

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED FEBRUARY 28TH, 2021






goodfellowinc.com

GOODFELLOW

FINANCIAL HIGHLIGHTS

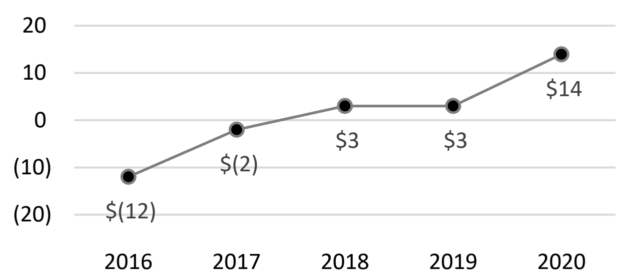
OPERATING ANNUAL RESULTS

(in thousands of dollars, except per share amounts)

	2020	2019	2018	2017	2016
Sales	**$454,103**	$449,587	$475,207	$523,659	$565,173
Earnings (loss) before income taxes	**$19,022**	$4,269	$3,277	$(3,275)	$(16,294)
Net earnings (loss)	**$13,811**	$3,054	$2,571	$(2,094)	$(12,105)
- per share	**$1.61**	$0.36	$0.30	$(0.25)	$(1.42)
Cash flow (excluding non-cash working capital, income tax paid and interest paid)	**$28,645**	$9,775	$9,705	$2,630	$(10,802)
- per share (1)	**$3.35**	$1.14	$1.14	$0.31	$(1.27)
Shareholders' equity	**$121,229**	$113,408	$112,863	$109,434	$110,693
- per share (1)	**$14.16**	$13.24	$13.27	$12.86	$13.01
Share price at year-end	**$6.71**	$4.82	$6.00	$8.33	$9.05
Dividend paid per share	**$0.20**	$0.10	-	-	$0.30

(1) Non-IFRS financial measures – refer to "Non-IFRS Financial Measures" section of this MD&A

NET EARNINGS (LOSS) (in million $)



SHARE PRICE

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PRESIDENT'S REPORT TO THE SHAREHOLDERS

The first-quarter results of fiscal 2021 were characterized by continued pandemic realities and their drastic effects on supply and demand. The Company performed very well and was able to capitalize on surging demand in commodities and seasonal products. This trend continued from Q4 2020 which is uncharacteristic and unprecedented in the previous years' first quarters.

The manufacturing sector showed some positive signs of growth despite the challenges it is facing with pandemic restrictions. The LBM side of the business continued its positive momentum due to the cocooning effect on home renovation and new construction. Goodfellow used its diverse value-added capabilities to meet the strong demand for custom orders and specialty products. The Company positioned itself to succeed across the country with a firm commitment to maintaining needed inventory levels and ensuring superior customer service from coast to coast.

Supply disruptions have played havoc on replenishment in the first quarter. Nonetheless, supplier relationships and product diversity have enabled the Company to fulfill its customer needs to a large extent.

Sincerely,

Patrick Goodfellow
President and Chief Executive Officer
April 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") and Goodfellow Inc. (hereafter the "Company") interim consolidated financial statements were approved by the Audit Committee and the Board of Directors on April 12, 2021.
The MD&A should be read in conjunction with the consolidated financial statements and the corresponding notes for the years ended November 30, 2020 and November 30, 2019.
The MD&A provides a review of the significant developments and results of operations of the Company during the three months ended February 28, 2021 and February 29, 2020.
The interim consolidated financial statements ended February 28, 2021 and February 29, 2020 are prepared in accordance with International Financial Reporting Standards ("IFRS").
All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

*Additional information relating to Goodfellow Inc., including the Annual Information Form and the Annual Report can be found on SEDAR at **www.sedar.com**.*

FORWARD-LOOKING STATEMENTS

This MD&A contains implicit and/or explicit forecasts, as well as forward-looking statements on the objectives, strategies, financial position, operating results and activities of Goodfellow Inc. Forward-looking statements can be identified by words such as: "believe," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding liquidity and risk management in the current economic conditions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, these statements are forward-looking to the extent that they are based on expectations relative to markets in which the Company exercises its activities and on various assessments and assumptions. Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. Our actual results could differ significantly from management's expectations if recognized or unrecognized risks and uncertainties affect our results or if our assessments or assumptions are inaccurate. These risks and uncertainties include, among other things; the effects of general economic and business conditions including the cyclical nature of our business; industry competition; inflation, credit, currency and interest rate risks; environmental risk; level of demand and financial performance of the manufacturing industry; competition from vendors; changes in customer demand; extent to which we are successful in gaining new long-term relationships with customers or retaining existing ones and the level of service failures that could lead customers to use competitors' services; increased customer bankruptcies; dependence on key personnel; impact of the COVID-19 pandemic and the related climate of uncertainty; laws and regulation; information systems, cost structure and working capital requirements; occurrence of hostilities, political instability or catastrophic events and other factors described in our public filings available at www.sedar.com. For these reasons, we cannot guarantee the results of these forward-looking statements. The MD&A gives an insight into our past performance as well as the future strategies and key performance indicators as viewed by our management team at Goodfellow Inc. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

COVID-19

The Company's expectation of operating and financial performance in 2021 is based on certain assumptions including assumptions about the COVID-19 pandemic, such as the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of the Company. These include in particular the assumption that the Company's manufacturing and distribution facilities will remain opened and in operation, the assumption that its workforce will remain healthy, the assumption that hardware and lumber stores and other industrial and manufacturing clients will remain opened and will continue ordering and selling the Company's products, the assumption that construction activity will not be halted by mandatory closures and the assumption that the Company's supply chain will not be interrupted. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

NON-IFRS FINANCIAL MEASURES

In addition to discussing earnings in accordance with IFRS, this MD&A provides cash flow per share and earnings before interest, taxes, depreciation and amortization ["EBITDA"] as a non-IFRS financial measure. These financial measures are not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Management considers it to be useful information to assist knowledgeable investors in evaluating the cash generating capabilities of the Company. Cash flow per share is defined as cash flow from operations (excluding non-cash working capital, income tax paid and interest paid) of $7.4 million for the three months ended February 28, 2021 divided by the total number of outstanding shares of 8,562,554.

Reconciliation of net earnings (loss) to EBITDA (thousands of dollars)	**For the three months ended**	
	February 28 2021	February 29 2020
	$	$
Net earnings (loss)	**3,769**	(2,060)
Income taxes	**1,465**	(801)
Net financial costs	**568**	734
Operating income (loss)	**5,802**	(2,127)
Depreciation of property, plant and equipment	**627**	651
Amortization of right-of-use assets	**1,013**	1,093
Amortization of intangible assets	**161**	181
EBITDA	**7,603**	(202)

BUSINESS OVERVIEW

Goodfellow Inc. is a distributor of lumber products, building materials, and hardwood flooring products. The Company carries on the business of wholesale distribution of wood and associated products and remanufacturing, distribution and brokerage of lumber. The Company sells to over 7000 customers who represent three main sectors - retail trade, industrial, and manufacturing. The Company operates 13 distribution centres and 9 processing plants in Canada, and 1 distribution centre in the USA.

SELECTED ANNUAL INFORMATION (in thousands of dollars, except per share amounts)

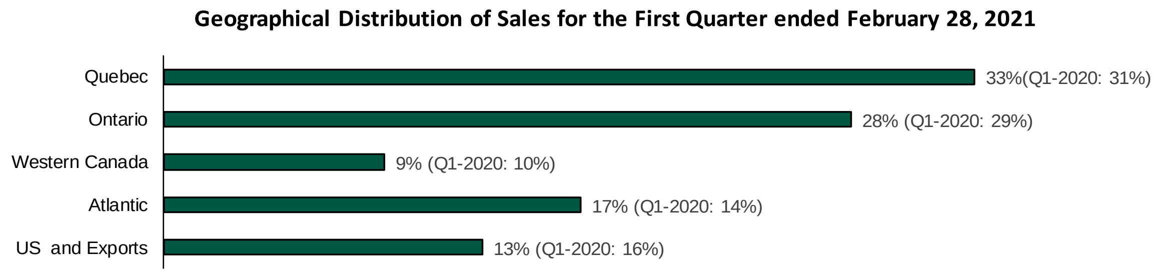
	2020	2019	2018
	$	$	$
Sales	**454,103**	449,587	475,207
Earnings before income taxes	**19,022**	4,269	3,277
Net earnings	**13,811**	3,054	2,571
Total Assets	**218,323**	180,581	190,718
Total Lease Liabilities	**17,658**	28	43
Cash Dividends paid	**1,712**	851	-
PER COMMON SHARE			
Net earnings per share, Basic	**1.61**	0.36	0.30
Net earnings per share, Diluted	**1.61**	0.35	0.30
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	**3.35**	1.14	1.14
Shareholders' Equity	**14.16**	13.24	13.27
Share Price	**6.71**	4.82	6.00
Cash Dividends paid	**0.20**	0.10	-

COMPARISON FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020
(In thousands of dollars, except per share amounts)

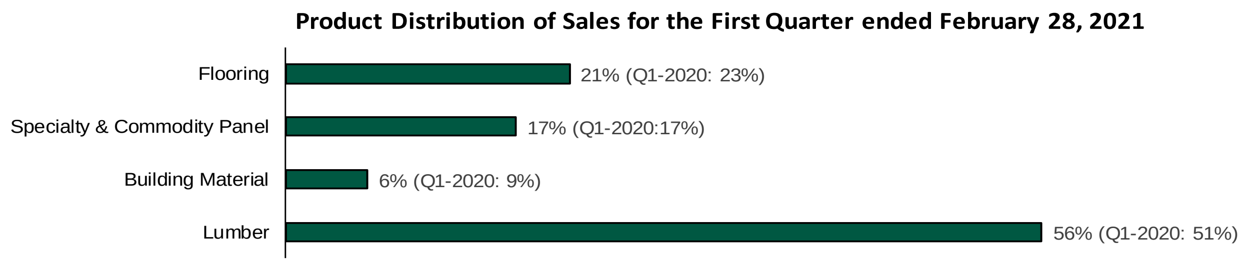
HIGHLIGHTS FOR THE THREE MONTHS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020	**Q1-2021**	Q1-2020	Variance
	$	$	%
Sales	**119,433**	88,856	+34.4
Earnings (loss) before income taxes	**5,234**	(2,861)	+282.9
Net earnings (loss)	**3,769**	(2,060)	+283.0
Net earnings (loss) per share – Basic and Diluted	**0.44**	(0.24)	+283.3
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	**7,354**	(389)	+1,990.5
EBITDA	**7,603**	(202)	+3,863.9
Average bank indebtedness	**25,572**	39,788	-35.7
Inventory average	**92,437**	99,707	-7.3

The Company implemented rigorous sanitary practices and physical distancing measures in the workplace to mitigate health risks to its employees and the threat to its ongoing operations. The Company was able to keep most of its facilities opened in the COVID-19 pandemic, relying on exemptions from mandatory closures for essential products and services. In addition, due to the federal border restrictions and provincial imposed restrictions combined with government salary protection programs had a positive impact in our industry and for the Company. Many consumers decided to invest in their property, since they were restricted from travelling. This trend continued in the first quarter of fiscal 2021.

Sales in Canada during the first three months of fiscal 2021 increased 38% compared to last year despite the pandemic. Quebec sales increased 43% due to an increase in sales of all the product categories except for building materials. Sales in Ontario increased 28% mainly due to an increase in sales of flooring, lumber and specialty and commodity panels. Sales in Western Canada increased 29% due to an increase in sales of flooring and specialty and commodity panels. Atlantic region sales increased 55% due to an increase in sales of all the categories of products.



Sales in the United States for the first three months ended February 28, 2021 increased 6% on a Canadian dollar basis compared to the same period last year mostly due to an increase in sales of lumber products. On a US dollar basis, US denominated sales increased 10% compared to last year. Finally, export sales increased 24% during the first three months of fiscal 2021 compared to last year mostly due to an increase in sales of the hardwood lumber products.



In terms of the distribution of sales by product, all product categories with the exception of building materials maintained their sales volume mostly due to consumers' investment in their property. Flooring sales for the first quarter ended February 28, 2021 increased 28% compared to last year. Specialty and commodity panel sales increased 32% compared to last year. Building material sales decreased 6% compared to last year. Finally, lumber sales increased 45% compared to the same period a year ago.

Cost of Goods Sold

Cost of goods sold for the first quarter of fiscal 2021 was $94.0 million compared to $71.5 million for the corresponding period a year ago. Cost of goods sold increased 31.5% compared to last year. Total freight outbound cost increased 11.8% compared to last year. Gross profits were $25.4 million compared to $17.4 million last year. Gross profits increased 46.0% compared to last year. Gross margins were 21.3% for the three months ended February 28, 2021 (19.6% last year). The shortages of lumber allowed us to increase our margins.

Selling, Administrative and General Expenses

Selling, Administrative and General Expenses for the first quarter ended February 28, 2021 was $19.6 million compared to $19.5 million for the corresponding period last year, an increase of 0.7% compared to last year.

Net Financial Costs

Net financial costs for the three months ended February 28, 2021 were $0.6 million compared to $0.7 million last year. The average Canadian prime rate decreased to 2.45% during the first quarter of fiscal 2021 compared to 3.95% last year. The average US prime rate decreased to 3.25% compared to 4.75% last year. Average bank indebtedness was $25.6 million compared to $39.8 million a year ago.

SUMMARY OF THE LAST EIGHT MOST RECENTLY COMPLETED QUARTERS

(In thousands of dollars, except per share amounts)

	May-2020[(1)]	**Aug-2020[(1)]**	**Nov-2020[(1)]**	**Feb-2021[(1)]**
	$	**$**	**$**	**$**
Sales	103,763	138,843	122,641	119,433
Net earnings	3,399	6,696	5,776	3,769
Net earnings per share	0.40	0.78	0.67	0.44

	May-2019	**Aug-2019**	**Nov-2019**	**Feb-2020[(1)]**
	$	**$**	**$**	**$**
Sales	123,713	130,594	107,127	88,856
Net earning (loss)	1,855	2,472	277	(2,060)
Net earnings (loss) per share	0.22	0.29	0.03	(0.24)

As indicated above, our results over the past eight quarters follow a seasonal pattern with sales activities traditionally higher in the second and third quarters. In the second quarter of 2020, revenue was unusually low compared to the second quarter of 2019 due to COVID-19.

[1] Includes the impact of the adoption of IFRS 16

STATEMENT OF FINANCIAL POSITION AT FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

Total Assets

Total assets at February 28, 2021 were $224.5 million compared to $216.4 million last year. Cash at February 28, 2021 was $4.0 million compared to $2.1 million last year. Trade and other receivables at February 28, 2021 was $70.1 million ($54.1 million last year). Income tax receivable was $0.1 million compared to $1.1 million last year. Inventories at February 28, 2021 was $95.8 million compared to $99.3 million last year. Prepaid expenses at February 28, 2021 was $4.3 million (same last year). Defined benefit plan asset was $1.9 million at February 28, 2021 compared to $2.2 million last year. Other assets were $0.8 million at February 28, 2021 (same last year).

Property, plant, equipment, intangible and right-of-use assets

Property, plant and equipment at February 28, 2021 was $30.7 million compared to $32.5 million last year. Capital expenditures during first quarter of fiscal 2021 amounted to $0.2 million compared to $0.4 million for the same period last year. Property, plant and equipment capitalized during the first quarter of fiscal 2021 mainly included buildings, yard equipment, computers and rolling stock. Intangible assets at February 28, 2021 was $3.1 million compared to $3.7 million last year. Right-of-use assets at February 28, 2021 was $13.6 million ($16.3 million last year). Depreciation of property, plant, equipment, intangible, and right-of-use assets during the first quarter of fiscal 2021 amounted to $1.8 million compared to $1.9 million last year.

Total Liabilities

Total liabilities at February 28, 2021 were $102.1 million compared to $108.4 million last year. Bank indebtedness was $34.9 million compared to $47.8 million last year. Trade and other payables at February 28, 2021 was $43.5 million compared to $35.5 million last year. Provision at February 28, 2021 was $1.5 million (same last year). Dividend payable at February 28, 2021 was $2.6 million ($0.9 million last year). Lease liabilities at February 28, 2021 were $16.8 million compared to $19.8 million last year. Deferred income taxes at February 28, 2021 was $1.6 million compared to $2.3 million last year. Defined benefit plan obligation was $1.2 million at February 28, 2021 compared to $0.6 million last year.

Shareholders' Equity

Total Shareholders' Equity at February 28, 2021 was $122.4 million compared to $107.9 million last year. The Company generated a return on equity of 12.3% during the first three months of fiscal 2021 compared to (7.6)% for the same period last year. The share price closed at $10.10 per share on February 28, 2021 ($4.72 on February 29, 2020). The book value at February 28, 2021 was $14.30 per share compared to $12.60 last year. Share capital was $9.4 million at February 28, 2021 (same last year). In the last quarter of fiscal 2020, the Company declared a dividend of $0.25 per share ($0.10 per share in the last quarter of fiscal 2019), the dividend totaling $2.1 million was paid in the first quarter of fiscal 2021 ($0.9 million in the first quarter of fiscal 2020). In the first quarter of fiscal 2021, the Company declared a dividend of $0.30 per share ($0.10 per share in the first quarter of fiscal 2020), the dividend totaling $2.6 million was paid on March 19, 2021 ($0.9 million in the second quarter of fiscal 2020).

LIQUIDITY AND CAPITAL RESOURCES

Financing

In May 2019, the Company renewed its credit agreement with its present lenders, two chartered Canadian banks. The credit agreement has a maximum revolving operating facility of $90 million maturing in May 2021. In addition, an accordion of $10 million is available once per fiscal year for a maximum of 150 days only. Funds advanced under these credit facilities bear interest at the prime rate plus a premium and are secured by first ranking security on the universality of the movable and immovable property of the Company. As at February 28, 2021, the Company was compliant with its financial covenants. As at February 28, 2021, under the credit agreement, the Company was using $29.0 million of its facility compared to $40.0 million last year. As at April 12, 2021, the Company was in the process of renewing its credit agreement.

The Company's business follows a seasonal pattern with sales activities traditionally higher in the second and third quarter. As a result, cash flow requirements are generally higher during these periods. The current facility is considered by management to be adequate to support its current forecasted cash flow requirements. Source of funding and access to capital is disclosed in detail under LIQUIDITY AND RISK MANAGEMENT IN THE CURRENT ECONOMIC CONDITIONS.

Cash Flow

Net cash flow from operating activities for the first quarter of fiscal 2021 was $(2.3) million compared to $(14.4) million last year. Financing activities during the first quarter of fiscal 2021 was $1.7 million compared to $7.8 million last year. Investing activities during the first quarter of fiscal 2021 was $(0.2) million compared to $(0.3) million last year (See Property, plant, equipment, intangible and right-of use assets for more details).

LIQUIDITY AND RISK MANAGEMENT IN THE CURRENT ECONOMIC CONDITIONS

The Company's objectives are as follows:

1. Maintain financial flexibility in order to preserve its ability to meet financial obligations;
2. Maintain a low debt-to-capitalization ratio to preserve its capacity to pursue its organic growth strategy;
3. Maintain financial ratios within covenants requirements;
4. Provide an adequate return to its shareholders.

The Company defines its capitalization as shareholders' equity and debt. Shareholders' equity includes the amount of paid-up capital in respect of all issued and fully paid common shares together with the retained earnings, calculated on a consolidated basis in accordance with IFRS. Debt includes bank indebtedness reduced by the amounts of cash and cash equivalents. Capitalization represents the sum of debt and shareholders' equity.

The Company manages its capital and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital, the Company may adjust the amount of dividends paid to shareholders, issue new shares or repurchase shares under the normal course issuer bid, acquire or sell assets to improve its financial performance and flexibility or return capital to shareholders. The Company's primary uses of capital are to finance increases in non-cash working capital and capital expenditures for capacity expansion. The Company currently funds these requirements out of its internally generated cash flows and credit facilities. The Company's financial objectives and strategy remain substantially unchanged.

The Company is subject to certain covenants on its credit facilities. The covenants include a Debt-to-capitalization ratio and an Interest coverage ratio. The Company monitors the ratios on a monthly basis. The Company currently complies with all externally imposed capital requirements. Other than the covenants required for the credit facilities, the Company is not subject to any externally imposed capital requirements. The Company believes that all its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

As at February 28, 2021 and February 29, 2020, the Company achieved the following results regarding its capital management objectives:

Capital management	**As at February 28 2021**	As at February 29 2020
Debt-to-capitalization ratio	**20.2%**	29.6%
Interest coverage ratio	**16.9**	3.5
Return on shareholders' equity	**12.3%**	(7.6)%
Current ratio	**2.0**	1.8
EBITDA (in thousands of dollars)	**$7,603**	$(202)

These measures are not prescribed by IFRS and are defined by the Company as follows:

- Debt-to-capitalization ratio represents debt over total shareholders' equity. Debt is defined as bank indebtedness less cash and cash equivalents. Capitalization is debt plus shareholders' equity. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Interest coverage ratio represents the EBITDA during the period for which the calculation is made over interest expenses for the same period on a consolidated basis, calculated on a rolling four-quarter basis. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity.
- Current ratio is total current assets divided by total current liabilities.
- EBITDA is earnings before interest, taxes, depreciation and amortization.

Cost Structure, Working Capital Requirements
At February 28, 2021, the Company's total debt-to-capitalization ratio stood at 20.2% compared to 29.6% on February 29, 2020

For further information, the principal risk factors to which the Company is exposed are described in the Management's Report contained in its Annual Report for the twelve months ended November 30, 2020 as well as in the 2020 Annual Information Form available on SEDAR (www.sedar.com).

FINANCIAL COMMITMENTS AND CONTINGENCIES

Obligations	Payments due by period (in thousands of dollars) - undiscounted				
	Total	**Less than 1 year**	**2 – 3 Years**	**4 – 5 Years**	**After 5 years**
Lease obligations	19,563	5,094	8,098	4,007	2,364
Purchase obligations	119	119	-	-	-
Total obligations	**19,682**	**5,213**	**8,098**	**4,007**	**2,364**

Contingent liabilities
During the normal course of business, certain product liability and other claims have been brought against the Company and, where applicable, its suppliers. While there is inherent difficulty in predicting the outcome of such matters, management has vigorously contested the validity of these claims, where applicable, and based on current knowledge, believes that they are without merit and does not expect that the outcome of any of these matters, in consideration of insurance coverage maintained, or the nature of the claims, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, results of operations or future earnings of the Company.

RISKS AND UNCERTAINTIES

The risks and uncertainty factors affecting the Company in the future remain substantially unchanged from those included in the Company's Annual MD&A contained in its 2020 Annual report. Only those factors with variability components are described below:

Dependence on Major Customers
The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded annually and can be revoked. Only one major customer exceeds 10% of total Company sales in the three months ended February 28, 2021 (same last year). The following represents the total sales consisting primarily of various wood products of the major customer:

	For the three months ended			
(in thousands of dollars)	**February 28, 2021**		February 29, 2020	
	$	**%**	$	%
Sales to major customer that exceeded 10% of total Company's sales	**19,773**	**16.6**	13,767	15.5

The loss of any major customer could have a material effect on the Company's results, operations and financial position. The carrying amounts of financial assets represent the maximum credit exposure.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The financial instruments and other instruments remain substantially unchanged from those included in the Company's Annual MD&A contained in its 2020 Annual report. Only those factors with variability components are described below:

The following are the contractual maturities of financial liabilities as at February 28, 2021:
(in thousands of dollars)

Financial Liabilities	**Carrying Amount**	**Contractual cash flows**	**0 to 12 Months**	**12 to 36 Months**
Bank indebtedness	34,928	34,928	34,928	-
Trade and other payables	43,494	43,494	43,494	-
Dividend payable	2,569	2,569	2,569	-
Total financial liabilities	**80,991**	**80,991**	**80,991**	**-**

Interest Rate Risk
The Company uses a credit facility to finance working capital requirements. The interest cost of this facility is dependent upon Canadian and US bank prime rates. The profitability of the Company could be adversely affected with increases in the bank prime rate. Management does not believe that the impact of interest rate fluctuations will be significant on its operating results. A 1% fluctuation of interest rate on the $34.9 million in bank indebtedness would impact interest expense annually by $0.3 million.

Currency Risk
The Company could enter into forward exchange contracts to economically hedge certain trade payables and from time to time future purchase commitments denominated in U.S. dollars, Euros and Pounds sterling. A fluctuation in the Canadian dollar of 5% in relation to foreign currencies would not have a significant effect on the Company's net earnings.

As at February 28, 2021, the Company had the following currency exposure:

Financial assets and liabilities measured at amortized costs
(in thousands of dollars)

	USD	**GBP**	**Euro**
Cash	1,860	191	11
Bank indebtedness	(1,324)	-	-
Trade and other receivables	7,793	25	-
Trade and other payables	(4,508)	(29)	(399)
Lease liabilities	(445)	-	-
Net exposure	**3,376**	**187**	**(388)**
CAD exchange rate as at February 28, 2021	1.2738	1.7738	1.5380
Impact on net earnings based on a fluctuation of 5% on CAD	**155**	**12**	**(21)**

Credit Risk
The Company is exposed to credit risks from customers. As a result of having a diversified customer mix, this risk is alleviated by minimizing the amount of exposure the Company has to any one customer. Additionally, the Company has a system of credit management to mitigate the risk of losses due to insolvency or bankruptcy of its customers. It also utilizes credit insurance to reduce the potential for credit losses. Finally, the Company has adopted a credit policy that defines the credit conditions to be met by its customers, and specific credit limit for each customer is established and regularly revised. Based on historical payment behaviour and current credit information and experience available, the Company believes that, apart from provision for doubtful accounts recorded, no impairment allowance is necessary in respect of trade receivables that are current or past due. The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded

annually and can be revoked. In its assessment of the loss allowance for credit losses as at February 28, 2021, the Company considered the economic impact of the COVID-19 pandemic on its assessment. This was not considered to be significant.

The following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:
(in thousands of dollars)

	February 28 2021	February 29 2020
	$	$
Current	**64,656**	51,496
31 - 60 days past due	**2,571**	1,147
61 - 90 days past due	**1,295**	549
91 - 120 days past due	**852**	185
Over 120 days past due	**746**	719
	70,120	54,096
Loss allowance	**(121)**	(654)
Balance, end of period	**69,999**	53,442

As at February 28, 2021, expected credit losses are limited to $121 thousand and therefore, the expected credit losses by trade accounts receivable aging have not been presented separately in the table above.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on available public market information or, when such information is not available, is estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate level of risk for the instrument. The estimated fair values may differ in amount from that which could be realized in an immediate settlement of the instruments. The carrying amounts of cash, trade and other receivables, bank indebtedness, trade and other payables and lease liabilities approximate their fair values.

RELATED PARTY TRANSACTIONS

The related party transactions remain substantially unchanged from those included in the Company's Annual MD&A contained in its 2020 Annual report.

CRITICAL ACCOUNTING ESTIMATES

The critical accounting estimates remain substantially unchanged from those included in the Company's Annual MD&A contained in its 2020 Annual report.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies applied in the Company's interim financial statements are the same as those described in Note 3 contained in its 2020 Annual consolidated financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

At February 28, 2021, there were 8,562,554 common shares issued (same at February 29, 2020). The Company has authorized an unlimited number of common shares to be issued, without par value. At April 12, 2021, there were 8,562,554 common shares outstanding.

SUBSEQUENT EVENT

On February 19, 2021, the Company declared a dividend of $0.30 per share, totaling $2.6 million to shareholders of record on March 5, 2021, which was paid on March 19, 2021.

OUTLOOK

The evolution of COVID-19 remains unpredictable and due to the rise of new variant infection cases worldwide it makes estimating the end of the pandemic impossible at this date. The presence of a vaccine is reassuring nonetheless Canadians cannot be overconfident that vaccination levels and resultant immunity will be as anticipated by the end of 2021. In consequence, risk management requires caution. It is imperative to maintain a strong balance sheet throughout the period ahead in 2021.

COVID-19

The duration and impact of the COVID-19 pandemic on the Company are unknown at this time. As such, it is not possible to reliably estimate the length and severity of the COVID-19's related impacts on the financial results and operations of the Company. The Company continues to closely monitor the situation as it evolves day-to-day and may take further actions in response to the directives of the government and public health authorities or that are in the best interests of its colleagues, customers, suppliers or other stakeholders, as necessary. The Company has already taken and will continue to take swift actions to mitigate the effects of COVID-19 on its day-to-day business operations, with the best interests of its employees, customers, suppliers and other stakeholders at the crux of every action taken.

These changes and any additional changes in operations in response to COVID-19 could materially impact financial results and may include temporary closures of facilities, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on supply chains and distribution channels, temporary or long-term restrictions on cross-border commerce and travel, greater currency volatility, and increased risks to IT systems, networks and digital services. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, adversely impact operations and the financial performance of the Company. The spread of COVID-19 has caused an economic slowdown and increased volatility in financial markets. Governments and central banks have responded with monetary and fiscal interventions intended to stabilize economic conditions. However, it is not currently known how these interventions will impact debt and equity markets or the economy generally. Although the ultimate impact of COVID-19 on the global economy and its duration remains uncertain, disruptions caused by COVID-19 may adversely affect the performance of the Company. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, adversely impact demand for the Company's products and/or the debt and equity markets, both of which could adversely affect the Company's financial performance. Governmental interventions aimed at containing COVID-19 could also impact the Company's available workforce, its supply chain and distribution channels and/or its ability to engage in cross-border commerce, which could in turn adversely affect the operations or financial performance of the Company.

CERTIFICATION

Disclosure Controls

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Procedures and Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended February 28, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Delson, April 12, 2021

Patrick Goodfellow
President and Chief Executive Officer

Charles Brisebois, CPA, CMA
Chief Financial Officer

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102 "Continuous Disclosure Obligations", 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 Company's independent auditors, KPMG LLP, has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GOODFELLOW INC.
Consolidated Statements of Comprehensive Income
For the three months ended February 28, 2021 and February 29, 2020
(in thousands of dollars, except per share amounts)
Unaudited

	For the three months ended	
	February 28 2021	February 29 2020
	$	$
Sales (Note 14)	**119,433**	88,856
Expenses (Income)		
Cost of goods sold (Note 4)	**93,992**	71,480
Selling, administrative and general expenses (Note 4)	**19,647**	19,518
Gain on disposal of property, plant and equipment	**(8)**	(15)
Net financial costs (Note 5)	**568**	734
	114,199	91,717
Earnings (loss) before income taxes	**5,234**	(2,861)
Income taxes	**1,465**	(801)
Total comprehensive income (loss)	**3,769**	(2,060)
Net earnings (loss) per share – Basic and Diluted (Note 9 b))	**0.44**	(0.24)

GOODFELLOW INC.
Consolidated Statements of Financial Position
(in thousands of dollars)
Unaudited

	As at February 28 2021	As at November 30 2020	As at February 29 2020
	$	$	$
Assets			
Current Assets			
Cash	**4,045**	3,466	2,089
Trade and other receivables (Note 6)	**70,143**	76,093	54,082
Income taxes receivable	**79**	-	1,096
Inventories	**95,798**	84,740	99,300
Prepaid expenses	**4,339**	2,584	4,250
Total Current Assets	**174,404**	166,883	160,817
Non-Current Assets			
Property, plant and equipment	**30,709**	31,148	32,517
Intangible assets	**3,077**	3,238	3,746
Right-of-use assets	**13,629**	14,324	16,304
Defined benefit plan asset	**1,933**	1,945	2,210
Other assets	**785**	785	778
Total Non-Current Assets	**50,133**	51,440	55,555
Total Assets	**224,537**	218,323	216,372
Liabilities			
Current liabilities			
Bank indebtedness (Note 7)	**34,928**	28,570	47,845
Trade and other payables (Note 8)	**43,494**	39,614	35,549
Income taxes payable	**-**	4,859	-
Provision	**1,484**	1,473	1,478
Dividend payable (Note 9 b))	**2,569**	2,141	856
Current portion of lease liabilities	**4,301**	4,315	4,254
Total Current Liabilities	**86,776**	80,972	89 982
Non-Current Liabilities			
Lease liabilities	**12,546**	13,343	15,547
Deferred income taxes	**1,597**	1,597	2,269
Defined benefit plan obligation	**1,189**	1,182	649
Total Non-Current Liabilities	**15,332**	16,122	18,465
Total Liabilities	**102,108**	97,094	108,447
Shareholders' Equity			
Share capital (Note 9)	**9,424**	9,424	9,424
Retained earnings	**113,005**	111,805	98,501
	122,429	121,229	107,925
Total Liabilities and Shareholders' Equity	**224,537**	218,323	216,372

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the three months ended February 28, 2021 and February 29, 2020
(in thousands of dollars)
Unaudited

	For the three months ended	
	February 28 2021	February 29 2020
	$	$
Operating Activities		
Net earnings (loss)	**3,769**	(2,060)
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	**627**	651
Right-of-use assets	**1,013**	1,093
Intangible assets	**161**	181
Accretion expense on provision	**11**	18
Decrease in provision	**-**	(10)
Income taxes	**1,465**	(801)
Gain on disposal of property, plant and equipment	**(8)**	(15)
Interest expense	**148**	323
Interest on lease liabilities	**154**	179
Funding in deficit of pension plan expense	**19**	52
Other	**(5)**	-
	7,354	(389)
Changes in non-cash working capital items (Note 12)	**(2,968)**	(12,616)
Interest paid	**(317)**	(348)
Income taxes paid	**(6,403)**	(1,029)
	(9,688)	(13,993)
Net Cash Flows from Operating Activities	**(2,334)**	(14,382)
Financing Activities		
Proceeds from borrowings under bank loans	**41,000**	14,000
Repayment of borrowings under bank loans	**(39,000)**	(17,000)
Proceeds from borrowings under banker’s acceptances	**19,000**	15,000
Repayment of borrowings under banker’s acceptances	**(16,000)**	(2,000)
Payment of lease liabilities	**(1,116)**	(1,333)
Dividend paid	**(2,141)**	(856)
	1,743	7,811
Investing Activities		
Acquisition of property, plant and equipment	**(188)**	(361)
Proceeds on disposal of property, plant and equipment	**-**	16
	(188)	(345)
Net cash outflow	**(779)**	(6,916)
Cash position, beginning of period	**(1,104)**	1,160
Cash position, end of period	**(1,883)**	(5,756)
Cash position is comprised of:		
Cash	**4,045**	2,089
Bank overdraft (Note 7)	**(5,928)**	(7,845)
	(1,883)	(5,756)

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the three months ended February 28, 2021 and February 29, 2020
(in thousands of dollars)
Unaudited

	Share Capital	**Retained Earnings**	**Total**
	$	$	$
Balance as at November 30, 2019	9,424	103,984	113,408
IFRS 16 adoption adjustment, net of taxes of $940	-	(2,567)	(2,567)
Balance as at December 1, 2019	9,424	101,417	110,841
Net loss	-	(2,060)	(2,060)
Total comprehensive loss	-	(2,060)	(2,060)
Transactions with owners of the Company			
Dividend (Note 9 b))	-	(856)	(856)
Balance as at February 29, 2020	9,424	98,501	107,925
Balance as at November 30, 2020	**9,424**	**111,805**	**121,229**
Net earnings	**-**	**3,769**	**3,769**
Total comprehensive income	**-**	**3,769**	**3,769**
Transactions with owners of the Company			
Dividend (Note 9 b))	**-**	**(2,569)**	**(2,569)**
Balance as at February 28, 2021	**9,424**	**113,005**	**122,429**

(tabular amounts are in thousands of dollars, except per share amounts)

1. Status and nature of activities

Goodfellow Inc. (hereafter the “Company”), incorporated under the *Canada Business Corporations Act*, carries on various business activities related to remanufacturing and distribution of lumber and wood products. The Company’s head office and primary place of business is located at 225 Goodfellow Street in Delson (Quebec), Canada, J5B 1V5.

The interim consolidated financial statements of the Company as at and for the three months ended February 28, 2021 and February 29, 2020 include the accounts of the Company and its wholly-owned subsidiaries.

2. Basis of preparation

Statement of compliance
These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”). These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2020, as set out in the 2020 annual report. Certain comparative figures have been reclassified to conform to the current year’s presentation.

These interim consolidated financial statements were authorized for issue by the Board of Directors on April 12, 2021.

These interim consolidated financial statements are available on the SEDAR website at www.sedar.com and on the Company’s website at www.goodfellowinc.com.

Estimates, Judgments and Assumptions
The preparation of the interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. These estimates and assumptions are based on historical experience, other relevant factors and expectations of the future and are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those applied and described in the Company’s audited annual consolidated financial statements for the year ended November 30, 2020.

3. Significant Accounting Policies

The Company’s significant accounting policies described in Note 3 contained in its 2020 Annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim consolidated financial statements

4. Additional information on cost of goods sold and selling, administrative and general expenses

	February 28 2021	February 29 2020
	$	$
Employee benefit expense	**13,157**	12,857
Obsolescence adjustment included in cost of goods sold	**321**	52
Depreciation included in cost of goods sold	**187**	205
Depreciation and amortization included in selling, administrative and general expenses	**1,614**	1,720
Foreign exchange gains	**(184)**	(42)

5. Net financial costs

	February 28 2021	February 29 2020
	$	$
Interest expense	**148**	323
Interest expense on lease liabilities	**154**	179
Accretion expense on provision	**11**	18
Other financial costs	**256**	214
Financial cost	**569**	734
Financial income	**(1)**	-
Net financial costs	**568**	734

(tabular amounts are in thousands of dollars, except per share amounts)

6. Trade and other receivables

	February 28 2021	November 30 2020	February 29 2020
	$	$	$
Trade receivables	**70,120**	76,063	54,096
Allowance for doubtful accounts	**(121)**	(122)	(654)
	69,999	75,941	53,442
Other receivables	**144**	152	640
	70,143	76,093	54,082

7. Bank indebtedness

	February 28 2021	November 30 2020	February 29 2020
	$	$	$
Bank loans	**14,000**	12,000	2,000
Banker's acceptances	**15,000**	12,000	38,000
Bank overdraft	**5,928**	4,570	7,845
	34,928	28,570	47,845

In May 2019, the Company renewed its credit agreement with its present lenders, two chartered Canadian banks. The credit agreement has a maximum revolving operating facility of $90 million maturing in May 2021. In addition, an accordion of $10 million is available once per fiscal year for a maximum of 150 days only. Funds advanced under these credit facilities bear interest at the prime rate plus a premium and are secured by first ranking security on the universality of the immovable and movable property of the Company. As at February 28, 2021, the Company was compliant with its financial covenants. As at February 28, 2021, under the credit agreement, the Company used $29.0 million of its facility compared to $40.0 million last year. As at April 12, 2021, the Company was in the process of renewing its credit agreement.

8. Trade and other payables

	February 28 2021	November 30 2020	February 29 2020
	$	$	$
Trade payables and accruals	**36,570**	31,056	29,586
Payroll related liabilities	**5,776**	5,965	5,035
Sales taxes payable	**1,148**	2,593	928
	43,494	39,614	35,549

9. Share Capital

a) Authorized

An unlimited number of common shares, without par value

	February 28 2021	November 30 2020	February 29 2020
Number of shares outstanding at the beginning and at the end of the period	**8,562,554**	8,562,554	8,562,554

b) Net earnings (loss) and dividend per share

The calculation of basic and diluted net earnings (loss) per share was based on the following:

	February 28 2021	February 29 2020
	$	$
Net earning (loss), basic and diluted	**3,769**	(2,060)
Weighted average number of common shares, basic and diluted	**8,562,554**	8,562,554

(tabular amounts are in thousands of dollars, except per share amounts)

Dividends per share of $0.30 and $0.10 were declared for the three months period ended February 28, 2021 and February 29, 2020, respectively. Dividends of $0.25 and $0.10 per share were paid for the three months period ended February 28, 2021 and February 29, 2020, respectively. As at February 28, 2021 and February 29, 2020, the Company had a dividend payable of $2.6 million and $0.9 million, respectively.

10. Seasonal Pattern

The Company's business follows a seasonal pattern with sales activities traditionally higher in the second and third quarters. As a result, a higher share of total earnings is typically earned in the second and third quarter. This business seasonality results in performance, for the three months ended February 28, 2021 which is not necessarily indicative of performance for the balance of the year.

11. Financial Instruments and other instruments

Risk Management
The Company is exposed to financial risks that arise from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates.

Financing and Liquidity Risk
The Company makes use of short-term financing with two chartered Canadian banks.

The following are the contractual maturities of financial liabilities as at February 28, 2021:

Financial Liabilities				
	Carrying Amount	**Contractual cash flows**	**0 to 12 Months**	**12 to 36 Months**
Bank indebtedness	34,928	34,928	34,928	-
Trade and other payables	43,494	43,494	43,494	-
Dividend payable	2,569	2,569	2,569	-
Total financial liabilities	**80,991**	**80,991**	**80,991**	-

Interest Rate Risk
The Company uses a credit facility to finance working capital requirements. The interest cost of this facility is dependent upon Canadian and US bank prime rates as well as the Company's funded debt to capitalization ratio. The profitability of the Company could be adversely affected with increases in the bank prime rate. Management does not believe that the impact of interest rate fluctuations will be significant on its operating results. A 1% fluctuation of interest rate on the $34.9 million in bank indebtedness would impact interest expense annually by $0.3 million.

Currency Risk
The Company could enter into forward exchange contracts to economically hedge certain trade payables and from time-to-time future purchase commitments denominated in U.S. dollars, Euros and Pounds sterling. A fluctuation in the Canadian dollar of 5% in relation to foreign currencies would not have a significant effect on the Company's net earnings.

As at February 28, 2021, the Company had the following currency exposure on:

Financial assets and liabilities measured at amortized costs

	USD	**GBP**	**Euro**
Cash	1,860	191	11
Bank indebtedness	(1,324)	-	-
Trade and other receivables	7,793	25	-
Trade and other payables	(4,508)	(29)	(399)
Lease liabilities	(445)	-	-
Net exposure	**3,376**	**187**	**(388)**
CAD exchange rate as at February 28, 2021	1.2738	1.7738	1.5380
Impact on net earnings based on a fluctuation of 5% on CAD	**155**	**12**	**(21)**

(tabular amounts are in thousands of dollars, except per share amounts)

Credit Risk
The Company is exposed to credit risks from customers. As a result of having a diversified customer mix, this risk is alleviated by minimizing the amount of exposure the Company has to any one customer. Additionally, the Company has a system of credit management to mitigate the risk of losses due to insolvency or bankruptcy of its customers. It also utilizes credit insurance to reduce the potential for credit losses. Finally, the Company has adopted a credit policy that defines the credit conditions to be met by its customers, and specific credit limit for each customer is established and regularly revised. Based on historical payment behaviour and current credit information and experience available, the Company believes that, apart from provision for doubtful accounts recorded, no impairment allowance is necessary in respect of trade receivables that are current or past due. The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded annually and can be revoked. In its assessment of the loss allowance for credit losses as at February 28, 2021, the Company considered the economic impact of the COVID-19 pandemic on its assessment. This was not considered to be significant.

The following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:

	February 28 2021	February 29 2020
	$	$
Current	**64,656**	51,496
31 - 60 days past due	**2,571**	1,147
61 - 90 days past due	**1,295**	549
91 - 120 days past due	**852**	185
Over 120 days past due	**746**	719
	70,120	54,096
Loss allowance	**(121)**	(654)
Balance, end of period	**69,999**	53,442

As at February 28, 2021, expected credit losses are limited to $121 thousand and therefore, the expected credit losses by trade accounts receivable aging have not been presented separately in the table above.

Economic Dependence
Only one major customer exceeds 10% of total Company sales in the three months ended February 28, 2021 (same last year). The following represents the total sales consisting primarily of various wood products of the major customer:

	February 28, 2021		February 29, 2020	
	$	**%**	$	%
Sales to major customer that exceeded 10% of total Company's sales	**19,773**	**16.6**	13,767	15.5

The loss of any major customer could have a material effect on the Company's results, operations and financial position. The carrying amounts of financial assets represent the maximum credit exposure.

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on available public market information or, when such information is not available, is estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate level of risk for the instrument. The estimated fair values may differ in amount from that which could be realized in an immediate settlement of the instruments. The carrying amounts of cash, trade and other receivables, bank indebtedness, trade and other payables and lease liabilities approximate their fair values.

12. Additional Cash Flow Information

Changes in Non-Cash Working Capital Items

	February 28 2021	February 29 2020
	$	$
Trade and other receivables	**5,950**	(5,621)
Inventories	**(11,058)**	(11,962)
Prepaid expenses	**(1,761)**	(1,671)
Trade and other payables	**3,901**	6,638
	(2,968)	(12,616)

(tabular amounts are in thousands of dollars, except per share amounts)

13. Capital management

The Company's financial objectives and strategy remain substantially unchanged from those included in the Company's annual consolidated financial statements contained in its 2020 Annual report.

As at February 28, 2021 and February 29, 2020, the Company achieved the following results regarding its capital management objectives:

Capital management	**As at February 28 2021**	As at February 29 2020
Debt-to-capitalization ratio	**20.2%**	29.6%
Interest coverage ratio	**16.9**	3.5
Return on shareholders' equity	**12.3%**	(7.6)%
Current ratio	**2.0**	1.8
EBITDA	**$7,603**	$(202)

These measures are not prescribed by IFRS and are defined by the Company as follows:

- Debt-to-capitalization ratio represents debt over total shareholders' equity. Debt is defined as bank indebtedness less cash and cash equivalents. Capitalization is debt plus shareholders' equity. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Interest coverage ratio represents the EBITDA during the period for which the calculation is made over interest expenses for the same period on a consolidated basis, calculated on a rolling four-quarter basis. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity.
- Current ratio is total current assets divided by total current liabilities.
- EBITDA is earnings before interest, taxes, depreciation and amortization.

14. Segmented Information and Sales

The Company manages its operations under one operating segment. Revenues are generated from the sale of various wood products and operating expenses are managed at the aggregate Company level. All significant property, plant and equipment, and right-of-use assets are located in Canada.

The following table presents sales disaggregated by geographic markets and by categories, as this best depicts how the nature, amount, timing and uncertainty of sales and cash flows are affected by economic factors.

Primary geographic markets

The Company's sales to clients located in Canada represent approximately 87% (84% in 2020) of total sales, the sales to clients located in the United States represent approximately 7% (10% in 2020) of total sales, and the sales to clients located in other markets represent approximately 6% (same in 2020) of total sales.

	February 28 2021	February 29 2020
	$	$
Canada	**103,833**	75,076
US	**8,940**	8,423
Export	**6,660**	5,357
	119,433	88,856

Sales categories

	February 28 2021	February 29 2020
	$	$
Flooring	**25,549**	20,021
Specialty and commodity panels	**20,224**	15,313
Building material	**7,636**	8,101
Lumber	**66,024**	45,421
	119,433	88,856

CORPORATE INFORMATION

BOARD OF DIRECTORS

G. Douglas Goodfellow **
Chairman of the Board
Goodfellow Inc.

Claude Garcia */**
Chairman of the Compensation Committee

Stephen A. Jarislowsky */**
Director
Founder of Jarislowsky Fraser Ltd

Normand Morin */**
Chairman of the Audit Committee

David A. Goodfellow
Director

Alain Côté */**
Lead Director

* Member of the Audit Committee
** Member of the Executive Compensation Committee

OFFICERS

Patrick Goodfellow
President & Chief Executive Officer

Charles Brisebois
Chief Financial Officer &
Secretary of the Board

G. Douglas Goodfellow
Chairman of the Board

Mary Lohmus
Executive Vice President,
Ontario & Western Canada

David Warren
Senior Vice President,
Atlantic

Luc Dignard
Vice President,
Sales, Quebec

Jeff Morrison
Vice President,
National accounts

Luc Pothier
Vice President,
Operations

Eric Bisson
Vice President,
Quebec

Harry Haslett
Vice President,
Sales & Marketing, Atlantic

OTHER INFORMATION

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Fasken Martineau
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Auditors
KPMG LLP
Montreal, Quebec

Transfer Agent
Computershare Investor Services Inc.
Montreal, Quebec

Stock Exchange
Toronto
Trading Symbol: GDL

Wholly-owned Subsidiaries
Goodfellow Distribution Inc.
Quality Hardwoods Ltd.

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