



iCreate Limited

Unaudited Financial Statements
for the period ended March 31, 2023 (Revised)

EXECUTIVE SUMMARY

The Board of Directors of iCreate Limited (the Company), is pleased to present the unaudited financial statements for the first quarter, ended March 31, 2023. iCreate Limited and GetPAID Group Limited constitute the Group.

The Company published the original Q1 2023 financial statements on May 15, 2023; however, the 2022 year-end audit was completed on September 29, 2023 and it became necessary for the Q1 actuals to be revised to capture the audited December 2022 ending numbers and certain other positions adopted during the audit.

The Q2 financial statements, which were filed September 29, 2023, were synchronized with the 2022 year-end audit and captured the positions adopted.

1.0 Overview

Despite a challenging first quarter, the Company made certain strategic strides which will yield tangible results going forward. Meanwhile, the Company continued to focus on the growth initiatives which were earlier communicated to our shareholders, including sales expansion through widening the client base and pursuit of a M&A strategy.

2.0 Financial Highlights

Revenue

The Group recorded Revenue of \$25.9 million (originally \$29.8 million) for the first quarter of 2023, which was below the corresponding period in 2022. Revenue for the first quarter of 2022 was boosted by the recognition of a new major corporate contract. The corporate market segment is significant and important to the Group, however, revenue relating to training programmes was seasonal.

Profitability

The Group's net loss for the quarter under review was \$11.8 million (originally net profit \$2.5 million), compared to the \$10.1 million generated in Q1, 2022, which was helped by the large contract recognised in the prior year. Also, during the current quarter, additional investments were made to further strengthen our human capital; the company appointed a new Deputy CEO & COO. This strategic appointment positions the Company for future growth, succession and capacity expansion.

Balance Sheet

Total Assets of the Group were \$730.8 million (originally \$708.2 million) at the end of March 2023, representing a marginal increase over the value as at December 31, 2022. However, total assets grew significantly over the figure of \$122.4 million reported as at March 31, 2022. The Company successfully raised additional capital in November 2022, to support its M&A strategy. Shareholders' equity, therefore, remained fairly flat when compared to the previous quarter, December 2022. With the additional equity raised, the company remains well-capitalised, carrying a low debt-to-equity funding mix.

4.0 Outlook

The Company renewed a significant education partnership during the first quarter of 2023. Additionally, we anticipate the completion of at least one major corporate contract during the second quarter. We continue to invest in our people as we position the company for both organic and acquired growth.

The Company remains engaged in the process of acquiring Visual Vibe Limited. Activities are advanced and the transaction is expected to close in the second quarter. The Company's acquisition of Visual Vibe is central to our growth strategy as it will extend operations into a new adjacent market and materially increase the Company's overall financial results.

We offer thanks to our many Shareholders, our Directors, our Team Members and our Client Base 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 January 26, 2024 and signed on its behalf by:



Tyrone Wilson
Executive Chairman



Anthony Dunn
Director

ICREATE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023 (Unaudited) - Revised

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

	REVISED UNAUDITED MARCH 30, 2023 \$'000	ORIGINAL UNAUDITED MARCH 30, 2023 \$'000	CHANGE \$'000	UNAUDITED MARCH 30, 2022 \$'000	AUDITED DECEMBER 31, 2022 \$'000
ASSETS					
Cash resources	4,317	492,440	(488,123)	2,886	6,467
Accounts receivable	16,277	73,327	(57,050)	48,803	2,645
Due from related parties	9,206	-	9,206	10,204	6,819
Other current assets	3,227	48,715	(45,488)	914	2,754
Real estate under development	-	80,000	(80,000)	-	-
Acquisition of subsidiary deposit	470,598	-	470,598	1,931	470,598
Deferred costs of acquisition in progress	176,042	-	176,042	-	176,042
Intangible assets	47,360	9,935	37,425	51,227	48,381
Property, plant and equipment	3,756	3,773	(17)	6,482	4,425
Total Assets	730,783	708,190	22,593	122,447	718,131
LIABILITIES					
Bank overdraft	1,653	-	1,653	6,715	4,699
Accounts payable and accruals	37,263	47,089	(9,826)	18,324	37,949
Acquisition of subsidiary payable	182,205	-	182,205	-	176,042
Current portion of long-term debt	6,314	-	6,314	1,009	2,572
Other current liabilities	289	105,000	(104,711)	289	289
Promissory notes payable	18,293	-	18,293	-	-
Long-term loans	21,454	35,072	(13,618)	23,555	21,455
Total Liabilities	267,471	187,161	80,310	49,892	243,006
EQUITY					
Share capital	587,026	610,741	(23,715)	124,616	587,026
Preference share capital	25,500	-	25,500	25,500	25,500
Retained deficit	(175,784)	(96,783)	(79,001)	(106,357)	(162,070)
Revaluation surplus	7,071	7,071	-	7,071	7,071
Equity Attributable to Shareholde	443,813	521,029	(77,216)	50,830	457,527
Non-Controlling Interest	19,499	-	19,499	21,725	17,598
Total Equity	463,312	521,029	(57,717)	72,555	475,125
Total Liabilities & Equity	730,783	708,190	22,593	122,447	718,131



Tyrone Wilson
Executive Chairman



Anthony Dunn
Director

ICREATE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2023 (Unaudited) - Revised

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

	REVISED UNAUDITED 3 MONTHS ENDED MARCH 30, 2023 \$'000	ORIGINAL UNAUDITED 3 MONTHS ENDED MARCH 30, 2023 \$'000	CHANGE \$'000	UNAUDITED 3 MONTHS ENDED MARCH 30, 2022 \$'000	AUDITED YEAR ENDED DECEMBER 31, 2022 \$'000
Revenue	25,949	29,808	(3,859)	40,118	79,632
Cost of Sales	(8,400)	(8,663)	263	(14,727)	(50,940)
Gross Profit	17,549	21,145	(3,596)	25,391	28,692
Other Income	-	93	(93)	8	744
Admin & General Expense	(23,760)	(17,415)	(6,345)	(9,027)	(64,477)
Depreciation and Amortisation	(1,689)	(697)	(992)	(1,691)	(6,593)
Operating Profit/(Loss)	(7,900)	3,126	(11,026)	14,681	(41,634)
Finance Cost	(3,913)	(616)	(3,297)	(1,687)	(5,213)
Profit/(Loss) Before Taxation	(11,813)	2,510	(14,323)	12,994	(46,847)
Tax Expense/(Credit)	-	-	-	-	-
Net Profit/(Loss) for the period	(11,813)	2,510	(14,323)	12,994	(46,847)
Attributable to:					
Shareholders of the parent	(13,714)	2,510	(14,323)	15,769	(39,945)
Non controlling interest	1,901	-	-	(2,775)	(6,902)
	(11,813)	2,510	(14,323)	12,994	(46,847)
Earnings/(Loss) per share (\$)	-0.02	0.01	-0.03	0.13	-0.16
Diluted (\$)	-0.01	0.01	-0.03	0.12	-0.16

ICREATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2023 (Unaudited) - Revised

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

<i>Revised</i>	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	\$'000	\$'000
Balance at 01 January 2022	124,616	-	7,071	(122,126)	-	9,561
Issued shares, net transaction cost:	-	-	-	-	-	-
Issued new preference shares	-	25,500	-	-	-	25,500
Minority interest in subsidiary	-	-	-	-	24,500	24,500
Net loss for the period	-	-	-	15,769	(2,775)	12,994
Balance at 31 March 2022	124,616	25,500	7,071	(106,357)	21,725	72,555
Balance at 01 January 2023	587,026	25,500	7,071	(162,070)	17,598	475,125
Net (loss)/profit for the period	-	-	-	(13,714)	1,901	(11,813)
Balance at 31 March 2023	587,026	25,500	7,071	(175,784)	19,499	463,312

<i>Original</i>	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	\$'000	\$'000
Balance at 01 January 2022	124,616	-	7,071	(122,125)	-	9,562
Additional shares issued	486,125	-	-	-	-	486,125
Net loss for the period	-	-	-	22,831	-	22,831
Balance at 31 December 2022	610,741	-	7,071	(99,294)	-	518,518
Net profit for the period	-	-	-	2,511	-	2,511
Balance at 31 March 2023	610,741	-	7,071	(96,783)	-	521,029

ICREATE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 (Unaudited) - Revised

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

	REVISED UNAUDITED 3 MONTHS ENDED MARCH 30, 2023 \$'000	ORIGINAL UNAUDITED 3 MONTHS ENDED MARCH 30, 2023 \$'000	CHANGE \$'000	UNAUDITED 3 MONTHS ENDED MARCH 30, 2022 \$'000	AUDITED YEAR ENDED DECEMBER 31, 2022 \$'000
OPERATING ACTIVITIES					
Total Comprehensive Income/(Loss)	(11,816)	2,510	(14,326)	12,994	(46,847)
Adjustment for:					
Depreciation and amortisation	1,689	697	992	1,691	6,593
Expected Credit Loss Provision	-	-	-	-	4,327
Interest expense	3,766	616	3,150	1,496	5,017
	(6,361)	3,823	(10,184)	16,181	(30,910)
Change in Accounts Payable	5,481	7,746	(2,265)	(15,618)	4,006
Change in Other Current Liabilities	-	(616)	-	-	-
Change in Accounts Receivable	(13,629)	3,450	(17,079)	(37,222)	2,352
Change in Other Current Assets	(2,864)	(9,822)	6,958	(5,644)	(1,840)
Interest Paid	(24)	-	(24)	(1,497)	(3,645)
Cash flow provided by/(used in) investing activities	(17,397)	4,581	(22,594)	(43,800)	(30,037)
INVESTING ACTIVITIES					
Deposit of acquisition	-	-	-	(1,931)	(470,598)
Cash flow provided by/(used in) investing activities	-	-	-	(1,931)	(470,598)
FINANCING ACTIVITIES					
Increase in Share Capital	-	-	-	-	462,410
New loan proceeds	18,293	-	18,293	-	-
Loan repayment	-	-	-	(7,988)	(9,897)
Cash Flow From Financing Activities	18,293	-	18,293	(7,988)	452,513
Change in Cash & Equivalents	896	4,581	(4,301)	(53,719)	(48,122)
Cash & Equivalents, Opening Balance	1,768	487,858	1,768	49,890	49,890
Cash & Equivalents, Closing Balance	2,664	492,439	(2,533)	(3,829)	1,768
REPRESENTED BY:					
Cash and bank deposit	4,317	492,439	(1,653)	2,886	6,467
Bank overdraft	(1,653)	-	-	(6,715)	(4,699)
	2,664	492,439	(1,653)	(3,829)	1,768

Notes to the Consolidated Financial Statements

1. Identification and Principal activities

iCreate Limited is a Company incorporated in Jamaica under the Jamaican Companies Act (the "Act") in January 2018. The registered office of the Company is 72 Old Hope Road, Kingston 6.

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 5 years providing 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 Jamaican Companies Act (the "Act"). The registered office is at 7 Goodwood Terrace, Kingston 10. At March 31, 2023, the Company owns 51% of the shares of GetPAID Group Limited.

The Company and its subsidiary are collectively referred to as the "Group". The principal activities of the Group are the provision of digital and creative training and e-commerce services.

2. Basis of Preparation

These interim condensed consolidated financial statements (interim 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 last annual consolidated financial statements as at and for the year ended December 31, 2022 ('last financial statements') which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act. These interim financial statements are presented in Jamaica 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. Revised Financial Statements

Following the conclusion of the 2022 year-end audit in September 2023, it became necessary for Management to revise the previously filed financial statements for Q1, ending March 2023, in order to reflect all of the appropriate accounting treatments and other audit positions of the 2022 audit.

The principal changes include accounting entries to reflect the following:

1. Reclassifications to conform with the 2022 year-end audited financial statements,
2. Increase in expected credit loss (ECL) provisioning,
3. Accounting for the acquisition of GETPAID Limited effective January 2022,
4. Various acquisition costs, beyond the purchase consideration, being expensed,
5. Accounting for various aspects of the Visual Vibe.com transaction.

A summary of the changes by financial statements category:

Consolidated Profit & Loss Statement	Revised March 2023 \$'000	Original March 2023 \$'000	Change \$'000
Revenue	25,949	29,808	(3,859)
Expenses	(37,762)	(27,298)	(10,464)
Net Loss	(11,813)	2,510	(14,323)

Consolidated Balance Sheet	Revised March 2023 \$'000	Original March 2023 \$'000	Change \$'000
Assets	730,783	708,190	22,593
Liabilities	267,471	187,161	80,310
Shareholder's Equity	443,814	521,029	(77,215)
Non-Controlling interest	19,498	-	19,498

iCreate Limited

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