Initial Public Offering: Stanley Motta Limited

Prepared by:

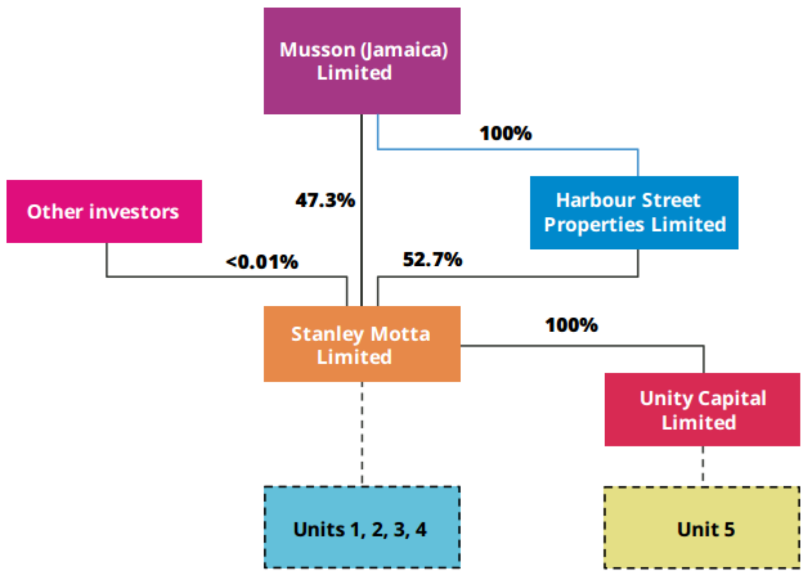
JN Fund Managers Ltd.'s Global Investment Research Unit

July 2018

Group Description: Stanley Motta Limited

The Group was established in 1948 by its founder, Mr. Stanley Motta. For many decades, it was successfully engaged in the sale and rental of electrical appliances in Jamaica. In 1983, it was acquired by Musson Group and continued to operate until 1998 following which it became a dormant subsidiary.

In 2015, Musson selected Stanley Motta as the vehicle through which it would develop the 58 HWT project. In 2016 and 2017 Stanley Motta acquired properties located at 58 Half Way Tree Road in Kingston from Musson. Today Stanley Motta owns all the Properties either directly or through its own wholly-owned subsidiary, Unity Capital, except for the great house (centrally located on the property) which was retained by Musson. Stanley Motta led the development of 58 HWT including planning, designing, and permitting the project; managing the services and discharge of obligations by the general contractor, project manager and other key service providers; identifying, and negotiating terms and conditions of letting/leases with all tenants; and providing ongoing property management services.



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Property Overview

58 HWT is a campus-style business process outsourcing and technology park consisting of five commercial office buildings totalling over 200,000 square feet located around a central Georgian-style great house. 58 HWT is situated on over six acres of prime land at the nexus of Half Way Tree and New Kingston. The property borders Half Way Tree Road on the west, the National Housing Trust on the south, Richmond Avenue on the north and the Marriott Courtyard Hotel and Liguanea Club on the east.

Units 1, 2, 3 and 4 are all owned directly by Stanley Motta. However, Unit 5 is owned by Unity Capital, a wholly owned subsidiary of Stanley Motta. The Campus's five buildings are arranged around a central historic great house built in a traditional Georgian architectural style. The great house provides amenities to the Campus including meeting rooms, a cafe, and an ABM facility. While Stanley Motta has access to the great house, it is owned by Musson.

Unit 1 is a recently renovated two-storey structure consisting of over 8,266 rentable square feet located in the southeast corner of the property bordering on Liguanea Club. The building is currently used by two technology firms and also houses the offices of the Stanley Motta's management team.

Units 2 and 3 are in the south-eastern corner of the property bordering the Marriott Courtyard and the National Housing Trust respectively. Unit 3 is a recently-renovated two-storey building consisting of over 41,500 rentable square feet of commercial office space. Unit 2 is also recently-renovated and adjoins Unit 3 but is a smaller single-storey structure consisting of 8,300 rentable square feet of commercial office space.

Unit 4 is the largest structure on the Campus and is located on the property's northern border along Richmond Avenue. It is a recently-constructed five-storey building consisting of over 112,500 square feet of rentable commercial office space. Unit 4's tenant took possession of the building as a cold hard shell in April 2018 and is currently finishing its interior. Unit 4 and Units 2 and 3 are all currently in use in the business process outsourcing industry. Collectively, these buildings have the capacity to house 3,300 call centre seats and 5,000 employees.

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Unit 5 is commonly known as the General Accident building. It is an over 29,706 square foot two-storey building located directly on Half Way Tree Road on the southwest corner of the property. Its tenants are engaged in the insurance, financial services and medical industries.

Stanley Motta Limited: Material Contracts

Unit	Business	Length of Lease	Lease Start Date	Lease Expiry Date	Unit Size
1	Transaction E-Pins	3-Years	28-Mar-18	28-Mar-21	-
	Symptai Consulting	2-Years	1-Nov-16	1-Nov-18	4,556 sq. ft
2	Jamaica Agent Services (Alorica)	5-Years	1-Apr-17	1-Apr-22	8,300 sq. ft
3	Jamaica Agent Services (Alorica)	5-Years	1-Jan-17	1-Jan-22	41,580 sq. ft
4	Jamaica Agent Services (Alorica)	5-Years	3-Apr-18	1-May-23	112,705 sq. ft
5	General Accident Insurance	5-Years	22-Jun-18	1-Feb-23	17,380 sq. ft

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Invitation Details

Stanley Motta Limited is seeking to raise **J$4.02B** through the issuance of **757,818,862** ordinary shares to prospective investors through an Initial Public Offering (IPO). The Group has stated that the funds will be paid to the selling shareholders. If the listing is successful, the Group has stated its intention to distribute an annual cash dividend of up to **90%** of net profits; based on board approval.

Issuer	**Stanley Motta Limited**
Exchange	The Jamaica Stock Exchange's Main Market
Offer Period	Opening Date: July 6, 2018 at 9:00AM Closing Date: July 20, 2018 at 4:30PM Early Applications may be made. Such Applications will be received but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served
Shares Offered	The Company is seeking to raise approximately **J$4.02B** by inviting Applications to subscribe for up to **757,818,862** Shares. These shares will be reserved as follows; -**227,348,547** (**30%**) Reserved Shares -**500,000** (**0.07%**) Directors The remaining **529,970,315 (69.93%)** shares will be offered to the general public.
Pricing	**J$5.31** per share (to raise a total of approximately J$4.02B). Payments MUST be made at the time of Application along with a J$163.10 processing fee.
Use of Proceeds	None of the net proceeds from the Invitation will be payable to the Company as all the Shares the subject of the Invitation are being sold by the Selling Shareholders. The Selling Shareholders intend to use the proceeds from the sale of their Shares for their own purposes.
Proposed Dividend Policy	If the Shares are admitted to listing on the Main Market of the JSE, the Board expects to distribute approximately **90%** of its after-tax earnings to the shareholders in the form of cash dividends. The Board may change this dividend policy from time-to-time as a result of, inter alia, changes in the return on-equity of the Company, its liquidity needs or material changes in tax policy affecting the business.
Acceptable Payments Methods	Either: (1) Manager's Cheque payable to "NCB Capital Markets Limited"; (2) Transfer or direct deposit to NCB Capital Markets (details set out in the Application form attached herein). Absolutely no cash payments will be accepted.
Returned Applications/Refunds	Where applicable, it is expected that refunds will be distributed to the Broker within 10 days of the Closing Date

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Analyst's Opinion: Stanley Motta Limited

Recommendation	**DO NOT BUY**	**Implied Price Upside**	**-25.01%**
Initial Public Offering Price	**J$5.31**	**Implied Dividend Yield**	**5.25%**
Estimated Fair Value	**J$3.98**	**Implied Total Return**	**-19.76%**

Stanley Motta's business model can be largely defined as a publicly traded Real Estate Investment Trust (REIT). REIT's are typically tax-advantaged companies, actively managed, own income-producing real estate, and seek to profit by growing cash flows, improving existing properties, and purchasing additional properties. However, this Group was structured specifically as a vehicle to develop the 58 HWT project[1]. The property is now home to a large Business Process Outsourcing (BPO) firm, Alorica; which currently leases over 80% of all leasable space.

The Caribbean region offers a competitive edge and diverse investment opportunities for BPOs. The region is characterized by a relatively stable economic and political climate, a desirable and strategic geographic location, openness to trade, a skilled supply of labour, a modern and improving technology infrastructure, supportive governments and extensive trade relations with close to 1 billion customers in the developed world. Jamaica stands out as having one of the fastest growing BPO industries in the region due to a multiplicity of supporting factors. Industry estimates as at the end of 2016, puts Jamaica's BPO spend in the region of **US$400M** with square footage growing from approximately 800,000 SqFt in 2012 to 1.2M SqFt in early 2017[2]. Alorica's expansion is to some extent, dependent on their contract with their major client, Amazon; the world's foremost online retailer and cloud-based solutions provider. Amazon is also one of the world's largest clients to outsourcers. Alorica currently has an estimated 2,500 professionals engaged in Jamaica via its outsourced partners. Amazon's frugality is a downside in any partnership formed with them. The high level of concentration of Alorica's business in outsourcing for Amazon leaves the Group's operations susceptible to market risk. Such a risk must be considered in any partnership to be had with a BPO agent locally.

Stanley Motta is offering to investors approximately **757M** (or **99.93%** of the Group) ordinary shares at a price of **J$5.31** per share. The IPO price represents **2.51X** and **1.00X** current and forward **Price-to-Book (P/B)** multiple of year-end Book Values, respectively. Despite our expectations that Stanley Motta will likely to maintain strong rental inflows over the medium-term, we have concluded that based on our use of four (4) valuation methods, that Stanley Motta is being listed at a premium to its fair value. Our estimated fair value of ***J$3.98***[3], implies a potential downside of **25.01%** from the listing price**.** Based on the Group's stated dividend policy of a **90%** pay-out ratio, we estimate dividends for FY 2019 to be **J$0.40**. This translates to a potential dividend yield of **5.25%** on the listing price and an

[1] The 58 HWT project seeks to create a Special Economic Zone (SEZ), namely at tech park which is situated on over six acres of prime land at the nexus of Half Way Tree and New Kingston.
[2] Investing in the Business Process Outsourcing (BPO) sector in the Caribbean (2015)
[3] See section titled 'Valuation: Stanley Motta' for details

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estimated 1-Year Total return at **-19.76%. Consequently, we do not recommend buying Stanley Motta at its IPO price.**

Financial Overview

Revenue & Profitability

The Group was established in 1948 and acquired by Musson in 1983 and continued to operate until 1998 when it became a dormant subsidiary. This dormancy is reflected in the Group's consolidated financials up until 2015 when Stanley Motta was chosen as the vehicle through which 58 HWT would be developed. The sharp increase in net losses in that year was largely due to administrative expenses surrounding this restructuring. These restructuring and operating expenses continued through to November 2017 when the Group acquired Unity Capital, a subsidiary company.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Dec.	Dec.	Dec.	Dec.	Dec.
Financial Summary	**In Thousands of JMD except Per Share Data**				
Revenue	164	30	-	-	72,257
Direct Expenses	(990)	(73)	-	-	-
Net Income/Net Profit	(1,160)	147	(1,853)	(6,984)	853,611
Total Assets	5,156	4,391	15,318	481,170	2,423,238
Total Liabilities	5,801	5,493	16,490	450,345	818,026
Total Equity	(645)	(1,102)	(1,172)	30,825	1,605,212
Book Value Per Share*	(0.00)	(0.00)	(0.00)	0.04	2.12

**Calculated using 757,818,862 units of ordinary shares*

For the one-month period ended 31 December 2017, Unity Capital Incorporated contributed revenue of **J$2.36M** and net losses of **J$504K** to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that contributed revenue would have been **J$28.33M**, and contributed net profit for the year would have been **J$6.05M**. The remainder of the **J$72.26M** in Revenues was gained from the rental of Units 2 and 3 to Alorica. For the FY 2017 ended December 2017, Stanley Motta recorded a Net Profit of **J$853.61M**, largely due to a **J$843.55M** revaluation gain on investment property. Going forward the Group expects that its core income will be from rental flows from all 5 Units.

Balance Sheet

Total Assets, for the 2017 FY ended December 2017 rose sharply to **J$2.42B** due to a **J$1.95B** increase in Investment property on the Group's books. This was due to **J$843.55M** of revaluation gains, **J$547.75M** of additions made over FY 2016 and **J$547.50M** of Investment property acquired through the consolidation of Unity Capital. Total Liabilities, over the same reporting period, also rose sharply to **J$818.03M** from **J$450.35M** in FY 2016. This was largely due to loans from the Development Bank of Jamaica (DBJ) and JN Bank totalling **US$4.45M** and **J$170M**, respectively. Total Equity, over the same period, rose sharply because of the revaluation gains as well as **J$238.38M** stemming from the below book value purchase of Unity Capital from Musson Jamaica Limited. Additionally, in FY 2017, over **J$490.45M** of share capital was issued to investors.

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Investment Positives and Negatives

Positives

- **Supportive Macro Environment-** Jamaica stands out as having one of the fastest growing BPO industries in the region. This has largely been due to the high level of telecommunications infrastructure, a developing transportation infrastructure, a relatively large educated workforce with a strong command of the English language, relatively low labour costs, its close geographical and trade relationship with the US, and an increasingly more supportive government. Industry estimates as at the end of 2016, puts Jamaica's BPO spend in the region of **US$400M** with square footage growing from approximately 800,000 SqFt in 2012 to 1.2M SqFt in early 2017[4].
- **Greater Potential for Capital Appreciation:** Direct real estate investments offer investors a chance to not only benefit from any capital appreciation in the property but it also allows investors to receive a predictable and constant cash distribution from tenants.
- **Liquid Real Estate Holding:** An indirect investment in Real Estate is relatively more liquid that if the property was purchased directly. This means that potential investors can liquidate their investment if needed.
- **Favourable Tax Status:** Stanley Motta is a Free Zone Promoter and 58 Half Way Tree Road is a designated Free Zone under the Jamaica Export Free Zones (Stanley Motta Limited) Order, 2015 issued under section 3 (1) of JEFZA. Accordingly, Stanley Motta is exempt from corporate income tax on the rental income of Free Zone property at 58 Half Way Tree Road. Because of the application under the SEZ mentioned above, it is expected that Stanley Motta will no longer be governed by the JEFZA[5] but will instead be developer under the SEZ. Under the SEZ Stanley Motta will continue to be exempt from corporate income tax on its rental income of property at 58 Half Way Tree Road, but its other income, if any, will be taxable at a corporate income tax rate of **12.5**%.

  However, Unity Capital is incorporated under the International Business Companies Act Cap 12.14 of the laws of St. Lucia. Notwithstanding, it is a registered taxpayer in Jamaica and its income is taxable at a corporate income tax rate of 25% less applicable deductions and credits.

[4] Investing in the Business Process Outsourcing (BPO) sector in the Caribbean (2015)

[5] Notwithstanding the repeal of the JEFZA, the letter from the Jamaica Special Economic Zone Authority dated December 19, 2016 confirms the Company's right to continue to enjoy the fiscal benefits of the JEFZA under the Special Economic Zones Act, 2016 ("SEZ". The Company will shortly apply to become a developer under the SEZ.

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Negatives

- **Length of Lease Agreements:** Lease agreements with their largest current tenant, Alorica, is set to expire between in May 2023 (Unit 4). This may be problematic as lease agreements provide certainty and clarity to owners as to the financial terms of the relationship between both parties. Alorica may not renew this lease in 5-Years due to and significant change in global economics; this would see Stanley Motta and its investors having over 150,000 sq. ft. of unleased space.
- **Concentration risk:** Over 80% of the property is being leased to one single tenant; Alorica. Any shock that is seen in the US economy that would affect Alorica's major clients would materially affect the feasibility of their business in Jamaica. Also, if more cost-efficient opportunities become available, Alorica will likely relocate their operations to take advantage of such.
- **Foreign Currency Risk:** The property's income is paid in US$, an appreciation in the J$ FX rate will lower total income from the property. However, the Jamaican dollar has traditionally depreciated against the stronger US dollar over the last 5 to 10 Years. This gives an indication as to why these lease terms were negotiated in US dollars. Also, Alorica makes a majority of its income in US dollars.
- **Regulatory Risk:** Though the Group is currently exempt from corporate taxes under the SEZ Act, any material change in local Economic Zoning laws is likely to adversely affect Stanley Motta.
- **Corporate Governance:** We have identified a few issues in the corporate governance structure of the Group. Ms. Sharon Donaldson is both a tenant of Stanley Motta, through being the General Manager of General Accident Insurance Company, as well as a director on the board. Additionally, though the general public will hold approximately 70% of the Company, there is no representation on the board for the general public. Both Ms. Donaldson and Melanie Subratie are deputy Chairs of the General Accident Board, additionally, Ms. Jennifer Scott is a Director on the board of General Accident.
- **Mismatch of Rental Flows & Liabilities:** Though Stanley Motta's Rental Flows are hinged on predominantly 5-Year contracts, their debt obligations are in excess of 15-Years. As such, if Stanley Motta were to lose its major tenant and/or was forced to repurpose the facility for residential or commercial space, then the Group would still have these debt obligations to fulfil. This is further exacerbated by the Group's high pay-out ratio, which means that only 10% of income is likely to retain to maintain a capital buffer.
- **Lack of Growth Prospects:** The Group has stated, in their prospectus, that there are currently no properties that are in the pipeline to be bought or acquired and at this juncture there are no plans for expansion.

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Valuation: Stanley Motta Limited

Key Valuation Assumptions

We are projecting full FY 2018 and 2019 Income up to December 2018 and 2019 of approximately **J$234.59M** and **J$340.73M,** respectively. This translates to forward earnings per share (EPS) of approximately **J$0.45**. We believe the projected Income value is reflective of the rental income to be received by through the various lease arrangements already signed by the management of the Group.

In choosing our Valuation methods, we considered 4 possible models: A Relative Valuation using Price to Funds from Operation (Price-to-FFO), a Dividend Discount Model (DDM), a Discounted Cash Flow model (DCF), and a P/B Valuation, However, due to the limited amount of publicly traded REIT's locally we decided against the use of the FFO model. Based on the Group's expected public REIT status, stable dividend pay-out ratio and stable rental inflows we decided that the DDM and DCF models were most applicable. Additionally, based on the nature of the Group, we decided that the NAV and P/B methods were also applicable.

Dividend Discount Model (DDM)

Under this model, it is assumed Stanley Motta maintains a stable dividend policy over the valuation period at a dividend pay-out ratio of 90%. This model assumes that Stanley Motta would generate earnings consistent with our 10-Year projections. Dividend per share (DPS) was computed based on a retention ratio of 10%. The Group's fair value was computed to be **J$3.38**, implying a potential downside of **-36.30%** relative to its IPO price of **J$5.31**.

Discounted Cash Flow Model (DDM)

Due to the strong predictability of rental flows of the Group, due to its REIT structure, a Discounted Cash Flow model was used. Using a 10-Year projection of cashflows of the Group, a fair value of **J$3.59** was estimated. This implies a potential downside of **-32.37%** relative to its IPO price of **J$5.31**.

Price-to-Book (P/B) Ratio Valuation Method

P/B of Comparables	
138 Student Living	0.70
KP REIT	0.93
Average	**0.82**

Using Stanley Motta's listing price of **J$5.31** and their forward Book Value Per Share (BVPS) of **J$5.30X** as at December 2018, the Group's forward P/B ratio was calculated at **1.00X**. We believe that this forward P/B is justified given where current comparables on the main market are trading as well as the nature of Stanley Motta's business model. When their closest comparables are considered (KP REIT & 138 Student Living),

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the Group is being listed at a premium above the average of **0.82X**. When the forward P/B is applied to the estimated FY 2018 year-end BVPS of **J$5.30** the P/B Method implies a fair value of **J$5.30,** which is the listing price.

Fair Value Estimate

The average of all three methods produces an estimated fair value of **J$3.98** which implies a **-25.01%** downside from the intended IPO price which implies that investors should **not** participate in this IPO. Over the last 2/3 years robust market liquidity and an uptick in retail interest in the local stock market has driven a significant increase in investor demand for Initial Public Offerings. These offering are usually accompanied by a sharp uptick in the stock price immediately following the IPO which is then followed by a decline as trading of the stock normalizes. Against this backdrop while there **may** be a positive short-term movement in the stock price post listing we believe that the stock would be challenged to maintain price momentum given the issues with the listing valuation.

Fair Valuation Models	
DCF	J$3.25
DDM	J$3.38
P/B Valuation	J$5.30
Fair Value	**J$3.98**

Risks to Valuation

- Risks to our recommendation lies in the Group's high exposure to their anchor lease, Alorica. A majority of their office space will be rented by Alorica whose primary client is Amazon. Upon the expiry of their 5-Year lease with Alorica, the Group may decide to not renew the lease, leaving Stanley Motta with over 150,000 sq. ft. of unleased space.
- The Group may make an acquisition that may impact our projections going forward.
- A general downturn in the broad local economy market; which could negatively impact the domestic commercial Real Estate market, significantly impacting property valuations.

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Appendix

Shareholdings Pre-IPO:

Pre-IPO Shareholders for Stanley Motta Limited		
Name of Shareholder	**Issued Share Capital**	**Percentage Ownership**
Musson (Jamaica) Limited	358,229,862	47.27%
Harbour Street Properties Ltd.	399,589,000	52.73%
Other Shareholders	9,628	0.00127%
TOTAL	**757,828,490**	**100.00%**

Shareholdings Post-IPO:

Post-IPO Shareholders for Stanley Motta Limited		
Name of Shareholder	**Issued Share Capital**	**Percentage Ownership**
General Public	529,970,315	69.93%
The Reserved Share Applicant(s)	227,348,547	30.00%
Directors	500,000	0.07%
Other Shareholders	9,628	0.00127%
TOTAL	**757,828,490**	**100.00%**

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Financial Statement Extracts

INCOME STATEMENT EXTRACT						
December J$ ('000)						**Q1**
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
Revenue	**164.00**	**30.00**	**-**	**-**	**72,257.00**	**41,172**
Direct Expenses	(990.00)	(73.00)	-	-	-	-
Gross Profit	**(826.00)**	**(43.00)**	**-**	**-**	**72,257.00**	**41,172**
Other Operating Income	201.00	657.00	242.00	475.00	1,531.00	-
Administrative Expenses	(535.00)	(467.00)	(2,095.00)	(5,865.00)	(56,218.00)	(15,945)
Operating Profit	**(1,160.00)**	**147.00**	**(1,853.00)**	**(5,390.00)**	**17,570.00**	**25,227**
Finance Cost	-	-	-	(1,534.00)	(7,453.00)	(14,538)
Revaluation gain on Investment Property	-	-	-	-	843,554.00	-
Profit before Taxation	**(1,160.00)**	**147.00**	**(1,853.00)**	**(6,924.00)**	**853,671.00**	**10,689**
Taxation	-	-	-	(60.00)	(60.00)	-
Net Profit	**(1,160.00)**	**147.00**	**(1,853.00)**	**(6,984.00)**	**853,611.00**	**10,689**

BALANCE SHEET EXTRACT						
December J$ ('000)						**Q1**
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
Assets						
Cash & Cash Equivalents	577.00	423.00	682.00	68,989.00	2,234.00	60,331.00
Taxation recoverable	-	51.00	87.00	154.00	202.00	202.00
Receivables	418.00	527.00	425.00	7,458.00	43,755.00	56,409.00
Inventory	-	-	-	1,120.00	937.00	937.00
Investments	3,325.00	2,721.00	4,504.00	3,567.00	3,779.00	3,779.00
Investment Property	-	-	-	399,398.00	2,350,068.00	2,587,011.00
Property, Plant & Equipment	836.00	669.00	9,620.00	484.00	22,263.00	22193.00
Due from related party	-	-	-	-	-	50,978.00
	5,156.00	**4,391.00**	**15,318.00**	**481,170.00**	**2,423,238**	**2,781,840**
Liabilities						
Due to related parties	4,292.00	4,052.00	14,749.00	29,062.00	38,093.00	50,978
Payables	1,509.00	1,441.00	1,741.00	20,753.00	66,024.00	44,529.00
Borrowers	-	-	-	197,471.00	713,909.00	781,708
Related party loan	-	-	-	203,059.00	-	-
Other Liabilities	-	-		-	-	
	5,801.00	**5,493.00**	**16,490.00**	**450,345.00**	**818,026.00**	**877,215.00**
Shareholders' Equity						
Share capital	390.00	390.00	390.00	40,349.00	530,809.00	811,933.00
Capital Reserve	41.00	41.00	41.00	-	238,379.00	238,379
Fair Value Reserve	3,322.00	2,718.00	4,501.00	3,564.00	3,776.00	3,776.00
Cumulative Translation Reserve	-	-	-	-	(8,275.00)	
Retained Earnings/(Deficit)	(4,398.00)	(4,251.00)	(6,104.00)	(13,088.00)	840,523.00	851,212.00
Total Equity	**(645.00)**	**(1,102.00)**	**(1,172.00)**	**30,825.00**	**1,605,212**	**1,905,300**
TOTAL DEBT	**4,292.00**	**4,052.00**	**14,749.00**	**226,533.00**	**752,002.00**	**832,686.00**
NET DEBT	**3,715.00**	**3,629.00**	**14,067.00**	**157,544.00**	**749,768.00**	**772,355.00**
EBITDA	**(950.00)**	**314.00**	**(1,719.00)**	**(5,256.00)**	**19,036.00**	

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KEY FINANCIAL STATISTICS					
Ratios	**2013**	**2014**	**2015**	**2016**	**2017**
Liquidity Ratios					
Current Ratio	0.17	0.18	0.07	1.56	0.45
Quick Ratio	0.17	0.18	0.07	1.54	0.44
Cash Ratio	0.10	0.08	0.04	1.38	0.02
Profitability Ratios					
Return on Equity	179.84%	-16.83%	162.97%	-47.10%	104.35%
Return on Assets	-22.50%	3.08%	-18.80%	-2.81%	58.78%
Gross Margin	-503.66%	-143.33%	N/A	N/A	100.00%
Operating Margin	-707.32%	490.00%	N/A	N/A	24.32%
Pre-tax Profit Margin	-707.32%	490.00%	N/A	N/A	1181.44%
Profit Margin	-707.32%	490.00%	N/A	N/A	1181.35%
Credit Ratios					
Leverage Ratio (x)	(7.99)	(5.46)	(8.67)	16.74	1.78
Total Debt/EBITDA (x)	(4.52)	12.90	(8.58)	(43.10)	39.50
EBITDA/Interest Expense (x)	N/A	N/A	N/A	-3.43	2.55
Total Debt/Total Equity (x)	(6.65)	(3.68)	(12.58)	7.35	0.47

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Board of Directors[6]

Melanie Subratie
Chairman

Melanie Subratie is the Chairman of the Company and also the Deputy Chairman of General Accident and Musson (Jamaica) Limited. Mrs. Subratie holds a B.Sc. (Hons) from the London School of Economics. She began her career in the United Kingdom in the Financial Services Division of Deloitte & Touche and worked for startup political newswire service De Havilland prior to returning to Jamaica in 2002 and joining the Musson Board at that time with responsibility for Business Development, and specifically Managing Director of Productive Business Solutions Ltd

Minna Israel
Director

Minna Israel, a former banker with over 30 years of corporate, commercial and retail banking experience, Minna Israel is a Special Advisor to the Vice Chancellor of The University of the West Indies, on Resource Development, with focus on philanthropy. Having served as the President & Country Head of RBC Royal Bank Jamaica for 4 years, as the Managing Director of Scotiabank (Bahamas) Limited for 3 years, and a past-President of the Jamaica Bankers' Association, her performance and contribution to banking and the wider society made her the recipient of a number of local, regional and international awards, including the UWI Honorary Doctor of Laws degree, in November 2011.

She currently serves as Director on several Boards including First Global Bank, Cari-Med Ltd, RJR Gleaner Communications Group, and JPS Co Ltd. Minna holds an MBA from the Richard Ivey School of Business at the Western University, Ontario, Canada, and a BSc Degree in Management Studies from The University of the West Indies.

[6] Biographies were taken from the Company's Prospectus

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Sandra Glasgow
Director

Sandra Glasgow, Founder and Managing Director of BizTactics Limited. She is member of the Boards of Directors of NCB Financial Group Limited, National Commercial Bank Jamaica Limited, Medical Disposables and Supplies Limited, The Multi-care Youth Foundation, DRT Communications Limited and Loan Cirrus Limited. She chairs the boards of eMedia Interactive Group Limited, iCreate Limited, the National Crime Prevention Fund (Crime Stop), the SMART Retirement Fund and SiFi Jamaica Limited.

She is a Co-Founder of First Angels JA. Sandra spent 20 years at the University of Technology, Jamaica, where, among other achievements, she was Director of the Entrepreneurial Centre and the Founder of the Technology Innovation Centre, Jamaica's first technology business incubator. She is a former CEO of The Private Sector Organization of Jamaica.

She has a Bachelor of Science Degree in Applied Zoology and Applied Botany and a MBA from the UWI, Mona. She is certified as a Director; a Trainer of Trainers in Corporate Governance Board Leadership and a Trainer of Trainers in Business Ethics. She was Jamaica's Eisenhower Fellow in 2000.

Patricia Sutherland
Director

Patricia Sutherland has over 25 years' experience in management, operations and strategic planning in financial services and manufacturing. She joined JMMB in 1994 as Operations and Human Resources Manager, and in 1999, transitioned to the role of Consultant with JMMB as Project Manager for various initiatives, including JMMB Initial Public Offering and the acquisition of several of its subsidiaries. She currently chairs the JMMB Joan Duncan Foundation and sits on the JMMB Bank Board.

She has worked with the now ICD Group Limited as Operations Manager at Butterkist Limited and as General Manager at HoFAB Limited. As an active Nation Builder, she has served as Chair of the PSOJ Education Committee, and as a director on the boards of several Public Bodies, including the Jamaica Social Investment Fund, EGov Ltd. and the Adoption Board of Jamaica. She is a Past President of the Guild of Graduates (UWI Mona) and former member of the University Council and several other management committees of the University.

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Andrea Kinach
Director

Andrea was first admitted to practice as a Solicitor in the United Kingdom in 2000 and in 2008 she migrated to Jamaica, re-qualified as an Attorney-at-Law and joined Patterson, Mair and Hamilton. She was admitted as a Partner in 2011. Andrea holds a B.A. in Economics from Trinity College, University of Toronto as well as an LL.B (First Class), from the University of Kent, Canterbury, England. Andrea maintains a diverse practice with focus on financial services, corporate finance, and general commercial work.

Sharon Donaldson
Director

Ms. Donaldson is currently the Managing Director of General Accident Insurance Company (GENAC). She has been with GENAC for over 20 years, first as Financial Controller before becoming Managing Director in 2001. In addition to her responsibilities at the company Ms. Donaldson serves as a Director of Musson (Ja.) Ltd., Eppley Limited and Stanley Motta Ltd. She is a Director and mentor of 138 Student Living Limited, Jamaica Environment Trust, and Paramount Trading Jamaica Limited and a member of the Jamaica Anti-Doping Commission. Ms. Donaldson holds the position of Treasurer on the Council of the Institute of Chartered Accountants of Jamaica (ICAJ) and heads the committee of Professional Accountants in Business (PAIB).

Jennifer Scott
Non-Executive Director

Jennifer Scott is a Non-Executive Director of the Board. She holds a B.Sc. (Hons.) in Psychology from the Newcastle University, United Kingdom. She later gained a Graduate Diploma in Legal Studies from Keele University and the Certificate of Legal Practice from College of Law, London. She was admitted Solicitor of the Supreme Court of England and Wales. Jennifer graduated from The Norman Manley Law School in 2003 and was admitted as an Attorney-at-Law in Jamaica. She practices Law at Clinton Hart & Co. Attorneys-at-law where she works in the areas of Securities, Trusts, Commercial and Corporate Law Estates.

Currently, she serves as a Non-Executive Director and Member of the Conduct Committee at GENAC, Director and Member of the Investment Committee at Eppley Limited as well as Director and Chair of Human Resources and Compliance Committee for Environmental Foundation of Jamaica (EFJ) She has held directorship for Jamaica Protected Areas Trust and Silver Star Motors Limited.

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