

Taiga Building Products Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three months ended March 31, 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)

<i>(in thousands of Canadian dollars)</i>	March 31, 2025	March 31, 2024	December 31, 2024
Assets			
Current:			
Cash and cash equivalents (Note 4)	\$ 119,321	\$ 61,686	\$ 192,445
Accounts receivable	204,711	204,805	150,387
Inventories (Note 5)	206,633	199,677	178,986
Prepaid expenses	3,313	4,474	3,750
Current income tax assets	4,353	15,010	4,895
	538,331	485,652	530,463
Property, plant and equipment	119,351	118,439	121,175
Long term inventory (Note 5)	4,651	-	1,873
Intangible assets	10,997	11,538	11,318
Goodwill	11,243	10,597	11,253
Long term investments	11,757	11,624	11,998
Deferred tax assets	5,614	5,434	5,457
	\$ 701,944	\$ 643,284	\$ 693,537
Liabilities and Shareholders' Equity			
Current:			
Accounts payable and accrued liabilities	\$ 131,463	\$ 128,800	\$ 133,177
Current portion of lease obligations	6,094	5,670	6,015
	137,557	134,470	139,192
Lease obligations	90,207	89,387	91,431
Deferred gain	1,975	2,094	2,005
Deferred tax liabilities	6,346	5,469	6,479
Provisions	3	123	34
	236,088	231,543	239,141
Shareholders' Equity:			
Share capital (Note 7)	122,477	122,477	122,477
Accumulated other comprehensive income (Note 7)	20,622	11,181	18,984
Retained earnings	322,757	278,083	312,935
	465,856	411,741	454,396
	\$ 701,944	\$ 643,284	\$ 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 March 31,	
<i>(in thousands of Canadian dollars, except per share amounts)</i>	2025	2024
Sales	\$ 399,937	\$ 393,630
Cost of sales	362,450	351,631
Gross margin	37,487	41,999
Expenses:		
Distribution	8,442	7,993
Selling and administration	15,629	17,230
Finance (Note 8)	214	(658)
Other expenses (income)	(30)	(38)
	24,255	24,527
Earnings before income tax	13,232	17,472
Income tax expense (recovery) (Note 6)	3,410	4,711
Net earnings for the year	\$ 9,822	\$ 12,761
Other comprehensive income (Item that may be reclassified to net earnings)		
Exchange differences on translating foreign controlled entities	\$ 1,638	\$ 3,594
Total comprehensive income for the year	\$ 11,460	\$ 16,355
Basic and diluted net earnings per common share	\$ 0.09	\$ 0.12
Weighted average number of common shares outstanding	107,945	107,953

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

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

For the year ended December 31, 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	-	47,613	-	47,613
Shares purchased under the NCIB and cancelled	(32)	-	-	(32)
Other comprehensive income	-	-	11,397	11,397
Balance at December 31, 2024	\$ 122,477	\$ 312,935	\$ 18,984	\$ 454,396

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	\$ 312,935	\$ 18,984	\$ 454,396
Net earnings	-	9,822	-	9,822
Other comprehensive income	-	-	1,638	1,638
Balance at March 31, 2025	\$ 122,477	\$ 322,757	\$ 20,622	\$ 465,856

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

TAIGA BUILDING PRODUCTS LTD.

Consolidated Statements of Cash Flows (Unaudited)

	Year ended March 31,	
<i>(in thousands of Canadian dollars)</i>	2025	2024
Cash provided by (used in):		
Operating:		
Net earnings	\$ 9,822	\$ 12,761
Adjustments for non-cash items		
Amortization	3,284	3,024
Income tax expense	3,410	4,711
Mark-to-market adjustment on financial instruments	400	(120)
Change in provisions	(31)	(28)
Loss (gain) on asset disposal	-	(4)
Amortization of deferred gain	(30)	(30)
Finance and subordinated debt interest expense	1,113	(658)
Interest paid	(899)	(822)
Income tax paid	(3,159)	(5,085)
Changes in non-cash working capital (Note 11)	(84,576)	(103,075)
Cash flows used by operating activities	(70,666)	(89,327)
Investing:		
Purchase of property, plant and equipment	(779)	(925)
Proceeds from disposition of property, plant and equipment	-	13
Cash flows used in investing activities	(779)	(912)
Financing:		
Repayment of lease obligations	(1,643)	(1,634)
Repurchase of common shares	-	(32)
Cash flows used in financing activities	(1,643)	(1,666)
Effect of foreign exchange on cash	(35)	831
Cash and Cash Equivalents - beginning of year	192,445	152,760
Cash and Cash Equivalents - end of period	\$ 119,321	\$ 61,686

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

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2025 and 2024 (in Canadian dollars)

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 May 9, 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>	March 31, 2025	March 31, 2024	December 31, 2024
Cash	118,658	60,782	191,722
Financing costs, net of amortization	663	904	723
Total	119,321	61,686	192,445

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2025 and 2024 (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, 2025.

Cash and cash equivalents include a short-term investment in GIC of \$37.1 million bearing interest of 3.55%, maturing on April 20th, 2025 and renews on a monthly basis.

5. Inventories

<i>(in thousands of dollars)</i>	March 31, 2025	March 31, 2024	December 31, 2024
Allied building products	42,078	40,829	37,241
Lumber products	122,615	115,842	104,481
Panel products	39,981	37,744	36,062
Production consumables	2,772	5,410	1,513
Inventory provision	(813)	(148)	(311)
Total	206,633	199,676	178,986

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

Long term inventory of \$4.7 million relates to the 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, 2025	Three months ended March 31, 2024
Current	3,696	4,492
Deferred	(286)	219
Total	3,410	4,711

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, 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. For the year ending December 31, 2024 the Company purchased 10,488 shares for \$32,405. These common shares purchased by the Company have been cancelled. During the three months ended March 31, 2025, the Company did not purchase any of its common shares under the NCIB. At March 31, 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, 2025.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2025 and 2024 (in Canadian dollars)

(c) 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, March 31, 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.

(g) Major Shareholder

Taiga's major shareholder is Avarga Limited ("Avarga"), holding 71.8% or 77,504,168 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, 2025	Three months ended March 31, 2024
Interest earned on cash balances	(1,124)	(1,968)
Interest on leases and long-term debt	1,278	1,250
Amortization of financing costs	60	60
Total	214	(658)

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, 2025	March 31, 2024
Carrying amount	91,419	89,560
Fair value	90,888	89,559

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>	March 31, 2025	March 31, 2024
Carrying amount	9,607	9,546
Fair value	9,351	9,219

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, 2025	March 31, 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>	March 31, 2025	March 31, 2024
Lumber futures	40	28

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, 2025 and 2024 (in Canadian dollars)

The following table summarizes the classification and carrying values of the Company's financial instruments at March 31, 2025 and 2024:

(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

(in thousands of dollars)

At March 31, 2024	Amortized Cost (Financial assets)	FVTPL	Amortized Cost (Financial liabilities)	Total
Financial assets:				
Accounts receivable	204,805	-	-	204,805
Lumber futures ¹	-	28	-	28
Long term investment	-	11,624	-	11,624
Total financial assets:	204,805	11,652	-	216,457
Financial liabilities:				
Accounts payable & accrued liabilities	-	-	128,800	128,800
Current portion of lease obligation	-	-	5,670	5,670
Non-current portion of lease obligation	-	-	89,387	89,387
Total financial liabilities:	-	-	223,857	223,857

11. Changes in Non-Cash Working Capital

<i>(in thousands of dollars)</i>	Three months ended March 31, 2025	Three months ended March 31, 2024
(Increase) Decrease in accounts receivable	(54,313)	(85,908)
(Increase) Decrease in inventories	(30,425)	(24,918)
(Increase) Decrease in prepaid expenses and other	558	54
Effect of foreign exchange on working capital	1,607	3,539
(Decrease) Increase in accounts payable and accrued liabilities	(2,003)	4,158
Total	(84,576)	(103,075)

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.

Taiga Building Products Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2025 and 2024 (in Canadian dollars)

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, 2025		Three months ended March 31, 2024	
	Sales	Percentage	Sales	Percentage
Canada	336,783	84.2%	330,882	84.1%
United States	63,155	15.8%	62,748	15.9%

During the three months ended March 31, 2025, Taiga's Canadian operations had export sales of \$35 million (three months ended March 31, 2024 - \$33.9 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.