposure primarily to the US dollar. The group is primarily exposed to such risks arising from foreign currency translation in relation to cash at bank, related party, loans and payables.

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3. Financial risk management (continued)

(d) Capital management

The Group defines capital as equity and total borrowings. The Group manages its capital of $101 million (2023: $146 million), to support and be responsive to opportunities for its current growth strategy and expansion plans and to maintain its normal operations and remain compliant with various covenants and restrictive rules and regulations of the industry and the financial environment in which it operates

Capital Management Strategies

The Group's objectives when managing capital are to enhance the Group's financial performance to provide specific hurdle returns for its shareholders while maintaining an optimal capital structure, to contain the cost of capital, as well as meet externally imposed capital requirements

The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Group monitors capital based on the gearing ratio. This ratio is calculated as total borrowings divided by capital as defined above. Total borrowings are calculated as current and non-current borrowings, as shown in the consolidated statement of financial position. Capital is calculated as total shareholders' equity, as shown in the statement of financial position, plus total borrowings.

The management of the Group remains deliberate in the way it funds its growth projects, and given the present economic environment and the general uptick in the cost of capital in the market, management continues to adjust major debts to optimise operating performance, and specifically to scale the business effectively.

	The Group		The Company	
	2024 $	2023 $	2024 $	2023 $
Total borrowings (excluding lease liability and non- interest-bearing related party liabilities)	230,711,308	217,468,714	230,711,308	217,268,714
Equity and total borrowing	100,800,271	145,920,960	116,727,301	155,382,486
Gearing ratio	229%	149%	198%	140%

(3) Financial risk management (continued)

(e) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists, as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and bank balances, receivables, directors' current account, due from related companies, short-term loans and payables reflects their approximate fair values because of the short-term maturity of these instruments

The fair values of long-term loans approximate amortised costs

The fair values of directors' accounts and due to related companies could not be reasonably assessed, as there are no set repayment terms

4. Critical accounting estimates and judgements in applying accounting policies

The Group and Company make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group and Company use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the credit risk note.

(ii) Income Taxes

Estimates and judgments are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Group and Company recognise liabilities for possible additional taxes based on its judgment. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable Assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group and Company apply a variety of methods in an effort to arrive at these estimates, from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Recognition and measurement of Intangible Assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination involves the utilisation of valuation techniques. These intangibles may be market-related, consumer-related, contract-based based or technology-based,

5. Property, plant and equipment

The Group and The Company:

	Furniture and Equipment	Computers and Accessories	Total
Cost			
31 December 2022	1,998,931	2,871,338	4,870,269
Additions	-	-	-
Disposal	-	212,199	212,199
31 December 2023	1,998,931	3,083,537	5,082,468
Additions			-
31 December 2024	1,998,931	3,083,537	5,082,468
Depreciation			
31 December 2023	712,692	1,428,166	2,140,858
Charge for the year	186,294	730,603	916,897
Disposal	-	-	-
31 December 2024	898,986	2,158,769	3,057,755
Charge for the year	199,893	629,336	829,229
Disposal	-	-	-
31 December 2024	1,098,879	2,788,105	3,886,984
Net Book Value			
31 December 2024	900,052	295,432	1,195,484
31 December 2023	1,099,945	924,768	2,024,713

Intangible assets comprise computer software and intellectual property purchased and developed by the Group. Intellectual property is amortised over eight years. Amortisation of the computer software is calculated based on an estimated useful life of five years.

The Group

	Intellectual Property	Software	Work in Progress	Total
	$	$	$	$
01 January 2023	58,490,146	87,830,409	19,270,202	165,590,757
Additions	25,838,369	6,103,067	14,779,119	46,720,555
31 December 2023	84,328,515	93,933,476	34,049,321	212,311,312
Additions			17,079,391	17,079,391
31 December 2024	84,328,515	93,933,476	51,128,712	229,390,703
Amortization-				
01 January 2023	9,497,089	25,145,156	-	34,642,245
Charge for the year	9,061,944	18,289,081	-	27,351,025
31 December 2023	18,559,033	43,434,237	-	61,993,270
Charge for the year	3,207,925	6,474,328	-	9,682,253
31 December 2024	21,766,958	49,908,565	-	71,675,523
Net book value-				
31 December 2024	62,561,557	44,024,911	51,128,712	157,715,180
31 December 2023	65,769,482	50,499,239	34,049,321	150,318,042

During 2022, the Group purchased all of the Clever School Teacher online learning platform and content for a sum of $42 million. These intangible assets are managed by the subsidiary, EduFocal LLC

6. Intangibles continued

The Group determines whether the intangible assets are impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the intangible asset is allocated. The recoverable amount is 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 cash flow projections are based on financial budgets approved by management covering a five-year period.

The Company:

	Intellectual Property	Software	Work in Progress	Total
01 January 2023	56,379,551	47,662,228	18,787,988	122,829,767
Additions	24,197,313	5,004,545	14,768,709	43,970,567
31 December 2023	80,576,864	52,666,773	33,556,697	166,800,334
Additions			16,134,914	16,134,914
31 December 2024	80,576,864	52,666,773	49,691,611	182,935,248
Amortization-				
01 January 2023	9,389,347	18,360,434	-	27,749,781
Charge for the year	8,668,241	10,012,845	-	18,681,086
31 December 2023	18,057,588	28,373,279	-	46,430,867
Charge for the year	2,432,132	2,809,401		5,241,533
31 December 2024	20,489,720	31,182,680	-	51,672,400
Net book value-				
31 December 2024	60,087,144	21,484,093	49,691,611	131,262,848
31 December 2023	62,519,276	24,293,494	33,556,697	120,369,467

7. Investment in Subsidiary

	The Company	
	2024	**2023**
	$	**$**
EduFocal Africa Inc	3,264,883	3,264,883
EduFocal LLC	20,177,790	20,177,790
	23,442,673	23,442,673

Edufocal Africa Inc. summarised financial information as at December 31 2024

Since March 2023, the Group has had a 70% interest in EduFocal Africa Inc. EduFocal Africa Inc. was created by EduFocal Limited in 2023 to provide similar education courses to individuals and organisations in Africa. The financial information of EduFocal Africa Inc. is summarised below:

	2024	**2023**
Current assets	-	14,192
Cash and cash equivalents, included in current assets		14,192
Current liabilities	1,853,609	1,623,054
Current financial liabilities, excluding trade and other Payables and provisions, included in current liabilities		496,897
Loss from operations	(606,116)	(4,904,946)
Post-tax loss from operations	(606,116)	(4,904,946)
Total comprehensive loss	(606,116)	(4,904,946)

8. Right of use Asset and related lease liability

(i) Amounts recognised in the statement of Financial position

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

Right-of-use asset

	The Group and the Company	
	2024	**2023**
	$	**$**
Balance as at beginning of year	-	-
Adjustment	-	-
Disposal	-	-
Amortization	-	-
Balance as at end of year	-	-

Lease Liability

	The Group and the Company	
	2024	**2023**
	$	**$**
Balance as at beginning of year	-	4,380,027
Adjustment	-	
Disposal	-	(3,090,906)
Interest expense	-	18,939
Payments	-	(1,308,060)
Balance as at end of year	-	-

Lease Liability

	The Group and the Company	
	2024	**2023**
	$	**$**
Current	-	-
Non Current	-	-
Balance as at end of year	-	-

(ii) Amounts recognised in the statement of comprehensive income

The statement of profit or loss shows the following amounts relating to leases:

	The Group and the Company	
	2024	**2023**
	$	**$**
Amortization of right-of-use asset(included in Administrative expenses)	-	1,146,933
Interest expenses included in finance cost	-	18,939
Loss on disposal of right-of-use asset(Note23)	(2,758,541)	465,520

8. Right of use Asset and related lease liability

(iii) Amounts recognised in the statement of cash flows

	The Group and the Company	
	2024	**2023**
	$	**$**
Total cash outflows for leases	-	1,308,060

9. Deferred Tax Asset

Deferred income taxes are calculated in full on all temporary differences under the liability method using the applicable tax rate. Assets and liabilities recognised on the statement of financial position are as follows

	The Group and the Company	
	2024	**2023**
	$	**$**
Deferred income tax assets	1,863,338	7,305,224

The movement on the net deferred income tax balance is as follows:

	The Group and the Company	
	2024	**2023**
	$	**$**
Net assets at the beginning of year	7,305,224	3,004,807
Deferred tax credited to profit and loss (Note 27)	(5,441,886)	4,300,417
Net assets at the end of year	1,863,338	7,305,224

Deferred income tax assets and liabilities are attributable to the following items:

	The Group and the Company	
	2024	**2023**
	$	**$**
Deferred tax assets		
Property, plant and equipment	-	(150,710)
Intangible assets	1,719,164	5,215,053
Right-of-use asset, net of lease obligation	-	-
Accrued vacation	-	783,699
Interest payable	142,115	1,361,751
Unrealised foreign exchange losses	2,058	95431
Net deferred tax assets at end of year	1,863,338	7,305,224

9. Deferred Tax Assets (Continued)

The amounts shown in the statement of financial position include the following:

	The Group and the Company	
	2024	**2023**
	$	**$**
Deferred tax assets to be recovered:		
-less than12months	571,580	2,240,881
-after more than12months	1,291,758	5,064,343
	1,863,338	7,305,224

10. Receivables

	The Group and the Company	
	2024	**2023**
	$	**$**
Trade receivables	244,749,030	180,203,036
Less: Expected credit loss provision (Note 3 (a))	(214,518,501)	(149,344,581)
	28,298,169	30,858,455
Prepaid expenses	83,447	1,041,608
Other receivables	118,440	154,609
	28,500,056	32,054,672

Movement of expected credit loss provision is as follows:

	The Group and the Company	
	2024	**2023**
Balance at the beginning of year	149,344,581	74,273,223
Additional provision during the year	65,173,920	75,071,358
Balance at the end of year	214,518,501	149,344,581

11. Directors' Account

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Directors Account	38,382,670	29,828,795	33,207,254	27,050,307
	38,382,670	29,828,795	33,207,254	27,050,307

The director's account represents amounts due from a director. This loan attracts interest of 3% per annum with principal and interest repayable quarterly. The loan should have been repaid by December 31, 2024.

12. Due from/(to) related parties

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
Due from related parties	**$**	**$**	**$**	**$**
Due from Edufocal Business Limited		67,602,291	-	67,602,291
Less Expected credit loss provision	-	(67,602,291)	-	(67,602,291)
	-	-	-	-
		-	-	-
Due from EduFocal Academy	-	-	-	
Due from EduFocal LLC	-	-	16,507,819	16,507,819
	-	-	16,507,819	16,507,819
Due to related parties:				
Andre Swaby	(15,546)	(15,546)	(15,546)	(15,546)
Mark Green	(90,000)	(90,000)	(90,000)	(90,000)
	(105,546)	(105,546)	(105,546)	(105,546)
	(105,546)	(105,546)	16,402,273	16,402,273

These parties are related by common shareholders and directors. The balances are unsecured, interest-free and have no fixed repayment terms and conditions.

13. Cash and Cash Equivalents

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Cash at bank	2,492,817	158,764	2,424,384	143,005
	2,492,817	158,764	2,424,384	143,005

Cash at bank substantially comprises savings and operating accounts at licensed commercial banks in Jamaica and the United States of America. The rate of interest earned on the Group's foreign currency savings accounts ranges from 0.03% to 0.25% (2022: 0.03% to 0.25%).

14. Share Capital

	2024	2023
Authorised		
Opening authorised ordinary shares of no par value	**Unlimited**	**Unlimited**
Closing authorised ordinary shares of no par value	**Unlimited**	**Unlimited**
Issued and fully paid		
Opening issued and fully paid ordinary shares	648,446,094	648,446,094
Initial Public Offering issued during the year		
Short-term loan converted to ordinary shares		
Closing issued and fully paid ordinary shares	648,446,094	648,446,094

	2024	2023
Ordinary Shares of No par Value	$	$
Balance at beginning of the year	185,631,690	185,631,690
Initial Public Offering issued during the year		
Short-term loan converted to ordinary shares		
Balance at end of the year	185,631,690	185,631,690

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 offering, 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 were issued through a short-term loan lender exercising a conversion option.

15. Non-Controlling Interest

Subsidiary with non-controlling interest (NCI)is as follows;

Edufocal Africa Inc.

	The Group	
	2024	**2023**
	$	**$**
Balance at beginning of the year	(1,460,367)	-
Share of loss for the year	(1,367,810)	(1,471,484)
Issue of Shares	-	2,510
Other movements during the year	1,484,516	8,607
Balance at end of the year	(1,343,661)	(1,460,367)

Summarised financial information for the subsidiary, before intercompany eliminations, is as follows

	Edufocal Africa Inc. %	Intra-group and other elimination	Total
NCI percentage ownership	**30%**		
	$	**$**	**$**
Total Assets	14,192	-	14,192
Total Liabilities	(1,623,054)	-	(1,623,054)
Net Assets	(1,608,862)	-	(1,608,862)
Carrying amount of NCI	(482,659)	(861,002)	(1,343,661)
Revenue			
Loss for the period	(4,559,367)	-	(4,559,367)
Allocated to NCI	(1,367,810)	-	(1,367,810)

16. Long-Term Loans

		The Group		The Company	
		2024	2023	2024	2023
		$	$	$	$
Promissory Note		(22,515)	-	-	-
tops Auto	a	2,571,143	-	2,571,143	-
Carbyne Capital		6,447,690	-	6,447,690	-
Paul Allen		1,225,647	-	1,225,647	-
Andre Swaby		15,546	-	15,546	-
JMMB	b	19,506,366	21,033,101	19,506,366	21,033,101
Mayberry Investments	c	164,405,472	171,428,568	164,405,472	171,428,568
Jardim Maxwell	d	15,495,040	15,495,040	15,495,040	15,495,040
		209,644,387	207,956,709	209,666,902	207,956,709
Interest Payable		21,066,921	5,447,005	21,066,921	5,447,005
		230,711,308	213,403,714	230,733,823	213,403,714
Less Current Portion		(76,377,537)	(38,052,828)	(76,377,537)	(38,052,828)
		154,333,771	175,350,886	154,356,286	175,350,886

(a) This loan, amounting to US$9,600, which was received in April 2022 as a factoring agreement, was guaranteed by Stripe Incorporation. The loan attracted interest at the rate of 19.90% per month and was repaid during the year.

(b) This loan, amounting to $27,500,000, which was received in August 2020, attracts interest at the rate of 9% per annum and is repayable in one hundred and twenty (120) monthly instalments of $348,358.38. The loan represents a non-revolving demand loan and is secured by personal guarantees and assets of Gordon, Lloyd and Olivene Swaby, including a Second Legal Guarantor's Mortgage over commercial property located in Christiana, Manchester, registered at Volume 1450 Folio 447 in the names of Lloyd and Olivene Swaby.

(c) This loan, amounting to $200,000,000, which was received in September 2022, attracts interest at the rate of 9.5% per annum for two (2) years and will be Variable annually thereafter. The loan is repayable in twenty-seven (27) quarterly instalments of $7,142,858. The loan is secured by a promissory note.

(d) This loan, amounting to US$100,000, which was received in August 2022, is unsecured, attracts interest of 9% per annum and is payable over thirty-six (36) monthly instalments.

17. Payables

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Trade Payable	10,332,546	2,426,478	10,332,546	2,426,478
Accruals		41,035,094	40,517,861	38,781,238
Statutory Liability	74,922,805	29,386,684	74,922,805	29,386,684
Other Payables	-	2,815,449	-	2,815,449
	85,255,351	75,663,705	125,773,212	73,409,849

18. Directors Loan

Director's loan represents amounts advanced by a director. The loan, which was forgiven during the year, was unsecured, interest-free free and had no fixed repayment terms

19. Short-Term Loan

	The Group and the Company	
	2024	**2023**
	$	**$**
Tops Auto and Ebaws Limited	-	4,065,000

The loan amounting to $4,065,000, which was received in December 2023, is unsecured, attracts interest at 1% per annum and is repayable within 12 months. The loan has now been fully repaid.

20. Revenue

Revenue comprises income from online educational services to companies, schools and individuals and is stated net of discounts, allowances, and General Consumption Tax.

21. Expenses by nature

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Advertising and promotion	40,086	2,753,349	35,261	1,146,781
Amortisation of intangible assets	9,682,253	27,351,025	5,241,533	18,681,086
Amortisation of right-of-use asset	-	1,146,933	-	1,146,933
Audit fee	4,065,397	3,643,399	2,223,500	1,850,000
Bad Debt	214,517,871	74,729,739	214,517,871	74,729,739
Bank charges	-	1,539,127	-	1,515,164
Consulting fees	22,441,900	30,994,268	21,973,507	28,288,709
Content contract labour	4,009,427	9,861,761	3,934,641	9,471,519
Depreciation Director	829,229	916,897	829,229	916,897
Fees Donation	3,037,500	12,748,000	3,037,500	12,748,000
Dues and Subscriptions	5,747,410	6,689,275	5,408,003	4,612,643
GCT Expense	68,574	8,897,615	68,574	8,358,889
Insurance Expense	1,530,562	1,964,366	1,530,562	1,964,366
Legal and Professional fees	4,132,862	6,179,039	4,132,862	4,321,418
Other Expenses	1,376,297	4,446,838	1,189,721	2,850,721
Penalties and interest	-	3,198,480	-	3,198,480
Repairs and Maintenance	25,500	18,000	25,500	18,000
Research and Development	117,098	-	-	-
Staff Costs	60,636,278	98,280,637	60,636,278	98,280,637
Travel and Entertainment	43,450	2,274,052	43,450	2,274,052
Utilities	140,000	1,066,355	140,000	1,066,355
	332,441,695	298,699,155	324,967,993	277,440,389
Impairment losses on financial assets	(216,450,860)	38,404,106	(216,450,860)	38,404,106
Finance costs net note 26	30,948,129	24,523,698	31,152,777	24,783,759
	146,938,963	361,626,959	139,669,910	340,628,254

22. Operating Loss

In arriving at the operating loss for the year, the following have been charged:-

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Auditors' remuneration current	2,000,000	3,643,399	2,000,000	1,850,000
Auditors remuneration prior year				
Amortization of intangible assets	9,682,253	27,351,025	5,241,533	18,681,086
Amortisation of right-of-use asset	-	1,146,933	-	1,146,933
Expected Credit Loss	(1,932,989)	38,404,106	(1,932,989)	38,404,106
Depreciation	829,229	916,897	829,229	916,897
Directors Emoluments:				
Fees	-	12,748,000	-	12,748,000
Management remuneration included in staff Costs	600,000	1,800,000	600,000	1,800,000
Staff Costs Note (25)	60,636,278	98,280,637	60,636,278	98,280,637

23. Other Operating Income

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Loss on Disposal of Asset	(2,758,541)	465,520	(2,758,541)	465,520
Bad debt written back(a)	-	13,838,173	-	-
Other Income				
	(2,758,541)	14,303,693	(2,758,541)	465,520

a) This represents debt to a subsidiary forgiven by a director

24. Impairment losses on Financial Assets

This amount represents the movement on expected credit loss provision (Note 3(a)) on trade receivables (Note 10) and due from related party (Note 12).

25. Staff Costs

	The Group	The Company
	2024	2023
	$	$
Wages and Salaries	52,100,865	82,725,490
Statutory Contribution	7,966,951	11,949,701
Other Staff Related Costs	568,462	3,605,446
	60,636,278	98,280,637

26. Finance costs, net

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Loans interest expense	28,004,420	24,457,380	28,004,420	24,457,380
Lease interest expense	-	18,939	-	18,939
Financing fees	768,510	200,000	768,510	200,000
Statutory expense Interest	2,463,559	-	2,463,559	-
Foreign Exchange loss	22,139	916,018	8,232	916,018
Interest Income	(310,498)	(1,068,639)	(91,943)	(808,578)
	30,948,129	24,523,698	31,152,777	24,783,759

27. Taxation

(a) Taxation is computed on the operating loss for the period adjusted for taxation purposes and comprises income tax at the applicable rate.

	The Group and The Company	
	2024	**2023**
	$	**$**
Income tax current year	-	13,805,140
Income tax prior year year	-	-
Remission of Income Tax	-	(13,805,140)
Deferred income taxes (Note 9)	(5,441,886)	(4,300,417)
	(5,441,886)	(4,300,417)

(b) Income tax is calculated at the rate of 25% (2023: 25%). The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the applicable tax rate, as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Loss before taxation	(52,525,759)	(83,780,803)	(49,199,186.41)	(82,926,070)
Tax calculated at the appropriate rate	(13,131,440)	(20,945,201)	(12,299,796.60)	(20,731,518)
Adjusted for income:	-	-	-	-
taxed at a different rate	-	213,683	-	-
Expenses not allowed for tax purposes	36,582,912	30,236,241	36,582,912.49	30,236,241
adjustment for prior year	-	-	-	-
Remission of income tax	-	(13,805,140)	-	(13,805,140)
Other charges and allowancess	-	-	-	-
	23,451,473	(4,300,417)	24,283,116	(4,300,417)

27. Taxation (continued)

(c) Remission of Income Tax

By notice dated 13 August 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission)Notice,2009 The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JSE)if certain conditions were achieved after the date of initial admission

Effective 15 March 2022, the Company's shares were listed on the Junior Market of the JSE. The Company is entitled to a remission of income taxes for ten years in the following proportion:

Years 1–5 (15 March 2022–14 March 2027) – 100%
Years 6-10 (15 March 2027-14 March 2032) - 50%

The Company's 100% remission of income taxes expires 14 March 2027, and as a consequence, the Company's taxable profit will be subject to 50% tax remission until 14 March 2032.

The Company will continue to benefit from the tax remission provided the following conditions are met:

1 The Company remains listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.
2. The Subscribed Participating Voting Share Capital of the Company does not exceed J$500 million.
3. The Company has at least 50 Participating Voting Shareholders.

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

28. Loss per Stock unit

Basic loss per stock unit ("EPS") is computed by dividing the loss attributable to stockholders of the Group and the Company by the weighted average number of ordinary stock units in issue during the year.

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Net loss attributable to stockholders of the company	(57,621,679)	(78,008,902)	(54,641,072)	(78,625,653)
Weighted average number of ordinary stock units	648,446,094	648,446,094	648,446,094	648,446,094
Loss per stock unit	(0.09)	(0.12)	(0.08)	(0.12)

29. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions

Related party transactions and balances are recognised and disclosed below for the following:

(a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families or;

(b) Enterprises over which such a person, in(a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the group

As at the statement of financial position date, the following balances were outstanding:-

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Directors account	38,382,670	29,828,795	33,207,254	27,050,307
Due from related parties		-	-	16,507,819
Due to related parties	(1,801,070)	(105,546)	(1,801,070)	(105,546)
Directors' Loan				
	36,581,600	29,723,249	31,406,184	43,452,580

The following was (credited)/charged to the statement of comprehensive income:

	The Group		The Company	
	2024	2023	2024	2023
	$	$	$	$
Interest Income	(310,498)	(807,975)	(1,068,639)	(807,975)
Interest Expense	24,457,380	1,488,952	28,004,420	1,488,952
Directors' fees	3,037,500	12,748,000	3,037,500	12,748,000
Directors management	600,000	1,800,000	600,000	1,800,000

FORM OF PROXY

EDUFOCAL LIMITED FORM OF PROXY

I/WE ____

of ____

being a member/member of EduFocal Limited hereby appoint

____ of

____

Or failing him/her

____ of

____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, May 22, 2026 at 10:00 a.m., in Online format ([Platform link to be circulated]), and at any adjournment thereof.

Signed this _____________ day of __________________________ 2026

____ Signature

____ Signature

Note: To be valid:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

If executed by a corporation, this proxy must be sealed. A corporate shareholder may appoint a representative in accordance with the Company's Articles of Incorporation, instead of appointing a proxy.

This Form of Proxy must be received by the Registrar of the Company, The Summit, Suite 2014, 16 Chelsea Avenue, Kingston 5, Jamaica, not less than 48 hours before the time of the meeting.

This Form of Proxy should bear stamp duty of $100.00. Adhesive stamps are to be cancelled by the person signing the proxy.