Management's Discussion and Analysis

For the years ended December 31, 2020 and 2019

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 26, 2021 and should be read in conjunction with the audited consolidated financial statements and the corresponding notes thereto for the years ended December 31, 2020 and 2019. 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 International Financial Reporting Standards ("IFRS"), 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.

Additional information relating to the Company including the Company's Annual Information Form dated February 26, 2021 can be found on SEDAR at www.sedar.com.

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 and two distribution centres in California and one in Washington. In addition, Taiga regularly distributes 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 Canada. Taiga expects the Canadian housing market in calendar year 2021 to worsen slightly compared to calendar year 2020. Taiga's secondary market, the United States, is expected to improve in 2021 compared to calendar year 2020. See Item 12 "Outlook".

Selected Financial Information

(in millions of dollars, except for share amounts and per share amounts in dollars)	**Fiscal Year Ended December 31, 2020**	**Fiscal Year Ended December 31, 2019**	**Fiscal Year Ended December 31, 2018**
Income Statement Data:			
Sales	1,589	1,299	1,451
Gross Margin	225.2	129.5	122.0
Net Earnings	70.8	25.9	20.3
Net Earnings per Share (Basic and Fully Diluted)(1)	0.64	0.23	0.17
Weighted Average Number of Shares Outstanding	110,269,076	114,477,411	116,254,818
EBITDA(2)	116.9	57.7	42.7
Balance Sheet Data:			
Working Capital(4)	189.1	114.0	108.4
Total Assets	474.2	395.0	326.0
Total Long-Term Financial Liabilities(5)	125.6	121.4	66.5

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:

(in millions of dollars)	**Fiscal Year Ended December 31, 2020**	**Fiscal Year Ended December 31, 2019**	**Fiscal Year Ended December 31, 2018**	**Fiscal Period Ended(3) December, 31 2017**	**Fiscal Year Ended March 31, 2017**
Net earnings	70.8	25.9	20.3	(4.2)	8.0
Income tax expense	25.4	9.9	8.7	6.6	5.8
Finance and subordinated debt interest expense	9.3	11.0	8.0	15.6	21.9
Amortization	11.4	10.8	5.7	3.3	4.3
EBITDA	116.9	57.7	42.7	21.3	40.0

(3) The fiscal year end of the Company was changed from March 31 to December 31 in 2017. Accordingly, the fiscal period financial information was prepared for the 9 month transition year ended December 31, 2017.

(4) Working capital is the excess of current assets over current liabilities.

(5) Total long-term financial liabilities are the total liabilities less current liabilities and deferred gain.

2. Results of Operations

Sales

The Company's consolidated net sales for the year ended December 31, 2020 were $1,589.1 million compared to $1,299.1 million for the last fiscal year. The increase in sales by $290.0 million or 22% was largely due to increased selling prices for commodity products.

Sales by segments are as follows:

	Years ended December 31,			
	2020		2019	
	$000's	%	$000's	%
Canada	1,232,368	77.6	1,045,264	80.5
United States	356,755	22.4	253,858	19.5

For the fiscal year, export sales totalled $244.3 million compared to $183.0 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 panels, as a percentage of total sales, was 58.5% for the fiscal year ended December 31, 2020 and 56.4% for 2019. Allied, engineered and treated wood product sales, as a percentage of total sales, was 41.5% for 2020 and 43.6% for 2019.

Gross Margin

Gross margin for the fiscal year ended December 31, 2020 increased to $225.2 million from $129.5 million in the previous year. Gross margin percentage increased to 14.2% in the current year compared to 10.0% in the previous year. These increases were primarily due to rising commodity prices.

Expenses

Distribution expense for the fiscal year ended December 31, 2020 increased to $26.8 million from $25.8 million last year primarily due to increased depreciation, maintenance and insurance costs.

Selling and administration expense for the year ended December 31, 2020 increased to $95.6 million compared to $56.9 million in the previous year primarily due to increased compensation costs.

Finance expense for the year ended December 31, 2020 decreased to $8.5 million compared to $10.2 million for the last year. The decrease was primarily due to lower borrowing levels leading to lower interest costs.

Canada Emergency Wage Subsidy income was $2.9 million for the year ended December 31, 2020 while it was nil in the previous year. In response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria. The subsidy is not required to be repaid. Please see Note 20 of the Audited Consolidated Financial Statements for the year ended December 31, 2020 for more information.

Net Earnings

Net earnings for the year ended December 31, 2020 increased to $70.8 million from $25.9 million last year primarily due to the foregoing.

EBITDA

EBITDA for the year ended December 31, 2020 was $116.9 million compared to $57.7 million last year.

3. Quarter Ended December 31st Results

A summary of the results for the three months ended December 31, 2020 and 2019 is as follows:

	Three months ended December 31,	
(in thousands of dollars except per share amount in dollars)	**2020**	**2019**
Sales	411,283	298,125
Gross margin	60,361	30,592
Distribution expense	7,439	6,223
Selling and administration expense	26,602	14,066
Finance expense	2,057	2,702
Subordinated debt interest expense	219	219
Other income	(28)	(81)
Earnings before income tax	24,072	7,462
Income tax expense	6,437	1,699
Net earnings	17,635	5,763
Net earnings per share	0.16	0.05
EBITDA(1)	29,410(1)	12,874(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, 2020 were $411.3 million compared to $298.1 million in the same quarter last year. The increase in sales by $113.2 million or 38% was largely due to higher selling prices on commodity prices in the quarter ended December 31, 2020.

The Company's sales of dimension lumber and panel, as a percentage of total sales, decreased to 59.5% for the quarter ended December 31, 2019 compared to 60.1% for the same quarter last year. Allied, engineered and treated wood product sales, as a percentage of total sales, increased to 40.5% this quarter from 39.9% during the same quarter last year.

Sales by segments are as follows:

	Revenue by Point of Sale			
	Three months ended December 31, 2020		Three months ended December 31, 2019	
	$000's	%	$000's	%
Canada	318,739	77.5	238,728	80.1
United States	92,544	22.5	59,397	19.9

During the quarter ended December 31, 2020, Taiga's Canadian operations had export sales of $69.9 million compared to $48.7 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.

Gross Margin

Gross margin for the quarter ended December 31, 2020 increased to $60.4 million from $30.6 million over the same quarter last year. Gross margin percentage increased to 14.7% in the current quarter compared to 10.3% in the same quarter last year. These increases were primarily due to rising commodity prices.

Expenses

Distribution expense for the fourth quarter increased to $7.4 million compared to $6.2 million in the same quarter last year primarily due to increased depreciation, maintenance and insurance costs.

Selling and administration expense for the quarter ended December 31, 2020 increased to $26.6 million compared to $14.1 million over the same quarter last year due to increased compensation costs.

Finance expense for the quarter ended December 31, 2020 decreased to $2.1 million compared to $2.7 million for the same quarter last year. The decrease was primarily due to lower borrowing levels leading to lower interest costs.

Net Earnings

Net earnings for the quarter ended December 31, 2020 increased to $17.6 million from $5.8 million last year primarily due to the foregoing.

EBITDA

EBITDA for the quarter ended December 31, 2020 was $29.4 million compared to $12.9 million for the same quarter last year.

Reconciliation of net earnings to EBITDA:

	Three months ended December 31,	
(in thousands of dollars)	2020	2019
Net earnings	17,635	5,763
Income tax expense	6,437	1,699
Finance and subordinated debt interest expense	2,276	2,921
Amortization	3,062	2,491
EBITDA	29,410	12,874

4. Summary of Quarterly Results

(in thousands of dollars, except per share amount in dollars)	Year ended December 31, 2020				Year ended December 31, 2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales	411,283	500,667	356,894	320,279	298,125	358,875	354,723	287,399
Net earnings	17,635	33,430	13,148	6,613	5,763	8,373	7,071	4,697
Net earnings per share(1)	0.16	0.31	0.12	0.06	0.05	0.07	0.06	0.04
EBITDA	29,410	50,489	23,862	13,143	12,874	17,272	16,412	11,116

Note:

(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 outstanding for the year.

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 June 28, 2019, the Company renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from $225 million to $250 million, with an option to increase the limit by up to $50 million. The Facility also features an ability to draw on additional term loans in an aggregate amount of approximately $23 million at favourable rates, which Taiga utilized for the Exterior Wood, Inc. acquisition in 2018. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Company and certain of its subsidiaries, and will mature on June 28, 2023. 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, 2020.

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, 2020 increased to $189.1 million from $114.0 million as at December 31, 2019 due to increased assets. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

(in thousands of dollars)	December 31, 2020	December 31, 2019
Current Assets	330,138	245,407
Current Liabilities (excluding Revolving Credit Facility)	(132,282)	(90,411)
Revolving Credit Facility	(8,742)	(40,968)

Working Capital	**189,114**	**114,028**
Long Term Assets	144,026	149,615
Long Term Liabilities (excluding Subordinated Notes)	(115,621)	(111,459)
Subordinated Notes	(12,500)	(12,500)
Shareholders' Equity	**205,019**	**139,684**

Assets

Total assets were $474.2 million as at December 31, 2020 compared to $395.0 million as at December 31, 2019. The increase was primarily the result of increased inventories and accounts receivable offset by decreased property, plant and equipment.

Inventories increased to $190.0 million as at December 31, 2020 compared to $157.3 million as at December 31, 2019 primarily due to significantly higher commodity prices.

Accounts receivable increased to $136.8 million as at December 31, 2020 compared to $85.3 million as at December 31, 2019 primarily due to significantly higher commodity prices leading to higher selling prices on products.

Property, plant and equipment decreased to $119.4 million as at December 31, 2020 compared to $123.4 million as at December 31, 2019 primarily due to amortization.

Liabilities

Revolving credit facility decreased to $8.7 million as at December 31, 2020 from $41.0 million as at December 31, 2019. The decrease was due to increased cash flows from operations.

Accounts payable and accrued liabilities increased to $122.9 million as at December 31, 2020 compared to $64.7 million as at December 31, 2019 due to increased payroll liabilities.

Total liabilities increased to $269.2 million as at December 31, 2020 from $255.3 million as at December 31, 2019. The increase was primarily the result of increased accounts payable and accrued liabilities.

Contractual Obligations

(in thousands of dollars)	**Right-of-use leases**	**Operating leases**[1]
No later than one year	9,277	83
Later than one year, but not later than five years	33,673	66
Later than five years	110,179	5

Note:

(1) The operating leases relate to leases with a lease term of less than 12 months and low value assets.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On February 26th, 2021, there were 108,541,557 common shares issued and outstanding.

On August 13, 2019, 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 5,778,181 of its then outstanding 115,563,638 common shares, representing 5% of the outstanding common shares. This NCIB expired on August 12, 2020 and the Company purchased 5,778,181 shares during the NCIB and cancelled them.

On August 13, 2020, the Company commenced a further NCIB for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,489,272 of its then outstanding 109,785,457 common shares, representing 5% of the outstanding common shares. For the year ended December 31, 2020, the Company purchased 2,979,026 of its common shares for cash payments of $3,230,202. These common shares purchased by the Company have been cancelled. At December 31, 2020 there were 4,245,372 remaining common shares permitted to be purchased by the Company per the terms of the NCIB with an expiration on August 31, 2021.

6. Commitments and Contingencies

(a) Contractual Commitments

The Company has obligations under various operating leases for occupied premises and equipment. For further discussion, refer to Note 21 to the Audited Consolidated Financial Statements for the Year ended December 31, 2020.

7. Risks and Uncertainties

The results of operations, business prospects and financial conditions of Taiga are subject to a number of risks and uncertainties, and are affected by a number of factors outside Taiga’s control. Any of these risks and uncertainties could have a material adverse effect on the Company's operations, financial conditions and cash flow and, accordingly, should be carefully considered in evaluating Taiga's business. A comprehensive discussion of risk factors is included in Taiga’s Annual Information Form dated February 26, 2021, available on SEDAR at www.sedar.com.

8. 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, 2020.

In preparing these consolidated financial statements, Taiga’s management was required to make estimates and assumptions that affect the amounts recorded. Financial results as determined by actual events could differ from such estimates. The estimates and assumptions of the Company’s management are based on historical experience and other factors management considers to be reasonable, including expectations of future events. The estimates and assumptions that could result in a material impact to the carrying amounts of assets and liabilities are outlined below.

Allowance for Doubtful Accounts

While significant bad debts have not been experienced in prior years the provision is based on the Company’s knowledge of the financial condition of its customers, the aging of the receivables, the current business environment and historical experience. A change in one or more of these factors could impact the estimated allowance and provision for bad debts. Taiga’s allowance for doubtful accounts as at December 31, 2020 was $1.8 million (2019 – $1.0 million).

Valuation of Inventories

Inventories are valued at the lower of average cost and net realizable value. Taiga evaluates inventory balances at each balance sheet date and records a provision as necessary for slow moving or obsolete inventory. Additionally, Taiga records a provision if the cost of inventories exceeds net realizable value based on commodity prices. Inventory provision as at December 31, 2020 was $nil (2019 – $0.2 million).

Valuation and Estimated Life of Long-Lived Assets

An impairment test is performed by comparing the carrying amount of the asset or its cash generating unit to the recoverable amount, which is calculated as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is calculated based upon a discounted cash flow analysis, which requires management to make a number of significant assumptions including assumptions relating to future operating plans, discount rates and future growth rates.

The estimated useful lives and recoverable amounts of long-lived assets are based on the judgment of management and the best currently available information. Changes in circumstances can result in the actual useful lives differing from management's estimates.

Customer Rebates

Customer rebates are commonly offered as industry practice and are generally based on achievement of specified volume sales levels. Taiga accrues for the payment of customer rebates as a reduction of revenue based on management's estimates.

Valuation of Warranty Provisions

A provision for future potential warranty costs is calculated using historical trends and future expectations of future claims. Adjustments to the warranty provision are included in cost of sales. Actual future warranty costs may differ from those estimates.

Current and Deferred Taxes

The Company calculates current and deferred tax provisions for each of the jurisdictions in which it operates. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of financial statements. Therefore, results in subsequent periods will be affected by the amount that estimates differ from the final tax return.

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. Taiga also evaluates the recoverability of deferred tax assets based on an assessment of the likelihood of using the underlying future tax deductions against future taxable income before they expire. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future sales volumes and housing starts, commodity prices, operating costs, capital expenditures, dividends and other capital transactions. Judgment is also required about the application of income tax legislation. These estimates and judgments are subject to risk and uncertainty, which could result in an adjustment to the deferred tax provision and a corresponding credit or charge to income.

Goodwill

Management uses judgment in determining the fair value of the acquired net identifiable tangible and intangible assets at the date of a business combination. Any resulting goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill at December 31, 2020 relates to the Company's acquisition of Exterior Wood, Inc. Goodwill is not amortized, but is tested for impairment annually or more frequently if changes in circumstances indicate a potential impairment. Goodwill impairment is assessed based on a comparison of the recoverable amount of a cash-generating unit to the underlying carrying value of that cash-generating unit's net assets, including goodwill. Significant estimates are required in determining the recoverable amount of each cash-generating unit, including a discount rate, a growth rate and revenue projections. When the carrying amount of the cash-generating unit exceeds its recoverable amount, the higher of the fair value less cost of disposal and the value-in-use related to the cash-generating unit is compared to its carrying value and excess of carrying value is recognized as an impairment loss (Note 9).

Accounting Changes

IAS 20

The Company adopted IAS 20, Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20") to account for the Canada Emergency Wage Subsidy (CEWS) program created by the Government of Canada. The Company recognizes government subsidies on an accrual basis when there is reasonable assurance that it will comply with the conditions required to qualify for the subsidy and that the collection of the subsidy is also reasonably assured. Government subsidies are recognized on the consolidated statements of earnings and comprehensive income over the periods in which the expense that the subsidy is intended to offset are incurred.

9. Related Party Transactions

In accordance with IFRS requirements, related party transactions consist of remuneration of directors and other key management personnel with whom Taiga has entered into employment agreements. Further information is contained in our most recent Management Information Circular available on SEDAR at www.sedar.com and Note 26 to the Company's audited consolidated financial statements for the year ended December 31, 2020. The remuneration for key management, which includes the Company's directors and officers, were as follows:

(in thousands of dollars)	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Salaries and other benefits	5,235	1,935

An amount of $7,940,544 is included in accounts payable and accrued liabilities relating to bonuses to key management.

10. Off-Balance Sheet Arrangements

Taiga does not have off-balance sheet arrangements except for commitments under operating leases as discussed under “Commitments and Contingencies” in this Management's Discussion and Analysis.

For a detailed description of financial instruments and their associated risks, see Note 23 to the Company's audited consolidated financial statements for the year ended December 31, 2020.

11. 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 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

In accordance with the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, Taiga's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the Company's disclosure controls and procedures and internal controls over financial reporting. Based on the evaluation, Taiga's CEO and CFO concluded that these controls were effective for the Year ended December 31, 2020.

The CEO and CFO of Taiga acknowledge responsibility for the design of internal controls over financial reporting and confirm that there were no changes in these controls that occurred during the year ended December 31, 2019 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

12. 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.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. As at the financial statement approval date, the outbreak and the related mitigation measures have had the following impacts on the Company's operations, among others: sales declined by over 30% in April, 2020. However, subsequent to this, revenues recovered and exceeded projections for the remainder of 2020. The extent to which these events may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, subsequent outbreaks, business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine the ultimate financial impacts at this time. However, the Company recognizes that there will be economic and financial challenges for the foreseeable future.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") in their 2020 Housing Market Outlook Special Edition dated May 27, 2020, the Canadian housing market will see a historic recession in 2020, estimating a decline of 51-75% in the second half of the year. The Company has not seen evidence of this level of decline so far in 2020, other than the month of April as mentioned above.

In the United States, the National Association of Home Builders reported in January 2021 that housing starts are forecasted to total 1,383,000 units in the 2021 calendar year compared to 1,380,000 units in calendar year 2020.

13. Subsequent Event

At the Company's board meeting on February 25, 2021, a dividend of $30,000,000 was declared, payable to shareholders of record on March 5, 2021. The dividend will be paid on March 19, 2021.