



**10<sup>th</sup> EduFocal**  
ANNIVERSARY

**UNAUDITED  
FINANCIAL RESULTS**

JMD Q2 2022

# Performance Highlights

For the Six Months Ended June 30, 2022

## NET INCOME

# 321%

increase over 2021

2022: J\$11,580,771  
2021: J\$(5,251,283)



## REVENUE



# 163%

increase over 2021

2022: J\$132,999,079  
2021: J\$50,500,178

## TOTAL ASSETS

# 148%

increase over 2021

2022: J\$336,005,860  
2021: J\$135,250,314



## EARNINGS PER SHARE



# 266%

increase over 2021

2022: J\$0.018  
2021: (J\$0.011)

## TOTAL EQUITY



# 618%

increase over 2021

2022: J\$199,442,569  
2021: J\$27,793,897



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## Chief Executive Officer's Letter

Dear Shareholders,

Our mission is to leverage technology to educate people at scale wherever they are, whether at school, at home or in the workplace. EduFocal Limited ("the Group") is pleased about our performance for the April to June 2022 quarter, and I want to use this opportunity to share some insights.

For EduFocal Academy (LEARN Division), of the total full-time students registered to sit the Primary Exit Profile exam (PEP) for the school year ended June 2022, 76% passed for a school of their choice ( Wolmer's Girls, Immaculate Conception, Ardenne High School, Holy Childhood and others). This marks another significant accomplishment for the Group, as this is our second successful year with a full-time cohort registration for the examination.

For other areas of our LEARN division, we are expanding to other revenue lines, and we have seen great progress, specifically health education and soon financial education.

For our Business Division, we continue to onboard new corporate customers and we are aggressively growing our corporate learning offerings.

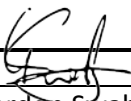
We are happy to report a 321% increase in our net profit performance for the second quarter. The Group successfully recorded a net profit of \$11.6 million for the 6 months ended June 2022 when compared to a net loss of \$5.3 million in the corresponding period 2021. Achieving this level of turnaround is no small feat, and I want to use this opportunity to thank our board of directors, our team and all stakeholders for believing in us.

## EduFocal LLC

The acquisition of Clever School Teacher (CST), a software as a service (SaaS) business in March 2022 allowed EduFocal to forge a pathway into the American edtech marketplace by acquiring a large database of kinder content that will enhance our ability to reach other territories. We are currently in conversations to leverage the content for B2B opportunities in both the United States and Jamaica.

At the end of this quarter, we are laying the foundation for growth and have made significant progress in rebranding CST and are now creating resources internally.

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Gordon Swaby  
Chief Executive Officer



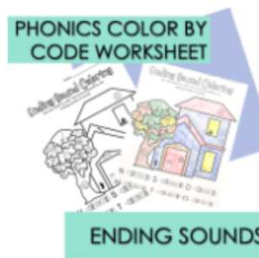
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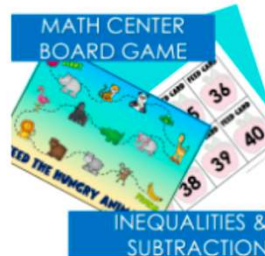
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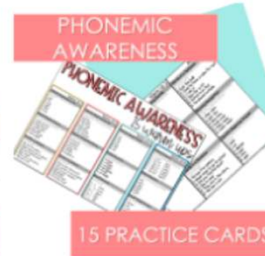
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Phonemic Awareness

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## Key Performance Highlights

Six Months Ended June 30, 2022

The Board of Directors of EduFocal Limited (“LEARN”) are pleased to present its unaudited consolidated financial statements for the second quarter ended June 30, 2022.

Summary of Changes on the Statement of Profit or Loss				
	6 months Ended 30/6/2022	6 months Ended 30/06/2021	\$ Change	% Change
	\$	\$		
Revenue & Other Income	132,999,079	50,500,178	82,498,901	163%
Administrative & Other Operating Expenses	(121,418,308)	(56,652,564)	(64,765,744)	-114%
Net Profit/(Loss)	11,580,771	(5,251,283)	16,832,054	321%
Earnings Per Share (\$)	<b>0.018</b>	<b>(0.011)</b>	0.029	266%

The Group realized revenue of \$133 million for the second quarter, representing an increase of \$82.5 million or 163% over the preceding year’s reporting period and reflects the Group’s improved operating performance. EduFocal Ltd has seen tremendous growth in Business and Partnership sales of \$57.8 million and \$22.3 million respectively due to new contracts awarded, while newly acquired EduFocal LLC generated revenues of \$3.4 million for the quarter under review.

The Group’s gross profit increased by \$40.6 million when compared to the corresponding quarter in 2021. Administrative & other operating expenses increased by \$64.8 million, moving from \$56.7 million in second quarter of 2021 to \$121.4 million in the current period under review driven by higher expenditures in core support areas of the business, specifically staff cost, legal and professional fees and advertising expense.

Net profit attributable to shareholders reflected an increase of \$16.8 million over the prior corresponding quarter moving from a net loss of \$5.3 million in 2021 to a net profit of \$11.6 million in 2022. However, the performance was somewhat modulated by higher finance cost and impairment on financial assets over the comparative period.



Summary of Changes on the Statement of Financial Position				
	Jun-22	Jun-21	\$ Change	% Change
	\$	\$		
<b>Total Assets</b>	336,005,860	135,250,314	200,755,546	148%
<b>Total Liabilities</b>	136,563,291	107,456,417	29,106,874	27%
<b>Total Equity</b>	199,442,569	27,793,897	171,648,672	618%

Total assets as at June 2022 amounted to \$336 million compared to \$135.3 million for the corresponding period ending June 2021. The increase in asset balances were primarily owing to an increase in receivables and intangible assets of \$161.1 million and \$62.3 million respectively due to the new contracts awarded as well as delays in collections on some contracts and intensive infrastructure development.

The Group recorded a \$29.1 million or 27% increase in total liabilities when compared to the corresponding period in 2021, primarily due to an increase in accounts payable and related party loans, which was tempered by a reduction in short-term loans.

EduFocal Group's capital base showed significant growth with shareholders' equity totaling \$199.4 million at the end of June 2022 compared to \$27.8 million in corresponding prior year period. The year on year increase of \$171.6 million was driven by newly issued share proceeds as well as an increase in accumulated income.

We applaud the commitment of our EduFocal team members and remain thankful to our stakeholders for their continued support as we continue to deliver transformative education through technology as well as increase shareholder value.

Peter Levy  
Chairman

Gordon Swaby  
Chief Executive Officer



Consolidated Statement of Financial Position  
Second Quarter Ended June 30, 2022

	Unaudited June 30, 2022	Audited December 31, 2021	Unaudited June 30, 2021
	\$	\$	\$
<b>ASSETS</b>			
Property, plant and equipment	3,174,389	3,691,885	2,888,019
Intangible assets	116,638,709	66,725,467	54,303,632
Right-of-Use Asset	2,804,277	4,023,825	-
Deferred Tax Asset	1,267,438	1,267,438	1,254,263
Receivables and prepayments	208,773,602	126,537,140	47,694,302
Due from related party	2,618,993	20,106,531	22,636,927
Cash and Cash equivalents	728,452	4,013,319	6,473,170
<b>TOTAL ASSETS</b>	<b>336,005,860</b>	<b>226,365,605</b>	<b>135,250,314</b>
<b>LIABILITIES</b>			
Lease Liability	385,230	1,481,460	-
Long Term Borrowings	23,610,725	23,800,018	23,938,567
Accounts payable	37,071,379	23,047,055	16,382,340
Taxation payable	11,392,729	11,392,729	2,168,310
Shareholder's loan	-	7,412,995	7,426,000
Current portion of Lease Liability	2,584,826	2,642,543	-
Bank Overdraft	-	60,307	-
Current portion of Long Term loans	2,445,285	2,746,274	3,288,434
Due to related party	40,622,810	1,500,000	-
Short-Term Loans	18,450,306	85,484,661	54,252,766
	<b>136,563,291</b>	<b>159,568,042</b>	<b>107,456,417</b>
<b>EQUITY</b>			
<b>Attributable to Shareholders</b>			
Share capital	186,409,686	10,345,452	10,345,452
Preference Share	-	54,999,999	29,991,999.24
Accumulated Income/(Deficit)	13,032,883	1,452,113	(12,543,554)
	<b>199,442,569</b>	<b>66,797,564</b>	<b>27,793,897</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>336,005,860</b>	<b>226,365,605</b>	<b>135,250,314</b>

Approved for the issue by the Board of Directors on August 12, 2022 and signed on its behalf by:

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

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



Consolidated Statement of Comprehensive Income  
 Second Quarter Ended June 30, 2022  
 (Unaudited)

	3 months to 30/6/2022	6 months to 30/6/2022	3 months to 30/06/2021	6 months to 30/06/2021	December 2021
	\$	\$	\$	\$	\$
Revenue	72,079,169	132,999,079	16,800,104	50,400,312	185,151,034
Administrative & Operating Expenses	(44,153,082)	(89,211,173)	(16,738,129)	(47,214,384)	(128,815,712)
<b>Gross Profit</b>	<b>27,926,088</b>	<b>43,787,906</b>	<b>61,975</b>	<b>3,185,928</b>	<b>56,335,322</b>
Other income	-	-	33,289	99,866	7,905
Impairment loss on financial asset	(13,716,748)	(21,565,182)	(83,788)	(83,788)	(19,158,946)
Finance Cost	(4,672,911)	(10,641,953)	(3,118,131)	(9,354,393)	(19,629,755)
<b>Profit/(Loss) Before Taxation</b>	<b>9,536,429</b>	<b>11,580,771</b>	<b>(3,106,654)</b>	<b>(6,152,386)</b>	<b>17,554,525</b>
Taxation	-	-	450,552	901,103	(8,810,141)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>9,536,429</b>	<b>11,580,771</b>	<b>(2,656,103)</b>	<b>(5,251,283)</b>	<b>8,744,384</b>
Total comprehensive income attributable to:					
Owners of EduFocal Ltd.	<b>9,536,429</b>	<b>11,580,771</b>	<b>(2,656,103)</b>	<b>(5,251,283)</b>	<b>8,744,384</b>
<b>Earnings Per Share (\$)</b>	<b>0.015</b>	<b>0.018</b>	<b>(0.005)</b>	<b>(0.011)</b>	<b>0.016</b>



Consolidated Statement of Changes in Equity  
 Second Quarter Ended June 30, 2022  
 (Unaudited)

	No. of Shares Issued	Share Capital \$	Preference Shares \$	Accumulated Profit/(Deficit) \$	Total \$
<b>Balance at January 1, 2021</b>	10,000,000	10,345,452	-	(7,292,272)	3,053,180
Total Comprehensive income		-	-	8,744,384	8,744,384
Issue of Preference shares		-	54,999,999	-	54,999,999
<b>Balance at December 31, 2021</b>	<b>10,000,000</b>	<b>10,345,452</b>	<b>54,999,999</b>	<b>1,452,112</b>	<b>66,797,563</b>
<b>Balance at January 1, 2022</b>	10,000,000	10,345,452	54,999,999	1,452,112	66,797,563
Total Comprehensive profit for the period		-	-	11,580,771	11,580,771
Preference shares conversion		-	(54,999,999)	-	(54,999,999)
Issue of Share Capital	638,446,094	176,064,234	-	-	176,064,234
<b>Balance at June 30, 2022</b>	<b>648,446,094</b>	<b>186,409,686</b>	<b>-</b>	<b>13,032,883</b>	<b>199,442,569</b>



## Consolidated Statement of Cash Flow

### Second Quarter Ended June 30, 2022

	Unaudited June 30, 2022 \$	Audited December 2021 \$	Unaudited June 30, 2021 \$
<b>Cashflows from Operating Activities</b>			
Net Profit/(Loss) before Taxation	11,580,771	17,554,525	(6,152,386)
Adjustments for:			
Bad Debt	-	8,960,325	-
Depreciation	478,825	656,637	349,380
Amortization - Intangibles	10,190,597	10,694,813	4,848,846
Amortization - Right-of-Use	1,351,419	1,341,276	-
Impairment losses on financial assets	21,565,182	19,158,946	83,788
Foreign exchange losses	355,731	1,516,902	676,626
Interest income	(328,104)	(578,505)	-
Lease Interest	150,793	204,152	-
Loan Interest expense	9,919,673	12,335,022	6,917,575
	<u>55,264,887</u>	<u>71,844,093</u>	<u>6,723,828</u>
Changes in operating assets and liabilities:			
Increase in receivables	(103,737,128)	(121,186,329)	(14,308,006)
Decrease/(increase) in director's account	17,236,806	(5,190,166)	(8,298,697)
Increase in payables	14,024,325	7,970,845	2,159,306
Cash used in operating activities	<u>(17,211,111)</u>	<u>(46,561,557)</u>	<u>(13,723,569)</u>
Interest received	303,180	371	-
Interest paid	(9,852,277)	(13,108,691)	(8,301,467)
Tax paid	-	(1,000,000)	(500,000)
Net cash used in operating activities	<u>(26,760,208)</u>	<u>(60,669,878)</u>	<u>(22,525,036)</u>
<b>Cashflows from Investing Activities</b>			
Acquisition of property, plant and equipment	(38,671)	(3,286,494)	(2,175,372)
Acquisition of intangible asset - computer software	(60,103,839)	(45,457,917)	(27,190,114)
Net cash used in investing activities	<u>(60,142,510)</u>	<u>(48,744,411)</u>	<u>(29,365,486)</u>
<b>Cashflows from Financing Activities</b>			
Long term loan, net	(958,406)	(10,169,815)	(8,878,883)
Short term loan, net	(66,544,893)	69,223,522	37,291,642
Due to related party	39,122,810	1,500,000	-
Lease Payments	(1,236,862)	(1,445,250)	-
Shareholder's loan	(7,412,995)	280,530	-
Issue of preference shares	-	54,999,999	29,991,999
Proceeds from issue of share capital	121,064,235	-	-
Net cash provided by financing activities	<u>84,033,889</u>	<u>114,388,986</u>	<u>58,404,758</u>
Net Increase in cash and cash equivalents	(2,868,829)	4,974,697	6,514,236
Net effect of exchange rate changes on cash and cash equivalent	(355,731)	(1,516,902)	140,344
Cash and cash equivalent at beginning of period	3,953,011	495,216	495,216
<b>Cash and cash equivalent at end of period</b>	<u><u>728,451</u></u>	<u><u>3,953,011</u></u>	<u><u>7,149,796</u></u>



## Notes to the Interim Consolidated Financial Statements

June 30, 2022

### 1. Accounting Policies

#### A. Basis of Preparation

This Interim Consolidated Financial for the period ending June 30, 2022, 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, 2021 and the corresponding Interim reporting period.

### 2. Acquisition of Subsidiary

On January 11, 2022, EduFocal Limited acquired a 100% of EduFocal LLC. On March 22, 2022, EduFocal LLC acquired the website and assets of Denver based K1 Edtech SaaS company Clever School Teacher (CST), that provides monthly curated K-1 resources and Live online professional development sessions for K1 Teachers in the United States of America.

### 3. Share Capital

	<b>2022</b>	<b>2021</b>
<b>Authorized</b>	<b>No. of shares</b>	<b>No. of shares</b>
Opening authorized ordinary shares of no par value	18,373,000	18,373,000
Authorized ordinary share capital created during the year	<u>630,073,094</u>	<u>-</u>
Closing authorized ordinary shares of no par value	<u>648,446,094</u>	<u>18,373,000</u>
<b>Issued and Fully Paid</b>		
Opening issued and fully paid ordinary shares	10,000,000	10,000,000
Issued during the year	<u>638,446,094</u>	<u>-</u>
Closing issued and fully paid ordinary shares	<u>648,446,094</u>	<u>10,000,000</u>



	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Ordinary shares of no par value</b>		
Balance at beginning of year	10,345,452	10,345,452
Issued during the year	<u>176,064,234</u>	<u>-</u>
Balance at end of year	<u>186,409,686</u>	<u>10,345,452</u>

- (l) Each one of the 10,000,000 existing issued ordinary shares in the capital of the Company was subdivided resulting in the total issued shares being increased to 448,250,825 of no par value.

#### 4. Preference Shares

	<b>2022</b>	<b>2021</b>
	\$	\$
Authorized:-		
Redeemable cumulative convertible preference shares, par value	<u>-</u>	<u>55,000,000</u>
	<b>2022</b>	<b>2021</b>
	\$	\$
Issued and fully paid:-		
Redeemable cumulative convertible preference shares, par value	<u>-</u>	<u>54,999,999</u>

On March 15, 2022, EduFocal offered its ordinary shares to the public by way of an Initial Public Offer (IPO). The face value of the preference shares was converted to ordinary shares at a discounted price of 10% of the IPO price \$1.



**Top Ten Largest Shareholders  
As at June 30, 2022**

<b>Shareholder</b>	<b>Shareholdings</b>
OKGOSH LIMITED	215,198,036
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	22,014,519
MARC GAYLE	14,684,126
ROOTS FINANCIAL GROUP LIMITED	13,242,200
KIRK-ANTHONY HAMILTON	12,065,616
ANDREW W. PAIRMAN	12,000,000



**Shareholdings of Directors, Senior Managers & Connected Persons  
As at June 30, 2022**

	<b>Shareholdings</b>	<b>Connected Persons</b>
<b>Directors</b>		
Peter Levy	40,251,100	
Grace Lindo	7,707,741	
Kevin Donaldson		13,242,200
Gordon Swaby*	602,865	226,655,471
<b>Senior Management</b>		
Gordon Swaby	602,865	226,655,471
Paul Allen		56,250,000
Nicola Chambers	480,383	
Chelsea Taylor	151,251	
Kristy Fernandez	134,658	
Kemesha Swaby	11,457,435	
<b>Connected Persons</b>		
Andre Swaby	323,897	

\*Includes holdings in joint accounts