



**Elite Education Group International Ltd.
First Half Fiscal Year 2021 Financial Results**

**ELITE EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 and SEPTEMBER 30, 2020
(US\$, except share data and per share data, or otherwise noted)**

	March 31, 2021	September 30, 2020
	US\$	US\$
Assets		
Current Assets (Unaudited)		
Cash and cash equivalents	9,345,691	7,407,990
Accounts receivables	131,319	149,361
Prepaid expenses	1,357,244	1,632,647
Deferred IPO costs	-	783,889
Income tax receivable	947,622	668,639
Total current assets	11,781,876	10,642,526
Non-current assets		
Property and equipment, net	3,294,768	3,120,564
Long term prepaid expenses	34,147	159,382
Deferred income tax assets	63,025	-
Notes receivable	180,000	280,000
Total assets	15,353,816	14,202,472
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Current liabilities		
Accounts payable and other liabilities	1,571,609	1,976,668
Student deposits	781,485	994,940
Due to related party	140,000	140,000
Deferred revenue	1,524,793	3,608,237
Total current liabilities	4,017,887	6,719,845
Total liabilities	4,017,887	6,719,845
Commitments and contingencies		
Shareholders' equity		
Common shares, US\$0.0015873 par value, 31,500,000 shares authorized, 8,831,718 and 7,938,000 shares issued and outstanding as of March 31, 2021 and September 30, 2020, respectively	14,019	12,600
Additional paid-in capital	7,636,919	2,731,273
Subscription receivable	(761,875)	-
Retained earnings	4,446,866	4,738,754
Total shareholders' equity	11,335,929	7,482,627
Total liabilities and shareholders' equity	15,353,816	14,202,472

ELITE EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(US\$, except share data and per share data, or otherwise noted)

	For The Six Months Ended March 31, 2021	For The Six Months Ended March 31, 2020
	US\$	US\$
	(Unaudited)	(Unaudited)
Revenues	3,101,646	6,128,360
Costs of services	<u>1,280,083</u>	<u>1,555,819</u>
Gross profit	1,821,563	4,572,541
Operating costs and expenses:		
Selling expenses	626,017	1,142,150
General and administrative	<u>1,588,611</u>	<u>1,751,402</u>
Total operating costs and expenses	<u>2,214,628</u>	<u>2,893,552</u>
Income from operations	(393,065)	1,678,989
Other (income) expenses:		
Interest income	(38,152)	(19,900)
Foreign exchange gain	<u>-</u>	<u>12,682</u>
Total other (income) expenses	<u>(38,152)</u>	<u>(7,218)</u>
Income before provision for income taxes	(354,913)	1,686,207
Current income tax expense (recovery)	-	374,642
Deferred income tax expense (recovery)	<u>(63,025)</u>	<u>-</u>
Income taxes expense	<u>(63,025)</u>	<u>374,642</u>
	-	-
Net income	<u>(291,888)</u>	<u>1,311,565</u>
Comprehensive income	<u>(291,888)</u>	<u>1,311,565</u>
Basic & diluted net income per share	\$ (0.04)	\$ 0.17
Weighted average number of ordinary shares-basic and diluted	7,946,678	7,938,000

ELITE EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(US\$, except share data and per share data, or otherwise noted)

	For The Six Months Ended March 31, 2021	For The Six Months Ended March 31, 2020
	US\$	US\$
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities:		
Net income	(291,888)	1,311,565
Adjustments for items not affecting cash:		
Depreciation and amortization	43,797	45,592
Deferred income tax expense	(63,025)	-
Changes in operating assets and liabilities		
Accounts receivable	18,042	(112,655)
Prepaid expenses	275,403	537,082
Long-term prepaid expenses	125,235	391,914
Accounts payable & accrued liabilities	(405,060)	(401,112)
Deferred revenue	(2,083,445)	(4,385,907)
Income tax receivable	(278,982)	65,064
Student deposits	(213,455)	-
Net cash provided from (used in) operating activities	<u>(2,873,378)</u>	<u>(2,548,457)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(218,000)	(25,864)
Notes receivable	100,000	-
Net cash used in investing activities	<u>(118,000)</u>	<u>(25,864)</u>
Cash Flows from Financing Activities:		
Deferred costs related to initial public offering	-	(179,919)
Proceeds from initial public offering, net of issuance costs	4,929,079	-
Net cash provided from (used in) financing activities	<u>4,929,079</u>	<u>(179,919)</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	<u>1,937,701</u>	<u>(2,754,239)</u>
Cash and cash equivalents, beginning of period	<u>7,407,990</u>	<u>8,272,623</u>
Cash and cash equivalents, end of period	9,345,691	5,518,384

Source: Elite Education Group International Limited