



Q3 2023

JULY TO SEPTEMBER 2023

ONE GREAT STUDIO
COMPANY LIMITED

Q3 2023
SHAREHOLDERS'
REPORT

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Shareholders' Report & Management Discussion & Analysis

One Great Studio Company Limited (1GS) is pleased to report its financial results for the three (3) months ended September 30, 2023. This quarter's results highlight our continued focus on building a resilient business that is well positioned for further growth. We are thrilled to share the following financial highlights.

Q3 2023 Financial Summary

Profit and Loss Performance: July 2023 – September 2023

Income Statement	Q3 2023	Q3 2022	Change %
Revenue	126,398,331	48,803,521	159%
Profit Before Tax (PBT)	32,439,424	-4,395,153	838%
Net Profit	27,206,334	-3,457,636	887%
Operating Profit Margin	33.98%	0.70%	33%
Net Profit Margin	21.52%	-7.08%	29%
EPS	\$0.021	-\$0.004	

Summary Review

Income Statement:

For the 3rd quarter ending September 30, 2023, 1GS saw a 159% increase in Revenues relative to the same period last year. Net profit for the quarter was J\$27.2 million; a sharp increase compared to the same period last year.

Balance Sheet:

For the reporting period, Total Assets grew by J\$204.3 million or 44.5% over the same period last year. Total Equity grew J\$440.9 million or 297.1%. Total Liabilities decreased by J\$236.6 million or 76.0%. Asset growth was largely driven by higher bank and investment balances.

Credit Quality, Liquidity & Cashflow:

We repaid most of our loan balances within the 3rd quarter. Consequently, our balance sheet has only J\$24 million in debt compared to J\$589 million in equity. Operating Cashflows recorded for the 9 months ended September 30, 2023, was J\$116 million. This was driven by a higher level of profitability combined with more efficient cash conversion. Higher operating cashflows resulted in higher bank and investment balances.

★ Q3 Highlights

Revenue
↑ 159% YoY | \$126.4M

Net Profit
↑ 887% YoY | \$27.2M

Total Assets
↑ 44.5% | \$663.9M

Total Liabilities
↓ 76% YoY | \$74.5M

Total Debt
↓ 91.8% | \$24M

YTD Operating Cashflow
-\$1.7M → \$116M

Detailed Review of Financials

Q3 2023 represents 1GS' best quarter to date with the company reporting new highs in revenues and net profits, while significantly reducing our debt load and generating strong cashflows from operations. With our IPO now behind us, 1GS is poised to continue along this growth path as our team is now fully focused on driving further business development locally, regionally, and extra-regionally.

Income Statement:

Q3 Revenue up 159% YoY

Over the three months ending September 30, 2023, 1GS recorded revenues of \$126.4 million representing an increase of 159% or \$77.6 million over the comparable period in 2022. This increase was primarily driven by a \$74.7 million increase in revenue from the Search Engine Optimization (SEO) business line, as well as an increase in revenues from the other business lines. The SEO business line recorded revenues of \$101.3 million in Q3, an increase of 7.8% quarter over quarter.

Operating expenses remained relatively flat at \$18.4 million for the period. However, operating profit increased by 124% to \$42.9 million when compared to the same period in 2022. This translated into a higher operating profit margin of 34%, owing to continued prudent cost management and operational synergies from the integration of the SEO business.

Net profit attributable to shareholders for the three (3) months was \$27.2 million, representing an increase of 887% or \$30.66 million over the comparable period in 2022. This translated into a net profit margin of 21.5%.

For the quarter ending September 30, 2023, 1GS served a total of 94 clients, up from the 79 clients served for the same period last year. As revenues and our client base grew, the average amount being spent by each client increased 117% to J\$1.3 million. Over this same period, 84% of our revenues were generated outside of Jamaica. 70.1% of our revenues were generated in North America, 18.4% in Jamaica & the Caribbean, 6.2% in Europe & with the remaining 5.3% from Asia & Oceania regions.



Q3 Key Client Metrics



Total Clients Served **94**

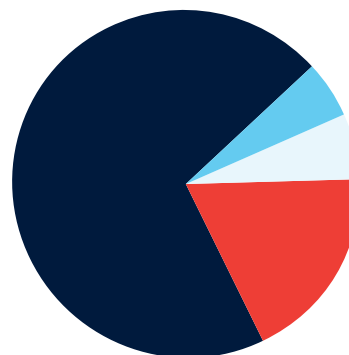


Average Client Spend **\$1.34M**



% Revenue from Retainers **87%**

% Revenue by Region



North America
70.1%

Jamaica & Caribbean
18.4%

Europe
6.2%

Asia & Oceania
5.3%

As at September 30, 2023 our top three (3) clients accounted for approximately 22.6% of our revenue (down from 30% at December 31, 2022), and no single client accounted for more than 7.8% of our revenue (down from 16.6% as at December 31 2022) on a trailing twelve month basis. Additionally, 87% of our revenue for the 3rd quarter originated from retainer clients. This is important as it provides additional certainty around future income generation.

Year-to-Date (YTD) Revenue & Profit Performance

Over the nine-month period ending September 30, 2023 (YTD), 1GS recorded a 168% increase in Total Revenue to \$361.8 million compared to \$135.1 million for the comparable period in 2022. This performance was primarily driven by our SEO business line which delivered YTD revenue of \$276.6 million compared to \$28.6 million for the comparable period last year. This YTD Revenue performance is already 51.4% more than our Full Year (FY) 2022 Revenues.


Our YTD Net profit after taxation outturn was \$77.7 million, a 570% increase compared to \$11.5 million for the comparative period in 2022. Our YTD net profit margin is 21.5%. We anticipate that as we continue to onboard & deploy resources focused on business development, we'll be able to capitalize on the large pipeline of opportunities generated by our IPO marketing efforts. This will ultimately lead to further organic growth in the upcoming quarters.

Cashflow: Building for the Future

1GS' sharply increasing profitability for the 9 months ending September 30, 2023 translated well into increased operating cashflows of \$116.4 million. This higher operating cash balance coupled with the \$338.6 million that the company received from its recent IPO were used in the following main ways:

- Payment of loan interest totaling \$16 million
- Payment of \$8.3 million in dividends
- The repayment of over \$225.4 million in long-term loans
- The payment of \$29.5 million in IPO related issuance costs.

Our net increase in cash and cash equivalent was \$177 million for the 9 months which when added to our opening cash and cash equivalent at the start of the year resulted in an ending cash and cash equivalent position of \$262 million. This is being held in bank balances and short-term investments.

 **YTD Highlights**

YTD Revenue
↑ 168% YoY \$361.8M
YTD Net Profit
↑ 570% YoY \$77.7M
YTD Operating Margin
17.17% → 34.5%
YTD Net Profit Margin
8.48% → 21.4%

Balance Sheet: Post-IPO Optimization

Balance Sheet	Sept. 30, 2023	Sept. 30, 2022	Change \$	Change %
Total Assets	663,923,024	459,525,357	204,397,667	44.48%
Current Assets	319,045,048	104,381,649	214,663,399	205.65%
Cash + Cash Equivalents	262,061,119	66,685,606	195,375,513	292.98%
Non-Current Asset	344,877,976	355,143,708	-10,265,732	-2.89%
Total Liabilities	74,534,258	311,100,632	-236,566,374	-76.04%
Current Liabilities	54,657,898	21,727,382	32,930,515	151.56%
Non-Current Liabilities	19,876,360	289,373,250	-269,496,890	-93.13%
Shareholders' Equity	589,388,766	148,424,725	440,964,041	297.10%
Earnings Per Share	\$0.06	\$0.01		

As at the end of the 3rd Quarter, Total Assets grew by J\$204.4 million or 44.5% over the same quarter last year. The increase in Assets was largely driven by an increase in Current Assets. Current Assets as at September 30, 2023 was \$319 million compared to \$104 million at the end of the same period last year, an increase of \$214.7 million or 205.7%. This increase was driven by an increase in cash, bank, and short-term investments by \$195.4 million. This increase in our cash resources was driven by:

- ◆ strong operating cashflows for the quarter, emanating from higher relative profitability and
- ◆ IPO proceeds of J\$338.6 million

Total Liabilities fell to \$74.5 million as at the end of the 3rd quarter, a 76% reduction when compared to September 30, 2022. This was driven by a J\$269.5 million reduction in non-current liabilities as a result of significant loan repayment in keeping with our commitment outlined in the prospectus for significant debt reduction. Total non-current liabilities stand at J\$19.9 million.

★ Balance Sheet Highlights

Cash & Cash Equivalents
↑ **293%** | **\$262M**

Debt to Equity
1.97x → **0.04x**

Current Ratio
4.80x → **5.84x**

Cash Ratio
3.07x → **4.79x**

Current liabilities closed the 3rd quarter at \$54.7 million compared to \$21.7 million at the end of the same period last year. This \$32.9 million increase in current liabilities is mainly driven by an increase in trade payables of \$15.8 million. These payables are a part of our natural course of business and are fully repaid within the agreed period each time.

Impressively, the company's current assets are now able to cover its current liabilities 5.84 times. Our bank and investment balances alone (of \$262.1 million), can fully cover all our liabilities almost 4 times over.

Total Equity as at the end of the 3rd quarter was \$589.4 million, a 297% increase over the equity balances ending the same period last year. This sharp growth in Total Equity was primarily driven by the over \$338 million that the company received from its new shareholders in the IPO as well as an almost \$90 million increase in accumulated surplus.

Our balance sheet has become increasingly resilient, with almost no debt and significant cash and cash equivalent resources. This, along with strong cashflows from operations, positions us to be able to take advantage of other inorganic growth opportunities that may arise in the near to medium term.

Looking Ahead

With the successful IPO, we have honored our commitment to debt reduction and financing of the IPO issuance costs and have begun to execute our strategic growth initiatives as outlined in the prospectus. During the quarter we recruited and hired a business development manager to focus on local and regional business development. While this additional resource will have an immediate impact on our operating expenses, we expect to see the return on this investment as early as January 2024. Additionally, we are also assessing other growth opportunities as we seek to make the best asset utilization that will provide shareholders with maximum return on their investments.

As always, thanks to our Board, shareholders, team and clients for your continued support.

Thank you!

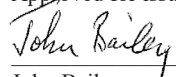
One Great Studio Company Limited

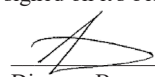
Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	30-Sep-23 Unaudited \$	30-Sep-22 Unaudited \$	Year Ended 31-Dec-22 Audited \$
Assets			
Non-Current Assets			
Property, plant and equipment	5,907,452	7,706,278	7,371,053
Intangible assets	337,672,779	345,356,658	339,887,675
Right-of-use asset	865,545	1,944,690	665,127
Deferred tax asset	432,201	136,082	513,847
	344,877,976	355,143,708	348,437,702
Current Assets			
Cash and cash equivalents	262,061,119	66,685,606	86,139,406
Trade receivables	49,898,003	24,376,075	42,371,213
Other receivable	7,085,926	13,319,968	1,130,364
	319,045,048	104,381,649	129,640,983
Total Assets	663,923,024	459,525,357	478,078,685
Equity & Liabilities			
Equity			
Share capital	309,163,849	21,738	21,738
Paid in capital	161,349,059	110,632,408	110,632,408
Accumulated Surplus	127,246,232	37,770,580	54,578,641
Dividend paid/declared	(8,370,373)	-	(5,809,770)
	589,388,766	148,424,725	159,423,017
Non-Current Liabilities			
Long term loans	19,010,815	287,428,560	281,742,697
Lease Liability	865,545	1,944,690	665,127
	19,876,360	289,373,250	282,407,824
Current Liabilities			
Current portion of long term loans	5,110,984	5,076,662	5,134,433
Accrued statutory liabilities	2,210,320	1,872,415	2,626,207
Accounts payable	15,866,451	-	7,360,523
Interest payable	615,518	-	2,193,281
Taxation Payable	9,632,828	1,738,152	5,612,974
Audit fees payables	2,775,342	-	2,253,985
Credit card payables	9,393,218	7,740,782	8,149,432
Other payables	9,053,236	5,299,372	2,917,008
	54,657,898	21,727,382	36,247,844
Total Equity and Liabilities	663,923,024	459,525,357	478,078,685

Approved for issue by the Board of Directors on Nov. 3rd, 2023 and signed on it's behalf by:


 John Bailey
 Chairman


 Djuvane Browne
 Director

One Great Studio Company Limited

Consolidated Statement of Comprehensive Income (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	3 months ended 30 September		9 mths ended 30 September		Year Ended 31-Dec-22 Audited \$
	2023 Unaudited \$	2022 Unaudited \$	2023 Unaudited \$	2022 Unaudited \$	
Revenue	126,398,331	48,803,521	361,847,563	135,058,504	238,934,377
Cost of Sales	65,057,950	30,010,441	177,873,768	65,602,523	111,065,686
Gross Profit	61,340,381	18,793,080	183,973,795	69,455,981	127,868,691
Administrative and general expenses	18,393,494	18,449,839	59,097,513	46,261,240	67,212,500
Operating Profit	42,946,887	343,241	124,876,282	23,194,741	60,656,191
Acquisition costs	-	3,762,259	-	5,484,849	10,104,045
Other (Expenses)/Income	(409,205)	(331,356)	1,805,086	(803,063)	2,642,395
EBITDA	42,537,681	(3,750,374)	126,681,368	16,906,829	53,194,541
Depreciation and amortization	1,971,809	564,222	6,247,896	1,692,667	5,433,831
Interest expense	8,126,447	80,556	26,926,673	661,087	12,294,207
Profit before taxation	32,439,424	(4,395,153)	93,506,799	14,553,074	35,466,503
Taxation charge	5,233,090	(937,518)	16,166,837	3,104,275	7,565,259
Net Profit for the period	27,206,334	(3,457,636)	77,339,962	11,448,800	27,901,244
Other comprehensive income:					
Items that will never be reclassified to profit or loss:					
FX translation gain (loss) on foreign subsidiaries	1,113,965	-	1,137,399	450,388	(5,003,765)
Total comprehensive income for the period	28,320,299	(3,457,636)	78,477,361	11,899,188	22,897,479
Earnings per shares attributable to shareholders of the Company	\$0.021	(\$0.004)	\$0.058	\$0.013	\$0.029

One Great Studio Company Limited

Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	9 months ended 30 September		Year Ended
	2023	2022	31-Dec-22
	Unaudited	Unaudited	Audited
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit after taxation	77,339,962	11,448,800	27,901,244
Adjustments for items not affecting cash resources:			
Depreciation on property, plant and equipment	2,049,881	-	2,650,127
Depreciation on right-of-use asset	805,559	-	1,279,563
Amortisation on intellectual property	2,214,896	1,692,667	944,362
Amortisation on debt cost	1,177,560	-	560,742
Unrealised loss on foreign exchange	1,099,347	998,553	1,281,765
Bad debt (expected credit loss)	4,302,721	1,170,780	35,985
Deferred taxation	81,645	-	(377,764)
Income tax charge	16,085,192	3,104,275	7,943,023
Translation (loss) / gain	1,137,399	450,388	(5,003,765)
Interest income	(2,904,434)	(195,490)	(850,712)
Interest expense on right-of-use-asset	294,441	-	160,437
Interest expense on loan	26,632,232	661,087	12,133,770
	130,316,401	19,331,060	48,658,777
Increase in operating assets:			
Trade and other receivables	(17,738,519)	(23,114,047)	(27,309,592)
Increase / (decrease) in operating liabilities:			
Trade and other payables	15,891,028	5,879,915	14,259,344
Cash flows provided by operating activities	128,468,910	2,096,929	35,608,529
Taxation paid	(12,065,338)	(3,808,405)	(4,772,332)
Net cash (used in) / provided by operating activities	116,403,572	(1,711,476)	30,836,197
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received	2,857,879	195,490	375,518
Acquisition of intangible assets	-	(344,297,121)	(339,772,500)
Acquisition of property, plant and equipment	(586,280)	(1,827,383)	(2,449,617)
Net cash (used in) / provided by investing activities	2,271,600	(345,929,014)	(341,846,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease obligations	(1,100,000)	-	(1,440,000)
Loan interest paid	(16,026,952)	(676,243)	(6,565,489)
Proceeds from long-term loans	-	286,000,000	285,671,730
Debt issue cost unamortised	-	-	(8,411,129)
Additional paid-in capital	-	110,632,408	110,632,408
Dividends paid	(8,269,989)	(5,809,770)	(5,809,770)
Repayment of long-term loans	(225,399,282)	(1,659,497)	(2,483,928)
Additional share capital issued	338,629,202	11,738	11,738
IPO Issuance costs	(29,487,091)	-	-
Net cash (used in) / provided by financing activities	58,345,888	388,498,636	371,605,560
NET INCREASE IN CASH AND CASH EQUIVALENTS	177,021,060	40,858,146	60,595,158
Net effect of foreign exchange movement on cash and cash equivalents	(1,099,347)	(998,553)	(1,281,765)
CASH AND CASH EQUIVALENTS - Beginning of the year	86,139,406	26,826,013	26,826,013
CASH AND CASH EQUIVALENTS - End of the period	262,061,119	66,685,606	86,139,406
REPRESENTED BY:			
Cash and cash equivalents	262,061,119	66,685,606	86,139,406

One Great Studio Company Limited

Consolidated Statement of Changes in Equity (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	Attributable to Shareholders of the Company			Total \$
	Share Capital \$	Paid in Capital \$	Accumulated Surplus \$	
Balance at December 31, 2021	10,000		31,681,162	31,691,162
Additional shares issued during the year	11,738			11,738
Additional paid-in capital during the year		110,632,408		110,632,408
Dividends paid			(5,809,770)	(5,809,770)
Net profit, being total comprehensive income for the year			22,897,479	22,897,479
Balance at December 31, 2022	21,738	110,632,408	48,768,871	159,423,017
Additional shares issued during the year	338,629,202			338,629,202
IPO issuance costs	(29,487,091)			(29,487,091)
Additional paid-in capital during the year		50,716,651		50,716,651
Dividends paid			(8,269,989)	(8,269,989)
Dividends declared unpaid			(100,384)	(100,384)
Other comprehensive income for the period:				
Currency translation gain on foreign subsidiary			1,137,399	1,137,399
Net profit, being total comprehensive income for the period			77,339,962	77,339,962
Closing Balance 30 September 2023	309,163,849	161,349,059	118,875,858	589,388,766

One Great Studio Company Limited

Notes To The Consolidated Financial Statements

1. Identification

One Great Studio Company Limited (the “Company”) is a limited liability company duly incorporated under the Jamaican Companies Act (the “Act”).

The Company is domiciled in Jamaica with its registered office at 32 Lady Musgrave Road, Kingston 6. The Company has three (3) subsidiaries, One Great Studio, LLC, Snapay Limited and High Voltage Digital, LLC (“Subsidiaries”).

One Great Studio, LLC is registered and domiciled in Florida with its office located at 123 SE 3rd Avenue, Suite #468, Miami, FL 33131.

Snapay Limited is domiciled in Jamaica with its registered office at 32 Lady Musgrave Road, Kingston 6. High Voltage Digital, LLC is registered and domiciled in Wyoming with its office located at 309 Coffen Avenue, Suite #1200, Sheridan, WY 82801.

The Company and its Subsidiaries are collectively referred to as the “Group”.

The principal activities of the Group are to provide search engine optimisation, web design and development and software development services.

2. Statement Of Compliance And Basis Of Preparation

(a) Statement of Compliance

The Group's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (“IFRS”) and the relevant requirements of the Act.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

3. Non-Cash Transaction

During the quarter ending June 30, 2023, Barita Investments Limited exercised their share option agreement to purchase additional shares in One Great Studio Company Limited. On the same day, One Great Studio Company Limited exercised their option to pay down the existing loan with Barita Investment Limited. Both transactions were settled without any movement of cash between the two companies.

Top 20 Largest Shareholders as at September 30, 2023

Shareholder	Number of Shares
QVRFL Holdings Limited ¹	506,216,988
EZ4712 Holdings Limited ²	339,994,764
Barita Investments Limited	173,329,604
Young Tigers Holdings Limited	71,411,004
GoGo Search Ventures Limited	68,875,020
Operor Auctus Limited	55,817,692
Jorden Investments Limited	35,818,000
Marc & Cheyenne-Kari Gayle	33,737,980
Nicholas & Ruth Browne	25,417,476
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	25,031,000
AHL (SPV) OGS Limited	24,783,480
Simone Bowie Jones	23,054,400
Collette Kirlew	14,478,500
Charmaine Daisy Delisser	11,045,400
Mr Rezworth Bains Burchenson	10,605,024
George Anthony Limited	8,816,705
Gabsean Limited	7,763,600
Ravers Limited	6,717,620
Ms. Jacqueline Sharp	6,000,000
JMMB Securities Ltd. House Account #2	5,080,197
Total	1,453,994,454

¹ The legal and beneficial owners of QVRFL Holdings Limited are Djuvane Browne and Rachel Browne.

² The legal and beneficial owner of EZ4712 Holdings Limited is Gina DeLisser.

Directors' & Management Team's interests in Ordinary Shares as at Sept. 30, 2023

Directors	Shareholdings	Connected Shareholdings
Djuvane Browne		506,216,988
Rachel Browne		506,216,988
Gina DeLisser	2,981,800	339,994,764
John Bailey		35,818,000
Simone Bowie Jones	23,054,400	
Marc Ramsay		55,817,692
Jacqueline Sharp	6,000,000	-
Senior Managers	Shareholdings	Connected Shareholdings
Djuvane Browne		506,216,988
Gina DeLisser	2,981,800	339,994,764
Laurian Evelyn	1,344,613	71,411,004
Robert Evelyn	1,400,000	71,411,004
Hannah Newland	210,000	