CEO Statement from the Jewett-Cameron Annual General and Special Meeting held on February 23, 2024

Thank you to those of you who have taken the time to participate in our Annual Shareholders Meeting today. Given the increased questions throughout this past year, I thought you all may appreciate a prepared statement from me as the President and CEO regarding the current state of Jewett Cameron Company. I'll read it to you before we open it up for Q&A as this may prompt further questions. Given the reality of our current financials we recognize the questions you may have. I'd like to provide narrative that may not be easily garnered in simply reading the financials.

As you know, our products are well designed and offered at desirable prices through major retail stores and online. Our core product categories are fence products, Lucky Dog® branded pet containment, and our newest addition of alternatives to traditional plastic bags within the MyEcoWorld® brand.

Strategically, MyEcoWorld® products help combat some of our historical seasonality related to fence and kennel sales which move in higher volumes during the spring and summer months. Trash bags / Bin liners and pet waste bags are used year round and offer consumers repeat purchasing opportunities as a more consumable product than our gates and kennels. This also allows us to offer a subscription service to secure ongoing repeat sales and communicate more often directly with consumers.

Our fence products remain our strongest sales segment with continued growth potential. We've seen bolstered demand for several of our fence products launched within the last 5 years as they grow and gain market share traction. Our commitment to innovation is driving new product introductions in the year ahead to further stabilize our presence in the gate and fence category.

The pet containment products were hit the hardest by inflationary pressures and other effects of the pandemic throughout the supply chain. This has contributed to our increased inventory over the past year in part due to the high shipping cost incurred during the pandemic as well as both demand and pricing pressures slowing sales velocity. Fortunately we are seeing positive signs more recently that we would expect to continue as the season approaches.

We work with a varied customer portfolio for both in-store and online sales. Our sales team is focused on expanding sales of our core products to our primary customers. We've also added to our team to focus on new customer generation and expand our channels. Our margins have been impacted by the increased raw materials, logistics, etc. coming out of the pandemic as well as our customer's timeliness of accepting pricing changes. We will continue to work on regaining margin lost due to the factors mentioned above.

While inventory has been higher than historical levels, we are approaching desired levels for our primary products. Inventory is down 19%, $4M from a year ago and is a much improved mix of products to meet seasonal demands.

As we’ve shared previously, one significant driver of our increased inventory has been our lumber contract with a major retailer that we launched 12 months ago. This contract provides greater visibility and stability for a large portion of our lumber sales and we've managed the program well over the past year. However, it does require increased inventory to support as well as delayed revenue recognition from year’s past. There is great opportunity to grow lumber sales beyond this contract in the years ahead.

With regards to our supply, historically the company has sourced most of our products from China. We continue to evaluate diversifying our sourcing to take advantage of cost reductions and logistical mitigations without compromising our quality or reliability of our delivery.

Our organization has not been immune to many of the operational cost increases hitting businesses like ours in recent years including competitive wages, insurance premiums, etc., but we continue to aggressively evaluate available cost savings. We are pursuing cost reductions, prioritizing elements that will not impede our ability to serve our customers or growth opportunities. It is worth noting that the successful resolution of the multi-year dispute covered our legal expenses impacting our financials in recent years.

As for our subsidiaries, we've disclosed that Greenwood Products, our trading company subsidiary, added a trader recently and we look forward to expanding sales and products in the future. Additionally we successfully closed down our Seed cleaning operation and are considering all possible options to capitalize our 11.7 acres of land which resides in a prime commercial location.

We will continue to focus on improving operational strengths and our core product lines.