



One on One Educational Services Limited

2024



Q2

Unaudited Financial
Statements

SECOND QUARTER
ENDED 29 FEBRUARY 2024



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UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

Company Performance for the 2nd Quarter Ended 29 February 2024

The Board of Directors of One on One Educational Services Limited presents the unaudited financial statements for the 2nd quarter ended February 29, 2024.

Statement of Comprehensive Income Summary:

Over the six months ending February 2024, company revenue reached J\$111.4 million, down from J\$153.4 million for the six months ended February 2023. This represents a J\$42.0 million decline which was primarily due to non-renewal of some project-related contracts. Nevertheless, we have successfully retained our core annual recurring business from existing contracts, some of which have even expanded through new acquisitions.

In the 2nd quarter of 2024, revenue fell to J\$56.7 million, 21.9% decrease compared to the same period last year. This was attributed to the non-renewal of some short-term project contracts. During this period, we began recognizing revenue from our new One Academy Teacher Availability Solution (TAS), which has been initially introduced in a limited number of schools with the expectation of a substantial increase as it expands.

Direct costs for the 2nd quarter amounted to J\$18.0 million, a J\$6.2 million uptick from the prior year, leading to a gross profit of J\$38.7 million, down by 36.26%. This was influenced by expenditures related to the TAS roll-out and our enterprise operations. The six-month period also saw a 18.92% hike in direct costs due to one-off expenses linked to our hosting infrastructure services, crucial for our Business to Government (B2G) division. This expense, while increasing short-term costs, prepares us for long-term value creation.

Administrative and selling expenses in the six months rose marginally by J\$2.4 million or 2.1%, whilst the 2nd quarter experienced a 2.9% decrease, reflecting the net benefit from cost-control measures arising from a recent right-sizing initiative. This includes significant one-off costs associated with Q2's structural adjustments in our staff complement and our general operation across all business divisions.

A taxation credit of \$1.8 million for the current quarter was recognized, primarily from deferred taxation, concluding the six months with a tax charge of \$891 thousand. The quarter ended with a net loss of J\$19.9 million, versus J\$6.2 million net profit for the previous year. This culminates in a six-month net loss of J\$41.4 million, versus net profit of J\$58.9 million year-over-year.

Statement of Financial Position Summary:

Total assets stood at J\$609.3 million at the end of the quarter, slightly reduced by 4.0% from last year, with the decline mostly in current assets. Total equity decreased to J\$362.6 million from J\$459.3 million, due to accumulated loss. Conversely, total liabilities grew by J\$71.0 million or 40.4%, mainly from increased long-term loans for working capital.



Right Sizing and Restructuring Exercise:

Between December 2023 and February 2024, our strategic restructuring was aimed at aligning with the evolving market and our evolving product-line. This critical alignment was designed to shed cost from project-dominated pandemic era, optimize our team, departmental structures, and core revenue streams to meet strategic goals, and to capitalize on our new content studios, which will start in Q3.

Monetization of New Business Lines:

We have been diligently securing new business deals to enhance our recurring revenue streams. Partnerships with a tertiary education institution and a premier training organization, along with attracting clients to our content studio, have been notable successes in Q2. The careful rollout of TAS continues, with plans for expansion to new schools following refinement of the product.

Outlook for 2023/24:

The challenges experienced in the first half of the year have been met with strategic actions geared towards reducing expenses and driving monetization of our new products/services, all while setting our sights on a return to profitability. We expect the result of our cost reduction efforts to decrease administrative & selling expenses by approximately J\$75 million or 30%. The company's rightsizing and restructuring efforts are aimed at improving efficiency and reducing costs, thereby turning around the losses of the first half of the year and setting us on a path toward profitability.

We extend our profound gratitude to our shareholders, customers, and employees for their unwavering support and dedication as we navigate these times and pursue growth and profitability.

Mr. Michael Bernard

A handwritten signature in black ink that reads "Michael Bernard".

Chairman



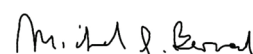
ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
29 FEBRUARY 2024

	Note	Un-Audited February 2024 \$	Un-Audited February 2023 \$	Audited August 2023 \$
ASSETS				
NON-CURRENT ASSETS:				
Intangible assets		310,944,728	227,550,137	266,414,969
Property, plant and equipment		65,107,386	5,321,935	31,548,058
Right of use asset		8,540,377	10,819,113	9,680,716
		<u>384,592,491</u>	<u>243,691,185</u>	<u>307,643,742</u>
CURRENT ASSETS:				
Due from Directors		18,662,921	21,923,104	22,022,574
Inventories		25,792,827	39,634,221	30,743,378
Trade and other receivables		115,317,194	144,310,550	97,016,296
Cash and Bank Balances		64,896,715	185,300,646	57,129,431
		<u>224,669,657</u>	<u>391,168,521</u>	<u>206,911,679</u>
Total Assets		<u><u>609,262,148</u></u>	<u><u>634,859,706</u></u>	<u><u>514,555,421</u></u>
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY:				
Issued share capital	6	413,838,628	413,838,628	413,838,628
Accumulated (loss)/ surplus		(51,205,684)	45,414,991	(9,759,955)
		<u>362,632,944</u>	<u>459,253,619</u>	<u>404,078,673</u>
NON-CURRENT LIABILITIES:				
Long term loans		73,716,941	37,260,640	-
Lease Liability		7,408,580	9,397,106	8,312,492
Deferred tax liability		19,993,462	15,198,540	19,102,791
		<u>101,118,983</u>	<u>61,856,286</u>	<u>27,415,283</u>
CURRENT LIABILITIES:				
Current portion of long term loan		41,283,059	31,720,920	28,500,000
Current portion of long term lease		1,824,184	1,611,752	1,824,184
Due to Directors		10,144,376	-	-
Deferred income		17,442,014	24,734,747	8,198,470
Trade and other payables		54,306,028	55,682,382	44,538,811
Bank overdraft		20,510,560	-	-
		<u>145,510,221</u>	<u>113,749,801</u>	<u>83,061,465</u>
Total Equity & Liabilities		<u><u>609,262,148</u></u>	<u><u>634,859,706</u></u>	<u><u>514,555,421</u></u>

Approved for issue by the Board of Directors on April 10, 2024 and signed on its behalf by:



Ricardo Allen- Director



Michael Bernard- Director



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

	3 Months	3 Months	6 Months	6 Months	Audited 12 Months
Note	Ended February	Ended February	Ended February	Ended February	Ended December
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	\$	\$	\$	\$	\$
Revenues	56,726,721	72,587,520	111,371,067	153,445,786	266,584,552
Direct Cost	<u>(18,012,655)</u>	<u>(11,847,372)</u>	<u>(31,828,161)</u>	<u>(26,764,934)</u>	<u>(65,446,369)</u>
Gross Profit	38,714,066	60,740,148	79,542,906	126,680,852	201,138,183
Other Income	<u>570,399</u>	<u>3,735,800</u>	<u>907,872</u>	<u>5,535,854</u>	<u>10,931,154</u>
	39,284,465	64,475,948	80,450,778	132,216,706	212,069,337
Administrative Expenses	(48,071,838)	(47,156,244)	(98,987,493)	(92,365,854)	(195,475,353)
Selling Expense	<u>(6,507,315)</u>	<u>(9,048,714)</u>	<u>(13,455,201)</u>	<u>(17,723,828)</u>	<u>(34,933,802)</u>
OPERATING (LOSS)/PROFIT	(15,294,688)	8,270,990	(31,991,916)	22,127,024	(18,339,818)
Expected credit loss	-	-	-	-	(9,658,306)
Finance costs	<u>(6,471,045)</u>	<u>(873,172)</u>	<u>(8,563,142)</u>	<u>(2,388,077)</u>	<u>(4,776,041)</u>
(LOSS)/PROFIT BEFORE TAXATION	(21,765,733)	7,397,818	(40,555,058)	19,738,947	(32,774,165)
Taxation	4 <u>1,836,403</u>	<u>(1,217,906)</u>	<u>(890,671)</u>	<u>(2,328,380)</u>	<u>(4,990,214)</u>
NET (LOSS)/PROFIT being total Comprehensive Income	<u>(19,929,330)</u>	<u>6,179,912</u>	<u>(41,445,729)</u>	<u>17,410,567</u>	<u>(37,764,379)</u>
EARNINGS PER STOCK UNIT	5 <u>-\$0.010</u>	<u>\$0.003</u>	<u>-\$0.022</u>	<u>\$0.009</u>	<u>-\$0.020</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 29 FEBRUARY 2024

	Share Capital \$	Accumulated Surplus \$	Total \$
Balance at 31 August 2022	413,838,628	28,004,424	441,843,052
Net profit, being total comprehensive income for the period	-	17,410,567	17,410,567
Balance at 28 February 2023	<u>413,838,628</u>	<u>45,414,991</u>	<u>459,253,619</u>
Balance at 31 August 2023	413,838,628	(9,759,955)	404,078,673
Net loss, being total comprehensive (loss)/income for the period	-	(41,445,729)	(41,445,729)
Balance at 29 February 2024	<u>413,838,628</u>	<u>(51,205,684)</u>	<u>362,632,944</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED

STATEMENT OF CASHFLOW PERIOD ENDED 29 FEBRUARY 2024

	Un-Audited February 2024 \$	Un-Audited February 2023 \$	Audited August 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/ profit	(35,735,884)	17,410,567	(37,764,379)
Adjustments for items not affecting cash resources:			
Amortization on intangible assets	182,505	31,544	232,003
Depreciation	5,018,269	492,744	2,069,702
Depreciation charge on right-of-use asset	1,140,339	189,744	1,328,142
Expected credit loss provision	-	-	(9,658,306)
(Gain)/ loss on disposal fixed asset	-	-	-
Taxation	(4,819,174)	2,328,380	4,990,214
Lease interest expense	496,731	-	625,740
Interest expense	5,053,283	2,944,367	4,837,140
Operating cash flows before movements in working capital	(28,663,931)	23,397,346	(33,339,744)
Decrease / (Increase) in operating assets:			
Inventories	4,950,551	(26,639,887)	(17,749,044)
Trade & other receivables	(18,300,898)	(56,052,163)	2,279,523
Due from related parties	13,504,029	(4,164,914)	(4,264,384)
(Decrease) / Increase in operating liabilities:			
Trade and other payables	9,767,217	9,471,513	1,547,380
Deferred income	9,243,544	15,934,106	(602,171)
Taxation paid	-	-	(3,356,148)
Net cash (used in)/ provided by operating activities	(9,499,488)	(38,053,999)	(55,484,588)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of intangible assets	(44,712,264)	(24,889,135)	(63,954,426)
Acquisition of property, plant and equipment	(38,577,597)	(85,864)	(27,888,944)
Net cash (used in) investing activities	(83,289,861)	(24,974,999)	(91,843,370)
CASH FLOW FROM FINANCING ACTIVITIES:			
Lease liability payments, net	(1,400,644)	-	(1,497,921)
Proceeds from loans	86,500,000	-	28,500,000
Loan repayment	-	(2,037,214)	(71,018,775)
Interest paid	(5,053,283)	(2,944,367)	(4,837,140)
Net cash (used in)/ provided by financing activities	80,046,073	(4,981,581)	(48,853,836)
NET (DECREASE)/ INCREASE IN CASH AND BANK BALANCES	(12,743,276)	(68,010,579)	(196,181,794)
Opening cash and bank balances	57,129,431	253,311,225	253,311,225
CLOSING CASH & BANK BALANCES	44,386,155	185,300,646	57,129,431
REPRESENTED BY:			
Cash and bank deposits	64,896,715	185,300,646	57,129,431
Bank overdraft	(20,510,560)	-	-
	44,386,155	185,300,646	57,129,431



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

29 FEBRUARY 2024

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 TAXATION

Taxation expense represents deferred tax.

(i) Deferred income tax

Deferred income tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.



ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
29 FEBRUARY 2024

5 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.

	29 FEBRUARY <u>2024</u>	28 FEBRUARY <u>2023</u>
	\$	\$
Profit attributable to shareholders	(41,445,729)	17,410,567
Weighted average number of shares in issue	1,900,000,000	1,900,000,000
Earning per share	-\$0.022	\$0.009

6 SHARE CAPITAL:

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Authorized share capital:</u>		
100,000,000,000		
 <u>Issued and fully paid:</u>		
1,900,000,000 (2023 - 1,900,000,000)	<u>413,838,628</u>	<u>413,838,628</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
29 FEBRUARY 2024

7 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))	300,250,000	15.80
SOHO Investment Ltd.	262,921,851	13.84
Ricardo Allen	187,770,000	9.88
John Bailey	156,561,232	8.24
Raby D. Williams	145,065,850	7.63
Cecil Boswell Facey Foundation Ltd.	105,750,000	5.58
Douglas R. Orane	97,143,911	5.11
Michael Bernard	87,067,063	4.58
PanJam Investment Limited	72,500,000	3.82
PAM - Pooled Equity Fund	<u>60,244,365</u>	<u>3.17</u>
 Total	 <u>1,475,274,272</u>	 <u>77.65</u>
 Total Issued shares	 <u>1,900,000,000</u>	 <u>100.00</u>

8 DIRECTORS & SENIOR OFFICERS:

	<u>Connected</u>	<u>Shares Held</u>	% of Issued <u>Shares</u>
Directors:			
Ricardo Allen		187,770,000	9.88
Ricardo Allen	SOHO Investment Ltd.	262,921,851	13.84
John Bailey		156,561,232	8.24
Michael Bernard		87,067,063	4.58
Dr. Carol Grantson		367,153	0.02
Atasha Bernard		151,734	0.01
Mischa McLeod-Hines		<u>16,025</u>	-
		<u>694,855,058</u>	<u>36.57</u>



ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
29 FEBRUARY 2024

8 DIRECTORS & SENIOR OFFICERS CONT'D:

Senior Officers:

	<u>Shares Held</u>	<u>% of Issued</u> <u>Shares</u>
Conrod Hanson	57,300,000	3.02
Jadelle Holder-Remy	10,275,997	0.54
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	904,062	0.05
Kerry-Ann Kudo	175,000	0.01
Brittany Williams	<u>34,327</u>	-
	<u>84,883,398</u>	<u>4.47</u>



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