

Atlantic

HARDWARE & PLUMBING CO. LTD.

Unaudited Management Report for the Period Ended March 31, 2026

Chairman's Report for the Three-Month Period Ended March 31, 2026

On behalf of the Board of Directors of Atlantic Hardware & Plumbing Company Limited ("Atlantic"), I am pleased to present the unaudited results of our operations for the three-month period ended March 31, 2026. The first quarter delivered a strong start to the new financial year, marked by exceptional revenue growth, significantly improved profitability, robust cash generation, and continued strengthening of the Company's balance sheet.

Since 1994, Atlantic has been a leading wholesale distributor of over 2,400 hardware and building products, serving retailers, contractors, and developers across Jamaica. Now listed on the Jamaica Stock Exchange Junior Market, the Company has built a strong reputation for reliability, competitive pricing, and consistent product availability. Atlantic services more than 1,000 repeat customers and is an authorized distributor for several leading global brands, including Stanley Tools, Black & Decker, DeWalt, Oatey, DAP Inc., Yale, Bosch, Generac, Corona, Henkel Pattex, and WD-40. The Company is supported by an international supplier network spanning the United States, Asia, Europe, and Latin America, providing a diversified platform that continues to underpin Atlantic's resilience and growth.

Revenue for the quarter reached J\$687.1 million, representing growth of 50% over the corresponding period in 2025, which recorded revenue was J\$459.5 million. This remarkable performance was driven by strong demand across our core customer segments, improved product availability, and disciplined execution of our commercial strategy.

Gross profit for the quarter amounted to J\$204.3 million, compared with J\$130.8 million in the first quarter of 2025, representing an increase of 56%. Gross margin improved reflecting sustained margin discipline and the continued benefits of improved purchasing practices, pricing management, and inventory optimization.

Operating profit for the quarter amounted to J\$97.5 million, compared with J\$76.2 million in the corresponding period of 2025, representing an increase of 28%. Selling, general and administrative expenses increased to J\$116.8 million from J\$66.9 million in the prior year period, primarily driven by higher staff-related expenses, lease costs, and increased operating activity, including utilities, travel, fuel and motor vehicle expenses. This increase was more than offset by the strong growth in revenue and gross profit.

Finance costs declined materially to J\$23.3 million for the quarter, compared with J\$43.7 million in the first quarter of 2025, reflecting the substantial debt repayments executed during the prior year, including those funded by the Company's successful IPO and the sale of the 7A Ashenheim Road property. Profit after taxation for the quarter amounted to J\$74.2 million, compared with J\$24.4 million in the prior year period, representing an increase of 204%. Earnings per stock unit for the quarter were J\$0.030 compared with J\$0.010 in the first quarter of 2025.

The Company's balance sheet remained strong as at March 31, 2026. Total assets amounted to approximately J\$1.57 billion, comprising non-current assets of J\$181.0 million and current assets of J\$1.39 billion. Shareholders' equity increased to J\$604.7 million from J\$435.6 million at March 31, 2025, driven

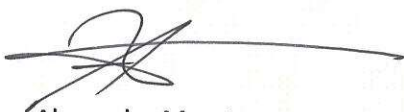
by retained earnings growth. Net current assets improved to J\$1.11 billion, and cash and cash equivalents grew significantly to J\$206.6 million, tripling from J\$70.0 million at March 31, 2025. The Board remains committed to prudent capital allocation, with a continued focus on balance-sheet strength and sustainable shareholder value creation.

In February 2026, Atlantic expanded into agro-distribution, assuming the distribution rights for a portfolio of leading agricultural brands from some of the world's foremost manufacturers, including Monsanto RoundUp, Dow AgroSciences Dithane, Pioneer hybrid corn, Newport-Fersan fertiliser, Nutramix feed, Certis Agree, Bellota machetes and files, and Solo spray cans. The expanded portfolio spans fertilisers, pesticides, vegetable seeds, veterinary products, and home and garden items. The Company now serves over 150 farms, farm supply stores, veterinary practices, pet shops, and hardware stores island-wide. This new agro-distribution business further broadens Atlantic's customer base, diversifies its revenue streams, and expands its footprint. The Board is excited about the significant opportunities this new business line presents.

The first quarter of 2026 has set a strong foundation for the year ahead. With significant revenue growth, a meaningful improvement in profitability, and a greatly strengthened balance sheet, Atlantic starts its financial year with strong momentum and a solid operational platform. Management remains focused on driving operational efficiency, enhancing customer service, deepening supplier relationships, broadening the product portfolio, and investing in technology and infrastructure. The Board is optimistic about the outlook for the balance of the year and remains committed to delivering sustainable value for all stakeholders.

On behalf of the Board, I extend our sincere appreciation to our management team and employees for their dedication and strong execution in the first quarter. We also thank our customers, suppliers, lenders, and shareholders for their continued support and confidence in Atlantic Hardware & Plumbing Company Limited. We remain confident in our strategy and our ability to execute our plan.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. Marston', with a long horizontal line extending to the right.

Alexander Marston
Chairman
May 15, 2026

Atlantic

HARDWARE & PLUMBING CO. LTD.

MARCH 31, 2026

TOTAL SHARES OUTSTANDING: 2,449,999,800

DIRECTORS AND CONNECTED PARTIES REPORT

| PRIMARY HOLDER (JOINT HOLDER) | RELATIONSHIP | UNITS | PERCENTAGE |
|-------------------------------|-----------------|-----------|------------|
| DEANALL BARNES * | SELF | 638,599 | 0.026 |
| SEKOU CRAWFORD **** | SELF | 1,000,000 | 0.041 |
| NOEL DAWES ** | SELF | 200,000 | 0.008 |
| SHARON DONALDSON *** | SELF | 3,614,816 | 0.148 |
| DONALD G. FUNG | SELF | 0 | 0 |
| JEFFREY HALL ** | SELF | 0 | 0 |
| LISA KONG | SELF | 0 | 0 |
| ALEXANDER MARSTON | SELF | 4,050,000 | 0.165 |
| PAUL B. SCOTT * & *** | SELF | 0 | 0 |
| | | | |
| **** S.CRAWFORD | CONNECTED PARTY | 50,000 | 0.002 |

SENIOR MANAGERS REPORT

| PRIMARY HOLDER (JOINT HOLDER) | RELATIONSHIP | UNITS | PERCENTAGE |
|-------------------------------|--------------|---------|------------|
| DAVID HARRIS | SELF | 100,000 | 0.004 |

TOP 10 SHAREHOLDERS


| PRIMARY HOLDER (JOINT HOLDER) | UNITS | PERCENTAGE |
|--|---------------|------------|
| CONSTRUCT GROUP LIMITED * | 975,000,000 | 39.80 |
| LUMBER DEPOT LIMITED ** | 717,500,000 | 29.29 |
| GENERAL ACCIDENT INSURANCE CO.JA.LTD *** | 292,500,000 | 11.94 |
| JAMAICA MONEY MARKET BROKERS LTD | 66,382,289 | 2.71 |
| JMMB RETIREMENT SCHEME (AGGRESSIVE) | 40,000,000 | 1.63 |
| MICHAEL JAY SUBRATIE | 32,500,000 | 1.33 |
| JMMB SECURITIES LTD. HOUSE ACCOUNT #2 | 27,476,469 | 1.12 |
| JMMB PENSION FUND | 25,000,000 | 1.02 |
| MF&G ASSET MANAGEMENT LTD-JA INV. FUND | 25,000,000 | 1.02 |
| JMMB FUND MANAGERS LTD T1-EQUITIES FUND | 15,000,000 | 0.61 |
| MUSSON GROUP PENSION FUND | 15,000,000 | 0.61 |
| AREL LIMITED PENSION PLAN | 15,000,000 | 0.61 |
| LISSANT MITCHELL/ELMAY MITCHELL | 10,000,000 | 0.41 |
| TOTAL UNITS OWNED BY TOP 10 | 2,256,358,758 | 92.10 |

ATLANTIC HARDWARE & PLUMBING COMPANY LTD

Statement of Financial Position

As at March 31, 2026

| | Unaudited | Unaudited | Unaudited |
|--|-------------------------|-------------------------|-------------------------|
| | <u>31-Mar-26</u> | <u>31-Mar-25</u> | <u>31-Dec-25</u> |
| | J\$'000 | J\$'000 | J\$'000 |
| <u>ASSETS:</u> | | | |
| Non-current assets | | | |
| Property, plant and equipment | 22,840 | 72,346 | 22,840 |
| Investments(Restricted) | - | - | 118,892 |
| Right of use asset | 158,124 | 197,656 | 165,312 |
| | <u>180,964</u> | <u>270,002</u> | <u>307,044</u> |
| Current assets | | | |
| Cash and cash equivalents | 206,570 | 69,958 | 68,362 |
| Accounts receivable and prepayments | 458,478 | 395,873 | 370,585 |
| Inventory | 724,335 | 683,497 | 664,874 |
| | <u>1,389,383</u> | <u>1,149,328</u> | <u>1,103,821</u> |
| Total Assets | <u>1,570,347</u> | <u>1,419,330</u> | <u>1,410,865</u> |
| <u>EQUITY:</u> | | | |
| Share capital | 460,272 | 460,272 | 460,272 |
| Treasury Shares | (1,217,266) | (1,217,266) | (1,217,266) |
| Retained earnings | 1,361,678 | 1,192,593 | 1,287,431 |
| | <u>604,684</u> | <u>435,599</u> | <u>530,437</u> |
| <u>LIABILITIES:</u> | | | |
| Non Current liabilities | | | |
| Lease liabilities | 130,241 | 159,243 | 129,250 |
| Long term liabilities | 553,650 | 479,753 | 451,209 |
| | <u>683,891</u> | <u>638,996</u> | <u>580,459</u> |
| Current liabilities | | | |
| Accounts payable | 204,328 | 187,015 | 143,927 |
| Lease Liability | 41,095 | 39,585 | 40,585 |
| Current portion of long term liabilities | 36,350 | 110,000 | 110,000 |
| Taxation payable | - | 8,135 | 5,457 |
| | <u>281,773</u> | <u>344,735</u> | <u>299,969</u> |
| Total Liabilities | <u>965,663</u> | <u>983,731</u> | <u>880,428</u> |
| Total Equity and Liabilities | <u>1,570,347</u> | <u>1,419,330</u> | <u>1,410,865</u> |



 CEO



 Director

ATLANTIC HARDWARE & PLUMBING COMPANY LTD**Statement of Comprehensive Income****Three months ended March 31, 2026**

| | Unaudited 3 Months Ended 31 Mar 2026 J\$'000 | Unaudited 3 Months Ended 31 Mar 2025 J\$'000 | Unaudited Year Ended 31 Dec 2025 J\$'000 |
|---|---|---|---|
| Revenue | 687,146 | 459,509 | 1,815,733 |
| Cost of sales | (482,845) | (328,691) | (1,287,277) |
| Gross Profit | 204,301 | 130,818 | 528,456 |
| Other income | 9,977 | 12,368 | 31,284 |
| Selling, general and administrative expenses | (116,751) | (66,948) | (316,990) |
| Operating Profit | 97,527 | 76,238 | 242,750 |
| Finance costs | (23,280) | (43,698) | (118,049) |
| Profit before taxation | 74,247 | 32,540 | 124,701 |
| Taxation | - | (8,135) | (5,458) |
| Profit after taxation and Total Comprehensive Income | 74,247 | 24,405 | 119,243 |
| Earnings per stock unit | <u>\$0.030</u> | <u>\$0.010</u> | <u>\$0.049</u> |

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED
Statement of Changes in Equity
Three months ended March 31, 2026

| | Share Capital | Capital Reserves | Treasury Shares | Retained Earnings | Total |
|---|------------------|---------------------|--------------------|----------------------|----------|
| | J\$'000 | J\$'000 | J\$'000 | J\$'000 | J\$'000 |
| Balance at 1 January 2025 | - | 215,000 | (1,217,266) | 953,188 | (49,078) |
| Comprehensive income: | | | | | - |
| Net profit for the period | | | | 24,405 | 24,405 |
| Other comprehensive income | | | | | - |
| Total comprehensive income | - | - | - | 24,405 | 24,405 |
| Transactions with owners: | | | | | |
| Shares acquired | 460,272 | | | | 460,272 |
| Capital reserves transferred to retained earnings | | (215,000) | | 215,000 | - |
| Transfer to retained earnings | | | | - | - |
| Balance at 31 March 2025 | 460,272 | (215,000) | - | 215,000 | 460,272 |
| Balance at 31 March 2025 | 460,272 | - | (1,217,266) | 1,192,593 | 435,599 |
| Balance at 1 January 2026 | 460,272 | | (1,217,266) | 1,287,431 | 530,437 |
| Comprehensive income: | | | | | |
| Net profit for the period | | | | 74,247 | 74,247 |
| Other comprehensive income | | | | | - |
| Total comprehensive income | - | - | - | 74,247 | 74,247 |
| Balance at 31 March 2026 | 460,272 | - | (1,217,266) | 1,361,678 | 604,684 |

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED

Statement of Cash Flows

Three months ended March 31, 2026

| | Unaudited 2026 31 March J\$'000 | Unaudited 2025 31 March J\$'000 | Unaudited 2025 31 December J\$'000 |
|--|--|--|---|
| Cash Flows from Operating Activities | | | |
| Profit before taxation | 74,247 | 32,540 | 124,701 |
| Adjustments for items not affecting cash: | | | |
| Depreciation - PPE | 3,045 | 2,703 | 16,434 |
| Depreciation - ROU Asset | 10,781 | 10,781 | 43,125 |
| Finance Costs | - | - | 9,938 |
| ECL on debt investments | 2,000 | - | 3,127 |
| Gain on disposal of property, plant and equipment | - | (11,064) | (6,855) |
| Interest income | (1,487) | - | (3,142) |
| Interest Expense | 23,280 | 43,698 | 144,451 |
| | 111,866 | 78,658 | 331,779 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (87,893) | (48,432) | (23,144) |
| Inventory | (59,461) | 59,399 | 78,022 |
| Accounts payable | 62,614 | 18,239 | 15,056 |
| | 24,913 | 107,864 | 401,713 |
| Taxation paid | (8,852) | (15,159) | (9,702) |
| Net cash provided by/(used in) operating activities | 16,061 | 92,705 | 392,011 |
| Cash Flows from Investing Activities | | | |
| Investments, net | 118,892 | - | (118,892) |
| Acquisition of property, plant and equipment | - | - | (2,601) |
| Proceeds from disposal of property, plant and equipment | - | 226,861 | 254,015 |
| Interest received | 1,487 | - | 3,142 |
| Net cash provided by investing activities | 120,379 | 226,861 | 135,664 |
| Cash Flows from Financing Activities | | | |
| Interest paid | (23,280) | (43,698) | (144,451) |
| Repayment of loan | (552,875) | (727,747) | (756,291) |
| Lease Payments | (12,077) | (9,592) | (50,273) |
| Loan received | 590,000 | - | - |
| Net cash inflow from sale of shares | - | 499,999 | 460,272 |
| Net cash used in financing activities | 1,768 | (281,038) | (490,743) |
| Increase/(decrease) in cash and cash equivalents | 138,208 | 38,528 | 36,932 |
| Cash and cash equivalents at beginning of year | 68,362 | 31,430 | 31,430 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 206,570 | 69,958 | 68,362 |