

Management's Discussion and Analysis

For the years ended December 31, 2025 and 2024

This Management's Discussion and Analysis ("MD&A") of Taiga Building Products Ltd. ("Taiga" or the "Company") has been prepared based on information available as at February 27, 2026 and should be read in conjunction with the audited consolidated financial statements and the corresponding notes thereto for the year ended December 31, 2025 and 2024. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the fiscal year.

The financial information reported herein has been prepared in accordance with IFRS Accounting Standards, which is the required reporting framework for Canadian publicly accountable enterprises, and is expressed in Canadian dollars.

Taiga's consolidated financial statements and the accompanying notes included within this report include the accounts of Taiga and its subsidiaries. Unless otherwise noted, all references in this MD&A to "dollars" or "\$" are to Canadian dollars.

Unless otherwise noted, there are no material changes to the Company's contractual obligations and risks and uncertainties as described in its management's discussion and analysis for the year ended December 31, 2025.

Additional information relating to the Company including the Company's Annual Information Form dated February 26, 2026 can be found on SEDAR+ at www.sedarplus.ca.

Forward-Looking Information:

This MD&A contains certain forward-looking information relating, but not limited, to future events or performance and strategies and expectations of Taiga. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "likely", "may", "will", "should", "predict", "potential", "continue" or similar words suggesting future outcomes or statements regarding expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of such forward-looking information within this document include statements relating to: the Company's perception of the building products industry and markets in which it participates and anticipated trends in such markets in any of the countries in which the Company does business; the Company's anticipated business operations, inventory levels and ability to meet order demand; the Company's anticipated ability to procure products and its relationship with suppliers; sufficiency of cash flows; and the anticipated outcome of legal and regulatory proceedings. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking information. Forward-looking information reflects management's current expectations or beliefs and is based on information currently available to Taiga and although Taiga believes it has a reasonable basis for providing the forward-looking information included in this document, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information of Taiga involves numerous assumptions and inherent risks and uncertainties, both general and specific that contribute to the possibility that the predictions, forecasts and other forward-looking information will not occur. These factors include, but are not limited to: changes in business strategies; the effects of legal or regulatory proceedings, competition and pricing pressures; changes in operational costs; changes in laws and regulations, including tax, environmental, employment, competition, anti-terrorism and trade laws and Taiga's anticipation of and success in managing the risks associated with the foregoing; and other risks detailed in this MD&A and Taiga's filings with the Canadian securities regulatory authorities available at www.sedar.com. Forward-looking information speaks only as of the date of this discussion and analysis. Taiga does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-IFRS Financial Measure:

In this MD&A, reference is made to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of the Company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS. Reconciliations of EBITDA to net earnings reported in accordance with IFRS are included in this MD&A.

Market and Industry Data:

Unless otherwise indicated, the market and industry data contained in this MD&A is based upon information of independent industry and government publications and management's knowledge of, and experience in, the markets in which the Company operates. While management believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this MD&A and no representation is given as to the accuracy of any of the data referred to in this MD&A obtained from third party sources.

1. Business Overview

Taiga is the largest independent wholesale distributor of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at fifteen strategically located distribution centres throughout Canada, two distribution centres in California and one in Washington. In addition, Taiga regularly distributes products through the use of third party reload centres. Taiga also owns and operates four wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include, among others, sales levels, price fluctuations and product mix.

Taiga's primary market is in Canada. In calendar year 2026, Taiga expects the Canadian housing market to decline compared to calendar year 2025. Similarly, in the United States, Taiga's secondary market, the housing market is also expected to decline in 2026 compared to calendar year 2025. See Item 9 "Outlook".

<i>(in millions of dollars, except for share amounts and per share amounts in dollars)</i>	Years Ended December 31,		
	2025	2024	2023
Income Statement Data:			
Sales	1,632	1,634	1,680
Gross Margin	176.4	173.3	198.4
Net Earnings	28.6	47.6	61.3
Net Earnings per Share (Basic and Fully Diluted) ⁽¹⁾	0.26	0.44	0.57
Weighted Average Number of Shares Outstanding	107,944,523	107,946,527	108,047,676
EBITDA ⁽²⁾	56.7	79.8	91.3
Balance Sheet Data:			
Working Capital ⁽³⁾	266.5	404.8	348.5
Total Assets	520.5	690.0	620.8
Total Long-Term Financial Liabilities ⁽⁴⁾	89.4	97.9	95.1

Notes:

- (1) Net earnings per share is calculated using the weighted-average number of shares outstanding in the year.
- (2) Reconciliation of net earnings to EBITDA:
- (3) Working capital is the excess of current assets over current liabilities.
- (4) Total long-term financial liabilities are the total liabilities less current liabilities and deferred gain.

<i>(in millions of dollars)</i>	Fiscal Year December 31,				
	2025	2024	2023	2022	2021
Net earnings	28.6	47.6	61.3	88.6	92.7
Income tax expense	10.9	19.5	15.4	31.9	33.0
Finance and subordinated debt interest expense	3.9	(0.3)	2.3	7.3	8.4
Amortization	13.3	12.9	12.3	11.5	11.1
EBITDA	56.7	79.8	91.3	139.3	145.2

2. Results of Operations

Sales

The Company's consolidated net sales for the year ended December 31, 2025 were \$1,631.8 million compared to \$1,634.4 million for the last fiscal year. The decrease of \$2.6 million or 0.2% was largely due to a lower lumber pricing as well as a decline in sales volume.

Sales by segments are as follows:

	Years ended December 31,			
	2025		2024	
	\$000's	%	\$000's	%
Canada	1,376,764	84.4	1,346,644	82.4
United States	255,009	15.6	287,738	17.6

For the fiscal year, export sales totalled \$159.6 million compared to \$138.6 million in the previous year. These export sales were primarily to the United States and Asia and are included as part of the Canadian segment in the table above.

The Company's sales of dimension lumber and panel, as a percentage of total sales, were 50.1% for year ended December 31, 2025, compared to 52% last fiscal year. Allied, engineered and treated wood product sales, as a percentage of total sales, were 49.9% for the year ended December 31, 2025, compared to 48% last fiscal year.

Gross Margin

Gross margin for the year ended December 31, 2025 increased to \$176.4 million from \$173.3 million last year. The increase in gross margin was primarily due to lower product costs, partially offset by the decline in net sales.

Expenses

For the fiscal year ended December 31, 2025, distribution expense decreased to \$32.4 million compared to \$32.7 million last year, primarily due to decreased distribution compensation for the year.

Selling and administration expenses for the fiscal year ended December 31, 2025 increased to \$80.4 million compared to \$74.0 million last year. The increases were primarily due to higher compensation and foreign exchange expense.

Finance expense for the fiscal year ended December 31, 2025 increased to \$3.9 million compared to Finance income of \$0.3 million last year. The increase was primarily due to the resumption of borrowings under the Company's revolving credit facility following the payment of a dividend in June 2025.

The Company recorded a full impairment of the goodwill and intangible assets this year related to its U.S. subsidiary in Washington State. The amount impaired was \$20.7 million. Management believes that any possible change in key assumptions used in the impairment assessment would not result in a further impairment of assets.

Other Income for the fiscal year ended December 31, 2025 is \$0.5 million compared to \$0.2 million last fiscal year.

Net Earnings

Net earnings for the fiscal year ended December 31, 2025 decreased to \$28.6 million from \$47.6 million last fiscal year due to the factors described above.

EBITDA

For the fiscal year ended December 31, 2025, EBITDA was \$56.7 million compared to \$79.8 million for the last fiscal year.

3. Quarter Ended December 31st Results

A summary of the results for the three months ended December 31, 2025 and 2024 is as follows:

<i>(in thousands of dollars except per share amount in dollars)</i>	Three months ended December 31,	
	2025	2024
Sales	359,588	389,042
Gross margin	41,433	41,278
Distribution expense	8,304	8,093
Selling and administration expense	21,437	20,768
Finance expense	1,259	(463)
Impairment of goodwill and intangible assets	20,718	
Other expenses (income)	(289)	(49)
Earnings (Loss) before income tax	(9,996)	12,929
Income tax expense	(848)	6,341
Net earnings (loss)	(9,148)	6,588
Net earnings (loss) per share	(0.08)	0.06
EBITDA ⁽¹⁾	(5,333) ⁽¹⁾	15,717 ⁽¹⁾

Note:

(1) See the reconciliation of net earnings to EBITDA below.

Sales

The Company's consolidated net sales for the quarter ended December 31, 2025 were \$359.6 million compared to \$389.0 million over the same quarter last year. The decrease in sales by \$29.4 million or 8% was due to lower commodity prices and decline in sales volume throughout the quarter.

Sales by segments are as follows:

	Revenue by Point of Sale			
	Three months ended		Three months ended	
	December 31,		December 31,	
	2025		2024	
	\$000's	%	\$000's	%
Canada	308,298	85.7	323,550	83.2
United States	51,291	14.3	65,492	16.8

During the quarter ended December 31, 2025, Taiga's Canadian operations had export sales of \$39.1 million compared to \$36.6 million in the same quarter last year. These export sales were primarily to the United States and Asia and are included as part of the Canadian segment in the table above.

The Company's sales of dimension lumber and panel, as a percentage of total sales, was 51.4% for the quarter ended December 31, 2025 and 53.7% over the same quarter last year. Allied, engineered and treated wood product sales, as a percentage of total sales, was 48.6% in 2025 compared to 46.3% in 2024.

Gross Margin

Gross margin for the quarter ended December 31, 2025 increased to \$41.4 million from \$41.3 million over the same quarter last year. Gross margin percentage increased to 11.5% in the current quarter compared to 10.6% in the same quarter last year. The increase in gross margin was primarily due to lower costs of products in the current quarter compared to the same quarter last year.

Expenses

Distribution expense for the quarter ended December 31, 2025 increased to \$8.3 million compared to \$8.1 million over the same quarter last year.

Selling and administration expense for the quarter ended December 31, 2025 increased to \$21.4 million compared to \$20.8 million over the same quarter last year, primarily due to a foreign exchange loss recorded during the current quarter, whereas a foreign exchange gain was recorded in the same quarter last year.

Finance expense for the quarter ended December 31, 2025 was \$1.3 million compared to finance income of \$0.5 million over the same quarter last year mainly due to the resumption of borrowings under the Company's revolving credit facility.

The Company recorded a full impairment of the goodwill and intangible assets this quarter related to its U.S. subsidiary in Washington State. The amount impaired was \$20.7 million.

Other income for the quarter ended December 31, 2025 was \$0.3 million compared to other income of \$0.05 million in the same quarter last year.

Net Earnings

Net loss for the quarter ended December 31, 2025 was \$9.1 million compared to net earnings of \$6.6 million from the same quarter in the prior year.

EBITDA

EBITDA for the quarter ended December 31, 2025 was a loss of \$5.3 million compared to a profit of \$15.7 million for the same quarter last year.

Reconciliation of net earnings to EBITDA:

<i>(in thousands of dollars)</i>	Three months ended December 31,	
	2025	2024
Net earnings (loss)	(9,148)	6,588
Income taxes	(848)	6,341
Finance expense	1,259	(463)
Amortization	3,404	3,251
EBITDA	(5,333)	15,717

4. Summary of Quarterly Results

(in thousands of dollars, except per share amount in dollars)	Year ending December 31,							
	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales	359,588	431,276	440,971	399,937	389,042	423,886	427,824	393,630
Net earnings (loss)	(9,148)	12,809	15,073	9,822	6,588	14,331	13,933	12,761
Net earnings (loss) per share ⁽¹⁾	(0.08)	0.12	0.14	0.09	0.06	0.13	0.13	0.12
EBITDA	(5,333)	21,780	23,540	16,730	15,717	21,497	22,704	19,838

Notes:

- (1) The amounts are identical on a basic and fully diluted per share basis. Earnings per share is calculated using the weighted-average number of shares.

Seasonality

Taiga's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season. Taiga generally experiences higher sales in the quarters ended June 30 and September 30 and reduced sales in the late fall and winter during its quarters ended December 31 and March 31 of each fiscal year.

5. Liquidity and Capital Resources

Revolving Credit Facility

On December 21, 2022, the Company entered into a new \$250 million senior secured revolving credit facility (the "Facility") with a syndicate of lenders led by the Bank of Montreal and including Scotiabank, Bank of America, TD Bank and CIBC. The Facility bears interest at variable rates plus variable margin, is secured by a first perfected security interest in all real and personal property of the Company and certain of its subsidiaries. The Facility matures on December 20, 2027. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories. The terms, conditions, and covenants of the Facility have been met as at December 31, 2025.

Taiga expects to meet its future cash requirements through a combination of cash generated from operations and its credit facilities. However, any severe weakening of the Canadian housing market driving reduced product demand or a significant increase in bad debts in accounts receivable could adversely impact the Company's liquidity in the short term.

Working Capital

Working capital as at December 31, 2025 decreased to \$266.5 million from \$404.8 million as at December 31, 2024 mainly due to decreases in cash and cash equivalents and the Company's resumed use of its available Revolving Credit Facility following the payment of the June 2025 dividend. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

<i>(in thousands of dollars)</i>	December 31, 2025	December 31, 2024
Current Assets	388,951	530,463
Current Liabilities (excluding Revolving Credit Facility)	(111,153)	(125,692)
Revolving Credit Facility	(11,334)	-
Working Capital	266,464	404,771
Long Term Assets	131,556	159,574
Long Term Liabilities	(91,286)	(99,949)
Shareholders' Equity	306,734	464,396

Assets

Total assets were \$520.5 million as at December 31, 2025 compared to \$690.0 million as at December 31, 2024. The decrease was primarily due to decreases in cash and cash equivalents as well as the impairment of goodwill and intangible assets this year.

Cash and cash equivalents decreased to \$70.6 million as at December 31, 2025 compared to \$192.4 million as at December 31, 2024. This is primarily due to the June 2025 dividend payment made by the Company.

Liabilities

Total liabilities decreased to \$213.8 million as at December 31, 2025 from \$225.6 million as at December 31, 2024. The decrease was primarily due to lower accounts payable and accrued liabilities.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On December 31, 2025, there were 107,944,523 common shares issued and outstanding.

On September 4, 2025, the Company commenced a Normal Course Issuer Bid ("NCIB") for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,397,226 of its then outstanding 107,944,523 common shares, representing 5% of the outstanding common shares. Since the commencement date, no common shares have been purchased and cancelled. At December 31, 2025 there were 5,397,266 remaining common shares permitted to be purchased by the Company per the terms of the NCIB with an expiration on September 3, 2026.

6. Critical Accounting Policies and Estimates, and Future Accounting Changes

The significant accounting policies of Taiga are described in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2025.

The preparation of financial statements in conformity with IFRS requires management to make assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Financial results as determined by actual events could be different from those estimates. These estimates are described in the management's discussion and analysis for the year ended December 31, 2025 and there have been no material changes to such policies and estimates since that time.

During the review of prior years, a \$13.5 million risk management accrual had been recorded in excess of Taiga's present obligations. As a result, prior year liabilities were overstated, and this has been corrected by restating the opening balances as at January 1, 2024, in accordance with IAS 8.

7. Off-Balance Sheet Arrangements

Taiga does not have off-balance sheet arrangements except for non-material legal actions and claims as discussed under "Commitments and Contingencies", Note 18 of the Company's consolidated financial statements for the year ended December 31, 2025.

For a detailed description of financial instruments and their associated risks, see Note 20 to the Company's audited consolidated financial statements for the year ended December 31, 2025.

8. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Taiga's management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

The CEO and CFO of Taiga acknowledge responsibility for the design of ICFR and confirm that there were no changes in these controls that occurred during the quarter ended December 31, 2025 which materially affected or are reasonably likely to materially affect the Company's ICFR.

9. Outlook

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators.

According to the Canada Mortgage and Housing Corporation (CMHC) in its 2026 Housing Market Outlook, housing starts in Canada are projected to decline from 259,000 in 2025 to 247,000 in 2026.

In the United States, the National Association of Home Builders reported in February 2026 that housing starts are forecasted to total 1,333,000 units in the 2026 calendar year compared to 1,347,000 units in calendar year 2025.