

ANNUAL REPORT | 20 25



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WHO WE ARE.



Vision

To be the Caribbean's most customer-centric company, connecting consumers to a global array of goods and services in the most efficient manner possible.



Values

Customer Centricity - Customers must always be our priority. Focusing on customers and their interests will ensure success for all other stakeholders.

Innovation - Creativity and change are essential to growth, and we must always be willing to challenge the status quo to make our customers' lives better and simplified.

Integrity - Being honest and fair in all our interactions must be the core of who we are and all we do.

Teamwork - We are only as strong as our individual parts, and we believe that determined people working together can accomplish anything. We are all responsible for the Company's success.

Service - We must be extreme in our commitment to service, as serving the needs of our customers and communities is central to our success.

Respect - Treating others respectfully and remaining true to our mission helps grow trust. Ultimately, trust keeps customers, employees, and stakeholders.

Quality and Efficiency - We must remain constructively dissatisfied in our pursuit of excellence and ensure the highest level of quality with the greatest efficiency.

Sustainability - Long-term prosperity requires our continued commitment to environmental stewardship and social responsibility.



Mission

We strive to better the communities we serve by enabling seamless access to goods, services and opportunities that enhance the lives of our shareholders, customers and employees.

Chairman's Letter

"The single most transformative development of 2025 was the launch and scaling of our islandwide delivery service. This new business line positions Mailpac Group not merely as an international courier and e-commerce facilitator, but as a comprehensive domestic logistics provider."



Khary Robinson
Executive Chairman
Mailpac Group Limited



Dear Shareholders,

As we close another outstanding year at Mailpac Group Limited, I take this opportunity to reflect on the meaningful progress we have made, celebrate our achievements, and share our vision for an exciting future ahead. The e-commerce and international courier sectors continue to evolve at pace, and we remain firmly positioned at the forefront of this dynamic landscape. Our commitment to innovation across operations by improving customer experience with the use of technology continues to underpin everything we do. Our brands, Mailpac, PYBI and MyCart Express, have not only matured, but have become integral to the convenience and efficiency that consumers across Jamaica have come to expect in modern commerce.

Technological Advancement and Digital Transformation

2025 marked a pivotal year in our technology journey. We made significant investments in upgrading our core logistics and customer-facing systems, resulting in measurable improvements in speed, accuracy, and overall customer experience.

Key technological milestones achieved during the year include:

- Deployment of an enhanced real-time package tracking platform, delivering end-to-end visibility for customers across all three brands
- Launch of improved digital customer portals and mobile interfaces, increasing self-service capability, and reducing friction in arriving at customer resolution
- Integration of data analytics and business intelligence tools that enable smarter, faster decision-making across our operations
- Strengthening our cybersecurity infrastructure to safeguard customer data and ensure compliance with evolving regulatory standards

These technology-driven improvements have had a direct positive impact on our operational efficiency and customer satisfaction scores, which contributed meaningfully to the Group's improved financial performance in 2025.

Key Operational Shifts: Local and Overseas

Domestic Operations

On the local front, our most significant strategic initiative in 2025 was the expansion of our delivery services, a transformational step that dramatically increases accessibility for all Mailpac Group stakeholders. We extended our last-mile delivery network to reach communities beyond our traditional service corridors, ensuring that customers in rural and underserved parishes can now benefit from the full suite of Mailpac Group services.

Highlights of our domestic operational shifts include:

- Rollout of islandwide delivery infrastructure, connecting customers across all fourteen parishes
- Establishment of new collection and drop-off points in strategic community locations, bringing services closer to where customers live and work
- Enhanced partnerships with local logistics and courier partners to extend reach without proportionate increases in fixed costs.

These initiatives represent a fundamental shift in our accessibility model moving from a hub-centric approach to a truly nationwide logistics ecosystem. We believe this will unlock a significant new segment of the Jamaican consumer market and deepen loyalty among our existing customer base.

Overseas Operations

On the international front, key developments include operational process improvements at our US-based warehouses. This has reduced turnaround times and lowered the landed cost of goods for our customers. These shifts in our overseas operations have contributed to improved margins and an enhanced value proposition for the customers who rely on us daily.

Financial Strength and Strategic Growth

Mailpac Group Limited delivered an improved financial performance in 2025, building on the strong foundation established in the prior year. Revenue growth continued on a healthy trajectory, driven by increased transaction volumes across all three brands, the full-year contribution of MyCart Express, and the incremental revenue generated from our expanded delivery network. Pleasingly, our investments in operational efficiency and technology delivered improved profitability relative to the prior year.

We remain confident that the strategic decisions made over the past two years, including: the acquisition of MyCart Express, the technology upgrades, and the greater commitment to enhanced customer experiences are beginning to yield the returns we envisioned, and we expect this positive trajectory to continue.

Business Highlights

Islandwide Delivery Expansion — A New Business Line

The single most transformative development of 2025 was the launch and scaling of our islandwide delivery service. This new business line positions Mailpac Group not merely as an international courier and e-commerce facilitator, but as a comprehensive domestic logistics provider. By leveraging our existing infrastructure, brand trust, and operational expertise, we have been able to enter this market efficiently and competitively.

The islandwide delivery service creates a meaningful new revenue stream while simultaneously strengthening the value proposition of our existing brands, customers can now shop internationally and receive their packages at home, anywhere in Jamaica, through one seamless experience.

MyCart Express — Full Integration and Growth

MyCart Express completed its first full year as part of the Mailpac Group family in 2025. Integration across operations, technology, and customer experience platforms is now substantially complete. The brand continues to grow its customer base and transaction volumes, and we are pleased with its contribution to Group revenue and brand reach.

Pack Yuh Barrel (PYB!) — Continued Expansion

PYB! continued to strengthen its position as the preferred choice for bulk-shipping consumers across the Jamaican diaspora. Customer conversion rates improved, and enhancements to the PYB! platform made the shipping experience more intuitive and cost-transparent for our value-conscious customers.

Looking Ahead: Value Creation, Growth and Innovation

As we move into 2026 and beyond, our strategic priorities are clear: increased value creation for all stakeholders, deeper utilisation of our existing infrastructure to expand service offerings, and growth, both organically and inorganically.

Our key forward-looking priorities include:

- Leveraging our delivery infrastructure to onboard third-party merchants and logistics customers, transforming the network into a revenue-generating platform
- Exploring targeted acquisitions that complement our existing capabilities, expand our geographic footprint, or accelerate our entry into adjacent service categories.
- Continuing to invest in technology to further automate operations, enhance customer experience, and generate actionable business intelligence.
- Deepening regional partnerships and exploring opportunities in Caribbean and Latin American markets to extend the Mailpac Group ecosystem beyond Jamaica.
- Strengthening our environmental and social commitments, embedding sustainability into our operations and community engagement.

We enter 2026 with confidence. Our platforms are maturing, our team is growing stronger, our technology is increasingly sophisticated, and our brands are trusted by thousands of Jamaican consumers at home and abroad. The investments we have made are translating into results, and the opportunities ahead are substantial.

The Board of Directors and the management team extend our sincere gratitude to our shareholders, customers, employees, and partners for their unwavering support and confidence. It is your trust that has been the cornerstone of our achievements. With a strong foundation, a clear strategy, and an exceptional team, we look forward to the next exciting chapter of Mailpac Group's growth and success.

Sincerely,



Khary Robinson
Executive Chairman
Mailpac Group Limited

Board of Directors



Khary Robinson
Executive Chairman

Khary Robinson is the Executive Chairman of Norbrook Equity Partners (“NEP”), a holding company that acquires and operates privately owned businesses in emerging and niche markets. Today, NEP owns and operates twenty companies in the Caribbean. These businesses are very diversified in terms of industry and scope and include the local leader in e-commerce fulfilment (Mailpac), the largest private transaction processing company in Jamaica (ePay), the island’s largest health and wellness platform (Express Fitness), Jamaica’s leading player in ice manufacturing and distribution (Pure National Limited), the leader in ice manufacturing and distribution and the second largest water provider in the Dominican Republic (Grupo Alaska), the Jamaican arm of the world’s largest car rental company (Hertz), a leading multi-service creative hub that offers event production, entertainment, graphic design, communication and digital solutions (SNB Creative Group), Jamaica’s fastest growing water provider (JamAgua) and several other industry leading platforms in Jamaica.

On founding NEP in 2008, Mr. Robinson was responsible for transaction execution, business development, strategy, finance and operations across the group. In 2016, he moved into his current role of Executive Chairman, where he spends the majority of his time developing and executing group initiatives, either through the identification and execution of new acquisitions, or developing and strategizing growth strategies for the existing portfolio. Today, Mr. Robinson works closely with the NEP’s Group CEO, as well as, the business managers of each business line, to ensure the effective execution of the stated strategy for each company and the group as a whole.

Prior to establishing NEP, Mr. Robinson worked as an investment banker for Goldman Sachs, Citigroup and Bank of America Securities. During his tenure, he analysed various financial markets, companies and acquisition candidates for corporate clients undertaking financing and M&A transactions.

Mr. Robinson studied economics at Georgetown University and graduated with honours, attaining a Bachelor of Science in Finance and Management. There he was awarded with the prestigious Arthur Ashe Student-Athlete award. He received his MBA from the Wharton School in May 2007, with a major in Finance and Entrepreneurial Management. He has also been recognised for his achievements and was awarded the Goldman Sachs Fellowship, the Joseph P. Wharton Fellowship, the Executive Leadership Council Award as well as the Shils-Zeidman Entrepreneurial Fellowship at Wharton. Mr. Robinson is also a member of the Young Presidents Organization (YPO), NextGen network of executives and the Council of Urban Professionals (CUPA).

Dr. Mark Gonzales, Chief Executive Officer of Mailpac Group, has led the Company as General Manager and CEO for over 18 years and has over 25 years of impeccable professional experience in e-commerce, international trade, business management, supply chain management, logistics and customs administration.

The origin of his role in the e-commerce and courier industry started with his career at the Jamaica Customs Department. During his tenure there, Dr. Gonzales gained tremendous experience in almost all aspects of customs processes and procedures, equipping him with the knowledge to provide expert advice on customs and trade operations as he moved to Mailpac. His participation in industry training programmes and seminars, both locally and internationally, further honed his expertise in international trade and business administration.

Beyond Dr. Gonzales' role in managing one of the largest international courier services in the region, he also serves on various company boards. Dr. Gonzales is currently the President and Founding Member of the E-Commerce Couriers' Association of Jamaica, a Director on the Board of Directors of GSB Cooperative Credit Union (which later became First Heritage Cooperative Credit Union - FHCCU), a Director on the Board of Directors of Creative Production and Training Centre Ltd (CPTC) and Governor on the Board of Governors of Media Technology Institute (MTI).

Dr. Gonzales earned his PhD in Business Administration from the Atlantic International University, received his MBA in Business Administration from The University of New Orleans and holds both a BSc. and an Associate Degrees in Business Administration. An academic at heart, he also completed a Bachelor of Law LL.B (Hons.) from the University of the West Indies (Mona).

In addition to his passion for the growth and development of the e-commerce industry, Dr. Gonzales' sense of philanthropy, service and volunteerism are expressions of his human spirit. He is a Justice of the Peace, and he has served in various executive capacities, including that of President of the (former) Lay Magistrates' Association of Jamaica, Kingston Chapter. He now serves as Chairman on the Interim Board of the recently established (2021) Justices of the Peace Jamaica (JPJ), Kingston Association. With a curious mind and the zeal for life-long learning, he continues to contribute to the education sector by serving as a Director on the Board of Governors of the Liguanea Preparatory School.



Dr. Mark Gonzales
Director and Chief Executive Officer

Board of Directors



Garth Pearce
Director

Mr. Garth Pearce currently serves as Director of Norbrook Equity Partners. In his current role, he is responsible for all areas of the Group and its portfolio companies. This includes all the central support services that Norbrook provides to each of its portfolio companies - Finance, Accounting, Human Resources, Logistics and Administration.

Previously, Mr. Pearce was Manager of Investment Banking for NCB Capital Markets Limited, the investment banking arm of the NCB Group, where he was responsible for deal origination and structuring with a focus on private equity and real estate transactions. He joined NCB Capital Markets in 2013 to lead the firm's regional private equity investment initiative.

Prior to joining NCB, Mr. Pearce was Senior Investment Manager for the Caribbean Investment Fund, L.P., the first pan-Caribbean private equity fund dedicated exclusively to making investments in the CARICOM region. He also worked with Jamaica Producers Group, where he managed finance and logistics for the Caribbean snack food business.

Mr. William Craig is the Executive Chairman of BCMG Insurance Brokers. He is responsible for providing strategic direction in setting and implementing the company's mandate and strategy. Formerly the CEO of Billy Craig Insurance Brokers, Mr. Craig has worked in the insurance industry for over 25 years after an extensive career in the local banking industry. Under his stewardship as CEO, the revenue of Billy Craig grew by over 300% and stamped his legacy in the journals of the insurance industry.

Mr. Craig brings a wealth of experience to his current roles having held key management positions in Insurance and Banking. He holds a Bachelor of Economics from Clemson University. His vision is to create the kind of insurance broker that is first of its kind in the Caribbean with a forward-thinking team that values excellence in execution and building and maintaining relationships.

Mr. Craig is passionate about transforming people's lives. He has served as past president of the Jamaica Insurance Brokers Association (JIBA), Director of the Montego Bay Chamber of Commerce (MBCC) and Past Director of the Cornwall Regional Hospital. He currently serves on the Boards of Mailpac Group, Social Core Group and Cargo Handlers Limited and is an active member of the Young Presidents Organization. His passion for education and social causes fuels his dream to ensure that BCMG Insurance Brokers is an organisation that is the #1 insurance broker to work for and serve Jamaica.



William Craig
Independent, Non-Executive Director

Board of Directors



Tracy-Ann Spence
Independent, Non-Executive Director

Tracy-Ann Spence is the Executive Vice President and Chief Investment Officer at Sagicor Group Jamaica Limited, where she has strategic oversight for Sagicor Investments Jamaica and Group Treasury & Asset Management. Prior to joining Sagicor, she worked with the NCB Financial Group for 20 years, with her most recent role as Chief Operating Officer at NCB Capital Markets Limited.

She has been working in the financial industry for over 20 years and counts a BSc. in Applied Mathematics from York University in Toronto, an MBA in Banking and Finance (with distinction) from the University of the West Indies and a Project Management Professional (PMP) Certification from the Project Management Institute among her educational achievements. She has also completed the "Director's Strategic Guide to Corporate Governance and Leadership" offered by the Jamaica Stock Exchange.

Tracy-Ann currently sits on the boards of the Jamaica Association for the Deaf, Tech Limited, Mailpac Group Limited, the Jamaica Stock Exchange and Salada Foods Jamaica Limited. She is an avid supporter of life-enhancing opportunities for young people and values her role as a mentor to young adults. She was a mentor in the Youth Upliftment Through Employment programme and taught adult literacy with the Adult Learning Centre and Jamaica Foundation for Lifelong Learning. She also previously served on the board of the NCB Foundation.

She enjoys imparting her knowledge and did this as an adjunct lecturer at the Mona School of Business & Management, University of the West Indies, where she lectured in Financial Management in the MBA and EMBA programmes for a few years.

Sheree Martin has been a transformative leader for over fifteen years, driving strategic growth and organisational change in the financial services and energy sectors. Her expertise spans Business Strategy, Marketing, Sales, and Organisational Transformation. At NCB Group, Sheree has progressed through key executive roles and as of January 27, 2025, she serves as the Executive Vice President – Chief Operating Officer. In this role, Sheree oversees Group Information Technology, Group Underwriting and Credit Support, Enterprise Operations, Enterprise Information Management, and Supply Chain Management. Beyond her corporate achievements, Sheree's influence reaches the international stage as Jamaica's representative in the IWF Global Fellows Programme and a regional speaker on leadership. She contributes her insights and leadership to several boards, including NCB Insurance Agency and Fund Managers Limited, TFOB Limited, Mailpac Group Limited, and Medical Disposables & Supplies Limited.



Sheree Martin
Independent, Non-Executive Director

Board of Directors



Kamar Palmer
Director

Kamar Palmer, a visionary entrepreneur with a Bachelor's degree in civil engineering from the University of Technology, brings a unique blend of technical expertise and business acumen to the shipping and logistics sector. With a dynamic career spanning over 10 years in retail and digital markets, Palmer seamlessly transitioned into the shipping industry as he looks to expand his entrepreneurial prowess.

As the co-founder of MyCart Express, Palmer played a pivotal role in transforming the company into a household name within the shipping and logistics domain. His strategic leadership and innovative approach have positioned MyCart Express as a market leader, showcasing his ability to navigate and thrive in dynamic business landscapes.

Palmer's commitment to excellence, coupled with his extensive industry knowledge, has propelled the company's growth and established it as a key player in the logistics sector. His track record of success reflects a keen understanding of market trends, operational efficiency, and customer satisfaction.

Stephen Greig is the Managing Partner of Mills Bellamy-Greig and holds an LL.B degree from the University of the West Indies and a Legal Education Certificate from the Norman Manley Law School.

Mr. Greig's legal practice includes Media, Entertainment, Intellectual Property, Conveyancing, Corporate and Commercial Law, Copyright, Patents and Trademarks. His experience includes that of over nineteen (19) years as inhouse Attorney-at-Law and Company Secretary for the RJR Communications Group which involved representation of complex legal issues, company secretarial regulatory duties with the Jamaica Stock Exchange and managing the intellectual property portfolio for the largest media company in the English-speaking Caribbean.

He currently sits as Company Secretary for the Mailpac Group, 138 Student Living Ltd, KLE Group and Everything Fresh (listed companies on the Jamaica Stock Exchange), DRT Communications, SiFi Studios (Keez), Coldbush Organics (Mt Pleasant Chocolatiers), Powell Interactive (Quickplate) and the Kiwanis Club of Kingston Police Trust.

Among other associations, Mr. Greig is a member of the Council of the PSOJ, the PSOJ Corporate Governance Committee, the Board of Trustees of the PSOJ Pension Scheme, Vice President Kiwanis Club of Kingston, the Jamaica Bar Association, the Jamaica Bar Association Intellectual Property Committee, the Jamaica Bar Association Telecommunication, Broadcasting & Technology Committee and the Jamaica Film and Television Association (JAFTA).

Mr. Greig is a graduate of the Jamaica Stock Exchange/PSOJ professional development programme, "A Director's Guide to Corporate Governance and Leadership".

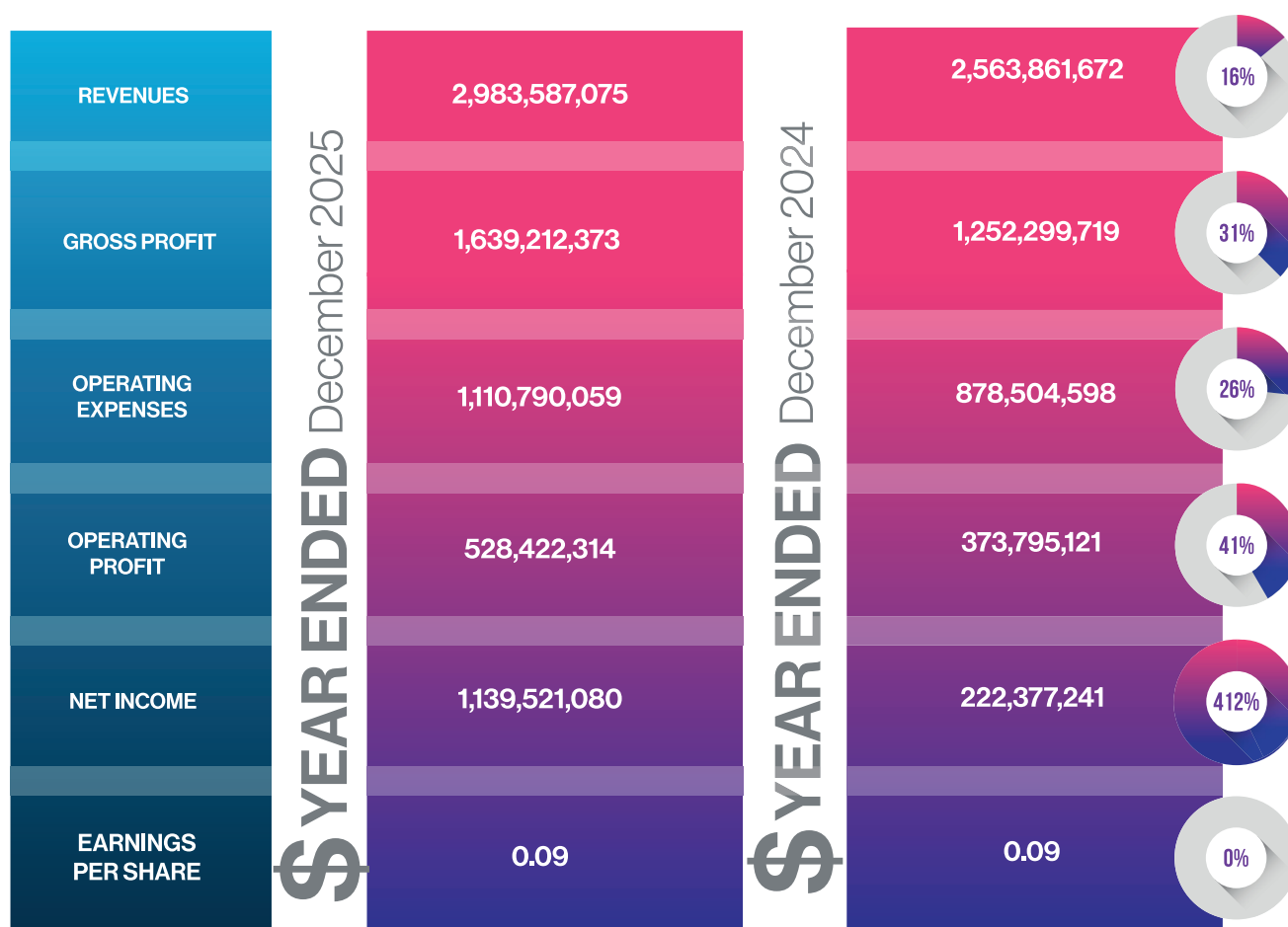


Stephen Greig
Company Secretary

Directors' Report

The Directors of Mailpac Group Limited are pleased to present the financial highlights for the fiscal year ended December 31, 2025. The company demonstrated resilience and strategic agility amidst evolving market conditions, achieving notable financial outcomes.

FINANCIAL HIGHLIGHTS



DIRECTORS

Directors of the Company as at December 31, 2025.

- Khary Robinson – Executive Chairman
- Mark Gonzales – Chief Executive Officer
- Garth Pearce – Director
- William Craig – Independent, Non-Executive Director
- Tracy-Ann Spence – Independent, Non-Executive Director
- Kamar Palmer – Director
- Sheree Martin – Independent, Non-Executive Director

AUDITORS

The audited financials for Mailpac Group for period ended December 31, 2025 were prepared by CrichtonMullings & Associates of Suite 27B, 80 Lady Musgrave Road, Kingston 6, St. Andrew.



Management Team



Dr. Mark Gonzales
Chief Executive Officer (CEO)

Please see profile on Page 7 under Board of Directors.



Everton Jhulur
Chief Operating Officer (COO)

Mr. Jhulur brings over a decade of experience in financial services, sales, and strategic relationship management. Prior to joining Mailpac, he previously held senior roles at Jamaica Money Market Brokers and Victoria Mutual Group, where he led significant portfolio growth and client engagement initiatives. Mr. Jhulur holds a BSc. (Hons) in Management Studies from the University of the West Indies and certifications in securities and portfolio management. At Mailpac, he leads group operations and drives strategic growth and service excellence.



Christeen Allen
Chief Financial Officer (CFO)

Ms. Allen has over 20 years' experience in accounting and is currently responsible for the financial reporting and accounting controls for MGL. Prior to joining Mailpac, she honed her accounting skills at GC & Associates Limited. Ms. Allen is a Certified Accounting Technician (CAT) designated by the Association of Chartered Certified Accountants (ACCA).



Samantha Ray-Bosworth
General Manager, Mailpac

Mrs. Ray-Bosworth has been employed to the Norbrook Group since 2011, where her main focus has been on overseeing the day-to-day operations of Mailpac, which include operations and marketing. Before assuming her role as General Manager, she was the Executive VP for Marketing for Norbrook, where her role involved the development and execution of marketing initiatives across the Group. Ms. Ray graduated with a B.Sc. in Psychology from the University of the West Indies.



Tommy Walters
Importation Manager

Mr. Walters is responsible for supervising the importation process of the shipments received from Miami. This includes ensuring that the proper procedures and protocols relating to customs are observed and overseeing the sorting and distribution to the various locations. He is also tasked with resolving issues related to package delivery errors. Mr. Walters has been performing in this capacity for 21 years throughout the various acquisitions that led to the formation of MGL. He spent his early years working as a customs broker clerk with Jamaica Air Express.



Management Discussion & Analysis

The following Management Discussion and Analysis (“MD&A”) is provided as a supplement to and should be read in conjunction with the Mailpac Group Limited 2025 audit, the historical financials and the accompanying notes starting on page 34. Amounts and percentages may not total due to rounding.

FINANCIAL PERFORMANCE

Revenues

16%
higher than the
previous year



Total revenues for the 2025 financial year were \$2.98 billion, which is 16% higher than the previous year. This increase is a reflection of the Group's continued commitment to growth through accessibility and customer centricity.

Gross Profit

31%
increase over the
previous year



Gross profit was \$1.64 billion, representing a 31% increase over the previous year. This result underscores the Group's ability to deepen its relationships with key partners and stakeholders, leveraging its increased scale to derive greater value for the business.

Operating Expenses

26%
compared to the
previous year



Operating expenses for the year were \$1.11 billion, representing a 26% increase compared to the previous year. This rise reflects strategic investments in optimizing the business, both overseas and locally, alongside continued expansion efforts, investments expected to support the scalability of the business going forward.

Net Income

412%
increase over 2024



Net income for the year stood at \$1.14 billion, representing a 412% increase over 2024. This significant increase is mainly attributable to a stated gain of a contingent consideration liability position recorded in 2024, totaling \$902 million. Excluding this item, the Group would have recorded underlying profitability growth of 6.8% year over year, with net income increasing from \$222.38 million to \$237.50 million.

Financial Position

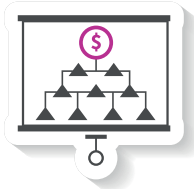
8.9%
from \$2.28 Billion in
2024



Total assets grew to \$2.48 billion, up 8.9% from \$2.28 billion in 2024, driven primarily by growth in cash and cash equivalents and trade receivables within current assets. Shareholders' equity increased significantly to \$1.62 billion, compared to \$710.1 million in the prior year, a growth of 128.8%, whilst total non-current liabilities declined sharply to \$248.5 million from \$1.41 billion in 2024, a reduction of 82.4%, largely attributable to the significant decrease in the contingent consideration liability. In contrast, total current liabilities increased to \$609.5 million from \$158.2 million, a rise of 285.1%, reflecting the reclassification of a portion of the contingent consideration liability to current.

Outlook

Looking ahead to the next financial year, we remain committed to advancing our strategies for driving efficiency while staying true to our core belief in customer centricity. We will primarily focus on:



Network and Customer Base Expansion:

We will continue efforts to broaden and diversify our customer base through targeted marketing initiatives and enhanced customer engagement strategies. Increasing our footprint in areas that enable us to deliver affordable and reliable e-commerce fulfillment services to communities that previously lacked access, furthering the convenience of online shopping and shipping locally. Beyond deepening our presence across Jamaica, we are also seeking opportunities for regional expansion, extending our service model to new markets across the Caribbean where similar gaps in convenient logistics exist. By broadening our reach, both locally and regionally, we are not only enhancing convenience for customers but also solidifying our brand's presence as a leading e-commerce logistics provider. This also allows us to optimize service accessibility, improve delivery speed, and streamline operations through a more localized and efficient logistics network.



Cost Optimization:

We remain dedicated to optimizing our cost structure through efficiency improvements and prudent cost management practices.



Innovation, Product Diversification and Customer Relationship Management:

We are committed to nurturing customer relationships to enhance satisfaction and loyalty. Through innovation and product development, we will pursue a more diversified product mix, broadening the range of services and offerings available to our customers beyond our traditional core to anticipate market trends and effectively address the evolving needs of our customers, ensuring that we remain their trusted partner of choice.





Corporate Governance

Mailpac Group Limited is committed to high standards of governance. The company's board of directors implements the corporate strategy and manages the company to benefit all stakeholders.

Board Of Directors Compositions

The board is comprised of seven members who are qualified, objective, committed, and possess diverse skill sets to effectively discharge their duties. The board officials met five times for the year with two ad hoc procedures (Round Robin Resolutions) adopted for urgent matters.

Attendance Record Of Directors

DIRECTORS	BOARD MEETINGS	12-MAY-2025	25-AUG-2025	10-NOV-2025
Khary Robinson (Executive Chairman)	● ● ●	●	●	●
Garth Pearce	● ● ●	●	●	●
Tracy-Ann Spence	● ● ●	●	●	●
William Craig	● ●	●	●	○
Mark Gonzales	● ● ●	●	●	●
Sheree Martin	● ● ●	●	●	●
Kamar Palmer	● ● ●	●	●	●



Committees

Audit and Compliance Committee

An Audit Committee charged with assisting the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, risk management, the internal and external audit processes, and the Company's compliance with legal, financial regulatory and statutory reporting requirements. During the financial year, there were

four (4) meetings held for the Audit Committee. Committee members include Tracy-Ann Spence – Chairperson (Independent Director), Garth Pearce, William Craig (Independent Director) and Sheree Martin (Independent Director).

Attendance Record Of Committee Members

MEMBERS	AUDIT MEETINGS	13-FEB-2025	12-MAY-2025	25-AUG-2025	10-NOV-2025
Tracy-Ann Spence (Chairperson)	● ● ●	●	●	○	●
Garth Pearce	● ● ● ●	●	●	●	●
William Craig	● ● ● ●	●	●	●	●
Sheree Martin	● ● ●	○	●	●	●

Corporate Governance and Remuneration Committee

The Corporate Governance and Remuneration Committee has the responsibility of overseeing all governance requirements for the company and determining the remuneration framework of each member of the Executive Management Team, including bonus entitlements where applicable. The committee will also review fees payable to non-executive Directors and make the necessary recommendation to the Board as required.

The Committee acts to ensure that the company adheres to its Corporate Governance (CG) framework as outlined in its Board

Charter, the Companies Act (2004) and other applicable laws, regulations and the Jamaica Stock Exchange (JSE) Rules. The Committee is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will monitor the maintenance of high ethical standards of all employees and directors. During the financial year the committee held one (1) meeting. Committee members include William Craig – Chairman (Independent Director), Tracey-Ann Spence (Independent Director) and Khary Robinson (Group Executive Chairman).

Attendance Record Of Committee Members

MEMBERS	CORP GOV. & REMUNERATION MEETINGS	23-JUN-2025
William Craig (Chairperson)	●	●
Tracy-Ann Spence	●	●
Khary Robinson	●	●

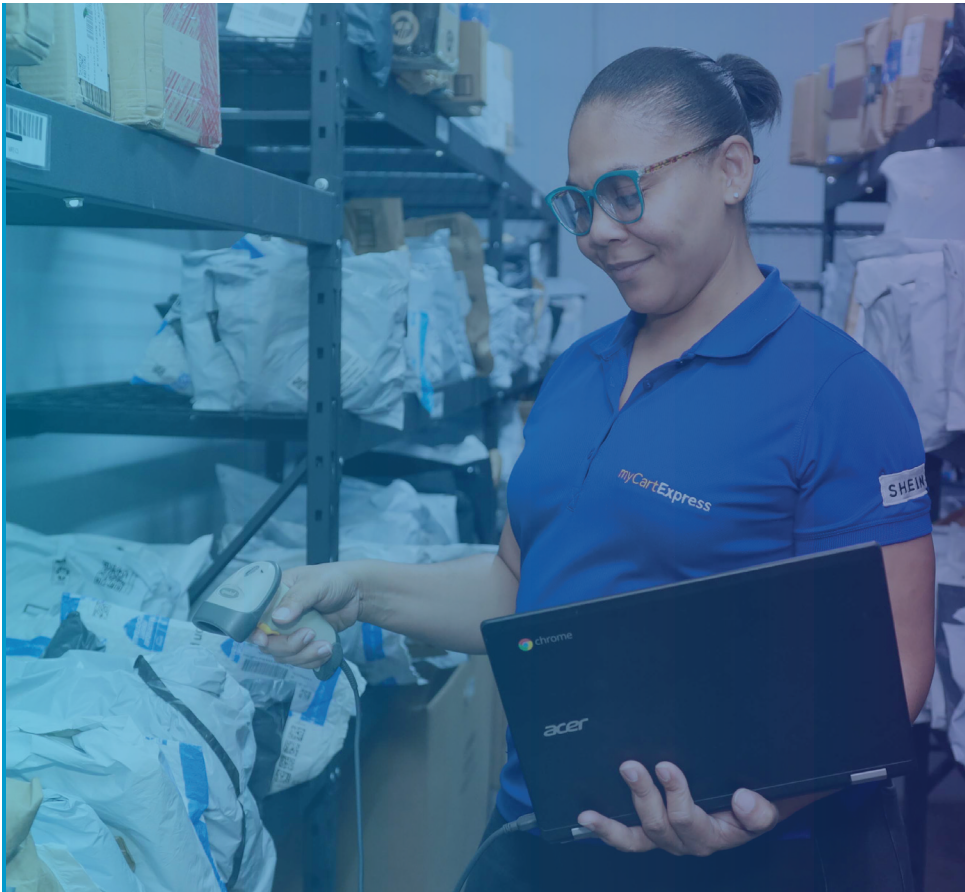
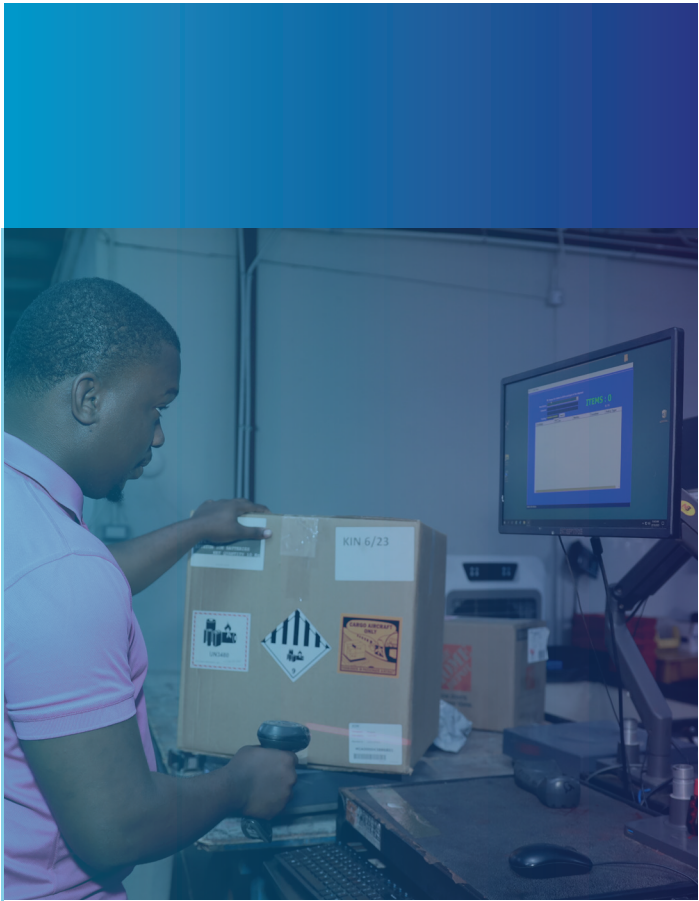
Communication with Shareholders

The Company's Corporate Governance Guidelines policy was approved by the board and is available on the company's website: www.mailpacgroup.com.

Shareholders who have queries can direct them to the Investor Relations Officer c/o 109 Old Hope Road, Kingston 6 or email info@mailpac.com

Shareholders wishing to request a copy of the minutes of the last Annual General Meeting, please send written correspondence to the Investor Relations Officer at the address indicated above.





Risk Management

Operating Mailpac Services and Mailpac Local requires a certain degree of measured risk to generate value for shareholders. E-commerce is one of the fastest growing industries in our local and global economy, introducing myriad opportunities as well as exposure. Therefore, our team continually monitors existing risks in our industry and evaluates potential ones in order to mitigate liability.

Operational Risk Management

Operational risk is the risk of the Company experiencing loss due to inadequate internal processes, people, systems or external events. MGL's continual review of processes to identify vulnerabilities and introduce solutions controls this potential exposure. This is further broken down in the risks below.

Safety And Security Regulations

The Company operates in both the United States and Jamaica and, hence, any security or safety measures put in place at the points of entry and exit into either or both countries can affect the operations of the Company. MGL's management continuously monitors any changes in these regulations to make certain that operational changes are made to ensure compliance without affecting the functioning of the business.

Key Partner

The Company's operations as it relates to across borders e-commerce fulfilment services are dependent on the Aeropost Agreement. Any changes or disruptions to this agreement could materially impact the Company's operations. As such, this agreement has been negotiated for a long term, with options for automatic renewal. Additionally, the terms of the agreement are strictly adhered to, to ensure there are no breaches or misunderstandings between the two parties.

Import Legislation

The Company imports items on behalf of customers, and the cost to the customer is dependent on changes to the prevailing tariff regime from time to time. Any increase in import duties would have an adverse impact on the volume of items being purchased by customers online.

Logistics Risks

The Company relies on third party freight services providers to transport packages from Miami. Any disruptions to their services might impact MGL's service to customers, thereby negatively impacting both the operations and reputation of MGL. The Company mitigates against this by utilizing multiple airlines for transporting freight.



E-commerce is one of the fastest growing industries in our local and global economy, introducing myriad opportunities as well as exposure.

Information Technology Risks

The continuous and efficient operations of the Company are highly dependent on software, and any disruptions to these systems or any security breach could adversely impact the Company's ability to provide uninterrupted or delayed service to customers. The systems operated by both Aeropost and MGL are secured by reputable companies both locally and internationally, and this has ensured that the appropriate security measures are in place to mitigate against such actions.

Risk Of Growth In Competition

There is a low barrier to entry in the market for local e-commerce providers as well as direct to consumer options from major e-commerce providers. With Mailpac Local, while there is also a low barrier to entry for PriceSmart to offer the same shopping conveniences to its existing members, our service extends PriceSmart savings to nonmembers who otherwise would not have been shoppers there. Mailpac's commitment to innovation, strong customer service, inclusivity and competitive pricing continues to reinforce its positioning as the leading provider in the Jamaican market.

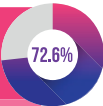
Financial Risks

The evaluation and explanation of how the Company mitigates against financial risks, including credit risk, liquidity risk, market risk and cash flow risk, can be found in the Audited Financial Statements starting on page 43.

Disclosure Of Shareholdings

Shareholdings of Directors, Senior Managers and Top Ten Shareholders as at December 31, 2025.

Top 10 Shareholders

PRIMARY ACCOUNT HOLDER	JOINT HOLDER	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
NORBROOK EQUITY PARTNERS LTD		1,815,000,000	1,815,000,000	
PAM - POOLED EQUITY FUND JCSD		119,718,953	119,718,953	
TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND		78,613,579	78,613,579	
MF&G ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND		62,052,750	62,052,750	
BARITA INVESTMENT LTD- LONG A/C (TRADING)		55,608,144	55,608,144	
JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE		45,583,878	45,583,878	
JMMB FUND MANAGERS LTD. T1-EQUITIES FUND		28,269,000	28,269,000	
SJIML A/C 3119		15,633,588	15,633,588	
MARK JOSE GONZALES		10,197,235	10,197,235	
JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND		10,145,389	10,145,389	

Total Issued Capital:
2,500,000,000

Total Units Owned by Top Ten Shareholders:
2,240,822,516

Percentage Owned by Top Ten Shareholders:
89.6329%

Directors

PRIMARY ACCOUNT HOLDER	CONNECTED PARTIES	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
KHARY ROBINSON NORBROOK EQUITY PARTNERS LIMITED LENNOX ROBINSON MARCIA ROBINSON	1,815,000,000 3,069,611 2,855,600	—	1,820,925,211	72.8%
GARTH PEARCE NORBROOK EQUITY PARTNERS LIMITED	1,815,000,000	—	1,815,000,000	72.6%
MARK JOSE GONZALES	—	10,197,235	10,197,235	0.4%
TRACY-ANN N. SPENCE	—	4,128,207	4,128,207	0.16%
WILLIAM A. CRAIG	—	4,000,000	4,000,000	0.16%

Senior Officers

PRIMARY ACCOUNT HOLDER	CONNECTED PARTIES	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
MARK GONZALES	—	10,197,235	10,197,235	0.4%
SAMANTHA RAY-BOSWORTH	—	4,650,000	4,650,000	0.18%
CHRISTEEN ALLEN	—	138,750	138,750	0.005%
TOMMY WALTERS	—	3,316	3,316	0.0001%

Employee & Community Impact

Investing in People. Strengthening Communities. **Building Jamaica's Future.**

At Mailpac, we believe our success is measured not only by the packages we deliver, but also by the positive impact we create for our employees, customers, and the communities we serve. Guided by a commitment to people, purpose, and responsible corporate citizenship, we continue to invest in initiatives that strengthen our workforce, support families, and contribute to the long-term development of Jamaica.

Throughout 2025, Mailpac advanced this commitment through programmes focused on education, employee well-being, community engagement, disaster relief, and strategic partnerships that create meaningful and lasting social impact.

Investing in Our People Supporting Education: **Back-to-School Exceptional Achievers Grant**

Mailpac believes that investing in employees also means investing in their families and future. In 2025, the company launched the Back-to-School Exceptional Achievers Grant, providing financial assistance to employees with children pursuing primary, secondary, and tertiary education.

The programme was established to help ease the financial demands of education while recognizing and celebrating academic achievement. By supporting employees and their families, Mailpac reinforces a workplace culture where individuals feel valued, supported, and empowered to succeed both professionally and personally.



Employee Wellness & Engagement: **The Connect Club.**

A high-performing organization begins with a healthy, engaged workforce. Through the Connect Club, Mailpac continues to promote the physical, mental, emotional, and social well-being of its employees by creating opportunities for meaningful connection beyond the workplace.

The programme brings team members together through wellness initiatives, employee engagement activities, and social events that strengthen relationships across the organization. By fostering a culture of inclusion, collaboration, and well-being, Mailpac continues to build an environment where employees can thrive and perform at their best.



Supporting Our Communities Mailpac Cares: **Delivering Hope Beyond Logistics**

Mailpac's commitment extends beyond delivering packages. It also means delivering support when communities need it most.

Following the impact of Hurricane Melissa, Mailpac activated its Mailpac Cares initiative in partnership with Food for the Poor Jamaica to assist families affected by the disaster. Through the generosity of customers, business partners, and employees, more than 1,400 essential relief items were collected to support recovery efforts across affected communities.

Mailpac employees also volunteered their time to sort and pack care packages for distribution, demonstrating the compassion, teamwork, and community spirit that define the organization. Mailpac Cares reflects the company's belief that the greatest impact is achieved when businesses, employees, customers, and community partners work together to support those in need.



Christmas in Riverton

During the holiday season, Mailpac partnered with the Riverton community to bring joy and meaningful support to children and families.

Through sponsorship of community celebrations and the donation of essential supplies, the initiative helped create memorable experiences while reinforcing Mailpac's commitment to giving back.

The programme reflects the company's belief that strong communities are built through consistent engagement, compassion, and shared responsibility.



Building a Stronger Jamaica Project STAR: **Partnering for Positive Change**

Creating lasting social impact remains a key pillar of Mailpac's corporate responsibility strategy. During the year, the company continued its support of Project STAR (Social Transformation and Renewal), a national initiative led by the Private Sector Organisation of Jamaica in partnership with the Jamaica Constabulary Force.

Through this partnership, Mailpac is helping to advance initiatives that promote safer communities, expand opportunities for vulnerable populations, and contribute to Jamaica's long-term social and economic development.

Project STAR delivers sustainable

social and economic transformation within under-resourced communities through collaborative, community-led interventions. By supporting this initiative, Mailpac is helping create safer, stronger, and more resilient communities while contributing to Jamaica's long-term social development.

Supporting Local Sports Development

Mailpac remains committed to investing in Jamaica's future by supporting initiatives that nurture young talent through sport. In 2025, the company continued its sponsorship of Portmore United Football Club, providing financial support to assist with the club's operations and long-term development.

As one of Jamaica's leading football clubs, Portmore United has a strong track record of developing young athletes while instilling values such as discipline, teamwork, resilience, and leadership.

Through this partnership, Mailpac is

helping to create meaningful opportunities for aspiring players, strengthen grassroots sports development, and contribute to the positive social and economic growth of communities across Jamaica.

Looking Ahead

Mailpac remains committed to creating value beyond business performance. By investing in education, employee well-being, community partnerships, disaster relief, youth development, and national transformation initiatives, we continue to strengthen the relationships that matter most.

As we look to the future, we will continue building on these efforts, creating meaningful opportunities for our employees, supporting the communities we serve, and contributing to a stronger and more resilient Jamaica.



Mailpac Group Limited

Financial Statements

Year Ending December 31, 2025

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Leary Mullings
FCA, CPA, MBA
Senior Partner

Rohan Crichton
FCA, CPA MActg
Senior Partner

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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.

Key audit matter	How the matter was addressed in our audit
<u>Intangible assets impairment assessment</u> 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. 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. 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.	Our audit procedures to address the key audit matter relating to the impairment of intangible assets assessment included the following: • We have reviewed management's assumptions, including the identification of the underlying cash generating assets. • 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. Based on the procedures performed, management's assessment of intangible assets impairment appears reasonable.

Independent Auditor's Report (cont'd)

**To the members of
 MAILPAC GROUP LIMITED**

Key Audit Matters (cont'd)

Key audit matter	How the matter was addressed in our audit
<u>Accounting for Business Combination - Intangible Assets</u> 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. 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.	Our audit procedures to address the key audit matter relating to the accounting for business combination - intangible assets included the following: • We have assessed the valuation methodologies used for the trade name and customer relationships. • We tested key assumptions utilised in the valuation models, including discount rates, projected revenues, customer attrition rates and useful lives. • 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. Based on the procedures performed, management's provisional accounting for the business combination appears reasonable.

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)

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)

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

	<u>Note</u>	<u>2025</u> <u>\$</u>	<u>2024</u> <u>\$</u>
ASSETS			
Non-current Assets			
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> *
Total non-current assets		<u>1,873,190,265</u>	<u>1,850,857,576</u>
Current Assets			
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>
Total current assets		<u>609,456,430</u>	<u>428,686,821</u>
TOTAL ASSETS		<u><u>2,482,646,695</u></u>	<u><u>2,279,544,397</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	267,356,112	267,356,112
Retained earnings		<u>1,357,270,657</u>	<u>442,749,577</u>
Total equity		<u>1,624,626,769</u>	<u>710,105,689</u>
Non-current Liabilities			
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> *
Total non-current liabilities		<u>248,519,765</u>	<u>1,411,201,098</u>
Current Liabilities			
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>
Total current liabilities		<u>609,500,161</u>	<u>158,237,610</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,482,646,695</u></u>	<u><u>2,279,544,397</u></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 \$
Revenues	4	2,983,587,075	2,563,861,672
Cost of sales	16	<u>1,344,374,702</u>	<u>1,311,561,953</u>
Gross profit		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>
Operating profit	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>
Profit before taxation		1,191,507,942	232,721,474 *
Taxation charge	22	<u>51,986,862</u>	<u>10,344,233</u>
Net profit, being total comprehensive income for the year		<u><u>1,139,521,080</u></u>	<u><u>222,377,241</u></u> *
Earnings per share unit for profit attributable to the equity holders of the company during the year	23	<u><u>0.09</u></u>	<u><u>0.09</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 CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2025

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

**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 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	1,139,521,080	222,377,241 *
Adjustments for items not affecting cash resources:		
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>
CASH FLOWS FROM INVESTING ACTIVITIES		
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>
CASH FLOWS FROM FINANCING ACTIVITIES		
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>
NET INCREASE IN CASH AND CASH EQUIVALENTS	109,052,238	56,390,808
CASH AND CASH EQUIVALENTS - Beginning of the year	253,764,585	198,846,170
Effects of movements on foreign currency bank balances	(456,645)	(1,472,393)
CASH AND CASH EQUIVALENTS - End of the year	<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

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

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

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

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

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

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

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

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

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. Transactions 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

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

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

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>
At Cost/Valuation:						
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
Balance as at December 31, 2025	140,235,463	31,075,705	68,714,219	58,701,523	94,517,972	393,244,882
Accumulated Depreciation:						
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
Balance as at December 31, 2025	10,427,744	7,380,430	18,852,528	13,772,609	-	50,433,311
Net book value:						
At December 31, 2025	129,807,719	23,695,275	49,861,691	44,928,914	94,517,972	342,811,571
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>
At Valuation	\$
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>
Balance at December 31, 2025	<u><u>258,651,514</u></u>
Depreciation charge of right of use asset	
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>
Balance at December 31, 2025	<u><u>92,863,120</u></u>
Net Book Value	
Balance at December 31, 2025	<u><u>165,788,394</u></u>
Balance at December 31, 2024	<u><u>185,812,766</u></u>
Lease Liability:	
	2025
	\$
Non-current lease liability	112,675,485
Current lease liability	<u>66,897,034</u>
	<u><u>179,572,519</u></u>
	2024
	\$
Non-current lease liability	135,663,955
Current lease liability	<u>55,046,984</u>
	<u><u>190,710,939</u></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
	\$	\$
Cost:		
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>
Amortization:		
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>
Balance at end of the year	<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
Less: expected credit loss provision	(44,907,183)	(19,156,478)
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	118,160,738	81,079,433
	<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	168,589	314,164
	<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	(10,038,888)	(10,038,888)
	<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

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

14. DUE TO RELATED COMPANIES

	2025	2024
	\$	\$
Norbrook Equity Partners Limited	174,037	841,312
Express Fitness Limited	-	71,000
109 OHR Limited	1,344,166	1,302,083
	<u>1,518,203</u>	<u>2,214,395</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	(3,874,971)	-
Taxation payable at the end of the year	<u>46,652,217</u>	<u>3,874,971</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	28,232,734	36,244,364
	<u>1,344,374,702</u>	<u>1,311,561,953</u>

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

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	<u>3,684,470</u>	<u>3,349,500</u>

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

20. OTHER INCOME

	2025	2024
	\$	\$
Interest income	1,563,594	1,243,496
Other income	793,615	20,346
	<u>2,357,209</u>	<u>1,263,842</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	9,530,692	4,775,211
	<u>241,299,088</u>	<u>142,337,489 *</u>

**restated to conform to current year presentation*

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

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	5,334,645	6,469,262
	<u>51,986,862</u>	<u>10,344,233</u>
Reconciliation of effective tax rate and charge:		
	2025	2024
	\$	\$
Profit before taxation	1,191,507,942	232,721,474 *
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	(46,652,217)	(64,763,825)
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	(902,027,507)	-
	<u>237,493,573</u>	<u>222,377,241</u>
Weighted average number of shares in issue	2,500,000,000	2,500,000,000
	<u>\$ 0.09</u>	<u>\$ 0.09 *</u>

**restated to conform to current year presentation*

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

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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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:

	\$
(i) Purchase consideration	<u><u>1,266,027,507</u></u>
(ii) Identifiable assets acquired:	
	\$
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>
Total net identifiable assets	<u><u>576,519,478</u></u>
(iii) Goodwill on acquisition	
	\$
Purchase consideration	1,266,027,507
Less: Total identifiable assets	<u>(576,519,478)</u>
Goodwill on acquisition	<u><u>689,508,029</u></u>

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

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	50,302,165	65%	32,445,781
Total	<u>154,817,880</u>		<u>44,907,183</u>

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

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd):

(i) Credit risk

Trade receivables (cont'd)

	2024		
Aging	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
YEAR ENDED DECEMBER 31, 2025

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 US\$	2024 US\$
Cash and cash equivalents	450,970	406,342
Trade payables	(116,892)	(175,992)
Lease liabilities	(638,864)	(753,468)
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
YEAR ENDED DECEMBER 31, 2025

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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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:

	Previously Reported	Adjustment	Restated
	<u>\$</u>	<u>\$</u>	<u>\$</u>
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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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>

