

Management's Discussion and Analysis

For the three and nine months ended September 30, 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 November 6, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three and nine months ended September 30, 2025 and 2024. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the three and nine months ended September 30, 2025.

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.

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, 2024.

Additional information relating to the Company including the Company's Annual Information Form dated February 27, 2025 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 2025, Taiga expects the Canadian housing market to decline compared to calendar year 2024. Similarly, in the United States, Taiga's secondary market, the housing market is also expected to decline in 2025 compared to calendar year 2024. See Item 9 "Outlook".

2. Results of Operations

Sales

The Company's consolidated net sales for the quarter ended September 30, 2025 were \$431.3 million, an increase of \$7.4 million or 2% compared to \$423.9 million over the same period last year.

Consolidated net sales for the nine months ended September 30, 2025 were \$1,272.2 million compared to \$1,245.3 million over the same period last year. The increase in sales by \$26.8 million or 2% was largely due changes in product mix over the quarter and period ending September 30, 2025.

Sales by segments are 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 same quarter in the previous year. For the nine months period ended September 30, 2025, export sales were \$120.5 million compared to \$102.0 million over the same period 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 49% for the quarter ended September 30, 2025 and 52% over the same period last year. Allied, engineered, and treated wood product sales, as a percentage of total sales, was 51% this quarter and 48% over the same period last year.

The Company's sales of dimension lumber and panel, as a percentage of total sales, were 49.7% for the nine months ended September 30, 2025, compared to 51.5% over the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, were 50.3% for the nine months period ended September 30, 2025, compared to 48.5% over the same period last year.

Gross Margin

Gross margin for the quarter ended September 30, 2025 increased to \$48.2 million from \$45.5 million over the same period last year. The increase in gross margin was primarily due to higher average pricing during the quarter ended September 30, 2025, as well as product mix.

Gross margin for the nine months ended September 30, 2025 increased to \$134.9 million from \$132.0 million over the same period last year.

Expenses

Distribution expense for the quarter ended September 30, 2025 decreased to \$7.9 million compared to \$8.2 million over the same period last year. For the nine months ended September 30, 2025, distribution expenses marginally decreased to \$24.1 million compared to \$24.6 million over the same period last year. The decreases in both the quarter and nine months ended September 30, 2025 were primarily due to decreased distribution compensation for the period.

Selling and administration expense for the quarter ended September 30, 2025 increased to \$21.9 million compared to \$19.2 million over the same period last year. Selling and administration expenses for the nine months ended September 30, 2025 increased to \$58.9 million compared to \$53.2 million over the same period last year. The increases in both the quarter and nine months ended September 30, 2025 were primarily due to higher compensation and incentive costs.

Finance expense for the quarter ended September 30, 2025 was \$1.7 million compared to an immaterial amount over the same quarter last year. Finance expense for the nine months ended September 30, 2025 increased to \$2.7 million compared to \$0.2 million for the same period last year. The increase for the nine months ended September 30, 2025 was primarily due to the resumption of borrowings under the Company's revolving credit facility.

Other income for the quarter ended September 30, 2025 was \$0.03 million compared to \$0.11 million over the same period last year. Other income for the nine months ended September 30, 2025 is \$0.24 million compared to \$0.18 million over the same period last year. The increase in other income in the nine months ended September 30, 2025 was primarily driven by gains of \$0.2 million from the disposal of equipment.

Net Earnings

Net earnings for the quarter ended September 30, 2025 decreased to \$12.8 million from \$14.3 million for the same quarter last. Net earnings for the nine months ended September 30, 2025 was \$37.7 million compared to \$41.0 million over the same period last year due to the factors described above.

EBITDA

EBITDA for the quarter ended September 30, 2025 was \$21.8 million compared to \$21.5 million for the same period last year. For the nine-month period, EBITDA was \$62.1 million, a decrease from \$64.0 million in the prior year.

Reconciliation of net earnings to EBITDA:

<i>(in thousands of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net earnings	12,809	14,331	37,705	41,025
Income taxes	3,953	3,999	11,771	13,177
Finance and subordinated debt interest expense	1,685	3	2,650	202
Amortization	3,333	3,164	9,926	9,634
EBITDA	21,780	21,497	62,052	64,037

3. Cash Flows

Operating Activities

Cash flows from operating activities provided cash of \$78.1 million for the quarter ended September 30, 2025 compared to \$95.4 million over the same period last year. Changes between the comparative periods were primarily due to changes in non-cash working capital. Cash flows from operating activities provided cash of \$25.5 million during the nine months ended September 30, 2025, compared to \$28.8 million for the same period last year. The change was mostly due to the decrease in Net Earnings.

Investing Activities

Investing activities used cash of \$1.8 million for the quarter ended September 30, 2025 compared to \$1.7 million over the same period last year. Investing activities used cash of \$4.3 million during the nine months ended September 30, 2025 compared to using \$3.0 million for the same period last year. The increase in cash usage year over year was primarily due to the Company's capital expenditures in the current year.

Financing Activities

Financing activities used cash of \$75.2 million for the quarter ended September 30, 2025 compared to \$1.5 million for the same period last year, primarily due to the repayment of the Company's loan. Financing activities used cash of \$176.4 million during the nine months ended September 30, 2025 compared to using cash of \$4.2 million during the same period last year. The increase in cash usage in the current year is due to a dividend payment of \$180 million made by the Company in Q2-2025.

4. Summary of Quarterly Results

Year ending December 31,

	2025			2024				2023
<i>(in thousands of dollars, except per share amount in dollars)</i>	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales	431,276	440,971	399,937	389,042	423,886	427,824	393,630	367,658
Net earnings	12,809	15,073	9,822	6,588	14,331	13,933	12,761	9,390
Net earnings per share ⁽¹⁾	0.12	0.14	0.09	0.06	0.13	0.13	0.12	0.09
EBITDA	21,780	23,540	16,730	15,717	21,497	22,704	19,838	13,142

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 September 30, 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 September 30, 2025 decreased to \$246.2 million from \$391.3 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. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024	December 31, 2024
Current Assets	403,004	522,912	530,463
Current Liabilities (excluding Revolving Credit Facility)	(148,144)	(143,880)	(139,192)
Revolving Credit Facility	(8,636)	-	-
Working Capital	246,224	379,032	391,271
Long Term Assets	158,452	158,310	163,074
Long Term Liabilities	(96,329)	(97,947)	(99,949)
Shareholders' Equity	308,347	439,395	454,396

Assets

Total assets were \$561.5 million as at September 30, 2025 compared to \$693.5 million as at December 31, 2024. The decrease was primarily due to decreases in cash and cash equivalents.

Cash and cash equivalents decreased to \$36.6 million as at September 30, 2025 compared to \$192.4 million as at December 31, 2024. This is primarily due to a dividend payment made by the Company.

Liabilities

Total liabilities increased to \$253.1 million as at September 30, 2025 from \$239.1 million as at December 31, 2024. The increase was primarily due to higher borrowings under the Company's revolving credit facility.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On September 30, 2025, there were 107,944,523 common shares issued and outstanding.

On September 2, 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 September 30, 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, 2024.

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, 2024 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 19 of the Company's consolidated financial statements for the period ended December 31, 2024.

For a detailed description of financial instruments and their associated risks, see Note 21 to the Company's audited consolidated financial statements for the period ended December 31, 2024.

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, 2024 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's ("CMHC") 2025 Housing Market Outlook, housing starts in Canada are expected slow down over the forecast period due to fewer condominium apartments being built. Housing starts are expected to range between 226,600 and 243,000 in 2025 compared to 245,367 in 2024.

In the United States, the National Association of Home Builders reported in September 2025 that housing starts are forecasted to total 1,348,000 units in the 2025 calendar year compared to 1,371,000 units in calendar year 2024.