



UNIVERSAL NETWORK SYSTEMS LIMITED

Information Memorandum

Growth Enterprise Market Board



blue

Head Office

Plot # 5, Bangalore Town, Shahrah-e-Faisal,
Karachi

Website

www.blue-ex.com

November 2021

Accredited Investors are hereby informed that this Fixed Price issue is not underwritten.



Disclaimer

- This is not a Prospectus for issue of shares to the general public, but a document prepared for the purpose of offering shares only to Accredited Investors. This Information Memorandum (“IM”) has not been approved by the Securities & Exchange Commission of Pakistan (the Commission) or the Pakistan Stock Exchange Limited (the Exchange).
- The Growth Enterprise Market (GEM) Board at the Pakistan Stock Exchange (PSX) is designed primarily for Growth Companies. Growth Companies are comparatively exposed to higher investment risk including liquidity risk as compared to the companies listed at the Main Board. The prospective investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful diligence of the issue and consideration. It is advisable to consult an independent investment advisor before making investment in equity of the Issuer.
- The Board of Directors of Universal Network Systems Limited (UNS or the “Company”) accepts responsibility for accuracy of the information contained in this document.
- This Information Memorandum describes and summarizes the key highlights of Universal Network Systems Limited and it is being provided to the prospective investors who may be interested in participating in the Initial Offering (“Transaction”) by UNS.
- Topline Securities Limited & Arif Habib Limited (Joint Advisors to the Issue) have been authorized by UNS to provide this IM to Accredited Investors, as stipulated by Chapter 5A of the PSX Rule Book with associated guidance, wishing to participate in this Transaction, and to assist them in assessing the proposed Transaction. Prospective investors should conduct their own independent investigation, due diligence and analysis, including legal and tax advice, if required, before taking any decision with regard to this Transaction.
- All information pertaining to this Transaction and contained in this Information Memorandum has been obtained from UNS and other publicly available sources. The information contained in this IM has been reviewed and agreed upon by the Company. Joint Advisors to the Issue believe that the information stated herein is accurate and complete. However, nothing contained in this IM should be considered a promise, confirmation, or representation by the Joint Advisors to the Issue as to the future, or an indication that there has been no change in the state of affairs of the Company since the date of this IM.
- This IM does not constitute a Prospectus or an offer to the public by the Joint Advisors to the Issue, and is being provided on a strictly and permanently confidential basis, solely for the purpose stated above and for no other purpose. It must not be copied, reproduced, or distributed in any shape or form to others without prior approval of the Joint Advisors to the Issue.”

Glossary

| | |
|----------------|---|
| API | Application Programming Interface |
| AHL | Arif Habib Limited |
| BVPS | Book Value Per Share |
| COD | Cash on Delivery |
| COS | Cost of Sales |
| EPS | Earnings Per Share |
| ERP | Enterprise Resource Planning |
| GSA | General Sales Agreement |
| HNWI | High Net Worth Individuals |
| IATA | International Air Transport Association |
| IP | Intellectual Property |
| IT | Information Technology |
| Mn | Million |
| MNCs | Multinational Companies |
| PKR or Rs. | Pakistan Rupee(s) |
| PSX / Exchange | Pakistan Stock Exchange Limited |
| PRU | Problem Resolution Unit |
| ROE | Return on Equity |
| ROA | Return on Asset |
| TSL | Topline Securities Limited |
| UNS | Universal Network Systems Limited |



The Transaction

| | |
|-----------------------------|--|
| Issuer | Universal Network Systems Limited (“UNS” or the “Company”) |
| Date of Incorporation | December 12, 2005 |
| Registration Number | 0053292 |
| Transaction | Initial Offering through issue of Ordinary shares on GEM Board |
| Type of Share & Face Value | Ordinary shares of face value of PKR 10 |
| Transaction Size | Total Issue Size: 6,857,000 ordinary shares (25% of Post-Issue Paid Up Capital) |
| Offering Structure | The entire issue will be offered through Fixed Price Mechanism at an Fixed Price of PKR 65/- per share (including premium of PKR 55/- per share) |
| Total Amount to be Raised | PKR 445,705,000 |
| Purpose of Issue | UNS intends to invest in in-house technology development and expanding its infrastructure to maximize its footprint across Pakistan. |
| Joint Advisors to the Issue | Topline Securities Limited and Arif Habib Limited |
| Shariah Status | Shariah Compliant |
| Subscription Dates | 17 Nov’2021 to 18 Nov’2021 from 09:00 am to 05:00 pm* |
| Banker to the Issue | Dubai Islamic Bank Pakistan Limited and Meezan Bank Limited |
| Underwriter | Underwriter(s) have not been appointed for this issue. In case the issue is not fully subscribed, the Company will not be listed on the Exchange. |

Journey so far

- UNS was incorporated in 2005 as a Domestic Cargo Consolidator and shifted its focus towards E-Commerce Logistics in 2011 with the first COD shipment conducted in Pakistan under the BlueEX Brand.
- The Company introduced E-Commerce to Pakistan when they launched the [Online Booking System](#) in 2011 and over the next few years established a reliable Cash on Delivery Network across the country.
- Today, these [standards and practices](#) have become the industry standard for E-Commerce Logistics in Pakistan.
- UNS is the only [International Air Transport Association \(IATA\)](#) certified courier company in Pakistan and also has Certification from International Federation of Freight Forwarders Associations (FIATA).



Key Statistics –



942 Staff*



350+ Vehicles**



3 Fulfillment Centers



SereneAir

Exclusive Cargo GSA



1000+ tons moved every month



657 Delivery locations



PKR 7 Billion+ of payment on delivery handled

aramex

Country Franchisee

* Of 942 staff; 813 staff are on contract.

** Company has around 15 owned vehicle, 32 third party vehicles and over 435 riders' bikes.



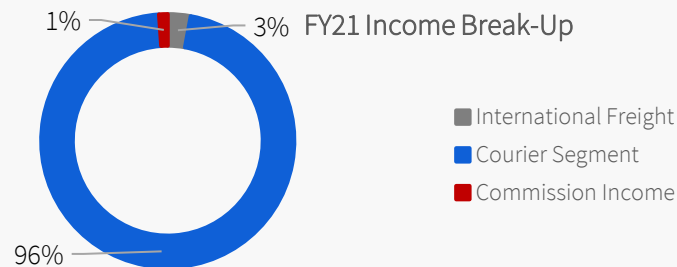
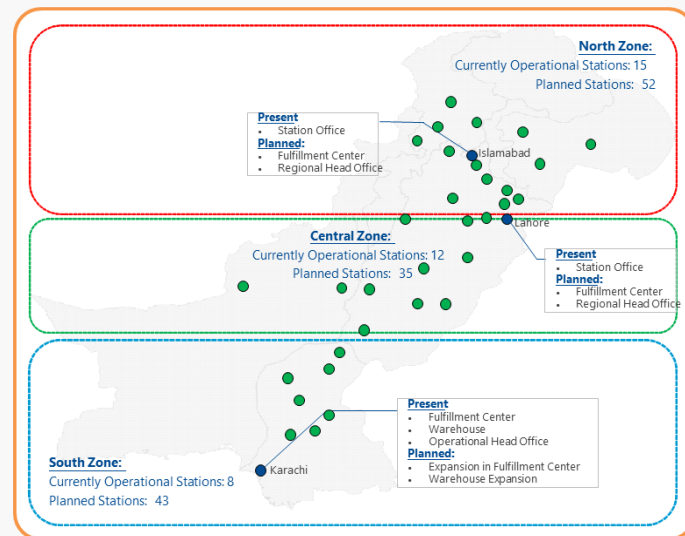
Company Overview

UNIVERSAL NETWORK SYSTEMS LIMITED



Company Overview

- Today, the Company is offering a complete fulfillment solution, based on it's core capabilities in:
 - Cargo Segment
 - Commission Income
 - Courier Segment
- Cargo Segment:** It includes International freight customers of both Air and Ocean business as well as customers use Serene Air domestic cargo services of UNS.
 - Domestic Freight
 - International Freight
- Commission Income:** It is the commission income UNS receives against cargo freight business from international airlines.
- Present Domestic Delivery
 - 35 Stations
 - 7 Substations
 - Serving 657 Cities/small towns through 35 stations
- Our home grown technology stack is our own IP, flexible and customizable to accommodate changing requirements.



Operating Segment ... (Courier Segment)



Last Mile Delivery & Cash Collection

It covers pickup, destination transportation, delivery to final customer and cash collection



Technology Services

Provides application programming interface integration to customers for direct online order bookings with UNS portals with pickup and delivery status. UNS also provides the online marketplaces & web-based support for selected clients.



Hosted Call Center Solution

It provides a triangulation connection between UNS, Shipper and Consignee for all issues from pickup to delivery and cash payments



Order Packaging & Processing

These services are provided primarily to customers having E-fulfilment business with the Company. Additionally, certain E-Commerce (COD) customers also utilize these services for their products' secure packaging & delivery.



Warehousing

It is the E-fulfilment service from holding the products at UNSL warehouse till final delivery to the end consignee of UNSL customer

Pre-Issue Capital Structure of the Issuer

| S. No | Name | Particulars | Ordinary Shares | Pre - Issue % | Post – Issue % | Date of Transfer | Directorships in Other Companies |
|-------|---------------------------|---|-------------------|---------------|----------------|------------------|--|
| 1 | Arif Elahi* | Sponsor/Chairman / Non-Executive Director | 500 | 0.00% | 0.00% | 15-2-21 | Elahi CMC Limited |
| 2 | Mrs. Safina Danish Elahi* | Sponsor/Non-Executive Director | 14,603,830 | 70.99% | 53.24% | 17-3-21 | E&U Foods (Pvt) Limited Reverie Publishing SMC (Pvt) Limited Agro Processors & Atmospheric Gases Limited |
| 3 | Mr. Imran Baxamoosa* | Sponsor/Director/CEO | 1,028,580 | 5.00% | 3.75% | 30-11-20 | Universal Freight Systems (Pvt) Limited Brandverse (Pvt) Limited |
| 4 | Mr. Ali Baxamoosa* | Sponsor/ Executive Director | 1,028,590 | 5.00% | 3.75% | 30-11-20 | Universal Freight Systems (Pvt) Limited Brandverse (Pvt) Limited |
| 5 | Asfandiyar Farrukh | Independent Director | 205,714 | 1.00% | 0.75% | 15-2-21 | MIMA Trading (Pvt.) Limited |
| 6 | Mirza Qamar Beg | Independent Director | 500 | 0.00% | 0.00% | 15-2-21 | MCB Arif Habib Savings & Investment Company |
| 7 | Nadine Malik | Independent Director | 500 | 0.00% | 0.00% | 15-2-21 | - |
| 8 | Raza Elahi | Shareholder/Investor | 1,028,572 | 5.00% | 3.75% | 24-3-21 | - |
| 9 | Fatima Tuz Zehra | Shareholder/Investor | 1,028,571 | 5.00% | 3.75% | 27-5-21 | - |
| 10 | Maple Leaf Capital | Shareholder/Investor | 1,028,571 | 5.00% | 3.75% | 30-3-21 | - |
| 11 | Cavish Farrukh | Shareholder/Investor | 205,714 | 1.00% | 0.75% | 18-3-21 | - |
| 12 | Atif Bokhari | Shareholder/Investor | 205,714 | 1.00% | 0.75% | 24-3-21 | - |
| 13 | Rashid Sadiq | Shareholder/Investor | 102,857 | 0.50% | 0.38% | 16-9-21 | - |
| 14 | Wasim Akram | Shareholder/Investor | 102,857 | 0.50% | 0.38% | 9-10-21 | - |
| 15 | Sohail Ilahi | Shareholder/Investor | 180 | 0.00% | 0.00% | 12-3-20 | - |
| 16 | Misbah Khalil Khan | Shareholder/Investor | 180 | 0.00% | 0.00% | 28-12-20 | - |
| | Total | | 20,571,430 | 100% | 75% | | - |

* These are the sponsors of the Company by virtue of control, substantial shareholding, or family associate of the sponsor.

Note1: Imran Baxamoosa and Ali Baxamoosa are brothers and Safina Elahi is the Daughter in Law of Arif Elahi

Note2: :The shareholding is of 17th Sept, 21

Mr. Raza Elahi and Sohail Ilahi are the distant relative of Elahi family referred as sponsors in this IM due to same tribe

Note3: Other than above mentioned none of the shareholders have any relationship with the sponsors

Group & Associated Companies

| S. No | Name | Particulars | Nature of Relation | Associated Companies by Virtue of Common Directorship |
|-------|--------------------------|---|---------------------|--|
| 1 | Arif Elahi | Sponsor/Chairman / Non-Executive Director | Common Directorship | Elahi CMC Limited |
| 2 | Mrs. Safina Danish Elahi | Sponsor/Non-Executive Director | Common Directorship | E&U Foods (Pvt) Limited Reverie Publishing SMC (Pvt) Limited Agro Processors & Atmospheric Gases Limited |
| 3 | Mr. Imran Baxamoosa | Sponsor/Director/CEO | Common Directorship | Universal Freight Systems (Pvt) Limited Brandverse (Pvt) Limited |
| 4 | Mr. Ali Baxamoosa | Sponsor/ Executive Director | Common Directorship | Universal Freight Systems (Pvt) Limited Brandverse (Pvt) Limited |
| 5 | Asfandiyar Farrukh | Independent Director | Common Directorship | MIMA Trading (Pvt.) Limited |
| 6 | Mirza Qamar Beg | Independent Director | Common Directorship | MCB Arif Habib Savings & Investment Company |
| 7 | Nadine Malik | Independent Director | - | - |

Listed Associated Company

Mrs. Safina Danish Elahi is the principal sponsor of the Company. Her husband, Mr. Danish Elahi of the Elahi Group of Companies, is the primary sponsor of Cordoba Logistics & Ventures Limited (formerly Mian Textile Industries Limited) after having acquired 70.23% shareholding in the company in Feb 2021.

Cordoba Logistics & Ventures Limited and the listing applicant can be construed as “associated companies” under the Companies Act, proviso (i) to the definition of associated companies, which states that, “shares shall be deemed to be owned, held or controlled by a person if they are owned, held or controlled by that person or by the spouse or minor children of the person.”

Cordoba Logistics & Ventures Limited was in default of PSX Regulation 5.11.1(b) but the default was rectified and Cordoba Logistics & Ventures Limited was shifted to the Normal Counter of the Exchange w.e.f. Aug 12, 2021.

Accordingly, the Issuer’s associated company (i.e. Cordoba Logistics & Ventures Limited) is presently not in default of any Listing Regulation of the Exchange.

Shares Issued in Preceding year

| S.No | No. of Shares Issued | Type of Share | Consideration | Total Value (PKR) | Date of Issuance / Allotment |
|--------------|----------------------|----------------|---------------------------|--------------------|------------------------------|
| 1 | 4 | Ordinary Share | Cash | 400 | 12 Dec 2005 |
| 2 | 39,996 | Ordinary Share | Cash | 3,999,600 | 28 Nov 2006 |
| 3 | 17,143 | Ordinary Share | Cash | 1,714,300 | 04 Oct 2017 |
| 4 | 991,097 | Ordinary Share | Cash | 99,109,700 | 02 April 2021 |
| 5 | 1,008,903 | Ordinary Share | Sponsor's debt conversion | 100,890,300 | 02 April 2021 |
| 6 | 18,514,287 | Ordinary Share | Stock Split | - | 02 April 2021 |
| Total | 20,571,430 | | | 205,714,300 | |

In Year 2005, 4 shares of PKR 100 par value each were issued to (i) Mr. Imran Baxamossa, (ii) Mr. Salim Rajab Ali Baxamoosa (Father of Imran and Ali Baxamoosa), (iii) Muhammad Farukh Iqbal and (iv) Mushtaq Ahmed, respectively.

In Year 2006, 39,996 new shares of PKR 100 par value were issued to (i) Mr. Imran Baxamoosa, (ii) Mr. Salim Rajab Ali Baxamoosa (Father of Imran and Ali Baxamoosa), (iii) Muhammad Farukh Iqbal and (iv) Mushtaq Ahmed. 9,999 shares to above four.

In Year 2017, 17,143 new shares of PKR 100 par value (by way of rights) were issued at Price of PKR 2,525 (premium of PKR 2,425) to (i) Mr. Danish Elahi (11,429 shares) and (ii) Mr. Stirling Alexander Cox (5,714 shares).

In Year 2021, 2,000,000 new shares of PKR 100 par value (by way of rights) were issued at par to out of which 991,097 shares were issued against cash consideration to (i) Mr. Danish Elahi (985,348 shares), (ii) Mr. Imran Baxamoosa (2,857 shares), (iii) Mr. Ali Aamer Baxamoosa (2,858 shares), (iv) Mr. Sohail Ilahi (17 shares) and (v) Mr. Misbah Khalil Khan (17 shares). Further 1,008,903 new shares of PKR 100 par value (by way of rights) were issued against conversion of sponsor's debt to (i) Mr. Danish Elahi (808,903 shares), (ii) Mr. Imran Baxamoosa (100,000 shares) and (iii) Mr. Ali Aamer Baxamoosa (100,000 shares).

In 2021, PKR 100 par value was converted in the ratio of 1:10 to PKR 10 par value.

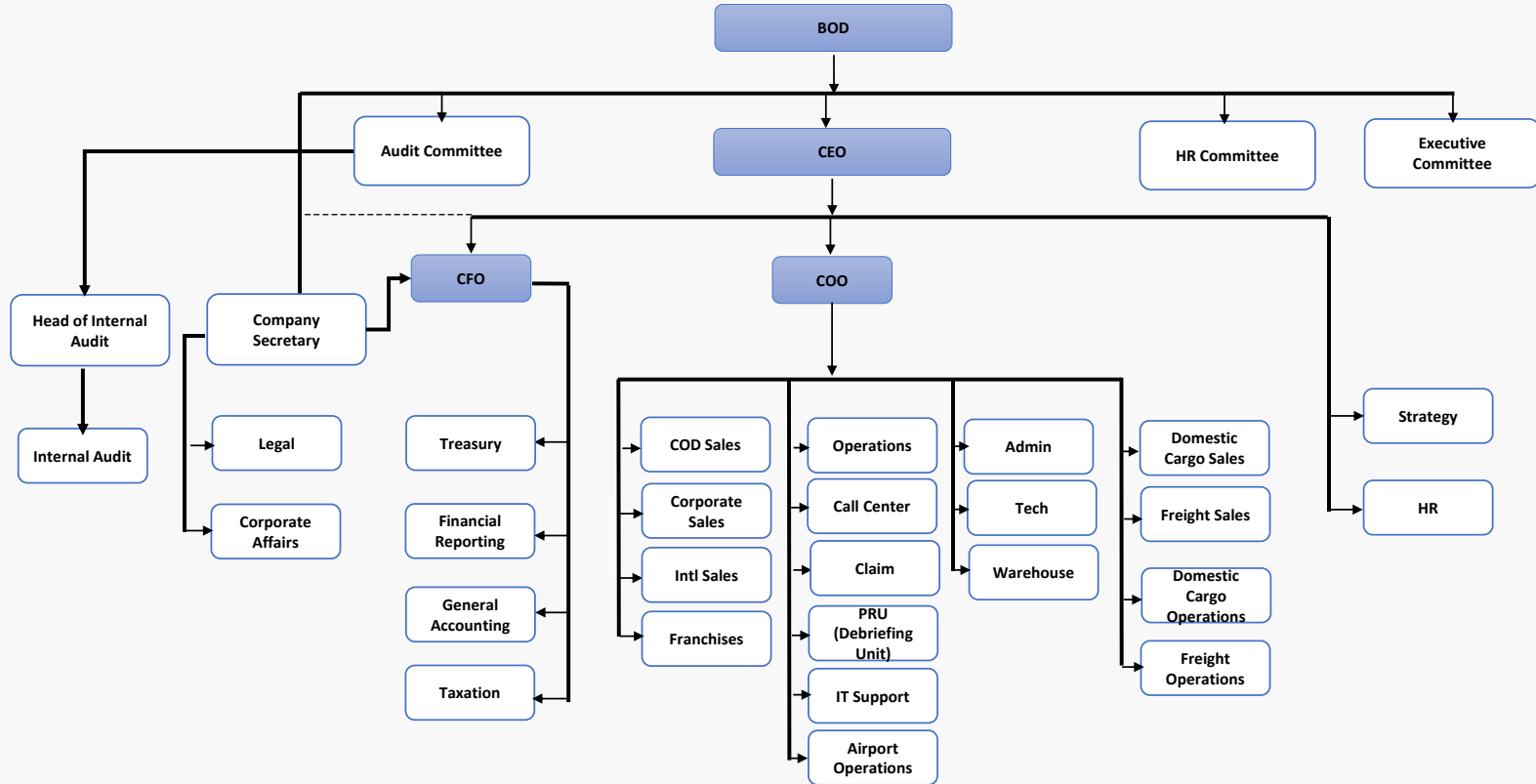
Key Business Highlights

- Today, the Company is one of the leading E-Commerce Logistics player offering a full value chain of logistics and aftersales support which allows it to enjoy an unrivalled market position as E-Commerce retailers get complete coverage from initial pickup all the way to customer queries.
- BlueEX is the only player in the E-Commerce Logistics space providing fully integrated solutions for E-Commerce Retailers.
- BlueEX has developed its own software suite for E-Commerce, tailored specifically to needs of its business.
- BlueKart & Benefit are two of the Company's premier platforms that are already used in the local market to fulfill needs of Retail ERP modules such as Order Management Systems, Warehouse Management Systems, Point of Sales and Logistics Management Systems. Active use of these software solutions allows BlueEX to seamlessly integrate with E-Retailers and FMCGs, hence fulfilling their E-Distribution and Logistics needs.

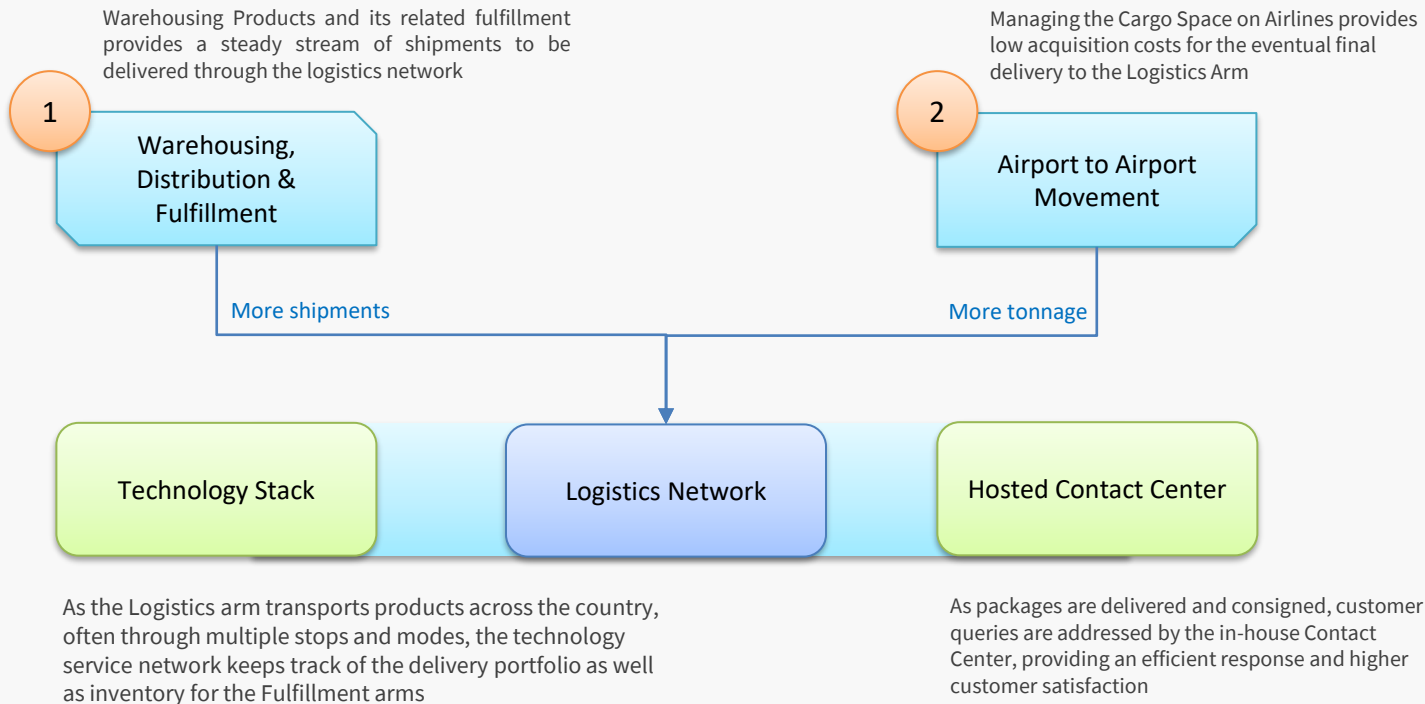
Key Business Highlights ... Contd.

- BlueEX has a diversified client base from Fashion Houses such as Gul Ahmed, Sapphire and Al Karam and FMCGs like Unilever, Nestle and Coca-Cola to Pharmaceuticals and Car Manufacturers. These long-term contracts with some of the largest conglomerates gives BlueEX brand, recognition and market edge over its competitors.
- The Company has an exclusive franchising agreement with Aramex – One of the leading courier and delivery service providers based out of the UAE. BlueEX has the exclusive right to deliver packages on behalf of Aramex within Pakistan. With Aramex being a market leader in the Courier & Delivery space in the Middle East – Home to one of the largest diasporas of Pakistanis, there is significant opportunity for the Company to grow its courier business via the steady referral and deferment from Aramex.
- The Company has an exclusive GSA with Serene Airlines, one of the fastest growing airlines in Pakistan. The GSA gives BlueEX the exclusive right to book cargo on all flights, allowing them an edge in terms of supply chain as well as increasing dependency of other Courier & Logistics players who have to book through BlueEX.

Organogram



Business Model



Milestones

Incorporation of
Universal Network
Systems (Private)
Limited

Commencement of
Cash on Delivery
Service and Brand
Name “Blue-Ex”
Commencement of
International Air
Freight Operations

Commencement of
International Sea
Freight Operations

Partnered with
Serene Air as CGSA

Started Digital Media
Operation

Partnered with
“Aramex” – A leading
logistics company in
Gulf Region and
partnered with
Shaheen Air as CGSA

Launch of
“BLUEKART” E-
commerce Platform

Countrywide
outreach to over
650 cities & towns
Started managing
import cargo through
Aramex

2005

2010

2011

2012

2014

2017

2018

2020

Launch of Blue Ex's
online shipment
processing and
start of warehousing
services

Achieved 3,000 plus
online retailer
partnerships

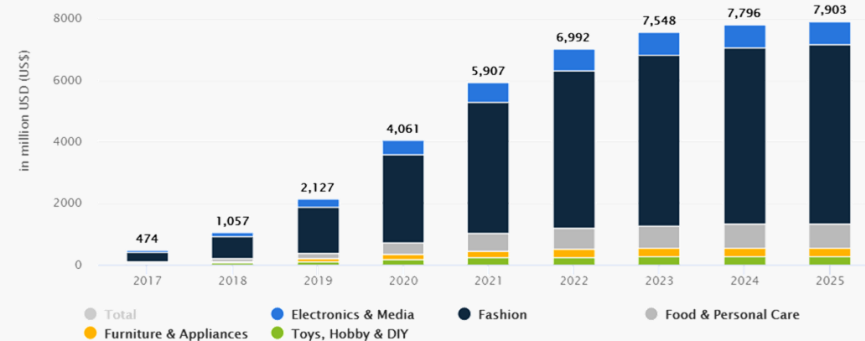
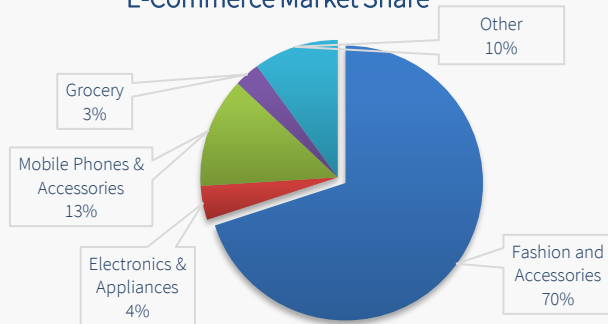
Industry Overview



Industry Overview

- Transport itself contributes 22.3% of the services sector GDP and accounts for approximately 6% of the nation's total employment.
- Inter-urban passenger and freight transport in Pakistan is primarily via road with 94% of all passengers travelling by road and 98% of all freight movement being undertaken through the Road network.
- The most significant change in the transportation industry has come during the pandemic, when all businesses including grocery purchasing was suspended or slowed due to lockdown and fear of the virus. The e-commerce industry started showing its competitive benefits to address issues of last mile reach for customers and utilization of technology at least in urban and semi-urban territories for effective satisfaction of both suppliers and end users.

E-Commerce Market Share



Industry Overview ... Contd.

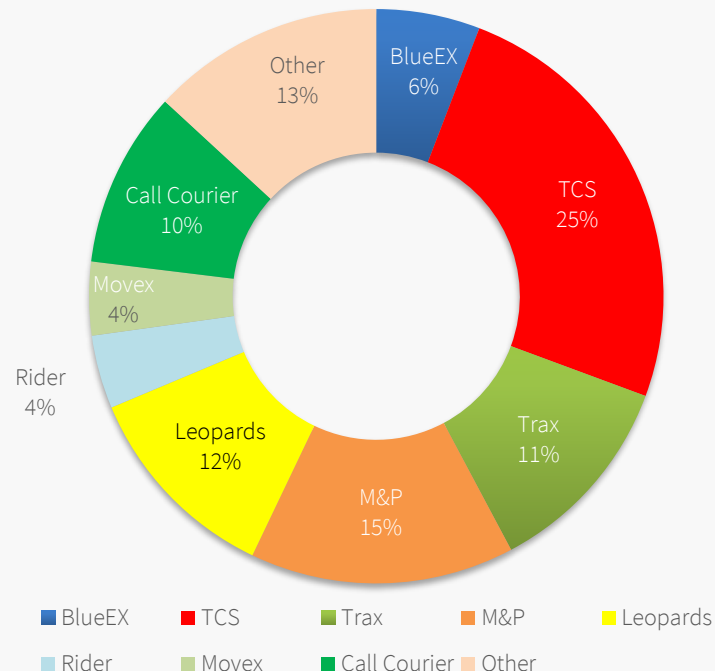
- In Pakistan, most businesses are SMEs and recently, Amazon has added Pakistan to its sellers' list which will open vast opportunities, more documented exports and high revenue stream for country's young entrepreneurs through a larger market opportunity in the form of presence of global B2B and B2C portals like Amazon.
- In 2019, Pakistan was the 46th largest market for ecommerce with a revenue of USD 2 billion. With an increase of 101%, the Pakistani ecommerce market contributed to the worldwide growth rate of 17% in 2019.
- Revenues for ecommerce continue to increase. New markets are emerging, and existing markets also have the potential for further development. Global growth is expected to continue over the next few years. This will be propelled by East and Southeast Asia, with their expanding middle class and lagging offline shopping infrastructure.

Competitors



Disclaimer: For Cargo Segment market data and competitors are not disclosed in the IM as this segment is fragmented and undocumented.

Courier Segment Market Share



Source: Based on Market Intel

Disclaimer: TCS and Leopards having high market shares due to presence in document couriers. However, UNS focuses on niche e-commerce based domestic and international courier services.

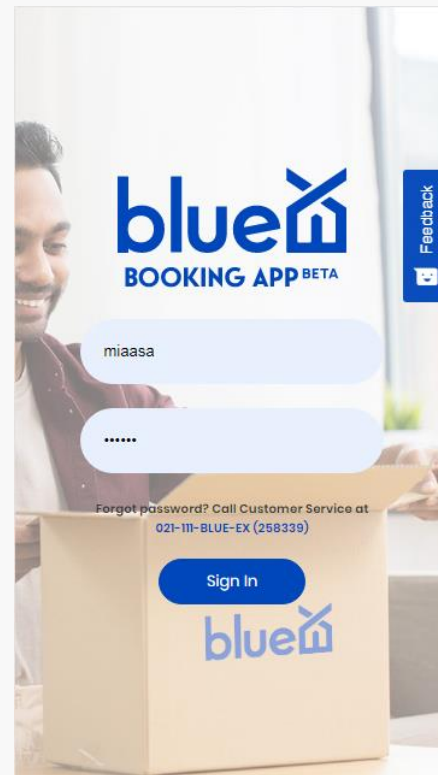
Our Technology Stack



Booking Portal / Extensions / Integrations

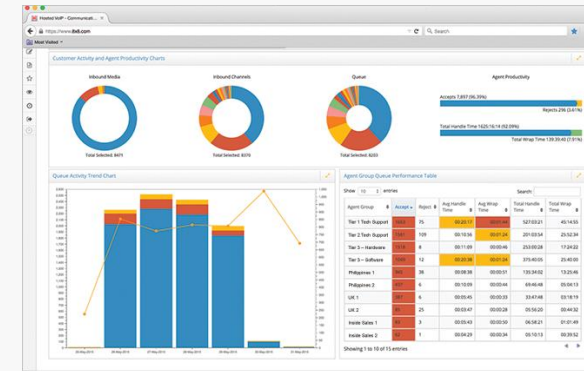
UNS's primary customer touchpoint is web based booking portal that allows customers to create shipments. The customer can do this via their desktop or mobile device. We also provide plugins and APIs for all major E-Commerce Platforms. The booking portal allows users to:

- Create Shipments
- View breakdown of existing shipments
- View Dashboard with outstanding payments
- View settlement history and account statement
- Chat to customer services
- Share Feedback
- Manage return shipments
- Create new user accounts for team members
- View help documents and videos



The most important touchpoint for E-Commerce, BlueEX also provides customers hosted contact center services. Our customer services staff use enterprise grade technology across call center, web based chat and e-mail to keep end customers happy.

- Complete end-to-end order management
- Trained multi-lingual agents
- Customized workflow and process management
- Multi channel support
- Quality Control
- Custom Packaging



Gul Ahmed

MIAASA

Cinepax
Love...Life...Fillers

Triumph **METRO**

SINDH BANK
POWER TO THE PEOPLE

Warehouse Management System

BlueEX Warehouse Management System is our homegrown Warehousing System developed over a period of 5 years serving various clients with different requirements. Overtime our WMS has matured in a complete system that automates more than 20,000 sq. ft. of warehousing space at multiple locations, some features include:

- Complete automation with less than 1% error ratio
- Real time visibility of stock
- Supports complete outsourced fulfillment from Stock transfer in onwards
- Order Processing and Packaging
- Path, Lane and shelf management
- Returns Management
- Discount and Promo Management
- Batch, Inventory and Price Control
- Integrates with Platforms like Magento and ERPs like Microsoft Dynamics
- Integrates with multiple 3PLs

Warehouse Management System



Infinix



WORLD
WEB
TRADE

Khaadi



Open Listing System (OLS)

BlueEX Open Listing is BlueEX Solution for E-Distribution. It allows customers to warehouse with blueEX and push this catalog and inventory information to 3rd party retailers. The product catalog and inventory is pushed through real time APIs. OLS Features include:

- Push Catalog to more than 30 E-Retailers listed on the system
- Shows real time updates to Inventory on E-Retailer Sites
- Shows real time updates to Prices on E-Retailer Sites
- Reserves stock against E-Retailer orders
- Allows E-Retailers to download latest product pack shots and marketing collateral
- Works with blueEX warehousing services in major Urban Centers
- BlueEX picks, packs and processes orders on behalf of E-Retailers
- Major FMCGs on board including Nestle, Unilever and L'Oréal

E-Distribution with OLS



L'ORÉAL
Nestlé



Clientele



Top 10 Customers

International Freight (FY21)

| S.No | Client Name | Revenue (PKR) | % of Total Revenue |
|------|-------------------------------|---------------|--------------------|
| 1 | STAR FREIGHT (PVT) | 46,589,661 | 8.49% |
| 2 | KERRY FREIGHT | 45,428,064 | 8.27% |
| 3 | TRANS GREEN | 40,911,021 | 7.45% |
| 4 | TGL-TRANS GREEN | 34,105,160 | 6.21% |
| 5 | TIGER HOSIERY MILLS PVT. LTD. | 31,209,854 | 5.68% |
| 6 | SOORTY ENTERPRISES | 17,644,677 | 3.21% |
| 7 | Z-TIGER CLOTHING | 17,109,486 | 3.12% |
| 8 | SAFINA LOGISTICS | 16,790,738 | 3.06% |
| 9 | FREIGHT EXPRESS PAKISTAN | 15,126,847 | 2.76% |
| 10 | LIBERTY MILLS | 15,031,156 | 2.74% |

Courier Service (FY21)

| S.No | Client Name | Revenue (PKR) | % of Total Revenue |
|------|---------------------------------|---------------|--------------------|
| 1 | VELO INTERNATIONAL | 73,492,586 | 7.66% |
| 2 | M&P EXPRESS LOGISTICS | 67,642,726 | 7.05% |
| 3 | TCS (PRIVATE) LIMITED | 43,516,393 | 4.54% |
| 4 | JADE-E- Service (PVT) LIMITED | 42,432,066 | 4.43% |
| 5 | ATLAS HONDA LIMITED | 34,344,395 | 3.58% |
| 6 | T M CARGO SERVICES | 16,933,662 | 1.77% |
| 7 | D&P COURIER | 14,769,047 | 1.54% |
| 8 | GUL AHMED TEXTILE MILLS LIMITED | 14,748,531 | 1.54% |
| 9 | METRO CASH & CARRY | 12,441,871 | 1.30% |
| 10 | PAK GAREE | 12,381,103 | 1.29% |



391 Customers

International
Freight



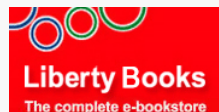
29 Customers

Domestic Cargo



11,814
Customers

Courier
Segment










Key Partnerships

BLUE-EX



Partnerships/Material Contracts

| | |
|---|--|
|  | The Company has an exclusive franchise agreement with Aramex – One of the leading Courier and delivery space service provider based out of the UAE. UNS has the exclusive rights to provide all kind of logistic services on behalf of Aramex in Pakistan. |
|  | UNS has Exclusive domestic air cargo space of over 750k kgs per month due to its Cargo General sales agency ("GSA") agreement with Serene Airlines. The CGSA allowing an edge in terms of supply chain as well as increasing dependency of other courier & logistics players to book their by-air cargo on Serene Air through UNS. |
|  | Under a renewable agreement of one year, the Company shall provide vehicle fleet for collection of the Bank's voucher and other documentation from the various branches of the Bank |
|  | Automated order management from the website to distributors across the country and last mile delivery services from distributor to consumers including Call Center services for order confirmation and customer queries. |
|  | Shopandship.com is an international shipping service that allows to purchase anything from accessories to gadgets to books and fashion. UNS's collaboration with Meezan is offering USD 45 membership for USD 5 exclusively to Premium MEBL card holders/Meezan lifetime membership plan holder. |
|  | Website design and deployment for domestic product mix including automation of order management from website to distributors across the country. Last mile delivery services from distributor to consumers for domestic and foreign products including Call Center services for order confirmation and customer queries. |
|  | The backend warehouse system for Metro's E-commerce solution has been designed and is powered by BlueEx. |

Partnerships/Material Contracts ... Contd.

| Party | Particulars | Sanctioned Date | Expiry/Review Date | Purpose |
|--------------------------------------|--|-----------------|--------------------|--|
| Serene Air (Pvt.) Limited | Cargo General Sales Agency | Nov 2020 | Nov 2021* | The company is Exclusive Domestic Cargo Agency with exclusive rights to book cargo on all flights. |
| Aramex International LLC | Franchisee | Jan 2021 | Dec 2024 | The Company is exclusive Pan-Pakistan International and Domestic Service Franchisee for Aramex. |
| IATA | Accrediting Organization | Feb 2009 | N/A | The Company has exclusive IATA accreditation to represent and work with all IATA airlines. |
| United Insurance Company of Pakistan | IATA – Credit Insurance Cover | Sep 2021 | Aug 2022 | Insurance enrolment of IATA registered Company |
| Mrs. Nusrat and others | Plot # 5, Bangalore Town, Shahrah-e-Faisal, Karachi | Dec 2020 | Dec 2023 | Rental agreement of the property for Head Office purpose |
| Mr. Danish Elahi | Plot # S-1, Road 4,000, Sector 2, Korangi Industrial Area, Karachi | Dec 2020 | Dec 2023 | Rental agreement for warehouse |
| Mr. Tariq Mehmood | 158-S, Quaid-e-Azam Industrial Estate, Garhi Shahu, Lahore | Mar 2020 | Mar 2025 | Rental agreement for Regional Office and warehouse. |
| Mr. M Qasim | Main Plaza Airport Service Road, Fazal Town, Phase 2, Gluzar-e-Quaid, Rawalpindi | Aug 2021 | Aug 2026 | Rental agreement for Regional Office and warehouse. |

*Applied for Renewal

Expansion Plan and Key Investment Consideration



Funding Plan

- The purpose of the new issuance is to fund the Company's expansion plans and improve the Company's infrastructure facilities. After the pandemic hit in 2020, the demand for last mile logistics surged with the shift in consumer spending from orthodox shopping style to online shopping.
- UNS is looking to invest in in-house technology development and expanding its infrastructure to maximize its footprint across Pakistan.

| Break-Up of Issue Proceeds and Utilization | | |
|--|--------------------|-------------|
| Particulars | PKR | % |
| Development in Technology Segment | 95,760,000 | 21.5% |
| Expansion of Out-Reach Network | 144,945,000 | 32.5% |
| Expansion of E-Commerce Solutions | 165,000,000 | 37.0% |
| Working Capital | 40,000,000 | 9.0% |
| Total Proceeds Utilized | 445,705,000 | 100% |

The total project cost is PKR 445.7 million and the entire project will be financed from the Issue Proceeds.

1- Development in Technology Segment

| Description | Amount (PKR) |
|---|-------------------|
| Replacement of Equipment | 41,250,000 |
| Data Centre* | 11,365,000 |
| Artificial Intelligence and Predictive Machine Learning | 30,000,000 |
| Business Continuity & Data Security Control Centers ** | 10,645,000 |
| Team share and connectivity projector | 2,500,000 |
| Total on Technology Infrastructure | 95,760,000 |

* The Data Centre will be at Karachi Head Office.

** Business Continuity Centre will be at Lahore Office & Data Security Control Centers will be at Karachi Head Office

- For UNS, the current anticipated expansion plan is focused heavily on interconnectivity of an expanding network, more automation, machine learning based real-time data mining/analysis for enabling the technology infrastructure to cater to a monthly business demand for more than 350,000 consignments per month in the next 2 years' time from the current level of around 230,000 consignments per month on average.

Additional Disclosure on Funding plan

| Descriptions | Quantity | Estimated Amount (PKR) | Estimated Timeline (Months) |
|--|----------|------------------------|-----------------------------|
| HP + Dell + Apple various models minimum (Elite Ci5 6th 8GB 250GB 14.5") Laptops | 550 | 41,250,000 | 18 Months |
| Date Centre | | 11,365,000 | |
| Dell Servers - R 730 Intel Xeon processor E5-2600 | 5 | 5,625,000 | 6 Months |
| Cisco ASA 5515-X Adaptive Security Appliance | 4 | 2,000,000 | 6 Months |
| CISCO Switches 24 & 48 ports | 4+8 | 1,900,000 | 6 Months |
| Voltronic Power Backups 10 KVA | 3 | 690,000 | 6 Months |
| Server Rack HP 42U | 1 | 360,000 | 12 Months |
| Voltronic Power Backups 3 KVA | 6 | 420,000 | 6 Months |
| Cisco RV325 Dual Gigabit WAN VPN Router | 4 | 220,000 | 3 Months |
| Ubiquiti Unifi Wi-Fi routers AP-AC-LR | 6 | 150,000 | 6 Months |
| Artificial Intelligence & Machine Learning Algorithm, Data Mining | | 30,000,000 | |
| Server Machines E2630 10 core processors | 4 | 4,800,000 | 3 Months |
| Human Resource | 4 | 25,200,000 | 24 Months* |

Note: The timeline starts from the date of release of issue proceeds

Note1: Agreements for equipment are to be finalized after receipt of Proceeds. Procurement and installation of these equipment will be done by the in-house team. All the equipment will be brand new and will be procured from local suppliers

* This Human Resource (cost/Salary) is for 24 Months from the date of hiring; Hiring is expected soon after the release of proceeds

| Descriptions | Quantity | Estimated Amount (PKR) | Estimated Timeline (Months) |
|--|----------|------------------------|-----------------------------|
| Team share & connectivity Projector | 5 | 2,500,000 | 3 months |
| Business Continuity & Data Security Control Centers | 2 | 10,645,000 | |
| Dell PowerEdge R730 | 2 | 2,250,000 | 1 Month |
| Honda Generator - EM10000 8 KVA | 1 | 600,000 | 3 Month |
| CISCO Switches 24 ports | 2 | 570,000 | 1 Month |
| Cisco ASA 5515-X Adaptive Security | 1 | 500,000 | 2 Month |
| Voltronic Power Backups 10 KVA | 2 | 460,000 | 2 Months |
| Server Rack HP 42U | 1 | 350,000 | 1 Month |
| HIK Vision IR DS-2DE7232IW-DE | 3 | 240,000 | 3 Month |
| Air Conditioning Unit | 2 | 220,000 | 3 Months |
| Cisco RV325 Dual gb WAN VPN Router | 1 | 50,000 | 3 Months |
| HIK Vision DVR DS-7232HQHI-K2 | 1 | 40,000 | 3 Month |
| HIK Vision IR DS-2DE7232IW-DE | 40 | 3,200,000 | 18 months |
| HIK Vision DVR DS-7232HQHI-K2 | 8 | 320,000 | 18 months |
| Backbone connectivity | 3 | 1,110,000 | 12 months |
| Screens | 11 | 735,000 | 6 months |

Funding Plan

2- Expansion of Out-Reach Network*

| Descriptions | Quantity | Estimated Cost (PKR) | Timeline (Months) |
|--------------------------------------|----------|----------------------|-------------------|
| New Stations | 130 | 26,000,000 | 36 |
| Franchisee Collection Centers | 55 | 1,925,000 | 36 |
| Retail Express Centers | 7 | 10,500,000 | 12 |
| Suzuki Ravi or similar | 50 | 55,000,000 | 12 |
| JW Forland Truck | 7 | 17,500,000 | 6 |
| Rickshaw chassis vehicle | 45 | 13,500,000 | 18 |
| Scanner sorting machines (warehouse) | 3 | 5,400,000 | 3 |
| Office Equipment | 130 | 15,120,000 | 36 |
| Total | | 144,945,000 | |

Note1: Cost for equipment, vehicles and stations are based on Management's estimates

Note2: Agreements for all procurements are to be finalized after receipt of Proceeds

Note3: The timeline starts from the date of release of proceeds and reflects the date of Completion

Note4: Procurement and installation of these equipment will be done by the in-house team.

Note5: All the equipment will be brand new and will be procured from local suppliers

- The addition of 7 executive retail express centers will enable the Company, to capture the growth trend witnessed for CoD demand during the pandemic, by servicing a larger base of customers.

3- Expansion of E-Commerce Solution

- The Company intends to introduce a new product in their E-commerce solutions portfolio called **"Pre-paid COD"**
- The International freight business requires upfront payments to IATA which further pays to Airlines and shipping lines while customers pay on their own credit terms.
- UNS plans to add 2 to 3 more warehouses (on rent) taking total space to around **60,000 square feet**.

| Description | Timeline (Months) | Amount (PKR) |
|---------------------------------------|-------------------|--------------------|
| E-commerce Retail funding COD Volumes | 12 | 45,000,000 |
| Expansion for international freight | 12 | 50,000,000 |
| E-Fulfillment Centers (Warehousing) | 36 | 70,000,000 |
| Total | | 165,000,000 |

Note1: The timeline starts from the date of release of proceeds and reflects the date of Completion

4- Working Capital Requirement

- PKR 40 Million will be utilized in working capital to bring in a smoother cash cycle with customers for increase in customers' retention.

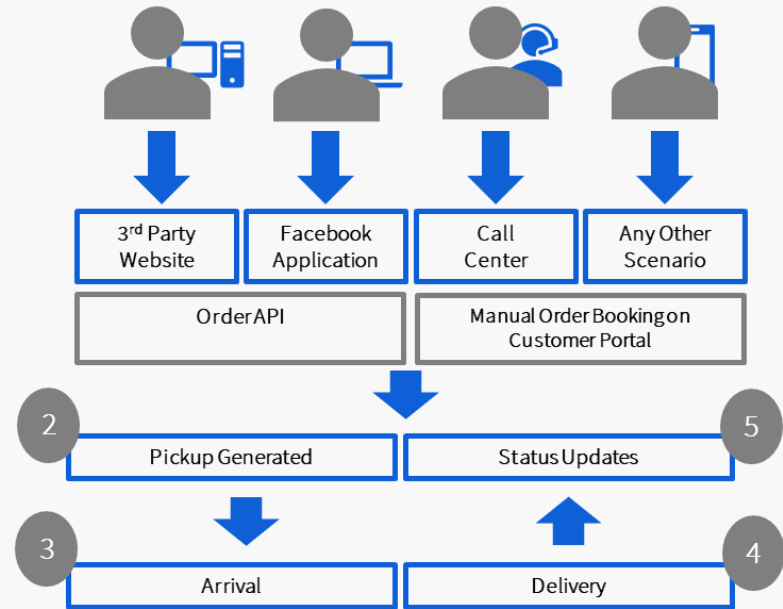


1

1. **Automatically**
(Using UNS's order API)
2. **Manually**

Shipment information is available to the customer at every stage on the **Customer Portal**

Shipment information is also available on 3rd Party websites via **shipment tracking API**



Justification of Premium



Growth in E-Commerce

- The increased market penetration, lower cost and higher awareness of electronic commercial platform
- Shift in buying behavior due to the COVID-19 pandemic has also added new demographic segments to the E-Commerce industry.



Expanding into Last Mile Delivery

- The Company plans to develop an extensive network spread all over the country.
- UNS intends to increase its penetration into urban areas i.e., Karachi, Lahore and Islamabad; having a strong foothold in urban area enables UNS to reach to nearby cities.
- UNS has location network has expanded to **657 delivery location** and a fleet of **350+ vehicles**.



The only tech enabled logistics company

- UNS has state of the art, proprietary logistics dedicated fully stack APIs and is the only player in the E-Commerce logistics space providing fully integrated solutions for E-Commerce Retailers.
- The Company has developed its own state of the art software suite, tailored specifically to the needs of the E-Commerce Businesses.
- Its Premier platforms, namely **BlueKart and Benefit** are the go-to names for the local ecommerce players for their ERP module



Tech Revolution

- In accordance with Pakistan Vision 2025 and the Digital policy of Pakistan 2018, the ICT industry size is targeted to reach USD 20 billion by 2025.
- During 2Q20, 296.7 million e-banking transactions carried out, E-banking transactions valued around PKR 21.4 trillion showing a rise of 22%.
- The uptake in e-banking took place through internet and volume of mobile banking transactions that reached to 44 million, up by 147%

Recent Regional Deals in E-Commerce

Cheetay: Cheetay is a last mile delivery service provider. Previously focusing only on food delivery, it has added the verticals of Pantry, Pharma, and Tiffin for customer's convenience. It is currently operating in Lahore, Islamabad, Rawalpindi, Bahawalpur and Faisalabad .

During 2021, Cheetay has raised the largest-ever Series A venture capital raised by a Pakistani startup. The start-up raised USD 7.8 million from US-based investors. Cheetay's founder Ahmed Khan said that the investment came from individuals and a big fund. Previously, they had raised USD 3.8 million in smaller Series A-1, Series A-2, and Series A-3 rounds; taking the total capital injection to USD 11.6 million .

Airlift: Airlift operates a quick commerce service in eight cities, including Lahore, Karachi and Islamabad in Pakistan. Users can order groceries, fresh produce and other essential items, including medicines, as well as sports goods from the Airlift website or app.

In August 2021, Airlift has raised USD 85 million in its Series B financing round at a valuation of USD 275 million. Harry Stebbings of 20VC and Josh Buckley of Buckley Ventures co-led the financing round, which is by far the largest for a Pakistani startup.

Riders: Rider offers last-mile delivery services to ecommerce retailers through its technology platform. The startup has over 500 drivers in its fleet with coverage across 80 cities in Pakistan. Rider claims to have delivered 1.5 million ecommerce parcels

In October 2021, Rider has raised USD 2.3 million in a seed round led by Global Founders Capital, Fatima Gobi Ventures, and Asian Development Bank, it announced in a statement today. TPL E-Ventures and Transhold also participated in the deal.

Business Risks & Mitigants



Business Risks & Mitigants

Internal risk factors

a. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, which can damage the Company's relationship with its stakeholders, and decrease shareholders value.

Universal Network Systems relies on skilled staff for its courier and freight activities. High turnover of skilled staff will affect the operations of the Company and result in delays and inefficiency related losses. Given below is the staff turnover of the Company during the last three years:

| | 2019 | | 2020 | | 2021 | | Total |
|------------------|------------|----------------|------------|----------------|------------|----------------|--------|
| | Management | Non-Management | Management | Non-Management | Management | Non-Management | Jun-21 |
| Cargo Division | 12 | 62 | 12 | 64 | 34 | 40 | 74 |
| Courier Division | 78 | 629 | 87 | 776 | 123 | 745 | 868 |
| Total | 90 | 691 | 99 | 840 | 157 | 785 | 942 |

b. Technology Risk

Technology or Research & Development carries an element of risk because it involves continuous development and testing new ideas or improving existing infrastructure. UNS plans to expand business through continuous investment in it and with a well-experienced team who will guide/train the teams for experimentation, innovation and instituting improved IT infrastructure.

c. Negative Cashflow Risk

The Company has reported negative operating cash flows of PKR 46.5 million and PKR 10.1 million for the year ended on 30th June 2021 and 30th June 2020. This was mainly due the increase in trade debt.

Business Risks & mitigants...contd.

c. Credit & Liquidity Risk

Credit risk refers traditionally to the risk that a lender may not receive the owed amount that results in an interruption of cash flows and increased costs for collection. The Company experiences delayed payments from customers both in cargo and courier services segments. Credit terms vary for each customer and usually are between 7 days to 30 days as per business segment. As of June 30, 2021, the total trade receivable of the company stood at PKR 349.6 million and less than 30% of it was over 60 days or more due.

Liquidity risk is the risk of being unable to meet financial obligations due to insufficient liquid assets would adversely affect the Company's business prospects, operations and financial condition. The major creditors for the Company are Serene Air, Aramex and its cash on delivery customers. The Company also has a running finance line with Silk Bank at 3-month KIBOR + 4% and Ijarah financing at 6-month K+3.75%.

As of June 30, 2021 the total current assets of the Company stood at PKR 511.72 million against current liabilities PKR 279.20 million giving a current ratio of 1.83x, thus shows that it has adequate resources to service its current obligations.

d. Current Ratio

The Company has reported current ratio of 0.98 for the year ended on 30th June 2021. This was mainly due to the increase in short term borrowings and decrease in short –term deposits and prepayments.

e. Risk of non-compliance with regulation of SECP and PSX

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on the Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading as well.

Business Risks & mitigants...contd.

External Risk Factors

a. Regulatory framework

Since the logistic sector has remained largely un-regulated, currently there are no significant laws or regulations in place. However, in future being a public listed company, UNS will follow all such regulatory framework and laws that may be introduced for the sector.

b. Economic slowdown

An economic slowdown occurs when the rate of economic growth slows in an economy. Such declining macroeconomic conditions could trigger reduction in disposable incomes and consumer spending. An economic slowdown may adversely affect the growth and performance of the cargo and courier sector as a whole.

c. Trade barriers

Largely an unregulated sector, there is no restriction on entry however, the volume of business requires continuous capital injection, skilled human resource and compatible technology initiatives to provide efficient low-cost services to customers. Building up the business growth needs higher volumes which due to margin war among the competitors affects profitability.

d. Foreign exchange risk

The Company makes its payment to Aramex in foreign currency which is mostly procured at market rate and any major fluctuation in PKR parity to other currencies may affect temporarily the earning margins for the Company. Such margins recover subsequently with adjusted rates.

e. Procurement risk

The Company relies on both external and in-house fleet as well as airlines for logistics and courier shipments. Fuel is one of the major components of the Company's costs. Any change in its price is immediately passed on by the road and air transport vendors while the pricing terms with customers are fixed. Apart from fuel, the Company has no major procurement of goods or supplies that may significantly affect its operations.

f. Risk of Under-subscription

Underwriter(s) have not been appointed for this Issue. In case the issue is not fully subscribed, the Company will not be listed on the Exchange.

Financial Highlights



Financial Performance

| (PKR '000) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| Financial Statements Summary | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Projected) | (Projected) | (Projected) |
| Net Income | 91,320 | 80,306 | 102,520 | 94,276 | 157,482 | 232,826 | 397,480 | 539,283 |
| General and Admin Expenses | 72,843 | 67,891 | 85,589 | 83,237 | 107,044 | 120,755 | 159,142 | 210,560 |
| Selling Expenses | 984 | 1,023 | 1,215 | 2,802 | 3,482 | 4,796 | 4,908 | 6,961 |
| Financial Charges | 2,106 | 3,113 | 8,355 | 10,738 | 12,527 | 965 | 2,941 | 2,096 |
| Profit/ (Loss) before Taxation | 24,540 | 11,996 | 24,787 | 11,863 | 38,105 | 110,641 | 236,004 | 327,327 |
| Taxation | 2,685 | 11,651 | 17,291 | 9,855 | 4,884 | 32,086 | 66,081 | 88,378 |
| Profit/ (Loss) after Taxation | 21,855 | 345 | 7,496 | 2,007 | 33,221 | 78,555 | 169,923 | 238,949 |
| Non-Current Assets | 67,740 | 77,156 | 74,752 | 96,638 | 235,581 | 374,058 | 369,413 | 343,727 |
| Current Assets | 280,989 | 273,082 | 317,793 | 357,120 | 511,725 | 872,573 | 1,114,312 | 1,382,065 |
| Total Assets | 348,729 | 350,237 | 392,545 | 453,758 | 747,306 | 1,246,631 | 1,483,725 | 1,725,792 |
| Paid-up Capital | 5,714 | 5,714 | 5,714 | 5,714 | 205,714 | 274,284 | 274,284 | 274,284 |
| Equity | 68,452 | 68,797 | 76,293 | 78,301 | 412,244 | 933,626 | 1,089,835 | 1,232,784 |
| Short-Term Borrowings | 27,899 | 71,357 | 47,857 | 86,405 | - | - | - | - |
| Non-Current Liabilities | 4,309 | 5,206 | 6,433 | 10,945 | 55,862 | 19,029 | 24,402 | 22,105 |
| Current Liabilities | 275,969 | 276,234 | 309,819 | 364,512 | 279,200 | 293,976 | 369,487 | 470,903 |
| Trade and other payables | 179,018 | 119,225 | 156,630 | 170,886 | 241,728 | 82,615 | 82,615 | 82,615 |

Disclaimer: The actual financial performance of the Company may differ from the projections given above, as a result of changing macro-economic conditions

The financial projections are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of preparation of such projections and involve both known and unknown risks and uncertainties.

Accordingly, plans, goals, and other projections may not be realized as described, and actual financial results may differ materially from those presented herein.

Financial Performance

| (PKR '000) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| Income Statement | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Projected) | (Projected) | (Projected) |
| Sales Growth | 55% | -12% | 28% | -8% | 67% | 48% | 71% | 36% |
| Net Profit Growth | - | -98% | 2073% | -73% | 1555% | 136% | 116% | 41% |
| Net Margin | 24% | 0% | 7% | 2% | 21% | 34% | 43% | 44% |
| Break-up Value per Share ¹ | 3.33 | 3.34 | 3.71 | 3.81 | 20.04 | 45.38 | 52.98 | 59.93 |
| Break-up Value per Share ² | 2.50 | 2.51 | 2.78 | 2.85 | 15.03 | 34.04 | 39.73 | 44.95 |
| Earnings per Share ¹ | 1.06 | 0.02 | 0.36 | 0.10 | 1.61 | 3.83 | 8.26 | 11.62 |
| Earnings per Share ² | 0.80 | 0.01 | 0.27 | 0.07 | 1.21 | 2.86 | 6.20 | 8.71 |
| Return on Equity | 62% | 1% | 10% | 3% | 14% | 12% | 17% | 21% |
| Return on Asset | 8% | 0% | 2% | 0% | 6% | 8% | 12% | 15% |
| Fixed Asset Turnover | 1.41 | 1.11 | 1.35 | 1.10 | 0.95 | 0.76 | 1.07 | 1.51 |
| Asset Turnover | 0.32 | 0.23 | 0.28 | 0.22 | 0.26 | 0.23 | 0.29 | 0.34 |
| Current Ratio | 1.02 | 0.99 | 1.03 | 0.98 | 1.83 | 2.97 | 3.02 | 2.93 |
| Receivables Turnover | 60.15 | 68.84 | 72.40 | 79.22 | 74.99 | 74.9 | 74.9 | 74.9 |
| Payables Turnover | 59.67 | 57.87 | 49.85 | 54.09 | 54.65 | 54.7 | 54.7 | 54.7 |
| Debt to Equity* | 0.43 | 1.09 | 0.64 | 1.12 | 0.05 | 0.00 | 0.01 | 0.01 |
| Debt to Total Capital | 0.08 | 0.21 | 0.12 | 0.19 | 0.03 | 0.00 | 0.01 | 0.00 |
| Interest Coverage | 13 | 5 | 4 | 2 | 4 | 116 | 81 | 157 |

¹ Based on Pre-issue number of shares

² Based on Post-issue number of shares

*Post-issue Debt to Equity ratio is 3% for FY21

Disclaimer: The actual financial performance of the Company may differ from the projections given above, as a result of changing macro-economic conditions

The financial projections are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of preparation of such projections and involve both known and unknown risks and uncertainties.

Accordingly, plans, goals, and other projections may not be realized as described, and actual financial results may differ materially from those presented herein.

Board of Directors and Key Management



Board of Directors

MR. ARIF ELAHI



Chairman & Non – Executive Director

Mr. Elahi has had an illustrious career as Civil Servant of Pakistan and has served on the Board of several government and semi-private entities in Pakistan such as Board of Investment, PNSC, and Export Processing Zone Authority. During his tenure as Chairman PNSC, he led the turnaround of the organization into a success story showing record profit and upgraded ratings to AA at a time when International Shipping was facing severe crisis.

MR. IMRAN BAXAMOOSA



CEO & Executive Director

Mr. Baxamoosa is a young and dynamic entrepreneur with more than 3 decades of family experience in the logistics industry. He is leading Blue-Ex since 2010. Under his leadership, the Company pivoted to E-Commerce Logistics and became the first company to offer Cash on Delivery Services across Pakistan. Blue-EX's Industry leading processes and technology in the domain of E-Commerce Logistics -including web-based consignment note creation and warehouse management automation, became the de-facto standard and were adopted by countless domestic courier and fulfillment companies.

MRS. SAFINA DANISH ELAHI



Non-Executive Director

Mrs. Elahi is the founder of Reverie Publishers and Director of E&U Foods Pvt. Ltd. An Early Learning Years Educator, she founded Reverie Publishers for translating her passion of literature and to revive the romance of reading and writing in Pakistan. She is an acclaimed writer with many publications for Pakistan's leading print & digital magazine, 'Destinations'. Furthermore, Mrs. Elahi is an active member of the society's Corporate Social Responsibility (CSR) initiatives in health & education including Baithak School Foundation and Karachi Down Syndrome Programme (KDSP).

MR. ALI AAMER BAXAMOOSA



CSO & Executive Director

Mr. Baxamoosa started his career with ICI Pakistan managing a portfolio of over 30 associated companies to cater the need of clients for over 1000 chemicals worldwide. After a short stint at ICI, he moved to Citibank and geared to become a career banker by profession and spend over 12 years working across 5 countries and all Consumer Credit units including, Fraud Risk, Credit Policy and Collections Strategy & Operations. In 2016, when he joined Blue-Ex as Chief Operating Officer, he brought his banking specialization and experience in analytics, organization structure and people management.

Board of Directors

MR. MIRZA QAMAR BEG

Independent Director



Mr. Beg has been Pakistan's Ambassador to Italy, Commerce Secretary, and Provincial Chief Secretary. He has also served as Chairman and CEO of Pakistan Steel Mills Corporation and served on the Board of Directors of several Companies, including the State Bank of Pakistan and the National School of Public Policy, in addition to certain private sector Corporates. Mr. Beg has also remained the President of World Food Programme, the UN agency, with presence in approx. 80 countries, tasked to fight hunger. A visiting Fellow at Cambridge University, he has been working on poverty related issues, with a particular focus on institutions. An author of several reports and research papers, Mr. Beg is a recipient of one of the highest civil awards of Italy.

MS. NADINE MALIK

Independent Director



Mrs. Malik is the Director Strategy, for Colliers, a leading international real estate firm. She has had an illustrious career and worked for companies like Rocket Internet, Citibank, Bain & Company and Engro in Singapore and Dubai before joining Rocket Internet in 2014 to launch Jovago, as its Managing Director. Nadine brings with her vast experience of online retailing and e-commerce that shall be instrumental in growth and future relationship building across multiple industries for UNS.

MR. ASFANDYAR FARUKH

Independent Director



Mr. Farrukh has a combined experience of over 15 years in the areas of Luxury and Fashion Retail; Manufacturing and Export of Leather Products; and e-Commerce. He performs a leadership role at the Chainstore Association of Pakistan, the official trade body for 'Organized Retail' in the country and also serves on the National E-Commerce Council, a body of representatives from the public and private sectors, constituted under the National E-Commerce Policy approved by Federal Cabinet in October, 2019. The main objective of the NeCC is to develop effective collaboration with all relevant sectors for practical implementation of the e-Commerce Policy of Pakistan.

Core Team

MR. SALMAN HAMEED

Chief Financial Officer



Mr. Hameed, with over 18+ years of C-Suite professional career started with Ernst & Young as Team Lead in audits, advisory, consulting managing blue-chip clients' portfolio of banking, automobiles, energy, and logistics sectors. He joined SLC as Manager Finance and soon, became the CFO of the Company managing balance sheet of over PKR 8 billion with focus on clients' credit management, treasury, ratings, governance, controls and large ticket lending & borrowings for the Company including Sukuks, listed and privately placed term finance certificates, equity arrangement.

MR. ALI TAHA

Company Secretary



Mr. Taha, a Certified Public Accountant, holds approx. 4 decades of experience in the field of Finance and has held key positions in his previous employments, most recently as the Director of Finance for the premier Business School in the Country. His areas of expertise include: developing financial policies and procedures and management of the organization's investment portfolio. He has also overseen the development and implementation of several internal Financial Systems and ERPs over the course of his career.

MR. OWAIS SHAIKH

Chief Technology Officer



Mr. Shaikh passionate leader with strong communication & interpersonal skillset with a long track record of success management of multiple businesses. With over 18 years of financial industry experience within the space of Banking, Fintech, Product Innovation, Digital Transformation and Data Science along with 10 years of software development experience in Pakistan and UK. His has a proven track record of Doubling largest retail bank deposit product portfolio in less than 4 years (Volume and Customers) via product innovation using digital means (HBL) from 5 Million customers to 12.7 million customers and a portfolio of PKR 1 Trillion to PKR 2.2 Trillion. He has also Created largest digital lending portfolio/product in the country in less than 12 months with over 1.5 million unique customers and a portfolio of over PKR 6.5 billion.

Regulatory Disclosure



Appendix - I (Profit Distribution Policy and Rights of Shareholders)

Profit Distribution Policy

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.

The rights in respect of capital and dividends attached to each ordinary share on offer are and will rank pari passu with sponsor shareholders. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act 2017.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

Rights of Shareholders

The new shareholders will have the same rights as the existing shareholders including the right to vote, dividend etc.

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the Company or have extended loans to the Company.

Directors of the Company have interest to the extent of receiving remuneration for their role as Directors, mark-up on loans extended over the period, covered stipulated under predetermined Long Term Loan agreements

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

Appendix - II (Pending Litigations & Contingent Liabilities)

| Particular | Description |
|----------------------------|---|
| Court | Filed with Xth Addition District Judge Karachi East (Judge: Ms. Zabiha Khattak). Now transferred to IXth Addition District Judge Commercial Court East (Judge: Mr. Muhammad Aslam Shaikh) |
| Suit No: | 80/2019 |
| Plaintiff: | Universal Network System Limited |
| Defendant: | M/S. Wide Sea Shipping NTN: 4002069-0 |
| Nature of Business Client: | Freight Forwarding |
| What we were Dealing in: | International Air Freight |
| Suit Filing Date: | 09th October, 2019 |
| Nature of Suit: | For recovery of outstanding amount |
| Amount | PKR 6,066,372/- |
| Status | Honorable Court has asked defendant to prove with evidence regarding their claim of all payment cleared through cash |

Note: The Company has given Corporate Guarantees in favour of Serene Air (Private) Limited aggregating to PKR 20 Million in FY21.

Note1: There are no other pending litigations and contingent liabilities against the Company, its Sponsors, substantial shareholders, Directors and associated companies other than those disclosed in the IM.

Associated Person i.e. Danish Elahi

It is disclosed that Mrs Safina Danish Elahi, the sponsor of UNS, is the wife of Mr. Danish Elahi, the Sole Proprietor of Elahi Group of Companies. Certain cases of criminal and civil nature are pending adjudication in the courts against Mr. Danish Elahi. In this regard, Mr. Danish Elahi has recently executed a Settlement Agreement dated October 04, 2021, with the Bank Islami Pakistan Limited to settle all liabilities against him and resolve pending legal matters. In due course of time, Mr. Elahi will file an application in the Honourable Sindh High Court for getting a Consent Decree in a civil case, followed by filing appropriate applications in criminal cases.

Appendix - III (Names of Creditors along with Contact details)

| S No. | Creditors | Address | Amount (PKR) | As a % of COS |
|-------|----------------------------|---|--------------------|---------------|
| 1 | Peer Madar Goods Transport | Plot # 110 E Market block 6 PECHS, Karachi | 29,727,000 | 2.16% |
| 2 | Capital Cargo | Dhoke Kashmirian Near Rahimabad | 4,227,384 | 0.31% |
| 3 | K.G TRANSPORT SERVICE | Sangeet Place, Marrer Chowk Pindi | 14,007,500 | 1.02% |
| 4 | Zulekha Enterprises | Plot no 27 WS sector No 16B New Karachi Industrial Area. | 2,225,141 | 0.16% |
| 5 | Khattak Petroleum | Shahra-e-Faisal, Karachi | 1,186,805 | 0.09% |
| 6 | Kashif Steel | Shahrah-e-Iraq Saddar Town karachi | 2,144,150 | 0.16% |
| 7 | NetMet | Anum Blessing, near Duty Free, Shahra-e-Faisal, KHI | 2,697,230 | 0.20% |
| 8 | Aramex International LLC | Dubai, United Arab Emirates | 76,369,937 | 5.54% |
| 9 | Serene Air (Pvt.) Ltd | 2nd & 3rd Floor, 13-k Moiz Center, F-7 Markaz, Bhattai Road Islamabad | 224,916,584 | 16.32% |
| 10 | Emirates | 2nd floor Faysal bank building 16- Abdullah Haroon Road Civil Lines Karachi | 70,491,300 | 5.12% |
| 11 | Qatar Airways | Room No.5042, Level 5 Jinnah International Airport Karachi | 42,401,046 | 3.08% |
| 12 | Turkish Airways | Showroom no.106 the residence Khaliq uz Zaman Road Clifton Karachi | 144,191,812 | 10.47% |
| 13 | Oman Air | Qasar-e-Zainab, Club Road Karachi | 1,179,992 | 0.09% |
| | Total | | 615,765,881 | 44.69% |

Note: The expenses are directly related to the services

Appendix -IV (Financial Facilities and other Major Covenants)

Details of Short-Term Facility

| Bank | Facility | Limit (PKR Mn) | Limit Utilized as at June 30, 21 (Mn) | Mark-up Commission | Sanctioned Date | Expiry / Review Date |
|-------------------|-----------------|----------------|---------------------------------------|--------------------|-----------------|----------------------|
| Silk Bank Limited | Running Finance | 23.80 Million | Nil | 3M KIBOR + 4% | May 2021 | March 2022 |

Note: There are no major covenants regarding the above mentioned financing facility

Details of Long-Term Facilities

| Bank | Facility | Limit (PKR Mn) | Limit Utilized as at June 30, 21 (Mn) | Mark-up Commission | Sanctioned Date | Expiry / Review Date |
|----------------------|-------------------------|----------------|---------------------------------------|--------------------|-----------------|----------------------|
| Habib Metro Modaraba | Diminishing Musharikhah | 5.20 Million | 5.20 Million | 6M KIBOR + 3.75% | June 2020 | June 2023 |
| Habib Metro Modaraba | Diminishing Musharikhah | 3.9 Million | 3.9 Million | 6M KIBOR + 3.75% | Dec 2020 | Jan 2025 |

Note: There are no major covenants regarding the above mentioned financing facilities

Fixed Price Mechanism

Accredited Investors Include:

1. Institutional Investors; and
2. Accredited individual investors registered with NCCPL having net assets of at least **PKR 5 million**

Subscription Mechanism

1. A standardized Subscription Form has been prescribed by the Issuer and is available on websites of the issuer and Joint Advisors to the Issue
2. Those Accredited Investors who are interested to participate can submit their forms in person or through their representatives at the designated Bank(s)
3. The Subscription Form can be submitted only during the Subscription Period prescribed by the Issuer. The subscription of shares shall remain open for two (02) working days on 17th Nov 2021 and 18th Nov 2021 between 9:00 AM to 5:00 PM.

Minimum Application Size and Payment Instructions

1. The amount of a single application shall not be less than 500 Shares
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
4. The Company will credit shares in the CDS Accounts of the successful applicants.
5. The pay order/cheque shall be made in favor of **Universal Network Systems Limited – Subscription Form**.

Fixed Price Mechanism ... Contd.

Close of Subscription Period and Allocation of Shares

1. Upon close of the Subscription Period and in case of oversubscription, the allocation of shares will be made on pro-rata basis
2. The Issuer will be required to finalize the allocation within three (03) working day of the close of Subscription Period and communicate the same to the Accredited Investors
3. Any refund (if required) will be made to the Accredited Investors within five (05) working days of the close of Subscription Period

Signatories of the IM

-sd-

Arif Elahi

Non-Executive Director/Chairman

-sd-

Safina Danish Elahi

Non-Executive Director

-sd-

Asfandiyar Farukh

Independent Director

-sd-

Ali Aamer Baxamoosa

Executive Director

Signed by the above in presence of witnesses:

-sd-

Salman Hameed

Chief Financial Officer

-sd-

Imran Baxamossa

Director/Chief Executive Officer

-sd-

Mirza Qamar Baig

Independent Director

-sd-

Nadine Malik

Independent Director

-sd-

Ali Taha

Company Secretary



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