



Unaudited Financial Results  
JMD Q3 2023





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## Key Performance Highlights

Nine Months Ended September 30, 2023

The Board of Directors of EduFocal Group (“LEARN”) is pleased to present its unaudited consolidated financial statements for the third quarter ended September 30, 2023.

Summary of Changes on the Statement of Profit or Loss				
	9 months Ended 30/9/2023	9 months Ended 30/9/2022	\$ Change	% Change
	\$	\$		
Revenue & Other Income	257,563,699	156,636,322	100,927,377	64%
Administrative & Other Operating Expenses	(182,883,835)	(172,751,185)	(10,132,650)	6%
Net Profit attributable to shareholders	75,498,081	(16,114,863)	91,612,944	568%
Earnings Per Share (\$)	<b>0.116</b>	<b>(0.027)</b>	0.144	

For the nine months ending September 30, 2023, the Group achieved improved revenue of \$257.6 million, representing a \$100.9 million or a 64% increase relative to the preceding reporting period in 2022. The strong revenue performance reported is mainly attributable to the execution of aggressive growth initiatives across both divisions. Operating profit for the period under review was \$83.8 million, \$54.4 million or 185% higher than that of the corresponding period of 2022. This sharp improvement in profitability is primarily due to continued growth in our revenue.

Over the nine months period, Administrative & other operating expenses marginally increased by \$10.1 million or 6% relative to the corresponding period in 2022, moving from \$172.8 million in third quarter of 2022 to \$182.9 million in the current period under review. This increase reflects the Group’s ongoing commitment in growing operations and expanding all divisions through core business support areas, specifically staff cost, contractor cost and consulting fees. The Group achieved another profitable quarter, closing with a net profit attributable to shareholders of \$75.5 million, a \$91.6 million increase when compared to the preceding quarter in 2022.

## Performance of Divisions

### **Business Division**

Business Division recorded another solid performance in its third quarter ending September 2023, with increase in revenue of 58% when compared to the corresponding third quarter in 2022. This performance was primarily driven by strong performance in Corporate Learning for the quarter.



## Learn Division

Learn division reported improved results in revenue, with a 38% increase in the third quarter ended September 2023 relative to the preceding period in 2022. The Groups strategy and efforts remains consistent in the period under review.

Summary of Changes on the Statement of Financial Position				
	Sep-23	Sep-22	\$ Change	% Change
	\$	\$		
Total Assets	375,723,359	465,724,884	-90,001,525	-19%
Total Liabilities	293,117,785	293,977,947	-860,161	0%
Total Equity	82,605,573	171,746,936	-89,141,363	-52%

As at September 2023, the Group's total asset base closed at \$375.7 million, representing a 19% decrease when compared to the corresponding period in 2022, while Group total liabilities recorded a marginal decrease of \$860.2K or 0.29% relative to the preceding period in 2022.

The Group ended the third quarter of 2023 with shareholder's equity at \$82.6 million, from \$171.7 million in the preceding period in 2022, a \$89.1 million or 52% reduction in the period under review.

Through our ongoing efforts in growth and diversification, EduFocal continues to report improved performance for this period. As we go into our final quarter for 2023, we continue to remain cautiously aggressive in our pursuit to grow and successfully execute our strategic initiatives, both locally and internationally. The Group assures stakeholders that our focus continues to be delivering transformative education through technology as well as increasing shareholder value while managing key risks. As always, we appreciate the commitment and dedication of the EduFocal team and we remain grateful to our valued stakeholders for their continued support and trust in us as we navigate this journey.

Peter Levy  
Chairman

Gordon Swaby  
Chief Executive Officer



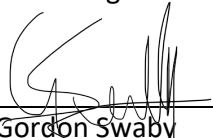
## Consolidated Statement of Financial Position

### Third Quarter Ended September 30, 2023

	Unaudited September 30, 2023	Audited December 31, 2022	Unaudited September 30, 2022
	\$	\$	\$
<b>ASSETS</b>			
Property, plant and equipment	2,233,426	2,729,412	2,949,082
Intangible assets	149,384,341	130,948,512	132,031,685
Right-of-Use Asset	2,593,468	3,772,319	4,630,979
Deferred Tax Asset	3,004,807	3,004,807	1,267,438
Receivables and prepayments	172,115,445	110,932,733	226,804,838
Director's Account	27,394,375	18,698,180	-
Due from related party	-	2,372,969	1,621,421
Cash and Cash equivalents	18,997,497	3,615,644	96,419,440
<b>TOTAL ASSETS</b>	<b>375,723,359</b>	<b>276,074,576</b>	<b>465,724,884</b>
<b>LIABILITIES</b>			
Lease Liability	-	1,350,554	1,908,144
Long Term Borrowings	174,558,917	197,798,580	203,376,109
Accounts payable	40,908,022	14,661,265	13,705,049
Taxation payable	-	350,810.00	-
Current portion of Lease Liability	3,242,678	3,029,473	2,926,255
Bank Overdraft	11,060,739	-	-
Current portion of Long Term loans	38,351,747	30,948,021	30,953,793
Due to related party	20,311,749	20,311,749	37,844,584
Short- Term Loans	4,683,934	-	3,264,013
<b>TOTAL LIABILITIES</b>	<b>293,117,785</b>	<b>268,450,451</b>	<b>293,977,947</b>
<b>EQUITY</b>			
<b>Attributable to Shareholders</b>			
Share capital	185,631,690	185,631,690	186,409,686
Foreign Exchange Reserve	(281,938)	(649,944)	-
Accumulated (Deficit)	(101,915,428)	(177,357,622)	(14,662,750)
<b>Equity attributable to shareholders</b>	<b>83,434,324</b>	<b>7,624,124</b>	<b>171,746,936</b>
<b>Non-controlling Interests</b>	<b>(828,751)</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>82,605,573</b>	<b>7,624,124</b>	<b>171,746,936</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>375,723,359</b>	<b>276,074,576</b>	<b>465,724,884</b>

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

  
 \_\_\_\_\_  
 Peter Levy  
 Chairman

  
 \_\_\_\_\_  
 Gordon Swaby  
 Chief Executive Officer



Consolidated Statement of Comprehensive Income  
Third Quarter Ended September 30, 2023  
(Unaudited)

	3 months to 30/9/2023	9 months to 30/9/2023	3 months to 30/9/2022	9 months to 30/9/2022	December 2022
	\$	\$	\$	\$	\$
Revenue	46,862,104	257,563,699	23,610,228	156,609,307	187,436,765
Administrative & Operating Expenses	(53,191,968)	(173,796,108)	(38,014,415)	(127,225,588)	(183,710,380)
<b>Operating Profit/(Loss)</b>	<b>(6,329,864)</b>	<b>83,767,591</b>	<b>(14,404,187)</b>	<b>29,383,719</b>	<b>3,726,385</b>
Other income	-	-	27,015	27,015	27,343
Impairment loss on financial asset	20,560,012	9,618,462	-	(21,565,182)	(153,143,562)
Finance Cost	(5,366,844)	(18,706,188)	(13,318,462)	(23,960,415)	(28,736,808)
<b>Profit/(Loss) Before Taxation</b>	<b>8,863,304</b>	<b>74,679,865</b>	<b>(27,695,634)</b>	<b>(16,114,863)</b>	<b>(178,126,642)</b>
Taxation	-	(10,535)	-	-	(683,093)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>8,863,304</b>	<b>74,669,330</b>	<b>(27,695,634)</b>	<b>(16,114,863)</b>	<b>(178,809,735)</b>
Total comprehensive income attributable to:					
Owners of EduFocal Ltd.	9,057,910	75,498,081	(27,695,634)	(16,114,863)	(178,809,735)
Non-controlling Interests	(194,606)	(828,751)	-	-	-
<b>Earnings Per Share (\$)</b>	<b>0.015</b>	<b>0.116</b>	<b>(0.048)</b>	<b>(0.027)</b>	<b>(0.287)</b>



Consolidated Statement of Changes in Equity  
 Third Quarter Ended September 30, 2023  
 (Unaudited)

	No. of Shares Issued	Share Capital	Foreign Exchange Reserve	Accumulated Profit/(Deficit)	Total Attributable to Owners	Non-controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance at January 1, 2022</b>	518,756,875	72,763,569	-	1,452,112	74,215,681	-	74,215,681
Issue of Share Capital	116,446,989	103,646,117	-	-	103,646,117	-	103,646,117
Short term loan converted to ordinary shares	13,242,230	10,000,000	-	-	10,000,000	-	10,000,000
Total Comprehensive loss for the period	-	-	-	(16,114,863)	(16,114,863)	-	(16,114,863)
<b>Balance at September 30, 2022</b>	<b>648,446,094</b>	<b>186,409,686</b>	<b>-</b>	<b>(14,662,751)</b>	<b>171,746,935</b>	<b>-</b>	<b>171,746,935</b>
<b>Balance at January 1, 2023</b>	648,446,094	185,631,690	(649,944)	(177,357,622)	7,624,124	-	7,624,124
Foreign Exchange Reserve	-	-	368,006	(55,889)	312,118	-	312,118
Total Comprehensive profit/(loss) for the period	-	-	-	75,498,081	75,498,081	(828,751)	74,669,330
<b>Balance at September 30, 2023</b>	<b>648,446,094</b>	<b>185,631,690</b>	<b>(281,938)</b>	<b>(101,915,429)</b>	<b>83,434,323</b>	<b>(828,751)</b>	<b>82,605,572</b>



## Consolidated Statement of Cash Flow

### Third Quarter Ended September 30, 2023

	Unaudited September 30, 2023 \$	Audited December 31, 2022 \$	Unaudited September 30, 2022 \$
<b>Cashflows from Operating Activities</b>			
Net Profit/(Loss) before Taxation	74,669,330	(178,126,642)	(16,114,863)
Adjustments for:			
Bad Debt	-	9,008,325	-
Depreciation	708,185	934,845	704,131
Amortization - Intangibles	20,159,138	22,033,587	15,989,237
Amortization - Right-of-Use	1,178,850	2,902,585	2,043,924
Impairment losses on financial assets	(9,618,462)	153,143,562	21,565,182
Foreign exchange losses	551,962	485,321	324,801
Interest income	(499,211)	(572,113)	(368,840)
Lease Interest	170,711	611,229	280,765
Loss on Disposal of Asset	-	101,655	-
Loan Interest expense	18,645,412	23,412,371	18,155,571
	<u>105,965,915</u>	<u>33,934,725</u>	<u>42,579,910</u>
Changes in operating assets and liabilities:			
Increase in receivables	(53,494,248)	(91,502,480)	(121,174,988)
(Increase)/Decrease in director's account	(8,144,585)	1,853,086	28,906,088
Increase/(Decrease) in payables	26,224,174	(8,487,345)	(9,342,006)
Cash provided/(used) in operating activities	<u>70,551,256</u>	<u>(64,202,014)</u>	<u>(59,030,995)</u>
Interest received	516	127,378	341,824
Interest paid	(13,874,794)	(23,799,289)	(17,789,081)
Tax paid	(350,810)	(13,462,381)	(11,392,729)
Net cash provided/(used) in operating activities	<u>56,326,168</u>	<u>(101,336,306)</u>	<u>(87,870,981)</u>
<b>Cashflows from Investing Activities</b>			
Acquisition of property, plant and equipment	(212,199)	(74,027)	(38,671)
Acquisition of intangible asset	(37,552,188)	(86,256,632)	(81,295,455)
Net cash used in investing activities	<u>(37,764,387)</u>	<u>(86,330,659)</u>	<u>(81,334,126)</u>
<b>Cashflows from Financing Activities</b>			
Long term loan, net	(20,341,598)	202,592,350	207,315,486
Short term loan, net	4,412,374	(75,484,661)	(82,664,312)
Due to related party	4,326,053	(58,904,414)	25,950,622
Director's Loan	-	20,311,749	-
Lease Payments	(1,308,059)	(3,006,284)	(2,256,698)
Shareholder's loan	-	-	(7,412,995)
Proceeds from issue of share capital	-	102,868,121	121,064,235
Net cash provided/(used) by financing activities	<u>(12,911,230)</u>	<u>188,376,861</u>	<u>261,996,337</u>
Net Increase in cash and cash equivalents	5,650,551	709,896	92,791,230
Net effect of exchange rate changes on cash and cash equivalent	(1,329,434)	(1,047,264)	(324,801)
Cash and cash equivalent at beginning of period	3,615,644	3,953,012	3,953,011
<b>Cash and cash equivalent at end of period</b>	<u><b>7,936,759</b></u>	<u><b>3,615,644</b></u>	<u><b>96,419,440</b></u>
Represented by:			
Cash at Bank	18,997,497	3,615,644	96,419,440
Bank Overdraft	(11,060,739)	-	-
	<u><b>7,936,759</b></u>	<u><b>3,615,644</b></u>	<u><b>96,419,440</b></u>





## Notes to the Interim Consolidated Financial Statements

September 30, 2023

### 1. Accounting Policies

#### A. Basis of Preparation

This Interim Consolidated Financial for the period ended September 30, 2023, has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

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

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

### 2. Acquisition of Subsidiary

On March 17, 2023, EduFocal Limited acquired 70% of EduFocal Africa Inc. On May 22, 2023, EduFocal Africa Inc. acquired 100% of EduFocal Nigeria Limited, with core business in education technology, building Learning Management Systems and delivering e-courses.

### 3. Receivables

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade receivables	271,630,751	183,773,223
Less: Expected credit loss provision	<u>(101,322,013)</u>	<u>(74,273,223)</u>
	170,308,738	109,500,000
Prepaid expenses	1,750,341	906,500
Other receivables	<u>56,364</u>	<u>526,233</u>
	<u>172,115,445</u>	<u>110,932,733</u>



Movement of expected credit loss provision is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	74,273,223	25,399,204
Provision during the year	<u>27,048,790</u>	<u>48,874,019</u>
Balance at end of year	<u><u>101,322,013</u></u>	<u><u>74,273,223</u></u>

(a) Payment of \$89,100,000, was received in February 2023. This payment is in relation to contracts awarded in 2022.

#### 4. Share Capital

	<b>2023</b>	<b>2022</b>
	<b>No. of shares</b>	<b>No. of shares</b>
<b>Authorized</b>		
Opening authorized ordinary shares of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Closing authorized ordinary shares of no par value	<u>Unlimited</u>	<u>Unlimited</u>
<b>Issued and Fully Paid</b>		
Opening issued and fully paid ordinary shares	648,446,094	518,756,875
Initial Public Offer issued during the year	-	116,446,989
Short term loan converted to ordinary shares	-	<u>13,242,230</u>
Closing issued and fully paid ordinary shares	<u><u>648,446,094</u></u>	<u><u>648,446,094</u></u>
<b>Ordinary shares of no par value</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	185,631,690	72,763,569
Initial Public Offer issued during the year	-	102,868,121
Short term loan converted to ordinary shares	-	<u>10,000,000</u>
Balance at end of year	<u><u>185,631,690</u></u>	<u><u>185,631,690</u></u>



- (a) On February 9, 2022, the Company held an Extraordinary General Meeting which resulted in the Board of Directors passing a resolution for the issue of shares through an initial public offer thereby approving the issue of up to 129,689,219 ordinary shares. The additional shares were listed on the Junior Market of the Jamaica Stock Exchange on March 15, 2022. 116,446,989 ordinary shares were issued to the general public and key strategic partners, while 13,242,230 was issued through a short-term loan lender exercising a conversion option.



**Top Ten Largest Shareholders  
As at September 30, 2023**

<b>Shareholder</b>	<b>Shareholdings</b>
OKGOSH LIMITED	201,947,587
WIDEBASE LIMITED	86,002,750
MATRIX VENTURES LIMITED	56,250,000
PETER LEVY	40,251,100
DAVID ALEXANDER WALCOTT	26,475,975
RANDY T. ROWE	16,856,460
MARC GAYLE	14,704,045
ROOTS FINANCIAL GROUP LIMITED	13,242,200
KIRK-ANTHONY HAMILTON	12,065,616
ANDREW W. PAIRMAN	12,000,000
	<b><u>479,795,733.00</u></b>



**Shareholdings of Directors, Senior Managers & Connected Persons  
As at September 30, 2023**

	Shareholdings	Connected Persons
<b>Directors</b>		
Peter Levy	40,251,100	-
Grace Lindo	7,707,741	-
Shauna-Gay Fuller Clarke	-	-
Kevin Donaldson	-	13,242,200
Lloyd Swaby*	-	1,340,747
Gordon Swaby*	1,077,035	213,547,435
<b>Senior Management</b>		
Gordon Swaby	1,077,035	213,547,435
Paul Allen	-	56,250,000
Anna Bethune	-	-
Mark Green	30,842	-
Fonique Miller	-	-
<b>Connected Persons</b>		
Andre Swaby	1,036,935	-

\*Includes holding in joint accounts