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**Question and Answer Session with Jim Pettit, President & CEO of MPH Ventures (TSX-V: MPS), which is Acquiring Online Travel/Media Company Travelucion Catering to Cuba**

Dear Alphastox Subscribers,

I wanted to highlight a company that I've recently invested in and that I think presents a very unique opportunity over the next six to twelve months. **MPH Ventures (TSXV:MPS)** is acquiring a cash-flow positive Cuba focused online travel and media company, Travelucion, which is the only company of its kind on the TSX Venture Exchange and could be one of the most exciting stories in 2016. I had a chance to sit down with Jim Pettit, President and CEO of MPH to give us his outlook on the company, why Cuba, why Travelucion, and where he sees the return for investors.

I expect to have a lot more updates to come soon as the deal is rolled out so make sure you stay tuned.

Best,

Etienne

**Can you please give our subscribers a brief overview of Travelucion?**

Travelucion is a cash-flow positive Cuba focused online travel and media company specializing in travel marketing, electronic reservations and online booking solutions for international visitors to Cuba. Travelucion owns one of the most significant portfolios of Cuban focused web assets, through 432 sites, which collectively generate over 30 million page-views per year and direct traffic to the main Travelucion booking site. These web properties have been promoting Cuba and offering online travel services to the Caribbean nation since 1995, covering Cuban Culture, tourists' destinations, hotels and resorts, golf, restaurants and classic car rentals, etc.

**As I'm sure you looked at many companies to vend into your shell, MPH Ventures, what made you decide to takeover Travelucion? What got you so excited about the company?**

The decision by MPH Ventures' board to acquire Travelucion began December 17<sup>th</sup>, 2014 when U.S. President Obama announced a major shift in U.S. policy towards Cuba and his decision to restore full diplomatic relations with the Caribbean nation. President Obama has also called for an end to the U.S. trade embargo with Cuba that has been in force for more than 50 years. Travel restrictions that make it hard for most Americans to visit the Caribbean island also remain in place but are starting to dissipate. MPH Ventures' board believes there is a great opportunity in buying a profitable company already doing business focused on Cuba, grow the existing Cuban travel business and website platform, position the company for more success when the U.S. lifts the tourist travel restrictions and ultimately the embargo, and to capture a share of the huge potential increase in interest and tourism to Cuba over the coming years. Tourism to Cuba is multi-billion dollar industry (over CDN \$3 billion in 2012) and is growing rapidly as US travel restrictions ease up. Despite Canada being the largest market for tourism to Cuba currently (which we plan to expand into with Travelucion), American tourism has shot up 36% since Obama's announcement a year ago. Therefore, MPH as a Canadian company is uniquely positioned to tap into a multi-billion dollar industry poised for significant growth as more Americans travel to Cuba yet American travel companies are prohibited from operating in Cuba and servicing this market until the embargo is lifted.

**Where do you see the biggest upside in a Cuban-oriented digital media and travel company?**

MPH's management sees an opportunity for its shareholders in acquiring a successful company that has been servicing international visitors to Cuba for over 15 years, modernizing and updating Travelucion's main booking site and its Cuban related sites, and leveraging the over 30 million page-views per year these sites generate to drive revenue growth. There will be additional significant upside when the U.S. lifts the tourism travel ban on Cuba and also when the embargo is lifted. Travelucion has already seen a 300% increase in its revenues for the first 10 months of 2015 which have come in at approx. CDN \$1.75 million. If and when the U.S. trade embargo with Cuba is lifted, U.S. online travel companies like Expedia and Priceline may be interested in purchasing already existing and successful travel/media companies doing business in Cuba.

**Can you take us through the transaction details between MPH and Travelucion?**

MPH Ventures has recently acquired a 20% equity interest in Travelucion for the issuance of 4,000,000 MPH Venture shares at 5 cents and \$100,000 in cash for a total value of \$300,000 Canadian. MPH Ventures has a further 8-month option to acquire the remaining 80% interest in Travelucion, for a total of 100% interest, for the issuance of a further 16,000,000 MPH Venture shares. Using the recent MPH share price of 8 cents, this values the business of Travelucion as well as the 432 web assets, at just under CDN \$1.6 million which is less than 1x sales and is a very reasonable valuation for MPH shareholders when compared with peer group companies and other precedent transactions.

**Why should investors consider MPS.V as a potential addition to their speculative portfolio?**

As mentioned above, Travelucion has seen a 300% increase in revenues in the first 10 months of 2015 as a private company. MPH's management believes by taking Travelucion public in Canada and with some strategic capital expenditures, revenues and earnings will grow further by:

- Tapping into the burgeoning, yet underserved, U.S. travel market to Cuba as well as the already significant Canadian travel market to Cuba (the majority of Travelucion's clientele are European and Central/South American)
- Updating and modernizing the 432 Cuban related web sites to increase and monetize traffic to the main booking site/platform
- Hiring a sales team and enhancing the corporate profile through physical and on-line marketing
- Joining up with the major GDS central booking systems
- Continue to build on its private home (Casa Particulars) rental listings; Travelucion has been adding new listings to its platform and is looking to use a model similar to AirBNB
- Further relaxation of the U.S. travel restrictions to Cuba
- Management also believes a number of U.S. based travel companies, currently restricted from doing business in and with Cuba, could possibly be interested in acquiring Travelucion which is an already flourishing Cuban focused travel company, once the trade embargo is lifted

One other key component to the deal and company is the founder and President of Travelucion, Steve Marshall. Steve is a trilingual entrepreneur specializing in international marketing and deal brokering, and has successfully adapted to varied world markets throughout his career building businesses in Spain, France, Russia and Cuba. Most importantly, he spent 11 years in Cuba specializing in Cuban joint ventures and successfully founded a number of companies including: Primeras Inversiones (Havana Free Zone), the first state approved real estate joint venture (CIMEX), Dimension W-Tech Start-Up Joint Venture with the Cuban Ministry of Communications, and the first Cuba-centric online marketing company handling over 30 million annual internet visitors with the Cuban Ministry of Tourism. Steve was a special advisor to a number of Cuban corporations spearheading their entrance into the Cuban economy and providing support and investment in a range of commercial sectors. He is knowledgeable concerning the idiosyncrasies of dealing with the Cuban Government and Cuba's foreign investment laws. Steve's past Cuban ventures have received coverage in the Financial Times, BBC News, CNN, Time Magazine, Washington Post, Chicago Tribune and The Wall Street Journal. Steve will be an integral part to the company's success going forward.

### **What can investors look forward to over the next six to twelve months?**

Investors can look forward to the completion of the 100% purchase of Travelucion by MPH which we expect by the end of February 2016 if not sooner. Upon receiving shareholder approval for this transaction at the AGM in the New Year, the Company will file its change of business in conjunction with a larger financing and move forward as a new entity with a new name. All this will be announced and subject to TSX approval. Furthermore, implementation of the aforementioned revenue drivers and profit centers will be rolled out over the following 6-12 months to grow the business and create shareholder value. All in all, MPH is one of few opportunities currently out there for investors, including Americans, to gain investment exposure

in a publicly listed Canadian company to the island of Cuba in an environment of thawing diplomatic relations between it and the U.S. Initially the business will be in the high-growth sectors of online travel and digital media but we will be looking at opportunities in other sectors and industries going forward as well.

*Disclosure: Transcend Capital Inc. is a shareholder of MPH Ventures*