

MAILPAC GROUP

MAILPAC GROUP LIMITED
PROSPECTUS 2019
(876) 927-7225
IPO@mailpac.com



MAILPAC GROUP LIMITED PROSPECTUS 2019

THIS PROSPECTUS IS DATED THE 12th DAY OF NOVEMBER 2019. A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on the 12th day of November 2019. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission ("FSC") for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on the 13th day of November 2019. The FSC has neither approved the offered securities nor has it passed upon the accuracy or adequacy of this Prospectus.

The Company invites Applications on behalf of itself and the Selling Shareholder for 500,000,000 Ordinary Shares in the Invitation, of which 250,000,000 are newly issued shares for subscription and 250,000,000 are existing shares of the Selling Shareholder for sale to be subsequently listed on the Junior Market of the Jamaica Stock Exchange.

the prospectus

The Company is the agent of the Selling Shareholder in the Invitation for the purposes of acceptance of Applications to purchase the Sale Shares. Up to 300,000,000 Ordinary Shares in the Invitation are initially reserved for priority applications from Applicants falling within the Financiers Reserve Pool and Key Partner Reserve Pool, priced at \$1.00 per share, and up to 50,000,000 Ordinary Shares in the Invitation are initially reserved for priority applications from Applicants falling within an Employee Reserve Pool, priced at \$0.90 per share. If any of the Reserved Shares are not subscribed by the persons entitled to them, they will become available for subscription by the general public at the offer price of \$1.00 per share.

All Applications must be submitted electronically via NCB Capital Market Limited's GoIPO platform by logging onto the website <https://goipo.jncb.com> (See Appendix 1). Interested applicants who do not have internet access may visit NCB Capital Markets Limited or their broker. This initial public offer will open at 9:00 a.m. on the 22nd day November 2019 and will close at 4:00 p.m. on the 6th day of December 2019 subject to the right of the Company to: (a) close the subscription list at any time after it opens without notice if Applications have been received for the full amount of the Shares offered; (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this Prospectus for the purposes of section 48(4) of the Companies Act; or (c) offer Ordinary Shares greater in number than originally offered.

In the case of an early closure of the subscription list or an extension of the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange at www.jamstockex.com. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. Applications should be made on NCB Capital Market Limited's GoIPO platform by logging onto the website <https://goipo.jncb.com>. Each Application must be accompanied/supported by payment for the full amount payable on subscription in the required currency.

It is the intention of the Company to apply to the Jamaica Stock Exchange (JSE) for admission of the Ordinary Shares to the Junior Market within six (6) days of the Closing Date. The application to the JSE is dependent on the Company's ability to: (i) raise at least \$495,000,000.00 as a result of the Invitation; and (ii) meet the criteria for admission. Please note that this statement of the Company's intention is not a guarantee that the Ordinary Shares will in fact be admitted to the Junior Market of the JSE. If, however, the Company does not raise at least \$495,000,000.00 it will not make an application for the Ordinary Shares to be admitted to the Junior Market of the JSE, and all payments for shares received from Applicants will be refunded in full to the Applicants. Further, if the Company raises at least \$495,000,000.00 but does not meet the criteria for admission, all payments for shares received from Applicants will be refunded in full.

Share Capital

Authorised Share Capital	No Maximum
Issued Prior to Invitation	2,250,000,000
Maximum to be issued by the Company in the Invitation, fully paid	250,000,000
Maximum to be sold by the Selling Shareholder in the Invitation, fully paid	250,000,000

Consideration

Total consideration assuming all Shares in the Invitation are fully subscribed by the persons entitled to them:

	\$
150,000,000 Key Partner Reserve Pool Shares at \$1.00 each	150,000,000
150,000,000 Financiers Reserve Pool Shares at \$1.00 each	150,000,000
50,000,000 Employee Reserve Pool Shares at \$0.90 each	45,000,000
150,000,000 Ordinary Shares for the general public at \$1.00 each	150,000,000
Total Consideration	495,000,000
Due to the Company in respect of 250,000,000 Shares for subscription:	\$250,000,000
Due to the Selling Shareholder in respect of 250,000,000 Shares for sale:	\$245,000,000

Prospective Applicants are encouraged to seek the advice of an independent financial professional, attorney-at-law or chartered accountant before making an investment decision.

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A woman with voluminous curly hair is shown in profile, focused on packing groceries into a cardboard box. She is wearing a light blue denim shirt over a white t-shirt. The background is a bright, modern kitchen with a large window and a distinctive ribbed pendant light hanging above. The scene is well-lit, suggesting a daytime setting.

Section 1

Important **DISCLAIMER**

important disclaimer

Responsibility for the Contents of this Prospectus

The Directors whose names appear in Section 8 of this Prospectus have reviewed the contents of this Prospectus and accept full responsibility, collectively and individually, for all the information contained herein relating to Mailpac Group Limited. The Directors have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information given herein is in accordance with the facts and does not omit anything likely to affect, in a material way, the import of such information.

Contents of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Directors believe are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 15. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus. No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Neither the FSC nor any government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

The Invitation is made to Jamaican Residents in Jamaica Only.

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to persons outside of Jamaica to subscribe for any Ordinary Shares in the Company. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

Application to Subscribe for Ordinary Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for Ordinary Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company and the merits and risks of subscribing for Ordinary Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Ordinary Shares including, but not limited to, any tax implications. Each Applicant who submits an Application acknowledges and agrees that:

1. s/he has been afforded a meaningful opportunity to review this Prospectus and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
2. s/he has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
3. no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application.





Section 2

Summary OF KEY OFFER INFORMATION

SUMMARY OF KEY OFFER INFORMATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus. You are advised to read this entire Prospectus carefully before making an investment decision about this Offer. Your attention is specifically drawn to the Risk Factors in Section 12 of this Prospectus. If you have any questions arising out of this document or if you require any explanation, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

Issuer:	Mailpac Group Limited
Selling Shareholder	Norbrook Equity Partners Limited
Securities:	Up to 500,000,000 Ordinary Shares
Invitation:	Means the invitation to subscribe for 250,000,000 Shares made by the Company and the invitation to purchase up to 250,000,000 Shares made by the Selling Shareholder, on the terms and conditions set out in this Prospectus
Minimum Subscription:	Applicants must request a minimum of 10,000 Ordinary Shares. Applications above this amount must be made in multiples of 100
Application:	See Appendix 1

Payment Method

All Applications must be submitted together with payment for the Shares and/or proof of payment:

Payment Using GoIPO for all NCB Bank Online Users (persons with an NCB Bank account with online access to their NCB account)

NCB Online users may use the GoIPO portal to fund the purchase of shares. Go directly to <https://goipo.jncb.com>, select the National Commercial Bank Account or NCBCM Broker Account from which proceeds are to be taken to make payment for the Shares.

Payment Using GoIPO for NCB Capital Markets Clients without NCB Bank online access.

Authorisation may be given from the applicant electronically via <https://goipo.jncb.com>, instructing NCBCM to make payment from cleared funds held with NCBCM. The payment must be coming from the applicants NCBCM broker account in which the Shares are expected to be held.

Payment for all Other Applicants

Transfer or direct deposit to NCB Capital Markets Limited account stated below:

Beneficiary Bank: National Commercial Bank Jamaica Limited.

BIC: JNCBJMKX

Branch: 1-7 Knutsford Blvd. /New Kingston

Beneficiary account #: 241406067

Beneficiary account name: NCB Capital Markets

MAILPAC – [Primary Applicant's Name]

All Applicants will be required to enter electronically via <https://goipo.jncb.com> the payment reference details for amounts transferred to NCB Capital Markets Limited. Payment reference details include:

- Date of Transfer of funds
- Institution from which funds were sent
- Amount transferred
- Confirmation/Reference Number
- Senders Account Number (account from which funds were sent).

Timetable of Key Dates: Publication Date: November 13, 2019
Opening Date: November 22, 2019
Closing Date: December 6, 2019

The Company reserves the right to close the subscription list at any time after it opens without notice if Applications have been received for the full amount of the Shares offered.

EARLY APPLICATIONS MAY BE SUBMITTED. Early Applications will be received but may not be processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 am on the Opening Date. All other Applications will be received on a first come, first served basis.

CONFIRMATION OF BASIS OF ORDINARY SHARE ALLOTMENTS. A notice confirming the provisional basis of Allotment will be posted on the website of the Jamaica Stock Exchange at www.jamstockex.com within three (3) business days after the Closing Date.

RETURNED APPLICATIONS/REFUND CHEQUES. Refund payments will be made to the account provided on NCB Capital Market's GoIPO platform within ten (10) business days after the Closing Date.

Final Allotment of Ordinary Shares and Admission to Junior Market of JSE. Within three (3) to four (4) weeks of the Closing Date successful Applicants will receive a letter from the Registrar of the Jamaica Central Securities Depository Limited confirming their final Allotments.





Section 3

Letter

TO PROSPECTIVE INVESTORS

Letter TO PROSPECTIVE INVESTORS

Dear Prospective Investors,

On behalf of the Board of Directors of Mailpac Group Limited ("MGL"), we are pleased to invite you to participate in our initial public offer of Ordinary Shares in the capital of the Company.

MGL is a recently incorporated company that acquired the businesses, including all the assets and liabilities utilised for operating purposes, of Mailpac Services Limited and Mailpac Local Limited. MGL also acquired the debt owed by Mailpac Services Limited to Norbrook Equity Partners. The purpose of the acquisitions was to amalgamate both ecommerce platforms into one efficient operating business. The acquisitions were executed in a manner that ensured the core operations of both companies remained as is but would benefit from the economies of scale and synergies in being one operating company.

Mailpac Services Limited was formed in 1998 as the first international agent to Metropolitan International Services (Aeropost), a technology focused freight forwarding platform based in Miami, Florida. The idea behind Mailpac Services Limited was to provide an address in the United States where online shoppers in Jamaica could send their purchases to make the process of receiving their items more seamless. The company did that successfully for many years, introducing various value-added enhancements in the process. These include package tracking, home and office delivery, insurance coverage and weight-based pricing (versus dimensional).

In 2010, Norbrook Caribbean Investment Company (the Predecessor to Norbrook Equity Partners Limited) an investment holding company founded by Khary Robinson, approached the owners of Mailpac Services Limited and proposed an acquisition. Amazon, which started just a year before Mailpac Services Limited, had already grown to US\$25B¹ in revenue and showed no signs of slowing down. The expectation was that this level of explosive growth in online shopping would inevitably take hold in Jamaica. Accordingly, NCIC acquired the business with the goal of enhancing the capacity of the platform for what was to come.

After seven years of expanding Mailpac through various infrastructural and technological enhancements, Norbrook leveraged its ecommerce expertise to establish Mailpac Local Limited – a separate ecommerce business serving local retailers that wanted to sell to Jamaican consumers. Led by a separate management team, the company built its customer base by delivering goods bought on its website from local providers such as PriceSmart, Hi-Lo and Stationary Centre.

After significant development across both platforms and over \$263M of investments in infrastructure, technology and service offerings of the acquired businesses (funded through two separate financings consummated by Norbrook, one of which imposes strict debt repayment rules around IPO proceeds),

Norbrook has decided to better position both companies by restructuring them as one newly formed entity – Mailpac Group Limited. This decision was bolstered by the significant growth both companies were experiencing and the expectation that an ecommerce explosion was imminent.

Accordingly, MGL was established and started formally trading on September 30, 2019. The Company offers ecommerce fulfilment services from the United States to Jamaica (under the brand Mailpac Services), cross-border online shopping with local landed prices (Mailpac Marketplace), local online shopping and delivery from local retailers (Mailpac Local), online shopping financing (Mailpac Financial Services), a branded MasterCard for shopping online (The Mailpac Card), sea freight shipping (Mailpac Ocean Freight) and brokerage services.

MGL is the largest ecommerce and logistics company locally measured by its eleven locations and island wide delivery service. Through its vast resources, unique technology, broad infrastructure and expansive base of exclusive partnerships, including that of Aeropost, the company has a very differentiated service offering relative to other providers in the market. This includes:

1. a comprehensive logistics and delivery platform including eleven locations and a vast fleet of delivery vehicles;
2. a technologically advanced customer service team;
3. an app that allows for seamless tracking, payments and pricing;
4. an exclusive partnership with Amazon, eBay and other providers that allows for instant landed pricing inclusive of shipping and duty;
5. a unique address from the Florida Revenue Department which gives our customers access to a tax-free address;
6. backward integration with all major couriers, including FedEx and UPS, for integrated tracking;
7. an insurance programme that includes free returns and full refunds on compromised items;
8. an instant approval financing platform, allowing shoppers to efficiently finance their purchases;
9. a local ecommerce platform, Mailpac Local, that allows consumers the convenience of shopping online for goods sold by local retailers such as PriceSmart and Hi-Lo;
10. a sea freight and brokerage platform to serve the shipping needs of customers outside of ecommerce or small shipments; and
11. a Mailpac Mastercard to allow shoppers a safe and seamless tool to pay for items online.

By amalgamating the resources and skillsets of Mailpac Services and Mailpac Local into one company, MGL is better positioned to lead the ecommerce revolution in Jamaica. Our aim is to continue to work with all stakeholders – online stores, consumers, local retailers, banks, and the government - to ensure that Jamaicans finally and fully garner the economic benefits and efficiency that ecommerce has to offer. We have the technology, we have the team, we have the infrastructure, we have the expertise and we have the capital to ensure that our country and our people don't get left behind this major global shift in trade and commerce.

More importantly, we believe that MGL is on the verge of leading an ecommerce revolution in Jamaica. In fact, while online shoppers in Jamaica have jumped from an assumed 0.2% of the adult population in 2010 to approximately 6% today, this is a far cry from the penetration rates seen globally. A recent study shows that 76% of the US population shops online today². Accordingly, we believe that the business has only begun to scratch the surface of the opportunity it has in serving the country's ecommerce needs.

By investing in MGL, you strategically position yourself as a beneficiary of the expected growth of ecommerce in Jamaica with ownership in the country's most advanced ecommerce platform. At MGL, we are obsessed with ensuring that our fellow Jamaicans have equal access to the significant utility of online shopping as that of their international counterparts. We look forward to partnering with you in realising that goal.

Those investors who are interested in participating should read this Prospectus in its entirety and the full terms and conditions of the Invitation set out in Section 6, and then visit NCB Capital Market Limited's GoIPO platform or by logging onto the website <https://goipo.jncb.com>.

YOURS SINCERELY

ON BEHALF OF THE BOARD OF DIRECTORS,



KHARY ROBINSON
EXECUTIVE CHAIRMAN

MAILPAC
GROUP

²<https://fitsmallbusiness.com/online-shopping-statistics/>



Section 4

DEFINITIONS



DEFINITIONS

In this Prospectus, the following words and phrases shall, unless the context otherwise requires, be read and construed as having the following meanings:

"the Act"	means The Companies Act, 2004
"Allotment"	means the allotment of the Shares to successful Applicants by the Company
"Applicant"	means a person (being an individual or a body corporate) resident in Jamaica, whether an applicant for Reserved Shares or a member of the general public who submits an Application
"Application"	means an application made by completing the Application on the GoIPO portal at http://goipo.jncb.com/ by following the steps set out in Appendix 1 of this Prospectus
"Articles of Incorporation"	means the Articles of Incorporation of the Company together with any amendments thereto
"Auditor"	means Crichton Mullings & Associates
"Board of Directors"	means the Board of Directors of the Company, details of which are set out in Section 8
"Business Day"	means any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in Jamaica
"Company"	means Mailpac Group Limited, a company duly incorporated in Jamaica on September 19, 2019 (No. - 101871) with its registered office at 109 Old Hope Road, Kingston 6 in the parish of St. Andrew
"Closing Date"	means the date on which the subscription list in respect of the Invitation closes, being 4:00 p.m. on the 6th day of December 2019, subject to the right of the Company to shorten or extend the period

DEFINITIONS

“Employee Reserve Pool”	means Employees of Mailpac Group Limited who are permitted to make a priority Application for up to 50,000,000 Ordinary Shares in the Invitation at the price of \$0.90
“Financial Information”	means the Proforma Financial Statements found in Section 11
“Financiers Reserve Pool”	means NCB Capital Markets Limited (NCBCM) and JMMB Securities Limited who are permitted to make a priority Application for up to 150,000,000 Ordinary Shares in the Invitation at the price of \$1.00
“Forward Looking Statements”	means the forward-looking statements referred to in Section 5
“FSC”	means the Financial Services Commission
“Independent Director”	means a member of the Board of Directors who is not related to any majority shareholder and is not employed to the Company
“Invitation”	means the invitation to subscribe for 250,000,000 Shares made by the Company and the invitation to purchase up to 250,000,000 Shares made by the Selling Shareholder, on the terms and conditions set out in this Prospectus
“JSE”	means the Jamaica Stock Exchange
“Junior Market”	means the junior market of the JSE to which the Junior Market Rules apply
“Key Partner Reserve Pool”	means key vendors and customers as well as management and employees of Norbrook Equity Partners who are permitted to make a priority Application for up to 150,000,000 Ordinary Shares in the Invitation at the price of \$1.00
“Lead Arranger and Lead Broker”	means NCB Capital Markets Limited, a company incorporated under the laws of Jamaica with registered office at 32 Trafalgar Road, Kingston 5, Jamaica

DEFINITIONS

“Offer”	means the Invitation
“Opening Date”	means the date on which the subscription list in respect of the Invitation opens, being 9:00 a.m. on the 22 nd day of November 2019
“Ordinary Shares”	means the ordinary shares in the capital of the Company
“Predecessor”	means Norbrook Caribbean Investment Company (NCIC), the predecessor to Norbrook Equity Partners Limited
“Prospectus”	means this document dated the 12th day of November 2019, which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
“Reserved Share Applicants”	means applicants in Financiers Reserve Pool, Employee Reserve Pool and/or Key Partner Reserve Pool
“Reserved Shares”	means Shares reserved for the Reserved Share Applicants
“Sale Shares”	means Shares that the Selling Shareholder has offered to sell
“Selling Shareholder”	means Norbrook Equity Partners Limited, a company duly incorporated under the laws of Saint Lucia and having its registered office at 20 Micoud Street, Castries, Saint Lucia
“Shares”	means the Ordinary Shares in the Company
“Shareholders”	means the holders of the Shares
“Terms and Conditions”	means the terms and conditions of the Invitation set out in Section 6 of this Prospectus

Section 5

DISCLAIMER AND NOTE
ON FORWARD LOOKING

Statements



Save for the historical financial information contained in this Prospectus, certain matters discussed in this Prospectus contain forward-looking statements including, but not limited to, statements of expectations, future plans or future prospects, and pro forma financial information and/or financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made.

Although the Directors believe that in making any such statements their expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Junior Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in the light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made).

There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility;
- adverse climatic events and natural disasters;
- unfavourable market receptiveness to new products and services;
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company;
- any other factor negatively impacting on the realisation of the assumptions on which the Company’s projected financial information is based;
- other factors identified in this Prospectus; and
- factors as yet unknown to the Company.



Section 6

The INVITATION

the invitation

General Information

Prospective investors should read this entire Prospectus carefully. Those prospective investors who wish to subscribe for Ordinary Shares should review the full Terms and Conditions of the Invitation before completing the Application.

Minimum Fundraising

For the purposes of the requirement for disclosure set out in section 48 of the Companies Act, the minimum amount which, in the opinion of the Directors, must be received by the Company as a result of the Invitation is \$495,000,000.00.

Use of Proceeds Arising from the Subscription of Shares

The Company intends to use the proceeds of the Invitation for the following:

- a) General corporate purposes, including working capital, operating expenses and capital expenditure.
- b) To settle existing debt obligations the Selling Shareholder assumed on behalf of the Company. More specifically, Norbrook conducted two rounds of financing over the past three years, and the proceeds were invested in the portfolio companies of Norbrook, including \$263M into Mailpac Services. In addition to typical repayment terms, the most recent financing requires that all net proceeds from an IPO of any Norbrook subsidiary must be used to pay down the facility.

c) Payment of the expenses of the Invitation, which, the Company estimates, will not exceed \$10 million inclusive of General Consumption Tax:

- Legal Fees
- Auditing & Accounting Fees
- Registrar Fees
- Marketing Expenses

Key Dates

The subscription list will open at 9.00 am on the Opening Date and will close at 4:00 p.m. on the Closing Date subject to the right of the Company to:

- a) close the subscription list at any time after 9:00 a.m. on the Opening Date once the issue is fully subscribed; and
- b) to shorten or extend the Closing Date for any reason provided that it does not extend beyond the expiration of 40 days after the publication of this Prospectus for the purposes of section 48(4) of the Companies Act.

In either case, the Company will arrange for a notice to be posted on the website of the JSE (www.jamstockex.com). It is the intention of the Company to apply to the JSE for admission of the Ordinary Shares to the Junior Market. The application is dependent on the Company's ability to:

- a) raise at least \$495,000,000 from the Invitation, and
- b) meet the criteria for admission set out in the Junior Market Rules made by the JSE.

If such application is made and it is successful, the Company expects the Ordinary Shares to be admitted to trading on the Junior Market of the JSE within three (3) to four (4) weeks of the Closing Date (or the shortened or extended Closing Date, as the case may be) and for dealings to commence on that date. In the event that the Ordinary Shares are not admitted to trading on the Junior Market of the JSE, all payments for Ordinary Shares received by the Company will be returned or refunded to the Applicants making them.

Terms and Conditions for Applicants

1. All Applicants (whether Reserved Share Applicants or members of the general public) must apply electronically via <https://goipo.jncb.com>. Reserved Share Applicants will apply by indicating the relevant reserve pool. Each duly completed application, accompanied/supported by payment, or evidence thereof, for the full amount payable, by method approved by the Lead Broker - an "Approved Payment Method" - must be submitted on or before 4:30 pm (Jamaica time) on the Closing Date.
2. All Applicants will be deemed to have accepted the Terms and Conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out on <https://goipo.jncb.com>.
3. Each Applicant acknowledges and agrees that:
 - a. s/he has been afforded a meaningful opportunity to review this Prospectus (including the Terms and Conditions in this Section 6), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
 - b. s/he has not relied on any person other than the Company and the Directors, each of whom has individual and collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;
 - c. no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and
 - d. s/he has made his/her own assessment of the Company, and the merits and risks of subscribing for Ordinary Shares, inclusive of taking advice (or waiving the need for such advice) in relation to the financial and legal implications of subscribing for Shares and the tax implications thereof.
4. Applications from the general public must request a minimum of 10,000 Ordinary Shares and further amounts in multiples of 100. Applications in other denominations will not be processed or accepted.
5. A processing fee of \$163.10 per Application payable to the Registrar applies and is payable by each Applicant.

Terms and Conditions for Applicants *(Continued)*

All Applications must be accompanied by the appropriate payment in the form of either:

Payment Using GoIPO for all NCB Bank Online Users (persons with an NCB Bank account with online access to their NCB account)

- NCB Online users may use the GoIPO portal to fund the purchase of shares. Go directly to <https://goipo.jncb.com>, select the National Commercial Bank Account or NCB Capital Markets Broker Account from which proceeds are to be taken to make payment for the Shares.

Payment Using GoIPO for NCB Capital Markets Clients without NCB Bank online access

- Authorization can be given by the applicant electronically via <https://goipo.jncb.com>, instructing NCBCM to make payment from cleared funds held with NCBCM. The payment must be coming from the applicant's NCBCM broker account in which the shares are expected to be held.

Payment for all Other Applicants

- Transfer or direct deposit to NCBCM account stated below:

Beneficiary Bank	National Commercial Bank Jamaica Limited
BIC	JNCBJMKX
Branch:	1-7 Knustford Blvd. /New Kingston
Beneficiary account #:	241406067
Beneficiary account name:	NCB Capital Markets
Include Comments:	MAILPAC – [Applicant's Name]

Applicants using this option will be required to enter electronically via <https://goipo.jncb.com> the payment reference details for amounts transferred to NCB Capital Markets Limited. Payment reference details include:

- Date of Transfer of funds
- Institution from which funds were sent
- Amount transferred
- Confirmation/Reference Number
- Senders Account Number (account from which funds were sent).

All completed Applications must be completed in accordance with instructions set out in Appendix 1.

Terms and Conditions for Applicants *(Continued)*

The Company may: accept or reject any Application in whole or in part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so; and allot Ordinary Shares to Applicants on a basis to be determined by it in its sole discretion. Multiple Applications by any person (whether in individual or joint names) may be treated as a single Application.

6. Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the Allotment of Ordinary Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Ordinary Shares, subject to the Articles of Incorporation of the Company and the terms and conditions set out in this Section 6 and the Prospectus generally.
7. If the Ordinary Shares are admitted to trade on the Junior Market of the JSE, Applicants will be allotted Ordinary Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications. Please note that the Company does not guarantee admission of the Ordinary Shares to the Junior Market of the JSE. In the event that the Ordinary Shares are not admitted to trading on the Junior Market of the JSE, all payments for Ordinary Shares received by the Company will be returned or refunded to the Applicants.

8. The Company will endeavour to return cheques or make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, to NCB Capital Markets Limited within 10 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque will be returned to the respective broker for collection by the Applicant (or the first-named joint Applicant) stated in the Application, while refunds will be credited to the account provided on page 3 of the application form. Any other persons purporting to collect a cheque on behalf of an Applicant must be authorised in writing to do so.
9. Applicants must be at least 18 years old.
10. The Company may treat multiple Applications by any person (whether in individual or joint names) as a single Application.
11. The Company may notwithstanding, that the intention of the Company is to allot the Shares on a first come, first served basis, reserve the right to allot the Shares to Applicants on a basis to be determined by it in its sole discretion in the event the Invitation is oversubscribed, including on a pro rata basis.

Information

ABOUT THE COMPANY



Section 7



INFORMATION ABOUT THE *Company*

Mailpac Group Limited ("MGL"), is a wholly owned subsidiary of Norbrook Equity Partners ("Norbrook") and was incorporated on September 19, 2019 to acquire the businesses of Mailpac Services Limited and Mailpac Local Limited, for the purpose of amalgamating both logistics platforms into one operating business. MGL acquired both businesses on September 30, 2019 as going concerns. The acquisition resulted in MGL owning all the assets of Mailpac Services Limited and Mailpac Local Limited utilised in operating the businesses as well as assuming all the trade payables of these companies. MGL also acquired the debt owed by Mailpac Services Limited to Norbrook Equity Partners.

The operations of Mailpac Services and Mailpac Local were subsumed by MGL including all employee contracts, processes, solutions, services, customers, vendors, partners and technologies, and assets remain as they were before the acquisitions. Accordingly, MGL boasts over 25 years of combined industry leading expertise and is operated by seasoned managers and staff that have and will continue to lead the businesses into the future.

MGL, having acquired the businesses of Mailpac Services Limited and Mailpac Local Limited, is one of the leading providers of logistics services in the Caribbean with a wide range of services. The company offers ecommerce fulfilment services from the United States to Jamaica (Mailpac Services), cross-border online shopping with local landed prices (Mailpac Marketplace), local online shopping and delivery from local retailers (Mailpac Local), online shopping financing (Mailpac Financial Services), a branded MasterCard for shopping online (The Mailpac Card), sea freight shipping (Mailpac Ocean Freight) and brokerage services.

1998

In 1998, Andrew and Coleen Philips started Mailpac Services Limited to solve the ecommerce fulfilment needs of online shoppers in Jamaica. In doing so, they partnered with the Miami-based company, Metropolitan International Services (Aeropost), that was providing similar services in Costa Rica. This became the genesis of the Aeropost Network. Over the next twelve years, the Aeropost Network (owned by Aeropost) enhanced its infrastructure and technology and significantly expanded its reach to over thirty countries in the Caribbean and Latin America.

2010

In 2010, NCIC (the Predecessor to Norbrook) acquired Mailpac Services Limited with the goal of expanding its platform to serve a broader segment of the Jamaican consumer market. Through several strategic initiatives, including more locations, better technology, competitive pricing and unique partnerships, Mailpac Services Limited grew from serving approximately 5,000 customers in 2010 to over 50,000 today.

2011

In addition to organic growth, Mailpac Services expanded its customer base through a few acquisitions, including the acquisition of its closest competitor in 2011 (Global Couriers) and the ecommerce fulfilment operations of Deutsche Post AG ("DHL") in 2012. These acquisitions expanded the client base of Mailpac Services and enabled the company to procure a broader segment of the online shopping market.

2013

In 2013, Mailpac launched Mailpac Ocean Freight to serve the needs of Jamaican consumers and corporations that wanted to import items too large to be efficiently air freighted. This platform further enabled Mailpac Services to broaden its captive audience, enlisting a base of commercial clients that wanted their ocean freight shipments to benefit from the same level of service and technology they garnered through Mailpac Services. In the same year, Mailpac launched its brokerage services working with a select group of brokers across the country to enhance the clearance process for all customers with brokerage needs – commercial and individual.

2016

In 2016, Norbrook Equity Partners launched Caddiz, an ecommerce platform that allowed local companies to sell their items online. Caddiz provided the technology and the logistics to enable these companies, such as PriceSmart and Hi-Lo, to reach a new audience of customers that wanted the convenience and efficiency of shopping online. In 2018, Caddiz was rebranded and established as a stand-alone company, called Mailpac Local Limited, to benefit from the brand recognition and trust of Mailpac Services Limited.

2017

In 2017, Norbrook started to invest significantly in the differentiation of its ecommerce subsidiaries. Together with Aeropost, Mailpac Services Limited developed the technology and infrastructure for the Mailpac Marketplace, a landed-price, cross-border ecommerce platform accessible in Jamaica. More specifically, the platform allowed Jamaican consumers to shop online on key international sites, such as Amazon, and see all items listed with a landed price (in Jamaican dollars and inclusive of shipping and duty cost). This was a massive evolution in the Mailpac Services Limited offering as customers could now eliminate the uncertainty around the final price of an item bought online as duty and shipping were typically calculated after the customer purchased the item online. It also allowed the customers to pay for items online without having an international credit card.

To accompany the Mailpac Marketplace and to further increase its market reach, Mailpac Services Limited also invested in an instant approval financing platform. The platform allows consumers to finance their online purchases at the point of purchase. This allowed Mailpac Services Limited the ability to reach an untapped market of consumers who were cost and budget conscious and required financing support to acquire international products.

Additional investments were made in securing a tax-free address with the Florida Revenue Department, in the island wide distribution network of both companies, in the development of a Mailpac Mastercard, and in several marketing, service, technology and infrastructure projects that allowed the company to relaunch its platform under the coined term "The New Mailpac". The investments were very well placed as the company experienced record growth thereafter.

MAILPAC
EXPRESS

It's Always Cheaper Online!

MAILPAC DELIVERY

Office



MAILPAC DELIVERY

Truck



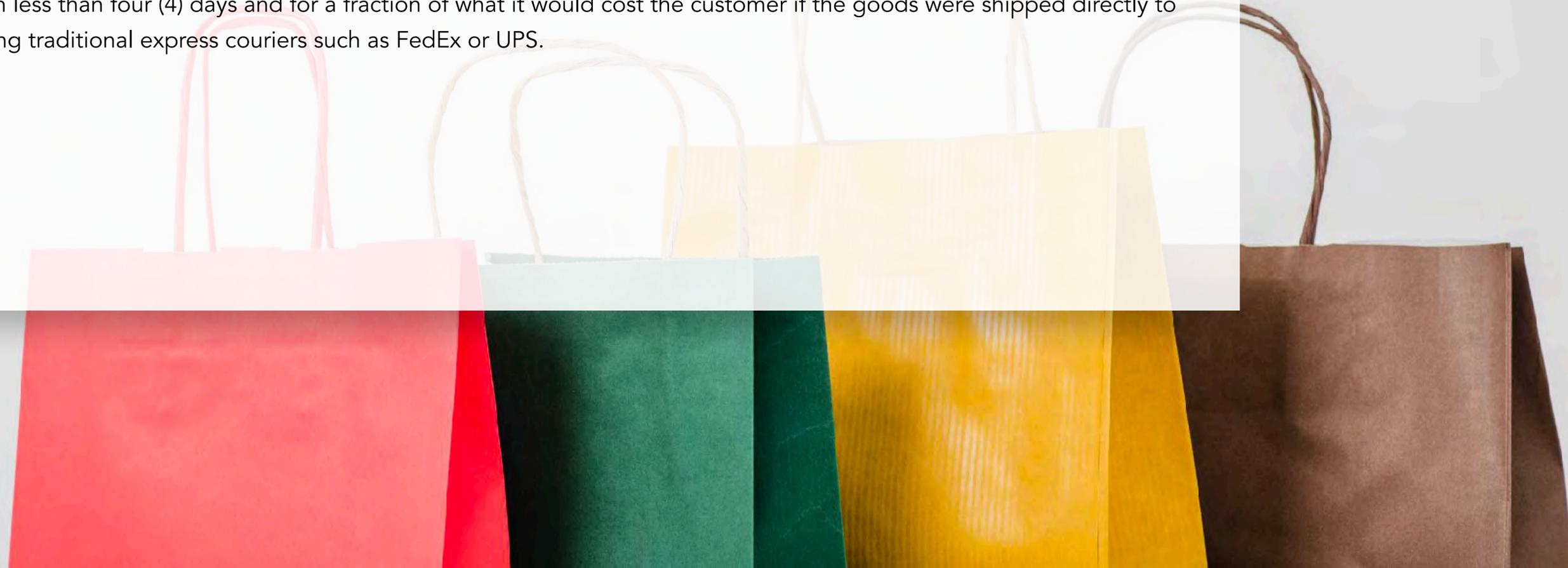
CUSTOMER
Service

OUR *Services*

Ecommerce Fulfilment

MGL, through its acquired business line, Mailpac Services, offers over 20 years of expertise in ecommerce fulfilment. With a rapidly growing client base of over 50,000 consumers and companies in Jamaica, MGL is a technologically advanced fulfilment platform for anyone seeking to enjoy the options, convenience and savings of shopping online.

MGL's core offering provides clients with physical addresses in Miami, Florida where they can receive all goods purchased from international providers (typically online stores such as Amazon and eBay). These goods are received by MGL at a 55,000 square foot, state-of-the-art warehouse facility in Miami operated by Aeropost on behalf of all partners in the Aeropost Network. The goods received are then processed, TSA-inspected, consolidated and flown to Jamaica with third-party cargo airlines. Once the goods arrive in Jamaica, MGL then clears all goods through customs, processes the packages, and delivers them to the customers at their homes or businesses or, alternatively, customers may collect packages at any of the company's eleven stores island wide. This entire process utilises a significant base of technology and infrastructure, creating a time and cost-efficient solution for customers. Most packages that are received at MGL's warehouse in Miami are delivered to customers in less than four (4) days and for a fraction of what it would cost the customer if the goods were shipped directly to Jamaica using traditional express couriers such as FedEx or UPS.



Ecommerce Fulfilment *(Continued)*

MGL is the exclusive agent of Aeropost in Jamaica. Aeropost provides MGL with the technology and infrastructure to support all its processes on the Miami side of the operation. Aeropost's infrastructure provides similar support services for thirty-nine (39) country agents, many of whom are owned and operated in part or in whole by Aeropost. This 'co-op model' has allowed Aeropost and its partners to benefit from the scale, buying power and negotiating leverage that comes with being one of the largest³ ecommerce fulfilment providers in the region with over 1,000,000 customers in the Caribbean and Latin America. In 2017, Aeropost was acquired by PriceSmart International, a NYSE-listed company with over US\$1B⁴ in revenue and significant capital to further enhance and refine the Aeropost platform for the benefit of all agents.

Aeropost leverages these economies of scale and its access to significant resources to develop market leading technology and logistics solutions that allow all agents in the network to provide superior solutions for their clients. Consequently, MGL boasts unique ecommerce fulfilment capabilities in Jamaica by offering an amalgamation of services and solutions, including:

- Eleven island-wide locations and home delivery.
- A tax-free address for all purchases, saving clients 7% on all purchases.
- Free returns on all purchases shipped through Mailpac.
- Instant and guaranteed landed prices (including duty) through a patented pricing tool.
- Full integration with all leading couriers for immediate package recognition and tracking.
- API data integration with the largest ecommerce providers including Amazon and eBay.
- One-click pre-alerting of packages (sending invoice to customs) on all major shopping sites.
- Instant approval financing on all purchases for qualified clients.
- An instant approval prepaid MasterCard for shopping online.

OUR *Services*

³<https://www.prnewswire.com/news-releases/pricesmart-announces-acquisition-of-aeropost-inc-300616076.html>

⁴<https://www.owler.com/company/pricesmart>

ONLINE *Shopping*

MAILPAC MARKETPLACE

While MGL's core business is to provide logistics services to online shoppers, the Company also allows the consumer market to take advantage of the benefits of shopping online even if they (i) do not know if shopping online is within their budget given that the duty and shipping costs are provided after they had committed to buying an item, and (ii) they do not have an international credit card to pay for the item. More specifically, the members of the Aeropost Network worked together to develop an exclusive landed price tool to resolve those two specific issues that hinder broader acceptance of online shopping in the region.

The application (called "Mailpac Marketplace") provides MGL customers with several new ways to shop online including:

1. An app for smart devices that allows the consumer to shop on various leading international online stores with local landed prices. In other words, the prices seen include shipping and duty, and exchanges the currency to Jamaican dollars so that the consumer knows exactly what it will cost to receive the item in Jamaica.
2. A plugin for multiple web browsers which allows the consumer to shop on various US websites and see local landed prices as set out above.
3. An app that allows customers to pre-alert (the process of electronically sending invoices to customs for clearance purposes) and track items automatically from websites such as Amazon and eBay.
4. Direct purchase of items on Aeropost's own e-store which includes several highly discounted items negotiated by PriceSmart on behalf of Aeropost. No other ecommerce provider in the region has the leverage of negotiating from suppliers with over US\$4B of purchasing power between its retail and ecommerce business.
5. An instant approval financing platform that allows consumers to see the landed price and do a quick online application to gain financing support for the purchase of their items, with payment terms of up to six months.

The Mailpac Marketplace has been the fastest growing segment of the Mailpac Services business line (up over 60% year-over-year) and has been an ideal tool for acquiring new customers so they can gain comfort with the idea of shopping online before they start to do it themselves.

Mailpac Ocean Freight & Brokerage

In addition to air freight, MGL offers ocean freight and brokerage services through its business line – Mailpac Ocean Freight. Mailpac Ocean Freight allows customers to ship commercial quantities of items or large items such as furniture, but with the service quality and technological support of air freight.

OUR

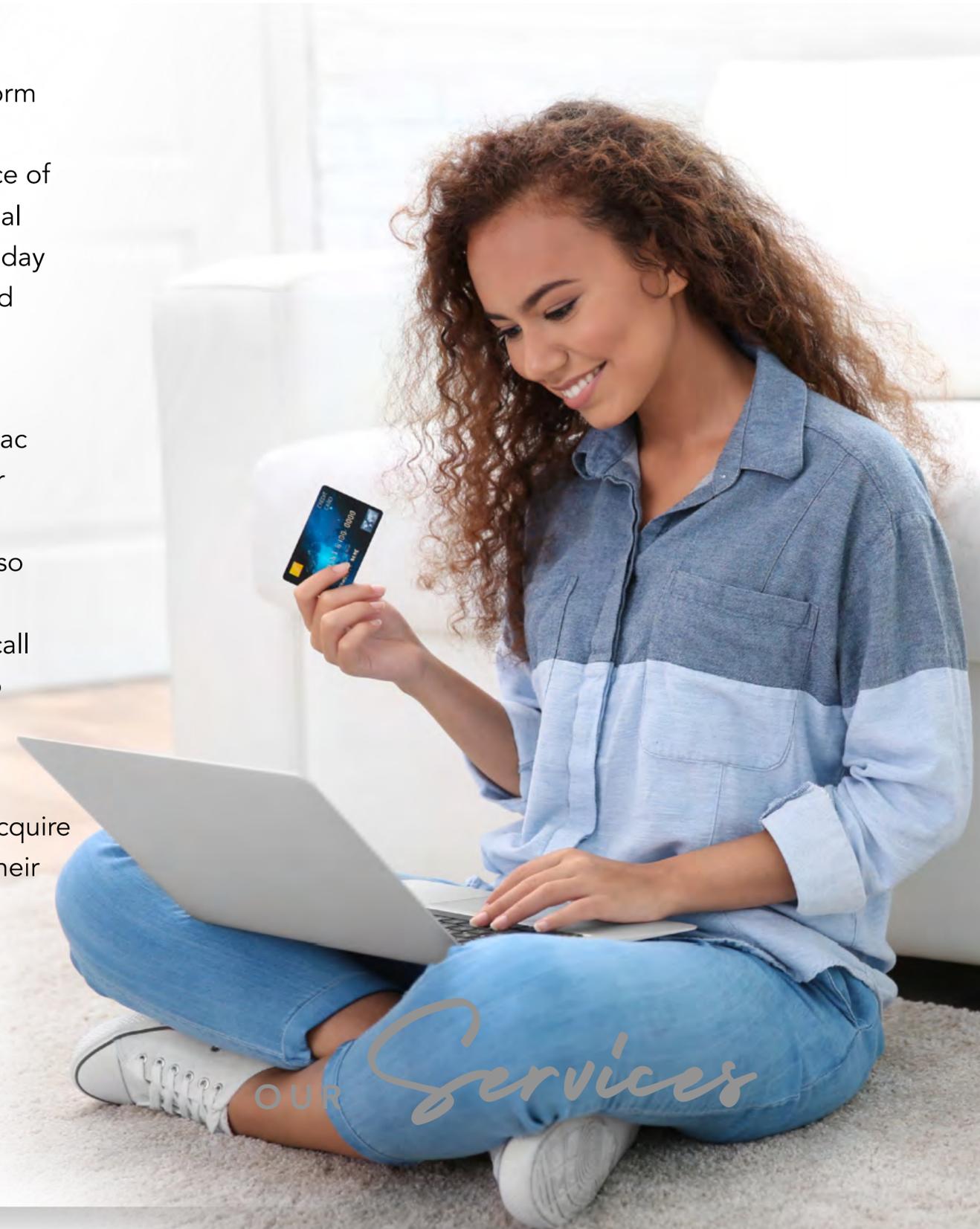
Services

Mailpac Local

Launched in 2016 and rebranded in 2018, Mailpac Local is an online shopping platform that uniquely connects local suppliers to local consumers. The business provides a complementary platform for customers of Mailpac Services that want the convenience of shopping online for goods sold locally and not just for those provided by international vendors. More specifically, the platform allows Jamaican consumers to receive same day and next day delivery of all goods sold at local retailers such as PriceSmart, Hilo Food Stores and The Stationary Centre.

Modelled from online grocery companies such as Amazon Fresh and Instacart, Mailpac Local uses the latest in 'aisle shopping technology' which makes it quick and easy for shoppers to virtually browse the aisles of a store, seamlessly fill a shopping cart with goods, and have them delivered to their doorstep shortly thereafter. The platform also allows users to save their most recent shopping cart so that re-ordering is easier. In addition, every online shopper is paired with a personal in-store concierge who will call the client with any questions or changes that may need to be made. The service also includes island-wide delivery.

MGL plans to expand Mailpac Local's base of partner stores to allow consumers to acquire a wider array of items from a vast base of local stores – all from the convenience of their mobile phones, tablets or laptops.



OUR *Services*

Locations

MGL is headquartered at 109 Old Hope Road, Kingston 6. In addition to the headquarters, MGL also has an additional ten (10) locations around the island. The other locations are located in Downtown Kingston, Mandeville, Manor Park, May Pen, Montego Bay, New Kingston, Ocho Rios, Portmore, Savanna La Mar, and Spanish Town. A list of MGL's locations is provided under Leased Real Property in Section 6 of this Prospectus. Mailpac Local operates from a shared warehouse space on Spanish Town Road.

Tax Compliance

The Company is tax compliant and has satisfied all the statutory requirements in respect of Income Tax (including PAYE), General Consumption Tax, Education Tax and also in respect of NIS, NHT and HEART contributions. The Company holds a Tax Compliance Certificate valid up to and including December 20, 2019.

Concessionary Regime for Taxation of Junior Market Companies

If the Shares are admitted to trading on the Junior Market of the JSE, the Company will benefit from a 10-year concessionary tax regime that starts from the date of listing. In the first five (5) years, it will be eligible for a full remission of corporate income tax, and in the subsequent 5-year period, it will be eligible for a partial (50%) remission of corporate income tax. Transfers of any Shares on the JSE are exempt from transfer tax and stamp duty. Dividends received by Jamaican resident shareholders are subject to a 15% rate of income tax. The tax on dividends is to be withheld at source by the Company as a final tax. Each prospective Shareholder should consult with an independent adviser as to the rate of withholding and other taxes that are applicable to them.

Corporate Details

Mailpac Group Limited was incorporated on September 19, 2019 as a public company with limited liability under the Companies Act of Jamaica and has its registered address at 109 Old Hope Road, Kingston 6 in the parish of Saint Andrew.



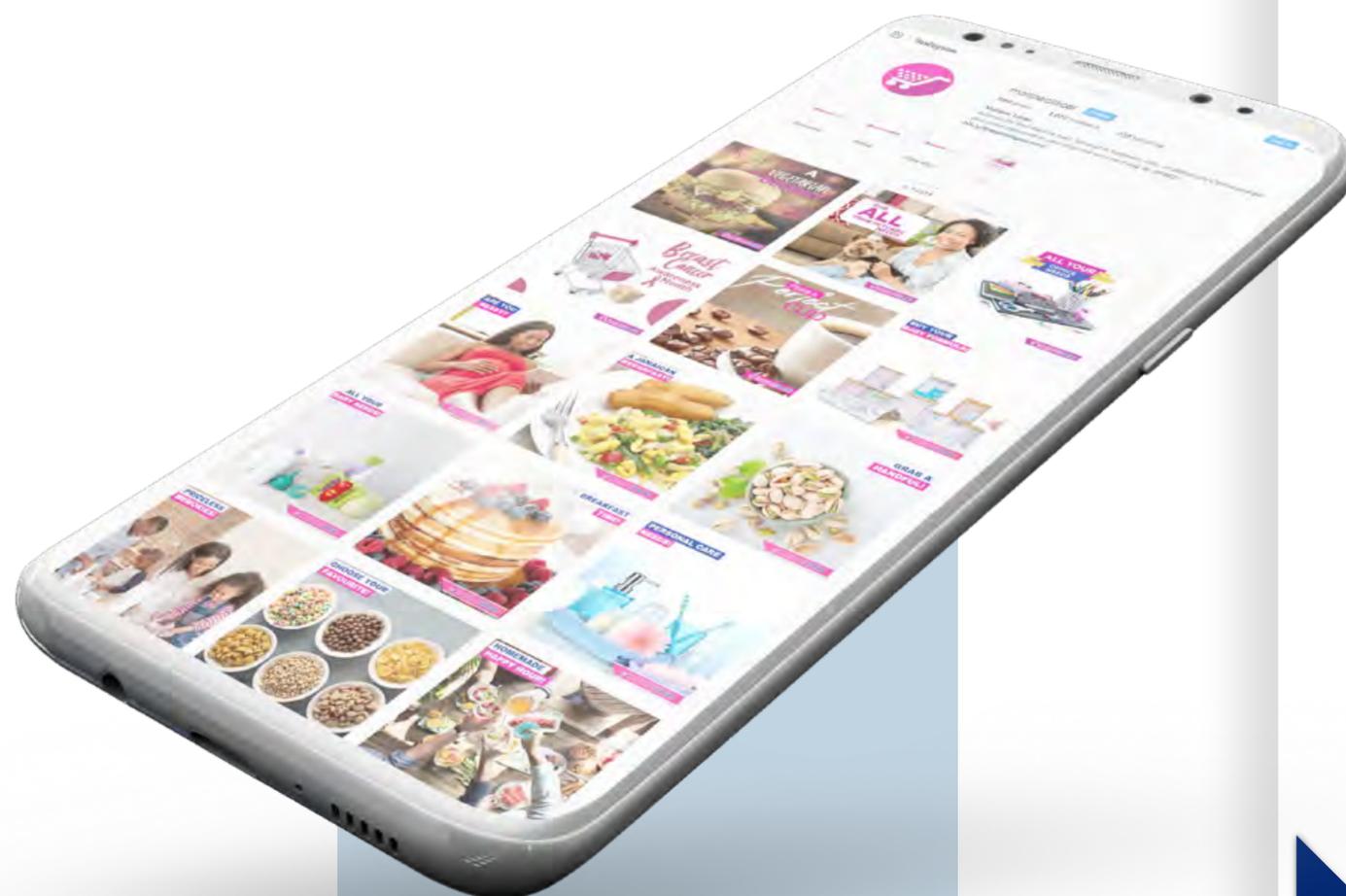
Capital Structure

As at October 31, 2019, the latest practicable date prior to publication of this Prospectus, the authorised and issued share capital of the Company was as follows:

Authorised: No Maximum Ordinary Shares

Issued: 2,250,000,000 Ordinary Shares

The shares in the Invitation will be newly issued Shares of the Company and existing Shares of the Selling Shareholder.



Shareholdings in the Company Before and After the Invitation

As at October 31, 2019, the latest practicable date prior to publication of this Prospectus, the holdings of Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

Name of Shareholder	Number of Ordinary Shares before Opening Date	% of Issued Shares before Opening Date
Norbrook Equity Partners Limited	2,250,000,000	100
Total	2,250,000,000	100

After the subscription lists for the Invitation are closed, and assuming that the Invitation is fully subscribed by the public and by the Reserved Share Applicants, the percentage shareholdings in the Company will be as follows:

Name of Shareholder	Number of Ordinary Shares after Closing Date	% of Issued Shares after Closing Date
Norbrook Equity Partners Limited	2,000,000,000	80.00%
Key Partner Reserve Pool	150,000,000	6.00%
Financiers Reserve Pool	150,000,000	6.00%
Employee Reserve Pool	50,000,000	2.00%
General Public	150,000,000	6.00%
Total Issued Share Capital Following Invitation	2,500,000,000	100.00%

Intellectual & Real Property

As at October 31, 2019, the latest practicable date prior to the publication of this Prospectus, the Company has licensed the following intellectual property and has leased, the following real property:



LEASED REAL PROPERTY: LOCATIONS

Headquarters

109 Old Hope Road
Kingston 6

Mandeville

Shop #7
Superior Plaza
11 Caledonia Road
Mandeville, Manchester

Manor Park

Shop #9
Lower Manor Park Plaza
Kingston 8

Portmore

Mega Mart
Portmore Main
Branch Lot A & E, Portmore
Saint Catherine

Savanna La Mar

Wes J's Uptown Mall #2
Shop 11
10 Barracks Road
Savanna La Mar, Westmoreland

Spanish Town

c/o La Vega Pharmacy
Shop #9
St. Jago Plaza
Spanish Town, Saint Catherine

Downtown, Kingston

72 Harbour Street
Kingston

May Pen

B&J Mall
44 Main Street
May Pen, Clarendon

Montego Bay

Shop #11
Fairview Shopping Centre
Montego Bay, Saint James

New Kingston

12 Altamont Terrace
Kingston 5

Ocho Rios

Shop #12
Eight Rivers Town Centre, Bypass Road
Ocho Rios, Saint Ann



Material Contracts

The Company entered into the following material contracts in the last two (2) years:

1. Agreement between Metropolitan International Services (Aeropost) and Mailpac Services Limited dated October 4, 2017, novated to Mailpac Group Limited on October 1, 2019 in relation to international and ecommerce solutions, and mail and package forwarding services.
2. Corporate Services Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to administrative and management services.
3. Trademark Licence Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to the use of trademarks.
4. Promissory Note issued October 1, 2019 by Mailpac Group Limited in favour of Norbrook Equity Partners (replacing promissory note previously issued by Mailpac Services Limited in favour of Norbrook Equity Partners).

Related Party Transactions

As at October 31, 2019, the latest practicable date prior to the publication of this Prospectus, there were no related party transactions other than: (i) the Corporate Services Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to administrative and management services; (ii) the Trademark Licence Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to the use of trademarks; and (iii) the Promissory Note issued October 1, 2019 by Mailpac Group Limited in favour of Norbrook Equity Partners (replacing promissory note previously issued by Mailpac Services Limited in favour of Norbrook Equity Partners).

Litigation

As at October 31, 2019, the latest practicable date prior to the publication of this Prospectus, the Company was not engaged in any material litigation nor is it aware of any pending material litigation.

Dividend Policy

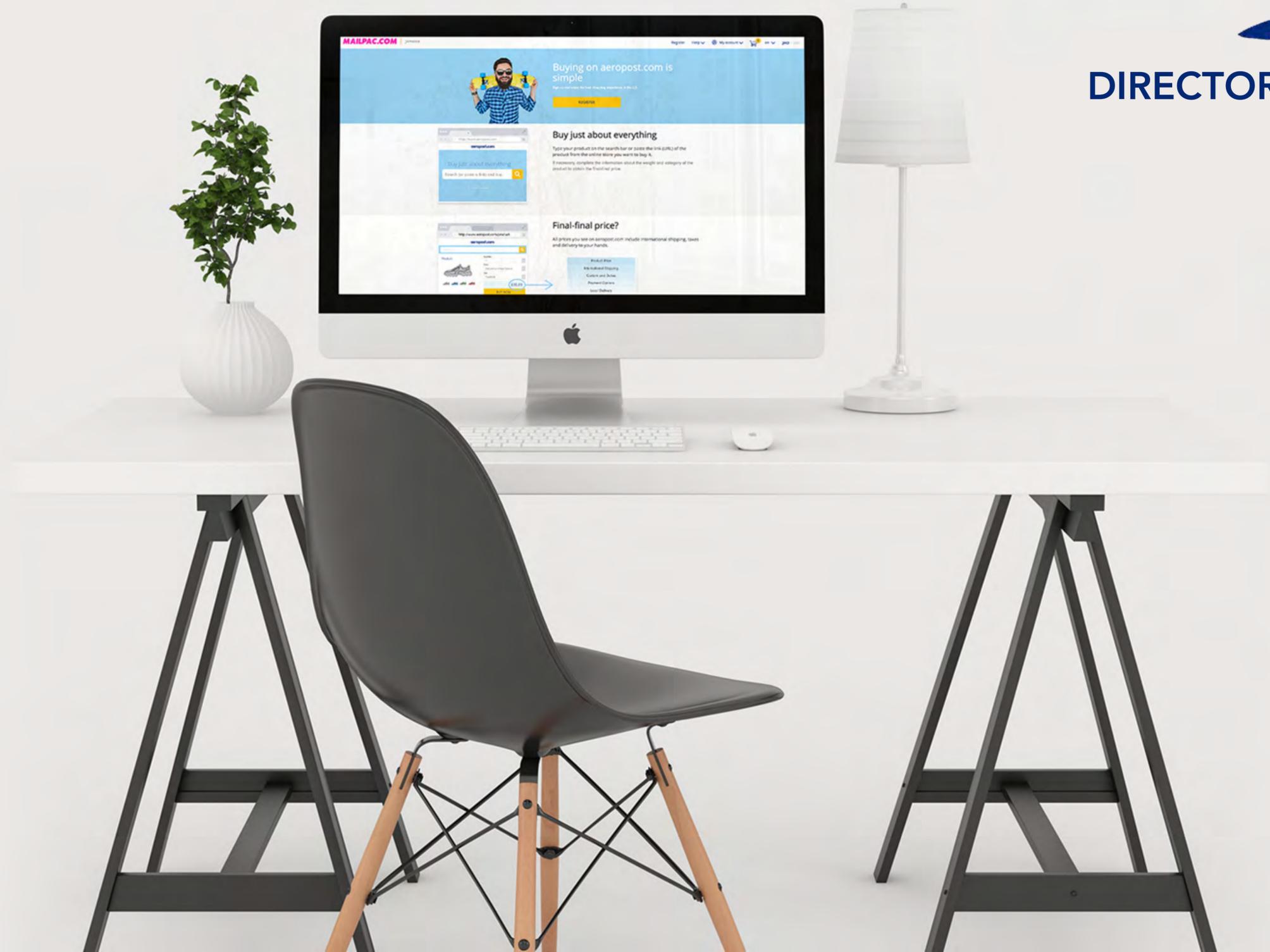
If the Company is admitted to the Junior Market of the JSE, the Directors intend to pursue a dividend policy that projects an annual dividend of up to 75% of net profits available for distribution, subject to the need for reinvestment in the Company from time to time.

Charges Registered against the Company

As at October 31, 2019, the last practicable date prior to the publication of this Prospectus, no charges were registered against the Company.

Section 8

DIRECTORS AND MANAGEMENT



DIRECTORS AND MANAGEMENT

The Board of Directors of Mailpac Group Limited comprises five (5) persons, three of whom are either directly involved in the business operations or are a part of the executive management of the parent company.

Director	Position
Khary Robinson	Executive Chairman
Mark Gonzales	Executive Director & CEO
Garth Pearce	Director
William Craig	Independent, Non-Executive Director
Tracy-Ann Spence	Independent, Non-Executive Director

Brief biographical details of the Directors appear below. The Director's addresses are set out in Section 14.



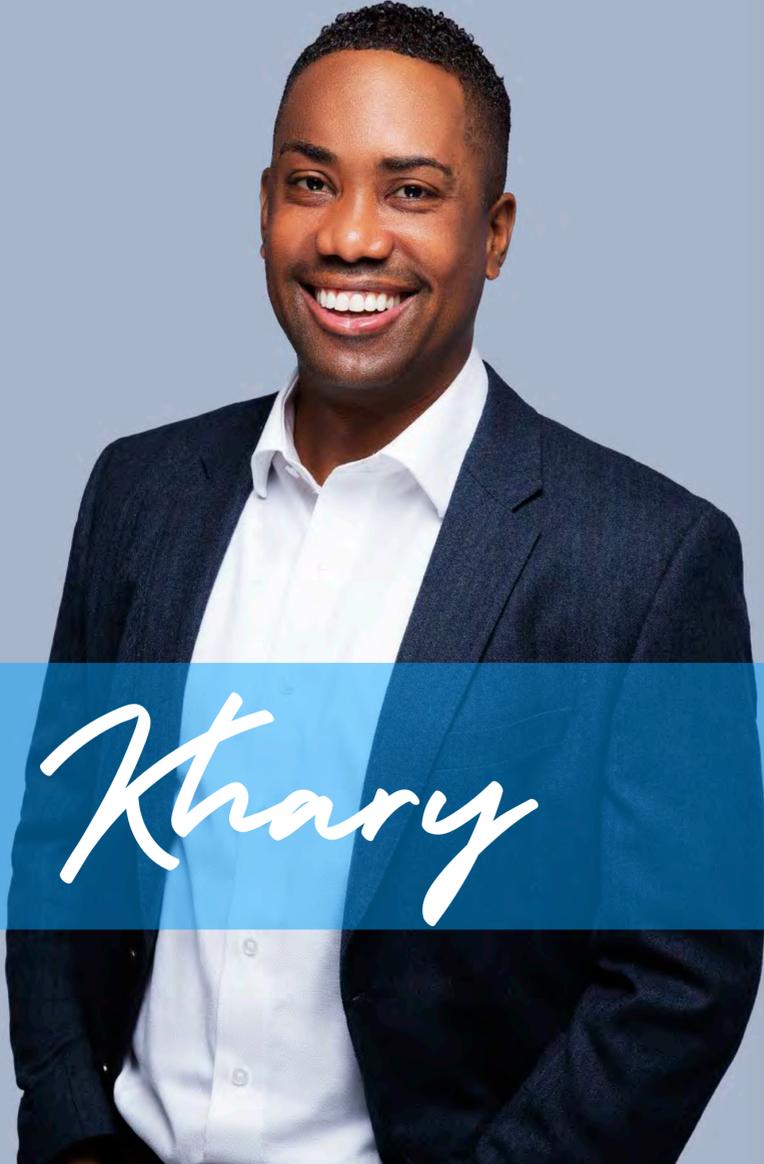
Khary Robinson - (Executive Chairman)

Khary Robinson is the Executive Chairman of Norbrook, a holding company that acquires and operates privately owned businesses in emerging and niche markets. Today, Norbrook owns and operates eleven companies in Jamaica. These businesses are diversified in terms of industry and scope and include ecommerce fulfilment (Mailpac), a private transaction processing company in Jamaica (ePay), an ice manufacturing and distribution company in Jamaica (Pure National Limited), the Jamaican franchisee of Hertz, a drinking water provider (JamAgua), a fitness chain with gyms across the island (Express Fitness) and other business platforms in Jamaica.

Since founding NCIC (the Predecessor to Norbrook) in 2008, Mr. Robinson has been responsible for transaction execution, business development, strategy, finance and operations across the Group. In 2016, Mr. Robinson moved into his current role of Executive Chairman of Norbrook, where he spends most of his time developing and executing group growth 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 Norbrook's Group CEO, Garth Pearce, 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 on a whole.

Prior to establishing Norbrook, Mr. Robinson worked in various industry groups of Investment Banking 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 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, where he was uniquely recognised with the Joseph P. Wharton Fellowship. He has also been recognised for his achievements and was awarded the Goldman Sachs 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).



Khary

Mark Gonzales – Director & CEO

Mr. Gonzales is the CEO of MGL and was previously the CEO of Mailpac Services Limited for over 15 years. He is experienced in customs administration, having spent over eighteen (18) years at the Jamaica Customs Agency. During that time, he gained tremendous knowledge and work experience in almost all aspects of customs processes and procedures, which equipped him to provide expert service on customs and trade operations. He also participated in numerous training programmes and seminars, both locally and internationally, which has helped to widen his scope in areas of International Trade and Business Administration.

Mr. Gonzales received his MBA in Business Administration from The University of New Orleans and holds both BSc. and Asc. Degrees in Business Administration from Northern Caribbean University. Mr. Gonzales is a Justice of the Peace and was appointed to the executive committee of the Lay Magistrate Association of Jamaica Kingston Chapter in 2013 as Director and Chair of Public Relations Committee. He was elected as President in February 2017 and has served on numerous boards over the last ten years.



Garth Pearce – Director

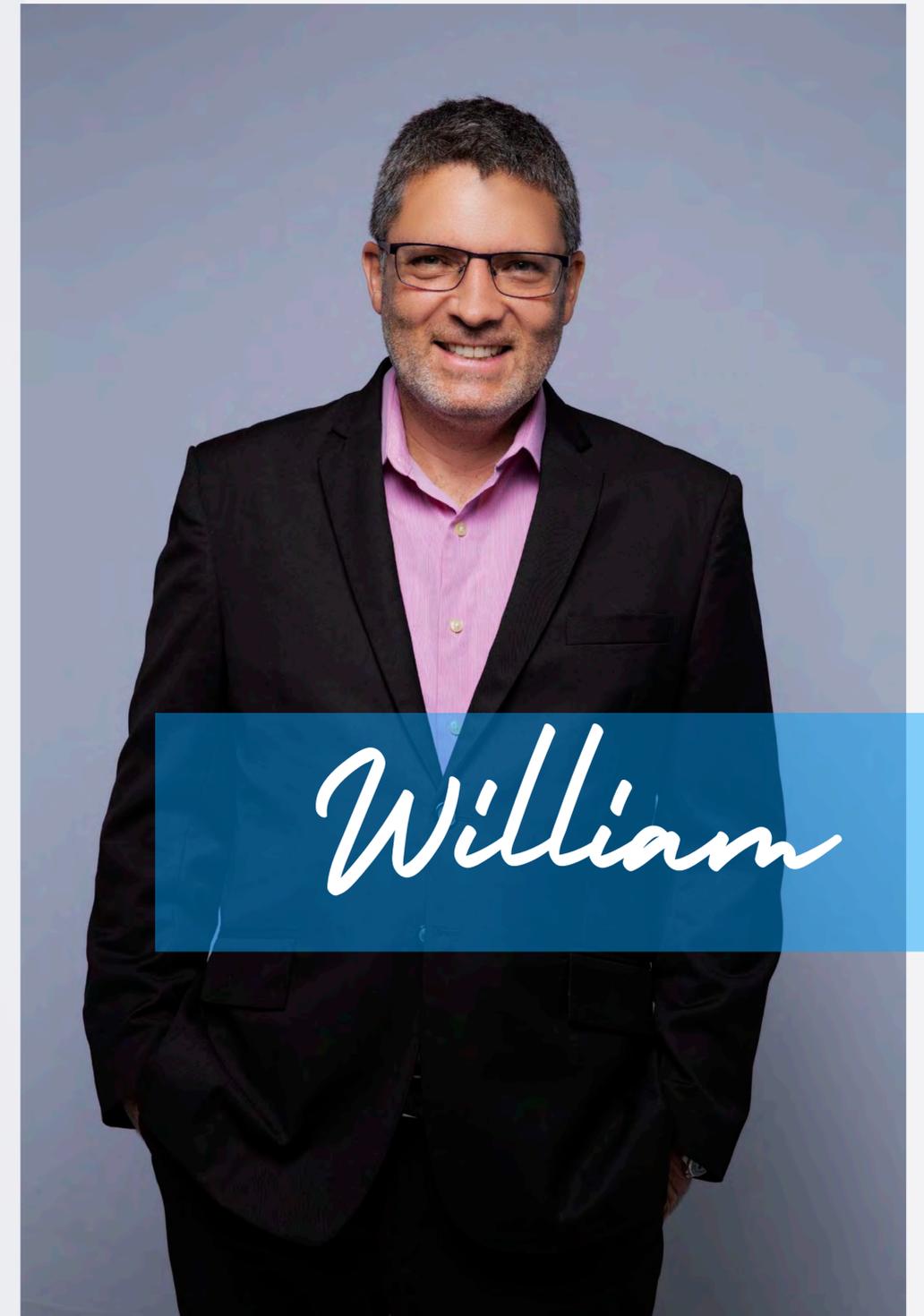
Mr. Pearce currently serves as the Chief Executive Officer of Norbrook. In his current role, Mr. Pearce is responsible for all areas of the group and its portfolio companies. This includes all the central support services provided from Norbrook to each of its portfolio companies - Finance, Accounting, 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.

William Craig

With over 25 years experience in the insurance industry, Mr. Craig has been the CEO of Billy Craig Insurance Brokers since 2001. In his capacity as CEO, he is the company's strategic lead, and ensures that his team consistently provide excellent service and achieve its key performance indicators. Billy Craig offers insurance brokerage and risk management services and has been in operation for over 50 years. He has successfully led the company to form valuable partnerships with international companies such as Aon plc, one of the world's largest insurance brokerage firms. Mr. Craig holds a Bachelor's degree in Economics from Clemson University in the United States. He currently serves on the Boards of Cargo Handlers Limited, and the Cornwall Regional Hospital.



William

Tracy-Ann Spence

Tracy-Ann Spence is currently the Vice President - Investments at NCB Capital Markets Limited, which is the Wealth Management, Asset Management and Investment Banking arm of the NCB Financial Group. She has responsibility for developing and implementing strategies aimed at growing investment income. Her investment portfolios span the region, including subsidiaries in Jamaica, Cayman, Barbados and Trinidad. She has had repeated success in delivering superior results in an ever-changing financial market, with expertise in managing financial negotiations and asset management strategies for enhanced profitability and growth. Her experience covers industries such as: Securities, Banking, General Insurance, Life Insurance and Pension Fund management.

She has been employed to the NCB Financial Group for over 16 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 is an avid supporter of life-enhancing opportunities for young people and values her role as a mentor to young adults. She has been a mentor in the Youth Upliftment Through Employment programme and taught adult literacy with the Adult Learning Centres of Jamaica and Jamaica Foundation for Lifelong Learning.

She enjoys imparting her knowledge and is able to do this through her position as an adjunct lecturer at the Mona School of Business & Management, University of the West Indies, where she has lectured in Financial Management in the MBA and EMBA programmes. She also teaches Portfolio & Investment Management at NCB's Corporate Learning Campus.

Ms. Spence currently sits on the boards of the Jamaica Association for the Deaf, tTech Limited and SiFi Studios Limited. She also represents her company in various capacities such as: President of the Primary Dealers' Association; Associate Member of First Angels Jamaica; and Investor Panel member at the Branson Centre for the Caribbean.



Tracy

Audit Committee

The Board has established an Audit Committee and a Remuneration Committee, each of which is required to be established by the Junior Market Rules. The members of each Committee include at least 2 independent non-executive Directors, and are comprised as follows:

The Audit Committee assists in fulfilling the Board’s mandate for proper corporate governance and has oversight relating to:

Committee Roles and Responsibilities:

- the integrity and accuracy of the financial statements including the review of our annual and quarterly financial statements and reports;
- the integrity of our accounting and financial reporting processes and systems of internal controls over financial reporting, including review with management, our independent auditors, and our internal auditors;
- the scope and performance of the internal audit;
- the engagement of our independent auditors and the evaluation of their qualifications, independence, and performance;
- our compliance with legal and regulatory requirements;
- policies and processes for risk management.



Tracy-Ann Spence (Chair)



William Craig



Garth Pearce

Remuneration Committee

Each non-executive Director of the Company will be paid a fee for his/her attendance at Board meetings. Directors who are also members of committees of the Board will be paid an additional fee. All fees are exclusive of reasonable expenses incurred in attending meetings of the Board and/or the Committees, and the Annual General Meeting.

Mr. William Craig is currently one of the JSE's approved mentors for the purposes of Rule 503 of the Junior Market Rules and is therefore able to discharge the functions and responsibilities required of a mentor under Rule 503(2); accordingly, the Company, through its legal counsel, has applied to the JSE for a waiver of the mentor requirement under the Junior Market Rules.

Committee Roles and Responsibilities:

The Remuneration Committee primarily assists the board of directors in the following functions, among others:

- establishing, reviewing and approving salaries, bonuses and other compensation for senior management;
- reviewing and recommending to the board of directors the compensation of the directors;



William Craig (Chair)



Tracy-Ann Spence



Khary Robinson

Senior Management Team

MARK GONZALES, CHIEF EXECUTIVE OFFICER (CEO)

Mr. Gonzales is the CEO of MGL and was previously the CEO of Mailpac Services Limited for over 15 years. He is experienced in customs administration, having spent over eighteen (18) years at the Jamaica Customs Agency. During that time, he gained tremendous knowledge and work experience in almost all aspects of customs processes and procedures, which equipped him to provide expert service on customs and trade operations. He also participated in numerous training programmes and seminars, both locally and internationally, which has helped to widen his scope in areas of International Trade and Business Administration.

Mr. Gonzales received his MBA in Business Administration from The University of New Orleans and holds both BSc. and Asc. Degrees in Business Administration from Northern Caribbean University. Mr. Gonzales is a Justice of the Peace and was appointed to the executive committee of the Lay Magistrate Association of Jamaica Kingston Chapter in 2013 as Director and Chair of Public Relations Committee. He was elected as President in February 2017 and has served on numerous boards over the last ten years.



Senior Management Team

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, CHIEF OPERATIONS OFFICER OF MAILPAC SERVICES (COO, MAILPAC SERVICES) & COMPANY SECRETARY

Ms. Ray has been employed to the Norbrook group since 2011, where her main focus has been overseeing the day to day operations of Mailpac, which include operations and marketing. Before assuming her role as COO, 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. She also has additional responsibilities as the Company Secretary.



Senior Management Team

DARLENE JOHNSON, CUSTOMER SERVICE MANAGER

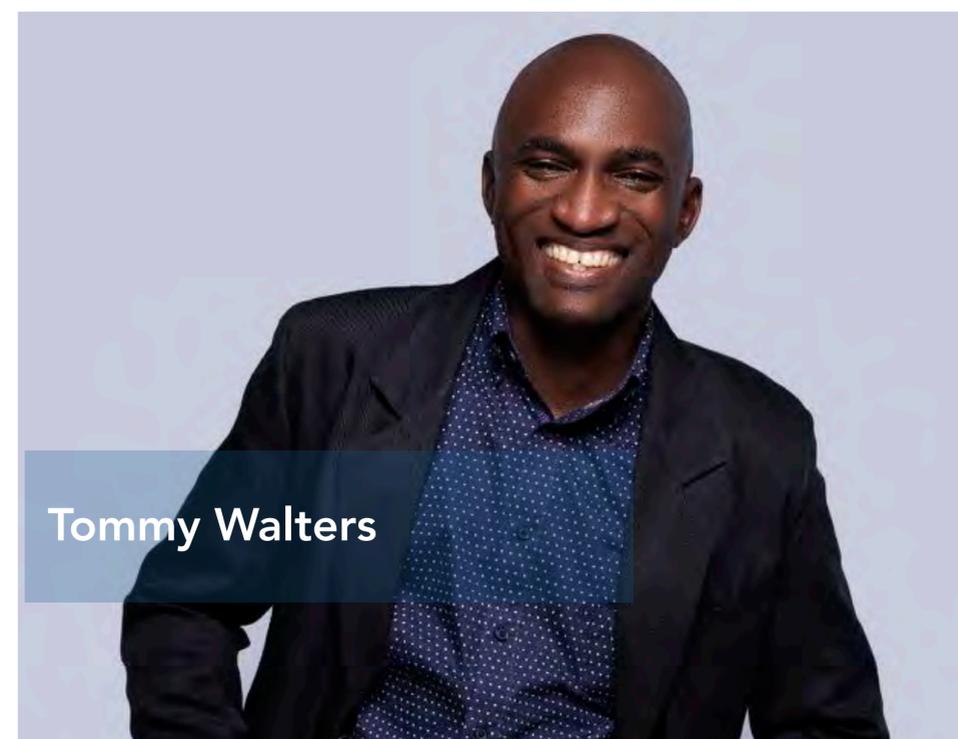
Mrs. Johnson is the Customer Service Manager of MGL and served in the same capacity for over 16 years with Mailpac Services. She is a certified customer service professional with more than 33 years of experience at both the administrative and managerial level, that has spanned the fields of accounts, operations and customer service. Her experience was gained through working in several fields including the automotive, regulatory and service industries. She holds a diploma in Financial Management & Accounting from the University College of the Caribbean.



Darlene Johnson

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 missing or package delivery errors. Mr. Walters has been performing in this capacity for 20 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.



Tommy Walters

Senior Management Team

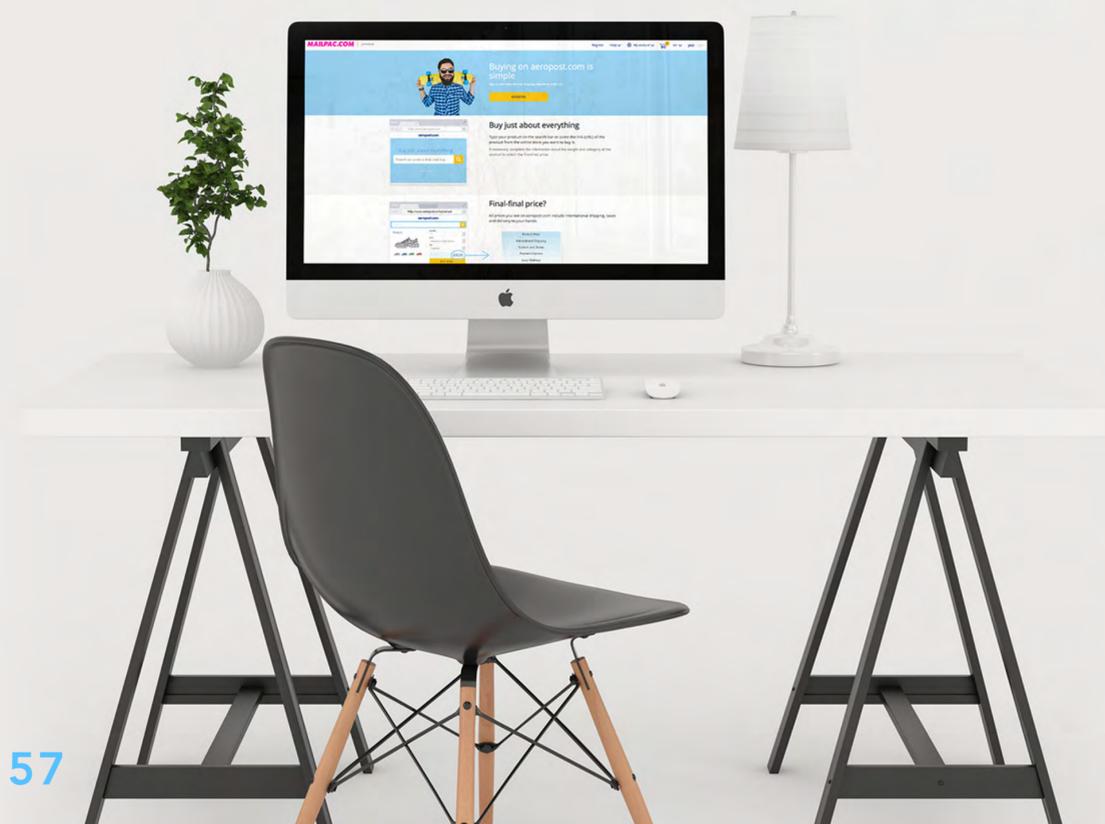
TONI WHITEHORNE, CHIEF OPERATIONS OFFICER OF MAILPAC LOCAL (COO, MAILPAC LOCAL)

Ms. Whitehorne has a wide range of experience in logistics, operations and business restructuring. She started her management career at Norbrook Equity Partners in 2012, and she has worked in several capacities culminating in her being assigned to Precision Logistics Limited where she was key in launching an outsourced solution for Jamaica Public Service Limited's Meter Reading Services. After a brief hiatus from Norbrook Equity Partners, Ms. Whitehorne is now CEO of Mailpac Local and is tasked with the strategic growth and operations of the company. She has an undergraduate degree from The University of the West Indies, Mona in Environmental Sciences and an MBA from Mona School of Business and Management.



Organisation Structure

MGL operates as an independent subsidiary of Norbrook. The management of MGL have full autonomy over the business and report to a Board, made up of three executive directors and two independent directors. Additionally, the Company pays a fee of J\$2M per month to Norbrook for the provision of corporate services, including human resources, marketing, corporate administration, professional services and other back office functions. Norbrook's Founder & Executive Chairman, Khary Robinson, plays an active role in the operations of Mailpac Group Limited as Executive Chairman.



BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

COO, MAILPAC SERVICES

COO, MAILPAC LOCAL

IMPORTATION MANAGER

CUSTOMER SERVICE MANAGER

NORBOOK SHARED SERVICES

Human Resource, Information Technology, Legal, Marketing,
Administrative Services, Other Professional Services



Section 9



MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to, and should be read in conjunction with, the auditor provided projections, the financials presented regarding the companies acquired by MGL, and the accompanying notes presented at Section 11. Amounts and percentages may not total due to rounding.

Company Overview

Consequent on the acquisitions of the businesses of Mailpac Local Limited and Mailpac Services Limited, Mailpac Group Limited became one of the leading providers of logistics services in the Caribbean with a wide range of services. The Company offers ecommerce fulfilment services from the United States to Jamaica (Mailpac Services), cross-border online shopping with local landed prices (MailPac Marketplace), local online shopping and delivery from local retailers (Mailpac Local), online shopping financing (Mailpac Financial Services), a branded MasterCard for shopping online (The Mailpac Card), sea freight shipping (Mailpac Ocean Freight) and brokerage services.

Industry Overview

The ecommerce fulfilment business has been largely driven by the rapid increase in online shopping over the last 20 years. Improved technologies and seamless integration of those technologies in logistics have enabled ecommerce fulfilment providers to offer consumers fast and reliable freight and delivery services. In 2017, global ecommerce sales were estimated at US\$29 trillion, an increase of 13% generated by approximately 1.3 billion online shoppers⁵. The share of consumers buying from across borders rose to 21% in 2017 from 15% in 2015 and was mostly driven by an increase in ecommerce sales in the United States. Given that MGL's hub is based in Miami, Florida, this provides a positive outlook for the potential growth in the local market.

Online shopping, the main driver of MGL's business, is dependent on the level of connectivity of local consumers, as well as their access to transaction-enabling tools such as credit and debit cards, and the Government's increased willingness to promote online trade⁶. According to the World Bank, Jamaica's internet penetration rose from 37.1% in 2013 to 48.78% in 2017⁷, and this has undoubtedly increased in the last two years. This coupled with the fact that the Bank of Jamaica has indicated that there was an increase of 46,398 or 18.89% in the number of credit cards in circulation in 2017 as compared to 2016⁸, shows that the country is increasingly moving towards an environment which supports ecommerce. This is not only important for MGL's foreign ecommerce fulfilment services but provides similar opportunities for fulfilling local business to consumer (B2C), and business to business (B2B) transactions.

⁵United Nations Conference on Trade and Development, Press Release - 29 March 2019 <https://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=505>

⁶Jamaica Information Service – Rapid Growth of Ecommerce offers Opportunity for the Region – 3 November 2017
<https://jis.gov.jm/rapid-growth-ecommerce-offers-opportunity-region-johnson-smith/>

⁷The World Bank - Open Data - <https://data.worldbank.org>

⁸Bank of Jamaica – Jamaica in Figures 2017 - http://boj.org.jm/publications/publications_show.php?publication_id=13

Competition

The market of Ecommerce Logistics Providers / Freight Forwarders in Jamaica is highly fragmented with many small providers serving the shipping needs of clients. However, the market has expanded significantly over the last decade. In 2010, when NCIC acquired Mailpac Services Limited, there were approximately six (6) providers that would clear goods at the Norman Manley International Airport on behalf of online shoppers. Today, there are approximately sixty (60) providers.

While in most cases, a rapidly growing number of providers can prove to be a challenge to one's business, MGL and its Aeropost counterparts across the region have all seen a growth in market players as a benefit. More specifically, these newer and smaller providers become great tools for creating awareness – helping to inform consumers about all the benefits of shopping online. This creates a significant expansion in the market of online shoppers. Ultimately, these new online shoppers trend towards the providers that have the scale and scope to serve them with superior technology, infrastructure, service, responsiveness, insurance and proximity.

Internally, we consider this the “KFC Effect”. More specifically, the out-of-home dining market in Jamaica was once relatively non-existent and was dominated by a few Quick Service Restaurants (QSRs) such as KFC. However, as the emergence of small restaurants vastly increased, it encouraged more ‘out-of-home’ dining, which became a major driver of growth for KFC who maintained its differentiated leadership position in the growing industry by ensuring superior quality, service, and value. This has enabled KFC to become substantially larger today despite the existence of thousands of competing restaurants.

Similarly, MGL has continued to maintain its differentiated leadership position in the growing ecommerce fulfilment industry and there has been a meaningful uptick in growth from the rapid expansion of competition. In fact, before the business was acquired, the number of total packages handled by Mailpac Services between 2013 to 2016 grew at approximately 5.72%. This was at a time when providers were approximately half what they are today. In the subsequent years of 2017 and 2018, growth rates were 12.2% and 25.7% respectively. This pace of growth showed no sign of slowing down as year-over-year growth reached a record rate of 28.8% for the first half of 2019.

Today, the Company continues to benefit from its strong level of technology, service and solutions as stated earlier in this Prospectus, including eleven pickup locations, a tax-free address, free returns, comprehensive insurance, integration with large ecommerce sites such as Amazon, a landed price tool, instant approval financing, a prepaid Mastercard, and a local ecommerce shopping solution.

Proforma Historical Performance

Year over Year Performance

Proforma historical financials for MGL represent the amalgamated financials of Mailpac Services Limited and Mailpac Local Limited, as if they were acquired by MGL on January 1st, 2018. This presentation is provided to provide a view of the performance of the businesses prior to the acquisition and includes financials taken from the audited financials of both businesses for 2018 and management financials for the first three quarters of 2019. The 2018 numbers have been reviewed by Crichton Mullings, the auditors of MGL. Crichton Mullings were also the auditors of Mailpac Services Limited and Mailpac Local Limited.

The pro forma combined financial statements do not necessarily reflect what the combined company's financial condition or results of operations would have been had the acquisition occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.



Proforma Historical Performance

Year over Year Performance

MAILPAC GROUP LIMITED

Statement of comprehensive income

For the nine (9) months ended September 30, 2019

(with comparatives for the year ended December 31, 2018)

	9 months ended Sept 30, 2019	12 months ended Dec 31, 2018
	\$'000	\$'000
Revenues	851,436	969,240
Less: Cost of sales	(409,609)	(449,833)
Gross profit	<u>441,826</u>	<u>519,407</u>
Less: Administrative and general expenses	(224,309)	(277,411)
Selling and promotion	(28,804)	(29,770)
	<u>(253,112)</u>	<u>(307,181)</u>
Operating profit	188,714	212,226
Other income	17,567	1,717
	<u>206,281</u>	<u>213,943</u>
Finance and policy costs	(3,145)	(798)
Profit before taxation	203,136	213,145
Taxation charge	-	-
Net profit attributable to shareholders	<u><u>203,136</u></u>	<u><u>213,145</u></u>

Note:

Adjustments were made for related party costs when compiling the proforma statements of comprehensive income as these cost will not exist at MGL

The businesses acquired show a strong performance before being acquired by MGL. More specifically, in 2018, revenues were \$969.2M and \$851.4M for the first three-quarters of 2019. Net income for the same periods was \$213.1M and \$203.1M, respectively. It should be noted that Mailpac Local Limited only operated for seven (7) months in 2018 and, as such, only sales for that period was included. With a relatively static SG&A cost, the company's margins are only expected to grow as the company's record revenue growth continues.

MAILPAC GROUP LIMITED
Statement of financial position
As at September 30, 2019
(with comparatives as at December 31, 2018)

Proforma Historical Performance

Year over Year Performance

	Sept 30	Dec 31
	<u>2019</u>	<u>2018</u>
	\$'000	\$'000
NON-CURRENT ASSETS		
Intangible assets	244,579	62,329
Property, plant and equipment	37,208	39,738
	<u>281,787</u>	<u>102,067</u>
CURRENT ASSETS		
Accounts receivable and prepayments	41,748	43,141
Cash resources	15,000	59,128
	<u>56,748</u>	<u>102,269</u>
TOTAL ASSETS	<u>338,534</u>	<u>204,336</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
EQUITY		
Share capital	27,395	2,918
Accumulated surplus	0	85,404
Total equity	<u>27,395</u>	<u>88,322</u>
NON-CURRENT LIABILITIES		
Note payable to parent company	262,698	79,031
Total non-current liabilities	<u>262,698</u>	<u>79,031</u>
CURRENT LIABILITIES		
Accounts payable and provision	48,442	36,983
Total current liabilities	<u>48,442</u>	<u>36,983</u>
TOTAL EQUITY AND LIABILITIES	<u>338,534</u>	<u>204,336</u>

Note:

Adjustments were made for related party balances when compiling the proforma statements of financial position as these balances will not exist at MGL

As discussed earlier, the proceeds of the IPO will allow MGL to repay most of the debt that Norbrook incurred on its behalf in financing the expansion and enhancement of the business (~\$263M). It also creates capacity on the Company's balance sheet for growth financing if MGL sees further expansionary opportunities, including new locations, technologies, infrastructure or acquisitions.

MAILPAC GROUP LIMITED
Statement of shareholders' equity
For the period ended September 30, 2019

	Share capital	Accumulated surplus	Total
	\$'000	\$'000	\$'000
Balance as at December 31, 2017 as previously presented	1	(19,463)	(19,462)
Dividends		(16,490)	(16,490)
Restated balance as at December 31, 2017	1	(35,953)	(35,952)
Issue of shares	2,917		2,917
Dividends		(91,788)	(91,788)
Net profit		213,145	213,145
Balance as at December 31, 2018	2,918	85,404	88,322
Dividends		(264,063)	(264,063)
Net profit	-	203,136	203,136
Issue of shares	24,477	(24,477)	-
Balance as at Sept 30, 2019	27,395	0	27,395

MAILPAC GROUP LIMITED
STATEMENT OF CASH FLOWS
For the nine (9) months ended September 30, 2019
(with comparatives for the year ended December 31, 2018)

Proforma Historical Performance
Year over Year Performance

	Sept 30	Dec 31
	<u>2019</u>	<u>2018</u>
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	203,136	213,145
Adjustments for items not affecting cash resources:		
Depreciation and amortization	6,615	7,147
Interest expense	3,145	798
Unrealized(loss)/gain on foreign exchange	-	-
Deferred taxation	-	-
	<u>212,897</u>	<u>221,090</u>
(Increase)/decrease in operating assets:		
Taxation recoverable	-	-
Due from related companies	-	-
Due from directors	-	-
Trade and other receivables	1,393	(5,316)
Increase in operating liabilities:		
Trade and other payables	11,459	(21,903)
Cash flows provided by operating activities	225,749	193,871
Taxation paid	-	-
Net cash provided by operating activities	<u>225,749</u>	<u>193,871</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	<u>(2,668)</u>	<u>(7,678)</u>
Net cash used by investing activities	<u>(2,668)</u>	<u>(7,678)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of parent company loan	-	(91,241)
Repayment of parent company loan	-	-
Issue of shares	-	2,917
Dividends paid	(264,063)	(91,788)
Short term loan	-	-
Other notes payable	-	-
Repayment of notes payable	-	-
Interest paid	(3,145)	(798)
Net cash used in financing activities	<u>(267,208)</u>	<u>(180,910)</u>
NET (DECREASE) / INCREASE IN CASH RESOURCES	(44,128)	5,283
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH RESOURCES - Beginning of the period	<u>59,128</u>	<u>53,845</u>
CASH RESOURCES - End of the period	<u><u>15,000</u></u>	<u><u>59,128</u></u>

2019 Proforma Statement of Comprehensive Income

	Notes	A Jan-19 \$'000	A Feb-19 \$'000	A Mar-19 \$'000	A Apr-19 \$'000	A May-19 \$'000	A Jun-19 \$'000	A Jul-19 \$'000	A Aug-19 \$'000	A Sep-19 \$'000	E Oct-19 \$'000	E Nov-19 \$'000	E Dec-19 \$'000	Total \$'000
Revenue	5	90,515	89,734	93,603	86,429	91,215	98,915	98,538	102,453	100,033	103,369	109,739	129,000	1,193,543
Less: Cost of sales	6	(44,595)	(39,966)	(46,646)	(39,742)	(45,970)	(42,575)	(48,739)	(47,877)	(53,499)	(49,952)	(52,991)	(62,392)	(574,944)
Gross profit		45,919	49,768	46,957	46,687	45,244	56,341	49,799	54,576	46,535	53,416	56,748	66,608	618,599
Other income		205	303	2,332	2,610	744	1,207	3,613	5,728	826				17,567
		46,124	50,071	49,289	49,298	45,988	57,548	53,412	60,304	47,361	53,416	56,748	66,608	636,166
Less: Administrative and general expenses	7	(23,904)	(26,581)	(21,692)	(21,591)	(24,695)	(23,074)	(23,571)	(28,807)	(23,777)	(24,775)	(24,775)	(24,775)	(292,018)
Selling and promotion	8	(3,607)	(3,174)	(3,368)	(3,558)	(2,767)	(2,925)	(3,547)	(2,948)	(2,911)	(3,319)	(3,405)	(3,665)	(39,192)
		(27,511)	(29,755)	(25,059)	(25,149)	(27,463)	(25,999)	(27,118)	(31,755)	(26,688)	(28,094)	(28,180)	(28,440)	(331,211)
EBITDA		18,613	20,316	24,230	24,148	18,525	31,549	26,294	28,549	20,673	25,323	28,568	38,168	304,956
Listing and transactions fees		-	-	-	-	-	-	-	-	-	(9,900)	-	-	(9,900)
Depreciation and amortisation		(751)	(729)	(730)	(731)	(731)	(731)	(734)	(732)	(745)	(1,103)	(1,103)	(1,103)	(9,923)
Profit before finance cost and tax		17,862	19,587	23,500	23,417	17,794	30,817	25,560	27,817	19,928	14,320	27,465	37,065	285,132
Finance cost		(397)	(366)	(1,274)	-	-	(756)	-	(50)	(302)	-	-	-	(3,145)
Net profit attributable to shareholders		17,464	19,221	22,226	23,417	17,794	30,061	25,560	27,767	19,625	14,320	27,465	37,065	281,987

Notes

- (1) Revenues above are proforma and represent the combined performance of Mailpac Services and Mailpac Local during 2019
- (2) 2019 consists of nine (9) months actual performance to September and three (3) months of projections from October to December
- (3) Income from local and international courier and mail order services is projected to grow by 21% over prior year for October to December 2019
- (4) Revenue from the sale of goods, beverages and household supplies is expected to grow by 10% over the prior year for October to December 2019
- (5) Net income for October is stated net of expected listing fees of \$9.9 million
- (6) "A" represents actual performance, and "E" represents estimated performance



Notes to Pro Forma Financial Information

1. Basis of presentation

The pro forma financial statements are based on audited financial statements of Mailpac Services Limited and Mailpac Local Limited for the year ended December 31, 2018 and the management accounts for the nine months ended September 30, 2019. The pro forma financial statements are prepared to give effect that the acquisition had occurred on January 1, 2018.

2. Preliminary purchase price allocation

On September 30, 2019, Mailpac Group Limited acquired the assets and liabilities of Mailpac Services Limited and Mailpac Local Limited. The pro forma financial information includes assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Mailpac Services Limited and Mailpac Local Limited based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities.

3. Pro forma adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the pro forma financial information:

Adjustments to the pro forma statements of comprehensive income

- a) Reflects planned discontinuation of the risk management policies.
- b) Reflects the elimination of inter-company debt and the related interest.

Adjustments to the pro forma statement of financial position

- c) Reflects the preliminary estimate of goodwill, which represents the excess of the purchase price over the fair value of Mailpac Services Limited's and Mailpac Local Limited's identifiable assets acquired and liabilities assumed.
- d) Reflects the elimination of related company receivables.
- e) Reflects dividend payment to parent company.
- f) Reflects the elimination of related party notes payable.



Management Outlook

The most dominant driver of growth for MGL is the impending growth in ecommerce penetration – defined as the number of adults in a population that have bought something online in the last month. While the USA stands at over 76%⁹ and other countries such as India (74%), Vietnam (77%) and the Philippines (70%) are over 70%¹⁰, it is estimated by the management of MGL that in Jamaica only 4% - 6% (approximately 100,000 adults) are shopping online frequently. Accordingly, if awareness and access to online shopping continues to grow, the result will be a significant growth in income for MGL. In fact, if ecommerce penetration was to grow to 25% (still far below that of our international counterparts), and MGL maintained its market share, the company would see revenue growth of between 7.0x — 8.0x. A mature level of penetration as seen globally (~ 65%) would equate to a business expansion of 20.0x — 30.0x, delivering over \$30B in new revenue if all factors were to remain static.

In addition to the expected growth from being the leading provider in an exponentially growing industry, MGL will continue to employ other strategic initiatives to further enable growth:

Increase Market Share

1. With several exclusive technologies and partnerships, MGL is positioned as the best provider in the market for online shoppers. However, for many years, Mailpac Services Limited positioned itself as a premium provider, given these exclusive advantages, including a membership fee. Approximately two years ago, Mailpac Services Limited decided to reposition its pricing and eliminate membership fees to capture a broader base of the market. Coupled with additional delivery points and a broader delivery network, MGL expects to continue taking market share in the industry as it has been doing over the past two years.

Acquisitional Growth

2. As a subsidiary of Norbrook Equity Partners, Mailpac Services Limited developed expertise in growing through multiple channels — organic growth initiatives and acquisitions. In fact, the scaling of the business was bolstered by the acquisition of Global Couriers (the second largest provider at the time) and DHL's EZ Shop business. Accordingly, the management at MGL will continue to look for strategic acquisition opportunities, locally and regionally, that can enable the Company to broaden its scope of operation and enhance its positioning in the marketplace.

⁹ <https://www.statista.com/statistics/412302/ecommerce-penetration-asia-pacific-countries/>

¹⁰ <https://www.statista.com/statistics/412302/ecommerce-penetration-asia-pacific-countries/>

Management Outlook (continued)

Mailpac Local Growth

3. Seven months into its operations, Mailpac Local is already showing signs of becoming an even larger contributor to revenue for Mailpac Group than Mailpac Services. This is as a result of the fact that almost all local retailers will inevitably aim to have an online presence, and Mailpac Local is positioned as the best technology and ecommerce platform to enable that. With the broadest delivery network and twenty years of fulfilment expertise, Mailpac Local is well positioned to become the Amazon of Jamaica – allowing resellers to list their products on our platform and have us manage technology, payments and delivery.

Change in Shipping Behavior

4. Historically, Jamaicans who received goods from abroad would do so through sea freight, given the historical cost and inefficiencies of air freight. However, with the rapidly declining rates of air freight and the efficiencies delivered by freight forwarders such as MGL, more consumers or senders are turning to MGL to deliver their international items — from small items that used to go into a ‘barrel’, to large items needed for the household such as TVs or furniture.

Technology Enhancements & Partners

5. As a partner to one of the largest networks of ecommerce logistics providers in the region (Aeropost), MGL will continue to benefit from market-leading technological solutions. Additionally, with over one million online shoppers using the Aeropost network in the region, MGL will gain from the economies of scale granted through the platform’s embedded partnerships, including with market leaders such as Amazon, eBay and Alibaba.



Management Outlook (continued)

Financing

6. Beta launched in 2018, Mailpac Financial will allow consumers to access more goods online by offering captive financing through its exclusive online portal. The portal allows shoppers to enter a few basic pieces of information and get instant adjudication of loans for items being purchased. In its beta phase, Mailpac Services utilised a unique approval algorithm and approved 43 loans with no defaults (three-month payback with 33% deposit). We expect to formally launch the platform in early 2020.

The Mailpac MasterCard

7. By partnering with sister company, ePayment Group, the Company is finalizing the launch of its own Mailpac MasterCard. Prepaid in nature, the card allows any consumer to 'top-up' a Mailpac-branded prepaid MasterCard and shop online. This solution is targeted for the significant base of unbanked and underbanked consumers that have identified products online that they want to purchase, but don't have a transactional tool to do so. The Mailpac MasterCard will enable this segment of the market to shop online and will ensure their purchases are shipped through Mailpac.



Projections Commentary

The projected financial results are based on management's opinion of the market and the targeted growth strategies for the next five years, as outlined in the Management Outlook section. These projections leverage the experience of existing management and expertise from its parent company to continue building on the solid base on which MGL has been established. It should be noted that the projections for 2019 only include the final quarter (October to December) of the company's financial year.

Assumptions

The detailed assumptions used for deriving the projections are provided in the Notes to the Projected Financial Statements. Other general assumptions include:

1. Single digit increases in inflation annually.
2. No changes in General Consumption Tax (GCT) rate in the five-year period.
3. No impairment of goodwill.
4. No additional ordinary shares will be issued by the Company during the projected period.
5. The exchange rate for the Jamaican dollar in relation to the US dollar at the start of the projections will be applicable for the projected period.
6. There will be no significant changes in the operating environment, both in Jamaica and the United States, that may materially affect the operations of the Company.



Financial Commentary

The projected after-tax profit is expected to increase by a CAGR of 15.1% during the projected period, moving from \$317.0 million in 2020 to \$555.5 million by 2024. This is primarily due to the projected growth in revenues of 11.0% (CAGR) during the period, as the Company executes its strategies, which are expected to be driven mainly by an increase in ecommerce penetration. MGL is also positioned to execute on its strategic plans for expansion in the local market as Jamaicans have become increasingly more tech savvy and show signs of moving towards a cashless society. This growth in Mailpac Local is reflected in the overall gross margin of MGL declining marginally to 50%.

The reducing operating expense ratio is due to management's strategy of streamlining the current operations to maximise shareholder value by re-examining current processes and restructuring them primarily through the increased use of technology. Capital expenditure for the period is expected to be minimal at \$44.4 million, as the Company has already invested significantly in the technology which drives its revenue and cost efficiency. This investment is reflected in the pre-IPO balance sheet (referred to in Section 11) long-term liability of \$263 million.

Total assets are expected to grow significantly during the period from \$418.6 million to \$1.342 billion, due primarily to the increase in cash and cash equivalents for the period, and this trend continues for shareholders' equity as retained earnings will continue to grow as the company is projected to increase its net profit by approximately 75% during the period. Dividends to be paid to the Company's shareholders are projected to be 75% of prior year's net profits.

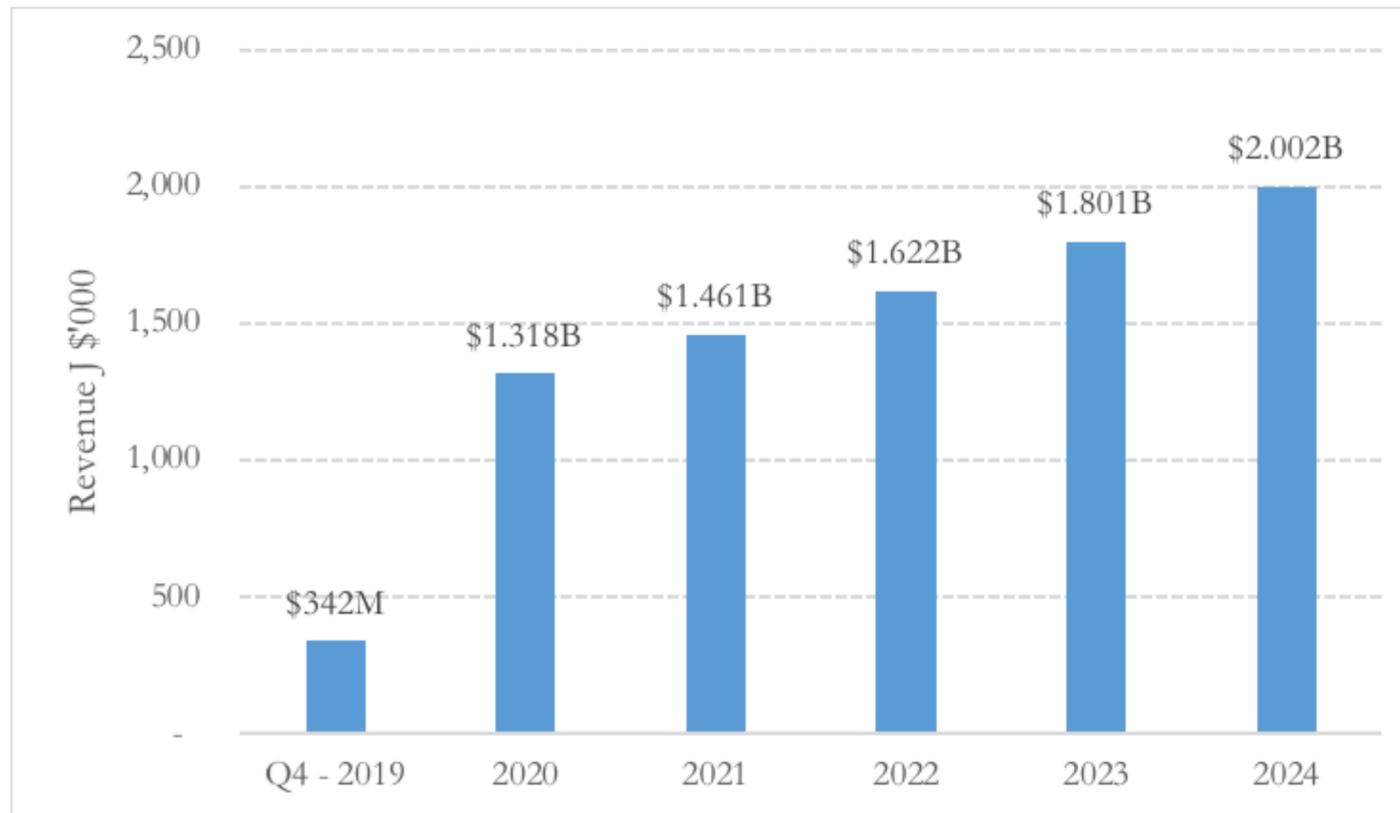
The current ratio is expected to increase from 2.85 to 14.01, which indicates that the Company will be able to meet its short-term obligations and be able to grow by executing on its long-term strategies. The debt to equity ratio will be lowered as the Company will use some of the proceeds of the sale of the IPO to liquidate its existing long-term debt obligations, and these projections do not contemplate any specific plans which would result in any increases in long-term liabilities during the projected period.



Figure 7: Key Financial Information for Projected Period 2019-2024

	Q4 - 2019	2020	2021	2022	2023	2024
Income Statement						
Total Revenues (\$'000)	342,108	1,318,028	1,461,629	1,621,951	1,801,136	2,001,638
Gross Profit (\$'000)	176,773	681,205	750,107	826,054	909,784	1,002,111
Operating Expenses (\$'000)	97,922	364,166	381,192	403,123	424,269	446,593
EBITDA (\$'000)	92,059	330,690	383,596	440,009	502,898	572,969
Net Profit (\$'000)	78,851	317,039	368,915	422,931	485,514	555,518
Balance Sheet						
Total Assets (\$'000)	418,620	680,972	817,080	969,021	1,143,712	1,342,245
Total Liabilities (\$'000)	311,139	62,374	66,825	71,797	77,493	83,868
Cash and Cash Equivalents (\$'000)	82,902	346,924	484,129	627,058	802,130	999,012
Shareholders' Equity (\$'000)	356,246	614,147	745,282	891,527	1,059,843	1,251,226
Retained Earnings (\$'000)	78,851	336,752	467,887	614,132	782,448	973,831
Financial Ratios						
Gross Profit Margin	52%	52%	51%	51%	51%	50%
Operating Expense Ratio	25%	27%	25%	24%	23%	21%
Net Profit Margin	23%	24%	25%	26%	27%	28%
Current Ratio	2.85	7.60	9.40	10.90	12.51	14.01
Return on Assets		58%	49%	47%	60%	45%
Return on Equity		65%	54%	52%	50%	48%
Debt to Equity	0.18	0.11	0.10	0.09	0.08	0.07

Projected Revenue for the Q4-2019 to 2024:



Projected Net Profit for Q4-2019 to 2024



Section 70

AUDITOR'S REPORT





CrichtonMullings
& ASSOCIATES

Rohan Crichton, CPA, CA, MAcc
senior partner
Leary C. Mullings, CPA, CA, MBA
senior partner

Chartered Accountants
Certified Public Accountants

Unit 27B, 80 LMR
80 Lady Musgrave Road
Kingston 6
876-946-1274, 876-978-0877 (F)

November 11, 2019

The Directors
Mailpac Group Limited
109 Old Hope
Kingston 6, Jamaica

Ladies and Gentlemen:

Re: Auditor's Report on the Projected Financial Information that will be included in the Prospectus to be Issued by Mailpac Group Limited

CrichtonMullings & Associates ("CMA") has been engaged by Mailpac Group Limited to prepare this report for inclusion in the Prospectus issued by Mailpac Group Limited, dated November 12, 2019, in respect of the proposed offer by subscription of the ordinary shares under Section 40(2) of the Companies Act.

Expressions defined in the Prospectus have the same meaning in this report.

Projected financial information

CMA has been requested to prepare a report covering the prospective financial information described below and disclosed in the Prospectus.

The directors' prospective financial information is set out in section 9 and 11 of the Prospectus and comprises the projected statement of financial position, projected statement of comprehensive income, projected statement of equity, projected statement of cash flows and the accompanying notes of Mailpac Group Limited for the years ending December 31, 2019 to December 31, 2024.

The directors' of Mailpac Group Limited are responsible for the preparation and presentation of the directors' prospective information, including the assumptions on which the directors' projection is based.

The directors' prospective information has been prepared by the directors to provide Applicants with a guide to Mailpac Group Limited's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. The directors' assumptions underlying the directors' projections are set out in section 11 of the Prospectus.

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Projected financial information (cont'd)

There is a considerable degree of judgment involved in the preparation of any prospective information. Consequently, the actual results of Mailpac Group Limited during the projected period may vary materially from the directors' projections, and that variation may be materially positive or negative.

The directors' projection is sensitive to changes in key assumptions set out in section 11 of the Prospectus and the risks to which the business of Mailpac Group Limited is exposed are set out in section 12 of the Prospectus. Applicants should consider the directors' projection in conjunction with those sections.

The directors' projection is presented in an abbreviated form and does not include all of the disclosures required by International Financial Reporting Standards applicable to annual financial reports prepared in accordance with the Companies Act.

Scope of examination of directors' projection and directors' hypothetical assumptions

We have been engaged to examine the directors' prospective financial information under International Standard on Assurance Engagements 3400, The Examination of Prospective Financial Information.

We have examined the prospective financial information to be included in the Prospectus in accordance with International Standard on Assurance Engagements 3400. Our procedures have consisted primarily of enquiry and comparison, and other analytical review procedures as we consider necessary.

Our examination of the directors' projection and hypothetical assumptions is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. A review of this nature provides less assurance than an audit. We did not perform an audit and we do not express an audit opinion on the directors' projection, or the directors' hypothetical assumptions.

The directors are responsible for the preparation and presentation of the prospective financial information, including the assumptions on which the prospective financial information is based. As the Mailpac Group Limited is in a start-up phase, the projections have been prepared using a set of assumptions including hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the projections may not be appropriate for purposes other than that described.

Examination statement on the directors' projections and the directors' hypothetical assumptions

Based on our examination of the evidence supporting the assumptions, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' assumptions, set out in section 11 of the Prospectus, when taken as a whole, do not provide a reasonable basis for the preparation of the directors' projections; and that
- the directors' projections, set out in section 11 of the Prospectus, are not properly prepared on the basis of the directors' assumptions or presented fairly in accordance with the recognition and measurement principles prescribed in International Financial Reporting Standards.

The underlying assumptions are subject to significant uncertainties and contingencies, often outside the control of Mailpac Group Limited. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we do not confirm or guarantee the achievement of the directors' projections, as future events, by their very nature, are not capable of independent substantiation.

Independence

CMA does not have any interest in the outcome of this issue, other than in connection with the preparation of this report, for which normal professional fees will be received. CMA also provides external audit services to Mailpac Services Limited and Mailpac Local Limited, for which normal professional fees are received.

CMA has consented to the inclusion of this Accountants' Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, CMA makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General advice warning

This report has been prepared, and included in the Prospectus, to provide Applicants with general information only and does not take into account the objectives, financial situation or needs of any specific Applicant. It is not intended to take the place of professional advice and Applicants should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an Applicant should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

All Applicants should consider the appropriateness of this general advice having regard to their own objectives, financial situation and needs before they act on any advice contained in this report.

Declaration of Relationship

We will receive a fee as compensation for our services in providing this report. We are also acting as tax advisor in connection with the Transaction and will receive a fee for our tax advisory services. CMA has not been involved as a financial advisor to Mailpac Group Limited and has been retained solely with respect to:

- (i) the review of the Mailpac Group Limited prospective financial information

CMA has performed its examination of the prospective financial information in an independent manner with access to management information and reports.

Except for the fees referred to above, neither CMA, nor its representative, or any of its employees, involved in the provision of the report, receive any pecuniary or other benefits, directly or indirectly, for or in connection with, the provision of the Accountants' Report.

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we provide.

Yours faithfully,
CrichtonMullings & Associates
Chartered Accountants

CrichtonMullings & Associates



CrichtonMullings
& ASSOCIATES

Rohan Crichton, CPA CA MAcc
senior partner
Leary C. Mullings, CPA CA MBA
senior partner

Chartered Accountants
Certified Public Accountants

Unit 27B, 80 LMR
80 Lady Musgrave Road
Kingston 6
876-946-1274, 876-978-0877 (F)

November 11, 2019

The Directors
Mailpac Group Limited
109 Old Hope
Kingston 6, Jamaica

Ladies and Gentlemen:

Re: **Auditor's Report on the compilation of the Pro Forma Financial Information that will be included in the Prospectus to be Issued by Mailpac Group Limited**

We have completed our engagement to report on the compilation of pro forma financial information of Mailpac Group Limited (the "Company"). The pro forma financial information consists of pro forma statement of financial position as at December 31, 2018 and September 30, 2019, the pro forma statement of comprehensive income for the year ended December 31, 2018 and the nine months ended September 30, 2019, the pro forma statement of cash flows for the year ended December 2018 and the nine months ended September 30, 2019, the pro forma statement of changes in equity for the year ended December 31, 2018 and the nine months ended September 30, 2019 and related notes as set out in section 9 of the prospectus issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in note 1.

The pro forma financial information has been prepared on the basis of audited financial statements for Mailpac Services Limited and Mailpac Local Limited for the year ended December 31, 2018 and management accounts for the nine months ended September 30, 2019.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with the rules governing the listing of shares on the Jamaica Stock Exchange Junior Market and with reference to International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial included in a Prospectus*.

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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control (ISQC 1), *Quality Control for Firms that Perform Audits and Review of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by the rules of Jamaica Stock Exchange Junior Market, about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the pro forma financial information on the basis of the Jamaica Stock Exchange Junior Market rules.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at September 30, 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated, such basis is consistent with the accounting policies of the Company; and the adjustments are appropriate for the purposes of the pro forma financial information.

Yours faithfully,
CrichtonMullings & Associates
Chartered Accountants

CrichtonMullings & Associates

Section 11

PROJECTED FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE INCOME

September 30, 2019 to December 31, 2024

	Notes	Q4 - 2019	2020	2021	2022	2023	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5	342,108	1,318,028	1,461,629	1,621,951	1,801,136	2,001,638
Less: Cost of sales	6	(165,335)	(636,822)	(711,522)	(795,896)	(891,352)	(999,527)
Gross profit		176,773	681,205	750,107	826,054	909,784	1,002,111
Other income		-	-	-	-	-	-
		176,773	681,205	750,107	826,054	909,784	1,002,111
Administrative and general expenses	7	(74,325)	(306,304)	(320,359)	(334,832)	(350,014)	(365,940)
Selling and promotion	8	(10,389)	(44,212)	(46,152)	(51,214)	(56,872)	(63,203)
		(84,714)	(350,516)	(366,511)	(386,046)	(406,885)	(429,142)
EBITDA		92,059	330,690	383,596	440,009	502,898	572,969
Listing and transaction fees		(9,900)	(750)	(750)	(750)	(750)	(750)
Depreciation and amortisation		(3,308)	(12,900)	(13,931)	(16,328)	(16,634)	(16,700)
Profit before finance cost		78,851	317,039	368,915	422,931	485,514	555,518
Finance cost		-	-	-	-	-	-
Net Income		78,851	317,039	368,915	422,931	485,514	555,518

Revenue for Q4-2019 was projected based on revenue for the comparative months in 2018 plus an incremental increase of 21% (consistent with YOY growth achieved between Jan to Sept 2019)

STATEMENT OF FINANCIAL POSITION

September 30, 2019 to December 31, 2024

	Notes	<u>30-Sep</u> <u>2019</u> \$'000	<u>31-Dec</u> <u>2019</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2024</u> \$'000
NON-CURRENT ASSETS								
Intangible assets	9	244,579	242,960	236,479	229,999	223,518	217,038	210,557
Property, plant and equipment	10	37,208	34,237	32,944	31,285	38,917	36,231	34,532
		<u>281,787</u>	<u>277,197</u>	<u>269,423</u>	<u>261,284</u>	<u>262,435</u>	<u>253,269</u>	<u>245,089</u>
CURRENT ASSETS								
Accounts receivable and prepayments	11	41,748	58,521	64,625	71,667	79,527	88,313	98,144
Cash resources		15,000	82,902	346,924	484,129	627,058	802,130	999,012
		<u>56,748</u>	<u>141,423</u>	<u>411,550</u>	<u>555,796</u>	<u>706,586</u>	<u>890,444</u>	<u>1,097,156</u>
TOTAL ASSETS		<u><u>338,534</u></u>	<u><u>418,620</u></u>	<u><u>680,972</u></u>	<u><u>817,080</u></u>	<u><u>969,021</u></u>	<u><u>1,143,712</u></u>	<u><u>1,342,245</u></u>
EQUITY								
Share capital		27,395	277,395	277,395	277,395	277,395	277,395	277,395
Equity attributable to parent company		0	78,851	336,752	467,887	614,132	782,448	973,831
		<u>27,395</u>	<u>356,246</u>	<u>614,147</u>	<u>745,282</u>	<u>891,527</u>	<u>1,059,843</u>	<u>1,251,226</u>
NON-CURRENT LIABILITIES								
Note payable to parent company	12	262,698	12,698	12,698	12,698	12,698	12,698	12,698
		<u>262,698</u>	<u>12,698</u>	<u>12,698</u>	<u>12,698</u>	<u>12,698</u>	<u>12,698</u>	<u>12,698</u>
CURRENT LIABILITIES								
Bank overdraft								
Accounts payable and provisions	13	48,442	49,676	54,127	59,099	64,795	71,171	78,321
		<u>48,442</u>	<u>49,676</u>	<u>54,127</u>	<u>59,099</u>	<u>64,795</u>	<u>71,171</u>	<u>78,321</u>
		<u><u>338,534</u></u>	<u><u>418,620</u></u>	<u><u>680,972</u></u>	<u><u>817,079</u></u>	<u><u>969,021</u></u>	<u><u>1,143,712</u></u>	<u><u>1,342,245</u></u>

STATEMENT OF EQUITY

September 30, 2019 to December 31, 2024

	Notes	Share capital \$'000	Accumulated surplus \$'000	Total \$'000
Balance as at September 30, 2019		-	-	-
Issue of shares	14	277,395	-	277,395
Dividends issued			-	-
Net profit - Oct to Dec 2019			78,851	78,851
Balance at Dec 31, 2019		277,395	78,851	356,246
Dividends issued			(59,138)	(59,138)
Net profit			317,039	317,039
Balance as at December 31, 2020		277,395	336,752	614,147
Issue of shares				-
Dividends issued	15		(237,779)	(237,779)
Net profit			368,915	368,915
Balance as at December 31, 2021		277,395	467,887	745,282
Dividends issued	15		(276,686)	(276,686)
Net profit			422,931	422,931
Balance as at December 31, 2022		277,395	614,132	891,527
Dividends issued	15		(317,198)	(317,198)
Net profit			485,514	485,514
Balance as at December 31, 2023		277,395	782,448	1,059,843
Dividends issued	15		(364,136)	(364,136)
Net profit			555,518	555,518
Balance as at December 31, 2023		277,395	973,831	1,251,226

STATEMENT OF CASH FLOW

September 30, 2019 to December 31, 2024

	Q4-2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before interest and taxation	78,851	317,039	368,915	422,931	485,514	555,518
Adjustments for items not affecting cash resources:						
Depreciation and amortization	3,308	12,900	13,931	16,328	16,634	16,700
Interest expense		-	-			
Gain on disposal		-				
	82,159	329,940	382,846	439,259	502,148	572,219
(Increase)/ decrease in operating assets:						
Trade and other receivables	(15,492)	(6,104)	(7,041)	(7,861)	(8,786)	(9,831)
Increase in operating liabilities:						
Trade and other payables	1,235	4,451	4,972	5,696	6,375	7,150
Cash flows (used in)/Provided by operating activities	67,902	328,286	380,776	437,094	499,738	569,538
Taxation paid		-				
Nat cash (used in)/Provided by operating activities	67,902	328,286	380,776	437,094	499,738	569,538
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of intangible asset	-	-				
Acquisition of property, plant and equipment		(5,126)	(5,792)	(17,479)	(7,468)	(8,521)
Net cash provided by investing activities	-	(5,126)	(5,792)	(17,479)	(7,468)	(8,521)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of parent company loan, net	(250,000)	-	-	-	-	-
Issue of shares	250,000	-	-	-	-	-
Dividends paid		(59,138)	(237,779)	(276,686)	(317,198)	(364,136)
Net cash used in financing activities	-	(59,138)	(237,779)	(276,686)	(317,198)	(364,136)
NET INCREASE IN CASH AND BANK BALANCES	67,902	264,023	137,205	142,929	175,072	196,882
		-	-			
CASH AND BANK BALANCES - Beginning of the period	15,000	82,902	346,924	484,129	627,058	802,130
CASH AND BANK BALANCES - End of the period	82,902	346,924	484,129	627,058	802,130	999,012

Notes to the projected financial statements

December 31, 2019 to 2024

1. Corporate structure and principal activities

Mailpac Group Limited (“the company”) is a limited liability company incorporated and domiciled in Jamaica. The principal activity of the company is the provision of international and domestic courier and mail order services. In addition, the company also provides online shopping of a variety of food, beverages and other household supplies.

The operations of Mailpac Group Limited were previously undertaken under 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. For comparative purposes, the financial position of these two entities have been consolidated as at September 30, 2019 (see Illustrative Statement of Financial Position at the end of the Notes).

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared on the historical cost basis.

The financial statements are presented in Jamaica dollars (\$), which is the measurement currency of the company.

The preparation of these projected financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at each reporting date, and the comprehensive income for the year then ended. Actual amounts could differ from these estimates.

(b) Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Financial assets and liabilities denominated in foreign currencies are translated into Jamaican Dollars at the exchange rates prevailing at the reporting date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Significant accounting policies (cont'd):

(c) Property, plant and equipment

(i) Owned assets

Items of property, plant & equipment are stated at cost less accumulated depreciation and impairment losses (see note 11).

(i) Depreciation

Depreciation is computed on the straight-line basis at annual rates estimated to write off the property & equipment over their expected useful lives as follows:

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

(d) Intangible assets

Intangible assets which represents goodwill, contracts rights with vendors, customers, tradenames, intellectual property rights, telephone numbers are deemed to have an infinite 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 are amortised over the estimated useful lives of the assets of forty (40) years.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Significant accounting policies (cont'd):

(e) Financial instruments

A financial instrument is any contract that gives rise to financial assets of one enterprise and a financial liability or equity instrument of another enterprise. For these financial statements, financial assets have been determined to include cash resources and accounts receivable. Similarly, financial liabilities include parent company loans and accounts payable.

(f) Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated at each reporting date.

An impairment loss is recognised whenever the carrying amount of an asset, or company of operating assets, exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(g) Accounts receivable

Accounts receivable are stated at cost less impairment losses.

(h) Accounts payable

Accounts payable are stated at amortised cost.

Notes to the projected financial statements (*CONTINUED*)

December 31, 2019 to 2024

Significant accounting policies (cont'd):

(i) Cash resources

Cash resources comprise cash and bank balances including short term deposits with maturities ranging between one and three months from the year end.

(j) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and consumption taxes.

Revenue is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer, receipt of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

(l) Income taxes

Taxation on the profit or loss for the year comprises current and deferred tax and is recognised in the statement of comprehensive income.

No income or deferred tax has been recognised in these financial statements as the company is expected to obtain a 100% tax incentive during the life of the projection as it will be listed on the Junior Market of the Jamaica Stock Exchange.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

3. Financial and capital risk management:

(a) Financial risk factors

The company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and cash flow risk. Information about the company's exposure to each of the above risks, the company's objectives, policies for measuring and managing risk is detailed below.

The directors have overall responsibility for the establishment and oversight of risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

(i) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(ii) 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.

(iii) 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.

Notes to the projected financial statements (*CONTINUED*)

December 31, 2019 to 2024

Financial and capital risk management (cont'd):

(iv) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge and cause the other party financial loss. The company has limited concentrations of credit risk and has policies in place to ensure that sale of products and services are made to customers with an appropriate credit history.

(v) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of finding through and adequate amount of committed credit facilities. Management aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies required to settle commitments.

(vi) Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the entity's processes, personnel, technology, infrastructure and external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Directors.

(vii) Business risk

Business risk is defined as the risk to the company arising from changes in its business, including the risk that the company may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of failure of management and the risk of policy change from government rendering the company's business model infeasible. To counter this, the company has good governance.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Financial and capital risk management (cont'd):

(viii) Equity risk

Equity risk arises out of price fluctuations in the equity prices. The risk arises out of holding positions in either individual stocks or in the market as a whole. The Board sets limits on the level of exposure and limits the amounts invested in them.

(b) Fair value estimation

Fair value amounts represent estimates of the arms-length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market. Where such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

The carrying value reflected in the financial statements for cash resources, accounts receivable, and accounts payable are assumed to approximate to their fair value due to their short-term nature. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement. Loans and other non-current items are carried at their contracted settlement values or reflect the ability to effect set-offs in the amounts disclosed.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

4. Management assumptions:

Timing of cash flows

- The timing of cash flows is 'generally' assumed to be at the end of the stated periods. The financial year end is December 31.

5. Revenue

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 and has been projected as follows:

International and local courier and mail order services

- Actual income for the period January to September 2019
- 21% year-over-year increase in Q4 2019 revenue in line with actual increase for January to September 2019.
- 10% increase in revenue for the remaining years

Local Courier - sale of local goods online

- Actual income for the period January to September 2019
- 10% increase in income over prior year for the period October to December 2019
- 15% increase in income for the year ended December 31, 2020
- 20% increase in revenue for the remaining years

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

6. Cost of operating income

Cost of operating revenue is projected to fluctuate directly with gross operating revenue and will represent the following:

		Q4 -2019	2020	2021	2022	2023	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Freight	6(i)	38,635	148,889	163,778	180,155	198,171	217,988
Handling & Brokerage	6(i)	77,597	299,034	328,937	361,831	398,014	437,815
Purchases	6(ii)	49,103	188,900	218,808	253,910	295,167	343,723
		165,335	636,822	711,522	795,896	891,352	999,527

(i) Courier Services – These represent all costs related to the handling, shipping, clearance and delivery of goods purchased by customers online and are in line with current ratios.

(ii) Purchases – These represent purchases made on behalf of customers (locally and internationally) through various channels and is in line with current margins.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

7. Administrative and general expenses

Administrative and general expenses are projected to increase in line with business growth and inflation, and are analysed as follows:

	Notes	Q4-2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Audit fees		1,200	1,260	1,323	1,388	1,456	1,527
Electricity		664	2,790	2,929	3,073	3,224	3,382
Insurance		768	3,224	3,385	3,551	3,725	3,908
Legal and professional fees		80	334	351	368	386	405
General office expense	7(i)	4,890	20,541	21,569	22,626	23,735	24,899
Bank service charge		4,650	19,531	20,507	21,513	22,568	23,674
Motor vehicle upkeep		2,202	9,320	9,786	10,266	10,770	11,298
Expected credit loss		412	1,730	1,817	1,906	2,000	2,098
Printing and stationery		316	1,325	1,392	1,460	1,532	1,607
Rates and taxes		47	199	209	220	230	242
Travel		107	451	474	497	521	547
Rental expense	7(ii)	3,060	11,957	12,554	13,170	13,816	14,493
Repairs and maintenance		1,528	6,416	6,736	7,067	7,413	7,777
Staff welfare	7(iii)	3,770	15,835	16,627	17,442	18,298	19,195
Salaries, wages and relates costs	7(iii)	40,670	170,813	179,353	188,147	197,373	207,050
Security expense		591	2,482	2,606	2,734	2,868	3,008
Subscription and donations		636	2,669	2,803	2,940	3,084	3,236
Telephone		2,196	9,225	9,686	10,161	10,659	11,182
Cleaning and sanitation		238	1,001	1,051	1,102	1,156	1,213
Directors fees		300	1,200	1,200	1,200	1,200	1,200
Management fees	7(iv)	6,000	24,000	24,000	24,000	24,000	24,000
		74,325	306,304	320,359	334,832	350,014	365,940

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Administrative and general expenses (cont'd)

Additional information on some of the material expenses are as follows:

(i) General office expenses

This materially represents administrative and other general office costs and is projected based on average costs incurred to September 2019 with an incremental increase to account for inflation yearly.

(ii) Rental expenses

Rental expenses represent the annual cost of property leased to the company and has been projected based on current lease agreements with incremental increases for inflation annually.

(iii) Salaries, wages and related expenses

The largest anticipated cost for the company will be the category of salaries for staff. This is because the company is a service entity that will employ large number of persons primarily to carry out technical and customer service-related tasks. Salaries and related expenses have been projected based on the average cost incurred to September with incremental increases of 6% per annum to account for inflation.

(iv) Corporate service fees

These represent costs for administrative and other expenses that will be done by the parent company and is expected to be \$24 million per annum.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

8. Selling and distribution expenses

Selling and distribution expenses are projected to increase in line with business growth and inflation, and are analysed as follows:

	Notes	Q4-2019	2020	2021	2022	2023	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Selling and promotion expense							
Advertising and promotion	8(i)	4,622	17,806	19,746	21,912	24,332	27,041
Delivery		3,688	18,067	18,067	20,049	22,264	24,742
Commission	8(ii)	1,260	4,124	4,124	4,576	5,081	5,647
Travel and entertainment		818	4,215	4,215	4,678	5,194	5,773
		10,389	44,212	46,152	51,214	56,872	63,203

(i) Advertising and promotion

Advertising and promotion represent the expected cost to be incurred to market the company's services to customers and is expected to be 1.35% of revenue which is consistent with prior periods.

(ii) Commission

These represent charges incurred when transactions are settled with a debit or credit card is expected to be 1.45% of revenue which is consistent with prior periods.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

9. Intangible asset

Intangible assets represent goodwill, contracts rights with vendors, customers, tradenames, intellectual property rights, telephone numbers. 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 depreciated over a 40-year useful life.

10. Property, plant and equipment

	Q4 2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:						
Opening balances	76,044	76,044	81,170	86,962	104,440	111,908
Additions (i)	-	5,126	5,792	17,479	7,468	8,521
Closing balances	<u>76,044</u>	<u>81,170</u>	<u>86,962</u>	<u>104,440</u>	<u>111,908</u>	<u>120,429</u>
Depreciation						
Opening balances	40,118	41,806	48,226	55,677	65,524	75,678
Charge for the period (ii)	1,688	6,420	7,451	9,847	10,154	10,220
Closing balances	<u>41,806</u>	<u>48,226</u>	<u>55,677</u>	<u>65,524</u>	<u>75,678</u>	<u>85,897</u>
Net book values	<u>34,238</u>	<u>32,944</u>	<u>31,285</u>	<u>38,917</u>	<u>36,231</u>	<u>34,532</u>

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Property, plant and equipment (Continued)

(i) It is projected that each year the company will replace a percentage of the cost of its assets as follows:

Motor vehicles			50%		
Leasehold improvements	5%	5%	5%	5%	5%
Furniture and equipment	10%	10%	10%	10%	10%
Computer and software	20%	20%	20%	20%	20%

(ii) Depreciation is charged based on rates prescribed at note 2 (c).

11. Accounts receivable

Accounts receivable materially represents balance due on credit sales. This was budgeted based 7% of the revenue which is consistent with prior period.

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

12. Note payable to parent company

This represents a loan of \$262.7M million payable to a related company (see appendix I) of which \$250.0M is expected to be repaid from the proceeds of the initial public offering. The proceeds will be used by MGL's parent company to settle a debt assumed by the parent company on behalf of MGL.

13. Accounts payable

Accounts payable represents the balance payable to suppliers at each period end. This is projected based 7% of the total expenses of the company which is consistent with prior period.

14. Share capital

The company will seek to raise \$495 million from the IPO as follows:

- 250 million new shares at a selling price of \$1 each which will be used to pay down note to parent company (see note 13).
- The existing shareholders will also sell 250 million shares at a maximum price of \$1 each. (50 million shares will be made available for Employee Reserved Pool at \$0.90 each).

Notes to the projected financial statements (CONTINUED)

December 31, 2019 to 2024

Share capital/share premium (cont'd)

Subsequent to the IPO, the share capital of the company will be:

	<u>Q4-2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>
Issued and fully paid:						
2,500,000,000 ordinary shares @ 1.096 cents	<u>\$ 27.40</u>	<u>27.40</u>	<u>27.40</u>	<u>27.40</u>	<u>27.40</u>	<u>27.40</u>

15. Dividends

The company will distribute up to 75% of net profit to its shareholders.

16. Listing fees and transaction costs

This represents the expected transaction cost to raise \$495 million on the Junior Market of the Jamaica Stock Exchange as well as yearly review fee for all entities listed on the stock exchange. This has been estimated at 2% of the capital to be raised and a flat fee for the remaining years based on current costs.

Section 12

RISK FACTORS



Risk Factors

We are subject to a variety of risks, the most significant of which are described below.

1. Admission of the Shares to the Junior Market of the JSE

After the Closing Date, and assuming that the Company is able to raise at least \$495,000,000.00 as a result of the Invitation by the Closing Date, the Company will make its application to the JSE to admit the Ordinary Shares to the Junior Market. However, the Company is not able to guarantee the full subscription of the Shares in the Invitation or the admission of the Shares to the Junior Market.

2. List

There is no assurance that the Shares will remain listed on the JSE. Although it is currently intended that the Shares will remain listed on the JSE, there is no guarantee of the continued listing of the Shares. Among other factors, the Company may not continue to satisfy any future listing requirements of the JSE. Accordingly, Shareholders will not be able to sell their Shares on the JSE if the Shares are no longer listed on the JSE.

3. Risk Relating to Marketability of Shares

The Shares, even if listed on the JSE, may not be readily saleable and Shareholders who may want to “cash out” may not be able to do so or may only be able to do so at a discount.

4. Trading Prices and Other Volatility

The trading price of the Shares may fluctuate significantly after their listing on the JSE (or irrespective of it). Some of the reasons for fluctuations in the prices of the Shares include but are not limited to:

- announcements of developments related to the Company’s business;
- the issues of additional Shares by the Company from time to time;
- developments in the general economy of Jamaica;
- the Shares may experience flat trading, being very infrequent or insignificant volumes of trading, either of which may extend beyond the short term and which may be dependent on the Company’s financial performance, as well as on investor’s confidence and other factors over which the Company has no control. In either case the market price of the Shares may be negatively affected or constrained from growing. Also, the Jamaican stock market is relatively small and the market in the Shares is expected to be relatively thin compared to larger capital markets, trades in small quantities of the Company’s Shares can trigger wide swings (up or down) in the market price of the Shares and make it easier for the stock price to be manipulated.

Risk Factors

5. Revocation of Tax Concessions Risk

If the Company is admitted to the Junior Market, it must remain listed on the JSE trading platforms for a continuous period of not less than fifteen years in order to remain eligible for the concessionary tax regime. If the Company is de-listed at any time during the first fifteen years on the Junior Market it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.

6. Key Personnel

It is important that the Company attract and retain appropriately skilled persons in order to operate its business and promote its growth. It is also important for the Company to replace personnel whose employment may be terminated for any reason, within a reasonable time. In Jamaica, competition for qualified personnel can be intense, as there is a limited number of people with the requisite skills, knowledge and experience. The Company will need to attract and retain honest qualified personnel, and failure to do so could have a material adverse impact on the Company's future prospects.

7. New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS) as required under the Jamaican Companies Act.

8. Junior Market Taxation

The Directors anticipate that the Company will benefit from a 10-year concessionary tax regime that starts from the date of listing. The remission of tax requires the Company to meet the ongoing Junior Market requirements for at least 15 years from the date of listing. Assuming that those conditions are met, in the Company's first 5 years on the Junior Market, the Company will not be liable to pay any corporate income tax. In years 6 to 10 on the Junior Market, the Company will be liable to pay corporate income tax at half of the usual rate. If the Company breaches the requirements of the Junior Market it may be liable to repay the tax that was remitted. The Company does not guarantee that the Shares will be listed.

9. Key Partner

The company's operations as it relates to cross borders ecommerce fulfilment services is 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.

10. Freight Delays

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.

Risk Factors

11. Information Technology Risks

The continuous and efficient operations of the Company is highly dependent on software, and any disruptions to these systems or a 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 which have ensured that the appropriate security measures are in place to mitigate against such actions.

12. Security & Safety 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 ensure that operational changes are made to ensure compliance without affecting the functioning of the business.

13. Risk of Import Duty Changes

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





Section 13

PROFESSIONAL ADVISORS

TO THE OFFER AND LOCATIONS WHERE
APPLICATIONS MAY BE SUBMITTED

AUDITORS

Crichton Mullings & Associates
Unit 27B, 80 LMR
80 Lady Musgrave Road
Kingston 10

LEAD BROKER

NCB Capital Markets Limited
The Atrium
32 Trafalgar Road
Kingston 5
Attention: Mr Stanley Thompson
876 960 7108

REGISTRARS AND TRANSFER AGENTS

Jamaica Central Securities Depository
40 Harbour Street
Kingston

LEGAL ADVISORS

Hart Muirhead Fatta
Attorneys-at-Law
2nd Floor, Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5





Section 74

STATUTORY & GENERAL INFORMATION

STATUTORY & GENERAL INFORMATION

Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act

- (1) The Company has no founders, management, or deferred shares.
- (2) The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting.
- (3) The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
 - (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company. (Article 83).
 - (b) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (Article 86).



STATUTORY & GENERAL INFORMATION

- (c) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contracts or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. (Article 94(3)).
- (d) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, providing that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company. (Article 94(5)).
- (e) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. (Article 117).



STATUTORY & GENERAL INFORMATION

4. The names and descriptions of the Directors of the Company appear in Section 8 of this Prospectus. The addresses of the Directors are as follows:

NAMES	ADDRESSES
Khary Robinson	42 Norbrook Acres Drive Kingston 8 Saint Andrew
Garth Pearce	44 Belgrade Loop Kingston 19 Saint Andrew
Mark Gonzales	Suite 1 54 Old Hope Road Kingston 5 Saint Andrew
William Craig	#47A 22 Freeport Southern Cross Blvd Montego Freeport Montego Bay Saint James
Tracy-Ann Spence	49 Keble Crescent, Kingston 6 Saint Andrew

STATUTORY & GENERAL INFORMATION

- (5) The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the “minimum subscription”) is \$495,000,000.00.
- (6) The Invitation will open for subscription at 9:00 a.m. on the Opening Date and will close at 4:00 p.m. on the Closing Date subject to the Company’s right to close the application list at any time after 9:00 a.m. on the opening Date if Applications have been received for an amount equal to or greater than the Shares in the Invitation, or to extend the Closing Date for any reason whatsoever.
- (7) All Applicants will be required to pay in full the applicable price per Ordinary Share as specified in this Prospectus. No further sum will be payable on Allotment.
- (8) No previous offer of shares in the Company has been made to the public.
- (9) Save as set out in paragraphs 10 and 11 below, no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
- (10) As at September 30, 2019 the date to which the Projected Financial Statements in Section 11 is made up, the Company held no investments.
- (11) Intangible Assets on the Balance Sheet represent goodwill arising from various transactions including the acquisitions consummated by MGL. There is no amount for patents or trademarks shown in the Projected Financial Statements of the Company.
- (12) As at September 30, 2019, the date to which the Projected Financial Statements in Section 11 is made up, the aggregate amount of indebtedness of the Company was \$262,698,000; as at September 30, 2019 the Company had no overdraft.



STATUTORY & GENERAL INFORMATION

- (13) Apart from such amounts already recommended for distribution by way of dividend and paid accordingly, no further amount is recommended for distribution by way of dividend, and accordingly paragraph 5(1)(d) of Part I of the Third Schedule to the Act does not apply.
- (14) No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part I of the Third Schedule of the Act.
- (15) Regarding paragraph 10(1)(a) of Part I of the Third Schedule to the Act, within the two preceding years, no commission has been paid, nor will any be payable by the Company to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
- (16) The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed \$10,000,000 million dollars (inclusive of brokerage and financial advisory fees, financial consultant's fees, legal fees, consultancy fees, auditors' fees, marketing expenses Companies Registrar's fees, initial fees and GCT).
- (17) Regarding paragraph 10(1)(c) of Part 1 of the Third Schedule to the Act, within the last two years preceding the date of this Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any promoter save for: NCB Capital Markets Limited for financial advisory and brokerage services associated with the Issue and the listing of the Shares on the Junior Market of the Jamaica Stock Exchange under an agreement dated October 22, 2019. The agreement provides for NCB Capital Markets Limited to act as broker and financial adviser to the Issue (inclusive of transaction management services, company valuation, lead brokerage, and the development of a marketing strategy for the purposes of the Issue).

STATUTORY & GENERAL INFORMATION

- (18) The material contracts of the Company are set out in Section 7.
- (19) The name and address of the auditors to the Company is Crichton Mullings and Associates of Unit 27A, 80LMR, 80 Lady Musgrave Road, Kingston 10 in the parish of Saint Andrew.
- (20) Crichton Mullings & Associates has given and has not withdrawn its review to the issue of this Prospectus with the inclusion of the Financial Information, and its name in the form and context in which it is included.
- (21) The issue is underwritten by NCB Capital Markets Limited.



Section 15

DOCUMENTS AVAILABLE
FOR INSPECTION



DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of NCB Capital Markets Limited/
Registered Office of the Company, between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up
to and including the Closing Date (or extended Closing Date as the case may be):

- (1) The Certificate of Incorporation of the Company dated the September 19, 2019.
- (2) The Articles of Incorporation of the Company.
- (3) The written review of the auditors, Crichton Mullings & Associates, to the inclusion of its name in the form and context in which it appears in this Prospectus.
- (4) Agreement between Metropolitan International Services (Aeropost) and Mailpac Services Limited dated October 4, 2017, novated to Mailpac Group Limited on October 1, 2019 in relation to international and ecommerce solutions, and mail and package forwarding services.
- (5) Corporate Services Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to administrative and management services.
- (6) Trademark Licence Agreement between Norbrook Equity Partners Limited and Mailpac Group Limited dated October 1, 2019 in relation to the use of trademarks.
- (7) Promissory Note issued October 1, 2019 by Mailpac Group Limited in favour of Norbrook Equity Partners (replacing promissory note previously issued by Mailpac Services Limited in favour of Norbrook Equity Partners).

Section 16

DIRECTORS' SIGNATURES

The Directors whose signatures appear below are individually and collectively responsible for the contents of the Prospectus:

KHARY ROBINSON



GARTH PEARCE



MARK GONZALES



WILLIAM CRAIG



TRACY SPENCE





APPLICATION PROCEDURES & CONDITIONS

APPENDIX 1: GOIPO PORTAL INSTRUCTIONS

HOW TO APPLY

1. On your personal device visit <https://goipo.incb.com> . (If you do not have access to a computer or smart device with online access, our offices are equipped with tablets and representatives to assist you)
2. Select **"Apply for an IPO"**
3. Select **"MAILPAC IPO"**
4. Select **"View Details"**
5. Select **"Apply Now"** beside the relevant pool in which you intend to apply. Only reserved applicants will be allowed to apply from the reserved pools; however, the general pool is open for all applicants.
6. Select your investor category;
 - a. **NCB Online/GoIPO Login** (This is for persons with online access to their NCB bank account or clients who have create a user account on GoIPO) or
 - b. **All Other Investors** (this is for persons without NCB online access including applicants without an NCB Capital Markets Account)



For NCB Online Investors (This is for persons with online access to their NCB bank account who wish to pay from their NCB or NCBCM account)

Select **NCB Online Investors option**

Enter you NCB online username and password

STEP 1

(I) Enter the amount of money you wish to spend on the IPO in the currency of the selected IPO. Note that the system will not facilitate currency conversion.

(II) Select your JCSD number then **save and continue**

*(If your JCSD number is not seen then select **"Add JCSD Number"** to add your JCSD number)*

(If there is a joint holder on the account, they will be required to confirm via email or by uploading the signed signature document. This is not for applications where the joint holder is a minor)

STEP 2

Select your funding account from the list seen then **save and continue**. Note that your displayed bank and broker accounts will be in the currency of the selected IPO.

STEP 3

Select your refund account and dividend mandates account from the lists seen then **save and continue**. Note that your displayed bank and broker accounts will be in the currency of the selected IPO.

STEP 4

Review your application details and select **Submit**.

Tips:

If your funds are with another institution, then you may transfer the funds to your NCB or NCBCM account before starting the process or use the "All Other Investors Option"

Navigate to your dashboard to view your application and all previously completed applications.

[Check your email for notifications on order submission status](#)

For All Other Investors (this is for persons without online access to their NCB bank account and applicants who are not clients of NCBCM)

- Select the All Other Investor option
- Read and accept the site's terms and conditions in order to proceed

STEP 1

- (i) Enter the amount of money you wish to spend on the IPO
- (ii) Complete the Primary holder information
- (iii) Complete the Joint Holder information if applicable then continue



STEP 2

Selecting the appropriate funding method and complete the required fields (see below) and continue.

For Existing NCBCM Account

This is only for NCBCM investors providing instructions to NCBCM to make payment from cleared funds in the currency of the IPO on their NCBCM broker account. The payment must be coming from the applicants NCBCM broker account in which the shares are expected to be held.

For ACH/RTGS

This is for all investors who are making payment by electronic transfer or direct deposit to NCB Capital Markets Limited. Payments sent via this method to NCBCM must use the instructions below:

BIC	JNCBJMKX
Branch:	1-7 Knustford Blvd. /New Kingston
Beneficiary account #:	241406067
Beneficiary account name:	NCB Capital Markets
Include Comments:	MAILPAC – [Applicant’s Name]



STEP 3

Complete refund and dividend mandates and **continue**.

STEP 4

(I) Upload image of valid government issued photo identification & signed Signature Document.

*(The signature document may be signed on screen and then uploaded **or** printed, signed and uploaded. Where there is a joint holder on the account, they will be required to also signed the signature document. This is not for applications where the joint holder is a minor).*

(ii) Submit your application.

Tips:

- You are able to track your application with the reference number provided
- Your application will only be processed once payments indicated in Step 2 are received and confirmed by NCBCM
- You should upload copies of a Government Issued ID and TRN or SSN for all applicants (or just a Jamaican Drivers Licence)
- [Check your email for notifications on order submission status](#)

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GROUP

