



Image Plus Consultants Limited

Unaudited Interim Financial Statements

First Quarter ended May 31, 2023

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Directors' Report

The Board of Directors of Image Plus Consultants Limited is pleased to present our unaudited financial statements for the first quarter ended May 31, 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS).

The financial highlights are as follows:

	Q1 FY 2024 (at May 2023)	Q1 FY 2023 (at May 2022)
Revenues	\$300.2M	\$281.1M
Net Profit	\$64.1M	\$71.7M
Earnings Per Share	\$0.05	\$0.07

Growth in Revenues & Expenses

The Company continues to record healthy growth in revenues; reflecting a 7% increase when comparing Q1 FY 2024 to Q1 FY 2023. Revenue growth is as a direct result of the increase in scan volumes during the quarter, as we completed 14,792 scans when compared to 13,789 scans in the corresponding quarter of FY2023. We anticipate that our scan count will continue to grow at a healthy rate.

Notwithstanding the growth, our results were negatively affected by machine downtime for one of our CT units in Kingston. Machine downtime is in keeping with industry experience and performance. We proactively mitigate by servicing all our units however sourcing timeframes for replacement parts are not always straightforward given the complexities involved. With this in mind and to reduce machine downtime going forward, the Company has begun to explore multiple vendor relationships with a view to having more readily available options, allowing us to return to normalcy faster once a unit goes out of service. Our strategy has always been that once a machine in one location is down we revise operating hours in other locations to meet as much of the demand of our referring physicians and doctors, as well as our objectives for scan count performance. This is the benefit of having multiple modalities at all our locations.

For Q1 FY 2024, our expenses grew at a faster pace than the prior year same period. Cost of sales grew by 17.9%, reducing the gross margin to 63.9% vs 67.3% in the prior year. Expense increases were recorded in brokerage fees, on-call doctor fees, and medical and imaging supplies. In the coming quarter, a sharper focus will be paid to inventory management to include the use and deployment of medical and imaging supplies; this is as we seek to ensure that in growing revenues we manage costs as efficiently as possible to get all the benefits of scale.

Similarly, the administrative expense margin in Q1 FY 2024 grew to 39.1% vs 32.4% in Q1 FY 2023 as administrative expenses grew by 28.8% or J\$26.3M. A closer analysis of administrative expenses indicates that over J\$4M of the increase represented one-off costs (advertising and equipping of Ocho Rios's new location and IT consultancy for network testing and building out of our redundancy infrastructure). The remainder of the increase was associated with Ocho Rios's increased rental and maintenance costs and staff costs (increase in number of staff, inflationary adjustments and costs associated with bi-annual procurement of uniforms). New expenses of just over J\$3M resulted from items associated with being a publicly listed entity. Whilst to be monitored, these increases were in keeping with projections as we seek to complete our build-out from which to scale. Had our revenue projections not been impacted by machine downtime the ratios desired would have been achieved. These ratios will therefore remain as key performance indicators for management to focus on.



At J\$64.1M the Net Profit for Q1 FY 2024 reflects a reduction of \$7.6M over prior period FY 2023 due to the aforementioned factors.

Balance Sheet Growth

At the end of the first quarter of FY 2024, assets stood at J\$1.23B when compared to J\$498.6M for the corresponding period in the prior year. This growth was driven by

1. increases in property, plant and equipment due to the acquisition of a new Fluoroscopy machine and a new Ultrasound machine plus costs associated with the outfitting of our Ocho Rios location.
2. Increase in Right of Use Asset associated with leases on our locations
3. Increase in trade and other receivables as a result of the continued growth in patient scan volumes. The majority of the receivables balance is from one large payor who continues to settle on a consistent basis and from whom we have written commitments and detailed payment timelines to reduce their outstanding amount. To that end, we can report that this amount has since been reduced in Q2 to date. The Directors continue to believe that this amount is fully collectible based on the historical experience with this payor.
4. Reduction in financial investments. This represents a shift in assets from cash to deposits on both new equipment (mammography and MRI) and real estate.

Total equity grew by J\$589.2M to J\$927.8M. This was due to the increase in our share capital of \$465M from our recent IPO coupled with the growth of J\$124.5M in retained earnings as a result of our growth in profits.

Outlook for New Financial Year

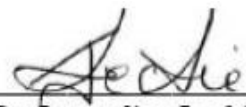
To end the first quarter of FY 2024 we are happy to share positive developments with regards to the acquisition of a new location for our 3a Winchester Road branch operations and centralization of other services to maximize efficiency. In keeping with the objective shared in our prospectus, a sale agreement has been signed and the purchase transaction is expected to close in the first month of Q3 FY 2024.

For the remainder of the year management, remains steadfast on the goal of increasing revenues by growing case count and ensuring we enhance profits and shareholder value. To this end the Company is on track to introduce mammography in Q2 FY 2024; this will be a new modality added to an already wide range of services. The focused review of receivables management and patient experience processes are important activities that continue in Q2 FY 2024.

The Board of Directors remain optimistic about the future; we use this opportunity to applaud our hardworking team for their efforts and thank our referring physicians and their patients for the continued trust and confidence placed in us.



Dr. Karlene McDonnough
Director



Dr. Jacqueline Leckie
Director

July 11, 2023

Image Plus Consultants Limited


Unaudited statement of financial position

May 31, 2022

	Unaudited May 31, 2023 \$	Unaudited May 31, 2022 \$	Audited February 28, 2023 \$
Assets			
Non-current assets			
Property, plant and equipment	334,318,077	200,477,075	318,767,478
Right of-use asset	37,691,169	5,463,634	2,875,597
Other investments	26,186,209	12,364,933	19,989,671
Deferred tax asset	7,175,308	-	5,822,008
	405,370,763	218,305,642	347,454,754
Current assets			
Due from related party	21,356,012	20,033,770	19,655,616
Trade and other receivables	487,465,967	197,545,044	298,417,462
Financial investments	265,026,971	35,828,131	435,016,560
Cash and cash equivalents	55,122,332	26,891,200	57,459,994
	828,971,282	280,298,145	810,549,632
Total assets	1,234,342,045	498,603,787	1,158,004,386
Equity			
Share capital	465,765,789	1,027,000	465,765,789
Fair value reserve	4,334,664	4,334,664	4,334,664
Retained earnings	457,665,701	333,200,123	467,915,590
Total equity	927,766,154	338,561,787	938,016,043
Liabilities			
Non-current liabilities			
Borrowings	83,461,762	37,984,231	74,613,190
Lease liability	27,803,566	2,326,684	-
Deferred tax liability	-	5,906,817	-
	111,265,328	46,217,732	74,613,190
Current liabilities			
Trade and other payables	69,048,757	53,358,622	66,068,564
Dividend payable	74,366,981	-	-
Current portion of borrowings	20,813,576	22,087,995	35,347,148
Current portion of lease liability	11,155,643	3,781,075	3,297,593
Income tax payable	19,925,606	34,596,576	40,661,848
Total current liabilities	195,310,563	113,824,268	145,375,153
Total liabilities	306,575,891	160,042,268	219,988,343
Total equity and liabilities	1,234,342,045	498,603,787	1,158,004,386

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Directors on 11th July 2023, and signed on its behalf by:


 _____) Chairman
 Dr. Karlene McDonnough


 _____) Director
 Dr. Jacqueline Leckie

Image Plus Consultants Limited

Unaudited statement of profit or loss and other comprehensive income

First quarter period ended May 31, 2023

	Unaudited May 31, 2023	Unaudited May 31, 2022	Audited February 28, 2023
Revenue	300,183,879	281,092,128	1,093,802,387
Costs of sales	(108,405,824)	(91,930,221)	(377,493,031)
Gross profit	191,778,055	189,161,907	716,309,356
Administrative expenses	(117,407,350)	(91,162,100)	(417,187,492)
Net movement on impairment provision	-	16,000	-
Depreciation	(11,437,306)	(8,012,027)	(39,782,789)
Amortisation	(2,968,619)	(862,679)	(3,450,716)
Other expense	(45,964)	-	(73,200)
Operating profit	59,918,816	89,141,101	255,815,159
Other income	12,500	528,893	373,500
Foreign exchange gain/(loss)	1,027,615	39,204	(1,132,014)
Interest income	4,875,113	579,255	3,742,510
Interest expense	(1,716,952)	(2,569,752)	(6,815,759)
Profit before tax	64,117,092	87,718,701	251,983,396
Income tax expense	-	(16,000,027)	(15,549,255)
Profit for the period/year being total comprehensive income for the period/year	64,117,092	71,718,674	236,434,141
Earnings per share	0.05	0.07	0.23

The notes on the accompanying pages form an integral part of these financial statements.

Image Plus Consultants Limited

Unaudited statement of changes in equity

First quarter period ended May 31, 2023

	Share capital \$	Fair value reserve \$	Accumulated surplus \$	Total \$
Balance at February 28, 2021 - Audited	1,027,000	4,334,664	167,186,763	172,548,427
Profit for the three months ended May 31, 2022	-	-	71,718,674	71,718,674
Balance at May 31, 2022	1,027,000	4,334,664	333,200,123	338,561,787
Balance at February 28, 2022 - Audited	1,027,000	4,334,664	261,481,449	266,843,113
Dividend for the year	-	-	(30,000,000)	(30,000,000)
Share capital issued	495,779,872	-	-	495,779,872
Transaction costs	(31,041,083)	-	-	(31,041,083)
Profit for the year ended February 28, 2023 being total comprehensive income for the year	-	-	236,434,141	236,434,141
Balance at February 28, 2023 – Audited	465,765,789	4,334,664	467,915,590	938,016,043
Dividend for the period	-	-	(74,366,981)	(74,366,981)
Profit for the three months ended May 31, 2023	-	-	64,117,072	64,117,092
Balance at March 31, 2023 - Unaudited	465,765,789	4,334,664	457,665,701	927,766,154

The notes on the accompanying pages form an integral part of these financial statements.

Image Plus Consultants Limited

Unaudited statement of cash flows

First quarter period ended May 31, 2023

	Unaudited May 31, 2023 \$	Unaudited May 31, 2022 \$	Audited February 28, 2023 \$
Cash flows from operating activities:			
Profit before tax	64,117,092	87,718,701	251,983,396
Adjustments for:			
Interest expense	1,716,952	2,458,794	6,454,967
Interest expense on lease liabilities	-	110,958	360,792
Interest income	(4,875,113)	(576,255)	(84,500)
Depreciation	11,437,306	8,012,027	39,782,789
Amortisation	2,968,619	862,679	3,450,716
	75,364,856	98,583,904	301,948,160
Increase in receivables	(190,748,900)	(59,056,470)	(169,531,909)
Increase/(Decrease) in payables and accruals	2,980,193	(22,841,464)	(150,347)
Cash (used in)/generated from operations	(112,403,853)	16,685,970	132,265,904
Income tax paid	(22,089,542)	(6,415,195)	(11,627,976)
Interest paid	(1,716,951)	(2,458,794)	(6,454,967)
Net cash (used in)/provided by operations	(136,210,347)	7,811,981	114,182,961
Cash flow from investing activities			
Interest received	4,875,113	579,255	84,500
Purchase of property, plant and equipment	(26,987,905)	(2,216,084)	(152,277,249)
Decrease/(increase) in investment	163,793,052	(23,014,815)	(429,827,982)
Net cash provided by/(used) in investing activities	141,680,260	(24,651,644)	(582,020,731)
Cash flow from financing activities			
Repayment of borrowings	(5,685,000)	(6,349,551)	(29,522,067)
Repayment of lease liability	(2,122,575)	(909,042)	(3,719,208)
Interest paid on lease payments	-	-	(360,792)
Proceeds from borrowings	-	(110,958)	73,060,628
Dividend	-	-	(30,000,000)
Proceeds from issue of shares	-	-	495,779,872
Transaction costs on issue of shares	-	-	(31,041,083)
Net cash (used in)/provided by financing activities	(7,807,575)	(7,369,551)	474,197,350
Net (decrease)/increase in cash and cash equivalents	(2,337,662)	(24,209,214)	6,359,580
Cash and cash equivalents at beginning of period/year	57,459,994	51,100,414	51,100,414
Cash and cash equivalents at end of period/year	55,122,332	26,891,200	57,459,994

The notes on the accompanying pages form an integral part of these financial statements.

Image Plus Consultants Limited

Notes to the unaudited interim financial statements

First quarter ended May 31, 2023

1. General information and nature of operations

Image Plus Consultants Limited was incorporated under the laws of Jamaica on February 27, 1996 and is domiciled in Jamaica. The company operates from 3 locations in Kingston – 2A Molyneux Road, 3A Winchester Road, 129 Old Hope Road (Liguanea) and White River North Commercial Complex, Shops 8 -10, in Ocho Rios, St. Ann.

The company offers diagnostic X-Ray, Ultrasound, Computerized Tomography, Nuclear medicine, Fluoroscopy and Intervention services under the business name of Apex Radiology.

2. Statement of compliance

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended February 28, 2023. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended February 28, 2023.

b Critical judgements and sources of estimation uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

Image Plus Consultants Limited

Notes to the unaudited interim financial statements

First quarter period ended May 31, 2023

3. Share capital

	Unaudited three months ended May 31, 2023 \$	Unaudited Three months ended May 31, 2022 \$
Authorised ordinary units of no par value	Unlimited	3,000,000
Issued ordinary units of no par value	1,239,449,680	1,027,000
Stated capital: Issued and fully paid ordinary stocks of no par value	465,765,789	1,027,000

4. Earnings per share

	Unaudited three months ended May 31, 2023 \$	Unaudited Three months ended May 31, 2022 \$
Profit attributable to shareholders	64,117,092	71,718,674
Weighted average number of shares	1,239,449,680	991,559,744
Basic and diluted earnings per share	0.05	0.07

5. Subsequent event

The company has entered into an agreement to acquire a 0.73-acre property in Kingston 5, Jamaica. This acquisition will facilitate the construction of a multi-level facility, which is to serve as the future home for the current 3a Winchester Road branch. The projected completion of this transaction is by the end of the first month of the third quarter of this financial year.

Image Plus Consultants Limited

Directors and connected parties

Directors

Names	Shares Held	Percentages %
Dr. Karlene McDonnough	303,417,282	24.48
Dr. Lilieth Bridgewater	160,632,679	13.60
Dr. Leon and Marian Vaughan	99,155,974	8.00
Mrs. Kisha Anderson	2,750,000	0.22
Mr. Karl Townsend	2,587,400	0.21
Ms. Carolyn DaCosta	500,000	0.04
Dr. Jacqueline Leckie	50,000	0.00
Dr. Gordon Bradshaw	Connected	-
Dr. Steven Lewis	Connected	-
	569,093,335	46.55

Connected parties	Connected to		
Quad G Limited	Dr.Gordon Bradshaw	210,210,666	16.96
SureScan Radiology Service Limited	Dr.Steven Lewis	50,577,987	4.00
Garnett Ellis	Ms. Carolyn DaCosta	114,561	0.04
Craig DaCosta	Ms. Carolyn DaCosta	28,922	0.00
Elizabeth Thompson	Mrs. Kisha Anderson	1,000,000	0.08
Combined Connected Parties Holdings		261,932,136	21.08
Combined Holdings		831,025,471	67.63

Senior Managers Shareholder

Names	Shares Held	Percentages %
Kisha Anderson	2,750,000	0.220
Marcia Dolphy	200,000	0.016
Ramona Green	532,661	0.043
Kerry McDonnough Davis	375,000	0.030
Anthony Grizzle	200,000	0.016
Althia Frew Jones	600,000	0.048
Nicola Beccan-Morgan	100,000	0.001
	4,757,661	4.819

Image Plus Consultants Limited

List of Top Ten Shareholders

As at May 31, 2023

Shareholders

	Shares Held	Percentages %
1. Dr.Karlene McDonnough	303,417,282	24.48
2. Dr.Gordon Bradshaw	210,210,666	16.96
3. Advance Imaging Limited	168,565,156	13.60
4. Dr.Lilieth Bridgewater	160,632,679	12.96
5. Dr.Leon and Marian Vaughan	99,155,974	8.00
6. SureScan Radiology Services Limited	50,577,987	4.08
7. Jamaica Money Market Brokers Ltd	11,850,000	0.96
8. JMMB Securities Ltd	10,000,000	0.81
9. Solid Life & General Insurance Brokers	5,000,000	0.4
10. Nicholas Clarke	4,827,597	0.39
Total	1,024,237,341	82.64
Total Issued Capital	1,239,449,680	