

MAILPAC GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2024

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

TABLE OF CONTENTS

	Page (s)
Directors' Report to the Shareholders	3
Unaudited Statement of Financial Position	4
Unaudited Statement of Comprehensive Income	5
Unaudited Statement of Changes in Equity	6
Unaudited Statement of Cash Flows	7
Notes to the Unaudited Financial Statements	8-12
Top 10 Shareholders & Shareholdings of Directors, Officers and Connected Parties	13-14

DIRECTORS' REPORT TO SHAREHOLDERS

INTRODUCTION

Mailpac Group Limited ("Mailpac" or the "Company") presents its unaudited financial statements for the quarter ended March 31, 2024.

Throughout the quarter, Mailpac focused on closing on the acquisition of MyCart, a significant step in entrenching the business as the leader in e-commerce fulfillment in Jamaica. Not only will the transaction significantly expand market share and improve service delivery, but the brands in the group are now better positioned to meet the goals and needs of their respective target markets. Additionally, despite increased competition and external factors impacting efficiencies, our financial performance for the reviewed period was commendable.

Financial Performance:

In Q1 2024, Mailpac's revenue came in at \$368.5 million, down by 7.8% from the previous year mainly because of the reduction in Mailpac Local and commissions from the marketplace platform at Aeropost. Despite the reduction, Gross profit for Q1 was \$197.9 million, up by 3.6% compared to the previous year.

Operating expenses in Q1 totaled \$130.8 million, a 13.6% increase year-over-year, mainly due to strategic investments in business growth and data protection remediation efforts. Net profit for Q1 decreased by 16.7% to \$50.1 million. We anticipate profitability improvements in 2024 through customer base expansion and overhead cost reductions due to strategic enhancements and shared key operations between Mailpac and MyCart Express.

Financial Position:

At the end of Q1 2024, Mailpac's Total Assets were valued at \$626.3 million, with a cash position of \$156.2 million. Shareholder's Equity stood at \$537.9 million.

Outlook:

With the completion of the acquisition of MyCart Express at the end of March 2024, we are optimistic about the expected synergistic benefits, enhanced revenue streams, operational efficiencies and increased shareholder value from Q2 onwards. We are confident that the decision to bring both brands under the same umbrella will position Mailpac for continued growth, industry leadership and success in e-commerce.

The Board of Directors and management team express sincere appreciation to our shareholders, customers, employees and partners for their continued belief in the platform and its leadership. We remain committed to maximizing stakeholder value and appreciate your ongoing trust in Mailpac.

Sincerely,



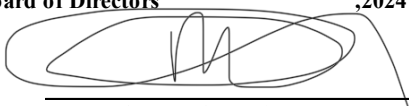
Executive Chairman

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

	Unaudited Three (3) months ended	Unaudited Three (3) months ended	Audited Year ended
Note	March 31, 2024	March 31, 2023	December 31, 2023
	\$	\$	\$
ASSETS			
Non-current Assets			
Property, plant and equipment	143,486,549	139,895,144	144,050,706
Right-of-use assets	3 45,912,783	38,442,094	41,507,368
Intangible assets	4 236,301,361	238,140,836	236,761,231
Total non-current assets	425,700,693	416,478,074	422,319,305
Current Assets			
Due from related companies	1,221,049	-	730,724
Trade and other receivables	5 43,183,553	46,675,308	53,036,725
Cash and bank balances	156,168,120	263,553,474	198,846,170
Total current assets	200,572,722	310,228,782	252,613,619
TOTAL ASSETS	626,273,415	726,706,856	674,932,924
EQUITY AND LIABILITIES			
Equity			
Share capital	6 267,356,112	267,356,112	267,356,112
Accumulated surplus	270,499,031	370,384,437	295,372,336
Total equity	537,855,143	637,740,549	562,728,448
Non-current Liabilities			
Lease liabilities	3 22,771,312	25,809,411	24,108,815
Deferred tax liability	3,040,374	1,504,270	3,040,374
Total non-current liabilities	25,811,686	27,313,681	27,149,189
Current Liabilities			
Lease liabilities	3 27,576,308	16,149,816	21,425,561
Trade and other payables	7 33,380,445	45,502,810	58,382,791
Due to related companies	1,649,833	-	5,246,935
Total current liabilities	62,606,586	61,652,626	85,055,287
TOTAL EQUITY AND LIABILITIES	626,273,415	726,706,856	674,932,924

The financial statements on pages 3 to 12 were approved for issue by the Board of Directors, 2024
and signed on its behalf by:


Mr. Khary Robinson - Chairman


Dr. Mark Gonzales - Director

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
THREE MONTHS ENDED MARCH 31, 2024

	<u>Note</u>	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
		<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenues		368,502,528	398,012,625	1,674,359,980
Cost of sales		170,595,685	206,982,269	864,397,120
Gross profit		197,906,843	191,030,356	809,962,860
Selling and promotion expenses		19,390,676	18,423,045	66,412,790
Administrative and general expenses		111,405,696	96,770,792	424,343,963
		130,796,372	115,193,837	490,756,753
Operating profit		67,110,471	75,836,519	319,206,107
Other income		77,602	586,471	3,968,438
		67,188,073	76,422,990	323,174,545
Finance and policy costs		17,061,378	16,271,641	61,499,193
Profit before taxation		50,126,695	60,151,349	261,675,352
Taxation charge	8	-	-	1,536,104
Net profit, being total comprehensive income for the period / year		50,126,695	60,151,349	260,139,248
Earnings per share for profit attributable to the ordinary equity holders of the company	9	0.02	0.02	0.10

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY (Unaudited)
THREE MONTHS ENDED MARCH 31, 2024

	Share Capital £	Accumulated Surplus £	Total £
Balance at December 31, 2022 (Audited)	267,356,112	310,233,088	577,589,200
Net profit, being total comprehensive income for the period	-	60,151,349	60,151,349
Balance at March 31, 2023	267,356,112	370,384,437	637,740,549
Balance at December 31, 2023 (Audited)	267,356,112	295,372,336	562,728,448
Dividends (see note 10)	-	(75,000,000)	(75,000,000)
Net profit, being total comprehensive income for the period	-	50,126,695	50,126,695
Balance at March 31, 2024	267,356,112	270,499,031	537,855,143

MAILPAC GROUP LIMITED
STATEMENT OF CASH FLOWS (Unaudited)
THREE MONTHS ENDED MARCH 31, 2024

	Unaudited Three (3) months ended March 31, 2024 \$	Unaudited Three (3) months ended March 31, 2023 \$	Audited Year ended December 31, 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period / year	50,126,695	60,151,349	260,139,248
Adjustments for items not affecting cash resources:			
Depreciation and amortization	1,801,165	2,060,063	8,384,030
Depreciation right of use assets	8,345,820	4,746,708	20,959,029
Interest expense on right of use assets	1,095,092	901,537	3,566,875
Expected credit loss provision	1,682,057	(292,613)	(506,870)
Unrealized foreign currency loss	76,421	155,608	3,765,831
Realized foreign currency loss / (gain)	(1,947,961)	2,989,311	-
Deferred taxation	-	-	1,536,104
	61,179,289	70,711,963	297,844,248
(Increase) / decrease in operating assets:			
Due from related companies	(4,087,426)	(2,406,438)	(140,534)
Trade and other receivables	8,171,115	12,367,154	6,219,994
Decrease in operating liabilities:			
Trade and other payables	(33,357,278)	(16,794,846)	(12,976,073)
Net cash provided by operating activities	31,905,700	63,877,833	290,947,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Cost of work-in-progress	-	(287,500)	(1,571,552)
Acquisition of property, plant and equipment	(777,689)	(4,103,642)	(11,919,515)
Net cash used in investing activities	(777,689)	(4,391,142)	(13,491,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(66,604,073)	-	(266,599,486)
Loan from related companies	-	-	2,250,307
Lease liabilities, net	(7,169,955)	(5,264,010)	(23,486,200)
Net cash used in financing activities	(73,774,028)	(5,264,010)	(287,835,379)
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	(42,646,017)	54,222,681	(10,378,811)
CASH AND BANK BALANCES - Beginning of the period / year	198,846,170	209,478,205	209,478,205
Effects of movements on foreign currency bank balances	(32,033)	(147,412)	(253,224)
CASH AND BANK BALANCES - End of the period / year	156,168,120	263,553,474	198,846,170

The accompanying notes form an integral part of the financial statements

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
THREE MONTHS ENDED MARCH 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 three (3) month period ended March 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 International Financial Reporting 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)
THREE MONTHS ENDED MARCH 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, regardless of whether a price is charged.

(e) Trade and other payables

Trade and other payables are stated at amortized cost.

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
THREE MONTHS ENDED MARCH 31, 2024

3. RIGHT-OF-USE ASSETS

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>
At Valuation			
Balance at beginning of period / year	72,774,932	71,624,412	71,624,412
Terminated right of use asset	-	-	(18,127,075)
Additions	<u>12,751,235</u>	<u>-</u>	<u>19,277,595</u>
Balance at end of period / year	<u>85,526,167</u>	<u>71,624,412</u>	<u>72,774,932</u>
Accumulated			
Depreciation charge			
Balance at beginning of period/year	31,267,564	28,435,610	28,435,610
Depreciation on terminated right of use asset	-	-	(18,127,075)
Charge for period / year	<u>8,345,820</u>	<u>4,746,708</u>	<u>20,959,029</u>
Balance at end of period / year	<u>39,613,384</u>	<u>33,182,318</u>	<u>31,267,564</u>
Net Book Value			
Balance at period / year end	<u>45,912,783</u>	<u>38,442,094</u>	<u>41,507,368</u>
Lease Liabilities:			
	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Non-current lease liabilities	<u>22,771,312</u>	<u>25,809,411</u>	<u>28,854,094</u>
Current lease liabilities	<u>27,576,308</u>	<u>16,149,816</u>	<u>17,893,605</u>

MAILPAC GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
THREE MONTHS ENDED MARCH 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.

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cost:			
Purchase goodwill	171,000,000	171,000,000	171,000,000
Customer contracts, lists of existing customers and other intangibles	73,579,000	73,579,000	73,579,000
	244,579,000	244,579,000	244,579,000
Amortization:			
Balance at beginning of period	7,817,769	7,817,769	5,978,294
Charge for the period / year	459,870	459,870	1,839,475
	8,277,639	8,277,639	7,817,769
Balance at period / year end	236,301,361	236,301,361	236,761,231

5. TRADE AND OTHER RECEIVABLES

Trade receivable materially represents balance due on credit sales:

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Trade receivables	45,088,254	43,823,615	53,037,958
<i>Less</i> : expected credit loss provision	(7,698,880)	(6,231,080)	(6,016,823)
Net trade receivables	37,389,374	37,592,535	47,021,135
Deposits	3,668,998	3,179,422	3,668,998
Prepayments	180,456	4,186,937	391,444
Other receivables	1,944,725	1,716,414	1,955,148
	43,183,553	46,675,308	53,036,725

6. SHARE CAPITAL

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<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	27,395,000
250,000,000 ordinary shares of no par value	250,000,000	250,000,000	250,000,000
Less: transaction costs of share issue	(10,038,888)	(10,038,888)	(10,038,888)
	267,356,112	267,356,112	267,356,112

- (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)
THREE MONTHS ENDED MARCH 31, 2024

7. TRADE AND OTHER PAYABLES

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
	\$	\$	\$
Trade payables	11,448,213	33,592,237	32,306,052
Statutory liabilities	4,185,586	3,205,957	7,439,666
GCT payables	122,600	98,254	228,866
Accruals	4,473,221	1,631,250	4,977,766
Dividend payables	8,395,927	5,220,089	8,400,514
Other payables	4,754,898	1,755,023	5,029,927
	<u>33,380,445</u>	<u>45,502,810</u>	<u>58,382,791</u>

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.

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.

	Unaudited Three (3) months ended March 31, 2024	Unaudited Three (3) months ended March 31, 2023	Audited Year ended December 31, 2023
Net profit attributable to shareholders	<u>50,126,695</u>	<u>60,151,349</u>	<u>260,139,248</u>
Weighted average number of shares in issue	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>2,500,000,000</u>
	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.10</u>

**MAILPAC GROUP LIMITED
TOP TEN SHAREHOLDINGS
THREE MONTHS ENDED MARCH 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	-	78,583,739	78,583,739	3.1433%
3	MF&G ASSET MANAGEMENT LTD. JAMAICA INVESTMENTS FUND	-	62,052,750	62,052,750	2.4821%
4	BARITA INVESTMENT LTD-LONG A/C (TRADING)	-	59,989,061	59,989,061	2.3996%
5	JCSD TRUSTEE SERVICES LTD SIGMA GLOBAL VENTURE	-	45,583,878	45,583,878	1.8234%
6	PAM - POOLED EQUITY FUND	-	45,273,512	45,273,512	1.8109%
7	JMMB FUND MANAGERS LTD.TI- EQUITIES FUND	-	25,000,000	25,000,000	1.0000%
8	SJIML A/C 3119	-	14,633,588	14,633,588	0.5853%
9	BALJIT DEOL	-	12,686,500	12,686,500	0.5075%
10	MARK JOSE GONZALES	-	10,197,235	10,197,235	0.4079%

Total Issued Capital: 2,500,000,000

Total Units Owned by Top Ten Shareholders: 2,169,000,263

Percentage Owned by Top Ten Shareholders: 86.7600%

MAILPAC GROUP LIMITED
SHAREHOLDINGS FOR DIRECTORS AND SENIOR OFFICERS
THREE MONTHS ENDED MARCH 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>MARCLA 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%
STEPHEN GREIG	-	126,000	126,000	0.00504%

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%