

**MAILPAC GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**FINANCIAL STATEMENTS**  
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## INDEPENDENT AUDITOR'S REPORT

### **To the members of MAILPAC GROUP LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Mailpac Group Limited (the "Company"), which is comprised of the statement of financial position as at December 31, 2025, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended and a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Jamaican Companies Act (the "Act").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter - Modification of Contingent Consideration Liability**

We draw attention to Note 30 to the financial statements, which describes the modification of the contingent consideration liability arising from the acquisition of the assets and operations My Cart Quick Limited on April 1, 2024. As described in that note, the original contingent consideration liability of \$1,266,027,507 was modified subsequent to the reporting date, resulting in a revised settlement consideration of \$364,000,000 comprising cash of \$243,000,000 and the issuance of 50,000,000 ordinary shares at fair value of \$121,000,000.

The board of directors have determined that the conditions giving rise to the modification existed at December 31, 2025 and has accordingly classified this as an adjusting event under IAS 10 "Events After the Reporting Period". The directors have determined that the conditions giving rise to the modification existed at December 31, 2025 and have accordingly classified this as an adjusting event under IAS 10 "Events After the Reporting Period". The modification has resulted in the reduction of the contingent consideration liability in the amount of \$902,027,507 and accordingly has been recognised in the statement of comprehensive income. Our opinion is not modified in respect of this matter.

**Independent Auditor's Report (cont'd)**

**To the members of  
 MAILPAC GROUP LIMITED**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><u>Intangible assets impairment assessment</u></p> <p>The Company has intangible assets of \$1.36 billion arising from the acquisition of the net assets of Mailpac Local Limited, Mailpac Services Limited and My Cart Quick Limited, which represents 55% of the total assets as at the year end.</p> <p>The annual impairment assessment requires management's judgement and estimation in determining estimated future earnings from the operation, taking into consideration inflation rate, growth rate and other underlying assumptions.</p> <p>An impairment assessment was carried out on the goodwill of \$689.5 million recognised from the My Cart Quick Limited acquisition, which represents 51% of the intangible assets as at the year end.</p>	<p>Our audit procedures to address the key audit matter relating to the impairment of intangible assets assessment included the following:</p> <ul style="list-style-type: none"> <li>• We have reviewed management's assumptions, including the identification of the underlying cash generating assets.</li> <li>• We have assessed and reviewed the operation's historical performance and compared actual results to the approved budget. The analysis of the external and internal environments was taken into account in the assessment of the overall performance.</li> </ul> <p>Based on the procedures performed, management's assessment of intangible assets impairment appears reasonable.</p>

**Independent Auditor's Report (cont'd)**

**To the members of  
 MAILPAC GROUP LIMITED**

**Key Audit Matters (cont'd)**

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><u>Accounting for Business Combination - Intangible Assets</u></p> <p>During the year, the Company finalised the purchase price allocation relating to the acquisition of My Cart Quick Limited acquired on April 1, 2024. The finalisation of the acquisition accounting resulted in the recognition of material identifiable assets, including trade name and customer relationships and an adjustment to goodwill and contingent consideration.</p> <p>We identified the accounting for this business combination based the complexity in estimating the contingent consideration, the significant judgement involved in determining the provisional fair values of assets acquired and the materiality of the transaction to the financial statements.</p>	<p>Our audit procedures to address the key audit matter relating to the accounting for business combination - intangible assets included the following:</p> <ul style="list-style-type: none"> <li>• We have assessed the valuation methodologies used for the trade name and customer relationships.</li> <li>• We tested key assumptions utilised in the valuation models, including discount rates, projected revenues, customer attrition rates and useful lives.</li> <li>• We have evaluated management's assessment of the acquisition accounting under IFRS 3, including the retrospective adjustments made to the comparative financial statements and the accuracy of the related disclosures in the financial statements.</li> </ul> <p>Based on the procedures performed, management's provisional accounting for the business combination appears reasonable.</p>

**Other Information**

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

## Independent Auditor's Report (cont'd)

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### **To the members of MAILPAC GROUP LIMITED**

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is located at page 5, forms part of our auditor's report.

#### **Report on additional matters as required by the Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Rohan Crichton.



**CrichtonMullings & Associates**  
Chartered Accountants

Kingston, Jamaica  
June 29, 2026

## Independent Auditor's Report (cont'd)

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### **To the members of MAILPAC GROUP LIMITED**

#### **Appendix to the Independent Auditor's Report**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**MAILPAC GROUP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

	Note	2025 \$	2024 \$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	5	342,811,571	242,015,025
Right of use assets	6	165,788,394	185,812,766
Intangible assets	7	<u>1,364,590,300</u>	<u>1,423,029,785</u> *
<b>Total non-current assets</b>		<u>1,873,190,265</u>	<u>1,850,857,576</u>
<b>Current Assets</b>			
Due from related companies	8	2,967,671	1,400,002
Trade and other receivables	9	244,128,581	173,522,234
Cash and cash equivalents	10	<u>362,360,178</u>	<u>253,764,585</u>
<b>Total current assets</b>		<u>609,456,430</u>	<u>428,686,821</u>
<b>TOTAL ASSETS</b>		<u>2,482,646,695</u>	<u>2,279,544,397</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	267,356,112	267,356,112
Retained earnings		<u>1,357,270,657</u>	<u>442,749,577</u>
<b>Total equity</b>		<u>1,624,626,769</u>	<u>710,105,689</u>
<b>Non-current Liabilities</b>			
Lease liabilities	6	112,675,485	135,663,955
Deferred tax liability	12	14,844,280	9,509,636
Contingent consideration liability	27,30	<u>121,000,000</u>	<u>1,266,027,507</u> *
<b>Total non-current liabilities</b>		<u>248,519,765</u>	<u>1,411,201,098</u>
<b>Current Liabilities</b>			
Contingent consideration liability	27,30	243,000,000	-
Lease liabilities	6	66,897,034	55,046,984
Trade and other payables	13	251,432,707	97,101,260
Due to related companies	14	1,518,203	2,214,395
Taxation payable	15	<u>46,652,217</u>	<u>3,874,971</u>
<b>Total current liabilities</b>		<u>609,500,161</u>	<u>158,237,610</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,482,646,695</u>	<u>2,279,544,397</u>

The financial statements were approved for issue by the Board of Directors on June 29, 2026 and signed on its behalf by:

  
 Mr. Khary Robinson - Chairman

  
 Dr. Mark Gonzales - Director

*\*restated to conform to current year presentation*

The accompanying notes form an integral part of the financial statements

**MAILPAC GROUP LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 31, 2025**

	<u>Not</u> <u>e</u>	2025 \$	2024 \$
<b>Revenues</b>	4	2,983,587,075	2,563,861,672
<b>Cost of sales</b>	16	<u>1,344,374,702</u>	<u>1,311,561,953</u>
<b>Gross profit</b>		1,639,212,373	1,252,299,719
Selling and distribution costs	17	127,622,565	96,909,079
Administrative and general expenses	18	<u>983,167,494</u>	<u>781,595,519</u>
		<u>1,110,790,059</u>	<u>878,504,598</u>
<b>Operating profit</b>	19	528,422,314	373,795,121
Other income	20	<u>2,357,209</u>	<u>1,263,842</u>
		530,779,523	375,058,963
Finance and policy costs	21	241,299,088	142,337,489 *
Reduction of contingent consideration liability	30	<u>902,027,507</u>	<u>-</u>
<b>Profit before taxation</b>		1,191,507,942	232,721,474 *
<b>Taxation charge</b>	22	<u>51,986,862</u>	<u>10,344,233</u>
<b>Net profit, being total comprehensive income for the year</b>		<u>1,139,521,080</u>	<u>222,377,241</u> *
<b>Earnings per share unit for profit attributable to the equity holders of the company during the year</b>	23	<u>0.09</u>	<u>0.09</u>

*\*restated to conform to current year presentation*

**The accompanying notes form an integral part of the financial statements**

**MAILPAC GROUP LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2025**

	Share Capital \$	Retained Earnings \$	Total \$
<b>Balance at December 31, 2023</b>	267,356,112	295,372,336	562,728,448
<b>Transaction with owners:</b>			
Dividends	-	(75,000,000)	(75,000,000)
Net profit, being total comprehensive income for the year	<u>-</u>	<u>222,377,241</u>	<u>222,377,241</u>
<b>Balance at December 31, 2024</b>	267,356,112	442,749,577	710,105,689
<b>Transaction with owners:</b>			
Dividends (see note 26)	-	(225,000,000)	(225,000,000)
Net profit, being total comprehensive income for the year	<u>-</u>	<u>1,139,521,080</u>	<u>1,139,521,080</u>
<b>Balance at December 31, 2025</b>	<u><u>267,356,112</u></u>	<u><u>1,357,270,657</u></u>	<u><u>1,624,626,769</u></u>

*\*restated to conform to current year presentation*

**The accompanying notes form an integral part of the financial statements**

**MAILPAC GROUP LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2025**

	2025	2024
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit for the year</b>	1,139,521,080	222,377,241 *
<b>Adjustments for items not affecting cash resources:</b>		
Depreciation and amortization	55,583,584	40,462,080 *
Depreciation right of use assets	75,570,303	45,008,305
Transfer of work-in-progress	-	260,000
Interest expense on right of use assets	14,618,091	7,733,400
Loss on disposal of property, plant and equipment	-	13,754
Increase in expected credit loss provision	25,750,705	13,139,654
Foreign currency loss / (gain)	3,764,649	(2,629,221)
Impairment loss	21,400,000	-
Reduction of contingent consideration liability	(902,027,507)	-
Deferred taxation	5,334,644	6,469,262
Income tax expense	46,652,217	3,874,971
	<u>486,167,765</u>	<u>336,709,446</u>
(Increase) / decrease in operating assets:		
Due from related companies	(1,567,670)	(669,278)
Trade and other receivables	(96,357,053)	(116,251,251)
Increase / (decrease) in operating liabilities:		
Trade and other payables	(3,952,897)	29,024,082
Cash flows provided by operating activities	<u>384,290,145</u>	<u>248,812,999</u>
Taxation paid	(3,874,971)	-
Net cash provided by operating activities	<u>380,415,174</u>	<u>248,812,999</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cost of work-in-progress	(54,306,420)	-
Acquisition of property, plant and equipment	(65,034,225)	(76,315,660)
Net cash used in investing activities	<u>(119,340,645)</u>	<u>(76,315,660)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(66,941,638)	(64,972,439)
Loan repayment to related companies	(696,192)	(3,032,541)
Lease liabilities, net	(84,384,461)	(48,101,551)
Net cash used in financing activities	<u>(152,022,291)</u>	<u>(116,106,531)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	109,052,238	56,390,808
<b>CASH AND CASH EQUIVALENTS - Beginning of the year</b>	253,764,585	198,846,170
<b>Effects of movements on foreign currency bank balances</b>	(456,645)	(1,472,393)
<b>CASH AND CASH EQUIVALENTS - End of the year</b>	<u>362,360,178</u>	<u>253,764,585</u>

*\*restated to conform to current year presentation*

The accompanying notes form an integral part of the financial statements

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**1. IDENTIFICATION**

Mailpac Group Limited (the "Company") is a limited liability company incorporated in Jamaica on September 19, 2019, under the Jamaican Companies Act (the "Act").

The Company is domiciled in Jamaica with its registered office at 109 Old Hope Road, Kingston 6.

The operations of Mailpac Group Limited were previously undertaken by two separate entities, Mailpac Services Limited and Mailpac Local Limited. On September 30, 2019, the net assets of these two entities were purchased by Mailpac Group Limited. In addition, Mailpac Group Limited acquired the long-term liabilities of Mailpac Services Limited.

On April 1, 2024, the Company also acquired the assets of My Cart Quick Limited (see note 27).

Mailpac Group Limited became publicly listed on the Junior Market of the Jamaica Stock Exchange on December 4, 2019. Consequently, the Company is entitled to a 100% remission of income taxes for the first five (5) years and 50% remission for the next five (5) years thereafter, providing that the Company complies with the requirements of the Jamaica Stock Exchange Junior Market.

The principal activities of the Company are to provide international and domestic courier and mail order services, as well as online shopping of a variety of food, beverages and other household supplies.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(a) Statement of compliance:**

The Company's financial statements for the year ended December 31, 2025 have been prepared in accordance and comply with IFRS Accounting Standards and the relevant requirements of the Act.

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

The preparation of financial statements in conformity with IFRS Accounting Standards and the Act requires management accounting estimates are recognized in the period in which the estimate is revised, if the revision date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(b) Changes in accounting standards and interpretations:**

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- IAS 21 'Lack of Exchangeability- Amendment', issued August 2024. Effective for annual periods commencing on or after 1 January 2025. These amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- IFRS 18 'Presentation and Disclosures in Financial Statements'-issued April 2024. Effective for periods commencing on or after 1 January 2027. This includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
- IFRS 7 and 9 'Classification and Measurement of Financial Instruments - Amendment', issued May 2024. Effective for annual periods commencing on or after 1 January 2026. The amendment is to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.

The Board of Directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Company in future periods is unlikely to have any material impact on the financial statements.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements**

The preparation of the financial statements requires management to make judgements, as well as estimates, based on assumptions, that affect the application of accounting policies, and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts may differ from these estimates.

The estimates, and the assumptions underlying them, are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

(i) Critical accounting judgements in applying the Company's accounting policies

For the purpose of these financial statements, prepared in accordance with IFRS Accounting Standards, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS Accounting Standards.

(a) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(b) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

(c) Depreciable assets:

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements (cont'd)**

- (i) Critical accounting judgements in applying the Company's accounting policies (Cont'd)
- (d) Allowance for expected credit losses (ECL) on trade receivables:

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also makes estimates of the likely estimated future cash flows of impaired receivables, as well as the timing of such cash flows recoverable on the financial assets in determining loss given default. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

- (ii) Key assumptions and other sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

- (a) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The Company's equities are the only financial instrument that is carried at fair value, also where fair value of financial instruments approximates carrying value, no fair value computation is done.

IFRS requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements (cont'd)**

(ii) Key assumptions and other sources of estimation uncertainty (cont'd)

(a) Fair value estimation (cont'd)

- The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, loan, trade and other payables, due to director and related parties.
- The carrying values of long term liabilities approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.

(b) Allowance for expected credit losses

The Company establishes a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The determination of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of the ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(c) Estimating the incremental borrowing rate for leases

If the company cannot readily determine the interest rate implicit in the lease, an incremental borrowing rate is used to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate reflects what the company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the incremental borrowing rate using available market interest rates.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES**

**(a) Property, plant and equipment**

All property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured. The cost of day-to-day servicing of property, plant and equipment is recognized in the statement of comprehensive income as incurred.

With the exception of freehold land, on which no depreciation is provided, property, plant and equipment are depreciated on the reducing balance basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Motor vehicles	20%
Computers	20%
Machinery and equipment	10%
Furniture and fixtures	10%
Leasehold improvements	2.5%

**(b) Intangible assets**

Intangible assets represent goodwill, contracts rights with vendors, customers, tradenames, intellectual property rights and telephone numbers. These assets are carried at fair value. The Company determines when intangible assets are impaired at least on an annual basis or when events or circumstances indicates that the carrying value may be impaired. Intangible assets, except for goodwill, are amortized over the estimated useful lives of the assets of forty (40) and ten (10) years.

**(c) Leases**

A contract is, or contains, a lease if it conveys the right of use/control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Leases are recognise as assets and liabilities unless the lease term is 12 months or less or the underlying asset has a low value of less than US\$5,000 or its Jamaica dollar equivalent. The Company applies the short term lease recognition exemption to its short term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term. The right-of-use asset is initially measured at cost, at the lease commencement date, i.e. the date at which the underlying asset is available for use by the Company. The right-of-use asset is depreciated on a straight-line basis over the remaining lease term.

**Lease liability**

The lease liability is initially measured at the present value of lease payments to be made over the lease term.

The present value of lease payments, uses an incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate corresponds to the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment, with similar terms and conditions.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(d) Trade and other receivables**

Trade and other receivables are stated at amortized cost less any impairment losses, if any.

**(e) Related party identification**

A party is related to the Company if:

(i) directly or indirectly the party:

- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(ii) the party is an associate of the Company

(iii) the party is a joint venture in which the Company is a venturer;

(iv) the party is a member of the key management personnel of the Company

(v) the party is a close member of the family of an individual referred to in (i) or (iv) above

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and with banks and term deposits.

**(g) Trade and other payables**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**(h) Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**(i) Taxation**

Taxation expense represents the total of current income tax and deferred tax.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustments to income tax payable in respect of previous period.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(i) Taxation (cont'd)**

**(ii) Deferred income tax**

Deferred income tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**(j) Foreign currencies**

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

**(k) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is recognized when control of services passes to the customer, as contractual performance obligations are fulfilled.

**(l) Impairment**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(l) Impairment (cont'd)**

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

**(m) Financial instruments**

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognised immediately in profit or loss), as appropriate, on initial recognition.

In these financial statements, financial assets comprise cash and bank balances, trade and other receivables and related party receivables. Financial liabilities comprise trade and other receivables and related party balances.

**Financial assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cashflows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(m) Financial instruments (cont'd)**

**Financial assets (cont'd)**

*Subsequent measurement*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, due from related parties and cash and bank balances.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

*Impairment*

The Company recognizes an allowance for expected credit losses (ECLs) on the financial instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(m) Financial instruments (cont'd)**

**Financial assets (cont'd)**

*Impairment (cont'd)*

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

**Initial recognition and measurement**

The Company's financial liabilities, comprising loans and accounts payable, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

**(n) Employee benefits**

Employee benefits are all forms of consideration given by the Company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

**(o) Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(p) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**(q) Dividends**

Dividends on ordinary shares are recognized in shareholders equity in the period in which they are approved by the Board of Directors.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**4. REVENUES**

Revenues represent the value of goods and services sold to third parties, excluding discounts, rebates and general consumption tax. Revenue is earned from the provision of local and international courier and mail order services as well as from the sale of food beverages and household supplies from its online platform.

**5. PROPERTY, PLANT AND EQUIPMENT**

	<u>Leasehold Improvement</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Motor Vehicles</u>	<u>Work-in Progress</u>	<u>Total</u>
<b>At Cost/Valuation:</b>						
Balance as at December 31, 2023	70,904,014	14,947,075	31,784,137	5,617,737	40,471,552	163,724,515
Disposal	-	-	(21,500)	-	-	(21,500)
Transferred from work-in-progress	260,000	-	-	-	(260,000)	-
Transferred on acquisition	9,141,300	5,447,169	8,087,093	11,210,000	-	33,885,562
Additions	39,526,712	6,045,697	13,282,382	17,460,869	-	76,315,660
Balance as at December 31, 2024	119,832,026	26,439,941	53,132,112	34,288,606	40,211,552	273,904,237
Additions	20,403,437	4,635,764	15,582,107	24,412,917	54,306,420	119,340,645
<b>Balance as at December 31, 2025</b>	<b>140,235,463</b>	<b>31,075,705</b>	<b>68,714,219</b>	<b>58,701,523</b>	<b>94,517,972</b>	<b>393,244,882</b>
<b>Accumulated Depreciation:</b>						
Balance as at December 31, 2023	5,440,190	3,324,944	7,714,685	3,193,990	-	19,673,809
Disposal	-	-	(7,202)	-	-	(7,202)
Charge for the period	2,015,671	1,792,190	4,916,529	3,498,215	-	12,222,605
Balance as at December 31, 2024	7,455,861	5,117,134	12,624,012	6,692,205	-	31,889,212
Charge for the year	2,971,883	2,263,296	6,228,516	7,080,404	-	18,544,099
<b>Balance as at December 31, 2025</b>	<b>10,427,744</b>	<b>7,380,430</b>	<b>18,852,528</b>	<b>13,772,609</b>	<b>-</b>	<b>50,433,311</b>
<b>Net book value:</b>						
<b>At December 31, 2025</b>	<b>129,807,719</b>	<b>23,695,275</b>	<b>49,861,691</b>	<b>44,928,914</b>	<b>94,517,972</b>	<b>342,811,571</b>
At December 31, 2024	112,376,165	21,322,807	40,508,101	27,596,401	40,211,552	242,015,025

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**6. RIGHT OF USE ASSETS / LEASE LIABILITIES**

	<u>Office Building</u>	
	<u>\$</u>	
<b>At Valuation</b>		
Balance at December 31, 2023	72,774,932	
Terminated right of use asset	(7,360,557)	
Additions	<u>190,175,886</u>	
Balance at December 31, 2024	255,590,261	
Terminated right of use asset	(52,484,676)	
Additions	<u>55,545,929</u>	
<b>Balance at December 31, 2025</b>	<u>258,651,514</u>	
<b>Depreciation charge of right of use asset</b>		
Balance at December 31, 2023	31,267,564	
Depreciation on terminated right of use asset	(6,498,374)	
Charge for the year	<u>45,008,305</u>	
Balance at December 31, 2024	69,777,495	
Depreciation on terminated right of use asset	(6,498,374)	
Charge for the year	<u>29,583,999</u>	
<b>Balance at December 31, 2025</b>	<u>92,863,120</u>	
<b>Net Book Value</b>		
Balance at December 31, 2025	<u>165,788,394</u>	
Balance at December 31, 2024	<u>185,812,766</u>	
<b>Lease Liability:</b>		
	2025	2024
	<u>\$</u>	<u>\$</u>
Non-current lease liability	112,675,485	135,663,955
Current lease liability	<u>66,897,034</u>	<u>55,046,984</u>
	<u>179,572,519</u>	<u>190,710,939</u>

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**7. INTANGIBLE ASSETS**

As at September 30, 2019, Mailpac Group Limited acquired the net assets of Mailpac Local Limited and Mailpac Services Limited. Mailpac Group Limited also acquired the long-term liabilities of Mailpac Services Limited. Goodwill acquired on this acquisition was approximately \$171 million. Intangible assets are carried at amortized cost and depreciated over a 40-year useful life and consist of customer contracts, lists of existing customers and other intangibles.

On April 1, 2024, the Company acquired the assets of My Cart Quick Limited (“MyCart”). During the year ended December 31, 2025, the Company finalised the purchase price allocation in accordance with IFRS 3 Business Combinations. The provisional amounts recognised for 2024 have been retrospectively adjusted to reflect the final fair values of identifiable intangible assets acquired and the related amortisation from the acquisition date.

	2025	2024
	\$	\$
<b>Cost:</b>		
Purchase goodwill	171,000,000	171,000,000
Goodwill acquired from MyCart	689,508,029	689,508,029
Trade name	173,000,000	173,000,000
Customer relationships	352,000,000	352,000,000
Customer contracts, lists of existing customers and other intangibles	73,579,000	73,579,000
	<u>1,459,087,029</u>	<u>1,459,087,029</u>
<b>Amortization:</b>		
Balance at beginning of the year	36,057,244	7,817,769
Charge for the year	37,039,485	28,239,475
Impairment loss	21,400,000	-
	<u>94,496,729</u>	<u>36,057,244</u>
<b>Balance at end of the year</b>	<u><u>1,364,590,300</u></u>	<u><u>1,423,029,785</u></u>

**8. DUE FROM RELATED COMPANIES**

	2025	2024
	\$	\$
Norbrook Car Rentals Limited	536,425	144,609
Robeon Limited	53,645	138,768
Norbrook Transaction Services Limited (Epay)	1,263,474	60,560
Norbrook Equity Partners Limited	-	265,711
Express Fitness Limited	1,114,127	790,354
	<u>2,967,671</u>	<u>1,400,002</u>

These represent advances to related companies, which are unsecured, interest free and have no fixed repayment date.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**9. TRADE AND OTHER RECEIVABLES**

Trade receivables materially represent balance due on credit sales.

	2025	2024
	\$	\$
Trade receivables	154,817,880	101,477,130
<i>Less: expected credit loss provision</i>	<u>(44,907,183)</u>	<u>(19,156,478)</u>
Net trade receivables	109,910,697	82,320,652
Deposits	11,500,623	9,099,374
Prepayments	4,556,523	1,022,775
Other receivables	<u>118,160,738</u>	<u>81,079,433</u>
	<u>244,128,581</u>	<u>173,522,234</u>

**10. CASH AND CASH EQUIVALENTS**

	2025	2024
	\$	\$
Current accounts	362,191,589	253,450,421
Cash in hand	<u>168,589</u>	<u>314,164</u>
	<u>362,360,178</u>	<u>253,764,585</u>

**11. SHARE CAPITAL**

	2025	2024
	\$	\$
<u>Authorized share capital:</u>		
No maximum share capital		
<u>Issued and fully paid:</u>		
2,250,000,000 ordinary shares of no par value	27,395,000	27,395,000
250,000,000 ordinary shares of no par value	250,000,000	250,000,000
Less: transaction costs of share issue	<u>(10,038,888)</u>	<u>(10,038,888)</u>
	<u>267,356,112</u>	<u>267,356,112</u>

- (a) The issued share capital of the Company was increased to 2,250,000,000 shares prior to the initial public offering ("IPO"). An additional 250,000,000 new shares were offered to the general public in the IPO on December 4, 2019.
- (b) The proceeds of the sale of the 250,000,000 shares issued to the general public in December 2019 amounted to \$250,000,000 less transaction cost of \$10,038,888.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**12. DEFERRED TAX LIABILITY**

Certain deferred tax assets and liabilities have been offset in accordance with International Accounting Standard ("IAS") 12. IAS 12 permits the offsetting of deferred tax assets and liabilities if the entity has a legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same tax authority on the same entity.

	2025	2024
	\$	\$
Deferred tax liability	<u>14,844,280</u>	<u>9,509,636</u>

Deferred tax liability is attributable to the following:

	2025	2024
	\$	\$
Property, plant and equipment	14,673,623	9,509,636
Cash and cash equivalents	114,161	-
Trade payables	<u>56,496</u>	<u>-</u>
	<u>14,844,280</u>	<u>9,509,636</u>

The movement during the year in the Company's deferred tax position was as follows:

	2025	2024
	\$	\$
Balance at the beginning of the year	9,509,636	3,040,374
Movement during the year	<u>5,334,644</u>	<u>6,469,262</u>
Balance at the end of the year	<u>14,844,280</u>	<u>9,509,636</u>

**13. TRADE AND OTHER PAYABLES**

	2025	2024
	\$	\$
Trade payables	48,489,493	56,713,925
Statutory liabilities	11,528,867	12,199,704
GCT payable	731,438	393,029
Accruals	12,953,470	9,995,437
Dividend payable	158,058,362	10,027,561
Other payables	<u>19,671,077</u>	<u>7,771,604</u>
	<u>251,432,707</u>	<u>97,101,260</u>

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

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**14. DUE TO RELATED COMPANIES**

	2025	2024
	\$	\$
Norbrook Equity Partners Limited	174,037	841,312
Express Fitness Limited	-	71,000
109 OHR Limited	<u>1,344,166</u>	<u>1,302,083</u>
	<u><u>1,518,203</u></u>	<u><u>2,214,395</u></u>

**15. TAXATION PAYABLE**

Taxation payable is based on profit for the year, adjusted for taxation purposes, subject to the agreement of the Taxpayer Audit and Assessment Department.

	2025	2024
	\$	\$
Balance at the beginning of the year	3,874,971	-
Income tax charge for the year	46,652,217	3,874,971
Less: tax payment made within the year	<u>(3,874,971)</u>	<u>-</u>
<b>Taxation payable at the end of the year</b>	<u><u>46,652,217</u></u>	<u><u>3,874,971</u></u>

**16. COST OF SALES**

	2025	2024
	\$	\$
Freight and brokerage	1,269,212,160	1,234,426,411
Delivery	42,163,217	36,905,117
Packaging material	4,766,591	3,986,061
On-line orders	<u>28,232,734</u>	<u>36,244,364</u>
	<u><u>1,344,374,702</u></u>	<u><u>1,311,561,953</u></u>

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. SELLING AND DISTRIBUTION COSTS**

	2025	2024
	\$	\$
Advertising	48,034,853	46,802,559
Customer welfare	1,063,868	286,472
Commission fees	5,283,231	5,146,072
Transportation and delivery	73,240,613	44,673,976
	<u>127,622,565</u>	<u>96,909,079</u>

**18. ADMINISTRATIVE AND GENERAL EXPENSES**

	2025	2024
	\$	\$
Audit fees	3,684,470	3,349,500
Directors' emoluments	1,080,000	900,000
Utilities	35,190,318	29,021,797
Insurance	16,993,176	11,673,641
Irrecoverable GCT	45,506,303	35,087,479
Legal and professional fees	46,854,588	16,678,838
General office expenses	7,406,941	6,007,880
Meal and entertainment	3,379,632	1,811,534
Accommodation	1,043,892	1,443,397
Management fee	24,000,000	24,000,000
Repairs and maintenance	31,176,421	21,784,598
Staff welfare	29,685,700	24,794,581
Casual labour	14,619,730	18,968,255
Salaries wages and related costs	458,415,909	408,500,315
Security	49,744,767	41,833,879
Subscriptions, sponsorship and donations	7,212,773	7,501,443
Software licences	63,579,582	51,043,295
Short term leases	41,042,031	34,084,531
Cleaning and sanitation	18,923,980	15,287,988
Software development	83,627,281	27,822,568
	<u>983,167,494</u>	<u>781,595,519</u>

**19. OPERATING PROFIT**

	2025	2024
	\$	\$
	<u>528,422,314</u>	<u>373,795,121</u>
Stated after charging the following:		
Directors' remuneration	1,080,000	900,000
Auditor's remuneration	3,684,470	3,349,500

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. OTHER INCOME**

	2025	2024
	\$	\$
Interest income	1,563,594	1,243,496
Other income	<u>793,615</u>	<u>20,346</u>
	<u><u>2,357,209</u></u>	<u><u>1,263,842</u></u>

**21. FINANCE AND POLICY COSTS**

	2025	2024
	\$	\$
Bank charges	44,314,272	36,603,503
Expected credit loss provision	25,750,705	13,139,654
Interest expense on right-of-use assets	14,618,091	7,733,400
Interest expense	297,483	102
Depreciation on property, plant and equipment	18,544,099	12,222,605
Depreciation-right-of-use assets	75,570,303	45,008,305
Amortization	37,039,485	28,239,475 *
Impairment loss	21,400,000	-
Penalties	-	132,250
Loss on disposal of property, plant and equipment	-	13,754
Unrealized gain on foreign exchange	(3,614,710)	(1,500,214)
Realized gain on foreign exchange	(5,728,296)	(7,245,402)
Unrealized loss on foreign exchange	3,576,964	3,214,846
Realized loss on foreign exchange	<u>9,530,692</u>	<u>4,775,211</u>
	<u><u>241,299,088</u></u>	<u><u>142,337,489</u></u> *

*\*restated to conform to current year presentation*

**MAILPAC GROUP LIMITED**  
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**22. TAXATION CHARGE**

Income tax charge is computed based on the profit for the year, however, as a result of the Company's enlistment on the Jamaica Stock Exchange Junior Market effective December 4th, 2019, the Company is entitled to a 100% remission of income tax for the first 5 years and 50% remission for the following 5 years, providing that it adheres to the rules and regulations of the Jamaica Stock Exchange Junior Market.

Income tax is computed at 25% of the pre-tax profit for year, as adjusted for taxation purposes. Deferred taxation is computed at 25% for the financial year based on the applicable income tax rate for unregulated companies with effective date from January 1, 2013.

The taxation charge is made up as follows:

	2025	2024
	\$	\$
Current:		
Provision for charge on profit	46,652,217	3,874,971
Deferred:		
Origination and reversal of temporary differences	<u>5,334,645</u>	<u>6,469,262</u>
	<u>51,986,862</u>	<u>10,344,233</u>
Reconciliation of effective tax rate and charge:		
	2025	2024
	\$	\$
Profit before taxation	<u>1,191,507,942</u>	<u>232,721,474</u> *
Computed tax charge	297,876,985	58,180,367 *
Taxation differences between profit for financial statements and tax reporting purposes on:		
Depreciation and capital allowances	459,872	4,168,548
Unrealized foreign exchange gain	(333,568)	258,773
Other adjustments	(199,364,210)	12,500,370 *
Remission of income taxes	<u>(46,652,217)</u>	<u>(64,763,825)</u>
Actual tax rate and charge	<u>51,986,862</u>	<u>10,344,233</u>

**23. EARNINGS PER SHARE**

The calculation of earnings per share is based on the profit after taxation and the weighted average number of shares in issue during the year.

	2025	2024
	\$	\$
Net profit attributable to shareholders	1,139,521,080	222,377,241 *
Less: reduction of contingent consideration liability	<u>(902,027,507)</u>	<u>-</u>
	<u>237,493,573</u>	<u>222,377,241</u>
Weighted average number of shares in issue	<u>2,500,000,000</u>	<u>2,500,000,000</u>
	<u>\$ 0.09</u>	<u>\$ 0.09</u> *

*\*restated to conform to current year presentation*

**MAILPAC GROUP LIMITED**  
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**24. RELATED PARTIES**

(a) The following related party balances are shown separately in the Company's statement of financial position:

	2025	2024
	\$	\$
Amounts due from related parties	<u>2,967,671</u>	<u>1,400,002</u>
Amounts due to related parties	<u>1,518,203</u>	<u>2,214,395</u>

The Company's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

	2025	2024
	\$	\$
(a) Corporate services - Norbrook Equity Partners Limited	<u>24,000,000</u>	<u>24,000,000</u>
(b) Rent expense - Norbrook Equity Partners Limited	<u>2,071,667</u>	<u>2,260,000</u>
(c) Meals & entertainment - Norbrook Equity Partners Limited	<u>2,933,955</u>	<u>1,519,068</u>
(d) Water purchase - Pure National Limited	<u>284,154</u>	<u>357,814</u>
(e) Gym membership fees - Express Fitness Limited	<u>1,603,478</u>	<u>758,000</u>
(f) Rent expense -109 OHR Limited	<u>16,012,827</u>	<u>15,717,910</u>
(g) Professional fees- SNB Creative Group	<u>-</u>	<u>1,549,062</u>
Transactions with key management personnel:		
Key management compensation	<u>78,206,303</u>	<u>86,133,923</u>

**25. STAFF COSTS**

The number of employees at the end of the year was as follows:

	2025	2024
Temporary	12	30
Permanent	<u>238</u>	<u>223</u>
	<u>250</u>	<u>253</u>

The aggregate payroll costs for these persons were as follows:

	2025	2024
	\$	\$
Salaries and profit related pay	411,142,454	368,444,508
Statutory contributions	<u>47,273,455</u>	<u>40,055,807</u>
	<u>458,415,909</u>	<u>408,500,315</u>

**MAILPAC GROUP LIMITED**  
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**26. DIVIDENDS**

The Company at its Board of Mailpac Group Limited declared dividend on Friday June 20, 2025 of \$0.03 per share, paid to shareholders on record at the close of business on Friday July 4, 2025 with a payment date of Monday July 31, 2025. Additionally, the Board of Directors declared at its meeting on December 05, 2025, an interim dividend of 6 cents (\$0.06) per share which will be paid on January 08, 2026 to shareholders on record at the close of business on December 22, 2025.

**27. BUSINESS COMBINATION**

The Company acquired the assets of My Cart Quick Limited ("MyCart") on April 1, 2024. The purchase consideration was contingent on MyCart's financial performance for the twelve-month period from April 1, 2024 to March 31, 2025. During the year ended December 31, 2025, the Company finalised the purchase price allocation within the measurement period permitted under IFRS 3 Business Combinations. Accordingly, the provisional amounts recognised as at December 31, 2024 have been retrospectively adjusted to reflect the final fair values of the identifiable assets and liabilities assumed.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	\$
<b>(i) Purchase consideration</b>	<u>1,266,027,507</u>
<b>(ii) Identifiable assets acquired:</b>	\$
Plant and equipment	33,885,562
Cash	62,276
Trade and other receivables	17,571,640
Trade name	173,000,000
Customer relationship	<u>352,000,000</u>
<b>Total net identifiable assets</b>	<u>576,519,478</u>
<b>(iii) Goodwill on acquisition</b>	\$
Purchase consideration	1,266,027,507
Less: Total identifiable assets	<u>(576,519,478)</u>
<b>Goodwill on acquisition</b>	<u>689,508,029</u>

**MAILPAC GROUP LIMITED**  
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**28. FINANCIAL INSTRUMENTS**

**Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's principal financial assets are cash and bank deposits, accounts receivable and long-term receivables.

*Cash and bank balances*

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

*Trade receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. Management has a credit policy in place to minimise exposure to credit risk. Credit evaluations are performed on all customers requiring credit. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery. The impairment requirements of IFRS 9 are based on an expected credit loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities. The Company estimates expected credit losses on trade receivables and receivables from related entities using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following table provides information about the ECL's for trade receivables and receivables from related entities as at 31 December 2025.

	2025		
	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Aging			
Current	63,885,201	2%	1,205,533
31-60 days	18,034,553	14%	2,491,908
61-90 days	22,595,961	39%	8,763,960
91 days and over	<u>50,302,165</u>	65%	<u>32,445,781</u>
Total	<u>154,817,880</u>		<u>44,907,183</u>

**MAILPAC GROUP LIMITED**  
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**28. FINANCIAL INSTRUMENTS (CONT'D)**

**Financial risk management (cont'd):**

**(i) Credit risk**

*Trade receivables (cont'd)*

	2024		
	Gross Carrying Amount	Weighted Average Loss Rate	Lifetime ECL Allowance
Current	61,751,836	1%	578,679
31-60 days	10,466,517	1%	107,744
61-90 days	7,549,196	9%	650,380
91 days and over	21,709,581	82%	17,819,675
Total	<u>101,477,130</u>		<u>19,156,478</u>

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments. The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Less than 1 year	More than 1 year
2025:				
Lease liabilities	179,572,519	179,572,519	66,897,034	112,675,485
Trade and other payables	251,432,707	251,432,707	251,432,707	-
	<u>431,005,226</u>	<u>431,005,226</u>	<u>318,329,741</u>	<u>112,675,485</u>
2024:				
Lease liabilities	190,710,939	190,710,939	55,046,984	135,663,955
Trade and other payables	97,101,260	97,101,260	97,101,260	-
	<u>287,812,199</u>	<u>287,812,199</u>	<u>152,148,244</u>	<u>135,663,955</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. FINANCIAL INSTRUMENTS (CONT'D)**

**Financial risk management (cont'd):**

**(iii) Market risk (cont'd):**

*Interest rate risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At December 31, 2025 and 2024, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or equity.

*Foreign currency risk:*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to significant foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaican dollar. Such exposures comprise the monetary assets and liabilities of the Company that are not denominated in that currency. The main foreign currency risks of the Company are denominated in United States dollars (US\$), which is the principal intervening currency for the Company.

The Company jointly manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities. The table below shows the Company's main foreign currency exposure at reporting date.

	2025	2024
	<u>US\$</u>	<u>US\$</u>
Cash and cash equivalents	450,970	406,342
Trade payables	(116,892)	(175,992)
Lease liabilities	<u>(638,864)</u>	<u>(753,468)</u>
Net exposure	<u>(304,786)</u>	<u>(523,118)</u>

*Sensitivity analysis:*

A 1% (2024:1%) strengthening of the United States dollar against the Jamaican dollar at December 31, 2025 would have decreased the surplus for the year by \$481,511 (2024: \$813,983). The analysis assumes that all other variables, in particular interest rates, remain constant.

**MAILPAC GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. FINANCIAL INSTRUMENTS (CONT'D)**

**Financial risk management (cont'd):**

**(iii) Market risk (cont'd):**

A 1.5% (2024: 4%) weakening of the United States dollar against the Jamaican dollar at December 31, 2025 would have increased the surplus for the year by \$722,267 (2024: \$3,255,932).

This analysis assumes that all other variables, in particular interest rates, remain constant.

**(iv) Cash flow risk**

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate because of changes in market interest rates. The Company manages this risk through budgetary measures, ensuring, as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

**(v) Capital management**

The Company's objectives when managing capital are to comply with capital requirements, safeguard the Company's ability to continue as a going concern and to maintain strong capital base to support the development of its business. The Company achieves this by retaining earnings from past profits and by managing the returns on borrowed funds to protect against losses on its core business.

**MAILPAC GROUP LIMITED**  
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**29. RESTATEMENT OF COMPARATIVE INFORMATION**

During the year ended December 31, 2025, the Company finalised the purchase price allocation relating to the acquisition of My Cart Quick Limited ("MyCart") on April 1, 2024.

In accordance with IFRS 3 Business Combinations, the provisional amounts recognised as at December 31, 2024 have been retrospectively adjusted to reflect the final fair values of the identifiable assets and liabilities existing as at the acquisition date.

The adjustments arising from the finalisation of the purchase price allocation were:

- Recognition of trade name intangible asset of \$173,000,000;
- Recognition of customer relationship intangible asset of \$352,000,000;
- Reduction of provisional goodwill by approximately \$469,505,140;
- Increase in contingent consideration liability by approximately \$55,494,860 representing the assembled workforce (part of goodwill);
- Recognition of amortisation expense of \$26,400,000 for the period April 1, 2024 to December 31, 2024.

The effect of the restatement on the comparative financial statements is summarised below:

	<b>Previously Reported</b>	<b>Adjustment</b>	<b>Restated</b>
	\$	\$	\$
Intangible assets	1,393,934,925	29,094,860	1,423,029,785
Contingent consideration liability	1,210,532,647	55,494,860	1,266,027,507
Retained earnings	469,149,577	(26,400,000)	442,749,577
Net profit	248,777,241	(26,400,000)	222,377,241

**MAILPAC GROUP LIMITED**  
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**30. SUBSEQUENT EVENT**

During the course of the audit for the year ended December 31, 2025, management confirmed that discussions with the vendors regarding a possible amendment to the settlement arrangements had commenced prior to the end of the reporting period. It is acknowledged that no legally binding agreement regarding the settlement arrangement had been executed as at December 31, 2025. However, under IAS 10 Events After the Reporting Period, the classification of an event as adjusting does not require that a legally binding agreement be in place at the reporting date. An adjusting event is one that provides evidence of conditions that existed at the reporting period. IAS 10.3 requires only that the conditions giving rise to the extent existed at the reporting date.

Management's confirmed intention and the commencement of substantive discussions prior to December 31, 2025 constitute sufficient evidence of the existence of the underlying condition at the reporting date, despite the absence of a legally executed agreement at that date. In accordance with IAS 10.3, the decision to accept substantially less than the original recorded consideration having been reached before December 31, 2025 constitutes evidence of a condition existing at the reporting date. This event is therefore classified as an adjusting event and the financial statements have been adjusted to reflect the revised settlement terms as at December 31, 2025.

The change in fair value of the contingent consideration liability is recognised in the statement of comprehensive income for the year ended December 31, 2025 under IFRS 9 Financial Instruments. The 12-month measurement period under IFRS 3 expired on March 31, 2025. In accordance with IFRS 3.50, no adjustments to the goodwill arising from the changes in the contingent consideration are permitted after the expiry of the measurement period; any such changes are recognised prospectively in the statement of comprehensive income.

Management has confirmed that the revision to the settlement terms arose solely from a decision to change the settlement amount of the acquisition consideration and was not driven by any change in the underlying financial performance of MyCart.

Under the revised agreement, the original settlement term was replaced with a payment comprising cash of \$243 million and the issuance of 50,000,000 ordinary shares, which resulted in a total revised consideration of \$364 million. The share consideration estimated fair value is \$121 million based on the closing price of \$2.42 as at December 31, 2025. The cash consideration of \$243 million was paid on April 15, 2026. The issuance and listing of the 50,000,000 shares is pending and is expected to be completed at a subsequent date, the timing of which had not been finalised at the date of authorisation of these financial statements.

The effect on the financial statements is summarised below:

	\$
Contingent consideration liability - as previously recorded	1,266,027,507
Revised fair value of cash settlement consideration	(243,000,000)
Revised fair value of shares settlement consideration - 50,000,000 shares at \$2.42	<u>(121,000,000)</u>
Reduction of contingent consideration liability	<u>902,027,507</u>