Lumber Depot Limited
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Kingston 6, Jamaica
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CHAIRMAN'S REPORT FOR QUARTER ENDED JULY 31,2025

On behalf of the board of directors of Lumber Depot Limited, I am pleased to share with you the results of our operations for the three-month period ended July 31, 2025. Lumber Depot generated net profits of $37.93 million on revenues of $401.54 million.

Revenues for the quarter increased 3% relative to the prior year, however the mix of products (which was skewed towards basic construction commodities) and our continued commitment to price competitiveness meant that we experienced some modest compression in gross margins. Importantly, we were able to contain our overheads and deliver steady overall operating profits.

Although the Lumber Depot business remains strong and highly competitive the tenure of the company on the Junior Market of the Jamaica Stock Exchange now means that it must take a charge for taxation that was not incurred in the prior year. Primarily as a result of this new tax charge, net after tax profit was down 16% relative to the prior year.

Lumber Depot operates a full-service hardware store in Papine that serves the needs of large and small-scale building contractors, as well as homeowners doing construction projects, renovations, and repairs. The Lumber Depot business has been in operation for over 20 years and during this time has established a market leading position in the communities we directly serve and a strong reputation for excellent service and good value across the wider corporate area.

We consider our location in Papine to be an important part of our success. The facility in Papine is now owned by the company. Papine is a vibrant and fast-growing university community that also serves as a main access point to the St. Andrew hills. Our location is immediately within the most trafficked part of the community; it is purpose-built and well established. The company is now actively seeking opportunities to expand the Papine facility during the course of this financial year. Accordingly, Lumber Depot has secured funds to invest in adjacent properties in the area and has identified suitable prospects for acquisition.

Notwithstanding the strong market position of our Papine location, Lumber Depot has concluded that its long-term profit growth will benefit from investment in selecting other opportunities within the hardware industry, but outside of the core Papine location. This focus on growth opportunities led to the acquisition by Lumber Depot of what is now a 29.3% interest in Atlantic Plumbing and Hardware Limited ("Atlantic").

Atlantic is engaged in the supply of plumbing and hardware items to retail hardware establishments across Jamaica. Atlantic has a well-established position in this important market segment and will continue to focus directly on this business. Atlantic has performed generally in line with expectations. Subsequent to the acquisition of our interest, Atlantic has relocated to a new and improved sales and warehousing facility on Marcus Garvey Drive, overhauled its information technology systems to strengthen its inventory control and service levels, and secured a listing on the Junior Market of the Jamaica Stock Exchange. Both the carrying value and the market value of our interest in Atlantic exceed the cost of that investment.

We are pleased that Lumber Depot continues to trade positively and to deliver strong results and, importantly, to maintain excellent service levels and customer endorsements.

We will continue to judiciously manage our cash with a view to paying solid dividends and improving shareholder returns. Our board and management are also committed to maintaining the financial capacity to boldly seize and execute on the expansion and acquisition opportunities that we expect to arise as construction growth resumes.

I thank our board, management, and staff for their effective work in successfully managing through a challenging business environment to deliver strong results for shareholders.

Jeffrey Hall
Chairman
September 11, 2025

LUMBER DEPOT LIMITED
Statement of Financial Position
As at July 31, 2025

	Unaudited July 31, 2025 $	Unaudited July 31, 2024 $	Audited April 30, 2025 $
ASSETS:			
Non-current assets			
Property, plant and equipment	184,555,964	173,503,591	171,086,482
Equity investment (AHPL) (note 11)	377,382,000		377,382,000
Advance deposit	-	280,000,214	-
Investments	-	15,379,534	-
Deferred Tax Asset	2,634,564	-	2,634,564
	564,572,528	468,883,339	551,103,046
Current assets			
Cash and cash equivalents	250,622,525	234,212,334	193,631,306
Investments	15,799,795	-	15,590,298
Accounts receivable and prepayments	23,624,291	33,301,061	38,311,919
Inventories	149,575,459	146,980,010	145,234,075
Taxation recoverable	-	4,648,865	62,290
	439,622,070	419,142,270	392,829,888
Current liabilities			
Accounts payable (note 12)	133,105,650	163,568,180	115,879,976
Taxation Payable	5,108,026	-	-
	138,213,676	163,568,180	115,879,976
Net Current Assets	301,408,394	255,574,090	276,949,912
Total assets less current liabilities	**865,980,922**	**724,457,429**	**828,052,958**
EQUITY			
Share capital	170,061,991	170,061,991	170,061,991
Other reserve (note 11)	62,381,786	-	62,381,786
Retained earnings	633,537,145	554,395,438	595,609,181
	865,980,922	**724,457,429**	**828,052,958**

Approved for issue by the Board of Directors on September 11, 2025 and signed on its behalf by:

Director
Jeffrey Hall

Director
Noel Dawes

LUMBER DEPOT LIMITED

Statement of Profit or Loss and Other Comprehensive Income

Three months ended July 31, 2025

	Unaudited 3 Mths Ended July 31,2025	Unaudited 3 Mths Ended July 31,2024	Audited April 30, 2025
	$	$	$
Revenue	401,540,435	386,477,161	1,510,003,968
Cost of revenue	(312,309,662)	(294,401,860)	(1,179,416,792)
Gross profit	89,230,773	92,075,301	330,587,176
Impairment (loss)/reversal on trade receivables	(393,978)	(343,228)	124,664
Impairment (loss)/reversal on investments, net	(21,023)	(16,008)	(14,378)
Administrative and other expenses	(46,369,353)	(48,781,347)	(200,927,260)
	42,446,419	**42,934,718**	**129,770,202**
Other income	1,788,326	1,746,097	7,192,644
Profit before net finance costs and taxation	44,234,745	44,680,815	136,962,846
Finance income	1,227,923	2,746,177	10,455,981
Finance cost	(2,116,423)	(2,197,067)	(7,878,120)
Net financial income/(costs)	(888,500)	549,110	2,577,861
Profit for the period	**43,346,245**	**45,229,925**	**139,540,707**
Taxation	(5,418,281)	-	(3,660,417)
Profit attributable to members, being total comprehensive income for the period	37,927,964	45,229,925	135,880,290
Other comprehensive income			
Items that will not classified to profit or loss			
Investment in AHPL - net changes in fair value	-	-	62,381,786
	37,927,964	**45,229,925**	**198,262,076**
Earnings per stock unit	**$ 0.05**	**$ 0.06**	**$ 0.19**

LUMBER DEPOT LIMITED
Statement of Changes in Equity
Three months ended July 31, 2025

	Share Capital	Other Reserve	Retained earnings	Total
	$	$	$	$
Balances as at April 30, 2024(audited)	170,061,991	-	509,165,513	679,227,504
				-
Other comprehensive income for the period		-		-
Profit for the period,				-
being total comprehensive income for the quarter	-		45,229,925	45,229,925
Balances as at July 31, 2025 (unaudited)	170,061,991	-	554,395,438	724,457,429
Balances as at April 30, 2024 (audited)	170,061,991	62,381,786	595,609,181	828,052,958
				-
Profit for the period,				
being total comprehensive income for the quarter	-	-	**37,927,964**	37,927,964
Balances as at July 31, 2025 (unaudited)	**170,061,991**	**62,381,786**	**633,537,145**	**865,980,922**

LUMBER DEPOT LIMITED

Statement of Cash Flows

Three months ended July 31, 2025

	Unaudited July 31, 2025 $	Unaudited July 31, 2024 $	Audited April 30,2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	37,927,964	45,229,925	135,880,292
Adjustments for:			
Depreciation	1,213,439	1,889,545	5,604,194
Interest Income	(1,533,461)	(2,097,184)	(9,533,467)
Unrealised exchange loss/(gains)	(209,497)	484,367	(249,336)
Appreciation on investments in mutual funds	-	-	-
Taxation	5,418,281	-	3,660,417
Cash generated before changes in working capital	42,816,726	45,506,653	135,362,100
Accounts receivables and prepayments	14,135,658	(4,562,016)	(10,095,104)
Inventories	(4,341,384)	4,287,400	6,033,335
Accounts payable	17,225,676	(28,957,702)	(29,831,884)
Taxation recoverable	(247,965)	(767,145)	(2,475,551)
Cash provided by operations	69,588,710	15,507,190	98,992,896
Net cash generated from operating activities	69,588,710	15,507,190	98,992,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(14,682,924)	(546,834)	(1,844,374)
Purchase of equity Investment in AHPCL	-	-	(90,650,000)
Proceeds from sale of Investments	-	-	-
Interest received	2,085,432	1,574,246	10,055,697
Net cash used in investing activities	(12,597,492)	1,027,412	(82,438,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	-	-	(40,600,646)
Net cash used in financing activities	-	-	(40,600,646)
Net increase in cash and cash equivalents	56,991,219	16,534,601	(24,046,427)
Cash and cash equivalents at beginning of the period	193,631,306	217,677,733	217,677,733
Cash and cash equivalents at end of period	**250,622,525**	**234,212,334**	**193,631,306**

LUMBER DEPOT LIMITED
Notes to the Unaudited Financial Statements
JULY 31, 2025

1 **Identification and principal activities**

Lumber Depot Limited (the company) was incorporated and domiciled in Jamaica on July 30, 2019. The registered office of the company is located at 4 Victoria Avenue Kingston CSO, with retail outlet at 17c Gordon Town Road, Kingston 6. The company is listed on the Junior Market of the Jamaica Stock Exchange since December 16, 2019.

The main activities of the company comprise the sale of lumber, hardware supplies and related products.

2 **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

3 **New and amended standards that became effective during the period**

Certain new and amended standards which were in issue, came into effect during the current financial period. The adoption of these standards did not have any impact on the amounts recognized or disclosures in the financial statements.

4 **Use of estimates and judgements:**

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

5 **Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investments, cash and cash equivalents and accounts receivable. Financial liabilities comprise accounts payable and due to related party.

6 **Revenue:**

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer.

7 **Foreign currencies:**

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss.

8 **Material accounting policies**

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the period ended April 30, 2025.

9 **Net realisable value of inventories:**

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

10 **Finance cost**

Finance cost comprises bank charges and foreign exchange losses recognised in profit or loss.

11 **Equity Investment in AHPCL**

This represents the company's 29.3% interest in Atlantic Hardware & Plumbing Company Limited, a company registered and domiciled in Jamaica. As at May 1, 2024, Lumber Depot Limited acquired equity invesment in Atlantic Hardware & Plumbing Company Limited and is accounted for under equity method.

12 **Accounts payable**

Accounts payable includes J$14.35m owed to the seller as part of the purchase price of Lumber Depot Limited's 29.3% stake in Atlantic Hardware Limited.

JULY 31, 2025
TOTAL SHARES OUTSTANDING:
706,237,500

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
NOEL DAWES*	SELF	16,627,150	2.3543
VIKRAM DHIMAN	SELF	100,000	0.0142
LISA KONG	SELF	100,000	0.0142
GEORGE OVERTON	SELF	100,000	0.0142
JEFFREY HALL ***	SELF	0	0.0000
PAUL SCOTT****	SELF	0	0.0000
MELANIE SUBRATIE****	SELF	0	0.0000
CONNECTED PARTY *	CONNECTED PARTY	38,070	0.0054

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)		UNITS	PERCENTAGE
STONY HILL CAPITAL LIMITED****		116,189,064	16.4518
BLUE POWER GROUP LIMITED***		116,189,064	16.4518
PAM-POOLED EQUITY FUND		98,221,123	13.9077
J KENNETH BENJAMIN & SHEILA BENJAMIN		59,954,650	8.4893
MARY J. FRAY		30,954,000	4.3829
JN FUND MANAGERS LIMITED		23,918,341	3.3867
NOEL DAWES		16,627,150	2.3543
JPS EMPLOYEES SUPERAN.FUND			
-PRIME ASSET MANAGEMENT		12,102,288	1.7136
THE MAYBERRY FOUNDATION LTD.		10,000,000	1.4160
BRIAN MILLINGEN		8,311,000	1.1782

TOTAL UNITS OWNED BY TOP 10		492,476,680	69.7324