

Taiga Building Products Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three months ended March 31, 2026 and 2025
(in Canadian dollars)

NOTICE TO SHAREHOLDERS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Taiga Building Products Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TAIGA BUILDING PRODUCTS LTD.

Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)

	March 31, 2026	March 31, 2025	December 31, 2025
Assets			
Current:			
Cash and cash equivalents (Note 4)	\$ 67,340	\$ 119,321	\$ 70,574
Accounts receivable	189,586	204,711	121,804
Inventories (Note 5)	191,233	206,633	189,327
Prepaid expenses	4,324	3,313	4,000
Current income tax assets	-	4,353	3,246
	<u>452,483</u>	<u>538,331</u>	<u>388,951</u>
Property, plant and equipment	128,244	119,351	113,602
Long term inventory (Note 5)	4,997	4,651	4,786
Intangible assets	-	10,997	-
Goodwill	-	11,243	-
Long term investments (Note 10)	11,391	11,757	11,293
Deferred tax assets	5,725	5,614	1,875
	<u>\$ 602,839</u>	<u>\$ 701,944</u>	<u>\$ 520,507</u>
Liabilities and Shareholders' Equity			
Current:			
Revolving credit facility (Note 4)	\$ 68,189	-	\$ 11,334
Accounts payable and accrued liabilities	\$ 101,648	\$ 131,463	\$ 104,609
Current portion of lease obligations	7,429	6,094	6,544
	<u>177,862</u>	<u>137,557</u>	<u>122,487</u>
Lease obligations	97,062	90,207	85,629
Deferred gain	1,856	1,975	1,886
Deferred tax liabilities	7,751	6,346	3,771
Provisions	-	3	-
	<u>284,531</u>	<u>236,088</u>	<u>213,773</u>
Shareholders' Equity:			
Share capital (Note 7)	122,477	122,477	122,477
Accumulated other comprehensive income	15,365	20,622	12,763
Retained earnings	180,466	322,757	171,495
	<u>318,308</u>	<u>465,856</u>	<u>306,734</u>
	<u>\$ 602,839</u>	<u>\$ 701,944</u>	<u>\$ 520,507</u>

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Earnings and Comprehensive Income (Unaudited)

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended March 31,	
	2026	2025
Sales	\$ 349,194	\$ 399,937
Cost of sales	311,675	362,450
Gross margin	37,519	37,487
Expenses:		
Distribution	8,123	8,442
Selling and administration	15,417	15,629
Finance (Note 8)	1,114	214
Other expenses (income)	(35)	(30)
	24,618	24,255
Earnings before income tax	12,901	13,232
Income tax expense (recovery) (Note 6)	3,929	3,410
Net earnings for the year	\$ 8,972	\$ 9,822
Other comprehensive income (Item that may be reclassified to net earnings)		
Exchange differences on translating foreign controlled entities	\$ 2,602	\$ 1,638
Total comprehensive income for the year	\$ 11,573	\$ 11,460
Basic and diluted net earnings per common share	\$ 0.08	\$ 0.09
Weighted average number of common shares outstanding	107,945	107,945

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

For the year ended December 31, 2025

<i>(in thousands of Canadian dollars)</i>	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2024	\$ 122,477	\$ 322,935	\$ 18,984	\$ 464,396
Net earnings	-	28,557	-	28,557
Dividend	-	(179,997)	-	(179,997)
Other comprehensive income	-	-	(6,221)	(6,221)
Balance at December 31, 2025	\$ 122,477	\$ 171,495	\$ 12,763	\$ 306,734

The accompanying notes are an integral part of these consolidated financial statements.

For the year ended December 31, 2026

<i>(in thousands of Canadian dollars)</i>	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2025	\$ 122,477	\$ 171,495	\$ 12,763	\$ 306,734
Net earnings	-	8,972	-	8,972
Other comprehensive income	-	-	2,602	2,602
Balance at March 31, 2026	\$ 122,477	\$ 180,466	\$ 15,365	\$ 318,308

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Cash Flows (Unaudited)

<i>(in thousands of Canadian dollars)</i>	Three months ended March 31,	
	2026	2025
Cash provided by (used in):		
Operating:		
Net earnings	\$ 8,972	\$ 9,822
Adjustments for non-cash items		
Amortization	3,047	3,284
Income tax expense	3,929	3,410
Mark-to-market adjustment on financial instruments	97	400
Change in provisions	-	(31)
Loss (gain) on asset disposal	(5)	-
Amortization of deferred gain	(30)	(30)
Finance and subordinated debt interest expense	1,901	1,113
Interest paid	(787)	(899)
Income tax paid	-	(3,159)
Changes in non-cash working capital (Note 11)	(72,093)	(84,576)
Cash flows used by operating activities	(54,969)	(70,666)
Investing:		
Purchase of property, plant and equipment	(3,748)	(779)
Proceeds from disposition of property, plant and equipment	5	-
Cash flows used in investing activities	(3,743)	(779)
Financing:		
Increase (decrease) in revolving credit facility	56,855	-
Repayment of lease obligations	(2,148)	(1,643)
Cash flows used in financing activities	54,707	(1,643)
Effect of foreign exchange on cash	770	(35)
Cash and Cash Equivalents - beginning of year	70,574	192,445
Cash and Cash Equivalents - end of period	\$ 67,340	\$ 119,321

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Taiga Building Products Ltd. (“Taiga” or the “Company”) is an independent wholesale distributor of building products in Canada and the United States. Taiga operates within two reportable geographic areas, Canada and the United States. The Company’s shares are listed for trading on the Toronto Stock Exchange.

Taiga is a Canadian corporation and its registered and records office is located at 20th floor, 250 Howe Street, Vancouver, British Columbia, Canada V6C 3R8.

2. Basis of Preparation

(a) Statement of Compliance

These condensed interim consolidated financial statements (the “Financial Statements”) are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these financial statements comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*.

These Financial Statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

These Financial Statements were authorized for issue on May 8, 2026 by the board of directors of the Company.

(b) Basis of Consolidation

These consolidated financial statements include the accounts of Taiga Building Products Ltd. and its subsidiaries. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. Inter-company transactions and balances have been eliminated.

(c) Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

3. Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these condensed consolidated interim financial statements are summarized in the Company’s annual audited consolidated financial statements for the year ended December 31, 2025.

4. Cash and Cash Equivalents and Revolving Credit Facility

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025	December 31, 2025
Cash	66,918	118,658	70,574
Financing costs, net of amortization	422	663	-
Total	67,340	119,321	70,574

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2026 and 2025 (in Canadian dollars)

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 and 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. At March 31, 2026, the amount drawn on the Facility was \$68,189,165 (2025 - \$nil)

Cash and cash equivalents include a short-term investment in GIC of \$18.1 million bearing interest of 2.9%, maturing on May 02, 2026.

5. Inventories

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025	December 31, 2025
Allied building products	50,114	42,078	49,843
Lumber products	103,695	122,615	105,327
Panel products	36,478	39,981	33,383
Production consumables	1,119	2,772	1,023
Inventory provision	(173)	(813)	(249)
Total	191,233	206,633	189,327

The Company's inventories are pledged as security for the revolving credit facility.

Long term inventory of \$5 million relates to two properties which are held for development and future sale.

6. Income Taxes

Income tax expense is comprised of:

<i>(in thousands of dollars)</i>	Three months ended March 31, 2026	Three months ended March 31, 2025
Current	3,579	3,696
Deferred	350	(286)
Total	3,929	3,410

7. Shareholders' Equity

(a) Authorized Share Capital

Unlimited common shares without par value, unlimited class A common shares without par value, and unlimited class A and class B preferred shares without par value.

(b) Normal Course Issuer Bid

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. During the year ended December 31, 2025, the Company did not purchase any of its common shares under the NCIB. During the three months ended March 31, 2026, the Company did not purchase any of its common shares under the NCIB. 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.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2026 and 2025 (in Canadian dollars)

(c) Common Shares Issued

<i>(in thousands of dollars, except number of shares)</i>	Number of Shares	Amount
Balance, December 31, 2025	107,944,523	122,477
Shares purchased under NCIB and cancelled	-	-
Balance, March 31, 2026	107,944,523	122,477

(d) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of exchange differences arising on translation of entities that have a functional currency other than the Canadian dollar.

(e) Stock Options and Warrants

Taiga does not have stock options or warrants outstanding and has not granted or cancelled options or warrants during the current or prior period.

(g) Major Shareholder

Taiga's major shareholder is Avarga Limited ("Avarga"), holding 74.21% or 80,106,014 of the issued and outstanding common shares of the Company. Taiga's current chairman, Ian Tong, is the chief executive officer and a director of Avarga. Another of Taiga's directors, Dr. Kooi Ong Tong is also Avarga's executive chairman and a significant shareholder. Avarga is an investment holding company listed on the Singapore Exchange.

8. Finance Expense

The finance expense is comprised of:

<i>(in thousands of dollars)</i>	Three months ended March 31, 2026	Three months ended March 31, 2025
Interest incurred/(earned) on cash balances	133	(1,124)
Interest on leases and long-term debt	921	1,278
Amortization of financing costs	60	60
Total	1,114	214

9. Commitments and Contingencies

Other Outstanding Legal Matters

The Company is involved in various non-material legal actions and claims arising in the course of its business. The financial impact individually or in aggregate resulting from these actions and claims is not expected to be significant. The individual and aggregate outcomes cannot be determined at this time.

10. Financial Instruments

The fair values of lease obligations are as follows:

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025
Carrying amount	99,454	91,419
Fair value	99,453	90,888

The fair value of the lease obligations was determined using current borrowing rates for similar debt instruments.

The Company acquired 7,000 units of shares of a private Asian Real Estate fund in March 2023. The investment is stated at fair value at each reporting date. The change in value represents the unrealized gains and losses on the portfolio investment.

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025
Carrying amount	9,497	9,607
Fair value	8,986	9,351

In December 2023, the Company invested in a private guaranteed bond bearing interest at 8% per annum, together with a share of revenues. The bond matures on December 29, 2026.

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025
Carrying amount	2,405	2,405
Fair value	2,405	2,405

The carrying amount of derivative financial instrument assets and liabilities are equal to their fair values as these instruments are re-measured to their fair values at each reporting date as follows:

<i>(in thousands of dollars)</i>	March 31, 2026	March 31, 2025
Lumber futures	73	40

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – based on quoted prices in active markets for identical assets or liabilities;

Level 2 – based on inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – applies to assets and liabilities for inputs that are not based on observable market data, which are unobservable inputs.

Cash and cash equivalent are classified as level 1. Derivative financial instrument assets and liabilities are classified as level 1 and investments are classified as level 2 or 3.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2026 and 2025 (in Canadian dollars)

The following table summarizes the classification and carrying values of the Company's financial instruments at March 31, 2026 and 2025:

(in thousands of dollars)

At March 31, 2026	Amortized Cost (Financial assets)	FVTPL	Amortized Cost (Financial liabilities)	Total
Financial assets:				
Accounts receivable	189,586	-	-	189,586
Lumber futures ¹	-	73	-	73
Long term investment	-	11,391	-	11,391
Total financial assets:	189,586	11,464	-	201,050
Financial liabilities:				
Revolving credit facility	-	-	68,189	68,189
Accounts payable & accrued liabilities	-	-	101,648	101,648
Current portion of lease obligation	-	-	7,429	7,429
Non-current portion of lease obligation	-	-	97,062	97,062
Total financial liabilities:	-	-	274,328	274,328

(in thousands of dollars)

At March 31, 2025	Amortized Cost (Financial assets)	FVTPL	Amortized Cost (Financial liabilities)	Total
Financial assets:				
Accounts receivable	204,711	-	-	204,711
Lumber futures ¹	-	40	-	40
Long term investment	-	11,757	-	11,757
Total financial assets:	204,711	11,797	-	216,508
Financial liabilities:				
Accounts payable & accrued liabilities	-	-	131,463	131,463
Current portion of lease obligation	-	-	6,094	6,094
Non-current portion of lease obligation	-	-	90,207	90,207
Total financial liabilities:	-	-	227,764	227,764

⁽¹⁾Included with accounts receivable or accounts payable and accrued liabilities on the balance sheet

11. Changes in Non-Cash Working Capital

<i>(in thousands of dollars)</i>	Three months ended March 31, 2026	Three months ended March 31, 2025
(Increase) Decrease in accounts receivable	(67,784)	(54,313)
(Increase) Decrease in inventories	(2,116)	(30,425)
(Increase) Decrease in prepaid expenses and other	(330)	558
Effect of foreign exchange on working capital	1,328	1,607
(Decrease) Increase in accounts payable and accrued liabilities	(3,191)	(2,003)
Total	(72,093)	(84,576)

12. 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.

13. Segmented Information

Taiga operates within one business segment and has two reportable geographic areas as follows:

<i>(in thousands of dollars except %)</i>	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Sales	Percentage	Sales	Percentage
Canada	299,901	85.9%	336,783	84.2%
United States	49,293	14.1%	63,155	15.8%

During the three months ended March 31, 2026, Taiga's Canadian operations had export sales of \$35.7 million (three months ended March 31, 2025 - \$35 million). These export sales were primarily to the United States and Asia and are included as part of the Canadian segment in the table above.