Management's Discussion and Analysis

For the three months ended March 31, 2026 and 2025

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 May 8, 2026 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three months ended March 31, 2026 and 2025. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the three months ended March 31, 2026.

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".

2. Results of Operations

Sales

The Company's consolidated net sales for the quarter ended March 31, 2026 were $349.2 million compared to $399.9 million over the same period last year. The decrease of $50.7 million or 13% was largely due to a lower commodity pricing as well as a decline in sales volume.

Sales by segments are as follows:

	Revenue by point of sale			
	Three months ended March 31,			
	2026		2025	
	$000's	%	$000's	%
Canada	299,901	85.9	336,783	84.2
United States	49,293	14.1	63,155	15.8

For the quarter ended March 31, 2026, export sales totalled $35.7 million compared to $35.0 million in the same quarter 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 47.8% for the quarter ended March 31, 2026, compared to 50.3% over the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, were 52.2% this quarter, compared to 49.7% over the same period last year.

Gross Margin

Gross margin for the quarter ended March 31, 2026 remained steady at $37.5 million compared to last year. This consistency was largely driven by the Compay's continued focus on commodity pricing discipline as well as improvements in product mix. Gross margin percentage for the quarter was 10.7% compared to 9.4% in the prior year.

Expenses

Distribution expense for the quarter ended March 31, 2026 decreased to $8.1 million compared to $8.4 million over the same period last year, primarily due to lower compensation in the period.

Selling and administration expenses for the quarter ended March 31, 2026 decreased slightly to $15.4 million compared to $15.6 million last year. The decline was primarily driven by the unrealized gain on lumber futures, along with lower amortization of intangible assets following the Company's full impairment of goodwill and intangible assets related to its U.S. subsidiary in Washington State in Q4-2025.

Finance expense for the quarter ended March 31, 2026 increased to $1.1 million compared to $0.2 million over the same period last year. The increase was primarily due to the resumption of borrowings under the Company's revolving credit facility resulting from the dividend payment in June 2025.

Other Income for the quarter ended March 31, 2026 was $0.04 million compared to $0.03 million over the same period last year.

Net Earnings

Net earnings for the quarter ended March 31, 2026 decreased to $9.0 million from $9.8 million over the same period last year, primarily due to higher tax and finance expenses.

EBITDA

EBITDA for the quarter ended March 31, 2026 was $17.1 million compared to $16.7 million for the same period last year.

Reconciliation of net earnings to EBITDA:

	Three months ended March 31,	
(in thousands of dollars)	**2026**	**2025**
Net earnings	8,972	9,822
Income tax expense	3,929	3,410
Finance and subordinated debt interest expense	1,114	214
Amortization	3,047	3,284
EBITDA	17,062	16,730

3. Cash Flows

Operating Activities

Cash used in operating activities was $55 million for the quarter ended March 31, 2026 compared to $70.7 million over the same period last year. Changes between the comparative periods were primarily due to the change in non-cash working capital.

Investing Activities

Cash used from investing activities was $3.7 million for the quarter ended March 31, 2026, compared with a use of cash of $0.8 million over the same period last year. Cash was used this quarter to upgrade the conditioning bay at one of the treating plants and to purchase forklifts for the Washougal plant.

Financing Activities

Cash flow from financing activities was $54.7 million for the quarter ended March 31, 2026, compared with the use of cash of $1.6 million for the same period last year. Additional funds were drawn from the credit facility this quarter to build up inventory in preparation for the peak season.

4. Summary of Quarterly Results

	Year ending December 31,							
	2026	2025				2024		
(in thousands of dollars, except per share amount in dollars)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales	349,194	359,588	431,276	440,971	399,937	389,042	423,886	427,824
Net earnings	8,972	(9,148)	12,809	15,073	9,822	6,588	14,331	13,933
Net earnings per share(1)	0.08	(0.08)	0.12	0.14	0.09	0.06	0.13	0.13
EBITDA	17,062	(5,333)	21,780	23,540	16,730	15,717	21,497	22,704

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 March 31, 2026.

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 March 31, 2026 decreased to $274.6 million from $400.8 million as at March 31, 2025 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

(in thousands of dollars)	**March 31, 2026**	**March 31, 2025**	**December 31, 2025**
Current Assets	452,483	538,331	388,951
Current Liabilities (excluding Revolving Credit Facility)	(109,673)	(137,557)	(111,153)
Revolving Credit Facility	(68,189)	-	(11,334)
Working Capital	274,621	400,774	266,464
Long Term Assets	150,356	163,613	131,556
Long Term Liabilities	(106,669)	(98,531)	(91,286)
Shareholders' Equity	318,308	465,856	306,734

Assets

Total assets were $602.8 million as at March 31, 2026 compared to $701.9 million as at March 31, 2025. The decrease was primarily due to decreases in cash and cash equivalents.

Cash and cash equivalents decreased to $67.3 million as at March 31, 2026 compared to $119.3 million as at March 31, 2025. This is primarily due to the June 2025 dividend payment made by the Company.

Liabilities

Total liabilities increased to $284.5 million as at March 31, 2026 from $236.1 million as at March 31, 2025. The increase was primarily due to the increase in use of the revolving credit facility.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On March 31, 2026, 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 March 31, 2026 there were 5,397,226 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.

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 range between 243,000 and 247,000 in 2026 compared to 259,000 in 2025.

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.