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November 13, 2023

Q3 CEO'S Report

Dear Shareholders,

EduFocal is an education technology company that focuses on digital learning experiences for companies, schools, individuals, and governments.

Our mission is to leverage technology to educate people wherever they are, whether at school, at home or in the workplace

Historic Performance

Like our Q2 2023 performance, Q3 2023 has led to record-breaking year-to-date revenues of \$257.6M JM and net profit of \$75.5M; beating our full year 2022 performance and any other comparable period in the company's history. We have also materially reversed impairments and significantly improved receivables collection since the start of the year.

Building for the Future

We are setting ourselves up for rapid expansion in our local, regional, and international markets over the short, medium, and long term. Despite an extremely challenging macroeconomic environment and scarce resources, we are positioning ourselves to grow even faster, and as such, we will need to strengthen our financial foundation to sustain these growth plans.

For context, of our total March 2022 IPO cash proceeds of \$116.4M, use of funds are as follows;

- \$20.2M was used to support the acquisition of Clever School Teacher
- \$29.69M was deployed to start the development of **EduFocal Amigo** (details below) and to improve our PEP and other programme offerings.

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- \$10.6M for Marketing, advertising and legal fees
- \$55.91M was used to pay down debt.

Between January 1, 2022 to September 31, 2023, we have spent more than \$120M JM developing world class platforms and content that will serve companies, schools, individuals and governments both locally and internationally.

It is my belief that our continued investment in software, content and people will continue to yield material return to both our top and bottom line, particularly over the next 12 to 24 months.

We expect our work in Africa, in particular in Nigeria and eventually Ghana, to contribute significantly to the Group's top and bottom line.

As I look back over the past nine months, I am filled with pride at the achievements of the EduFocal team and the diverse range of customers we've served, from major financial institutions to retail powerhouses. Our Business Division has seen remarkable growth this year, now accounting for approximately 55% of our total revenues. This growth trajectory is something we're particularly excited about, and we expect this division to continue expanding significantly.

EduFocal Amigo

In my Q2 report, I mentioned that a big focus for us in Lagos, Nigeria would be to support educators to deliver top-tier lessons while simplifying administrative tasks. In this report, I want to zone in a bit more on what we're working on.

Since our inception, we have prided ourselves on being a student-first company, impacting over a quarter-million students across Jamaica in their exam preparation journey. We are now ready to take a bold step forward to amplify our impact and further enhance educational outcomes.

We are on the cusp of launching EduFocal Amigo, an innovative solution designed to forge a stronger alliance with the very backbone of our educational system—the teachers.

What is EduFocal Amigo?

EduFocal Amigo is our revolutionary teacher companion test tool set to transform the way educators assign assessments and track student performance. This new product is the

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embodiment of simplicity, efficiency, and effectiveness in creating formative assessments that align with the National Standards Curriculum.

With EduFocal Amigo, teachers can easily select expertly crafted quizzes from our extensive content library, administer tests online, or opt to print for traditional paper-based assessments. Our technology also includes offline capabilities where a simple photo of the answer sheet through a smartphone can yield digitized and automatically graded results.

Investment in Innovation

The journey to this point has been one of meticulous planning and purposeful execution. Our team has worked tirelessly, investing resources to build a platform that speaks directly to the needs of educators and students alike. By leveraging our existing codebase and prioritizing core features, we are on track to introduce EduFocal Amigo at the end of Q1 2024.

As we look ahead, our strategic priorities remain clear and focused. We are deeply committed to expanding our reach and impact, particularly in emerging markets where the demand for innovative and accessible educational solutions is high.

In closing, I would like to extend my deepest gratitude to our dedicated team, our loyal customers, and you, our esteemed shareholders, for your unwavering support and belief in our mission. Your trust and investment fuel our passion and drive our success. Together, we are not just building a company; we are shaping the future of education.

Thank you for being an integral part of this incredible journey. We are excited about the future and look forward to sharing our continued progress with you.

Sincerely,

Gordon Swaby



CEO, EduFocal Group

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