

Taiga Building Products Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three and nine months ended September 30, 2025 and 2024
(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)

		September 30, 2025	September 30, 2024	December 31, 2024
<i>(in thousands of Canadian dollars)</i>				
Assets				
Current:				
Cash and cash equivalents (Note 4)	\$	36,564	\$ 174,377	\$ 192,445
Accounts receivable		184,307	172,228	150,387
Inventories (Note 5)		178,866	165,249	178,986
Prepaid expenses		1,699	3,810	3,750
Current income tax assets		1,568	7,248	4,895
		403,004	522,912	530,463
Property, plant and equipment		115,742	119,745	121,175
Long term inventory (Note 5)		4,680	-	1,873
Intangible assets		10,046	10,910	11,318
Goodwill		10,887	10,557	11,253
Long term investments (Note 11)		11,372	11,315	11,998
Deferred tax assets		5,725	5,783	5,457
	\$	561,456	\$ 681,222	\$ 693,537
Liabilities and Shareholders' Equity				
Current:				
Revolving credit facility (Note 6)	\$	8,636	\$ -	\$ -
Accounts payable and accrued liabilities	\$	141,841	\$ 137,885	\$ 133,177
Current portion of lease obligations		6,303	5,995	6,015
		156,780	143,880	139,192
Lease obligations		87,755	90,637	91,431
Deferred gain		1,916	2,034	2,005
Deferred tax liabilities		6,658	5,212	6,479
Provisions		-	64	34
		253,109	241,827	239,141
Shareholders' Equity:				
Share capital (Note 8)		122,477	122,477	122,477
Accumulated other comprehensive income (Note 8)		15,228	10,571	18,984
Retained earnings		170,643	306,347	312,935
		308,347	439,395	454,396
	\$	561,456	\$ 681,222	\$ 693,537

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

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Earnings and Comprehensive Income (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<i>(in thousands of Canadian dollars, except per share amounts)</i>				
Sales (Note 14)	\$ 431,276	\$ 423,886	\$ 1,272,184	\$ 1,245,340
Cost of sales	383,061	378,342	1,137,250	1,113,331
Gross margin	48,215	45,544	134,934	132,009
Expenses:				
Distribution	7,916	8,151	24,113	24,605
Selling and administration	21,882	19,169	58,930	53,183
Finance (Note 9)	1,685	3	2,650	202
Other expenses (income)	(30)	(109)	(235)	(183)
	31,453	27,214	85,458	77,807
Earnings before income tax	16,762	18,330	49,476	54,202
Income tax expense (recovery) (Note 7)	3,953	3,999	11,771	13,177
Net earnings for the year	\$ 12,809	\$ 14,331	\$ 37,705	\$ 41,025
Other comprehensive income (Item that may be reclassified to net earnings)				
Exchange differences on translating foreign controlled entities	\$ 3,341	\$ (2,173)	\$ (3,756)	\$ 2,984
Total comprehensive income for the year	\$ 16,150	\$ 12,158	\$ 33,949	\$ 44,009
Basic and diluted net earnings per common share	\$ 0.12	\$ 0.13	\$ 0.35	\$ 0.38
Weighted average number of common shares outstanding	107,945	107,953	107,945	107,953

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 nine months ended September 30, 2024

<i>(in thousands of Canadian dollars)</i>	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2023	\$ 122,509	\$ 265,322	\$ 7,587	\$ 395,418
Net earnings	-	41,025	-	41,025
Shares purchased under the NCIB and cancelled (Note 8)	(32)	-	-	(32)
Other comprehensive income	-	-	2,984	2,984
Balance at September 30, 2024	\$ 122,477	\$ 306,347	\$ 10,571	\$ 439,395

For the nine months ended September 30, 2025

<i>(in thousands of Canadian dollars)</i>	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2024	\$ 122,477	\$ 312,935	\$ 18,984	\$ 454,396
Net earnings	-	37,705	-	37,705
Dividend (Note 8)	-	(179,997)	-	(179,997)
Shares purchased under the NCIB and cancelled (Note 8)	-	-	-	-
Other comprehensive income	-	-	(3,756)	(3,756)
Balance at September 30, 2025	\$ 122,477	\$ 170,643	\$ 15,228	\$ 308,347

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

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating:				
Net earnings	\$ 12,809	\$ 14,331	\$ 37,705	\$ 41,025
Adjustments for non-cash items				
Amortization	3,333	3,163	9,926	9,634
Income tax expense	3,953	3,999	11,771	13,177
Mark-to-market adjustment on financial instruments	(138)	512	445	360
Change in provisions	-	(29)	(34)	(87)
Loss (gain) on asset disposal	-	(80)	(146)	(90)
Amortization of deferred gain	(30)	(30)	(89)	(90)
Finance and subordinated debt interest expense	2,224	(41)	5,049	1,589
Interest paid	(539)	44	(2,399)	(1,387)
Income tax paid	(4,671)	(3,160)	(11,008)	(12,872)
Changes in non-cash working capital (Note 12)	61,115	76,731	(25,689)	(22,473)
Cash flows used by operating activities	78,056	95,441	25,532	28,787
Investing:				
Purchase of property, plant and equipment	(1,825)	(1,742)	(4,504)	(3,132)
Proceeds from disposition of property, plant and equipment	-	80	179	99
Cash flows used in investing activities	(1,825)	(1,662)	(4,325)	(3,033)
Financing:				
Increase (decrease) in revolving credit facility	(73,404)	-	8,636	-
Repayment of lease obligations	(1,748)	(1,545)	(5,054)	(4,150)
Dividends paid	-	-	(179,997)	-
Repurchase of common shares	-	-	-	(32)
Cash flows used in financing activities	(75,152)	(1,545)	(176,415)	(4,182)
Effect of foreign exchange on cash	(30)	(1,094)	(672)	45
Cash and Cash Equivalents - beginning of year	35,515	83,237	192,445	152,760
Cash and Cash Equivalents - end of period	\$ 36,564	\$ 174,377	\$ 36,564	\$ 174,377

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, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

These Financial Statements were authorized for issue on November 07, 2025 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, 2024.

4. Cash and Cash Equivalents

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024	December 31, 2024
Cash	36,022	173,594	191,722
Financing costs, net of amortization	542	783	723
Total	36,564	174,377	192,445

Cash and cash equivalents include a short-term investment in a GIC of \$36.6 million bearing interest of 3.35%, maturing on October 20th, 2025, and renewing on a monthly basis.

5. Inventories

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024	December 31, 2024
Allied building products	50,213	38,040	37,241
Lumber products	96,206	94,545	104,481
Panel products	31,102	26,676	36,062
Production consumables	1,787	6,204	1,513
Inventory provision	(442)	(216)	(311)
Total	178,866	165,249	178,986

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

Long term inventory of \$4.7 million relates to two properties which are held for development and future sale.

6. Revolving Credit Facility

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024	December 31, 2024
Revolving credit facility	9,178	-	-
Financing costs, net of amortization	(542)	-	-
Total	8,636	-	-

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 September 30, 2025.

7. Income Taxes

Income tax expense is comprised of:

<i>(in thousands of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Current	3,623	3,434	11,641	12,858
Deferred	330	565	130	319
Total	3,953	3,999	11,771	13,177

8. 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, 2024, 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. The NCIB expired on September 3, 2025, and the Company did not purchase any shares during the NCIB.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2025 and 2024 (in Canadian dollars)

- (c) On September 4, 2025, the Company commenced a further 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 nine months ended September 30, 2025, the Company did not purchase any of its common shares under the NCIB. At September 30, 2025, 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.

Common Shares Issued

<i>(in thousands of dollars, except number of shares)</i>	Number of Shares	Amount
Balance, December 31, 2024	107,944,523	122,477
Shares purchased under NCIB and cancelled	-	-
Balance, September 30, 2025	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.

(f) 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.

(h) Dividend

A special one-time dividend of \$1.6675 per share was declared, payable to shareholders of record on June 6, 2025. The dividend was paid on June 23, 2025.

9. Finance Expense

The finance expense is comprised of:

	Three months ended September 30,		Nine months ended September 30,	
<i>(in thousands of dollars)</i>	2025	2024	2025	2024
Interest incurred/(earned) on cash balances	373	(1,343)	(1,315)	(4,079)
Interest on leases and long-term debt	1,252	1,285	3,784	4,100
Amortization of financing costs	60	61	181	181
Total	1,685	3	2,650	202

10. 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.

11. Financial Instruments

The fair values of lease obligations are as follows:

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024
Carrying amount	88,876	91,166
Fair value	88,416	91,166

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 for 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>	September 30, 2025	September 30, 2024
Carrying amount	9,546	9,546
Fair value	8,967	8,910

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>	September 30, 2025	September 30, 2024
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>	September 30, 2025	September 30, 2024
Lumber futures	5	(18)

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.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2025 and 2024 (in Canadian dollars)

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.

The following table summarizes the classification and carrying values of the Company's financial instruments at September 30, 2025 and 2024:

(in thousands of dollars)

At September 30, 2025	Amortized Cost (Financial assets)	FVTPL	Amortized Cost (Financial liabilities)	Total
Financial assets:				
Cash and cash equivalents	36,564	-	-	36,564
Accounts receivable	184,307	-	-	184,307
Lumber futures ¹		5		5
Long term investment		11,372		11,372
Total financial assets:	220,871	11,377	-	232,248
Financial liabilities:				
Accounts payable & accrued liabilities	-	-	141,841	141,841
Current portion of lease obligation	-	-	6,303	6,303
Non-current portion of lease obligation	-	-	87,755	87,755
Total financial liabilities:	-	-	235,899	235,899

(in thousands of dollars)

At September 30, 2024	Amortized Cost (Financial assets)	FVTPL	Amortized Cost (Financial liabilities)	Total
Financial assets:				
Cash and cash equivalents	174,377	-	-	174,377
Accounts receivable	172,228	-	-	172,228
Long term investment		11,315		11,315
Total financial assets:	346,605	11,315	-	357,920
Financial liabilities:				
Accounts payable & accrued liabilities	-	-	137,885	137,885
Lumber futures ¹		18		18
Current portion of lease obligation	-	-	5,995	5,995
Non-current portion of lease obligation	-	-	90,637	90,637
Total financial liabilities:	-	18	234,517	234,535

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

12. Changes in Non-Cash Working Capital

<i>(in thousands of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
(Increase) Decrease in Accounts receivable	20,731	36,472	(33,556)	(53,044)
(Increase) Decrease in Inventories	23,537	24,167	(2,687)	9,510
(Increase) Decrease in Prepaid expenses and other	855	(672)	6,264	(774)
Effect of foreign exchange on working capital	3,422	672	(4,373)	4,035
(Decrease) Increase in Accounts payable & accrued liabilities	12,570	16,092	8,663	17,800
Total	61,115	76,731	(25,689)	(22,473)

13. 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.

14. Segmented Information

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

	Revenue by Point of Sale							
	Three months ended September 30,				Nine months ended September 30,			
	2025		2024		2025		2024	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
Canada	362,582	84.1	343,431	81.0	1,068,466	84.0	1,023,094	82.2
United States	68,694	15.9	80,456	19.0	203,718	16.0	222,247	17.8

For the quarter ended September 30, 2025, export sales totalled \$40.5 million compared to \$34.6 million in the previous year. For the nine months period ended September 30, 2025 export sales were \$120.5 million compared to \$102.0 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.