



UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS | ENDED 30 June 2024



138 STUDENT LIVING JAMAICA LIMITED

UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS | ENDED 30 June 2024

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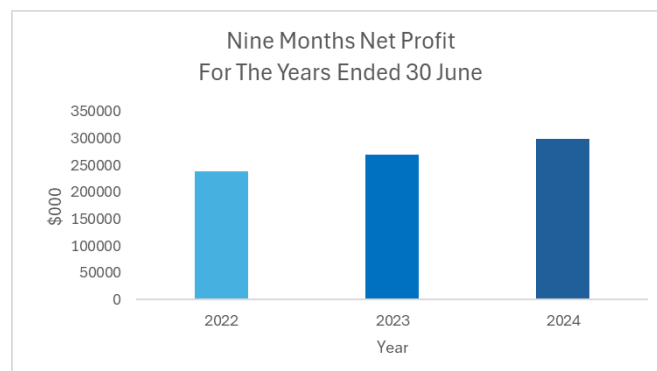
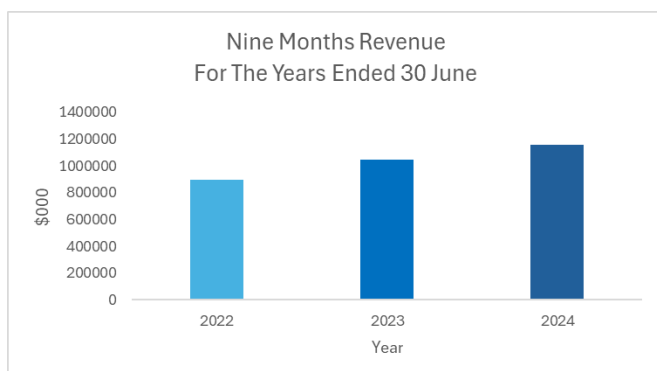
CHAIRMAN'S 3rd QUARTER REPORT TO SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (the Group or 138SL) presents the unaudited consolidated financial statements for the third quarter ended 30 June 2024.

Financial Highlights

Financial Results Highlights

	3 months ended 30 June 2024 Unaudited \$'000	3 months ended 30 June 2023 Unaudited \$'000	Q-O-Q CHANGE %	9 months ended 30 June 2024 Unaudited \$'000	9 months ended 30 June 2023 Unaudited \$'000	Y-T-D CHANGE %
Revenue	376,549	347,452	8	1,157,488	1,048,106	10
Expenses	178,242	164,660	(8)	582,433	500,495	(16)
Operating Profit	198,308	182,792	8	575,056	547,611	5
Finance Costs	79,115	88,429	11	251,791	269,827	7
Profit before taxation	119,193	94,363	26	323,265	277,784	16
Taxation	(11,390)	(5,442)	(109)	(23,658)	(7,720)	(206)
Net Profit	107,803	88,921	21	299,607	270,064	11



Overview

The Group's performance for the quarter under review and the nine months year-to-date are ahead of last year's performance for both revenue and net profit. The Group generated net profit of \$107.8 million for the quarter and \$299.6 million for the nine-month period. Net profit has consistently grown for the nine months year-to-date period for the last three years as demonstrated in the graph above.



Occupancy at the start of the quarter was 92% and trended downwards as some students at Irvine Hall vacated their rooms at the end of the 38-week contract which governs the residents. For the 138SL Concession Agreement, which covers the Leslie Robinson and George Alleyne Halls, the residents are governed by a 51-week contract and have, as a back stop the 90% Occupancy Guarantee, once occupancy falls below 90%.

Group Performance

Income Statement

For the quarter ended June 30, 2024, the Group's revenue was \$376.5 million, an increase of 8%, when compared to the \$347.4 million recorded in the prior year's corresponding period. The movement is derived from increases in rates across all halls and other income. As can be seen from the nine months revenue graph above, we continue to experience year on year increase in revenue.

For the current quarter, other income contributed J\$46.2 million and J\$110.7 million for the nine months compared to J\$23.5 and J\$54.08 million for the corresponding periods, respectively. The increase is primarily driven by better utilization of laundry operations and a one-off sale of surplus equipment during the current quarter.

The Group's activities resulted in an operating profit of J\$193 million for the three months ended June 2024, an increase of 8% when compared to J\$182.8 million in the corresponding prior period. The results were negatively impacted by increases in administrative expenses for general insurance, salaries, and internet services, the latter being required to enable enhanced WI-FI services for our residents.

Profit before taxation was recorded at J\$119.2 million for the three-month period ended June 2024 when compared to J\$94.4 million for the three-month period ended in June 2023 representing an increase of 26%. 138SL recorded an efficiency ratio of 47% at the end of the quarter compared to 47% in the previous year's quarter.

Earnings per stock unit (EPS) for the three months decreased to \$0.20 compared to \$0.21 for the three-month period to 30 June 2023. The marginal decline in the EPS is related to the increase in the number of shares in issue arising from the recent Additional Public Offering.

Balance Sheet

As at June 30, 2024, the Group's total assets stood at J\$10.2 billion, an increase from the prior year's balance of \$9.9 billion. This movement primarily originated from an increase in cash and cash equivalent.



Approximately 85% of the total assets or J\$8.7 billion represents non-current assets, while the remaining 15% represents current assets. For the prior year, non-current and current assets represent 88% and 12% of total assets, respectively.

Current liabilities stood at J\$1.3 billion as at the June 2024, a J\$90.9 million or 6.5% decrease from the J\$1.4 billion recorded at the end of the 2023 financial year. This was primarily driven by repayment of short-term loan notes.

Shareholders' equity increased by J\$764.9 million to end the third quarter of 2024 at J\$5.6 billion. This increase was primarily driven by the increase in retained earnings and increase in share capital resulting from the recently concluded Additional Public Offering.

Statement of Cash Flows

Cash flow from operations totalled J\$359.2 million, compared to J\$391.9 million in June 2023, which is an 8% or J\$32.7 million decrease.

Corporate Social Responsibility

138SL continues to play a vital role in shaping the future leaders of our society by offering world class accommodation and social programs which are being facilitated through the provision of free housing, valued at \$15.7 million annually, to twenty Resident Advisors (post graduate students) who are selected by the UWI.

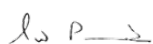
For Labour Day members of staff joined hands to clean and paint a section of the Jamaica National Children's Home in Papine, St. Andrew.

For a second consecutive year, commencing in June, we partnered with the MultiCare Youth foundation to provide on the job experience for eleven interns during the summer period.

Outlook

Our strong financial performance for the nine months is a testament to our commitment to operational efficiency, prudently managing cost and driving additional revenue which has allowed us to record consistent year over year increases in revenue and profit. Our outlook is that this trend will continue as the demand for student housing remains strong.

We are committed to providing world class student accommodation offering safe, comfortable, and affordable living spaces.



Ian Parsard
Chairman



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

NINE MONTHS | ENDED 30 June 2024

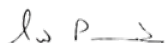
	3 months ended 30 June 2024 Unaudited J\$'000	3 months ended 30 June 2023 Unaudited J\$'000	9 months ended 30 June 2024 Unaudited J\$'000	9 months ended 30 June 2023 Unaudited J\$'000
REVENUE				
Income	330,693	321,012	1,046,724	982,136
Other Operating Income	45,856	26,440	110,764	65,970
	<u>376,549</u>	<u>347,452</u>	<u>1,157,488</u>	<u>1,048,106</u>
EXPENSES				
Administrative Expenses	178,242	164,660	582,433	500,495
PROFIT FROM OPERATIONS	<u>198,308</u>	<u>182,792</u>	<u>575,056</u>	<u>547,611</u>
Finance Costs	79,115	88,429	251,791	269,827
PROFIT BEFORE TAXATION	<u>119,193</u>	<u>94,363</u>	<u>323,265</u>	<u>277,784</u>
Taxation	(11,390)	(5,442)	(23,658)	(7,720)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS	<u>107,803</u>	<u>88,921</u>	<u>299,607</u>	<u>270,064</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS	<u>107,803</u>	<u>88,921</u>	<u>299,607</u>	<u>270,064</u>
Earnings per stock unit	(Note 6) 0.20	0.21	0.59	0.65



UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2024

	Unaudited 30-Jun-24 J\$'000	Unaudited 30-Jun-23 J\$'000	Audited 30-Sep-23 J\$'000
NON-CURRENT ASSETS			
Financial Asset -Service Commission Rights	8,527,795	8,468,838	8,509,828
Motor Vehicle	52	649	520
Deferred Tax Asset	179,751	186,490	185,152
	8,707,598	8,655,977	8,695,500
CURRENT ASSETS			
Receivables	1,443,371	987,885	1,115,622
Taxation Recoverable	26,058	24,847	24,850
Cash and Cash Equivalents	54,679	26,420	55,948
	1,524,108	1,039,152	1,196,420
Total Assets	10,231,707	9,695,129	9,891,920
EQUITY AND LIABILITIES			
Share Capital	1,186,464	721,153	721,153
Fair Value Reserve	2,982,902	2,949,430	2,982,902
Retained Earnings	1,473,276	1,100,730	1,173,667
	5,642,642	4,771,313	4,877,722
NON-CURRENT LIABILITIES:			
Long Term Loans	3,101,209	3,577,129	3,435,359
Redeemable Preference Shares	172,643	172,643	172,643
	3,273,853	3,749,772	3,608,002
CURRENT LIABILITIES:			
Payables	773,075	511,271	630,717
Taxation	31,294	18,274	20,610
Current Portion of Long Term Loan	435,844	435,844	435,844
Short Term Borrowing	75,000	208,655	319,025
	1,315,213	1,174,044	1,406,196
Total Equity & Liabilities	10,231,707	9,695,129	9,891,920



IAN PARSARD
CHAIRMAN



SHARON DONALDSON-LEVINE
DIRECTOR



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 June 2024

	SHARE CAPITAL J\$'000	FAIR VALUE RESERVE J\$'000	RETAINED EARNINGS J\$'000	TOTAL J\$'000
Balance at 30 September 2022	721,153	2,949,430	884,551	4,555,134
Profit for the Period	-	-	270,064	270,064
Dividend	-	-	(53,885)	(53,885)
Balance at 30 June 2023	721,153	2,949,430	1,100,730	4,771,313
Change in Fair Value of Financial Asset-	-	33,472	-	33,472
Profit for the Period	-	-	126,822	126,822
Dividend	-	-	(53,885)	(53,885)
Balance at 30 September 2023	721,153	2,982,902	1,173,667	4,877,722
Transaction with Owners of the Company:				
Issue of additional ordinary shares	510,476	-	-	510,476
Transaction cost	(45,163)	-	-	(45,163)
Profit for the Period	-	-	299,607	299,607
Balance at 30 June 2024	1,186,466	2,982,902	1,473,274	5,642,642



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED 30 June 2024

	Unaudited 30-Jun-24 J\$'000	Unaudited 30-Jun-23 J\$'000	Audited 30-Sep-23 J\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit	299,607	270,064	343,001
Items not Affecting Cash Resources:			
Effects of Foreign Exchange Gains	-	3,135	2,938
Taxation	5,401	(5,847)	(4,509)
Interest Income	(6,290)	(335)	(57,643)
Interest Expense	251,791	269,827	360,863
Depreciation	468	468	597
	550,976	537,312	645,247
Changes in Operating Assets and Liabilities:			
Receivables	(431,490)	(144,023)	(191,857)
Taxation Recoverable	(1,208)	(79)	(83)
Payables	240,940	(1,278)	146,935
	(191,758)	(145,380)	(45,005)
Net cash provided by operating activities	359,218	391,932	600,242
CASH FLOW FROM INVESTING ACTIVITIES:			
Additions to Financial Asset - Service Concession Rights	(17,967)	(26,126)	(33,645)
Interest Received	-	99	1,079
Net Cash used in Investing Activities	(17,967)	(26,027)	(32,566)
CASH FLOW FROM FINANCING ACTIVITIES:			
Short Term Loans	(244,024) -	1,346.00	100,000
Dividends Paid	-	(53,885)	(53,885)
Interest Paid	(229,658)	(254,532)	(367,808)
Loan Repaid	(334,150)	(197,030)	(357,541)
Share Capital	465,311	-	-
Net Cash used in Financing Activities	(342,520)	(506,793)	(679,234)
Net decrease in cash and cash equivalents	(1,269)	(140,889)	(111,558)
Exchange Loss on Foreign Cash Balance	-	(3,135)	(2,938)
Cash and Cash Equivalents at Start of The Period	55,948	170,444	170,444
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	54,679	26,420	55,948



NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 June 2024

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) 138 Student Living Jamaica Limited (138 SL) is a limited liability company. The company was incorporated in Jamaica on 15 August 2014 and is domiciled in Jamaica. The registered office of the company is located at 2 Castries Drive, UWI Mona, Kingston 7.
- (b) The company is established to construct and rent living facilities at the University of the West Indies under a 65-year concession agreement granted by the University of the West Indies.
- (c) The company, (138SL), is a public listed company and was listed on the Jamaica Stock Exchange on 18 December 2014.
- (d) The company has a 100% subsidiary, 138SL Restoration Limited, a limited liability company, incorporated in Jamaica on 31 April 2015 and domiciled in Jamaica. 138SL Restoration Limited has a 35-year concession agreement, that was granted by the University of the West Indies, Mona, for the restoration and reconstruction of certain Traditional Halls.

2. REPORTING CURRENCY:

Items included in the financial statements of the company are measured using 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. BASIS OF CONSOLIDATION:

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiary, 138SL Restoration Limited.

4. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), their interpretations issued by the International Accounting Standards Board and have been prepared under the historical cost convention as modified by revaluation of financial asset – services concession rights. The financial statements also comply with the provisions of The Companies Act of Jamaica.

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2023 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting). Where



necessary, prior year comparatives have been restated and reclassified to conform to the current year's presentation.

An entity shall apply International Financial Reporting Standards (IFRS) 16 to all leases, including leases of right-of-use assets in a sublease, except for Service Concession Arrangements within the scope of IFRIC 12 Service Concession Arrangements, accordingly IFRS 16 is not applicable to the company.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain amounts recorded in these unaudited consolidated financial statements reflect estimates and assumptions made by management. Actual results may differ from the estimates and assumptions made. Interim results are not necessarily indicative of the full year's results.

6. 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.

	3 months ended 30 Jun 2024 <u>J\$</u> <u>000</u>	3 months ended 30 Jun 2023 <u>J\$</u> <u>000</u>	9 months ended 30 Jun 2024 <u>J\$</u> <u>000</u>	9 months ended 30 Jun 2023 <u>J\$</u> <u>000</u>
Net profit attributable to stockholders	107,803	88,921	299,607	270,064
Weighted average number of ordinary stock units ('000)	536,856	414,500	507,112	414,500
Earnings per stock unit	\$0.20	\$0.21	\$0.59	\$0.65

7. INCREASE IN AUTHORISED SHARE CAPITAL

At an Extra-ordinary General meeting held June 20, 2023, 138SL's shareholders approved a resolution to increase the number of ordinary shares from 480,500,000 to unlimited authorised shares. In October 2023, the company executed an Additional Public Offer in which 122,355,600 shares were issued and fully paid. As at the reporting date, total number of shares issued and paid was 536,855,600 (June 2023: 414,500,000).



138 STUDENT LIVING JAMAICA LIMITED
QUARTERLEY REPORT
AS AT June 30, 2024

Top Ten Shareholders

Shareholder	Shareholdings	% Shareholding
<u>Sagicor Related Share Accounts</u>		
Sagicor Pooled Equity Fund	88,439,121	31.47
JCSD Trustee Services Limited - Sigma Equity	42,426,655	
Sagicor Pooled Mortgage & Real Estate Fund	9,233,333	
JCSD Trustee Services Ltd - Sigma Global Venture	11,798,314	
Sagicor Equity Fund	17,045,500	
	168,942,923	
NCB Insurance Agency and Fund Managers Ltd WT040	144,561,170	26.93
K Limited	73,403,832	13.67
VMPM - Pooled Pension Real Estate	15,727,753	2.93
<u>Barita Related Share Accounts</u>		
JCSD Trustee Services Limited a/c Barita Unit Trust Real Estate Portfolio	10,974,925	2.42
Barita Investment Ltd - Long A/C (Trading)	2,041,386	
	13,016,311	
<u>JMMB Related Share Accounts</u>		
JMMB Pension Fund	3,773,734	1.88
JMMB Fund Managers Ltd. T1-Equities Fund	2,535,595	
JMMB Retirement Scheme (Moderate)	2,345,300	
JMMB Retirement Scheme (Conservative)	767,300	
JMMB Retirement Scheme (Aggressive)	692,600	
	10,114,529	
Wisynco Group Limited Pension Fund	10,000,000	1.86
Heart Trust/NTA Pension Scheme	9,091,000	1.69
First Jamaica/UHWI Pension Scheme	7,954,600	1.48
Barrington Brown	7,334,592	1.37
TOTAL AGGREGATED SHAREHOLDINGS	460,146,710	85.71
Other Minority Shareholdings	76,708,890	14.29
TOTAL ISSUED ORDINARY SHARE CAPITAL	536,855,600	100.00



Shareholdings of Directors & Connected Parties

Name of Director	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Ian Parsard (Chair)	Nil		
		Karen Parsard*	2,000,000 (ordinary)
John W. Lee	Nil		
		K Limited	73,403,832 (ordinary)
Ivan Carter	Nil		
		N/A	N/A
Sharon Donaldson			
	100,000 (ordinary) 125,000 (preference)	N/A	225,000
Marrynette Lee	Nil	K. Limited	73,403,832 (ordinary)
Brenda-Lee Martin	Nil	N/A	N/A
Peter Pearson	Nil	Yvonne Pearson*	550,000 (ordinary)
Donnette Scarlett	Nil	N/A	N/A
Mark Chishlom	Nil	N/A	N/A
Stephen Greig (Company Secretary)	Nil	N/A	N/A
*Joint ownership with director			



Shareholdings of Senior Management and Connected Parties

Senior Manager	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Cranston Ewan	NIL	Denise Ewan	500,100
		Joel Ewan	
		Stephen Ewan	
Semour Millen	NIL	Dominique Millen	6,516
		Antoine Millen	
		Aniyah Millen	
Renelle Wilson-Pearson	NIL	Elvis Pearson	4,900