



ONE on ONE EDUCATIONAL SERVICES LIMITED

Unaudited Financial Statements



First Quarter Ended
November 30, 2022

Index

Performance Highlights	1
Director's Report to Shareholders	2-3
Performance Drivers by the CEO	4-5

Financial Statements

Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Shareholders' Equity	8
Statement of Cashflows	9
Notes to the Financial Statements Including Top 10 Shareholders	10-12



PERFORMANCE HIGHLIGHTS

Unaudited financial highlights for Q1, ended November 30, 2022

The Board of Directors of One on One Educational Services Ltd is pleased to present our performance highlights from the unaudited financial statements for the quarter ended November 30, 2022.





UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

Company Performance for the Quarter Ended 30 November 2022

The Board of Directors of One on One Educational Services Ltd is pleased to present its unaudited financial statements for the quarter ended November 30, 2022.

Income Statement:

At the end of the 1st quarter ended 30 November 2022, the company earned total revenues of J\$82.7 million compared to J\$44.8 million in the prior comparable quarter 2021; an increase of \$37.9 million or 84.6%. The net increase in revenue was attributed primarily to the acquisition of new contracts in the quarter along with expansion of contracts and services to our current clients in the Government division. The company's revenue was also positively impacted by growing recurring revenue from the business division. Direct cost of \$14.9 million for the period compared to J\$12.4 million in the same period for 2021 represents an increase of J\$2.5 million resulting from cost incurred to implement contracts.

The company had a J\$35.9 million increase in gross profit for the period, growing from J\$30 million in 2021 Q1 to J\$65.9 million in the comparable first quarter of 2022. This represents a 119.7% increase when compared with the comparable 1st quarter of 2021. The increase in gross profits is a direct result of a) the company benefiting from operating at scale within the respective divisions, b) optimization of our hosting & maintenance cost with our cloud-hosting provider and c) optimization of project delivery.

Operating expenses for Q1 increased by \$21.9 million or 68.4% compared with 2021 comparative quarter. The increase in expenses was mainly in the following areas: staff cost- as personnel was hired to fill key roles for the efficient & effective operations of the company, registration fees relating to the public listing of the company and advertising & promotion expenses - to promote our product offerings in order to increase brand awareness and attract new users.

At the end of the 1st quarter, the company had a net profit of J\$11.2 million compared to a net loss of J\$1.8 million in the comparable period of 2021. This represents an increase in net profit of J\$13 million.

BOARD OF DIRECTORS

Michael Bernard (Chairman) | Ricardo Allen (C.E.O & Managing Director) | Carol Granston
John Bailey | Karen Vaz | Mischa McLeod Hines | Nicole Foga | Tyrone Wilson

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Statement of Financial Position:

The total assets of the company for the 1st quarter November 2022 was J\$575.2 million compared to J\$334.4 million for the comparable quarter November 2021; an increase of J\$240.8 million or 72%. This increase was mainly attributed to: (1) increase in intangible assets as we continue the development of our intellectual property; (2) increased receivables due primarily to contracts with governments that takes longer to pay and one client with whom a special arrangement exists for payment and (3) increase in cash and bank balances due primarily to capital raised from our listing on the Jamaica Stock Exchange Junior Market.

The company's total equity was J\$453.1 million as at November 2022, compared to \$98.5 million at the same period in 2021. This is an increase of J\$354.6 million, or 360%, the increased equity was due to shares issued on the Jamaica Stock Exchange Junior Market and retained profits.

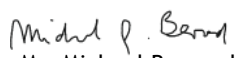
Statement of Cash Flows:

During the quarter, the company's operating cash flow was negatively impacted by customers taking longer to pay for services provided. This, along with expenditure to increase our inventory for perpetual licenses purchased led to the reduction of operating cash flow of J\$68 million, compared to an increase of J\$29.4 million in the comparative quarter of 2021.

Cash used in investing activities was J\$13.5 million compared to J\$18.7 million in the same quarter of 2021. This use of cash was primarily for addition to our intellectual property which is a key component of our revenue generating activities.

Net cash used in financing activities for the quarter was J\$13.9 million compared to J\$13.8 million in the comparable quarter of 2021. The cash used in financing activities was used to service existing loan obligations of the company. The company had an overall decrease in its cash and bank balances for the quarter resulting mainly from the delay in our receivables collection.

We thank all our shareholders and customers for their support of our business and our staff for their dedication and loyalty over the years.


Mr. Michael Bernard
Chairman



PERFORMANCE DRIVERS BY THE CEO

Company Overview: Since we were listed on the Jamaica Stock Exchange's Junior Market on September 1, 2022, the Company's management has maintained a clear focus on establishing the necessary foundations for us to carry out our medium to long-term goals. We strive to be a regional and global leader in the production, connection, and provision of personalized and meaningful online learning experiences for individuals, companies, and governments through the use of advanced technology. To continue our mission to reach our ambitious goals, we have been able to recruit and keep some of the brightest minds in the Caribbean to complete this purpose, as well as investing in the necessary tools and technologies to function and compete on a larger scale. For the past three months, we have been strategically positioning the company to capitalize on new and upcoming opportunities in the Education Technology (Ed-Tech) sector. Below are some of the enabling activities we have carried out in the past three months:

We have Invested in Our People: The Company has spent more than J\$3M in employing pivotal consultants and supporting teams to rework our 5-year strategic and global expansion plan. This expenditure also includes investment in our sales enablement processes, which will facilitate repeated sales at a lower customer acquisition cost (CAC). We have bolstered our sales team in the Caribbean to increase leads and conversions. This will enable us to reach the desired level of growth to progress to the next milestone in size.

We have improved our systems and processes: We consider our processes just as imperative as our people as we aim to reach operational efficiency on a large scale. Since September, we have been investing in our interactive Voice Response (IVR) System, which will be released in the second quarter. Our enterprise Client Relationship Management (CRM) system has been introduced, which will enable us to manage more leads and better our leads-to-cash process. Additionally, we have kept on fine-tuning our infrastructure to fulfil the changing needs of our clients, regionally.

We have expanded the scope and reach of our content development: One of the principal motifs of our Initial Public Offering in September was a pledge to invest in the future of expeditious eLearning content creation and development. In the lead-up to this promise, One on One signed a contract to lease a 3500 sq. ft content generation studio that will enable us to energetically develop content annually for local, regional and global customers. We remain vigilant in exploring novel and advanced ways to supply high-quality and captivating eLearning material, in a financially feasible manner.

We continue to invest in Artificial Intelligence (AI) research and development: In October 2022, One on One, guided by Computer Scientist, Dr. Ricardo Anderson, instituted "The Lab". The Lab was established to provide us with a space to advance our research and development mandate as we aim to achieve individualization & personalization in knowledge acquisition across all divisions.



Diversify product offering from project-base to 'out-of-the-box' ready solutions: We have substantially progressed with respect to our Annual Recurring Revenue (ARR), wherein the majority of our income is derived from project-based accounting, making up about 50% of the total revenue for our divisions: One on One for Individuals, Business, and Government. We will be expanding our offering a range of 'out-of-the-box' ready solutions. The first of our solutions is our primary & high school study platform, 'OneAcademy', planned for a Q3 launch. Additionally, our professional training platform, 'Coursuna', is projected for completion and launch at the beginning of Q1 2023. We will also be able to launch more ready-made solutions when our Content Development Studio is finished, enhancing our ability to serving our global audience

Performance drivers by divisions:

Division	Division Status	Q1 Performance	Annual Goal per Prospectus
Governments	Launched and Active	\$45,328,610	\$97,500,000
Business	Expanding	\$22,983,438	\$157,500,000
Individual	Beta Stage	\$12,546,217	\$144,000,000
		\$80,858,265	\$399,000,000

One for Individuals: While not launched, the company generated J\$12.5M from our One for Individuals' division, which includes our OneAcademy and Coursuna products. The launch of OneAcademy, which was originally forecasted for September 2022, is scheduled to launch in Q3. During the quarter, we focused on refining our product and recruited a key employee who will guide the OneAcademy rollout.

One for Business: Our business division continues to grow at a respectable pace buoyed by the shift in corporate training to online modalities. The Company will be looking to expand with the launch of our Content Development Agency to deliver recurring revenues. This also has the added benefit of global scale and reach.

One for Governments: In November 2022, the Company extended our agreement with our global Educational Management Information Systems partner out of Singapore. This deal will allow us to continue our expansion within the Caribbean region for our national education system digitalization process. This will enable education systems to become fully digitalized within the region. Of note, our initial 2-year project with the Government of Bahamas, was extended in July 2022 based on the complexity and value of the services that we provide.


 Ricardo Allen-CEO



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2022

	Note	Un-Audited November 2022 \$	Un-Audited November 2021 \$	Audited August 2022 \$
ASSETS				
NON-CURRENT ASSETS:				
Intangible assets		216,066,064	158,513,610	202,692,546
Property, plant and equipment		5,569,060	5,463,108	5,728,815
		<u>221,635,124</u>	<u>163,976,718</u>	<u>208,421,361</u>
CURRENT ASSETS:				
Due from Directors		17,861,549	9,174,461	17,758,190
Inventories		25,760,812	14,317,586	12,994,334
Trade and other receivables		152,150,124	102,451,040	88,258,387
Cash and Bank Balances		157,750,472	44,496,140	253,311,225
		<u>353,522,957</u>	<u>170,439,227</u>	<u>372,322,136</u>
Total Assets		<u><u>575,158,081</u></u>	<u><u>334,415,945</u></u>	<u><u>580,743,497</u></u>
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY:				
Issued share capital	5	413,838,628	84,600,000	413,838,628
Accumulated surplus		39,235,179	13,933,128	28,004,424
		<u>453,073,807</u>	<u>98,533,128</u>	<u>441,843,052</u>
NON-CURRENT LIABILITIES:				
Preference shares		-	5,000,000	-
Long term loans and convertible promissory notes		37,260,640	118,766,737	37,260,640
Deferred tax liability		13,980,634	12,490,434	12,870,160
		<u>51,241,274</u>	<u>136,257,171</u>	<u>50,130,800</u>
CURRENT LIABILITIES:				
Current portion of long term loan		21,421,425	-	33,758,135
Due to Directors		-	17,721,246	-
Deferred income		17,847,903	16,832,610	8,800,641
Trade and other payables		31,573,672	65,069,715	46,210,869
Bank overdraft		-	2,075	-
		<u>70,843,000</u>	<u>99,625,646</u>	<u>88,769,645</u>
Total Equity & Liabilities		<u><u>575,158,081</u></u>	<u><u>334,415,945</u></u>	<u><u>580,743,497</u></u>

Approved for issue by the Board of Directors on January 13, 2023 and signed on its behalf by:



Ricardo Allen- Director



Michael Bernard- Director



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 NOVEMBER 2022

	Note	3 Months November <u>2022</u> \$	3 Months November <u>2021</u> \$	Audited 12 Months Ended August <u>2022</u> \$
Revenues from contract with customers		80,858,266	42,400,192	266,910,874
Direct Cost		<u>(14,917,562)</u>	<u>(12,357,517)</u>	<u>(61,621,984)</u>
Gross Profit		65,940,704	30,042,675	205,288,890
Other Income		<u>1,800,055</u>	<u>2,370,673</u>	<u>9,841,522</u>
		67,740,759	32,413,348	215,130,412
Administrative Expenses		(45,209,610)	(28,880,868)	(149,093,143)
Selling Expense		<u>(8,675,115)</u>	<u>(3,108,183)</u>	<u>(22,451,062)</u>
		(53,884,725)	(31,989,051)	
OPERATING (LOSS)/PROFIT		13,856,034	424,297	43,586,207
Expected credit loss		-	-	(12,556,944)
Finance costs		<u>(1,514,805)</u>	<u>(2,232,318)</u>	<u>(15,166,823)</u>
PROFIT BEFORE TAXATION		12,341,229	(1,808,021)	15,862,440
Taxation		<u>(1,110,474)</u>	<u>-</u>	<u>(3,599,165)</u>
NET PROFIT/(LOSS) being total comprehensive income		<u>11,230,755</u>	<u>(1,808,021)</u>	<u>12,263,275</u>
EARNINGS PER STOCK UNIT	4	<u>\$0.006</u>	<u>(\$0.002)</u>	<u>\$0.012</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022

	Share Capital \$	Accumulated Surplus \$	Total \$
Balance at 31 August 2021	84,600,000	15,741,149	100,341,149
Net loss, being total comprehensive income for the period	-	(1,808,021)	(1,808,021)
Balance at 30 November 2021	<u>84,600,000</u>	<u>13,933,128</u>	<u>98,533,128</u>
Balance at 31 August 2022	413,838,628	28,004,424	441,843,052
Net profit, being total comprehensive income for the period	-	11,230,755	11,230,755
Balance at 30 November 2022	<u>413,838,628</u>	<u>39,235,179</u>	<u>453,073,807</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF CASHFLOW
PERIOD ENDED 30 NOVEMBER 2022

	<u>Un-Audited</u> <u>November</u> <u>2022</u> \$	<u>Un-Audited</u> <u>November</u> <u>2021</u> \$	<u>Audited</u> <u>August</u> <u>2022</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit/(loss)	11,230,755	(1,808,021)	12,263,275
Adjustments for items not affecting cash resources:			
Amortization	13,804	-	55,215
Depreciation	245,619	234,565	924,892
Expected credit loss provision	-	-	(12,556,944)
(Gain)/loss on disposal fixed asset	-	-	(12,903)
Taxation	1,110,474	-	3,599,165
Interest expense	1,588,939	2,842,450	12,806,817
Operating cash flows before movements in working capital	<u>14,189,591</u>	<u>1,268,994</u>	<u>17,079,517</u>
Decrease / (Increase) in operating assets:			
Inventories	(12,766,478)	621,051	1,944,304
Trade & other receivables	(63,891,737)	11,764,022	38,513,619
Due from related parties	(103,359)	5,155,956	(20,964,783)
(Decrease) / Increase in operating liabilities:			
Trade and other payables	(14,637,197)	2,079,406	(20,183,112)
Deferred income	9,047,262	8,512,782	480,812
Net cash (used in)/provided by operating activities	<u>(68,161,918)</u>	<u>29,402,211</u>	<u>16,870,357</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Disposal of preference shares	-	-	(5,000,000)
Acquisition of intangible assets	(13,387,322)	(18,705,409)	(62,925,756)
Acquisition of property, plant and equipment	(85,864)	(9,460)	(1,030,595)
Proceed from sale of fixed asset	-	-	64,200
Net cash (used in) in investing activities	<u>(13,473,186)</u>	<u>(18,714,869)</u>	<u>(68,892,151)</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from share issue	-	-	329,238,628
Proceeds from loan and convertible notes	-	-	30,000,000
Loan repayment	(12,336,710)	(1,000,672)	(78,748,637)
Interest paid	(1,588,939)	(2,842,450)	(12,806,817)
Net cash (used in)/provided by financing activities	<u>(13,925,649)</u>	<u>(3,843,122)</u>	<u>267,683,174</u>
NET (DECREASE)/ INCREASE IN CASH AND BANK BALANCES	(95,560,753)	6,844,220	215,661,380
Opening cash and bank balances	<u>253,311,225</u>	<u>37,649,845</u>	<u>37,649,845</u>
CLOSING CASH & BANK BALANCES	<u><u>157,750,472</u></u>	<u><u>44,494,065</u></u>	<u><u>253,311,225</u></u>
REPRESENTED BY:			
Cash and bank deposits	157,750,472	44,496,140	253,311,225
Bank overdraft	-	(2,075)	-
	<u><u>157,750,472</u></u>	<u><u>44,494,065</u></u>	<u><u>253,311,225</u></u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30 NOVEMBER 2022

1 IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) One On One Educational Services Limited is a limited liability company incorporated under the Jamaican Companies Act (the "Act"). The registered office of the Company is 9th Floor, PanJam Building, 60 Knutsford Boulevard, Kingston 5.
- (b) The principal activities of the company are the provision of personalized online learning solutions and off-the-shelf content.
- (c) The company became listed on the Junior Market of the Jamaica Stock Exchange on 1 September 2022. Consequently the company is entitled to a remission of taxes for ten (10) years in proportions set out below, provided the shares remain listed for at least 15 years.

Years 1-5	100%
Years 6-10	50%

2 REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES:

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements.

4 EARNINGS PER STOCK UNIT:

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at end of period.

	30 November	
	<u>2022</u>	<u>2021</u>
	\$	\$
Profit attributable to shareholders	11,230,755	(1,808,021)
Weighted average number of shares in issue	1,900,000,000	945,000,000
Earning per share	\$0.006	(\$0.002)



ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 NOVEMBER 2022

5 SHARE CAPITAL:

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Authorised</u>		
100,000,000,000 (2021 - 50,000,000)		
 <u>Issued and fully paid</u>		
1,900,000,000 (2021, - 36,000,000)		
(2022 - 1,900,000,000) (Net of transaction costs)	<u>413,838,628</u>	<u>84,600,000</u>

6 TOP TEN SHAREHOLDERS:

	<u>Shares Held</u>	% of Issued <u>Shares</u>
Sagicor Life Jamaica Limited (Managing Agent of the Sagicor SIGMA Fund (Sagicor Sigma Venture))	301,250,000	15.86
SOHO Investment Ltd.	247,421,851	13.02
Ricardo Allen	187,770,000	9.88
Raby D. Williams	145,065,850	7.63
John Bailey	141,333,325	7.44
Michael Bernard	117,067,063	6.16
Cecil Boswell Facey Foundation Ltd.	106,000,000	5.58
Douglas R. Orane	97,143,911	5.11
PanJam Investment Limited	72,500,000	3.82
Conrod Vic Hanson	<u>58,300,000</u>	<u>3.07</u>
 Total	<u>1,473,852,000</u>	<u>77.57</u>
 Total Issued shares	<u>1,900,000,000</u>	<u>100.00</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 NOVEMBER 2022

7 DIRECTORS & SENIOR OFFICERS:

	<u>Connected</u>	<u>Shares Held</u>	<u>% of Issued Shares</u>
Directors:			
Ricardo Allen		187,770,000	9.88
Ricardo Allen	SOHO Investment Ltd.	247,421,851	13.02
John Bailey		141,333,325	7.44
Michael Bernard		117,067,063	6.16
Karen Vaz		2,000,000	0.11
Tyrone Wilson	Kintyre Holdings Ltd	1,000,000	0.05
Dr. Carol Grantson		367,153	0.02
Mishca McLeod-Hines		<u>16,205</u>	-
		<u>696,975,597</u>	<u>36.68</u>
Senior Officers:			
Conrod Hanson		58,300,000	3.07
Jadelle Holder-Remy		13,250,000	0.70
Daniel Dawson		6,895,167	0.36
Yohan Brown		6,802,167	0.36
Donnisha Brooks		1,298,340	0.07
Dr. Ricardo Anderson		1,198,338	0.06
Juanita Neil		1,104,062	0.06
Kerry-Ann Kudo		474,585	0.02
Brittany Williams		<u>34,327</u>	-
		<u>89,356,986</u>	<u>4.70</u>