

NEWS RELEASE

From: Goodfellow Inc.

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE THIRD QUARTER ENDED AUGUST 31, 2020

Delson, Quebec, October 15, 2020 — Goodfellow Inc. (TSX: GDL) announced today its financial results for the third quarter ended August 31, 2020. The Company reported a net income of \$6.7 million or \$0.78 per share compared to a net income of \$2.5 million or \$0.29 per share a year ago. Consolidated sales were \$138.8 million compared to \$130.6 million last year. Sales in Canada increased 9% compared to the same period a year ago, while sales in the United States decreased 6% (on a Canadian dollar basis) and export sales decreased 23% compared to the same period a year ago. On the operating side, selling, administrative and general expenses decreased overall by \$1.6 million.

For the nine months ended August 31, 2020, the Company reported a net income of \$8.0 million or \$0.94 per share compared to a net income of \$2.8 million or \$0.33 per share a year ago. Consolidated sales were \$331.5 million compared to \$342.5 million last year. Sales in Canada decreased 1% compared to the same period a year ago, while sales in the United States decreased 9% (on a Canadian dollar basis) and export sales decreased 25% compared to the same period a year ago. On the operating side, selling, administrative and general expenses decreased overall by \$6.7 million.

The Company was able to take advantage of the travel restrictions imposed by Canadian and provincial governments in the third quarter. Since many customers were unable to travel during the summer, they decided to invest in their properties and had a strong impact on the demand for the Company's products. The Company also took advantage in the third quarter of measures taken in the second quarter to reduce costs and improve operational efficiency. Furthermore, export sales are still affected by the COVID-19 pandemic and have also been affected by the strike at the Port of Montreal.

"Third quarter of fiscal 2020 was characterized by the realities of the pandemic having set in and its drastic effects on supply and demand. The Company performed very well and was able to capitalize on surging demand in commodities and seasonal products.

Goodfellow Inc. is a distributor of lumber products, building materials and floor coverings. Goodfellow shares trade on the Toronto Stock Exchange under the symbol GDL.

Consolidated Statements of Comprehensive Income

For the three and nine months ended August 31, 2020 and 2019

(in thousands of dollars, except per share amounts)

Unaudited

	For the three months ended		For the nine months ended	
	August 31	August 31	August 31	August 31
	2020	2019	2020	2019
	\$	\$	\$	\$
Sales	138,843	130,594	331,462	342,460
Expenses				
Cost of goods sold	111,030	106,840	266,748	278,088
Selling, administrative and general expenses	17,835	19,426	51,413	58,053
(Gain) loss on disposal of property, plant and equipment	(1)	-	(11)	7
Net financial costs	679	895	2,152	2,449
	129,543	127,161	320,302	338,597
Earnings before income taxes	9,300	3,433	11,160	3,863
Income taxes	2,604	961	3,125	1,086
Total comprehensive income	6,696	2,472	8,035	2,777
	0.70			
Net earnings per share – Basic	0.78	0.29	0.94	0.33
Net earnings per share – Diluted	0.78	0.29	0.94	0.32

Consolidated Statements of Financial Position

(in thousands of dollars)

Unaudited

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$		As at	As at	As at
Sample S		August 31	November 30	August 31
Assets		2020	2019	2019
Current Assets 1,884 2,364 1,546 Cash 64,511 48,498 65,216 Inventories 82,498 87,339 99,761 Prepaid expenses 2,077 2,563 2,552 Total Current Assets 150,970 140,764 169,075 Non-Current Assets Property, plant and equipment 31,536 32,838 32,754 Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 23,872 31,204 56,579 Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 2,86 6,32 89,79		\$	\$	\$
Cash 1,884 2,364 1,546 Trade and other receivables 64,511 48,498 62,216 Inventories 82,498 82,399 99,761 Prepaid expenses 2,077 2,563 2,552 Total Current Assets 150,970 140,764 169,075 Non-current Assets 8 3,200 3,2838 32,754 Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 1,888 2,222 2,700 Investment in a joint venture 25 25 25 Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 23,872 31,204 56,579 Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision <td>Assets</td> <td></td> <td></td> <td></td>	Assets			
Trade and other receivables Inventories 48,498 65,216 Inventories 82,498 87,339 99,761 Prepaid expenses 2,077 2,563 2,552 Total Current Assets 150,970 140,764 169,075 Non-Current Assets 150,970 140,764 169,075 Non-Current Assets 31,536 32,838 32,754 Intangible assets 3,420 32,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 25 Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,81 209,393 Liabilities 23,872 31,204 56,579 Bank indebtedness 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 5 85 63,327	Current Assets			
Inventories	Cash	1,884	2,364	1,546
Prepaid expenses 2,077 2,563 2,552 Total Current Assets 150,970 140,764 169,075 Non-Current Assets ************************************	Trade and other receivables	64,511	48,498	65,216
Total Current Assets 150,970 140,764 169,075 Non-Current Assets Property, plant and equipment assets 31,536 32,838 32,754 Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - - 900 Investment in a joint venture 25	Inventories	82,498	87,339	99,761
Non-Current Assets Property, plant and equipment 31,536 32,838 32,754 Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Stank indebtedness 23,872 31,204 56,579 Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 4,338 15 15 Total Current Liabilities 1,4194 28<	Prepaid expenses	2,077	2,563	2,552
Property, plant and equipment Intangible assets 31,536 32,838 32,754 Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 25 Other assets 53,035 39,817 40,318 Total Non-Current Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable 4,338 15 15 Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 8,79 3,209 3,652 Provision - - 1,319	Total Current Assets	150,970	140,764	169,075
Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 25 Other assets 753 805 849 Total Non-Current Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 5 68,788 63,327 89,793 Non-Current Liabilities 1 - - 1,319 Lease liabilities 1 - - 1	Non-Current Assets			
Intangible assets 3,420 3,927 3,990 Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 25 Other assets 753 805 849 Total Non-Current Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 5 68,788 63,327 89,793 Non-Current Liabilities 1 - - 1,319 Lease liabilities 1 - - 1	Property, plant and equipment	31,536	32,838	32,754
Right-of-use assets 15,113 - - Defined benefit plan asset 2,188 2,222 2,700 Investment in a joint venture 25 25 25 Other assets 753 805 849 Total Non-Current Assets 33,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable 5856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation		The state of the s		3,990
Defined benefit plan asset Investment in a joint venture 2,188 2,222 2,700 Investment in a joint venture 25 25 25 Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Current liabilities 35,818 29,048 32,216 Income taxes payable 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 8,788 63,327 89,793 Non-Current Liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 85,9			· -	, -
Investment in a joint venture Other assets 25 (753) 25 (85) 25 (84) Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Example of the payables of the payables of the payables of the payable			2,222	2,700
Other assets 753 805 849 Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 666 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Share capital 9,424<	•	The state of the s		25
Total Non-Current Assets 53,035 39,817 40,318 Total Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 1,4194 2.8 32 Defired income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' E		753	805	849
Total Assets 204,005 180,581 209,393 Liabilities Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Share capital 9,424 9,424 9,152 <t< td=""><td></td><td></td><td></td><td></td></t<>				
Current liabilities Bank indebtedness 23,872 31,204 56,579 Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 8,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438		,		209,393
Trade and other payables 35,818 29,048 32,216 Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 8,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity \$\$ 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Current liabilities			
Income taxes payable 3,246 734 667 Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity \$ \$ 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438				56,579
Provision 1,514 1,470 316 Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity \$ 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Trade and other payables	35,818		32,216
Dividend payable - 856 - Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity 85,985 67,173 94,955 Share capital 9,424 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438		3,246	734	667
Current portion of lease liabilities 4,338 15 15 Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438		1,514		316
Total Current Liabilities 68,788 63,327 89,793 Non-Current Liabilities - 1,319 Provision 1,319 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity 85,985 67,173 94,955 Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Dividend payable	-		-
Non-Current Liabilities Provision - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Current portion of lease liabilities	4,338	15	15
Provision - - 1,319 Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Total Current Liabilities	68,788	63,327	89,793
Lease liabilities 14,194 28 32 Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438				
Deferred income taxes 2,269 3,209 3,652 Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438		-	-	1,319
Defined benefit plan obligation 734 609 159 Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital Retained earnings 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438				32
Total Non-Current Liabilities 17,197 3,846 5,162 Total Liabilities 85,985 67,173 94,955 Shareholders' Equity				3,652
Total Liabilities 85,985 67,173 94,955 Shareholders' Equity Share capital Retained earnings 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438				159
Shareholders' Equity Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438		17,197		5,162
Share capital 9,424 9,424 9,152 Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Total Liabilities	85,985	67,173	94,955
Retained earnings 108,596 103,984 105,286 118,020 113,408 114,438	Shareholders' Equity			
118,020 113,408 114,438		9,424	9,424	9,152
	Retained earnings	108,596	103,984	105,286
Total Liabilities and Shareholders' Equity 204,005 180,581 209,393		118,020	113,408	114,438
	Total Liabilities and Shareholders' Equity	204,005	180,581	209,393

Consolidated Statements of Cash Flows

For the three and nine months ended August 31, 2020 and 2019

(in thousands of dollars) **Unaudited**

	For the three m	onths ended	For the nine m	For the nine months ended	
	August 31	August 31	August 31	August 31	
	2020	2019	2020	2019	
	\$	\$	\$	\$	
Operating Activities					
Net earnings	6,696	2,472	8,035	2,777	
Adjustments for:					
Depreciation and amortization of:					
Property, plant and equipment	678	696	2,002	2,076	
Right-of-use assets	1,084	-	3,265	-	
Intangible assets	183	173	546	516	
Accretion expense on provision	18	3	54	10	
Decrease in provision	-	(28)	(10)	(28)	
Income taxes	2,604	961	3,125	1,086	
(Gain) loss on disposal of property, plant and equipment	(1)	-	(11)	7	
Interest expense	187	603	825	1,708	
Interest on lease liabilities	167	_	520	_	
Funding in deficit of pension plan expense	52	35	158	106	
Other assets	-	-		67	
Other	(13)	_	28	-	
Other	11,655	4,915	18,537	8,325	
	11,033	4,913	10,557	0,323	
Changes in non-augh working conital items	0.220	6 126	(2.015)	(10.070)	
Changes in non-cash working capital items	9,239	6,126	(3,915)	(19,079)	
Interest paid	(114)	(580)	(733)	(1,791)	
Income taxes recovered (paid)	478	(152)	(613)	(828)	
	9,603	5,394	(5,261)	(21,698)	
Net Cash Flows from Operating Activities	21,258	10,309	13,276	(13,373)	
Filmon da A Atalata					
Financing Activities		(3,000)	(5,000)	(1,000)	
Net decrease in bank loans	(21,000)				
Net (decrease) increase in banker's acceptances	(21,000)	(12,000)	(5,000)	13,000	
Payment of lease liabilities	(1,312)	(4)	(3,954)	(10)	
Dividend Paid	- (00.010)		(1,712)	(851)	
	(22,312)	(15,004)	(15,666)	11,139	
Investing Activities					
Acquisition of property, plant and equipment	(222)	(263)	(732)	(100)	
	, ,	, ,		(488)	
Increase in intangible assets	(3)	(17)	(39)	(62)	
Proceeds on disposal of property, plant and equipment	(1)	(200)	13	(5.42)	
	(226)	(280)	(758)	(542)	
Net cash outflow	(1,280)	(4,975)	(3,148)	(2,776)	
Cash position, beginning of period	(708)	2,942	1,160	743	
Cash position, end of period	(1,988)		(1,988)	(2,033)	
Cash position, end of period	(1,700)	(2,033)	(1,700)	(2,033)	
Cash position is comprised of:					
Cash	1,884	1,546	1,884	1,546	
Bank overdraft	(3,872)	(3,579)	(3,872)	(3,579)	
Dank Overtaint	(1,988)	(2,033)	(1,988)	(2,033)	
	(1,700)	(2,033)	(1,700)	(2,033)	

Consolidated Statements of Change in Shareholders' Equity For the nine months ended August 31, 2020 and 2019

(in thousands of dollars)

Unaudited

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2018	9,152	103,711	112,863
Net earnings	-	2,777	2,777
Total comprehensive income	-	2,777	2,777
Transactions with owners of the Company			
Dividend	-	(851)	(851)
Modification of share-based payment	-	(351)	(351)
Balance as at August 31, 2019	9,152	105,286	114,438
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 earnings	-	8,035	8,035
Total comprehensive income	-	8,035	8,035
Transactions with owners of the Company			
Dividend	-	(856)	(856)
Balance as at August 31, 2020	9,424	108,596	118,020