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CHAIRMANS REPORT FOR THE QUARTER ENDING JANUARY 31, 2021

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 nine-month period ending on January 31, 2021. The company continued to perform very well.

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 two decades 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. Lumber Depot Limited – acquired the assets and liabilities of the Lumber Depot business from Blue Power Group Limited with effect from August 1, 2019. The company was then listed on the Junior Market of the Jamaica Stock Exchange (JSE) with effect from December 16, 2019.

We now compare Lumber Depot Limited's performance for the nine-months of this year with the performance of the business during the comparable nine-month period of the prior year, when it was owned and operated by the Blue Power Group for the first quarter and owned and operated by this company for the second and third quarters.

Despite the challenges generally associated with trading during the COVID 19 pandemic, Lumber Depot has continued to trade positively. For the nine-month period commencing on May 1, 2020 and ending on January 31, 2021 revenues increased 10% relative to the comparable period in the prior year. Profits increased 72% to \$100.8 million. The business benefited from improved revenues as well as the improved tax status of the business arising from our listing on the Junior Market of the JSE. As a consequence of the strong performance, shareholders equity for Lumber Depot Limited has increased 45% for the year-to-date and now stands at \$279 million.

Lumber Depot recognizes that the COVID 19 pandemic and the associated restrictions on movement and operating hours presents challenges for the Jamaican economy. Our strategy is to consistently offer competitive prices on our products and to maintain our service standards while prioritizing the safety of our customers and staff. During the period under review, a major area of focus for us was to maintain consistent inventory levels in all of the key hardware supplies – including lumber, steel and cement products – regardless of the factors affecting production and transportation of these items. We have proactively developed relationships with key suppliers of construction inputs both in Jamaica and overseas and sought to buy strategically in order to contain the impact of rapidly increasing global commodity prices and transport costs. We have been generally successful with this and in turn this has improved our standing with key customers. With our decision to raise equity capital through the JSE, we also benefit from a strong balance sheet that allows us to secure the commercial opportunities that are now available to us and to maintain resilient levels of inventory.

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.

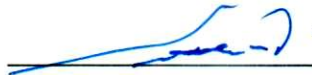
Jeffrey Hall
March 9, 2021

Lumber Depot Limited
Statement of Financial Position
As at January 31, 2021

	Unaudited 9 Mths Ended January 31, 2021	Audited 9 Mths Ended April 30, 2020
ASSETS:		
Non-current assets		
Property, plant and equipment	18,267,039	17,331,894
Right of Use Assets	72,506,724	78,904,376
Investments	101,770,191	99,857,804
	<u>192,543,954</u>	<u>196,094,074</u>
Current assets		
Cash and cash equivalents	140,559,907	29,082,710
Accounts receivable and prepayments	33,906,844	44,139,985
Inventories	133,565,604	104,693,833
	<u>308,032,355</u>	<u>177,916,528</u>
Current liabilities		
Accounts payable	117,051,369	66,245,874
Due to related company	5,990,774	350,556
Current Portion of Long Term Lease Liability	7,871,227	7,696,318
Current Portion of Long Term Loan	-	15,000,000
Dividend Payable	14,124,750	
Taxation Payable	9,876,450	9,876,450
	<u>154,914,570</u>	<u>99,169,198</u>
Net Current Assets	<u>153,117,785</u>	<u>78,747,330</u>
Total assets less current liabilities	<u><u>345,661,739</u></u>	<u><u>274,841,404</u></u>
EQUITY		
Share capital	170,061,991	170,061,991
Retained earnings	108,923,764	22,177,952
	<u>278,985,755</u>	<u>192,239,943</u>
NON-CURRENT LIABILITIES		
Long Term Loan	-	10,000,000
Long Term Lease Liability	66,675,984	72,601,461
	<u>66,675,984</u>	<u>82,601,461</u>
Total equity and non-current liabilities	<u><u>345,661,739</u></u>	<u><u>274,841,404</u></u>

Approved for issue by the Board of Directors on March 9, 2021 and signed on its behalf by:


 _____ Director
 Jeffrey Hall


 _____ Director
 Noel Dawes

Lumber Depot Limited
Statement of Profit or loss and Other Comprehensive Income
Nine months ended January 31, 2021

	Unaudited 9 Mths Ended January 31,2021	Unaudited 3 Mths Ended January 31,2021	Unaudited 3 Mths Ended January 31,2020	Audited 9 Mths Ended April 30, 2020
Revenue	1,052,652,767	353,103,632	311,381,364	921,453,856
Cost of revenue	<u>(833,390,994)</u>	<u>(271,246,229)</u>	<u>(252,100,209)</u>	<u>(754,010,475)</u>
Gross profit	219,261,773	81,857,403	59,281,155	167,443,381
Impairment gain/loss on trade receivables	1,275,194	(550,012)		(20,284,625)
Impairment losses on investments	-	-	-	(3,023,774)
Administrative and other expenses	<u>(119,010,000)</u>	<u>(46,257,181)</u>	<u>(33,308,918)</u>	<u>(108,290,582)</u>
	101,526,967	35,050,210	25,972,237	35,844,400
Other income	<u>731,347</u>	<u>-</u>	<u>-</u>	<u>2,318,889</u>
Profit before net finance costs and taxation	<u>102,258,314</u>	<u>35,050,210</u>	<u>25,972,237</u>	<u>38,163,289</u>
Finance income	5,125,307	1,343,829	43,648	993,398
Finance cost	<u>(6,513,059)</u>	<u>(2,117,956)</u>	<u>(1,800,582)</u>	<u>(7,102,285)</u>
Net financial income	<u>(1,387,752)</u>	<u>(774,127)</u>	<u>(1,756,934)</u>	<u>(6,108,887)</u>
Profit for the period	100,870,562	34,276,083	24,215,303	32,054,402
Taxation	<u>-</u>	<u>-</u>	<u>(2,156,841)</u>	<u>(9,876,450)</u>
Profit attributable to members, being total comprehensive income for the period	<u>100,870,562</u>	<u>34,276,083</u>	<u>22,058,462</u>	<u>22,177,952</u>
Earnings per stock unit	<u>\$ 0.14</u>	<u>\$ 0.05</u>	<u>\$ 0.03</u>	<u>\$ 0.03</u>

Note : The new LUMBER DEPOT LIMITED started August 1, 2019 so as a result there is no 9 months comparative information for the 2019 financial year.

Lumber Depot Limited
Statement of Changes in Equity
Nine months ended January 31, 2021

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2020 (audited)	170,061,991	22,177,952	192,239,943
Dividends Paid	-	(14,124,750)	(14,124,750)
Total comprehensive income for the period	<u>-</u>	<u>100,870,562</u>	<u>100,870,562</u>
Balances as at January 31, 2021 (unaudited)	<u><u>170,061,991</u></u>	<u><u>108,923,764</u></u>	<u><u>278,985,755</u></u>

Lumber Depot Limited
Statement of Cash Flows
Nine months ended January 31, 2021

	Unaudited <u>January 31, 2021</u>	Audited <u>9 Mths Ended April 30, 2020</u>
Cash Flows From Operating Activities		
Profit for the period	100,870,562	22,177,952
Adjustments for:		
Depreciation	9,625,971	9,426,071
Interest Income	(5,125,307)	(377,457)
Interest expense	6,513,059	2,881,167
Taxation	-	9,876,450
	<u>111,884,285</u>	<u>43,984,183</u>
Cash generated before changes in working capital		
Accounts receivables and prepayments	10,233,141	(44,139,985)
Inventories	(28,871,771)	(104,693,833)
Accounts payable	50,805,495	66,245,874
Due to related party	5,640,218	(18,228,269)
	<u>149,691,368</u>	<u>(56,832,030)</u>
Cash provided by operations	149,691,368	(56,832,030)
Taxation Paid	-	-
	<u>149,691,368</u>	<u>(56,832,030)</u>
Net cash provided by operating activities		
Cash Flows From Investing Activity		
Purchase of property, plant and equipment	(1,563,016)	(1,216,497)
Purchase of Investments	(1,435,215)	(99,611,000)
Interest paid	(6,513,059)	(2,881,167)
Interest received	2,047,685	130,653
	<u>(7,463,605)</u>	<u>(103,578,011)</u>
Cash(used)/provided by investing activity		
Cash Flows From Financing Activities		
Issue of shares	-	169,497,000
Long term loan	(25,000,000)	25,000,000
Lease liability, net	(5,750,566)	(5,004,249)
	<u>(30,750,566)</u>	<u>189,492,751</u>
Cash (used) by Financing Activities		
Net increase in cash and cash equivalents	<u>111,477,197</u>	<u>29,082,710</u>
Cash and cash equivalents at beginning of the period	29,082,710	-
Cash and cash equivalents at end of period	<u>140,559,907</u>	<u>29,082,710</u>

Lumber Depot Limited
Notes to the Unaudited Financial Statements
January 31, 2021

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.

On 1 August 2019 the Company entered into a Intragroup Reconstruction Agreement with Blue Power Group Limited ("Blue Power"), pursuant to which the Company assumed the benefit and burden of the Hardware Business as at the Accounting Date with the transfer of assets of the Hardware Business taking place as at that date as a going concern with no change to the management team of the Hardware Business. The company is listed on the Junior Market of the Jamaica Stock Exchange since December 16, 2019. The tax remission benefits derived from the listing on the Junior Stock Exchange took effect from January 1, 2020.

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 and interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaica dollars.

3 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.

4 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.

5 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, as the contractual obligations are fulfilled, and the goods are delivered and have been accepted by the customers.

6 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.

7 Significant 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, 2020.

8 Leases:

Policy applicable from August 1, 2019.

At inception of a contract, the company assesses whether a contract is, or contains a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16

This policy is applied to contracts entered into, on or after August 1, 2019.



JANUARY 31, 2021
TOTAL SHARES OUTSTANDING:
706,237,500

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
NOEL DAWES*	SELF	14,627,150	2.0711
JEFFREY HALL (SWEE TEEN CHUA)	SELF	2,374,338	0.3362
VIKRAM DHIMAN	SELF	100,000	0.0142
SYMONE MAYHEW	SELF	100,000	0.0142
LISA KONG	SELF	100,000	0.0142
GEORGE OVERTON	SELF	100,000	0.0142
*KAREL DAWES	CONNECTED PARTY	38,070	0.0054
*RICHARD MAYHEW	CONNECTED PARTY	176,495	0.0250

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
MAYBERRY JAMAICAN EQUITIES LTD	179,369,948	25.3980
BLUE POWER GROUP LIMITED	113,989,250	16.1404
J KENNETH BENJAMIN & SHEILA BENJAMIN	49,954,650	7.0733
MARY J. FRAY	30,954,000	4.3829
JN FUND MANAGERS LIMITED	23,919,341	3.3869
NOEL DAWES	14,627,150	2.0711
SILVER INVESTMENTS LIMITED	10,778,160	1.5261
QWI INVESTMENTS LIMITED	9,986,245	1.4140
PAM-POOLED EQUITY FUND	9,893,510	1.4009
MAYBERRY CO A/C 120008	9,837,370	1.3929

TOTAL UNITS OWNED BY TOP 10	453,309,624	64.1866
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