

MAILPAC GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

MAILPAC GROUP LIMITED
QUARTERLY REPORT (Unaudited)
YEAR ENDED DECEMBER 31, 2024

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DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

We are pleased to present the unaudited financial results of Mailpac Group Limited ("Mailpac" or the "Company") for the quarter ended December 31, 2024. This quarter, being the busiest period of the year and the traditional peak season for e-commerce, culminated in the strongest revenue performance in the history of the business, reflecting our continued commitment to the strategic expansion of the business, enhanced operational efficiency, and the highest level of customer satisfaction.

Financial Performance:

Mailpac recorded an outstanding performance for the quarter with record-breaking revenues of J\$839.42 million, reflecting a significant increase from J\$469.86 million in the same quarter of 2023. This represents 78.7% year-over-year growth, driven by the acquisition of MyCart Express, the increased demand for the logistics and e-commerce solutions offered by the Group, and the enhancement of our customer experience and store locations.

Gross profit for the quarter stood at \$423.35 million, an increase from \$218.10 million, or 94.1%, compared to the corresponding period last year. Gross profit margin for the quarter under review was 50.4%, which was a material improvement compared to the 46.4% gross margin for the comparable period last year. This improvement is attributed to increased operational efficiencies and negotiated cost reductions achieved through economies of scale.

The Company recorded net profit of \$70.48 million for Q4 2024, up from \$56.94 million in Q4 2023. While we were pleased with the 23.8% increase in net profit for the quarter under review compared to Q4 2023, the net profit performance reflected a marginal year-over-year erosion in our net margins, due to a relative increase in one-time fixed costs from the combination of the Mailpac Services and MyCart Express divisions.

Strategic Developments and Financial Position:

During the quarter, Mailpac continued to make significant investments in business expansion, which saw an increase of our right-of-use assets to \$185.81 million, up from \$41.51 million and \$97.68 million in Q4 2023 and Q3 2024 respectively.

As of December 31, 2024, Mailpac maintained a strong financial position, total assets grew to \$1.17 billion, compared to \$674.93 million in 2023. Cash and bank balances increased to \$253.76 million, up from \$198.85 million. Shareholders' equity increased to \$878.07 million.

Outlook:

Looking ahead, we are confident in our ability to sustain growth and further solidify our position as a leader in the e-commerce logistics space. Our strategic focus will be on expanding our footprint and diversifying our service offerings to meet the growing needs of our customers and the evolving dynamics of the global ecommerce and logistics industry. As we continue to ramp-up our cost rationalization, business expansion and digital transformation efforts, we are confidently poised for another year of strong performance.

The Board of Directors and management team would like to express our appreciation to our shareholders, customers, employees and partners for their continued support. We remain committed to delivering value for all out stakeholders and thank you for your unwavering trust in Mailpac.

Sincerely,


Khary Robinson

Executive Chairman, Mailpac Group Limited

MAILPAC GROUP LIMITED
STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT DECEMBER 31, 2024

	<u>Note</u>	Unaudited Year ended December 2024 \$	Audited Year ended December 2023 \$
ASSETS			
Non-current Assets			
Property, plant and equipment		242,015,025	144,050,706
Right-of-use assets	3	185,812,766	41,507,368
Intangible assets	4	320,590,550	236,761,231
Total non-current assets		748,418,341	422,319,305
Current Assets			
Due from related companies		-	730,724
Trade and other receivables	5	168,484,552	53,036,725
Cash and bank balances		253,764,585	198,846,170
Total current assets		422,249,137	252,613,619
TOTAL ASSETS		1,170,667,478	674,932,924
EQUITY AND LIABILITIES			
Equity			
Share capital	6	267,356,112	267,356,112
Shares to be issued		137,188,272	-
Accumulated surplus		473,526,836	295,372,336
Total equity		878,071,220	562,728,448
Non-current Liabilities			
Lease liabilities	3	135,663,955	24,108,815
Deferred tax liability		6,344,178	3,040,374
Total non-current liabilities		142,008,133	27,149,189
Current Liabilities			
Lease liabilities	3	55,046,984	21,425,561
Trade and other payables	7	92,877,976	58,382,791
Taxation payable		2,663,165	-
Due to related companies		-	5,246,935
Total current liabilities		150,588,125	85,055,287
TOTAL EQUITY AND LIABILITIES		1,170,667,478	674,932,924

The financial statements on pages 3 to 12 were approved for issue by the Board of Directors
, 2025 and signed on its behalf by:


Director


Director

MAILPAC GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
YEAR ENDED DECEMBER 31, 2024

	Note	Three Months December 2024	Three Months December 2023	Year ended December 2024	Audited Year ended December 2023
		\$	\$	\$	\$
Revenues		839,419,777	469,864,864	2,563,861,672	1,674,359,980
Cost of sales		416,074,054	251,766,339	1,311,561,953	864,397,120
Gross profit		423,345,723	218,098,525	1,252,299,719	809,962,860
Selling and promotion expenses		32,206,622	20,315,884	94,833,416	66,412,790
Administrative and general expenses		271,029,776	125,364,001	783,671,187	424,343,963
		303,236,398	145,679,885	878,504,603	490,756,753
Operating profit		120,109,325	72,418,640	373,795,116	319,206,107
Other income		457,663	2,551,207	1,263,842	3,968,438
		120,566,988	74,969,847	375,058,958	323,174,545
Finance and policy costs		44,116,218	16,488,998	115,937,489	61,499,193
Profit before taxation		76,450,770	58,480,849	259,121,469	261,675,352
Taxation charge	8	(5,966,969)	(1,536,104)	(5,966,969)	(1,536,104)
Net profit, being total comprehensive income for the period / year		70,483,801	56,944,745	253,154,500	260,139,248
Earnings per share for profit attributable to the ordinary equity holders of the company	9	0.03	0.02	0.10	0.10

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY (Unaudited)
YEAR ENDED DECEMBER 31, 2024

	Share Capital \$	Shares to be Issued \$	Accumulated Surplus \$	Total \$
Balance at December 31, 2022 (Audited)	267,356,112	-	310,233,088	577,589,200
Dividends (see note 10)	-	-	(275,000,000)	(275,000,000)
Net profit, being total comprehensive income for the period	-	-	260,139,248	260,139,248
Balance at December 31, 2023 (Audited)	267,356,112	-	295,372,336	562,728,448
Shares to be issued from acquisition of assets (note 11)	-	137,188,272	-	137,188,272
Dividends (see note 10)	-	-	(75,000,000)	(75,000,000)
Net profit, being total comprehensive income for the period	-	-	253,154,500	253,154,500
Balance at December 31, 2024 (Unaudited)	267,356,112	137,188,272	473,526,836	878,071,220

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
STATEMENT OF CASH FLOWS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

	Year ended December 2024 \$	Audited Year ended December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	253,154,500	260,139,248
Adjustments for items not affecting cash resources:		
Depreciation and amortization	14,054,874	8,384,030
Depreciation right of use assets	46,881,967	20,959,029
Transfer of work-in-progress	260,000	-
Interest expense on right of use assets	7,733,400	3,566,875
Increase/(decrease) in expected credit loss provision	13,139,655	(506,870)
Foreign currency (gain)/loss	(2,629,221)	3,765,831
Deferred tax	3,303,804	1,536,104
Income tax expense	2,663,165	-
	338,562,144	297,844,248
(Increase) / decrease in operating assets:		
Due from related companies	(4,516,211)	(140,534)
Trade and other receivables	(128,587,482)	6,219,994
Increase / (decrease) in operating liabilities:		
Trade and other payables	24,800,254	(12,976,073)
Net cash provided by operating activities	230,258,704	290,947,635
CASH FLOWS FROM INVESTING ACTIVITIES		
Cost of work-in-progress	-	(1,571,552)
Acquisition of property, plant and equipment	(58,920,245)	(11,919,515)
Net cash used in investing activities	(58,920,245)	(13,491,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(64,972,439)	(266,599,486)
Loan repayment to related companies	-	2,250,307
Lease liabilities, net	(49,975,213)	(23,486,200)
Net cash used in financing activities	(114,947,651)	(287,835,379)
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES	56,390,808	(10,378,811)
CASH AND BANK BALANCES - Beginning of the year	198,846,170	209,478,205
Effects of movements on foreign currency bank balances	(1,472,393)	(253,224)
CASH AND BANK BALANCES - End of the year	253,764,585	198,846,170

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

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.

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

These unaudited financial statements for the twelve (12) month period ended December 31, 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting". These interim financial statements should be read in conjunction with the accounting policies as set out in Note #2 & #3 of the audited financial statements for the year ended December 31, 2023 which has been prepared in accordance with IFRS Accounting Standards ("IFRS") and the relevant requirements of the Act.

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

The Company has adopted IFRS 16 (Leases) from October 1, 2019. IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets. For lessors, the accounting stays almost the same.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

3. ACCOUNTING POLICIES

(a) Intangible assets

Intangible assets which represents goodwill, contracts rights with vendors, customers, tradenames, intellectual property rights, telephone numbers are deemed to have a finite life. 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) years.

(b) 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 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. It is subject to impairment test.

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.

(c) Trade and other receivables

Trade and other receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(d) Related party identification

A related party transaction is a transfer of resources, services or obligations between related parties,

(e) Trade and other payables

Trade and other payables are stated at amortized cost.

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

3. RIGHT-OF-USE ASSETS

	Year ended December 2024	Audited Year ended December 2023
	\$	\$
At Valuation		
Balance at beginning of year	72,774,932	71,624,412
Terminated right of use asset	(7,360,557)	(18,127,075)
Additions	190,175,886	19,277,595
Balance at end of year	<u>255,590,261</u>	<u>72,774,932</u>
Accumulated		
Depreciation charge		
Balance at beginning of year	31,267,564	28,435,610
Depreciation on terminated right of use asset	(7,360,557)	(18,127,075)
Charge for year	45,870,487	20,959,029
Balance at end of year	<u>69,777,495</u>	<u>31,267,564</u>
Net Book Value:		
Balance at year end	<u><u>185,812,766</u></u>	<u><u>41,507,368</u></u>
Lease Liabilities:		
	Year ended December 2023	Audited Year ended December 2023
	\$	\$
Non-current lease liabilities	<u>135,663,955</u>	<u>28,854,094</u>
Current lease liabilities	<u>55,046,984</u>	<u>17,893,605</u>

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

4. 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.

	Year ended December 2024	Audited Year ended December 2023
	\$	\$
Cost:		
Purchase goodwill	171,000,000	171,000,000
Purchase goodwill during the period (note 11)	85,668,794	-
Customer contracts, lists of existing customers and other intangibles	73,579,000	73,579,000
	<u>330,247,794</u>	<u>244,579,000</u>
Amortization:		
Balance at beginning of the year	7,817,769	5,978,294
Charge for the year	1,839,475	1,839,475
	<u>9,657,244</u>	<u>7,817,769</u>
Balance at year end	<u><u>320,590,550</u></u>	<u><u>236,761,231</u></u>

5. TRADE AND OTHER RECEIVABLES

Trade receivable materially represents balance due on credit sales:

	Year ended December 2024	Audited Year ended December 2023
	\$	\$
Trade receivables	98,752,130	53,037,958
Less: expected credit loss provision	(19,156,478)	(6,016,823)
	<u>79,595,652</u>	<u>47,021,135</u>
Deposits	9,099,374	3,668,998
Prepayments	-	391,444
Other receivables	79,789,526	1,955,148
	<u><u>168,484,552</u></u>	<u><u>53,036,725</u></u>

6. SHARE CAPITAL

	Year ended December 2024	Audited Year ended December 2023
	\$	\$
<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><u>267,356,112</u></u>	<u><u>267,356,112</u></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 (Unaudited)
YEAR ENDED DECEMBER 31, 2024

7. TRADE AND OTHER PAYABLES

	Year ended December 2024	Audited Year ended December 2023
	\$	\$
Trade payables	54,803,319	32,306,052
Statutory liabilities	12,199,702	7,439,666
GCT payable	393,029	228,866
Accruals	9,995,437	4,977,766
Dividend payable	10,027,561	8,400,514
Other payables	5,458,928	5,029,927
	92,877,976	58,382,791

8. TAXATION

The Company's 100% income tax remission under the rules of the Jamaica Junior Stock Exchange began on December 4, 2019 for five years and 50% for a further five years thereafter, providing the Company complies with the requirements of the Jamaica Stock Exchange Junior Market. The Company's 50% income tax remission commenced on December 4, 2024.

9. 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.

	Year ended December 2024	Audited Year ended December 2023
Net profit attributable to shareholders	253,154,500	260,139,248
Weighted average number of shares in issue	2,500,000,000	2,500,000,000
	\$ 0.10	\$ 0.10

10. DIVIDENDS

The Company at its Board of Directors' meeting on February 15, 2024 declared an interim dividend of 3 cents (\$0.03) per share which was paid on March 11, 2024 to shareholders on record at the close of business on February 29, 2024.

11. BUSINESS ACQUISITION

The Company acquired the assets of MyCart Express Limited ("MyCart") effective April 1, 2024. The Company agreed to issue shares in Mailpac Group Limited to the owners of MyCart contingent upon the one-year net earnings of MyCart up to March 31, 2025. A contingent provision of \$137,188,272 has been made in the financial statements in respect of the shares to be issued to the owners of Mycart. The Company acquired assets totaling \$51,519,478 resulting in goodwill on acquisition of \$85,668,794.

MAILPAC GROUP LIMITED
TOP TEN SHAREHOLDINGS
AS AT DECEMBER 31, 2024

TOP 10 SHAREHOLDERS

	PRIMARY ACCOUNT HOLDER	JOINT HOLDER	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
1	NORBROOK EQUITY PARTNERS LTD	-	1,815,000,000	1,815,000,000	72.6000%
2	JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND	-	78,692,640	78,692,640	3.1477%
3	PAM - POOLED EQUITY FUND	-	71,897,365	71,897,365	2.8759%
4	MF&G ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND	-	62,052,750	62,052,750	2.4821%
5	BARITA INVESTMENT LTD-LONG A/C (TRADING)	-	60,642,321	60,642,321	2.4257%
6	JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE	-	45,583,878	45,583,878	1.8234%
7	JMMB FUND MANAGERS LTD.T1- EQUITIES FUND	-	28,269,000	28,269,000	1.1308%
8	SJIML A/C 3119	-	15,633,588	15,633,588	0.6253%
9	MARK JOSE GONZALES	-	10,197,235	10,197,235	0.4079%
10	JN FUND MANAGERS LIMITED FOR JN POOLED PENSION LOCAL EQUITY FUND	-	10,145,389	10,145,389	0.4058%

Total Issued Capital: 2,500,000,000

Total Units Owned by Top Ten Shareholders: 2,198,114,166

Percentage Owned by Top Ten Shareholders: 87.9246%

MAILPAC GROUP LIMITED
SHAREHOLDINGS FOR DIRECTORS AND SENIOR OFFICERS
AS AT DECEMBER 31, 2024

DIRECTORS

PRIMARY ACCOUNT HOLDER	CONNECTED PARTIES	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
KHARY ROBINSON <i>NORBROOK EQUITY PARTNERS LIMITED</i> <i>LENNOX ROBINSON</i> <i>MARCIA ROBINSON</i>	1,815,000,000 3,069,611 2,855,600	-	1,820,925,211	72.83701%
GARTH PEARCE <i>NORBROOK EQUITY PARTNERS LIMITED</i>	1,815,000,000	-	1,815,000,000	72.60000%
MARK JOSE GONZALES	-	10,197,235	10,197,235	0.40789%
TRACY-ANN N. SPENCE	-	4,128,207	4,128,207	0.16513%
WILLIAM A. CRAIG	-	4,000,000	4,000,000	0.16000%

SENIOR OFFICERS

PRIMARY ACCOUNT HOLDER	CONNECTED PARTIES	DIRECT HOLDINGS	VOLUME	% OF ISSUED SHARES
MARK JOSE GONZALES	-	10,197,235	10,197,235	0.40789%
SAMANTHA RAY		4,650,000	4,650,000	0.18600%
CHRISTEEN MARLINE ALLEN	-	277,500	277,500	0.01110%
TOMMY WALTERS	-	3,316	3,316	0.00013%