



iCREATE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING SEPTEMBER 30, 2019



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This document was prepared by



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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of iCreate Limited is pleased to present the unaudited financial statement of the company for the nine-month ended September 30, 2019.

Strong revenue growth

We recorded revenues of \$41.4 million for the nine months, an increase of 41% when compared to the corresponding period in 2018. Our net loss position is \$12.5 million, 190% higher than the \$4.3 million recorded in 2018.

The third-quarter results (July - September) recorded revenues of \$16.37 million, 69% higher than the corresponding period, September 30, 2018, and a 25% increase when compared to the second quarter of 2019. Of total revenues, our business to consumer (B2C) market is our strongest, showing a 50% increase when compared to the previous quarter ending June 30, 2019. Net losses for the quarter amounted to \$3.17 million as against the \$0.650 million for similar period last year, however, 60% below the \$7.85 million recorded in the second quarter.

Student Population Growth & Satisfaction in Kingston & Montego Bay

Our B2C segment is showing solid growth. We experienced a 93% increase in enrolment when compared to the corresponding quarter in 2018 and a 23% increase when compared to the previous quarter ending June 30, 2019. We continue to enjoy an 80%+ satisfactory rating among our creatives (students).

We are also pleased to see our Montego Bay location growing, moving from 4% of the total student population in Q2 2019 (Apr - Jun), to 21% this quarter. The interest in our courses in our Western Jamaica Campus is encouraging and we continue to play our part in building the skill-sets in the cadre of creatives in Western Jamaica.

We thank our shareholders, directors and team for their support as we chart the way forward in this new digital economy.

Approved for issue by Directors on November 14, 2019 and signed on its behalf by:


Lissant Mitchell
Chairman


Tyronne Wilson
President & CEO



Minjun Zeng a member of our Content Marketing course in Cohort 3 pictured at iCreate's 2019 Closing Ceremony.

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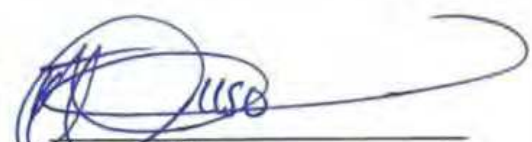
STATEMENT OF FINANCIAL POSITION

iCreate Limited
Statement of Financial Position
as at 30 September 2019

	Nine months ended 30-Sep-19	Nine months ended 30-Sep-18	Audited 31-Dec-18
	\$	\$	\$
ASSETS			
Non-Current Assets			
Intangible assets	1,051,924	1,097,405	1,097,845
Property, plant and equipment	21,220,868	5,957,036	6,100,903
Deferred tax asset	220,907	-	220,907
Total non-current assets	22,493,699	7,054,441	7,419,655
Current Assets			
Trade and other receivable	17,559,629	12,298,909	5,373,063
Due from related party	7,187,486	5,864,783	1,756,054
Cash and cash equivalents	264,548	385,406	269,090
Total current assets	25,011,663	18,549,098	7,398,207
Total Assets	47,505,362	25,603,539	14,817,862
EQUITY AND LIABILITIES			
Equity			
Issued share capital	54,066,070	500,000	500,000
Retained earnings	(27,356,985)	(4,302,638)	(14,848,055)
	26,709,085	(3,802,638)	(14,348,055)
Current Liabilities			
Trade and other payables	19,301,277	11,906,177	9,499,715
Customer prepayments	1,495,000	-	1,050,000
Convertible loans	-	17,500,000	17,500,000
Due to related party	-	-	1,116,202
Total current liabilities	20,796,277	29,406,177	29,165,917
Total equity and liabilities	47,505,362	25,603,539	14,817,862

Approved for issue by Directors on November 14, 2019 and signed on its behalf by:


Lissant Mitchell
Chairman


Tyrone Wilson
President & CEO



iCreate's General Manager, Carl Carram (left) congratulates Wayne Scott on receiving his Certificate in Graphic Design at the 2019 Closing Ceremony for Cohort 3.

STATEMENT OF COMPREHENSIVE LOSS

iCreate Limited

Statement of Comprehensive (Loss)/Profit
for the period ending 30 September 2019

	For the three months ended		For the nine months ended		Audited
	Sep-19 \$	Sep-18 \$	Sep-19 \$	Sep-18 \$	Dec-18 \$
Revenue, net	16,377,104	9,693,256	41,401,534	29,437,215	31,848,759
Direct cost	(4,197,279)	(2,905,698)	(10,935,068)	(11,023,325)	(11,839,112)
Gross Profit	12,179,824	6,787,558	30,466,466	18,413,890	20,009,647
Other income	261,854	256	554,759	2,571	119,790
Administrative and general expense	(14,358,865)	(6,575,857)	(40,289,367)	(20,671,603)	(32,058,845)
Depreciation and amortization	(967,290)	(245,294)	(2,160,529)	(552,817)	(1,045,093)
Operating loss	(2,884,476)	(33,337)	(11,428,671)	(2,807,959)	(12,974,501)
Finance cost	(287,848)	(616,711)	(1,080,258)	(1,494,679)	(2,094,461)
Loss before Taxation	(3,172,324)	(650,048)	(12,508,929)	(4,302,638)	(15,068,962)
Taxation credit	-	-	-	-	(220,907)
Net loss for the period, being total comprehensive income	(3,172,324)	(650,048)	(12,508,929)	(4,302,638)	(14,848,055)
Earnings per stock unit	(0.02)	(1.30)	(0.06)	(8.61)	(29.70)

STATEMENT OF CHANGES IN EQUITY

iCreate Limited

Statement of Changes in Equity
for the period 30 September 2019

	Share capital \$	Retained earnings \$	Total equity \$
Allotted during the year	500,000	-	500,000
Total comprehensive profit for the period	-	(14,848,055)	(14,848,055)
At 31 December 2018	500,000	(14,848,055)	(14,348,055)

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2018	500,000	-	500,000
Total comprehensive loss for the period	-	(4,302,638)	(4,302,638)
At 30 September 2018	500,000	(4,302,638)	(3,802,638)

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2019	500,000	(14,848,055)	(14,348,055)
Ordinary shares issued	53,566,070	-	53,566,070
Total comprehensive loss for the period	-	(12,508,929)	(12,508,929)
At 30 September 2019	54,066,070	(27,356,985)	26,709,085

STATEMENT OF CASH FLOW

iCreate Limited

Statement of Cash Flows
for the period 30 September 2019

	Nine months ended 30-Sep-19 \$	Nine months ended 30-Sep-18 \$	Audited 31-Dec-18 \$
OPERATING ACTIVITIES			
(Loss) profit for the period	(12,508,929)	(4,302,638)	(14,848,055)
Adjustments for			
Depreciation and amortization	2,160,529	552,817	1,045,093
Bad debt	1,106,059	-	1,850,087
Interest expense	223,973	687,123	1,361,438
Deferred taxation	-	-	(220,907)
	(9,018,369)	(3,062,698)	(10,812,344)
Increase in operating assets:			
Trade and other receivables	(13,177,951)	(12,298,909)	(7,223,151)
Due from related party	(5,546,105)	(5,864,783)	(639,852)
Increase in operating liabilities:			
Trade and other payables	9,577,589	11,219,054	8,138,278
Customer prepayments	445,000	-	1,050,000
Due to related party	(1,116,203)	-	-
Net Cash used in operating activities	(18,836,039)	(10,007,336)	(9,487,069)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(17,120,723)	(6,422,367)	(6,797,127)
Acquisition of intangible assets	(113,850)	(1,184,891)	(1,446,714)
Net cash used in investing activities	(17,234,573)	(7,607,258)	(8,243,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share capital	53,566,070	500,000	500,000
Convertible Note	(17,500,000)	17,500,000	17,500,000
Net cash provided by financing activities	36,066,070	18,000,000	18,000,000
NET DECREASE/(INCREASE) IN CASH AND BANK BALANCES	(4,542)	385,405	269,090
OPENING CASH AND BANK BALANCES	269,090	-	-
CLOSING CASH AND BANK BALANCES	264,548	385,405	269,090

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GENERAL INFORMATION

iCreate Limited is a limited liability Company incorporated and domiciled in Jamaica. The registered office of the Company is 72B Hope Road, Kingston 6.

iCreate Limited is a subsidiary of eMedia Interactive Group Limited.

The principal activity of the Company is to develop and deliver degree and certificate courses to students in the creative field, such as, advertising, film, animation, graphic design, mobile games, fashion design and more.

BASIS OF PREPARATION

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Jamaican Companies Act.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of the financial statements in conformity with IFRS and the Act requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period then ended. Actual results could differ from these estimates.

ACCOUNTING POLICIES

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2018.



3D render of the new iCreate learning environment.

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SHAREHOLDINGS

Disclosure of Shareholdings as at September 30, 2019

SHAREHOLDINGS

Disclosure of Shareholdings
As at September 30, 2019

Directors	Shareholdings
Lissant Mitchell	100,000
Tyrone Wilson	Nil
David Wan	Nil
Devon Lawrence	100,000
Mischa McLeod-Hines	50,000
Sheree Martin	Nil
Rhys Campbell	Nil
Kenneth Benjamin*	2,000,000
Jennifer Bailey	Nil
Executive Management	
Tyrone Wilson, President & CEO*	Nil
Carl Carram, General Manager	19,000
Stephen Greig, Company Secretary	Nil

TOP TEN
SHAREHOLDERS

TOP TEN SHAREHOLDERS		
Name	Shareholdings	Percentage
eMedia Interactive Group Limited	100,000,000	51%
Sagicor Investments Jamaica Limited	23,585,000	12%
Andrew Pairman	15,250,000	7.7%
GK Investments Limited	10,185,185	5%
Kenneth S. Benjamin	2,000,000	1%
Guardsman Group Limited	2,000,000	1%
JCSD Trustee Services Limited- Proven Select Equity	2,000,000	1%
Jason Nyack	1,026,254	0.52%
Proven Wealth Limited for Proven Equity Pooled Fund	1,000,000	0.51%
David A Shirley	1,000,000	0.51%

*Director Kenneth Benjamin is a connected party to Guardsman Group Limited.



PARTNERS



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