

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") and consolidated financial statements of Goodfellow Inc. (hereafter the "Company") were approved by the Board of Directors on February 19, 2026. The MD&A should be read in conjunction with the consolidated financial statements and the corresponding notes for the years ended November 30, 2025 and November 30, 2024. The MD&A provides a review of the significant developments and results of operations of the Company during the years ended November 30, 2025 and November 30, 2024. The consolidated financial statements ended November 30, 2025 and November 30, 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 Management's Discussion and Analysis, we also use non-IFRS financial measures 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 22 "Segmented Information and Sales" to the annual consolidated financial statements for the years ended November 30, 2025 and November 30, 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 and at www.goodfellowinc.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains implicit and/or explicit 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 made 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, 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 we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur or prove to be accurate. Actual results could differ significantly from management's expectations if recognized or unrecognized risks and uncertainties affect the Company's 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 the Company's business; industry competition; inflation, credit, currency and interest rate risks; environmental risk; level of demand and financial performance of the manufacturing industry; competition from vendors; changes in customer demand; extent to which we are successful in gaining new long-term relationships with customers or retaining existing ones and the level of service failures that could lead customers to use competitors' services; increased customer bankruptcies; dependence on key personnel; 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 public filings available at 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; Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid per share; Net Cash Flows from Operating Activities per share; Gross profit; Gross margin; Shareholders' Equity per share; Return on shareholders equity; Total Capital; Net Debt, 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. The Company believes that many readers analyze the financial performance of Goodfellow'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 November 30 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 November 30 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	For the three months ended		For the years ended	
	November 30	November 30	November 30	November 30
	2025 (unaudited)	2024 (unaudited)	2025	2024
	\$	\$	\$	\$
Net earnings	3,199	2,418	7,142	13,369
Income taxes	924	436	2,458	4,695
Net financial costs	789	717	4,029	2,379
Depreciation of property, plant and equipment	1,337	1,372	5,194	4,188
Depreciation of right-of-use assets	1,516	1,398	6,123	4,787
Amortization of intangible assets	147	148	585	591
EBITDA	7,912	6,489	25,531	30,009

“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 – Fourth quarter (unaudited)	For the three months ended	
	November 30	November 30
	2025	2024
	\$	\$
Net Cash Flows from Operating Activities	9,965	20,167
Changes in non-cash working capital items	(3,317)	(14,810)
Interest paid	568	505
Income taxes paid	1,071	14
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid	8,287	5,876
Net Cash Flows from Operating Activities per share	1.19	2.38
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid per share	0.99	0.69
Weighted Average Number of Share Outstanding (thousands)	8,353	8,469

Reconciliation of Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid	For the years ended				
	November 30 2025	November 30 2024	November 30 2023	November 30 2022	November 30 2021
	\$	\$	\$	\$	\$
Net Cash Flows from Operating Activities	3,210	(868)	42,968	26,013	33,278
Changes in non-cash working capital items	18,834	24,102	(24,213)	3,734	15,484
Interest paid	3,015	1,918	1,367	1,731	1,541
Income taxes paid	974	2,836	9,552	23,573	9,700
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid	26,033	27,988	29,674	55,051	60,003
Net Cash Flows from Operating Activities per share	0.38	(0.10)	5.03	3.04	3.89
Net Cash Flows from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid per share	3.10	3.29	3.48	6.43	7.01
Weighted Average Number of Share Outstanding (thousands)	8,391	8,497	8,537	8,563	8,563

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 year ended November 30, 2025 (and November 30, 2024), and the fourth quarter ended November 30, 2025 (and November 30, 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.

Restatement

In the fourth quarter of 2025, the Company corrected an error in presentation for certain production related expenses that were recognized as selling, administrative and general expenses instead of cost of goods sold. The comparative financial information for fiscal year 2024 has been restated for this presentation adjustment. This presentation adjustment has no impact on earnings before income taxes or net earnings. The presentation adjustment also had no impact on the consolidated statement of financial position, statement of cash flows and statement of changes in shareholders’ equity. The presentation adjustment did have an impact on gross profit and gross margin. Refer to Note 24 of the consolidated financial statements for the year ended November 30, 2025 for further details on the impacts to cost of goods sold and selling, administrative and general expenses. The impacts of the restatement on Gross profit and Gross margin for the year ended November 30, 2024 are as follows:

Non-IFRS financial measures	November 30 2024 as previously reported	Adjustments	November 30 2024 as restated
	\$	\$	\$
Gross profit	121,745	(21,344)	100,401
Gross margin	23.9%	(4.2)%	19.7%

The impacts of the restatement on the consolidated financial statements for the three months ended November 30, 2024 are as follows:

Consolidated Statement of Comprehensive Income	Three months ended November 30 2024 as previously reported	Adjustments	Three months ended November 30 2024 as restated
	\$	\$	\$
Cost of goods sold	93,771	6,044	99,815
Selling, administrative and general expenses	26,863	(6,044)	20,819

Non-IFRS financial measures	Three months ended November 30 2024 as previously reported	Adjustments	Three months ended November 30 2024 as restated
	\$	\$	\$
Gross profit	30,434	(6,044)	24,390
Gross margin	24.5%	(4.9)%	19.6%

“Shareholders equity” is defined as the residual interest in the assets of an entity after deducting all its liabilities. “Total capital” represents the sum of net debt and shareholders’ equity. “Net debt” is calculated as cash less bank indebtedness.

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

Reconciliation of Shareholders' Equity per share	For the years ended				
	November 30 2025	November 30 2024	November 30 2023	November 30 2022	November 30 2021
	\$	\$	\$	\$	\$
Shareholders' Equity	207,629	206,208	195,003	186,779	160,948
Shareholders' Equity per share	24.88	24.38	22.88	21.83	18.80
Number of Share Outstanding (thousands)	8,344	8,458	8,521	8,558	8,563

Reconciliation of Dividend paid per share	For the years ended				
	November 30 2025	November 30 2024	November 30 2023	November 30 2022	November 30 2021
	\$	\$	\$	\$	\$
Dividend paid	5,028	6,375	8,539	7,706	7,279
Dividend paid per share	0.60	0.75	1.00	0.90	0.85
Weighted average number of share at payment (thousands)	8,391	8,497	8,537	8,563	8,563

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.

OVERALL PERFORMANCE

Fiscal year 2025 opened against a backdrop of economic uncertainty, shifting trade dynamics, and uneven demand across North American markets. These dynamics, combined with ongoing labor constraints, rising costs, and continued dependence on imported materials, created a complex operating environment for distributors and manufacturers across the sector. Goodfellow navigated these uncertain conditions to achieve a 6.6%, or \$33.4 million, increase in revenues, while earnings decreased by \$6.2 million as compared to last year. Recently acquired value-added lumber handling and kiln-drying assets in the U.S. had a meaningful impact on results for the year, supporting solid revenue growth while generating significant integration costs that reduced earnings. Although broader economic conditions may support only stable and modest growth next year, Goodfellow enters the year with solid fundamentals that position the Company to manage uncertainty and strengthen its position as an industry leader.

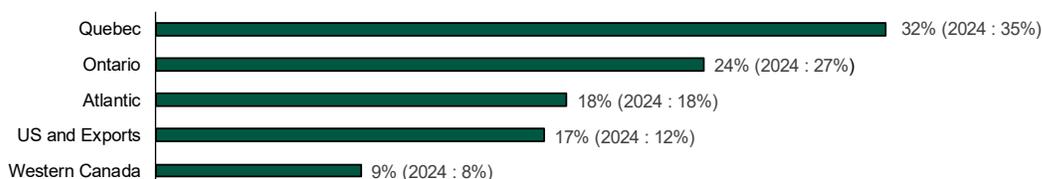
COMPARISON FOR THE YEARS ENDED NOVEMBER 30, 2025 AND 2024

HIGHLIGHTS	2025	2024	Variance
	\$	\$	%
Sales	542,983	509,541	+7
Earnings before income taxes	9,600	18,064	-47
Net earnings	7,142	13,369	-47
Net earnings			
per share basic	0.86	1.58	-45
per share diluted	0.85	1.58	-46
Net cash flow from Operating Activities	3,210	(868)	+470
Net cash flow from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid ⁽¹⁾	26,033	27,988	-7
EBITDA ⁽¹⁾	25,531	30,009	-15

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

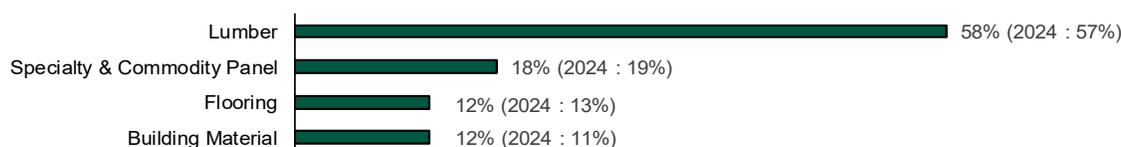
Sales in Canada during fiscal 2025 remained stable compared to last year due to an overall increase in sales of flooring products and building materials offset by a decrease in lumber sales. Quebec sales decreased 2% due to a decrease in sales of specialty and commodity panels and lumber. Sales in Ontario decreased 6% due to a decrease in sales of all product categories except for flooring products. Sales in Western Canada increased 16% due to an increase in sales of all product categories except for flooring products. Atlantic region sales increased 9% due to an increase in sales of all product categories except for flooring products.

Geographical Distribution of Sales for Fiscal 2025



Sales in the United States for fiscal 2025 on a U.S. dollar basis increased 6% compared to last year, and on a Canadian dollar basis they increased 9% compared to last year due to an increase in sales of lumber and building materials. Finally, export sales increased 147% on a Canadian dollar basis during fiscal 2025 compared to last year mostly due to an increase in sales of lumber and specialty and commodity panels.

Product Distribution of Sales for Fiscal 2025



In terms of the distribution of sales by product, all product categories saw an increase in sales except for specialty and commodity panels. Flooring sales during fiscal 2025 increased 4%, specialty and commodity panel sales remained stable, building material sales increased 9%, and lumber sales increased 9% compared to last year.

Reconciliation of Gross Profit	For the years ended	
	November 30 2025	November 30 2024 (restated) ¹
	\$	\$
Sales	542,983	509,541
Cost of goods sold	439,459	409,140
Gross profit	103,524	100,401
Gross margin	19.1%	19.7%

¹ Refer to page 6 for further details.

Gross profit and Gross margin 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 as Gross profit over sales. The table above contains a reconciliation of Gross profit to sales.

Cost of Goods Sold

Cost of goods sold during fiscal 2025 was \$439.5 million compared to \$409.1 million last year. Cost of goods sold increased 7% compared to last year. Gross profit was \$103.5 million compared to \$100.4 million last year, an increase of 3% compared to last year. Gross margin was 19.1% in fiscal 2025 (19.7% last year).

Selling, Administrative and General Expenses

Selling, Administrative and General Expenses during fiscal 2025 were \$89.9 million compared to \$80.0 million last year representing a 12% increase compared to last year.

Net Financial Costs

Net financial costs during fiscal 2025 were \$4.0 million (\$2.4 million last year). The average Canadian prime rate decreased to 5.01% (6.89% last year). The average U.S. prime rate decreased to 7.44% (8.38% last year).

COMPARISON FOR THE THREE MONTHS ENDED NOVEMBER 30, 2025 AND 2024

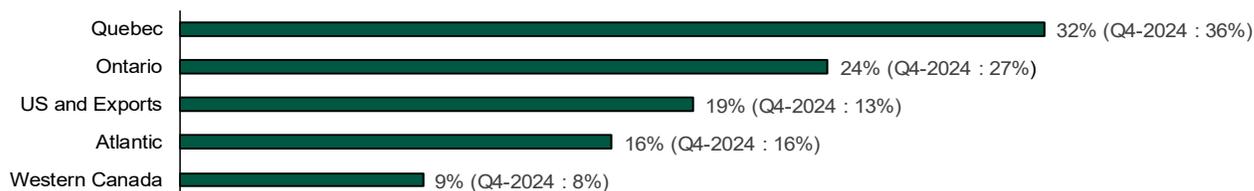
(unaudited)

HIGHLIGHTS	Q4-2025	Q4-2024	Variance
	\$	\$	%
Sales	136,953	124,205	+10
Earnings before income taxes	4,123	2,854	+45
Net earnings	3,199	2,418	+32
Net earnings per share – Basic and Diluted	0.39	0.29	+34
Net cash flow from Operating Activities	9,965	20,167	-51
Net cash flow from Operating Activities excluding impact of changes in non-cash working capital, income tax paid and interest paid ⁽¹⁾	8,287	5,876	+41
EBITDA ⁽¹⁾	7,912	6,489	+22

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

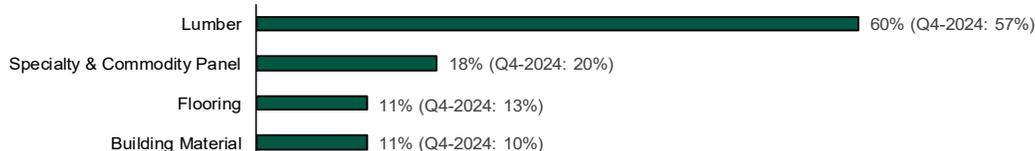
Sales in Canada during the fourth quarter of 2025 increased 3% compared to last year due to an increase in sales of building material and lumber. Quebec sales decreased 3% due to a decrease in sales of specialty and commodity panels and lumber. Sales in Ontario decreased 2% due to a decrease in sales of flooring products and lumber. Sales in Western Canada increased 20% due to an increase in sales of all product categories except for flooring products. Atlantic region sales increased 16% due to an increase in sales of all product categories except for flooring products.

Geographical Distribution of Sales for the Fourth Quarter ended November 30, 2025



Sales in the United States for the fourth quarter of 2025 on a U.S. dollar basis decreased 5% compared to last year and decreased 7% on a Canadian dollar basis mostly due to a decrease in sales of all product categories except for building material. Finally, export sales increased 205% on a Canadian dollar basis during the fourth quarter of 2025 compared to last year mostly due to an increase in sales of specialty and commodity panels and lumber.

Product Distribution of Sales for the Fourth Quarter ended November 30, 2025



In terms of the distribution of sales by product, lumber and building material saw an increase in sales. Flooring sales during the fourth quarter of fiscal 2025 decreased 6%, specialty and commodity panel sales decreased 1%, building materials sales increased 19%, and lumber sales increased 17% compared to last year.

Reconciliation of Gross Profit

(unaudited)

	For the three months ended	
	November 30 2025	November 30 2024 (restated) ¹
	\$	\$
Sales	136,953	124,205
Cost of goods sold	109,276	99,815
Gross profit	27,677	24,390
Gross margin	20.2%	19.6%

¹ Refer to page 6 for further details.

Gross profit and Gross margin 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 as Gross profit over sales. The table below contains a reconciliation of Gross profit to sales.

Cost of Goods Sold

Cost of goods sold during the fourth quarter of 2025 was \$109.3 million compared to \$99.8 million for the corresponding period a year ago, an increase of 10% compared to last year. Gross profit was \$27.7 million compared to \$24.4 million last year. Gross profit increased 13% compared to last year. Gross margin was 20.2% for the three months ended November 30, 2025 (19.6% last year).

Selling, Administrative and General Expenses

Selling, Administrative and General Expenses during the fourth quarter of 2025 were \$22.8 million compared to \$20.8 million last year representing an increase of 9% compared to last year.

Net Financial Costs

Net financial costs during the three months ended November 30, 2025 were \$0.8 million (\$0.7 million last year). The average Canadian prime rate decreased to 4.68% (6.27% last year). The average U.S. prime rate decreased to 7.21% (8.04% last year).

SUMMARY OF THE LAST EIGHT MOST RECENTLY COMPLETED QUARTERS

(unaudited)

	Feb-2025	May-2025	Aug-2025	Nov-2025
	\$	\$	\$	\$
Sales	111,180	152,940	141,910	136,953
Net (losses) earnings	(2,260)	2,460	3,743	3,199
Net (losses) earnings per share	(0.27)	0.29	0.45	0.39

	Feb-2024	May-2024	Aug-2024	Nov-2024
	\$	\$	\$	\$
Sales	105,334	140,334	139,668	124,205
Net (losses) earnings	(108)	5,309	5,750	2,418
Net (losses) earnings per share	(0.01)	0.62	0.68	0.29

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

STATEMENT OF FINANCIAL POSITION

Total assets

Total assets at November 30, 2025 were \$294.9 million compared to \$291.9 million as at November 30, 2024. Cash at November 30, 2025 was \$3.8 million compared to \$5.3 million as at November 30, 2024. Trade and other receivables at November 30, 2025 were \$55.5 million (\$56.6 million as at November 30, 2024). Income taxes receivable was \$1.4 million (\$6.6 million as at November 30, 2024). Inventories at November 30, 2025 were \$144.5 million compared to \$131.3 million as at November 30, 2024. Prepaid expenses at November 30, 2025 were \$3.2 million (\$4.0 million as at November 30, 2024). Defined benefit plan asset was \$21.7 million at November 30, 2025 compared to \$21.9 million as at November 30, 2024. Deferred income taxes at November 30, 2025 were \$0.7 million (nil as at November 30, 2024). Other assets were \$1.9 million at November 30, 2025 (\$1.3 million as at November 30, 2024).

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

Property, plant and equipment at November 30, 2025 was \$42.6 million compared to \$43.9 million as at November 30, 2024, and intangible assets at November 30, 2025 were \$0.4 million compared to \$0.9 million as at November 30, 2024. Capital expenditures on property, plant and equipment and intangibles during fiscal 2025 amounted to \$3.7 million compared to \$15.7 million for the same period last year. Right-of-use assets at November 30, 2025 was \$19.3 million (\$19.9 million as at November 30, 2024). Depreciation/amortization of property, plant, equipment, intangible, and right-of-use assets during fiscal 2025 amounted to \$11.9 million compared to \$9.6 million last year.

Total liabilities

Total liabilities at November 30, 2025 were \$87.3 million compared to \$85.6 million as at November 30, 2024. Bank indebtedness at November 30, 2025 was \$17.6 million (\$5.9 million last year). Trade and other payables at November 30, 2025 were \$42.6 million compared to \$49.0 million as at November 30, 2024. Current provision at November 30, 2025 was \$0.6 million (\$0.9 million as at November 30, 2024). Lease liabilities at November 30, 2025 were \$21.0 million compared to \$21.5 million as at November 30, 2024. Deferred income taxes at November 30, 2025 were \$5.4 million (\$8.3 million as at November 30, 2024).

Shareholders' Equity

Shareholders' Equity at November 30, 2025 was \$207.6 million compared to \$206.2 million as at November 30, 2024. The Company generated a return on Shareholders' Equity of 3.4% during fiscal 2025 compared to 6.5% last year (Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity at November 30, expressed as a percentage). The share price closed at \$11.89 per share on November 30, 2025 (\$13.99 on November 30, 2024). The Shareholders' Equity per share at November 30, 2025 was \$24.88 per share compared to \$24.38 per share as at November 30, 2024. Share capital was \$9.2 million at November 30, 2025 (\$9.3 million as at November 30, 2024).

On November 20, 2025 (2024: November 20, 2024), 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 481,002 common shares (2024: 493,102 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, 2026 (2024: November 19, 2025.).

During fiscal year 2025, under the NCIB the Company purchased 113,300 shares at a weighted-average price of \$12.13 for a total aggregate purchase price of \$1.4 million (2024: purchased 63,700 shares at a weighted-average price of \$14.01 for a total aggregate purchase price of \$892 thousand).

Additional information regarding the NCIB is contained in Note 14 of the Consolidated Financial Statements for the year ended November 30, 2025.

The following dividends were declared and paid by the Company for the years ended:

November 30, 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 28, 2025	0.35	2,923	Nov 11, 2025	Oct 23, 2024	0.25	2,119	Nov 6, 2024
	0.60	5,028			0.75	6,375	

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. 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 November 30, 2025, the Company was compliant with its financial covenants. As at November 30, 2025, the Company has \$1.9 million of issued letters of credit which reduces the availability of its facility (\$1.3 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 fiscal 2025 was \$3.2 million compared to \$(0.9) million last year. Financing activities during fiscal 2025 was \$4.8 million compared to \$(12.4) million last year. Investing activities during fiscal 2025 was \$(4.2) million compared to \$(15.7) million last year (See Property, plant, equipment, intangible and right-of use assets for more details).

LIQUIDITY AND RISK MANAGEMENT IN THE CURRENT ECONOMIC CONDITIONS

The Company's objectives are as follows:

1. Maintain financial flexibility in order to preserve its ability to meet financial obligations;
2. Maintain a low 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 total capital as net debt less shareholders' equity as follows:

	November 30 2025	November 30 2024
	\$	\$
Cash	3,767	5,314
Bank Indebtedness	(17,564)	(5,913)
Net Debt	(13,797)	(599)
Share Capital	9,184	9,309
Retained Earnings	198,445	196,899
Shareholders' Equity	207,629	206,208
Total Capital	193,832	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.

General

Management makes every effort to ensure that the Company benefits from effective risk management, which has been strengthened according to even stricter criteria with economic fluctuations. Management is responsible for identifying and assessing the potential risks that could have a material impact on the Company's operations and financial position, as well as the risk management strategies implemented within the Company. It is also responsible for setting up risk management oversight provisions, notably by developing and recommending to the Board of Directors or its Audit Committee various policies and procedures to support effective strategies in regard to internal and external control in order to improve and reduce the impact of business and operational risk factors.

Credit Risk

The Company strictly manages the credit granted to its customers. The accounts receivable collection period has been historically longer in the second and third quarters of its fiscal year. A rapid weakening of the economic conditions could result in further bad debts expenses.

Supplier-Related Risk

The Company's business model is largely built on long-term relationships with a network of international, national and local manufacturers, which enables it to reduce the risks associated with inventory valuation and to adjust to fluctuations in demand. In addition, the Company's practice is to take discounts and pay its suppliers on a timely basis which results in strong relationships with our key vendors and partners.

FINANCIAL COMMITMENTS AND CONTINGENCIES

OBLIGATIONS

Payments due by period– undiscounted	Total	Less than 1 year	2-3 Years	4-5 Years	After 5 years
	\$	\$	\$	\$	\$
Lease liability obligations	24,313	6,705	10,980	5,065	1,563
Total obligations	24,313	6,705	10,980	5,065	1,563

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

Environmental Risk

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".

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.

Competition from Vendors

The Company is exposed to competition from some of its vendors in certain markets. From time to time, vendors might decide to distribute directly to some of our customers and therefore, become competitors. This would adversely affect the Company's ability to compete effectively and thereby potentially impact its sales.

Dependence on Key Personnel

The Company is dependent on the continued services of its senior management team. Although the Company believes that it could replace such key employees in a timely fashion should the need arise, the loss of such key personnel could have a material adverse effect on the Company.

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 fiscal 2025 (same last year).

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

	For the years ended			
	November 30, 2025		November 30, 2024	
	\$	%	\$	%
Sales to the major customer that exceeded 10% of total Company's sales	77,996	14.4	79,039	15.5

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

Dependence on Market Economic Conditions

The demand for the Company's products depends significantly upon the home improvement, new residential and commercial construction markets. The level of activity in the home improvement and new residential construction markets depends on many factors, including the general demand for housing, interest rates, availability of financing, housing affordability, levels of unemployment, shifting demographic trends, gross domestic product growth, consumer confidence and other general economic conditions. Since such markets are sensitive to cyclical changes in the economy, future downturns in the economy or lack of further improvement in the economy could have a material adverse effect on the Company.

Customer Agreements

The majority of the Company's supply and customer arrangements vary significantly in length. Most arrangements are for individual purchase orders and are satisfied upon delivery of the goods to the customer. Some arrangements involve customers purchasing goods several months in advance of delivery. These arrangements, known as bookings, vary in length but are generally less than six months long. There can be no assurance that these customers will renew their bookings or continue to place purchase orders with the Company.

Cyclical Nature

The business of the Company is, to a significant degree, seasonal and cyclical, and fluctuates in advance of the normal building season. Inventory is built up during the second quarter in anticipation of the building seasons, and the busy selling season begins in the last half of that second quarter and extends to the end of the third quarter. Additionally, the Company is subject to the normal economic cycle, the housing cycle and to macroeconomic factors, such as interest rates. Although the Company anticipates that these seasonal and cyclical fluctuations will continue in the foreseeable future, it is seeking to reduce their impact on its operations and sales.

Supply Chain

The Company is exposed to supply chain risks relating mainly to imports from Asia from time to time. Management does not expect to incur any major losses related to supply due to the fact that it has built solid long-term relationships with numerous reputable suppliers.

Laws and regulations

The Company is subject to multiple laws and regulations. These are laws that regulate credit practice, transporting products, importing and exporting products and employment. New laws governing the Company's business could be enacted or changes to existing laws could be implemented, each of which might have a significant impact on the Company's business. Many foreign laws and regulations constrain our ability to compete efficiently on those foreign markets.

In addition, certain of the Company's operations could be negatively affected if import and export duties, tariff barriers or protectionist measures were unpredictably imposed or increased. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could decrease the Company's ability to export or sell its products to its existing or potential customers with international operations and limit its ability to import or source from foreign suppliers. Any limitation on the Company's ability to export or sell its products could adversely affect its business, financial position and results of operations.

Information systems

The Company enterprise resource planning ("ERP") information management system provides information to management which is used to evaluate financial controls, reporting and sales analysis and strategies. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's results of operations. Furthermore, the Company relies on vendors to support, maintain and periodically upgrade ERP or other systems which are essential in providing management with the appropriate information for decision making. The inability of these vendors to continue to support, maintain and/or upgrade these software programs could disrupt operations if the Company were unable to convert to alternate systems in an efficient and timely manner. Information technology system disruptions, if not anticipated and appropriately mitigated, or the failure to successfully implement new or upgraded systems, could have a material adverse effect on our Business or results of operations.

Cybersecurity

The Company is exposed to risks associated with data breaches, malicious software, unauthorized access, hacking, phishing, identity theft, intellectual property theft, asset theft, industrial espionage, and other cybersecurity threats. Cyberattacks could cause, in particular, loss of data, disruption of business operations, costs relating to restoration and investigation, cost hikes to maintain and upgrade technological infrastructures and systems, increased costs for cybersecurity insurance, financial loss, non-compliance with privacy legislation, legal claims and disputes, fines and reputational damage, all of which could affect the Company's operating results or financial position. Notwithstanding the measures implemented to protect itself against cyberattacks, the Company may be unsuccessful in preventing or implementing effective preventive measures against every potential cyberthreat, as the tactics used are multiplying, change frequently, come from a wide range of sources and are increasingly sophisticated. Moreover, cybersecurity insurance coverage may not be sufficient to insulate the Company from the losses or costs stemming from any or all cybersecurity breaches.

Climate change and focus on sustainability

Certain scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, floods, wildfires and other climatic events. Increased frequency of extreme weather could cause increased incidence of disruption to the production and distribution of the Company's products. Increasing natural disasters in connection with climate change could also be a direct threat to the Company's third-party vendors, service providers or other stakeholders, including disruptions of supply chains or information technology or other necessary services for the Company.

Federal, state, provincial and local governments, as well as some of the Company's customers, are beginning to respond to climate change issues. This increased focus on sustainability is resulting in new legislation, regulations and customer requirements that could negatively affect the Company, as it may incur additional costs or be required to make changes to its operations in order to comply with any new regulations or customer requirements. Legislation or regulations that potentially impose restrictions, caps, taxes, or other controls on emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels such as those used in the Company's supply chain, could adversely affect the Company's operations and financial results.

Exposure to labour costs and labour unrest

Part of the Company's workforce is unionized, including the skilled workers at its Delson, Drummondville and Trois-Rivières sites. The Company and the union representing such employees are engaged in negotiations for the renewal of the collective agreement which expired on December 31, 2025. The Company is also in negotiation for a collective agreement involving its skilled workers at its Quebec site. The Company has a positive track record with unions representing its workers and has not suffered any work stoppage due to labour unrest. However, outcome of negotiations or arbitrations may result in increased labour costs and other charges, and workers may adopt pressure tactics such as strikes in the context of negotiations which could lead to a disruption or interruption of operations, in each case with a potential material adverse effect on the Company's business, results from operations and financial condition.

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 18 of the audited annual consolidated financial statements for the year ended November 30, 2025 for additional details.

RELATED PARTY TRANSACTIONS

Related parties include key management and other related parties as described below. Unless otherwise noted, no related party transactions contain special features, conditions and guarantees that have been given or received. Balances are generally settled in cash. Transactions between the parent company and its subsidiaries and between subsidiaries themselves, which are related parties, have been eliminated upon consolidation. These transactions and balances are not presented in this section. The details of these transactions occurred in the normal course of business between the Company and other related parties and are presented below.

Commercial Transactions

During the year ended November 30, 2025, the entities of the Company have not entered into business transactions with related parties that are members of the Board of the Company.

Loans to related parties

No executive officers, senior officers, directors or any person related to them is indebted to the Company.

Key management personnel compensation

Key management includes members of the board of directors, senior management and key executives. The following table shows the remuneration of key management personnel during the years ended:

	November 30 2025	November 30 2024
	\$	\$
Salaries and other short-term benefits	4,129	3,751
Post-employment benefits (including rereasurement of defined benefit plan obligation)	85	(280)
	4,214	3,471

CRITICAL ACCOUNTING ESTIMATES

The preparation of 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. A discussion of the significant estimates that could have a material effect on the financial statements is provided below:

- i. Measurement of defined benefit plan assets and liabilities*

The Company's measurement of defined benefit plan assets and liabilities involves making assumptions about discount rates, the expected rate of compensation increase, the retirement age of employees, and mortality rates. If the actuarial assumptions are found to be significantly different from the actual data subsequently observed, it could lead to changes to the pension expense recognized in net earnings, and the net assets or net liabilities related to these obligations presented in the consolidated statement of financial position.
- ii. Valuation of inventory*

The cost of inventories may no longer be recoverable if inventories are discontinued, damaged or if their selling prices or estimated forecast of product demand decline. In determining the net realizable value of inventories, the Company considers recent sales prices and current market conditions. The Company regularly reviews inventory quantities on hand, current production plans, and forecasted future sales, and inventories are written down to net realizable value when it is determined that they are no longer fully recoverable. There is estimation uncertainty in relation to the identification of excess inventories and in the expected selling prices used in establishing the net realizable value
- iii. Environmental provisions*

Environmental provisions relate to the discounted present value of estimated future expenditures associated with the obligations of restoring the environmental integrity of certain properties.

The provision requires the use of estimates and assumptions such as the estimated amount of future remediation expenditures, the anticipated method of remediation, the discount rate and the estimated time frame for remediation. These estimates and assumptions might require additional revisions in the future depending on changes in regulatory requirements, industry practices, current technology, possible uses of the site or the economic environment. See Note 13 to the consolidated financial statements for the year ended November 30, 2025 for further details.
- iv. Critical judgments in applying accounting policies*

The Company did not identify any critical judgements that management has made in the process of applying accounting policies that may have a significant effect on the amounts recognized in the consolidated financial statements.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies including Adoption of New Accounting Policies IFRS Standard Issued, But Not Yet Effective are described in Note 3 to the consolidated financial statements for the year ended November 30, 2025.

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. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Cash settled awards to employees are measured at fair value at the grant date and 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. Any changes in the liability are recognized in the statement of comprehensive income.

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. Any changes are recognized in the statement of comprehensive income.

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 November 30, 2025, there were 8,344,454 common shares issued (8,457,754 as at November 30, 2024). The Company has authorized an unlimited number of common shares to be issued, without par value. As at February 19, 2026, there were 8,330,954 common shares outstanding.

OUTLOOK

Goodfellow anticipates mixed growth rates across its customer segments in 2026. The consumer sentiment regarding the evolving trade landscape is expected to impact spending patterns, requiring more flexibility and increased service levels. Thanks to stable interest rates, the outlook for residential construction is promising, driven by high demand for housing outpacing existing supply. Strong and stable demand from the government, infrastructure and utility segment is expected, however, rising input costs and wage pressures may challenge profitability. Accelerating Goodfellow's operational footprint in the U.S. will be of keen importance to respond to expected increased domestic demand for lumber and other value-added wood products.

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.

As required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have caused the effectiveness of the disclosure controls and procedures to be evaluated. Based on that evaluation, they have concluded that the design and operation of the system of disclosure controls and procedures were effective as at November 30, 2025.

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.

As required by NI 52-109, the CEO and the CFO have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework established in 'Internal Control – Integrated Framework (COSO Framework)' published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013. Based on that evaluation, they have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at November 30, 2025.

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 twelve months ended November 30, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Delson, February 19, 2026

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

(Signed) "Charles Brisebois", CPA
Chief Financial Officer