

## Company Limited

*“We Foster Rich Customer Service”*

### **Management Discussion & Analysis And Summary Unaudited Consolidated Financial Statements Three Months Ended 31 March 2026**

The Board of Directors report on the unaudited results of FosRich for the three months ended 31 March 2026 and to report on the performance of FosRich.

#### **Financial Highlights**

- Revenues - \$415.2 million compared to \$852.9 million in the prior period.
- Gross profit - \$141.3 million compared to \$305.6 million in the prior period.
- Net loss – \$178.8 million, compared to \$68.6 million in the prior period.
- Earnings per stock unit – (4) cent compared to (1) cent in the prior period.

#### **Business Overview**

FosRich is primarily a distributor of electrical, lighting, and solar energy products. FosRich aims to differentiate itself from its competitors in the Jamaican marketplace by providing a quality and cost-effective service, and by collaborating with clients on technical solutions. FosRich partners with large global brands seeking local distribution such as Huawei, Philips Lighting, Victron Energy, Siemens, NEXANS and General Electric. FosRich has a staff complement of two hundred and forty (240) people across ten (10) locations in Kingston, Clarendon, Mandeville, and Montego Bay. FosRich also has a team of energy and electrical engineers who offer technical advice and install solar energy systems, solar water heaters, and electrical panel boards.

Our turnover numbers continue to be affected by the substantial fall in solar panel cost on the world markets, which affects our business. With the continuing uncertainties in the USA market, our global partners, in seeking to broaden and deepen their relationships with their non-USA customers, have offered more favourable credit terms to us. This is providing measurable benefits

#### **Turn Around Plans**

The plans that are being urgently undertaken to return the company to profitability includes the following:

1. Sale and lease-back of real estate.  
We are currently engaged with our financial partners in a sale and lease-back transaction of our real estate properties. The proceeds of this transaction will be used to liquidate existing loans and provide cash needed to finance inventory purchases for operations.
2. Molyne's superstore  
We anticipate commencing activities at our new Superstore by the end of Q3, which will contribute significantly to our top line and cash flows.
3. Inventory rationalisation.  
We have embarked on plans to further reduce stock items and to optimise our inventory levels. This is expected to bring some levels of cost reduction and improving efficiencies, whilst enabling the team to focus on high-performing products.
4. Administration expenses.  
While we have been very frugal in our approach to discretionary expenses, we continue to critically review each item before expenditures are approved.
5. Vertical integration strategies  
We are pursuing opportunities and partnering with property developers, with a view to maximizing the use of our products and services in real estate developments. We anticipate significant increase in sales from this initiative.

## **Income Statement**

### ***Income***

The company generated income for the first quarter of \$415.2 million compared to \$852.9 million in the prior reporting period. Gross profit for the first quarter of 2026 was \$141.3 million compared to \$305.6 million for the prior reporting period. The main revenue drivers were Solar, Hardware, LED, PVC & Wiring Devices.

### ***Administration Expenses***

Administration expenses for the year-to-date was \$307.0 million, reflecting a 9% decrease on March 2025's \$337.4. The decreased costs were facilitated primarily by decreased staff related costs, advertising and promotion, travelling and motor vehicle expenses, insurance costs, and security expenses.

### ***Finance Cost***

Finance cost for the year-to-date was \$42.2 million compared to \$44.2 million in the prior period.

### ***Net Loss***

The operating loss generated for the period was \$178.8 million, compared to \$68.6 million reported for the prior reporting period resulting in loss per stock unit of \$0.04 compared to \$0.01 at March 2025

## **Balance Sheet**

### ***Inventories***

Since the start of the year, there has been the continued liquidation of inventories. The company continues to proactively manage inventory balances and the supply-chain, with a view to ensuring that inventory balances being carried are optimised, relative to the pace of sales, the time between the orders being made and when goods become available for sale, to avoid both overstocking and stock-outs. Monitoring is both at the individual product level and by product categories.

### ***Receivables***

We continue to actively manage trade receivables with an emphasis being placed on balances in the over 180-day bucket. We have implemented strategies to collect these funds as well as to ensure that the other buckets are managed. We have re-evaluated all credit relationships. Where necessary, credit limits have been reduced, and credit periods shortened. For some inventory items, we have instituted seven (7) day credit or cash.

### ***Trade Payables***

Our trade payables are categorised by foreign purchases, local purchases and other goods and services. While we have concentrated primarily on the foreign payables, as the bulk of our inventories are sourced from overseas. we continue to manage payables, for the most part, within the terms given by our suppliers.

### ***Non-current Liabilities***

Non-current liabilities have reduced by \$26 million due to the run-off and maturing of facilities.

### ***Shareholders' Equity***

Shareholders' equity now stands at \$1,314 million, compared to \$1,493 million on 31 December 2025.

## **Other Matters**

We are cognizant that despite the challenges ahead within our local operating space and the wider global space, we have the right talents and leadership to deliver on our plans for the ensuing period. We will continue to execute our plans to ensure that we remain competitive and deliver value solutions to our customers.

As we report on the performance of FosRich, we thank our shareholders, employees, customers, and other stakeholders for their support as we continue to expand our business and bring greater value to our various stakeholders.



Managing Director

***Accounting Policies***

The accounting policies used in the preparation of these financial statements have remained unchanged since the last audit and the account classifications have also remained the same. Standards, interpretations, and amendments to existing standards that became effective after 1 January 2026 have been evaluated and will have no significant effect on the amounts and disclosures in these financial statements.

***Critical Accounting Estimates***

Judgment is required in the estimating of expected credit loss for trade receivables and other financial assets, and an appropriate model to predict this loss, based on historic trends is being used. We do not anticipate any notable change in the assumptions underlying the model, or the credit behaviour of our customers.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Unaudited Mar-26 \$	Audited Dec-25 \$	Unaudited Mar-25 \$
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment	1,445,623,037	1,456,382,172	1,526,220,732
Right-of-use Assets	554,341,730	564,388,793	573,518,123
Due From Related Parties	1,526,069,772	1,552,729,009	1,444,919,505
Investments	41,189,552	41,189,552	40,168,593
Investment - Associated Company	201,926,713	202,754,275	209,319,104
Goodwill	63,040,000	63,040,000	63,040,000
Deferred Tax	112,739,648	138,174,315	-
	<u>3,944,930,452</u>	<u>4,018,658,116</u>	<u>3,857,186,057</u>
Current assets:			
Inventories	1,835,786,448	1,875,023,268	2,384,517,891
Receivables	494,022,810	434,143,337	645,290,091
Associated Company	94,928,588	96,156,734	9,241,315
Taxation Recoverable	18,264,655	18,257,145	18,067,295
Cash, cash equivalents and short-term deposits	99,701,167	100,013,426	136,517,529
	<u>2,542,703,668</u>	<u>2,523,593,910</u>	<u>3,193,634,121</u>
	<u>6,487,634,120</u>	<u>6,542,252,026</u>	<u>7,050,820,178</u>
<b>EQUITY AND LIABILITIES</b>			
Equity:			
Share capital	488,536,944	488,536,944	488,536,944
Capital reserves	570,849,911	570,849,911	570,614,965
Retained earnings	254,544,656	433,352,167	870,947,394
	<u>1,313,931,511</u>	<u>1,492,739,022</u>	<u>1,930,099,303</u>
Non-current liabilities:			
Right-of-use Liability	461,471,353	473,453,432	477,401,949
Long-term liabilities	2,128,862,979	2,142,161,557	2,282,926,061
Deferred Tax	-	-	19,824,204
Directors' loan	23,848,158	24,698,791	27,695,656
	<u>2,614,182,490</u>	<u>2,640,313,780</u>	<u>2,807,847,870</u>
Current liabilities:			
Payables	1,663,207,294	1,568,813,055	1,444,273,517
Short Term Financing	196,674,748	201,920,438	203,205,634
Current Portion of Long-term Liability	638,880,632	577,708,286	600,884,157
Right-of-use Liability	60,757,445	60,757,445	64,509,697
	<u>2,559,520,119</u>	<u>2,409,199,224</u>	<u>2,312,873,005</u>
	<u>6,487,634,120</u>	<u>6,542,252,026</u>	<u>7,050,820,178</u>

Approved for issue by the Board of Directors on 28<sup>th</sup> May 2026 by:



**Marion Foster**  
Chairman



**Peter Knibb**  
Director

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2026

	3 Months to Mar-26 \$	3 Months to Mar-25 \$
Turnover	415,187,481	852,905,100
Cost of Sales	(273,906,920)	(547,338,524)
Gross Profit	141,280,561	305,566,576
Other Income	7,741,846	779,235
	149,022,407	306,345,811
Expenses		
Administrative expenses	(307,019,951)	(337,370,500)
Expected Credit Loss Adjustment	22,232,624	8,900,061
Share of Results of Investment in Associate	(827,562)	(2,248,214)
Operating (Loss)/Profit	(136,592,482)	(24,372,842)
Finance Cost (net)	(42,215,029)	(44,227,458)
	(178,807,511)	(68,600,300)
Taxation	-	-
Net Loss	(178,807,511)	(68,600,300)
Loss per stock unit	(0.04)	(0.01)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2026

	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 1 January 2025	488,536,944	570,577,466	939,547,694	1,998,662,104
Unrealised fair value gain		37,499		37,499
Net profit for period	-	-	(68,600,300)	(68,600,300)
Balance at 31 March 2025	<u>488,536,944</u>	<u>570,614,965</u>	<u>870,947,394</u>	<u>1,930,099,303</u>
Balance at 1 January 2026	488,536,944	570,849,911	433,352,167	1,492,739,022
Net profit for period	-	-	(178,807,511)	(178,807,511)
Balance at 31 March 2026	<u>488,536,944</u>	<u>570,849,911</u>	<u>254,544,656</u>	<u>1,313,931,511</u>

# CONSOLIDATED STATEMENT OF CASH FLOWS

**Period ended 31 March 2026**

	3 Months to Mar-26	3 Months to Mar-25
	\$	\$
<b>Cash flows from operating activities:</b>		
Results for the period	(178,807,511)	(68,600,300)
Adjustments to:		
Unrealized Foreign exchange (gain)/ loss	1,212	
Share of results of associate	827,562	2,248,214
Expected Credit Loss Adjustment	(22,232,623)	(8,900,061)
Depreciation	18,156,073	21,398,836
Amortisation - Right Of Use Asset	10,047,064	14,597,154
	(172,008,223)	(39,256,157)
 Changes in non-cash working capital components:		
Inventories	39,236,820	247,545,515
Accounts receivable	(59,879,473)	(27,435,763)
Income Tax	(7,510)	(51,869)
Accounts payable	94,393,027	20,736,465
Net cash provided by operations	(98,265,359)	201,538,191
 <b>Cash flows from investing activities:</b>		
Investment	-	461,449
Related Party	48,891,860	8,900,061
Investment in Associated Company	1,228,146	(1,237,536)
Purchase of property plant and equipment	(7,396,938)	(557,337)
Cash used in investing activities	42,723,068	7,566,637
 <b>Cash flows from financing activities:</b>		
Directors' loan (repayments)/proceeds	(850,634)	841,517
Finance Lease	(11,982,079)	(16,500,507)
Short-term financing	31,768,915	(103,504,484)
Long-term Loan	36,293,830	(59,016,226)
Cash (used in)/provided by financing activities	55,230,032	(178,179,700)
 Net (decrease)/increase in cash and cash equivalents	 (312,259)	 30,925,128
Cash and cash equivalents at beginning of period	100,013,426	105,592,401
Cash and cash equivalents at end of period	99,701,167	136,517,529
 Cash at bank	 99,701,167	 136,517,529
Bank overdraft	-	-
Cash and cash equivalents at end of period	99,701,167	136,517,529

# STOCKHOLDER INFORMATION

31 March 2026

## Top 10 Stockholders

Name	Shares Held	
	Number	Percentage
1 Cecil Foster & Marion Foster, Madison-Grace Foster	2,026,802,570	39.9%
2 Marion Foster	2,012,664,260	39.6%
3 Victoria Mutual Pensions Management Limited	153,490,007	3.0%
4 JCSD Trustee Services Ltd. - Barita Unit Trust Capital Growth Fund	128,391,344	2.5%
5 Barita Investment Ltd - Long A/C (Trading)	120,470,003	2.4%
6 Peter Knibb & Elizabeth Knibb, Janelle Knibb, Jenine Knibb, Brandon Knibb	111,187,192	2.2%
7 JCSD Trustee Services Ltd. - Sigma Global Ventures	47,042,690	0.9%
8 Jamaica Money Market Brokers Ltd	43,776,000	0.9%
9 Sagicor Select Fund Limited - Class C - Manufacturing & Distribution	40,289,600	0.8%
10 Rosalyn Campbell	20,000,000	0.4%
Total of Top Ten	4,704,113,666	92.6%
Others	374,371,531	7.4%
Total Shares Allotted	5,078,485,197	100%
Total Number Of Stockholders	5,204	

## Stockholding of Directors, Board Committees Members & Connected Persons

Name	Shares Held
<b>Directors</b>	
1 Cecil Foster & Marion Foster, Madison-Grace Foster	2,026,802,570
2 Marion Foster	2,012,664,260
3 Peter Knibb & Elizabeth Knibb, Janelle Knibb, Jenine Knibb, Brandon Knibb	111,187,192
4 Ian Kelly	2,666,667
5 Steadman Fuller	Nil
6 Marva Chang	Nil
<b>Board Committee Member</b>	
7 Clive Nicholas	Nil

## Stockholding of Senior Managers & Connected Persons

Name	Shares Held
1 Cecil Foster & Marion Foster, Madison-Grace Foster	2,026,802,570
2 Peter Knibb & Elizabeth Knibb, Janelle Knibb, Jenine Knibb, Brandon Knibb	111,187,192
3 Warren Riley & Cheryl Riley	1,715,337
4 Vincent Mitchell	74,840
5 Hector Mendoza	Nil
6 Ian McNaughton	Nil