

## **Jewett-Cameron Announces 2nd Quarter Financial Results**

NORTH PLAINS, Ore., April 14, 2022 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the second quarter and six month periods of fiscal 2022 ended February 28, 2022.

Sales for the second quarter of fiscal 2022 totaled \$14.06 million compared to sales of \$10.46 million for the second quarter of fiscal 2021. Income from operations was \$696,740 compared to a loss of (\$63,162) for the quarter ended February 28, 2021. Net income was \$269,820, or \$0.08 per share, compared to a net loss of (\$53,164), or (\$0.02) per share, in the year-ago quarter.

For the six months ended February 28, 2022, sales totaled \$27.0 million compared to sales of \$20.8 million for the six months ended February 28, 2021. Income from operations was \$229,559 compared to income of \$560,621 for the six months ending in February 28, 2021. Net loss was (\$121,322), or (\$0.03) per share, compared to net income of \$435,363, or \$0.12 per share, in the first six months of fiscal 2021

Net income in both the current quarter and six month periods was negatively affected by the accrual of \$300,000 to settle a legal claim in California regarding the environmental labeling and marketing of the Company's dog waste bags.

"We are pleased with the sales increases for both the quarter and six months, which continues to reflect the strong demand for our products" said CEO Chad Summers. "We feel well positioned to navigate the rising raw material and shipping costs and continuing worldwide logistic disruptions. Entering the third quarter, we have more months of inventory on hand of our most strategically important products compared to prior years. Our decision to optimize our inventory on hand mitigates the risk of not having enough goods to fulfill expected orders during our traditionally busy Spring and Summer seasons."

As of February 28, 2022, the Company's cash position was approximately \$0.9 million, and there was \$9.5 million borrowed against its \$10.0 million line of credit. Based on the timing of accounts receivable, the Company believes it will begin to repay the amounts borrowed on its line of credit in the third quarter, and it has sufficient working capital available for the remainder of fiscal 2022.

Jewett-Cameron Trading Company is a holding company that, through its subsidiaries, operates out of facilities located in North Plains, Oregon. Jewett-Cameron Company's business consists of the manufacturing and distribution of patented and patent pending specialty metal products, wholesale distribution of wood products, and seed processing and sales. The Company's brands include Lucky Dog®, for pet products; Adjust-A-Gate™, Fit-Right®, Perimeter Patrol®, Infinity Euro Fence, and Lifetime Post™ for gates and fencing;

and Early Start, Spring Gardner™, Greenline®, and Weatherguard for greenhouses. Additional information about the Company and its products can be found the Company's website at [www.jewettcameron.com](http://www.jewettcameron.com).

## Forward-looking Statements

The information in this release contains certain forward-looking statements that anticipate future trends and events. These statements are based on certain assumptions that may prove to be erroneous and are subject to certain risks, including but not limited to, the uncertainties of the Company's new product introductions, the risks of increased competition and technological change in the Company's industry, and other factors detailed in the Company's SEC filings. Accordingly, actual results may differ, possibly materially, from predictions contained herein.

## JEWETT-CAMERON TRADING COMPANY LTD.

### CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>February 28, 2022</b>	<b>August 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 899,055	\$ 1,184,313
Accounts receivable, net of allowance of \$Nil (August 31, 2021 - \$0)	9,137,254	7,086,503
Inventory, net of allowance of \$250,000 (August 31, 2021 - \$250,000)	18,630,148	14,391,365
Prepaid expenses	2,559,893	2,305,820
Prepaid income taxes	258,205	252,958
Total current assets	31,484,555	25,220,959
<b>Property, plant and equipment, net</b>	4,638,238	3,886,543
<b>Intangible assets, net</b>	33,894	30,897
<b>Total assets</b>	\$ 36,156,687	\$ 29,138,399
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,660,664	\$ 1,349,677
Bank indebtedness	9,500,000	3,000,000
Accrued liabilities	2,078,436	1,798,088
Total current liabilities	13,239,100	6,147,765
<b>Deferred tax liability</b>	125,834	116,945
<b>Total liabilities</b>	13,364,934	6,264,710
<b>Stockholders' equity</b>		
Capital stock		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,492,842 common shares (August 31, 2021 -3,489,161)	824,039	823,171
Additional paid-in capital	725,729	687,211
Retained earnings	21,241,985	21,363,307
Total stockholders' equity	22,791,753	22,873,689

**Total liabilities and stockholders' equity**

\$ 36,156,687 \$ 29,138,399

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Three Month Periods at the end of February</b>		<b>Six Month Periods at the end of February</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>SALES</b>	\$ 14,060,751	\$ 10,460,355	\$ 26,978,475	\$ 20,776,639
<b>COST OF SALES</b>	10,636,524	7,848,779	21,089,386	15,202,164
<b>GROSS PROFIT</b>	3,424,227	2,611,576	5,889,089	5,574,475
<b>OPERATING EXPENSES</b>				
Selling, general and administrative expenses	684,116	895,974	1,672,403	1,590,603
Depreciation and amortization	84,071	55,290	153,709	105,818
Wages and employee benefits	1,959,300	1,723,474	3,833,418	3,317,433
	2,727,487	2,674,738	5,659,530	5,013,854
Income (loss) from operations	696,740	(63,162)	229,559	560,621
<b>OTHER ITEMS</b>				
Other income	2,000	3,000	5,000	6,000
Interest expense	(30,620)	-	(50,896)	-
Accrual for legal claim	(300,000)	-	(300,000)	-
	(328,620)	3,000	(345,896)	6,000
Income (loss) before income taxes	368,120	(60,162)	(116,337)	566,621
Income tax (expense) recovery	(98,300)	6,998	(4,985)	(131,258)
<b>Net income (loss)</b>	\$ 269,820	\$ (53,164)	\$ (121,322)	\$ 435,363
<b>Basic earnings (loss) per common share</b>	\$ 0.08	\$ (0.02)	\$ (0.03)	\$ 0.12
<b>Diluted earnings (loss) per common share</b>	\$ 0.08	\$ (0.02)	\$ (0.03)	\$ 0.12
<b>Weighted average number of common shares outstanding:</b>				
Basic	3,492,842	3,486,495	3,491,969	3,483,814
Diluted	3,492,842	3,486,495	3,491,969	3,483,814

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Six Month Period at the end of February,</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (121,322)	\$ 435,363
Items not involving an outlay of cash:		
Depreciation and amortization	153,709	105,818
Stock-based compensation expense	39,386	-
Deferred income taxes	8,889	(84,080)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(2,050,751)	1,184,865
(Increase) in inventory	(4,238,783)	(837,400)
(Increase) in prepaid expenses	(254,073)	(462,085)
Increase (decrease) in accounts payable and accrued liabilities	591,335	(424,881)
(Increase) in prepaid income taxes	(5,247)	(307,433)
Net cash used in operating activities	(5,876,857)	(389,833)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		

Purchase of property, plant and equipment	(908,401)	(519,470)
Net cash used in investing activities	(908,401)	(519,470)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank indebtedness	6,500,000	-
Net cash provided by financing activities	6,500,000	-
<b>Net decrease in cash</b>	(285,258)	(909,303)
<b>Cash, beginning of period</b>	1,184,313	3,801,037
<b>Cash, end of period</b>	\$ 899,055	\$ 2,891,734

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