

SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199201623M)

ACQUISITION OF SHARES IN JAGGED PEAK, INC.

1. INTRODUCTION

Reference is made to the announcements by Singapore Post Limited (the “**Company**”) dated 9 October 2015, 2 March 2016 and 7 March 2016 in relation to the acquisition of an interest in Jagged Peak, Inc. (“**Jagged Peak**”) by SP Jagged Peak LLC (“**SP JP**”). SP JP is an indirect wholly-owned subsidiary of the Company.

As disclosed in the notes to the financial statements set out in the Company’s most recently published Annual Report 2017/18, pursuant to the key stockholder agreement entered into on 9 October 2015 (the “**Key Stockholder Agreement**”) between each of SP JP, Jagged Peak and Paul Demirdjian (individually, and also with respect to any interests held jointly with his spouse, collectively, the “**Key Stockholder**”), the Key Stockholder has the right (the “**Put Right**”) to sell to SP JP all of the shares of common stock of Jagged Peak then held by the Key Stockholder.

2. EXERCISE OF PUT RIGHT

The Company wishes to announce that:

- (a) the Key Stockholder had given notice to exercise the Put Right to sell the Key Stockholder’s entire 5,950,084 shares of common stock of Jagged Peak (the “**Sale Shares**”) to SP JP. Consequently, SP JP is bound under the Key Stockholder Agreement to complete the sale and purchase of the Sale Shares (the “**Acquisition**”);
- (b) SP JP and the Key Stockholder (together, the “**Parties**”) agreed to vary and supplement certain terms relating to the Put Right under the Key Stockholder Agreement including, *inter alia*, the amount of the aggregate consideration to be paid for the Sale Shares (the “**Consideration**”); and
- (c) the Acquisition was completed on 15 February 2019 (Florida time) (“**Closing Date**”). Accordingly, SP JP is now both the legal and beneficial holder of all the shares of common stock of Jagged Peak, which is in turn an indirect wholly-owned subsidiary of the Company.

3. CONSIDERATION FOR THE ACQUISITION

The Consideration is dependent on the audited average earnings before interest, tax, depreciation and amortisation of Jagged Peak for the three consecutive financial years ended 31 December 2017. The Parties have agreed to structure the payment of the Consideration as follows: (i) an initial purchase price of US\$10.59 million (approximately S\$14.39 million) (the “**Initial Purchase Price**”); and (ii) a post-closing payment (the “**Post-Closing Payment**”), taking into account an outstanding customer debt owing to Jagged Peak Canada, Inc., a wholly-owned subsidiary of Jagged Peak.

The Initial Purchase Price was paid in cash to the Key Stockholder on the Closing Date. The Post-Closing Payment is payable only upon recovery of the said customer debt (or any part thereof) and the exact amount of the Post-Closing Payment to be paid will be determined with reference to the actual amount of the customer debt which is recovered during the period commencing from the Closing Date and up to and including 13 February 2020. If all of the

said customer debt is recovered, the maximum Post-Closing Payment will be approximately US\$1.75 million¹ (approximately S\$2.38 million).

Based on the latest unaudited financial statements of Jagged Peak for the period ended 31 December 2018, the book value and the net tangible asset value of the Sale Shares is -US\$0.6 million and -US\$3.8 million respectively.

4. EFFECT OF THE ACQUISITION ON SINGPOST'S FINANCIAL RESULTS

The Acquisition is funded from internal resources and is not expected to have a material effect on the net tangible assets or earnings per share of the Company for the financial year ending 31 March 2019.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors (other than in his capacity as a director or shareholder of the Company) or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

Issued by Singapore Post Limited on 15 February 2019.

¹ Subject to applicable exchange rates.