

## **Jewett-Cameron Announces 3rd Quarter Financial Results**

NORTH PLAINS, Ore., July 14, 2022 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine-month periods of fiscal 2022 ended May 31, 2022.

Sales for the third quarter of fiscal 2022 totaled approximately \$20.9 million compared to sales of \$21.6 million for the third quarter of fiscal 2021. Income from operations was \$2,019,644 compared to \$2,638,011 for the third quarter ended May 31, 2021. Net income after other items and income taxes for the current quarter was \$1,494,111, or \$0.43 per share, compared to net income of \$2,414,477, or \$0.69 per share, in the same quarter of 2021.

For the nine months ended May 31, 2022, Jewett-Cameron reported sales of \$47.9 million compared to sales of \$42.4 million for the nine months ended May 31, 2021. Net income was \$1,372,789, or \$0.39 per share, compared to net income of \$2,849,839, or \$0.82 per share, for the first nine months of fiscal 2021.

Net income for both the three and nine-month periods ended May 31, 2021 were positively affected by a one-time gain of \$687,387 related to the forgiveness of the Company's PPP loans.

"Our decision to build our most important inventory at the beginning of our busy Spring and Summer season worked well," said CEO Chad Summers. "It reduced some product costs and helped insulate us against the continuing supply chain disruptions from China. We were able to provide high product availability and on-time fulfillment rates for our customers. We remain well positioned with our inventory on hand entering the 4<sup>th</sup> quarter."

As of May 31, 2022, the Company's cash position was approximately \$2.1 million, and there was \$9.0 million borrowed against its \$10.0 million line of credit. Subsequent to the end of the period, the Company repaid an additional \$1.0 million, and as product is sold and accounts receivable are collected, we expect to continue to repay the amount drawn against the line.

About Jewett-Cameron Trading Company Ltd.

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>May 31, 2022</b>	<b>August 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,130,450	\$ 1,184,313
Accounts receivable, net of allowance of \$Nil (August 31, 2021 - \$0)	8,271,856	7,086,503
Inventory, net of allowance of \$250,000 (August 31, 2021 - \$250,000)	19,898,803	14,391,365
Prepaid expenses	2,257,576	2,305,820
Prepaid income taxes	3,876	252,958
Total current assets	32,562,561	25,220,959
<b>Property, plant and equipment, net</b>	4,661,706	3,886,543
<b>Intangible assets, net</b>	30,092	30,897
<b>Total assets</b>	<b>\$ 37,254,359</b>	<b>\$ 29,138,399</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,794,717	\$ 1,349,677
Bank indebtedness	9,000,000	3,000,000
Accrued liabilities	2,045,281	1,798,088
Total current liabilities	12,839,998	6,147,765
<b>Deferred tax liability</b>	128,497	116,945
<b>Total liabilities</b>	12,968,495	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	22,736,096	21,363,307
Total stockholders' equity	24,285,864	22,873,689
<b>Total liabilities and stockholders' equity</b>	<b>\$ 37,254,359</b>	<b>\$ 29,138,399</b>

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Three Month Period Ended May 31,		Nine Month Period Ended May 31,	
	2022	2021	2022	2021
<b>SALES</b>	\$ 20,922,190	\$ 21,619,952	\$ 47,900,665	\$ 42,396,591
<b>COST OF SALES</b>	15,569,380	16,037,702	36,658,766	31,239,866
<b>GROSS PROFIT</b>	5,352,810	5,582,250	11,241,899	11,156,725
<b>OPERATING EXPENSES</b>				
Selling, general and administrative expenses	1,125,692	966,298	2,798,094	2,556,902
Depreciation and amortization	83,291	69,353	237,001	175,171
Wages and employee benefits	2,124,183	1,908,588	5,957,601	5,226,021
	3,333,166	2,944,239	8,992,696	7,958,094
Income from operations	2,019,644	2,638,011	2,249,203	3,198,631
<b>OTHER ITEMS</b>				
Other income	903	3,000	(294,097)	9,000
Interest expense	(47,972)	(9,283)	(98,868)	(9,283)
Gain on extinguishment of debt	-	687,387	-	687,387
	(47,069)	681,104	(392,965)	687,104
Income before income taxes	1,972,575	3,319,115	1,856,238	3,885,735
Income tax expense	(478,464)	(904,638)	(483,449)	(1,035,896)
<b>Net income</b>	\$ 1,494,111	\$ 2,414,477	\$ 1,372,789	\$ 2,849,839
<b>Basic earnings per common share</b>	\$ 0.43	\$ 0.69	\$ 0.39	\$ 0.82
<b>Diluted earnings per common share</b>	\$ 0.43	\$ 0.69	\$ 0.39	\$ 0.82
<b>Weighted average number of common shares outstanding:</b>				
Basic	3,492,842	3,489,161	3,492,266	3,485,525
Diluted	3,492,842	3,489,161	3,492,266	3,485,525

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Nine Month Period Ended May 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 1,372,789	\$ 2,849,839
Items not involving an outlay of cash:		
Depreciation and amortization	237,001	175,171
Stock-based compensation expense	39,386	70,391
Gain on extinguishment of debt	-	(680,707)
Deferred income tax expense	11,552	(57,768)
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(1,185,353)	(4,776,635)
(Increase) decrease in inventory	(5,507,438)	1,430,506
Decrease (increase) in prepaid expenses	48,244	(1,544,728)
Decrease in prepaid income taxes	249,082	-
Increase in accounts payable and accrued liabilities	692,233	736,595
Increase in income taxes payable	-	189,594

Net cash (used in) provided by operating activities	(4,042,504)	(1,607,742)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,011,359)	(1,019,259)
Net cash provided by (used in) investing activities	(1,011,359)	(1,019,259)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank indebtedness	6,000,000	996,010
Net cash provided by (used in) financing activities	6,000,000	996,010
<b>Net increase (decrease) in cash</b>	946,137	(1,630,991)
<b>Cash, beginning of period</b>	1,184,313	3,801,037
<b>Cash, end of period</b>	\$ 2,130,450	\$ 2,170,046

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