



**GOODFELLOW** 

# QUARTERLY REPORT

FOR THE NINE MONTHS ENDED AUGUST 31, 2025

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### HEAD OFFICE

225 Goodfellow Street  
Delson, Quebec  
J5B 1V5  
Canada



**Toll-Free Canada: 800-361-6503**

**Tel: 450-635-6511**

**Fax: 450-635-3729**

**[info@goodfellowinc.com](mailto:info@goodfellowinc.com)**

**[www.goodfellowinc.com](http://www.goodfellowinc.com)**

## PRESIDENT'S REPORT TO THE SHAREHOLDERS

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In the third quarter of 2025, industry conditions remained variable, with ongoing uncertainty in construction activity and tempered consumer demand due to broader economic pressures. However, stabilization in key commodity prices and gradual easing of supply chain costs yielded some positive results.

Internally, Goodfellow focused on disciplined cost management, margin protection, and targeted growth opportunities in value-added products and specialty markets. These measures, combined with its diversified business model and customer-focused approach, positioned the Company to navigate these headwinds resulting in \$406M in sales revenues for the nine months ended August 31, 2025, an increase from \$385M in the previous year. Earnings for this period were \$3.9M, compared to \$11M in earnings for the same period last year, reflecting the impact of higher financial and overhead costs.

As we move into the fourth quarter, tariff disputes, monetary policy and softening demand are expected to continue to affect housing starts and commercial construction projects. These variables will challenge Goodfellow's growth and margins for the remainder of 2025. In response, the Company will refocus on enhancing customer service nationwide, prioritize diversification of hardwood export markets, and target long-term growth segments tied to government infrastructure projects.

Sincerely,

**(Signed) "Patrick Goodfellow"**  
President and Chief Executive Officer  
October 14, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following Management's Discussion and Analysis ("MD&A") and interim consolidated financial statements of Goodfellow Inc. (hereafter the "Company") were approved by the Audit Committee and the Board of Directors on October 14, 2025. The MD&A should be read in conjunction with the consolidated financial statements and the corresponding notes for the years ended November 30, 2024 and November 30, 2023. The MD&A provides a review of the significant developments and results of operations of the Company during the nine months ended August 31, 2025 and August 31, 2024. The interim consolidated financial statements ended August 31, 2025 and August 31, 2024 are prepared in accordance with IFRS Accounting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars unless otherwise indicated. All tabular dollar amounts are in thousands of Canadian dollars, except amounts per share or unless otherwise indicated. Some amounts included in this MD&A have been rounded to make reading easier, which may affect some calculations. In addition, in this MD&A, non-IFRS financial measures are also used for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in the section "Non-IFRS Financial Measures" and in Note 15 "Segmented Information and Sales" to the unaudited interim consolidated financial statements for the nine months ended August 31, 2025 and August 31, 2024. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them. Additional information relating to Goodfellow Inc., including the Annual Information Form and the Annual Report can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at [www.goodfellowinc.com](http://www.goodfellowinc.com).

### FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating, *inter alia*, to objectives, strategies, priorities, goals, plans, financial position, operating results, trends and activities of Goodfellow Inc. and its markets and industries. 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 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 the Company's assessments, expectations and assumptions relative to, *inter alia*, to the state of the global economy and the economies of the regions in which the Company operates; the level of demand for the Company's products including from its recurring client base, including bookings from customers; prices and margins for its products; competitors; reliability of supply chains; inflation; interest rates; foreign currency fluctuations; overhead expenses; working capital requirements and access to capital or funding to finance same; the collection of accounts receivable; the availability and sufficiency insurance coverage; the sufficiency and reliability of the Company's workforce; the successful management of environmental and health and safety risk; the sufficiency, reliability and effectiveness of information systems; the sufficiency, reliability and effectiveness of internal and disclosure controls; and the absence of adverse change in the Company's regulatory environment and legal proceedings. Although the Company believes that the assessments, expectations and assumptions underlying the forward-looking statements contained in the MD&A are reasonable, there can be no assurance that such assessments, 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 or prove to be accurate. Actual results could differ significantly from management's expectations if recognized or unrecognized risks and uncertainties affect results or if 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 the Company is 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; laws and regulation; information systems, cost structure and working capital requirements; changes in trade policies, including duties, barriers, restrictions, tariffs and any retaliatory measures; occurrence of hostilities, political instability or catastrophic events and other factors described in the Company's Annual Management's Discussion and Analysis for the years ended November 30, 2024 and November 30, 2023 and its other public filings available at [www.sedarplus.ca](http://www.sedarplus.ca). For these reasons, the Company cannot guarantee the results of these forward-looking statements. The foregoing risks and uncertainties are described in greater detail in this MD&A. The MD&A gives an insight into past performance as well as the future strategies and key performance indicators as viewed by the management team at Goodfellow Inc. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

### NON-IFRS FINANCIAL MEASURES

(unaudited)

The Company reports its financial results in accordance with IFRS. However, in this document, the following non-IFRS measures, non-IFRS ratios and supplementary financial measures are used: EBITDA, Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid, Gross profit, Gross margin, Shareholders' Equity per share and dividends paid per share. These measures do not have a standardized meaning under IFRS and could be calculated differently by other companies and accordingly, may not be comparable. Definitions for these non-IFRS measures and a reconciliation to financial information in accordance with IFRS are presented below and in Note 15 "Segmented Information and Sales" to the unaudited interim consolidated financial statements for the three months and nine months ended August 31, 2025 and August 31, 2024. The Company believes that many of its readers analyze the financial performance of the Company's activities based on these non-IFRS financial measures, as such measures may allow for easier comparisons between periods. The Company also believes that these measures are useful indicators of the performance of its operations and its ability to meet its financial obligations. Furthermore, management also uses some of these non-IFRS financial measures to assess the performance of its activities and managers. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them. For measures displayed per share, the Company divided the

measures by the total number of outstanding shares at August 31 of the period presented in the case of Shareholders Equity per share and by the weighted average number of outstanding shares for the relevant period ended August 31 presented for other measures per share.

“EBITDA” represents earnings before income taxes, net financial costs, depreciation of property, plant and equipment and of right-of-use-assets and amortization of intangible assets. Management believes this metric is useful as it allows comparability of operating results from one period to another by excluding the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations.

The table below contains a reconciliation of EBITDA to the most directly comparable IFRS measure, net earnings.

Reconciliation of EBITDA (unaudited)	For the three months ended		For the nine months ended		For the years ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024	November 30 2024	November 30 2023
	\$	\$	\$	\$	\$	\$
Net earnings	3,743	5,750	3,943	10,951	13,369	14,688
Income taxes	1,456	2,236	1,534	4,259	4,695	5,402
Net financial costs	1,242	955	3,240	1,662	2,379	2,429
Depreciation of property, plant and equipment	1,308	1,099	3,857	2,816	4,188	3,311
Depreciation of right-of-use assets	1,597	1,266	4,607	3,389	4,787	4,697
Amortization of intangible assets	147	148	438	443	591	602
<b>EBITDA</b>	<b>9,493</b>	<b>11,454</b>	<b>17,619</b>	<b>23,520</b>	<b>30,009</b>	<b>31,129</b>

“Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid” represents net cash flows from operating activities before changes in non-cash working capital, income tax paid and interest paid. Management believes this measure is useful as it provides an indication of the Company’s financial flexibility, i.e. cash available to the Company to service debt, meet other payment obligations, make investments and execute the Company’s strategy.

The tables below contain a reconciliation of Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid to the most directly comparable IFRS measure, Net Cash Flows from Operating Activities.

Reconciliation of Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid – Third Quarter (unaudited)	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
Net Cash Flows from Operating Activities	38,652	27,564	(6,755)	(21,035)
Changes in non-cash working capital items	(30,034)	(17,964)	21,600	38,912
Interest paid	979	706	2,447	1,413
Income taxes (recovered) paid	(107)	(201)	(97)	2,822
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid	9,490	10,105	17,195	22,112
Net Cash Flows from Operating Activities per share	4.61	3.25	(0.80)	(2.47)
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid per share	1.13	1.19	2.05	2.60
Weighted Average Number of Share Outstanding (thousands)	8,378	8,492	8,403	8,506

With respect to “Gross profit” and “Gross margin”, these measures are used under the sections “Cost of Goods Sold” in the discussion below for the results for the three and nine months ended August 31, 2025 and August 31, 2024. Please refer to such sections for a description of how these measures are calculated and a reconciliation to the most directly comparable IFRS measure.

In addition, the following tables set out the information supporting the per share calculation Shareholders' Equity:

### Reconciliation of Shareholders' Equity per share

(unaudited)

	As at		
	August 31 2025	November 30 2024	August 31 2024
Shareholders' Equity	\$ 207,080	\$ 206,208	\$ 201,161
Shareholders' Equity per share	24.74	24.38	23.71
Number of Shares Outstanding (thousands)	8,372	8,458	8,483

### BUSINESS OVERVIEW

Goodfellow Inc. is a diversified manufacturer of value-added lumber products and a leading wholesale distributor of building materials and floor coverings. The Company operates in Canada, the United States and the United Kingdom, serving both commercial and residential sectors. In Canada, Goodfellow maintains a strong presence with nine (9) processing plants and thirteen (13) distribution centres strategically located from coast to coast. In the United States, the Company operates four (4) processing plants and two (2) distribution centres, while in the United Kingdom there is one (1) distribution centre. Goodfellow serves a diverse customer base that includes lumberyard retailers, manufacturers, industrial and infrastructure project partners, and floor covering specialists.

### COMPARISON FOR THE THREE MONTHS ENDED AUGUST 31, 2025 AND AUGUST 31, 2024

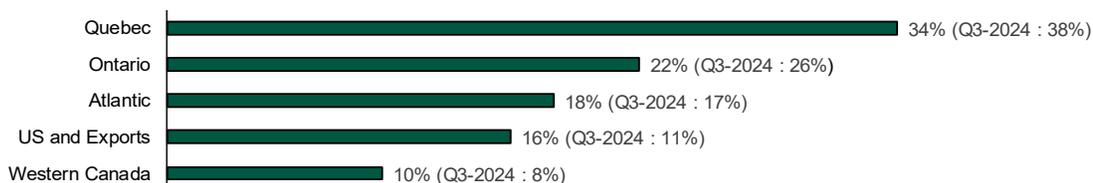
(unaudited)

HIGHLIGHTS	Q3-2025	Q3-2024	Variance
	\$	\$	%
Sales	141,910	139,668	+2
Earnings before income taxes	5,199	7,986	-35
Net earnings	3,743	5,750	-35
Net earnings per share – Basic	0.45	0.68	-34
Net earnings per share – Diluted	0.44	0.68	-35
Net cash flow from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid <sup>(1)</sup>	9,490	10,105	-6
Net cash flow from Operating Activities	38,652	27,564	+40
EBITDA <sup>(1)</sup>	9,493	11,454	-17

<sup>(1)</sup> Non-IFRS financial measure – refer to section “Non-IFRS Financial Measures” for more information and a reconciliation to the most directly comparable IFRS measure.

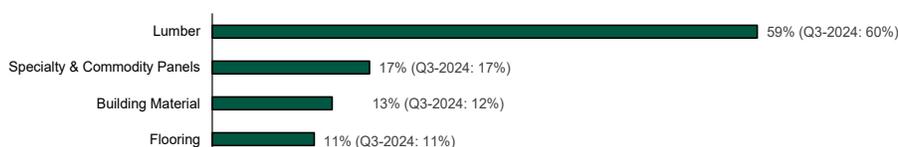
Sales in Canada during the third quarter of 2025 decreased 5% compared to last year. Quebec sales decreased 9% due to a decrease in sales of all product categories except flooring products. Sales in Ontario decreased 14% mainly due to a decrease in sales of building material and lumber products. Sales in Western Canada increased 19% due to an increase in sales of all product categories except for flooring products. Atlantic region sales increased 8% due to an increase in sales of all product categories except for building material.

#### Geographical Distribution of Sales for the Third Quarter ended August 31, 2025



Sales in the United States for the third quarter of 2025 on U.S. dollar basis increased 19% compared to last year and increased 19% on a Canadian dollar basis mostly due to an increase in sales of all product categories except for flooring products. Finally, export sales increased 125% during the third quarter of 2025 compared to last year mostly due to an increase in sales of specialty and commodity panels and lumber products.

#### Product Distribution of Sales for the Third Quarter ended August 31, 2025



In terms of the distribution of sales by product, all product categories except lumber products experienced an increase in sales. Flooring sales during the third quarter of fiscal 2025 increased 5%, specialty and commodity panels sales increased 4%, building material sales increased 4%, and lumber sales remained stable compared to last year.

Reconciliation of Gross profit (unaudited)	For the three months ended	
	August 31 2025	August 31 2024
	\$	\$
Sales	141,910	139,668
Cost of goods sold	106,690	105,280
Gross profit	35,220	34,388
Gross margins	24.8%	24.6%

Gross profit and Gross margins are non-IFRS financial measures. See section “Non-IFRS Financial Measures” for more information. Gross profit is calculated as sales less cost of goods sold. Gross margin is calculated Gross profit over sales. The table above contains a reconciliation of Gross profit to sales.

#### Cost of Goods Sold

Cost of goods sold during the third quarter of 2025 was \$106.7 million compared to \$105.3 million for the corresponding period a year ago, an increase of 1% compared to last year. Gross profits were \$35.2 million compared to \$34.4 million last year. Gross profits increased 2% compared to last year. Gross margins were 24.8% for the three months ended August 31, 2025 (24.6% last year).

#### Selling, Administrative and General Expenses

Selling, Administrative and General Expenses during the third quarter of 2025 were \$28.8 million compared to \$25.4 million last year representing an increase of 13% compared to last year. This includes a compensation expense of \$0.7 million in the third quarter related to certain contemplated share-based award described in Note 10e (none for the corresponding quarter of last year).

#### Net Financial Costs

Net financial costs during the three months ended August 31, 2025 were \$1.2 million (\$1.0 million last year). The average Canadian prime rate was 4.95% (6.87% last year). The average U.S. prime rate was 7.50% (8.50% last year).

#### COMPARISON FOR THE NINE MONTHS ENDED AUGUST 31, 2025 AND AUGUST 31, 2024

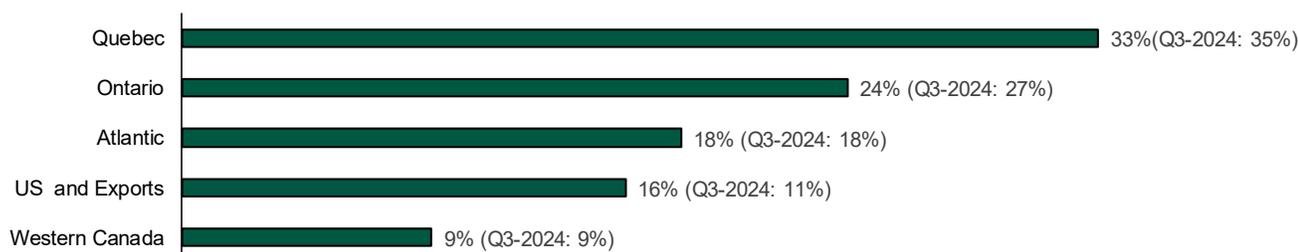
(unaudited)

HIGHLIGHTS	2025	2024	Variance
	\$	\$	%
Sales	406,030	385,336	+5
Earnings before income taxes	5,477	15,210	-64
Net earnings	3,943	10,951	-64
Net earnings per share – Basic and Diluted	0.47	1.29	-64
Net cash flow from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid <sup>(1)</sup>	17,195	22,112	-22
Net cash flow from Operating Activities	(6,755)	(21,035)	+68
EBITDA <sup>(1)</sup>	17,619	23,520	-25

<sup>(1)</sup> Non-IFRS financial measure – refer to section “Non-IFRS Financial Measures” for more information and a reconciliation to the most directly comparable IFRS measure.

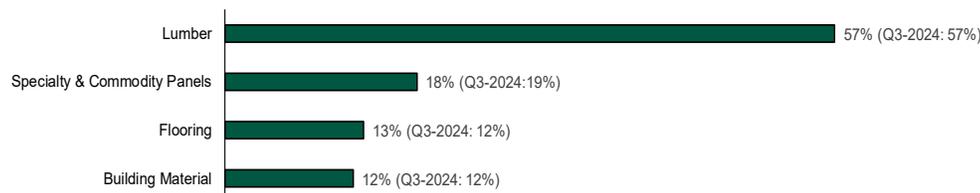
Sales in Canada during the first nine months of fiscal 2025 were stable compared to last year. Quebec sales decreased 2% due to a decrease in sales of specialty and commodity panels and lumber products. Sales in Ontario decreased 8% due to a decrease in sales of all product categories except for flooring products. Sales in Western Canada increased 15% due to an increase in sales of all product categories. Atlantic region sales increased 7% due to an increase in sales of all product categories.

#### Geographical Distribution of Sales for the Nine Months ended August 31, 2025



Sales in the United States during the first nine months of fiscal 2025 increased 14% on a Canadian dollar basis compared to last year mostly due to an increase in sales of building material and lumber products. On U.S. dollar basis, U.S. denominated sales increased 10% compared to last year. Finally, export sales increased 131% during the first nine months of fiscal 2025 compared to last year mostly due to an increase in sales of specialty and commodity panels and lumber products.

**Product Distribution of Sales for the Nine Months ended August 31, 2025**



In terms of the distribution of sales by product, all product categories except for specialty and commodity panels experienced an increase in sales. Flooring sales for the first nine months of fiscal 2025 increased 8% compared to last year. Specialty and commodity panels sales were stable, and the building materials sales increased 6% compared to last year. Finally, lumber sales increased 7% compared to last year.

**Reconciliation of Gross profit**  
(unaudited)

	<b>For the nine months ended</b>	
	<b>August 31 2025</b>	<b>August 31 2024</b>
	\$	\$
Sales	<b>406,030</b>	385,336
Cost of goods sold	<b>312,594</b>	294,025
Gross profit	<b>93,436</b>	91,311
Gross margins	<b>23.0%</b>	23.7%

Gross profit and Gross margins are non-IFRS financial measures. See section “Non-IFRS Financial Measures” for more information. Gross profit is calculated as sales less cost of goods sold. Gross margin is calculated Gross profit over sales. The table above contains a reconciliation of Gross profit to sales.

**Cost of Goods Sold**

Cost of goods sold during the first nine months of fiscal 2025 was \$312.6 million compared to \$294.0 million last year. Cost of goods sold increased 6% compared to last year. Gross profits were \$93.4 million compared to \$91.3 million last year. Gross profits increased 2% compared to last year. Gross margins were 23.0% for the nine months ended August 31, 2025 (23.7% last year).

**Selling, Administrative and General Expenses**

Selling, Administrative and General Expenses for the first nine months of fiscal 2025 was \$84.7 million compared to \$74.4 million last year representing a 14% increase compared to last year. This includes a compensation expense of \$0.7 million in the third quarter related to certain contemplated share-based award described in Note 10e (none for the corresponding quarter of last year).

**Net Financial Costs**

Net financial costs for the first nine months of fiscal 2025 were \$3.2 million (\$1.7 million last year). The average Canadian prime rate decreased to 5.12% (7.09% last year). The average U.S. prime rate decreased to 7.52% (8.50% last year).

**SUMMARY OF THE LAST EIGHT MOST RECENTLY COMPLETED QUARTERS**

(unaudited)

	<b>Nov-2024</b>	<b>Feb-2025</b>	<b>May-2025</b>	<b>Aug-2025</b>
	\$	\$	\$	\$
<b>Sales</b>	124,205	111,180	152,940	141,910
Net earnings (loss)	2,418	(2,260)	2,460	3,743
Net earnings (loss) per share – Basic	0.29	(0.27)	0.29	0.45
Net earnings (loss) per share – Diluted	0.29	(0.27)	0.29	0.44
	<b>Nov-2023</b>	<b>Feb-2024</b>	<b>May-2024</b>	<b>Aug-2024</b>
	\$	\$	\$	\$
<b>Sales</b>	125,415	105,334	140,334	139,668
Net earnings (loss)	2,133	(108)	5,309	5,750
Net earnings (loss) per share – Basic	0.25	(0.01)	0.62	0.68
Net earnings (loss) per share – Diluted	0.25	(0.01)	0.62	0.68

As indicated above, results over the past eight quarters follow a seasonal pattern with sales activities traditionally higher in the second and third quarters.

## STATEMENT OF FINANCIAL POSITION

### Total Assets

Total assets at August 31, 2025 were \$310.4 million compared to \$291.9 million as at November 30, 2024. Cash at August 31, 2025 was \$4.1 million compared to \$5.3 million as at November 30, 2024. Trade and other receivables at August 31, 2025 were \$64.6 million (\$56.6 million as at November 30, 2024). Income taxes receivable was \$5.0 million compared to \$6.6 million as at November 30, 2024. Inventories at August 31, 2025 were \$148.4 million compared to \$131.3 million as at November 30, 2024. Prepaid expenses at August 31, 2025 were \$1.6 million (\$4.0 million as at November 30, 2024). Defined benefit plan assets were \$21.4 million at August 31, 2025 compared to \$21.9 million as at November 30, 2024. Other assets were \$1.9 million at August 31, 2025 (\$1.3 million as at November 30, 2024).

### Property, Plant, Equipment, Intangible and Right-of-use Assets

Property, plant and equipment at August 31, 2025 was \$42.5 million compared to \$43.9 million as at November 30, 2024, and intangible assets at August 31, 2025 were \$0.5 million compared to \$0.9 million as at November 30, 2024. Capital expenditures on property, plant and equipment and intangibles during the first nine months of fiscal 2025 amounted to \$2.5 million compared to \$14.0 million for the same period last year. Property, plant and equipment capitalized during the nine months of fiscal 2025 mainly included buildings and yard improvements, equipment, computers and rolling stock. Right-of-use assets at August 31, 2025 was \$20.4 million (\$19.9 million as at November 30, 2024). Depreciation / amortization of property, plant, equipment, intangible, and right-of-use assets during the first nine months of fiscal 2025 amounted to \$8.9 million compared to \$6.6 million last year.

### Total Liabilities

Total liabilities at August 31, 2025 were \$103.4 million compared to \$85.6 million as at November 30, 2024. Bank indebtedness was \$22.0 million compared to \$5.9 million as at November 30, 2024. Trade and other payables at August 31, 2025 were \$50.2 million compared to \$49.0 million as at November 30, 2024. Current provision at August 31, 2025 was \$0.8 million (\$0.9 million as at November 30, 2024). Lease liabilities at August 31, 2025 were \$22.0 million compared to \$21.5 million as at November 30, 2024. Deferred income taxes at August 31, 2025 were \$8.3 million (same as at November 30, 2024).

### Shareholders' Equity

Total Shareholders' Equity at August 31, 2025 was \$207.1 million compared to \$206.2 million as at November 30, 2024. The Company generated a return on Shareholders' Equity of 2.5% during the nine months ended August 31, 2025 compared to 7.3% last year. Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity, expressed as a percentage. The share price closed at \$11.44 per share on August 31, 2025 (\$13.99 on November 30, 2024). The Shareholders' Equity per share at August 31, 2025 was \$24.74 per share compared to \$24.38 per share as at November 30, 2024. Share capital was \$9.2 million at August 31, 2025 (\$9.3 million as at November 30, 2024).

On November 20, 2024 (2023: November 20, 2023), following approval of the Toronto Stock Exchange (the "TSX"), the Company renewed its existing normal course issuer bid (NCIB). This program allows the Company to repurchase up to an aggregate 493,102 common shares (2023: 426,157 common shares). All Shares repurchased under the share repurchase program will be cancelled upon repurchase. The share repurchase period will end no later than November 19, 2025 (2023: November 19, 2024). During fiscal year 2024, under the NCIB, the Company purchased 63,700 shares at a weighted-average price of \$14.01 for a total aggregate purchase price of \$892 thousand (2023: purchased 36,500 shares at a weighted-average price of \$12.50 for a total aggregate purchase price of \$456 thousand).

During the nine months ended August 31, 2025, the Company bought back 86,000 shares at a weighted-average price of \$12.27 for a total aggregate purchase price of \$1.1 million compared to 38,200 shares at a weighted-average price of \$14.05 for a total aggregate purchase price of \$537 thousand during the nine months ended August 31, 2024

Additional information regarding the NCIB is contained in Note 10b of the Interim Consolidated Financial Statements for the period ended August 31, 2025.

The following dividends were declared and paid by the Company for the nine-month period ended August 31, 2025, and for the year ended November 30, 2024:

August 31, 2025				November 30, 2024			
Declared				Declared			
Record date	Per share	Amount	Payment date	Record date	Per share	Amount	Payment date
	\$	\$			\$	\$	
Mar 5, 2025	0.25	2,105	Mar 19, 2025	Mar 5, 2024	0.50	4,256	Mar 19, 2024
				Oct 23, 2024	0.25	2,119	Nov 6, 2024
	<b>0.25</b>	<b>2,105</b>			<b>0.75</b>	<b>6,375</b>	

The Company is continually assessing its declaration of dividends in the context of overall profitability, cash flows, capital requirements, general economic conditions, and other business needs.

## LIQUIDITY AND CAPITAL RESOURCES

### Financing

The Company has a credit agreement with two chartered Canadian banks. The credit agreement has a maximum revolving operating facility of \$90 million maturing in May 2026 by way of bank loans and/or CORRA loans. In addition, an accordion of \$10 million is available once per fiscal year for a maximum of 150 days. Funds advanced under these credit facilities bear interest at the prime rate plus a premium and/or CORRA rate are secured by first ranking security on the universality of the movable and immovable property of the Company. As at August 31, 2025, the Company was compliant with its financial covenants. As at August 31, 2025, under the credit agreement, the Company was using \$22 million of its facility (\$15 million last year). As at August 31, 2025, the Company has \$1.5 million of issued letters of credit which reduces the availability of its facility (\$1.2 million last year).

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 nine months ended August 31, 2025 was \$(6.8) million compared to \$(21.0) million last year. Financing activities during the nine months of fiscal 2025 was \$14.5 million compared to \$6.4 million last year. Investing activities during the nine months ended August 31, 2025 was \$(3.1) million compared to \$(14.1) million last.

## 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 net debt-to-capital ratio to preserve its capacity to pursue its organic growth strategy;
3. Maintain financial ratios within covenants requirements; and
4. Provide an adequate return to its shareholders.

The Company defines its capital as net debt less shareholders' equity as follows:

	As at	As at
	August 31	November 30
	2025	2024
	\$	\$
Cash	4,098	5,314
Bank Indebtedness	(22,000)	(5,913)
Net Debt	(17,902)	(599)
Share Capital	9,214	9,309
Retained Earnings	197,866	196,899
Shareholders' Equity	207,080	206,208
Total Capital	189,178	205,609

The Company manages its capital and makes adjustments to it in 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 a 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.

### Cost Structure, Working Capital Requirements

At August 31, 2025, the Company's debt-to-capitalization ratio stood at 8.5% (7.6% as at August 31, 2024). Debt-to-capitalization ratio represents debt over total shareholders' equity. Debt is defined as bank indebtedness less cash and cash equivalents (i.e. debt excludes lease liabilities). Capitalization is debt plus shareholders' equity.

## FINANCIAL COMMITMENTS AND CONTINGENCIES

### OBLIGATIONS

	Total	Less than 1 year	2-3 Years	4-5 Years	After 5 years
Payments due by period– undiscounted	\$	\$	\$	\$	\$
Lease liability obligations	25,455	6,945	11,265	5,533	1,712
Purchase obligations	987	987	-	-	-
<b>Total obligations</b>	<b>26,442</b>	<b>7,932</b>	<b>11,265</b>	<b>5,533</b>	<b>1,712</b>

### 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 uncertainties affecting the Company remain substantially unchanged from those described in the Company's Annual MD&A for the year ended November 30, 2024, which are hereby incorporated by reference. These include the risks and uncertainties described under the headings "Risks and Uncertainties" and "Financial Instruments and Other Instruments" of such Annual MD&A. Only those factors with notable 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 during the three months and nine months ended August 31, 2025 (same last year).

The following represents the total sales consisting primarily of various wood products of the major customer:

	For the three months ended				For the nine months ended			
	August 31, 2025		August 31, 2024		August 31, 2025		August 31, 2024	
	\$	%	\$	%	\$	%	\$	%
Sales to the major customer that exceeded 10% of total Company's sales	20,146	14.2	21,556	15.4	59,565	14.7	61,123	15.9

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 Company is exposed to risks arising from financial instruments, including Financing and Liquidity Risk, interest rate risk, currency risk, and credit risk. Please refer to Note 12 of the interim consolidated financial statements for the nine months ended August 31, 2025, for additional details.

## RELATED PARTY TRANSACTIONS

The related party transactions remain substantially unchanged from those included in the Company's Annual MD&A contained in its 2024 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 2024 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 2024 annual consolidated financial statements.

### Share-based compensation:

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. Cash-settled awards to employees are measured at fair value at the grant date at the end of each reporting period up to the date of settlement and recognized over the vesting period with a corresponding liability recorded in the statement of financial position.

If grant date occurs after the service commencement date, then the Company estimates the grant-date fair value of the award for the purpose of recognizing the share-based compensation expenses related to services received from employees from the employees' service commencement date. The Company estimates the fair value of the award at grant date by assuming that grant date is at the reporting date at every reporting date until grant date is achieved. The revision is treated as a change in the estimate on a cumulative basis in the period in which the estimate is revised.

Forfeitures and non-market performance conditions are taken into account in estimating the number of awards that are expected to vest. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

As at August 31, 2025, there were 8,371,754 common shares issued, 8,457,754 as at November 30, 2024, and 8,483,254 common shares as at August 31, 2024. The Company has authorized an unlimited number of common shares to be issued, without par value. As at October 14, 2025, there were 8,359,354 common shares outstanding.

## **SUBSEQUENT EVENT**

Persistent shifts, postponements, and policy announcements relating to new tariffs introduced by the U.S. administration—coupled with retaliatory measures enacted by the Canadian government—continue to amplify macroeconomic uncertainty. Such developments pose potential risks to the Canadian economy, including heightened input costs, supply chain disruptions, depreciation of the Canadian dollar, and other adverse consequences. The Company remains actively engaged in monitoring and assessing the evolving tariff regime and its possible direct and indirect implications on business operations. The ultimate impact of these tariffs, retaliatory actions, or other protectionist trade initiatives could prove material.

## **OUTLOOK**

As we move into the fourth quarter, tariff disputes, monetary policy and softening demand are expected to continue to affect housing starts and commercial construction projects. These variables will challenge Goodfellow's growth and margins for the remainder of 2025. In response, the Company will refocus on enhancing customer service nationwide, prioritize diversification of hardwood export markets, and target long-term growth segments tied to government infrastructure projects.

## **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 and nine months ended August 31, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Delson, October 14, 2025

(Signed) "Patrick Goodfellow"  
President and Chief Executive Officer

(Signed) "Charles Brisebois", CPA  
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 and nine months ended August 31, 2025 and 2024

*(in thousands of dollars, except per share amounts)*

#### Unaudited

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
<b>Sales (Note 15)</b>	<b>141,910</b>	139,668	<b>406,030</b>	385,336
Expenses				
Cost of goods sold (Note 4)	<b>106,690</b>	105,280	<b>312,594</b>	294,025
Selling, administrative and general expenses (Note 4)	<b>28,779</b>	25,447	<b>84,719</b>	74,439
Net financial costs (Note 5)	<b>1,242</b>	955	<b>3,240</b>	1,662
	<b>136,711</b>	131,682	<b>400,553</b>	370,126
Earnings before income taxes	<b>5,199</b>	7,986	<b>5,477</b>	15,210
Income taxes	<b>1,456</b>	2,236	<b>1,534</b>	4,259
<b>Total comprehensive income</b>	<b>3,743</b>	5,750	<b>3,943</b>	10,951
Net earnings per share – Basic (Note 10c)	<b>0.45</b>	0.68	<b>0.47</b>	1.29
Net earnings per share – Diluted	<b>0.44</b>	0.68	<b>0.47</b>	1.29

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

	As at August 31 2025	As at November 30 2024	As at August 31 2024
	\$	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	4,098	5,314	6,273
Trade and other receivables (Note 6)	64,632	56,601	73,775
Income taxes receivable	5,003	6,634	4,849
Inventories	148,403	131,284	131,853
Prepaid expenses	1,640	4,047	2,101
<b>Total Current Assets</b>	<b>223,776</b>	<b>203,880</b>	<b>218,851</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	42,545	43,883	43,610
Intangible assets	483	896	1,044
Right-of-use assets	20,356	19,936	15,818
Defined benefit plan asset	21,385	21,925	15,325
Other assets	1,885	1,336	1,343
<b>Total Non-Current Assets</b>	<b>86,654</b>	<b>87,976</b>	<b>77,140</b>
<b>Total Assets</b>	<b>310,430</b>	<b>291,856</b>	<b>295,991</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank indebtedness (Note 7)	22,000	5,913	21,636
Trade and other payables (Note 8)	50,234	49,028	50,043
Provision (Note 9)	804	930	1,747
Current portion of lease liabilities	6,562	6,271	5,326
<b>Total Current Liabilities</b>	<b>79,600</b>	<b>62,142</b>	<b>78,752</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	15,447	15,203	11,966
Deferred income taxes	8,303	8,303	4,112
<b>Total Non-Current Liabilities</b>	<b>23,750</b>	<b>23,506</b>	<b>16,078</b>
<b>Total Liabilities</b>	<b>103,350</b>	<b>85,648</b>	<b>94,830</b>
<b>Shareholders' Equity</b>			
Share capital (Note 10a)	9,214	9,309	9,337
Retained earnings	197,866	196,899	191,824
	<b>207,080</b>	<b>206,208</b>	<b>201,161</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>310,430</b>	<b>291,856</b>	<b>295,991</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three and nine months ended August 31, 2025 and August 31, 2024**  
*(in thousands of dollars)*  
**Unaudited**

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
<b>Operating Activities</b>				
Net earnings	3,743	5,750	3,943	10,951
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	1,308	1,099	3,857	2,816
Intangible assets	147	148	438	443
Right-of-use assets	1,597	1,266	4,607	3,389
Gain on disposal of property, plant and equipment	(3)	(18)	(12)	(95)
Provision (Note 9)	16	(1,027)	(126)	(1,042)
Income taxes	1,456	2,236	1,534	4,259
Interest expense	610	519	1,442	894
Interest on lease liabilities	362	212	1,068	486
Funding in excess (deficit) of pension plan expense	169	(61)	540	22
Share-based compensation (Note 10e)	89	-	89	-
Other	(4)	(19)	(185)	(11)
	<b>9,490</b>	<b>10,105</b>	<b>17,195</b>	<b>22,112</b>
Changes in non-cash working capital items (Note 13)	30,034	17,964	(21,600)	(38,912)
Interest paid	(979)	(706)	(2,447)	(1,413)
Income taxes recovered (paid)	107	201	97	(2,822)
	<b>29,162</b>	<b>17,459</b>	<b>(23,950)</b>	<b>(43,147)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>38,652</b>	<b>27,564</b>	<b>(6,755)</b>	<b>(21,035)</b>
<b>Financing Activities</b>				
Net (decrease) increase in bank loans (Note 7)	-	(6,000)	2,000	-
Net (decrease) increase in CORRA loans (Note 7)	(35,000)	(3,000)	20,000	15,000
Payment of lease liabilities	(1,488)	(1,322)	(4,307)	(3,778)
Redemption of shares (Note 10b)	(216)	(368)	(1,055)	(537)
Dividends paid (Note 10d)	-	-	(2,105)	(4,256)
<b>Net Cash Flows from Financing Activities</b>	<b>(36,704)</b>	<b>(10,690)</b>	<b>14,533</b>	<b>6,429</b>
<b>Investing Activities</b>				
Acquisition of property, plant and equipment	(1,009)	(10,082)	(2,519)	(13,982)
Increase in intangible assets	(15)	-	(25)	-
Proceeds on disposal of property, plant and equipment	3	22	12	412
Other assets	9	(116)	(549)	(566)
<b>Net Cash Flows from Investing Activities</b>	<b>(1,012)</b>	<b>(10,176)</b>	<b>(3,081)</b>	<b>(14,136)</b>
Net cash (outflow) inflow	936	6,698	4,697	(28,742)
Cash position, beginning of period	3,162	(7,061)	(599)	28,379
<b>Cash position, end of period</b>	<b>4,098</b>	<b>(363)</b>	<b>4,098</b>	<b>(363)</b>
Cash position is comprised of				
Cash	4,098	6,273	4,098	6,273
Bank overdraft (Note 7)	-	(6,636)	-	(6,636)
	<b>4,098</b>	<b>(363)</b>	<b>4,098</b>	<b>(363)</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine months ended August 31, 2025 and August 31, 2024**  
*(in thousands of dollars)*  
**Unaudited**

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2023	9,379	185,624	195,003
Net earnings (Note 10c)	-	10,951	10,951
Total comprehensive income	-	10,951	10,951
Dividend (Note 10d)	-	(4,256)	(4,256)
Redemption of Shares (Note 10b)	(42)	(495)	(537)
Balance as at August 31, 2024	9,337	191,824	201,161
<b>Balance as at November 30, 2024</b>	<b>9,309</b>	<b>196,899</b>	<b>206,208</b>
Net earnings (Note 10c)	-	3,943	3,943
Total comprehensive income	-	3,943	3,943
Dividend (Note 10d)	-	(2,105)	(2,105)
Share-based compensation (Note 10e)	-	89	89
Redemption of Shares (Note 10b)	(95)	(960)	(1,055)
Balance as at August 31, 2025	9,214	197,866	207,080

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

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### 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 nine months ended August 31, 2025 and August 31, 2024 include the accounts of the Company and its wholly-owned subsidiaries.

### 2. Basis of preparation

#### a) *Statement of compliance*

The interim consolidated financial statements have been prepared in accordance with IFRS Accounting 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, 2024, as set out in the 2024 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 October 14, 2025.

These interim consolidated financial statements are available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.goodfellowinc.com](http://www.goodfellowinc.com).

#### b) *Use of estimates, judgments and assumptions*

Key sources of estimation uncertainty:

The preparation of the interim consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future. Estimates are volatile by their nature and are continuously monitored by management. 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, 2024.

### 3. Significant Accounting Policies

The Company’s significant accounting policies described in Note 3 contained in its 2024 annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim consolidated financial statements.

Share-based compensation:

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. Cash-settled awards to employees are measured at fair value at the grant date at the end of each reporting period up to the date of settlement and recognized over the vesting period with a corresponding liability recorded in the statement of financial position.

If grant date occurs after the service commencement date, then the Company estimates the grant-date fair value of the award for the purpose of recognizing the share-based compensation expenses related to services received from employees from the employees’ service commencement date. The Company estimates the fair value of the award at grant date by assuming that grant date is at the reporting date at every reporting date until grant date is achieved. The revision is treated as a change in the estimate on a cumulative basis in the period in which the estimate is revised.

Forfeitures and non-market performance conditions are taken into account in estimating the number of awards that are expected to vest. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### 4. Additional information on:

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
<b>Cost of goods sold</b>				
	\$	\$	\$	\$
Employee benefits expense	493	343	1,379	1,023
Obsolescence adjustment	590	606	1,581	603
Depreciation	597	425	1,774	885
Foreign exchange losses (gains)	45	43	(22)	205

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
<b>Selling, administrative and general expenses</b>				
	\$	\$	\$	\$
Employee benefits expense	18,092	16,060	52,838	46,230
Depreciation and amortization	2,455	2,088	7,128	5,763

#### 5. Net financial costs

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
Interest expense	610	519	1,442	894
Interest expense on lease liabilities	362	212	1,068	486
Other financial costs	295	287	789	729
Financial cost	1,267	1,018	3,299	2,109
Financial income	(25)	(63)	(59)	(447)
Net financial costs	1,242	955	3,240	1,662

#### 6. Trade and other receivables

	August 31 2025	November 30 2024	August 31 2024
	\$	\$	\$
Trade receivables	64,989	57,085	74,540
Allowance for doubtful accounts	(1,092)	(880)	(934)
	63,897	56,205	73,606
Other receivables	735	396	169
	64,632	56,601	73,775

#### 7. Bank indebtedness

	August 31 2025	November 30 2024	August 31 2024
	\$	\$	\$
Bank loans	2,000	-	-
CORRA loans	20,000	-	15,000
Bank overdraft	-	5,913	6,636
	22,000	5,913	21,636

In May 2024, the Company renewed its credit agreement for a maximum revolving operating facility of \$90 million maturing in May 2026 by way of bank loans and/or CORRA loans. In addition, an accordion of \$10 million is available once per fiscal year for a maximum of 150 days. 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 August 31, 2025, the Company was compliant with its financial covenants. As at August 31 2025, the Company has \$1.5 million of issued letters of credit which reduces the availability of its facility (\$1.2 million last year).

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### 8. Trade and other payables

	August 31 2025	November 30 2024	August 31 2024
	\$	\$	\$
Trade payables and accruals	36,886	37,745	37,250
Payroll related liabilities	8,444	6,985	7,627
Other payables	4,904	4,298	5,166
	<b>50,234</b>	<b>49,028</b>	<b>50,043</b>

#### 9. Provision

The Company's St-André (QC) site shows continued traces of surface contamination from previous treating activities exceeding existing regulatory requirements. In 2022, the Company submitted a revised timetable for the site remediation which was approved by the "Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs". Although, most of the rehabilitation of the site has been done, there is still a small area to decontaminate. In Fiscal 2025, the Company intends to submit for approval to the Ministère a revised timetable for the remaining remediation.

Based on current available information, the provision is considered by management to be adequate to cover any projected costs that could be incurred in the future.

Because of the nature of the liability, the biggest uncertainty in estimating the provision is the amount of soil to be treated and the costs that will be incurred to remove it. Changes in estimates of future expenditures are the result of periodic reviews of the underlying assumptions supporting the provision, including remediation costs and regulatory requirements.

	August 31 2025	November 30 2024	August 31 2024
	\$	\$	\$
Balance, beginning of the year	930	2,789	2,789
Changes due to:			
Revision of future expected expenditures	-	(1,312)	(1,028)
Expenditures incurred	(126)	(547)	(14)
Balance, end of period	<b>804</b>	<b>930</b>	<b>1,747</b>

#### 10. Share Capital

##### a) Authorized

An unlimited number of common shares, without par value

	August 31 2025	November 30 2024	August 31 2024
	<b>Number of shares</b>	Number of shares	Number of shares
Shares outstanding at the beginning of the period	8,457,754	8,521,454	8,521,454
Repurchased and cancelled (b)	(86,000)	(63,700)	(38,200)
Shares outstanding at the end of the period	<b>8,371,754</b>	<b>8,457,754</b>	<b>8,483,254</b>

	August 31 2025	November 30 2024	August 31 2024
	<b>Carrying value (\$)</b>	Carrying value (\$)	Carrying value (\$)
Shares outstanding at the beginning of the period	9,309	9,379	9,379
Repurchased and cancelled (b)	(95)	(70)	(42)
Shares outstanding at the end of the period	<b>9,214</b>	<b>9,309</b>	<b>9,337</b>

##### b) Share repurchase program (NCIB)

On November 20, 2024 (2023: November 20, 2023), following approval of the Toronto Stock Exchange (the "TSX"), the Company renewed its existing normal course issuer bid (NCIB). This program allows the Company to repurchase up to an aggregate 493,102 common shares (2023: 426,157 common shares). All Shares repurchased under the share

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

repurchase program will be cancelled upon repurchase. The share repurchase period will end no later than November 19, 2025 (2023: November 19, 2024).

The following table summarizes the Company's share repurchase activities under both the renewed and the previous NCIB:

	August 31 2025	November 30 2024	August 31 2024
Common shares repurchased for cancellation (number of shares)	86,000	63,700	38,200
Average price per share	\$12.27	\$14.01	\$14.05
Total repurchase cost	\$1,055	\$892	\$537
Repurchase resulting in a reduction of:			
Share Capital	\$95	\$70	\$42
Deficit <sup>(1)</sup>	\$960	\$822	\$495

<sup>(1)</sup> The excess of repurchase cost over the average carrying value of the common shares.

#### c) Net earnings

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

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
Net earnings, basic	3,743	5,750	3,943	10,951
Net earnings, diluted	3,740	5,750	3,940	10,951
Weighted average number of common shares, basic	8,377,754	8,491,754	8,403,187	8,505,854
Effect of dilutive RSUs	47,658	-	47,658	-
Weighted average number of common shares, diluted	8,425,412	8,491,754	8,450,845	8,505,854
Net earnings, basic	0.45	0.68	0.47	1.29
Net earnings, diluted	0.44	0.68	0.47	1.29

#### d) Dividends

The following dividends were declared and paid by the Company for the nine-month period ended August 31, 2025, and for the year ended November 30, 2024:

August 31, 2025				November 30, 2024			
Declared				Declared			
Record date	Per share	Amount	Payment date	Record date	Per share	Amount	Payment date
	\$	\$			\$	\$	
Mar 5, 2025	0.25	2,105	Mar 19, 2025	Mar 5, 2024	0.50	4,256	Mar 19, 2024
	<b>0.25</b>	<b>2,105</b>		Oct 23, 2024	0.25	2,119	Nov 6, 2024
					<b>0.75</b>	<b>6,375</b>	

#### e) Employee share-based compensation

On June 13, 2025, the Company has established a long-term incentive plan (the "LTIP or Plan") for its officers and members of senior management, under which the Company may grant to eligible participants share-based awards in the form of a deferred share units ("DSUs"), a restricted share units ("RSUs") and performance share units ("PSU"). The maximum number of common shares reserved and available for grant and issuance under the LTIP, but excluding the Special 2026 RSU Grant described below is ten percent (10%) of the total issued and outstanding common shares. As at August 31, 2025, no awards have been made under the LTIP and the LTIP has not obtained shareholder and regulatory approval. No common shares may be issued pursuant to the settlement of any award under the LTIP, and the provisions relating to such issuance of common shares will not be effective until the Company receives approval from its shareholders at the next annual general meeting to be held in the calendar year 2026 and the approval of the Toronto Stock Exchange.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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For the three and nine months ended August 31, 2025 and August 31, 2024

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

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Any DSU, RSU or PSU awarded shall entitle the participant to receive upon settlement, at the election of the Company, either the cash equivalent of one common share, one common share or a combination thereof. Such awards are classified as equity-settled.

DSUs awarded shall vest entirely at the date of grant, except as otherwise provided by the Board, and may not be settled prior to the termination date of a participant. The grant of DSUs may be conditioned upon the achievement of pre-established vesting and performance goals and objectives. Unless otherwise set forth by the Board, all RSUs vest on the earlier of the third anniversary of the date of grant and the last day of the vesting period, and are settled at the participant's option at any time after vesting. PSUs are automatically settled upon vesting of the PSUs, which is based on a service period and performance conditions established by the Board.

During the third quarter, in the context of the renewal of the employment contract of the Company's President and Chief Executive Officer, the Company agreed that its President and Chief Executive Officer would be entitled to an initial LTIP award in the form of DSUs if certain performance criteria (relating to net return on sales, sales growth and gross margin) at the end of the fiscal 2024-2026 performance cycle were achieved and subject to active employment. Based on the level of achievement, the President and Chief Executive Officer will be entitled to receive a number of DSUs equal to between 0% and 150% of his salary divided by the closing price of a common share of the Company on the TSX on the last trading day preceding the grant.

As part of the renewal of the President and Chief Executive Officer's employment contract, the Company also agreed to make a one-time grant of 180,000 restricted share units conditionally upon receipt of the approval of the shareholders at the Company's next annual general meeting to be held in 2026 and the approval of the Toronto Stock Exchange (the "Special 2026 RSU Grant"). The restricted share units to be awarded under the Special 2026 RSU Grant (the "Special 2026 RSUs") are not RSUs under the LTIP and are not governed by the LTIP. The Special 2026 RSU Grant will only be effective, and the Special 2026 RSUs will only be issued and credited to the account of the President and Chief Executive Officer at the time such approvals are received in 2026, failing which the planned Special 2026 RSU Grant shall be rescinded. If such approvals are received and the 180,000 Special 2026 RSUs are issued and credited, an aggregate of 60,000 Special 2026 RSUs will be vested upon issuance and the balance of 120,000 Special 2026 RSUs shall vest in 8 equal annual instalments on December 1 of each year, starting December 1, 2026. Each Special 2026 RSU shall entitle the holder to receive upon exercise one common share of the Company or the cash equivalent thereof, at the holder's option. Dividend equivalents shall accrue to credited Special 2026 RSUs in the form of additional Special 2026 RSUs, vesting according to the same vesting schedule. The exercise period for vested Special 2026 RSUs shall expire on December 31, 2039.

Although the DSUs which the President and Chief Executive Officer may be entitled to receive will not be granted until the end of the fiscal 2024-2026 performance cycle if the specified performance criteria are achieved and the officer is still actively employed, and although the Special 2026 RSU Grant will not be made and the Special 2026 RSUs will not be issued and credited to the officer's account until the requisite shareholder and regulatory approvals are received following the next annual general meeting of shareholders to be held in the calendar year 2026, accounting policies pertaining to share-based compensation require that the Company account for such awards starting from the date of the employment contract contemplating their issuance.

The fair value of the RSUs was determined based on the share price of the Company at the reporting date, \$0.6 million. The fair value of the DSUs was based on the base salary of the Chief Executive Officer and the expectation of achieving the non-market performance conditions of the DSUs.

As at August 31, 2025, the Company's liability related to the Special 2026 RSU Grant amounts to \$0.6 million (2024 - nil) and a related compensation expense of \$0.6 million (2024 - \$nil) has been recognized in Selling, administrative and general expenses the Statement of Loss and Comprehensive loss.

For the period ended August 31, 2025, the Company recognized \$0.1 million (2024 - nil) compensation expense for the DSUs in Selling, administrative and general expenses the Statement of Loss and Comprehensive loss, with a corresponding increase in equity, based on an estimated achievement of the performance conditions of 100%.

#### 11. 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 quarters.

#### 12. 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.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### 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 August 31, 2025:

FINANCIAL LIABILITIES	Carrying Amount	Contractual cash flows	0 to 12 Months	12 to 36 Months
	\$	\$	\$	\$
Bank Indebtedness	22,000	22,000	22,000	-
Trade and other payables	50,234	50,234	50,234	-
<b>Total financial liabilities</b>	<b>72,234</b>	<b>72,234</b>	<b>72,234</b>	<b>-</b>

The following are the contractual maturities of financial liabilities as at November 30, 2024:

FINANCIAL LIABILITIES	Carrying Amount	Contractual cash flows	0 to 12 Months	12 to 36 Months
	\$	\$	\$	\$
Bank indebtedness	5,913	5,913	5,913	-
Trade and other payables	49,028	49,028	49,028	-
<b>Total financial liabilities</b>	<b>54,941</b>	<b>54,941</b>	<b>54,941</b>	<b>-</b>

The following are the contractual maturities of financial liabilities as at August 31, 2024:

FINANCIAL LIABILITIES	Carrying Amount	Contractual cash flows	0 to 12 Months	12 to 36 Months
	\$	\$	\$	\$
Bank Indebtedness	21,636	21,636	21,636	-
Trade and other payables	50,043	50,043	50,043	-
<b>Total financial liabilities</b>	<b>71,679</b>	<b>71,679</b>	<b>71,679</b>	<b>-</b>

#### 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 U.S. bank prime rates as well as the Company's 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 100-basis point fluctuation of interest rate on average bank indebtedness throughout the nine months ended August 31, 2025 would have an impact on interest expense of \$0.4 million (\$0.1 million last year).

#### Currency Risk

Certain valuation risks exist depending on the performance of the Canadian dollar compared to the U.S. dollar, Euro and the Pound sterling. From time-to-time, the Company could enter into forward exchange contracts to hedge certain accounts payable and certain future purchase commitments denominated in U.S. dollars, Euros and Pound sterling. During the nine months ended August 31, 2025, the Company did not use foreign exchange contracts to mitigate its effect on sales and purchases. Consequently, as at August 31, 2025, there were no outstanding foreign exchange contracts. 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 August 31, 2025, the Company had the following currency exposure on:

#### Financial assets and liabilities measured at amortized costs

	USD	GBP	Euro
Cash	405	1,656	12
Bank indebtedness	(262)	-	-
Trade and other receivables	2,854	(22)	-
Trade and other payables	(5,817)	-	(517)
<b>Net exposure</b>	<b>(2,820)</b>	<b>1,634</b>	<b>(505)</b>
CAD exchange rate as at August 31, 2025	1.3743	1.8562	1.6061
<b>Impact on net earnings based on a fluctuation of 5% on CAD</b>	<b>(139)</b>	<b>109</b>	<b>(29)</b>

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

As at November 30, 2024, the Company had the following currency exposure on:

#### Financial assets and liabilities measured at amortized costs

	USD	GBP	Euro
Cash	1,383	1,330	9
Bank indebtedness	(1,463)	-	-
Trade and other receivables	3,915	(16)	44
Trade and other payables	(4,729)	(8)	(839)
<b>Net exposure</b>	<b>(894)</b>	<b>1,306</b>	<b>(786)</b>
CAD exchange rate as at November 30, 2024	1.4027	1.7942	1.4850
<b>Impact on net earnings based on a fluctuation of 5% on CAD</b>	<b>(45)</b>	<b>84</b>	<b>(42)</b>

As at August 31, 2024, the Company had the following currency exposure on:

#### Financial assets and liabilities measured at amortized costs

	USD	GBP	Euro
Cash	2,147	1,158	10
Bank indebtedness	(2,385)	-	-
Trade and other receivables	3,391	(28)	44
Trade and other payables	(6,109)	(1)	(278)
<b>Net exposure</b>	<b>(2,956)</b>	<b>1,129</b>	<b>(224)</b>
CAD exchange rate as at August 31, 2024	1.3495	1.7714	1.4907
<b>Impact on net earnings based on a fluctuation of 5% on CAD</b>	<b>(144)</b>	<b>72</b>	<b>(12)</b>

#### 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 the 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.

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

	As at August 31 2025	As at November 30 2024	As at August 31 2024
	\$	\$	\$
Current	60,726	49,888	70,270
31 - 60 days past due	933	2,793	1,795
61 - 90 days past due	190	1,238	577
91 - 120 days past due	263	874	173
Over 120 days past due	2,877	2,292	1,725
	<b>64,989</b>	<b>57,085</b>	<b>74,540</b>
Loss allowance	(1,092)	(880)	(934)
Balance, end of period	<b>63,897</b>	<b>56,205</b>	<b>73,606</b>

As at August 31, 2025, since expected credit losses are limited to \$1.1 million and because movements during the period in the allowance for expected credit losses are minimal, the expected credit losses by trade accounts receivable aging and the movement in the allowance for expected credit losses in respect of trade receivables have not been presented separately.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### *Economic Dependence*

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 during the three months and nine months ended August 31, 2025 (same last year).

The following represents the total sales consisting primarily of various wood products of the major customer:

	For the three months ended				For the nine months ended			
	August 31, 2025		August 31, 2024		August 31, 2025		August 31, 2024	
	\$	%	\$	%	\$	%	\$	%
Sales to the major customer that exceeded 10% of total Company's sales	<b>20,146</b>	<b>14.2</b>	21,556	15.4	<b>59,565</b>	<b>14.7</b>	61,123	15.9

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 (if any) and trade and other payables approximate their fair values.

### 13. Additional Cash Flow Information

#### *Changes in Non-Cash Working Capital Items*

	For the three months ended		For the nine months ended	
	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
	\$	\$	\$	\$
Trade and other receivables	<b>31,615</b>	21,771	<b>(8,031)</b>	(20,101)
Inventories	<b>2,981</b>	(1,614)	<b>(17,119)</b>	(33,380)
Prepaid expenses	<b>1,397</b>	412	<b>2,365</b>	2,206
Trade and other payables	<b>(5,959)</b>	(2,605)	<b>1,185</b>	12,363
	<b>30,034</b>	17,964	<b>(21,600)</b>	(38,912)

The reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	Bank loans	Banker's acceptances	CORRA loans	Lease liabilities	Total
<i>Liability related changes</i>	\$	\$	\$	\$	\$
<b>Period ended August 31, 2025</b>					
Interest expense	<b>241</b>	-	<b>1,201</b>	<b>1,068</b>	<b>2,510</b>
Interest paid	<b>220</b>	-	<b>1,159</b>	<b>1,068</b>	<b>2,447</b>
Year ended November 30, 2024					
Interest expense	424	128	525	768	1,845
Interest paid	427	128	595	768	1,918
Period ended August 31, 2024					
Interest expense	314	128	452	486	1,380
Interest paid	255	102	570	486	1,413

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### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### 14. Capital management

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 net debt-to-capital ratio to preserve its capacity to pursue its organic growth strategy;
3. Maintain financial ratios within covenants requirements; and
4. Provide an adequate return to its shareholders.

The Company defines its capital as net debt less shareholders' equity as follows:

	As at August 31 2025	As at November 30 2024	As at August 31 2024
	\$	\$	\$
Cash	4,098	5,314	6,273
Bank Indebtedness	(22,000)	(5,913)	(21,636)
Net Debt	(17,902)	(599)	(15,363)
Share Capital	9,214	9,309	9,337
Retained Earnings	197,866	196,899	191,824
Shareholders' Equity	207,080	206,208	201,161
Total Capital	189,178	205,609	185,798

The Company manages its capital and makes adjustments to it in 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 a 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.

#### 15. 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 84% (89% in 2024) of total sales, the sales to clients located in the United States represent approximately 8% (8% in 2024) of total sales, and the sales to clients located in other markets represent approximately 8% (3% in 2024) of total sales.

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
Canada	119,079	125,003	341,064	342,306
U.S.	11,482	9,613	33,646	29,441
Export	11,349	5,052	31,320	13,589
	141,910	139,668	406,030	385,336

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### Unaudited

For the three and nine months ended August 31, 2025 and August 31, 2024

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

#### Sales categories

	For the three months ended		For the nine months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
	\$	\$	\$	\$
Lumber	83,218	83,337	234,031	219,711
Specialty and commodity panels	24,618	23,708	71,754	71,722
Flooring	15,835	15,032	50,626	47,023
Building material	18,239	17,591	49,619	46,880
	141,910	139,668	406,030	385,336

#### 16. Countervailing and Anti-Dumping Duties

In 2016, a petition was filed by the U.S. Lumber Coalition to the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”) alleging certain subsidies and administered fees below the fair market value of timber that favour Canadian lumber producers.

As a result of investigations by DOC, countervailing duty (“CVD”) and anti-dumping duty (“ADD”) have been imposed on the Company’s Canadian lumber exports to the United States beginning since 2017. As at August 31, 2025, the Company has paid cumulative cash deposits of \$6.5 million.

Goodfellow and other Canadian forest product companies, the Federal Government and Canadian Provincial Governments continue to categorically deny the U.S. allegations and strongly disagree with the current countervailing and antidumping determinations made by the DOC. Canada has proceeded with legal challenges under the Canada-United States-Mexico (“CUSMA”) Agreement and through the World Trade Organization, where Canadian litigation has proven successful in the past. In October 2023, a CUSMA dispute panel ruled that certain elements of the DOC’s calculation of softwood lumber duties were inconsistent with U.S. law. The panel directed the DOC to revisit key elements of its duty calculations. In January 2024, Canada filed a notice of intent to challenge the U.S. ITC’s decision to maintain duties on Canadian softwood lumber products under Chapter 10 of the CUSMA Agreement. Most recently, September 9, 2024, the Canadian Federal Government launched two legal challenges against the U.S. DOC related to the final rates for (“POR5”), the fifth period of review which is based on sales and cost data in 2022. The results of this dispute could potentially result in adjustments to Goodfellow’s prescribed duties and therefore its consolidated statement of income (loss).

In August 2025, the DOC announced the final ADD and CVD results for the sixth period of review (“POR6”) which indicated the Company’s final ADD rate of 20.56% and final CVD rate of 14.63%, resulting in a final combined rate of 35.19%.

On January 1, 2025, the Company moved into the eight period of review (“POR8”), which is based on sales and cost data in 2025. Consistent with prior periods, the Company was unable to estimate applicable CVD, a rate separate from the DOC’s cash deposit rate. As a result, CVD was expensed at rates of 6.74% and 14.63% and ADD was expensed at an estimated accrual rates of 7.66% and 20.56%. This results in a combined accounting rates of 14.40% and 35.19% (versus the DOC’s combined cash deposit rate of 35.16% for the same period).

Despite cash deposits being made in 2025 at rates determined by the DOC, the final liability associated with duties is not determined until the completion of administrative reviews performed by the DOC for these periods.

For the three- and nine-months period ended August 31, 2025, the Company recorded a net duty expense of \$0.8 million and \$1.6 million (three- and nine-months period ended August 31, 2024 – a net duty expense of \$0.1 million and \$0.4 million respectively).

#### Summary

The Company’s accounting policy is to not record any net cumulative receivable until the rates are finalized, known and confirmed and a likely reimbursement is expected to be collected. When the final duty rates are known and confirmed by DOC for each period of review, and the Company becomes in a net cumulative payable position, which represents an amount to be paid higher than the cumulative cash deposits made to date, a provision will be recorded in that period. Now that the rates for POR6 have been finalized in Q3 2025 and since the amount to be paid is higher than the cumulative cash deposits made to date, a provision of \$5 thousand has been recorded in the third quarter of fiscal 2025.

The Company will continue to reassess the ADD and CVD accrual estimate at each quarter-end, applying the DOC’s methodology to updated sales and cost data as this becomes available. Quarterly revisions to the ADD and CVD rate may result in a material adjustment to the consolidated statement of income (loss) while the Administrative Reviews are taking place. Changes to the DOC’s existing CVD and ADD rates during each administrative review may also result in material adjustments to the consolidated statement of income (loss).

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For the three and nine months ended August 31, 2025 and August 31, 2024

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

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#### 17. Subsequent Events

Persistent shifts, postponements, and policy announcements relating to new tariffs introduced by the U.S. administration—coupled with retaliatory measures enacted by the Canadian government—continue to amplify macroeconomic uncertainty. Such developments pose potential risks to the Canadian economy, including heightened input costs, supply chain disruptions, depreciation of the Canadian dollar, and other adverse consequences. The Company remains actively engaged in monitoring and assessing the evolving tariff regime and its possible direct and indirect implications on business operations. The ultimate impact of these tariffs, retaliatory actions, or other protectionist trade initiatives could prove material.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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**Robert Hall \* / \*\***  
*Chair of the Board*

**Alain Côté \* / \*\***  
*Director and Chair of the Audit Committee*

**Sarah Prichard \* / \*\***  
*Director and Chair of the Compensation and Human Resources Committee*

**Suzanne Blanchet**  
*Director*

**David Goodfellow**  
*Director*

**Douglas Goodfellow \*\***  
*Director*

**Marie-Hélène Nolet \***  
*Director*

\* Member of the Audit Committee

\*\* Member of the Compensation and Human Resources Committee

### OFFICERS

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**Patrick Goodfellow**  
*President and Chief Executive Officer*

**Charles Brisebois**  
*Chief Financial Officer*

**Mary Lohmus**  
*Executive Vice-President, Ontario and Western Canada*

**Éric Bisson**  
*Vice-President, Quebec*

**Pedro Da Silva**  
*Vice-President, Industrial*

**Luc Dignard**  
*Vice-President, Sales, Quebec*

**Olivia Goodfellow**  
*Corporate Secretary*

**Harry Haslett**  
*Vice-President, Sales and Marketing, Atlantic*

**Eric McNeely**  
*Vice-President, Business Development – Flooring*

**Jeff Morrison**  
*Vice-President, National Accounts*

**Luc Pothier**  
*Vice-President, Operations*

**Robert Guy**  
*Vice-President, Business Development – Softwood and Siding*

### OTHER INFORMATION

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**Head Office**  
225 Goodfellow Street  
Delson, Quebec J5B 1V5  
Tel.: 450-635-6511  
Fax: 450-635-3730

**Solicitors**  
Fasken  
Montreal, Quebec

Bernier Beaudry  
Quebec, Quebec

**Auditors**  
KPMG LLP  
Montreal, Quebec

**Transfer Agent**  
Computershare Investor Services Inc.  
Montreal, Quebec

**Stock Exchange**  
Toronto  
Trading Symbol: GDL

**Wholly-owned Subsidiary**  
Goodfellow Distribution Inc.

**SALES BRANCHES**

**HEAD OFFICE**  
**MONTREAL / DELSON**  
450 635-6511  
800 361-6503

NEWFOUNDLAND/  
DEER LAKE  
709 635-2991  
866 220-2212

HALIFAX /  
DARTMOUTH  
902 468-2256  
800 565-7563

MONCTON  
506 857-2134  
800 561-7965

QUEBEC  
418 650-5100  
800 463-4318

OTTAWA  
613 244-3169  
800 577-7842

TORONTO /  
CAMPBELLVILLE  
905 854-5800  
800 263-6269

POWASSAN  
705 724-2424  
800 263-3249

WINNIPEG  
204 779-3370  
800 955-9436

SASKATOON  
306 242-9977  
800 667-2693

EDMONTON  
780 469-1299  
877 463-1299

CALGARY  
403 252-9638  
888 316-7208

VANCOUVER /  
RICHMOND  
604 940-9640  
800 821-2053

U.S. /  
MANCHESTER  
603 623-9811  
800 990-0722

U.S. /  
PETERSBURG  
304 802-2150

U.K.  
01691 718872  
goodfellowuk.com

**DIVISIONS**



905 854-5800  
800 263-6269  
canbar.com



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