

January to March 2024

SHAREHOLDERS' REPORT

Q1 24



one great studio

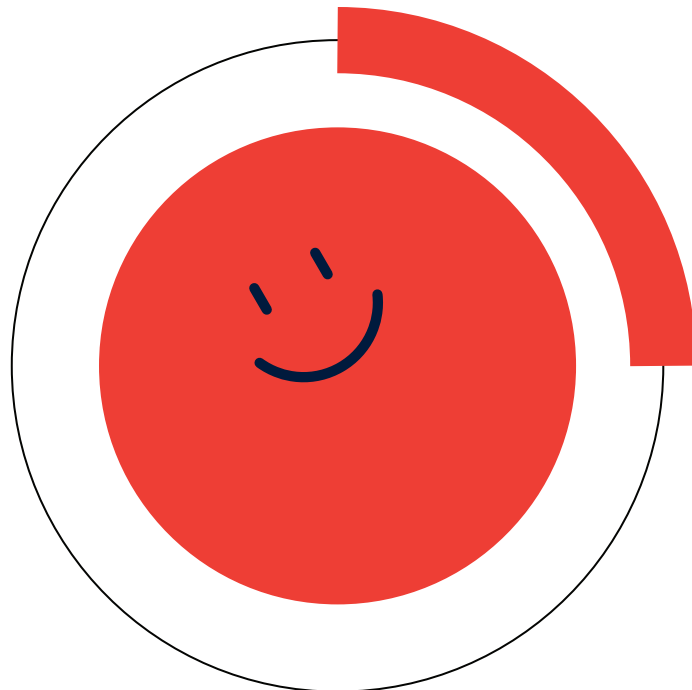


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SHAREHOLDERS' REPORT & MD&A

One Great Studio Company Limited (1GS) is pleased to report its financial results for the first quarter ended March 31, 2024. This quarter's results reflect how our management team has maneuvered a challenging environment. We remain committed to increasing shareholder value and improving operational efficiencies. We are excited to report the following financial highlights.

Q1 FY 2024 Financial Summary

Profit and Loss Performance: January 2024 - March 2024

Income Statement	Q1 2023	Q1 2024	Change (%)
Revenue	115	91	(21%)
Profit Before Tax (PBT)	29	10	(63%)
Net Profit	23	10	(55%)
Operating Profit Margin	37%	15%	-
Net Profit Margin	20%	11%	-
EPS	0.021	0.008	(62%)

Summary Review

Income Statement:

For the 1st Quarter (Q1) ending March 31, 2024, 1GS saw a 21% decrease in Revenues relative to the comparable period in Q1 2023. Net profit recorded for the quarter was \$10.3 million compared to \$23 million for the comparable quarter in 2023. The decline in performance year over year was a result of various market factors that impacted our SEO business segment, leading to a temporary contraction. Notably, we are proactively implementing measures to adapt to the evolving landscape and capitalize on emerging opportunities.

Balance Sheet:

For the reporting period, Total Assets grew by \$143.4 million or 27.4% to \$667.2 million over 2023's \$523.8 million outturn. Total Equity grew by 233.1% to \$602.8 million. Total liabilities fell by \$278.5 million or 81.2%. Total Asset growth was primarily driven by higher short-term investment balances.

Credit Quality, Liquidity & Cashflow:

We repaid most of our loan balances within the last twelve months. Consequently, our balance sheet has only \$22.8 million in debt compared to \$602.8 million in equity. Operating Cashflow recorded for the period was \$13.4 million. This was driven by positive profitability combined with effective collections and receivable management. Strong operating cashflows resulted in robust bank and short-term investment balances.

★ Q1 Highlights

Revenue	↓ 21% YoY	\$91M
Net Profit	↓ 55% YoY	\$10M
Total Assets	↑ 27.4%	\$667M
Total Liabilities	↓ 81.2% YoY	\$64.3M
Total Debt	↓ 92% YoY	\$22.8M
YTD Operating Cashflow	\$54.1M →	\$13.4M

DETAILED REVIEW OF FINANCIALS

Q1 2024 represents management’s resilience and strength in maneuvering a challenging economic period while still maintaining shareholder value. We recalibrated our strategies and leveraged our core strengths to capitalize on emerging opportunities that drive sustainable revenue growth across all facets of our operations, while managing the impact of our macroeconomic environment.

Income Statement:

For the three months ending March 31, 2024, 1GS recorded revenues of \$90.8 million, representing a decrease of 21% or \$24.1 million over the comparable period in 2023. This decrease was driven by a temporary contraction due to various market factors in revenue from the Search Engine Optimization (SEO) business segment.

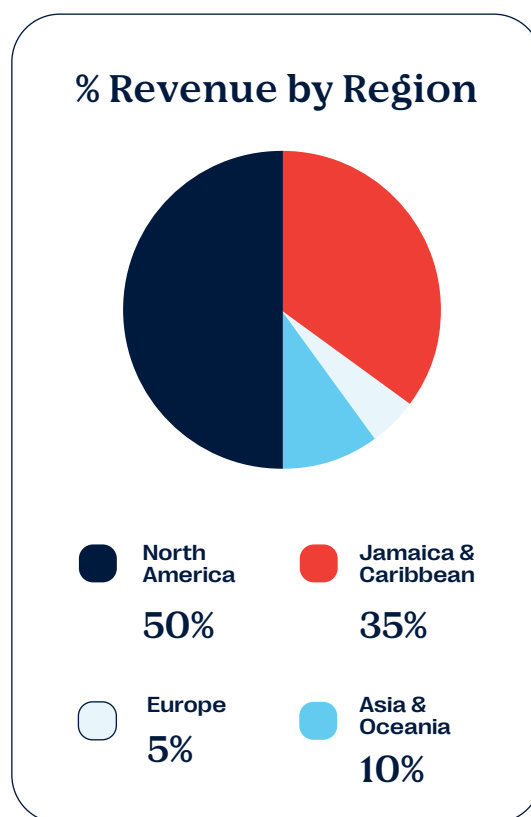
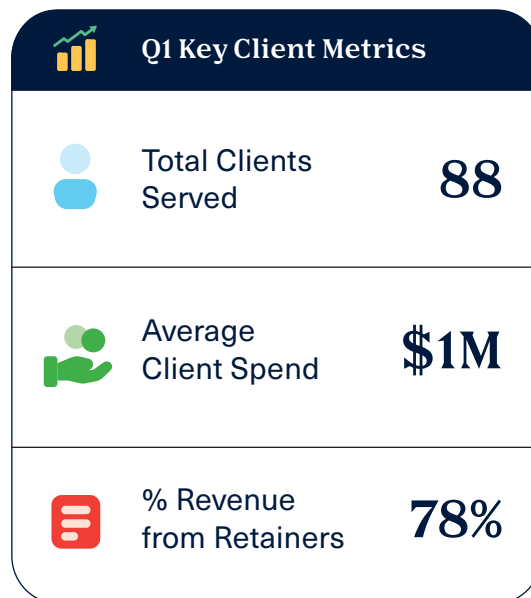
In October 2023, Google completed its helpful content updates (HCU), which for many marked the start of an aggressive push by Google to reshape its search product in the face of emerging technology and changes in user search patterns. These efforts aim to enhance the search experience and maintain Google’s position as the premier internet search destination.

Though upwards of 90% of our clients experienced no negative impact from these updates we have proactively implemented measures to adapt to the evolving landscape. We have been developing new strategies and techniques, which we have already started offering to our clients, many of whom have started seeing results from them. As things normalize, we expect to see an uptick as we begin to capitalise on the emerging opportunities that are presenting themselves, especially in light of the success our existing customers are experiencing even through these changes.

Administrative and general expenses grew by 19.3% or \$3.4 million for the period which primarily reflects our ongoing investment in enhancing service delivery and operational efficiency. This increase in expenses coupled with the reduction in SEO revenue resulted in operating profit declining by 66.2%

to \$14.4 million compared to the similar period in 2023. Our focus remains on prudent cost management while investing strategically to drive growth and maintain competitiveness.

A combination of these factors led to a reduction in our profitability for the quarter. Net profit for the period was \$10.3 million or \$12.7 million below the comparable period in 2023. This translated to a decrease in the net margin from 20% to 11.3%.



In Q1 2024, 1GS served 88 clients, down from the 96 clients in Q1 2023. This reduction in clients served was accompanied by a reduction in average client spend to \$1 million. For the quarter, 70% of our revenues were generated outside Jamaica. 50% of our revenues were generated in North America, 35% in the Caribbean, 10% in Asia & Oceania regions and the remaining 5% from Europe.

As at March 31, 2024, our top three (3) clients accounted for approximately 16% of our revenue (the same as recorded in Q1 2023), and no single client accounted for more than 6% of our revenue (down from 8% in Q1 2023). 1GS remains proud of its geographic diversification as well as the continued reduction in client concentration. Consequently, the risk to our revenues of losing any single client continues to be very low.

Balance Sheet: Positioned for Growth

Balance Sheet	Q1 2023	Q1 2024	Change (%)
Total Assets	524	667	27%
Current Assets	178	326	83%
Short Term Investments	77	223	192%
Cash and Bank Balances	54	50	(8%)
Non-Current Assets	345	341	(1%)
Total Liabilities	343	64	(82%)
Current Liabilities	57	45	(20%)
Non-Current Liabilities	286	19	(93%)
Shareholder's Equity	181	603	233%

As at March 31, 2024, Total Assets increased by \$143.4 million or 27.4% relative to the similar quarter last year. The increase in Assets was solely driven by an increase in short-term investments by \$146.9 million to close at \$223.4 million. To maximise the return on our assets for shareholders, 1GS strategically placed excess cash resources in short-term investment notes that earn a higher interest rate. This strategic decision continued to generate interest income and has contributed to our ability to pay dividends.

Total Liabilities as at March 31, 2024, fell to \$64.3 million, an 81.2% reduction when compared to 2023. This was driven by a \$266.8 million reduction in Total Debt. This reduction in Total Debt is attributable primarily to 1GS' loan repayment in keeping with our commitment outlined in the prospectus for significant debt reduction. Total non-current liabilities now stand at \$18.9 million.

Current liabilities stood at \$45.4 million compared to \$56.7 million at the end of the similar period in 2023. This \$11.3 million or 20% decrease in current liabilities is mainly driven by an decrease in trade payables of \$15.6 million. These payables are a part of our natural course of business and are fully repaid within the agreed period each time.

1GS is proud of our ability to cover all of our current liabilities with current assets 7.2 times. Our bank and investment balances alone of \$273.5 million can fully cover all our liabilities 4.25 times over.

Total Equity as at the end of March 31, 2024 was \$602.8 million, a 233.1% increase over the equity balance as at the end of March 31, 2023. This sharp growth in Total Equity was primarily driven by the over \$338 million that we received from our new shareholders in the IPO as well as a \$131.3 million in accumulated surplus. Our balance sheet continues to show best-in-class resilience, very little debt, significant levels of liquidity, and an increasingly diverse geographic revenue generation base. We believe that this positions us to be able to act on regional opportunities and allows us the space to prudently position the business to propel our future growth plan.

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

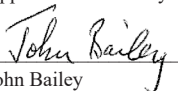
One Great Studio Company Limited

Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	31-Mar-24	31-Mar-23	Year Ended 31-Dec-23
	Unaudited	Unaudited	Audited
	\$	\$	\$
Assets			
Non-Current Assets			
Property, plant and equipment	5,083,570	6,841,750	5,091,811
Intangible assets	336,113,304	337,892,361	336,852,746
Right-of-use asset	-	332,563	-
Deferred tax asset	-	432,202	-
	341,196,874	345,498,876	341,944,557
Current Assets			
Cash and cash equivalents	50,130,242	54,444,457	34,520,484
Short term investments	223,408,109	76,521,015	230,838,301
Trade and other receivables	52,434,034	47,304,084	42,081,099
	325,972,385	178,269,556	307,439,884
Total Assets	667,169,259	523,768,432	649,384,441
Equity & Liabilities			
Equity			
Share capital	310,175,538	21,738	310,175,538
Paid in capital	161,349,060	110,632,408	161,349,060
Accumulated Surplus	131,318,262	70,308,438	120,511,687
	602,842,859	180,962,584	592,036,285
Non-Current Liabilities			
Long term loans	18,747,299	286,106,909	18,099,189
Deferred tax liability	195,643	-	195,643
	18,942,942	286,106,909	18,294,832
Current Liabilities			
Current portion of long term loans	4,005,984	3,422,955	5,340,900
Current portion of lease liability	-	332,564	-
Taxation Payable	10,019,897	5,961,297	9,962,538
Trade and other payables	31,357,576	46,982,123	23,749,886
	45,383,457	56,698,939	39,053,324
Total Equity and Liabilities	667,169,259	523,768,432	649,384,441

Approved for issue by the Board of Directors on May 8th, 2024 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 31 March		Year ended 31 December	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
	\$	\$	\$	\$
Revenue	90,814,501	114,936,436	461,053,541	238,934,377
Cost of Sales	56,071,247	54,939,960	201,664,133	111,065,686
Gross Profit	34,743,254	59,996,476	259,389,408	127,868,691
Administrative and general expenses	20,783,791	17,415,578	123,157,539	65,778,482
Operating Profit	13,959,463	42,580,898	136,231,869	62,090,209
Acquisition costs	-	-	-	(10,104,046)
Other income	2,539,347	1,126,295	6,110,053	2,642,395
Other Expenses	(3,664,186)	(3,773,056)	(9,629,716)	(1,434,017)
EBITDA	12,834,624	39,934,137	132,712,206	53,194,541
Depreciation and amortization	1,618,416	2,127,722	8,117,631	5,433,831
Interest expense	769,856	9,288,989	26,957,641	12,294,207
Profit before taxation	10,446,352	28,517,426	97,636,934	35,466,503
Taxation charge	178,986	5,525,554	18,558,168	7,565,259
Net Profit for the period	10,267,366	22,991,872	79,078,766	27,901,244
Other comprehensive income:				
Items that will never be reclassified to profit or loss:				
FX translation gain (loss) on foreign subsidiaries	539,209	(1,452,305)	1,034,422	(5,003,765)
Total comprehensive income for the period	10,806,575	21,539,567	80,113,188	22,897,479
Earnings per shares attributable to shareholders of the Company	\$0.008	\$0.021	\$0.060	\$0.020

One Great Studio Company Limited

Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollar unless otherwise stated)

	3 months ended 31 March		Year Ended
	2024	2023	31-Dec-23
	Unaudited	Unaudited	Audited
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit after taxation	10,267,366	22,991,872	79,078,766
Adjustments for items not affecting cash resources:			
Depreciation on property, plant and equipment	486,455	686,726	2,699,019
Depreciation on right-of-use asset	-	332,564	665,127
Amortisation on intellectual property	739,442	1,995,314	3,034,929
Amortisation on debt cost	392,520	392,520	1,570,080
Loss on disposal of property, plant and equipment	-	-	321,352
Unrealised loss on foreign exchange	3,664,186	643,785	1,561,001
Impairment loss	715,479	3,436,548	5,499,883
Deferred taxation	-	81,645	513,847
Income tax charge	178,986	5,443,909	17,848,679
Translation (gain) / loss	539,209	(1,452,305)	1,034,422
Interest income	(2,539,347)	(1,874,194)	(6,110,053)
Interest expense on right-of-use-asset	-	27,437	27,436
Interest expense on loan	769,856	5,833,449	26,930,205
	15,214,151	38,539,268	134,674,693
Increase in operating assets:			
Trade and other receivables	(9,349,074)	(5,882,891)	(2,231,683)
Increase / (decrease) in operating liabilities:			
Trade and other payables	7,627,782	21,481,686	(1,692,644)
Cash flows provided by operating activities	13,492,859	54,138,063	130,750,365
Taxation paid	(89,252)	(5,123,023)	(13,499,116)
Net cash (used in) / provided by operating activities	13,403,607	49,015,041	117,251,249
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition/Encaashment of short term investments	7,430,192	(30,762,611)	(185,079,897)
Interest income received	601,949	518,031	4,262,332
Acquisition of property, plant and equipment	(478,214)	(157,423)	(889,461)
Net cash (used in) / provided by investing activities	7,553,928	(30,402,003)	(181,707,027)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease obligations	-	(332,563)	(496,920)
Loan interest paid	(604,266)	(5,833,449)	(26,908,799)
Debt issue cost unamortised	-	-	(7,850,390)
Additional paid-in capital	-	-	50,716,652
Dividends paid	-	-	(8,301,352)
Repayment of long-term loans	(1,079,326)	2,260,215	(257,156,730)
Additional share capital issued	-	-	338,629,202
IPO Issuance costs	-	-	(28,475,402)
Net cash (used in) / provided by financing activities	(1,683,592)	(3,905,797)	60,156,261
NET INCREASE IN CASH AND BANK BALANCES	19,273,943	14,707,240	(4,299,517)
Net effect of foreign exchange movement on cash and cash equivalents	(3,664,186)	(643,785)	(1,561,001)
CASH AND CASH AND EQUIVALENTS - Beginning of the year	34,520,484	40,381,002	40,381,002
CASH AND CASH EQUIVALENTS - End of the period	50,130,242	54,444,457	34,520,484
REPRESENTED BY:			
Cash and cash equivalents	50,130,242	54,444,457	34,520,484

One Great Studio Company Limited

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
Other comprehensive income for the year:				
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
Other comprehensive income for the year:				
Currency translation gain on foreign subsidiary			1,034,422	1,034,422
Additional shares issued during the year	338,629,202			338,629,202
IPO issuance costs	(28,475,402)			(28,475,402)
Additional paid-in capital during the year		50,716,652		50,716,652
Dividends paid			(8,301,352)	(8,301,352)
Dividends declared unpaid			(69,021)	(69,021)
Net profit, being total comprehensive income for the year			79,078,766	79,078,766
Balance at December 31, 2023	310,175,538	161,349,060	120,511,687	592,036,285
Other comprehensive income for the year:				
Currency translation gain on foreign subsidiary			539,209	539,209
Net profit, being total comprehensive income for the period			10,267,366	10,267,366
Closing Balance 31 March 2024	310,175,538	161,349,060	131,318,262	602,842,860

One Great Studio Company Limited

Notes To The Unaudited 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.

TOP 10 LARGEST SHAREHOLDERS AS AT MARCH 31, 2024

Shareholder	Number of Shares
QVRFL Holdings Limited ¹	508,267,648
EZ4712 Holdings Limited ²	340,874,764
Barita Investments Limited	192,047,053
Young Tigers Holdings Limited	71,411,004
GoGo Search Ventures Limited	68,875,020
Operor Auctus Limited	55,817,692
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	36,381,000
Jorden Investments Limited	35,818,000
Marc & Cheyenne-Kari Gayle	33,780,730
Nicholas & Ruth Browne	25,417,476
Total	1,343,999,496

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 MARCH 31, 2024

Directors	Shareholdings	Connected Shareholdings
Djuvane Browne		508,267,648
Rachel Browne		508,267,648
Gina DeLisser	2,981,800	340,874,764
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		508,267,648
Gina DeLisser	2,981,800	340,874,764
Laurian Evelyn	1,344,613	71,411,004
Robert Evelyn	1,400,000	71,411,004
Hannah Newland	210,000	