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## **iCreate Limited**

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Unaudited Financial Statements  
for the period ended September 30, 2023

## EXECUTIVE SUMMARY

The Board of Directors of iCreate Limited (the Group) is pleased to present the consolidated unaudited results for the quarter, ended September 30, 2023.

The Group ended the nine-month period with a loss attributable to shareholders of \$150.5 million from revenues of \$78.6 million. This outcome includes significant non-recurring charges that when excluded would have resulted in the Group's year-to-date performance for 2023, being a net loss of \$25.6 million, which, is slightly below water.

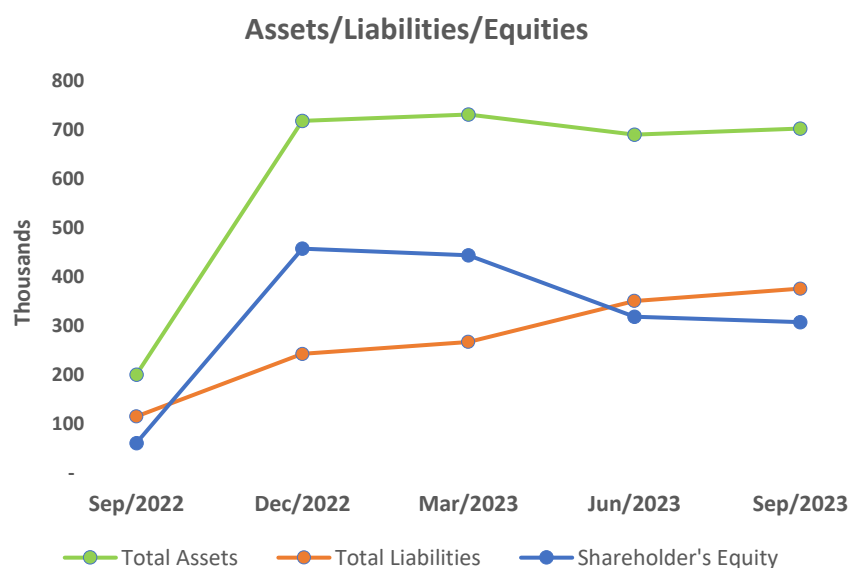
### 1.0 Overview

The third quarter was a period of transition for the Company following the Leadership changes which took place up to August 2023. The new Executive Leadership has begun the drive to stability and growth for the Group and each subsidiary from multiple dimensions, including:

- New performance mantra and culture
- Taking charge of our operating portfolio companies and driving them to grow revenue with improved efficiencies
- Heightened focus on corporate governance
- Taking several steps to improve cash flows within the Group

### 2.0 Financial Position

The Group's financial position remained steady during the third quarter.



The Group's total assets were \$699.6 million as at September 30, 2023, representing a 2.6% decline below the value as at December 31, 2022; however, total assets were \$201.1 million as at the comparative position of September 2022.

The Group's total liabilities stood at \$374.5 million at the end of September 2023. Our liabilities were higher than the \$243.0 million as at December 2022, mainly as a result of the vendor's note used to complete the acquisition of Visual Vibe.

Shareholder's equity of \$307.0 million as at September 30, 2023, is 32.9% below the December 31, 2022 value of \$457.5 million, as a result of the loss for the period, which was driven by charges related to the Visual Vibe acquisition recorded in May 2023.

### 3.0 Financial Performance

The Visual Vibe acquisition, from May 31, 2023, is the main influence for the increase in revenue in Q3 2023. Were the non-recurring charges relating to the acquisition and the associated finance costs excluded, the quarterly performance would show improvements of \$7.5 million over the Q2 2023.

Consolidated Results by Quarter	2023			
	TOTAL YTD	Q3	Q2	Q1
	\$'000	\$'000	\$'000	\$'000
Revenue and Other Income	78,561	34,758	17,854	25,949
Cost of Sales	(22,648)	(10,369)	(3,879)	(8,400)
Admin and General Expenses	(74,843)	(28,622)	(20,772)	(25,449)
Acquisition-related Expenses	(107,491)	-	(107,491)	-
Finance Costs	(23,694)	(9,725)	(10,056)	(3,913)
<b>Net Profit/(Loss)</b>	<b>(150,115)</b>	<b>(13,958)</b>	<b>(124,344)</b>	<b>(11,813)</b>
Net Profit/(Loss) Attributable Shareholders	(150,504)	(12,010)	(124,780)	(13,714)
Non-Controlling Interest	389	(1,948)	436	1,901

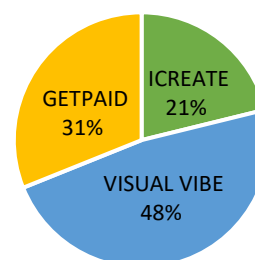
### 3.1 Revenue

The Group recorded consolidated revenue of \$34.8 million in Q3 2023, which is 31.8% above the corresponding period in 2022 of \$26.4 million and ahead of the previous quarterly results in 2023. The increase is attributable to revenue generated by Visual Vibe, following the consolidation of its first full quarterly results since acquisition.

Year-to-date Visual Vibe has contributed 48% of the Group's revenue.

Consolidated 2023 year-to-date revenue is \$78.4 million, while full year revenue for 2022, after audit adjustments was \$79.6 million.

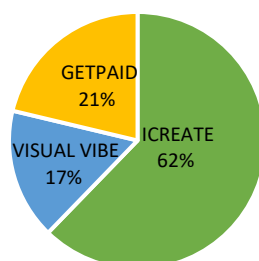
Revenue and Other Income  
YTD Sept 2023



### 3.2 Operating Expenses

The Group recorded operating expenses of \$28.6 million (including depreciation and amortisation) for Q3 2023, which is above the comparative period in 2022 of \$13.9 million. The main reason for the increase is the consolidation of Visual Vibe, which has added \$9.8 million to expenses for the quarter under review.

Admin and General Expenses  
YTD Sept 2023



Further, as a result of the changes in the Leadership in the second and third quarters, salary costs declined from \$14.5 million in the second quarter to \$9.6 million in the quarter under review, and there was also a decline in office rental and public relations expenses, as the Group continues to pursue cost reduction strategies.

The Group's operating expense ratio has improved from 98.1% in Q1 2023, to 82.3% in Q3 2023.

### 3.3 Finance Costs

Acquisitions were in part financed through interest-bearing debt, which has resulted in an increase in finance costs above the comparative period in 2022. Finance cost for Q3 2023 was \$9.7 million compared to \$0.7 million for the similar period in 2022, which is mainly due to the costs of \$7.3 million incurred on the vendor's note used to close the Visual Vibe acquisition. Additionally, during Q1 and Q2 2023, the Company utilised short-term financing of \$38.3 million, to advance the acquisition of Visual Vibe, which added \$0.9 million to finance costs. The costs of \$0.4 million incurred on the preference shares utilised in the acquisition of GetPAID further contributed to the increase.

Year-to-date the Group recorded finance costs of \$23.7 million, compared to \$4.1 million in 2022.

### 3.4 Profitability

Net loss for the quarter under review was \$14.0 million, half of which is attributable to the Visual Vibe vendor financing costs.

Year-to-date, the Group has made a net loss of \$150.5 million, however, this includes non-recurring costs of \$107.5 million and \$17.4 million in finance costs [of the \$23.7 million in total finance costs], both relating to the acquisition of Visual Vibe. The Group's normalised, after excluding the aforementioned items, year-to-date net loss was \$25.6 million, an improvement from the 2022 results.

### 3.5 Business Units Performance

Notwithstanding the year-to-date loss of the Group, the subsidiaries continue to make steady improvement.

Consolidated Results by Subsidiaries	Year-to-date September 2023				
	TOTAL	ICREATE		VISUAL VIBE	GETPAID
	\$'000	Acquisition Expenses	Normal Operations	\$'000	\$'000
Revenue and Other Income	78,561	-	16,627	37,513	24,421
Cost of Sales	(18,940)	-	(3,674)	(8,552)	(6,714)
Admin and General Expenses	(78,551)	-	(48,902)	(12,938)	(16,711)
Acquisition-related Expenses	(107,491)	(107,491)	-	-	-
Finance Costs	(23,694)	(17,407)	(5,190)	(895)	(202)
<b>Net Profit/(Loss)</b>	<b>(150,115)</b>	<b>(124,898)</b>	<b>(41,139)</b>	<b>15,128</b>	<b>794</b>
Net Profit/(Loss) Attributable Shareholders	(150,504)	(124,898)	(41,139)	15,128	405
Non-Controlling Interest	389	-	-	-	389

**3.5.1 iCreate Limited**, comprising the divisions of – the Training Institute and Vertical Creative as well as the Corporate Office - generated a net loss of \$21.8 million for the third quarter and \$166.0 million for the year to date, \$124.9 million of which relates to the acquisition of Visual Vibe. The Company further reduced operating costs to \$13.0 million for the quarter under review, which is below the first and second quarters of \$17.2 million and \$18.7 million, respectively. Based on the forgoing, the Company's normalised year-to-date performance was a net loss of \$41.1 million as at September 2023.

Consolidated Results by Quarter	2023			
	TOTAL YTD	Q3	Q2	Q1
	\$'000	\$'000	\$'000	\$'000
Revenue and Other Income	16,627	887	1,217	14,523
Cost of Sales	(3,674)	(288)	(394)	(2,992)
Admin and General Expenses	(48,903)	(13,007)	(18,725)	(17,171)
Acquisition-related Expenses	(107,491)	-	(101,328)	(6,163)
Finance Costs	(22,597)	(9,348)	(9,360)	(3,889)
<b>Net Loss</b>	<b>(166,038)</b>	<b>(21,756)</b>	<b>(128,590)</b>	<b>(15,692)</b>
<i>Adjusted for:</i>				
Non-recurring acquisition-related costs	107,491		101,328	6,163
Financing costs relating to vendor's note	17,407	7,346	7,350	2,712
<b>Normalised Net Loss</b>	<b>(41,140)</b>	<b>(23,758)</b>	<b>(29,272)</b>	<b>(10,706)</b>

Revenue growth remains a high priority objective and the Leadership continues to pursue strategies to rebuild the revenue streams for the Training Institute and Vertical Creative.

**3.5.2 GetPAID Group Limited** recorded a loss of \$4.0 million for Q3 2023, mainly as a result of lower revenue from its project-related business line, which yields better margins. Revenue for the quarter was generated from SMS services, which yields lower margins. Revenue from projects remains a key business line for the Company and focus has been placed on growing this area. Year-to-date the company has recorded revenue and net profit of \$24.4 million and \$0.8 million, respectively, utilising an average asset base of \$51.7 million.

	2023			
	TOTAL YTD	Q3	Q2	Q1
	\$'000	\$'000	\$'000	\$'000
Revenue and Other Income	24,421	5,619	7,376	11,426
Cost of Sales	(6,714)	(3,701)	(1,313)	(1,700)
Admin and General Expenses	(16,711)	(5,792)	(5,094)	(5,825)
Finance Costs	(202)	(102)	(76)	(24)
<b>Net Profit/(Loss)</b>	<b>794</b>	<b>(3,976)</b>	<b>893</b>	<b>3,877</b>
Net Profit/(Loss) Attributable Shareholders	405	(2,028)	457	1,976
Non-Controlling Interest	389	(1,948)	436	1,901

**3.5.3 Visual Vibe.com Limited** recorded year-to-date revenue and net profit of \$79.1 million and \$27.3 million, respectively, utilising an average asset base of \$121.8 million. Post-acquisition revenue and net profit were \$37.5 million and \$15.1 million, respectively.

	Total YTD	Post-acquisition		
		Jul-Sep 2023	Jun 2023	Jan-May 2023
		\$'000	\$'000	\$'000
Revenue and Other Income	79,092	28,252	9,261	41,579
Cost of Sales	(20,949)	(6,380)	(2,172)	(12,397)
Admin and General Expenses	(29,465)	(9,823)	(3,115)	(16,527)
Finance Costs	(1,423)	(275)	(620)	(528)
<b>Net Profit</b>	<b>27,255</b>	<b>11,774</b>	<b>3,354</b>	<b>12,127</b>

A number of growth strategies are also being pursued, including a robust sales drive to widen our client base.

#### 4.0 Outlook

The Group remains focused on growth in revenue and cash flows from all member companies, as well as reaping synergies across the Group. At the same time, we are streamlining and strengthening internal processes and capabilities to realise our strategic objectives while strengthening the brands.

We offer thanks to our many Shareholders, our Directors, our Team Members and our Clients for their continued support and belief in us, while we chart the way forward as a progressive digital and creative group of companies.

Approved for issue by the Board of Directors November 13, 2023, and signed on its behalf by:



Ivan Carter  
Chairman, iCreate Group



Arlene Martin  
CEO, iCreate Group

**ICREATE LIMITED**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023 (Unaudited)

*(All figures stated in Thousand Jamaican Dollars unless otherwise stated)*

	UNAUDITED SEPTEMBER 30, 2023 \$'000	UNAUDITED SEPTEMBER 30, 2022 \$'000	AUDITED DECEMBER 31, 2022 \$'000
<b>ASSETS</b>			
Cash resources	9,627	2,953	6,467
Accounts receivable	20,048	68,648	2,645
Due from related parties	10,940	-	6,818
Other current assets	12,416	15,002	2,753
Acquisition of subsidiary deposit	-	60,150	470,598
Deferred costs of acquisition in progress	-	-	176,042
Intangible assets	45,317	49,215	48,381
Property, plant and equipment	91,363	5,109	4,425
Goodwill	509,847	-	-
<b>Total Assets</b>	<b>699,558</b>	<b>201,077</b>	<b>718,129</b>
<b>LIABILITIES</b>			
Bank overdraft	4,091	2,429	4,699
Accounts payable and accruals	53,461	19,172	37,945
Due to related parties	-	68,540	-
Acquisition of subsidiary payable	211,767	-	176,042
Current portion of long-term debt	28,977	1,838	2,572
Other current liabilities	289	289	289
Promissory notes payable	38,338	2,068	-
Long-term loans	37,623	21,455	21,455
<b>Total Liabilities</b>	<b>374,546</b>	<b>115,791</b>	<b>243,002</b>
<b>EQUITY</b>			
Share capital	587,026	124,616	587,026
Preference share capital	25,500	25,500	25,500
Accumulated deficit	(312,572)	(95,421)	(162,068)
Revaluation surplus	7,071	7,071	7,071
<b>Equity Attributable to</b>			
<b>Shareholders of the Parent</b>	<b>307,025</b>	<b>61,766</b>	<b>457,529</b>
<b>Non-Controlling Interest</b>	<b>17,987</b>	<b>23,520</b>	<b>17,598</b>
<b>Total Equity</b>	<b>325,012</b>	<b>85,286</b>	<b>475,127</b>
<b>Total Liabilities &amp; Equity</b>	<b>699,558</b>	<b>201,077</b>	<b>718,129</b>

Approved for issue by the Board of Directors on November 13, 2023, and signed on its behalf by:



Ivan Carter  
Chairman, iCreate Group



Arlene Martin  
CEO, iCreate Group

**ICREATE LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (Unaudited)

*(All figures stated in Thousand Jamaican Dollars unless otherwise stated)*

	UNAUDITED 3 MONTHS ENDED SEPTEMBER 30, 2023 \$'000	UNAUDITED 3 MONTHS ENDED SEPTEMBER 30, 2022 \$'000	UNAUDITED 9 MONTHS ENDED SEPTEMBER 30, 2023 \$'000	UNAUDITED 9 MONTHS ENDED SEPTEMBER 30, 2022 \$'000	AUDITED YEAR ENDED DECEMBER 31, 2022 \$'000
Revenue	34,590	26,420	78,375	99,642	79,632
Cost of Sales	(10,369)	(5,622)	(18,940)	(31,675)	(30,172)
<b>Gross Profit</b>	<b>24,221</b>	<b>20,798</b>	<b>59,435</b>	<b>67,967</b>	<b>49,460</b>
Other Income	168	735	186	744	745
Admin & General Expense	(23,267)	(13,244)	(68,654)	(33,801)	(85,245)
Acquisition related expenses	-	-	(107,491)	-	-
Depreciation and Amortisation	(5,355)	(697)	(9,897)	(5,074)	(6,593)
<b>Operating Profit/(Loss)</b>	<b>(4,233)</b>	<b>7,592</b>	<b>(126,421)</b>	<b>29,836</b>	<b>(41,633)</b>
Finance Cost	(9,725)	(682)	(23,694)	(4,112)	(5,212)
<b>Net Profit/(Loss) for the period</b>	<b>(13,958)</b>	<b>6,910</b>	<b>(150,115)</b>	<b>25,724</b>	<b>(46,845)</b>
<b>Attributable to:</b>					
<i>Shareholders of the parent</i>	(12,010)	6,695	(150,504)	26,704	(39,943)
<i>Non controlling interest</i>	(1,948)	215	389	(980)	(6,902)
	<b>(13,958)</b>	<b>6,910</b>	<b>(150,115)</b>	<b>25,724</b>	<b>(46,845)</b>
Basic earnings/(loss) per share (\$)	(0.02)	0.07	(0.18)	0.25	(0.16)
Diluted earnings/(loss) per share (\$)	(0.02)	0.06	(0.17)	0.24	(0.16)



**ICREATE LIMITED**

CONSOLIDATED STATEMENT OF CHANGES SHAREHOLDER'S EQUITY  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (Unaudited)  
 (All figures stated in Thousand Jamaican Dollars unless otherwise stated)

	Attributable to owners of the parent company				Non-Controlling Interest	Total Equity
	Share Capital	Convertible Preference shares	Revaluation Surplus	Retained Earnings		
	\$'000	\$'000	\$'000	\$'000		
<b>Balance at 01 January 2022</b>	<b>124,616</b>	-	<b>7,071</b>	<b>(122,126)</b>	-	<b>9,561</b>
Issued shares, net transaction costs	462,410	-	-	-	-	<b>462,410</b>
Issued new preference shares	-	25,500	-	-	-	<b>25,500</b>
Minority interest in subsidiary	-	-	-	-	24,500	<b>24,500</b>
Net loss for the period	-	-	-	(39,942)	(6,902)	<b>(46,844)</b>
<b>Balance at 31 December 2022</b>	<b>587,026</b>	<b>25,500</b>	<b>7,071</b>	<b>(162,068)</b>	<b>17,598</b>	<b>475,127</b>
<b>Balance at 01 January 2023</b>	<b>587,026</b>	<b>25,500</b>	<b>7,071</b>	<b>(162,068)</b>	<b>17,598</b>	<b>475,127</b>
Net (loss)/profit for the period	-	-	-	(150,504)	389	<b>(150,115)</b>
<b>Balance at 30 September 2023</b>	<b>587,026</b>	<b>25,500</b>	<b>7,071</b>	<b>(312,572)</b>	<b>17,987</b>	<b>325,012</b>

**ICREATE LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (Unaudited)

*(All figures stated in Thousand Jamaican Dollars unless otherwise stated)*

	UNAUDITED 9 MONTHS ENDED SEPTEMBER 30, 2023 \$'000	UNAUDITED 9 MONTHS ENDED SEPTEMBER 30, 2022 \$'000	AUDITED YEAR ENDED DECEMBER 31, 2022 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Total comprehensive income/(Loss)</b>	<b>(150,115)</b>	<b>25,724</b>	<b>(46,845)</b>
Adjustment for:			
Depreciation and amortisation	8,638	5,074	6,593
Expected credit loss provision	-	-	4,327
Interest expense	22,859	3,514	5,016
	(118,618)	34,312	(30,909)
Change in Accounts payable	62,310	53,769	4,003
Change in Accounts receivable	37,311	(56,330)	2,352
Change in Other current assets	(9,362)	(7,460)	(1,839)
Interest Paid	(275)	(4,248)	(3,644)
<b>Cash flows used in operating activities</b>	<b>(28,634)</b>	<b>20,043</b>	<b>(30,037)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of Property, plant & Equipment	(19,150)	-	-
Deposit on acquisition	-	(60,150)	(470,598)
<b>Cash flows used in investing activities</b>	<b>(19,150)</b>	<b>(60,150)</b>	<b>(470,598)</b>
<b>FINANCING ACTIVITIES</b>			
Increase in share capital	-	-	462,410
New loan proceeds	55,838	-	-
Loan repayment	(972)	(9,259)	(9,897)
<b>Cash flows from/(used) financing activitie</b>	<b>54,866</b>	<b>(9,259)</b>	<b>452,513</b>
<b>Change in Cash &amp; Equivalents</b>	<b>7,082</b>	<b>(49,366)</b>	<b>(48,122)</b>
Cash & Equivalents, Opening Balance	(1,575)	49,890	49,890
Cash assumed on acquisition	29	-	-
Cash & Equivalents, Closing Balance	<b>5,536</b>	<b>524</b>	<b>1,768</b>
<b>REPRESENTED BY:</b>			
Cash and bank deposit	9,627	2,953	6,467
Bank overdraft	(4,091)	(2,429)	(4,699)
	<b>5,536</b>	<b>524</b>	<b>1,768</b>

## ICREATE LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Identification and Principal activities

On January 31, 2019, iCreate Limited became a publicly-listed entity on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income taxes for the first five (5) years and fifty percent (50%) remission for the following five (5) years provided that it complies with the requirements of the Jamaica Stock Exchange Junior Market.

GetPAID Group Limited is a subsidiary of the Company incorporated in Jamaica under The Companies Act. The subsidiary's registered office is at 7 Goodwood Terrace, Kingston 10. The Company owns 51% of the shares of GetPAID Group Limited.

Visual Vibe.com Limited, a wholly-owned subsidiary of the Company, is incorporated in Jamaica under the Companies Act. The subsidiary's registered office is at Unit 29, 30 Dominica Drive, Kingston 5.

The Company and its subsidiaries are collectively referred to as the "Group". The principal activities of the Group are the provision of digital and creative training, eCommerce services and advertising.

#### 2. Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim financial statements should be read in conjunction with the Group's previous annual consolidated financial statements as at and/or for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and The Companies Act. These interim financial statements are presented in Jamaican Dollars, which is the Group's functional currency.

#### 3. Accounting Policies

During the period, there were no changes in the accounting policies used in the preparation of the Company's last audit.

#### 4. Business Combination

On May 31, 2023, iCreate Limited, the Company, acquired 100% equity interest in Visual Vibe.com Limited. The principal activity of the company is providing digital out-of-home (DOOH) advertising services. Details of the consideration paid, assets acquired, and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

##### (a) Purchase consideration

	<b>Sept 2023</b>
	<b>\$'000</b>
Cash paid	468,655
Vendor Finance Note	119,959
<b>Consideration transferred for the business</b>	<b>588,614</b>

**ICREATE LIMITED**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(b) Identifiable assets acquired and liabilities assumed:**

	<b>Sept 2023</b>
	<b>\$'000</b>
Property, plant and equipment	81,931
Trade and other receivables	13,784
Cash and bank balances	29
<b>Total Assets</b>	<b>95,744</b>
Bank overdraft	3,371
Accounts payable and accruals	1,369
Long-term loans	12,237
<b>Total Liabilities</b>	<b>16,977</b>
<b>Total Identifiable net assets</b>	<b>78,767</b>
<b>Purchase consideration</b>	<b>588,614</b>
<b>Purchased Goodwill</b>	<b>509,847</b>

**5. Subsequent Event**

iCreate Limited signed a binding Letter of Intent (LOI) for sale of a 20% interest in Visual Vibe.com Limited. The transaction is expected to be fully consummated in Q4 2023.

# **iCreate Limited**

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Kingston 6

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