

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditors, KPMG LLP, has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

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

### GOODFELLOW INC.

#### Consolidated Statements of Comprehensive Income

**For the three months ended February 28, 2026 and 2025**

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

*Unaudited*

|                                                       | February 28<br>2026 | February 28<br>2025<br>(Restated) <sup>1</sup> |
|-------------------------------------------------------|---------------------|------------------------------------------------|
|                                                       | \$                  | \$                                             |
| <b>Sales (Note 15)</b>                                | <b>108,729</b>      | 111,180                                        |
| Expenses                                              |                     |                                                |
| Cost of goods sold (Note 4)                           | <b>90,235</b>       | 91,700                                         |
| Selling, administrative and general expenses (Note 4) | <b>22,007</b>       | 21,832                                         |
| Net financial costs (Note 5)                          | <b>837</b>          | 786                                            |
|                                                       | <b>113,079</b>      | 114,318                                        |
| Loss before income taxes                              | <b>(4,350)</b>      | (3,138)                                        |
| Income taxes                                          | <b>(1,218)</b>      | (878)                                          |
| <b>Total comprehensive loss</b>                       | <b>(3,132)</b>      | (2,260)                                        |
| Net loss (Note 10c)                                   |                     |                                                |
| -per share –Basic                                     | <b>(0.38)</b>       | (0.27)                                         |
| -per share –Diluted                                   | <b>(0.36)</b>       | (0.27)                                         |

<sup>1</sup> Refer to note 17.

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

|                                                   | As at<br>February 28<br>2026<br>\$ | As at<br>November 30<br>2025<br>\$ | As at<br>February 28<br>2025<br>\$ |
|---------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Assets</b>                                     |                                    |                                    |                                    |
| <b>Current Assets</b>                             |                                    |                                    |                                    |
| Cash                                              | 4,117                              | 3,767                              | 4,237                              |
| Trade and other receivables (Note 6)              | 64,214                             | 55,471                             | 69,995                             |
| Income taxes receivable                           | 3,357                              | 1,360                              | 7,513                              |
| Inventories                                       | 165,175                            | 144,484                            | 158,879                            |
| Prepaid expenses                                  | 5,231                              | 3,168                              | 4,051                              |
| <b>Total Current Assets</b>                       | <b>242,094</b>                     | <b>208,250</b>                     | <b>244,675</b>                     |
| <b>Non-Current Assets</b>                         |                                    |                                    |                                    |
| Property, plant and equipment                     | 42,218                             | 42,625                             | 43,552                             |
| Intangible assets                                 | 309                                | 381                                | 751                                |
| Right-of-use assets                               | 18,394                             | 19,304                             | 20,863                             |
| Defined benefit plan asset                        | 21,540                             | 21,739                             | 21,747                             |
| Deferred income taxes                             | -                                  | 744                                | -                                  |
| Other assets                                      | 1,936                              | 1,875                              | 1,327                              |
| <b>Total Non-Current Assets</b>                   | <b>84,397</b>                      | <b>86,668</b>                      | <b>88,240</b>                      |
| <b>Total Assets</b>                               | <b>326,491</b>                     | <b>294,918</b>                     | <b>332,915</b>                     |
| <b>Liabilities</b>                                |                                    |                                    |                                    |
| <b>Current Liabilities</b>                        |                                    |                                    |                                    |
| Bank indebtedness (Note 7)                        | 44,488                             | 17,564                             | 42,385                             |
| Trade and other payables (Note 8)                 | 52,041                             | 42,629                             | 55,494                             |
| Provision (Note 9)                                | 625                                | 624                                | 818                                |
| Dividends payable (Note 10d)                      | 1,249                              | -                                  | 2,105                              |
| Current portion of lease liabilities              | 6,415                              | 6,485                              | 6,418                              |
| <b>Total Current Liabilities</b>                  | <b>104,818</b>                     | <b>67,302</b>                      | <b>107,220</b>                     |
| <b>Non-Current Liabilities</b>                    |                                    |                                    |                                    |
| Lease liabilities                                 | 13,739                             | 14,551                             | 15,985                             |
| Deferred income taxes                             | 4,692                              | 5,436                              | 8,303                              |
| <b>Total Non-Current Liabilities</b>              | <b>18,431</b>                      | <b>19,987</b>                      | <b>24,288</b>                      |
| <b>Total Liabilities</b>                          | <b>123,249</b>                     | <b>87,289</b>                      | <b>131,508</b>                     |
| <b>Shareholders' Equity</b>                       |                                    |                                    |                                    |
| Share capital (Note 10a)                          | 9,167                              | 9,184                              | 9,271                              |
| Retained earnings                                 | 194,075                            | 198,445                            | 192,136                            |
|                                                   | <b>203,242</b>                     | <b>207,629</b>                     | <b>201,407</b>                     |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>326,491</b>                     | <b>294,918</b>                     | <b>332,915</b>                     |

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three months ended February 28, 2026 and 2025**  
*(in thousands of dollars)*  
*Unaudited*

|                                                       | <b>February 28<br/>2026</b> | <b>February 28<br/>2025</b> |
|-------------------------------------------------------|-----------------------------|-----------------------------|
|                                                       | \$                          | \$                          |
| <b>Operating Activities</b>                           |                             |                             |
| Net loss                                              | (3,132)                     | (2,260)                     |
| Adjustments for:                                      |                             |                             |
| Depreciation and amortization of:                     |                             |                             |
| Property, plant and equipment                         | 1,213                       | 1,262                       |
| Intangible assets                                     | 150                         | 145                         |
| Right-of-use assets                                   | 1,489                       | 1,495                       |
| Gain on disposal of property, plant and equipment     | (10)                        | (6)                         |
| Provision (Note 9)                                    | 1                           | (112)                       |
| Income taxes                                          | (1,218)                     | (878)                       |
| Interest expense (Note 5)                             | 321                         | 239                         |
| Interest on lease liabilities (Note 5)                | 330                         | 341                         |
| Funding in excess of pension plan expense             | 199                         | 178                         |
| Share-based compensation (Note 10e)                   | 317                         | -                           |
| Other                                                 | (53)                        | (58)                        |
|                                                       | (393)                       | 346                         |
| Changes in non-cash working capital items (Note 13)   | (22,207)                    | (34,562)                    |
| Interest paid (Note 13)                               | (672)                       | (545)                       |
| Income taxes paid                                     | (779)                       | (1)                         |
|                                                       | (23,658)                    | (35,108)                    |
| <b>Net Cash Flows from Operating Activities</b>       | <b>(24,051)</b>             | <b>(34,762)</b>             |
| <b>Financing Activities</b>                           |                             |                             |
| Net increase in bank loans (Note 7)                   | 2,000                       | 4,000                       |
| Net increase in CORRA loans (Note 7)                  | 23,000                      | 24,000                      |
| Payment of lease liabilities                          | (1,480)                     | (1,435)                     |
| Redemption of shares (Note 10b)                       | (179)                       | (436)                       |
| <b>Net Cash Flows from Financing Activities</b>       | <b>23,341</b>               | <b>26,129</b>               |
| <b>Investing Activities</b>                           |                             |                             |
| Acquisition of property, plant and equipment          | (806)                       | (931)                       |
| Acquisition of intangible assets                      | (78)                        | -                           |
| Proceeds on disposal of property, plant and equipment | 10                          | 6                           |
| Other assets                                          | 10                          | 9                           |
| <b>Net Cash Flows from Investing Activities</b>       | <b>(864)</b>                | <b>(916)</b>                |
| Net decrease in cash                                  | (1,574)                     | (9,549)                     |
| Cash (bank indebtedness), beginning of period         | 3,203                       | (599)                       |
| <b>Cash (bank indebtedness), end of period</b>        | <b>1,629</b>                | <b>(10,148)</b>             |
| Cash position is comprised of:                        |                             |                             |
| Cash                                                  | 4,117                       | 4,237                       |
| Bank overdraft (Note 7)                               | (2,488)                     | (14,385)                    |
|                                                       | 1,629                       | (10,148)                    |

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the three months ended February 28, 2026 and 2025**  
*(in thousands of dollars)*  
*Unaudited*

|                                            | <b>Share<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Total</b>   |
|--------------------------------------------|--------------------------|------------------------------|----------------|
|                                            | \$                       | \$                           | \$             |
| Balance as at November 30, 2024            | 9,309                    | 196,899                      | 206,208        |
| Net loss (Note 10c)                        | -                        | (2,260)                      | (2,260)        |
| Total comprehensive loss                   | -                        | (2,260)                      | (2,260)        |
| Dividend (Note 10d)                        | -                        | (2,105)                      | (2,105)        |
| Redemption of Shares (Note 10b)            | (38)                     | (398)                        | (436)          |
| Balance as at February 28, 2025            | 9,271                    | 192,136                      | 201,407        |
| <b>Balance as at November 30, 2025</b>     | <b>9,184</b>             | <b>198,445</b>               | <b>207,629</b> |
| <b>Net loss (Note 10c)</b>                 | <b>-</b>                 | <b>(3,132)</b>               | <b>(3,132)</b> |
| <b>Total comprehensive loss</b>            | <b>-</b>                 | <b>(3,132)</b>               | <b>(3,132)</b> |
| <b>Dividend (Note 10d)</b>                 | <b>-</b>                 | <b>(1,249)</b>               | <b>(1,249)</b> |
| <b>Share-Based compensation (Note 10e)</b> | <b>-</b>                 | <b>173</b>                   | <b>173</b>     |
| <b>Redemption of Shares (Note 10b)</b>     | <b>(17)</b>              | <b>(162)</b>                 | <b>(179)</b>   |
| <b>Balance as at February 28, 2026</b>     | <b>9,167</b>             | <b>194,075</b>               | <b>203,242</b> |

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

### 1. Status and nature of activities

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

The interim consolidated financial statements of the Company as at and for the three months ended February 28, 2026 and 2025 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, 2025, as set out in the 2025 annual report. Certain comparative figures have been reclassified to conform to the current year's presentation.

These interim consolidated financial statements were authorized for issue by the Board of Directors on April 8, 2026.

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, 2025.

### 3. Material Accounting Policies

The Company's significant accounting policies described in Note 3 contained in its 2025 Annual consolidated financial statements have been applied consistently in the preparation of these unaudited interim consolidated financial statements.

### 4. Additional information on:

| Cost of goods sold              | February 28<br>2026 | February 28<br>2025<br>(Restated) <sup>1</sup> |
|---------------------------------|---------------------|------------------------------------------------|
|                                 | \$                  | \$                                             |
| Employee benefits expense       | 4,747               | 4,700                                          |
| Write-down of inventories       | 626                 | 372                                            |
| Depreciation                    | 587                 | 583                                            |
| Foreign exchange losses (gains) | (59)                | 227                                            |

| Selling, administrative and general expenses | February 28<br>2026 | February 28<br>2025<br>(Restated) <sup>1</sup> |
|----------------------------------------------|---------------------|------------------------------------------------|
|                                              | \$                  | \$                                             |
| Employee benefits expense                    | 13,475              | 12,373                                         |
| Depreciation and amortization                | 2,265               | 2,319                                          |

<sup>1</sup> Refer to note 17

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

### 5. Net financial costs

|                                       | February 28<br>2026 | February 28<br>2025 |
|---------------------------------------|---------------------|---------------------|
|                                       | \$                  | \$                  |
| Interest expense                      | 321                 | 239                 |
| Interest expense on lease liabilities | 330                 | 341                 |
| Other financial costs                 | 206                 | 227                 |
| Financial cost                        | 857                 | 807                 |
| Financial income                      | (20)                | (21)                |
| Net financial costs                   | 837                 | 786                 |

### 6. Trade and other receivables

|                                 | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|---------------------------------|---------------------|---------------------|---------------------|
|                                 | \$                  | \$                  | \$                  |
| Trade receivables               | 64,382              | 55,791              | 70,768              |
| Allowance for doubtful accounts | (953)               | (1,060)             | (1,183)             |
|                                 | 63,429              | 54,731              | 69,585              |
| Other receivables               | 785                 | 740                 | 410                 |
|                                 | 64,214              | 55,471              | 69,995              |

### 7. Bank indebtedness

|                          | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|--------------------------|---------------------|---------------------|---------------------|
|                          | \$                  | \$                  | \$                  |
| Bank loans               | 3,000               | 1,000               | 4,000               |
| CORRA loans <sup>1</sup> | 39,000              | 16,000              | 24,000              |
| Bank overdraft           | 2,488               | 564                 | 14,385              |
| Bank indebtedness        | 44,488              | 17,564              | 42,385              |

<sup>1</sup> Canadian Overnight Repo Rate Average - It is the benchmark overnight interest rate in Canada, administered by the Bank of Canada. CORRA reflects the average interest rate on overnight repo transactions collateralized by Government of Canada securities.

The Company had a credit agreement with two chartered Canadian banks for a maximum revolving operating facility of \$90 million which matured in May 2024 by way of bank loans and/or banker's acceptances. In addition, an accordion of \$10 million was available once per fiscal year for a maximum of 150 days. Funds advanced under these credit facilities bore interest at the prime rate plus a premium and were secured by first ranking security on the universality of the movable and immovable property of the Company.

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 February 28, 2026, the Company was compliant with its financial covenants. As at February 28, 2026, the Company has \$1.9 million of issued letters of credit which reduces the availability of its facility (\$1.4 million last year).

### 8. Trade and other payables

|                             | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|-----------------------------|---------------------|---------------------|---------------------|
|                             | \$                  | \$                  | \$                  |
| Trade payables and accruals | 40,916              | 31,166              | 46,102              |
| Payroll related liabilities | 7,955               | 7,759               | 6,961               |
| Other payables              | 3,170               | 3,704               | 2,431               |
|                             | 52,041              | 42,629              | 55,494              |

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

### 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.

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.

|                                          | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|------------------------------------------|---------------------|---------------------|---------------------|
|                                          | \$                  | \$                  | \$                  |
| Balance, beginning of the year           | 624                 | 930                 | 930                 |
| Changes due to:                          |                     |                     |                     |
| Revision of future expected expenditures | -                   | (117)               | -                   |
| Expenditures incurred                    | 1                   | (189)               | (112)               |
| Balance, end of period                   | 625                 | 624                 | 818                 |

### 10. Share Capital

#### a) Authorized

An unlimited number of common shares, without par value

|                                                 | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|-------------------------------------------------|---------------------|---------------------|---------------------|
|                                                 | Number of<br>shares | Number of<br>shares | Number of<br>shares |
| Shares outstanding at the beginning of the year | 8,344,454           | 8,457,754           | 8,457,754           |
| Repurchased and cancelled (b)                   | (15,000)            | (113,300)           | (34,100)            |
| Shares outstanding at the end of the year       | 8,329,454           | 8,344,454           | 8,423,654           |

|                                                   | February 28<br>2026    | November 30<br>2025    | February 28<br>2025    |
|---------------------------------------------------|------------------------|------------------------|------------------------|
|                                                   | Carrying value<br>(\$) | Carrying value<br>(\$) | Carrying value<br>(\$) |
| Shares outstanding at the beginning of the period | 9,184                  | 9,309                  | 9,309                  |
| Repurchased and cancelled (b)                     | (17)                   | (125)                  | (38)                   |
| Shares outstanding at the end of the period       | 9,167                  | 9,184                  | 9,271                  |

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

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, 2024).

During the three months ended February 28, 2026, under the NCIB the Company purchased 15,000 shares at a weighted-average price of \$11.96 for a total aggregate purchase price of \$179 thousand (2025: purchased 34,100 shares at a weighted-average price of \$12.78 for a total aggregate purchase price of \$436 thousand).

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

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

|                                                               | February 28<br>2026 | November 30<br>2025 | February 28<br>2025 |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|
| Common shares repurchased for cancellation (number of shares) | 15,000              | 113,300             | 34,100              |
| Average price per share                                       | \$11.96             | \$12.13             | \$12.78             |
| Total repurchase cost                                         | \$179               | \$1,374             | \$436               |
| Repurchase resulting in a reduction of:                       |                     |                     |                     |
| Share Capital                                                 | \$17                | \$125               | \$38                |
| Deficit <sup>(1)</sup>                                        | \$162               | \$1,249             | \$398               |

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

### c) Net loss

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

|                                                   | February 28<br>2026 | February 28<br>2025 |
|---------------------------------------------------|---------------------|---------------------|
| Net loss, basic                                   | \$ (3,132)          | \$ (2,260)          |
| Net loss, diluted                                 | (3,077)             | (2,260)             |
| Weighted average number of common shares, basic   | 8,334,654           | 8,423,654           |
| Effect of dilutive RSUs                           | 97,624              | -                   |
| Weighted average number of common shares, diluted | 8,432,278           | 8,423,654           |
| Net loss, basic                                   | (0.38)              | (0.27)              |
| Net loss, diluted                                 | (0.36)              | (0.27)              |

### d) Dividends

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

| February 28, 2026 |             |              |              | November 30, 2025 |             |              |              |
|-------------------|-------------|--------------|--------------|-------------------|-------------|--------------|--------------|
| Declared          |             |              |              | Declared          |             |              |              |
| Record date       | Per share   | Amount       | Payment date | Record date       | Per share   | Amount       | Payment date |
|                   | \$          | \$           |              |                   | \$          | \$           |              |
| Mar 5, 2026       | 0.15        | 1,249        | Mar 19, 2026 | Mar 5, 2025       | 0.25        | 2,105        | Mar 19, 2025 |
|                   |             |              |              | Oct 28, 2025      | 0.35        | 2,923        | Nov 11, 2025 |
|                   | <b>0.15</b> | <b>1,249</b> |              |                   | <b>0.60</b> | <b>5,028</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 February 28, 2026, 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.

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



## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

### For the three months ended February 28, 2026 and 2025

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

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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 of fiscal 2025, 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. A second performance cycle starting 2025-2027 also would entitle the grant of DSU similar to the 2024-2026 performance cycle and similar criteria targets.

As part of the renewal of the President and Chief Executive Officer's employment contract in fiscal 2025, 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, which is expected 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 (with 30,000 deemed to have vested on December 1, 2024 and 30,000 deemed to have vested on December 1, 2025) 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 vested Special 2026 RSUs in the form of additional Special 2026 RSUs as of the vesting date or deemed vesting date, as applicable. 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, 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.

As it relates to the Special 2026 RSU Grant and the Special 2026 RSUs, even though they may not be made or 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 Special 2026 RSUs was determined based on the share price of the Company at the reporting date, representing approximately a total fair value of \$1.1 million. As at February 28, 2026, the Company's liability related to the Special 2026 RSU Grant amounts to \$1.1 million (\$0.9 million as at November 30, 2025) and a related compensation expense of \$0.2 million (2025 - \$nil) has been recognized in Selling, administrative and general expenses in the Statement of Comprehensive Income in the first quarter of 2026.

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. During the three months ended February 28, 2026, the Company recognized \$0.1 million (2025 - nil) compensation expense for the DSUs in Selling, administrative and general expenses in the Statement of Comprehensive Income, with a corresponding increase in equity, based on an estimated achievement for the 2024-2026 and 2025-2027 cycle of the performance conditions at 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 quarter.

#### 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.

##### *Financing and Liquidity Risk*

The Company makes use of short-term financing with two chartered Canadian banks.

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

The following are the contractual maturities of financial liabilities as at February 28, 2026:

| FINANCIAL LIABILITIES              | Carrying Amount | Contractual cash flows | 0 to 12 Months | 12 to 36 Months |
|------------------------------------|-----------------|------------------------|----------------|-----------------|
|                                    | \$              | \$                     | \$             | \$              |
| Bank indebtedness                  | 44,488          | 44,488                 | 44,488         | -               |
| Trade and other payables           | 52,041          | 52,041                 | 52,041         | -               |
| Dividend payable                   | 1,249           | 1,249                  | 1,249          | -               |
| <b>Total financial liabilities</b> | <b>97,778</b>   | <b>97,778</b>          | <b>97,778</b>  | <b>-</b>        |

The following are the contractual maturities of financial liabilities as at November 30, 2025:

| FINANCIAL LIABILITIES              | Carrying Amount | Contractual cash flows | 0 to 12 Months | 12 to 36 Months |
|------------------------------------|-----------------|------------------------|----------------|-----------------|
|                                    | \$              | \$                     | \$             | \$              |
| Bank indebtedness                  | 17,564          | 17,564                 | 17,564         | -               |
| Trade and other payables           | 42,629          | 42,629                 | 42,629         | -               |
| <b>Total financial liabilities</b> | <b>60,193</b>   | <b>60,193</b>          | <b>60,193</b>  | <b>-</b>        |

The following are the contractual maturities of financial liabilities as at February 28, 2025:

| FINANCIAL LIABILITIES              | Carrying Amount | Contractual cash flows | 0 to 12 Months | 12 to 36 Months |
|------------------------------------|-----------------|------------------------|----------------|-----------------|
|                                    | \$              | \$                     | \$             | \$              |
| Bank indebtedness                  | 42,385          | 42,385                 | 42,385         | -               |
| Trade and other payables           | 55,494          | 55,494                 | 55,494         | -               |
| Dividend payable                   | 2,105           | 2,105                  | 2,105          | -               |
| <b>Total financial liabilities</b> | <b>99,984</b>   | <b>99,984</b>          | <b>99,984</b>  | <b>-</b>        |

### Interest Rate Risk

The Company uses a credit facility to finance working capital requirements. The interest cost of this facility bears interest at floating rates. The profitability of the Company could be adversely affected with increases in rates. 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 three months ended February 28, 2026 would have impacted interest expense by \$0.3 million (February 28, 2025 - \$0.1 million).

### 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 three months ended February 28, 2026, the Company did not use foreign exchange contracts to mitigate its effect on sales and purchases. Consequently, as at February 28, 2026, 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 February 28, 2026, the Company had the following currency exposure on:

### Financial assets and liabilities measured at amortized costs

|                                                                   | USD            | GBP          | Euro        |
|-------------------------------------------------------------------|----------------|--------------|-------------|
| Cash                                                              | 461            | 1,829        | 7           |
| Bank indebtedness                                                 | (553)          | -            | -           |
| Trade and other receivables                                       | 4,404          | (35)         | -           |
| Trade and other payables                                          | (5,578)        | (3)          | (95)        |
| <b>Net exposure</b>                                               | <b>(1,266)</b> | <b>1,791</b> | <b>(88)</b> |
|                                                                   |                |              |             |
| CAD exchange rate as at February 28, 2026                         | 1.3644         | 1.8396       | 1.6117      |
| <b>Impact on net earnings based on a fluctuation of 5% on CAD</b> | <b>62</b>      | <b>119</b>   | <b>(5)</b>  |

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

As at November 30, 2025, the Company had the following currency exposure on:

### Financial assets and liabilities measured at amortized costs

|                             | USD        | GBP          | Euro         |
|-----------------------------|------------|--------------|--------------|
| Cash                        | 286        | 1,781        | 8            |
| Bank indebtedness           | (560)      | -            | -            |
| Trade and other receivables | 4,145      | (18)         | -            |
| Trade and other payables    | (3,282)    | (1)          | (278)        |
| <b>Net exposure</b>         | <b>589</b> | <b>1,762</b> | <b>(270)</b> |

|                                           |        |        |        |
|-------------------------------------------|--------|--------|--------|
| CAD exchange rate as at November 30, 2025 | 1.3979 | 1.8498 | 1.6212 |
|-------------------------------------------|--------|--------|--------|

|                                                                   |           |            |             |
|-------------------------------------------------------------------|-----------|------------|-------------|
| <b>Impact on net earnings based on a fluctuation of 5% on CAD</b> | <b>30</b> | <b>117</b> | <b>(16)</b> |
|-------------------------------------------------------------------|-----------|------------|-------------|

As at February 28, 2025, the Company had the following currency exposure on:

### Financial assets and liabilities measured at amortized costs

|                             | USD            | GBP          | Euro         |
|-----------------------------|----------------|--------------|--------------|
| Cash                        | 558            | 1,424        | 10           |
| Bank indebtedness           | (3,872)        | -            | -            |
| Trade and other receivables | 5,559          | (18)         | 44           |
| Trade and other payables    | (6,377)        | (4)          | (414)        |
| <b>Net exposure</b>         | <b>(4,132)</b> | <b>1,402</b> | <b>(360)</b> |

|                                           |        |        |        |
|-------------------------------------------|--------|--------|--------|
| CAD exchange rate as at February 28, 2025 | 1.4466 | 1.8197 | 1.5011 |
|-------------------------------------------|--------|--------|--------|

|                                                                   |              |           |             |
|-------------------------------------------------------------------|--------------|-----------|-------------|
| <b>Impact on net earnings based on a fluctuation of 5% on CAD</b> | <b>(215)</b> | <b>92</b> | <b>(19)</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 following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:

|                        | As at<br>February 28<br>2026 | As at<br>November 30<br>2025 | As at<br>February 28<br>2025 |
|------------------------|------------------------------|------------------------------|------------------------------|
|                        | \$                           | \$                           | \$                           |
| Current                | 62,615                       | 52,947                       | 65,922                       |
| 31 - 60 days past due  | 413                          | 1,887                        | 1,285                        |
| 61 - 90 days past due  | 467                          | 137                          | 457                          |
| 91 - 120 days past due | (10)                         | 28                           | 420                          |
| Over 120 days past due | 897                          | 792                          | 2,684                        |
|                        | 64,382                       | 55,791                       | 70,768                       |
| Loss allowance         | (953)                        | (1,060)                      | (1,183)                      |
| Balance, end of period | 63,429                       | 54,731                       | 69,585                       |

As at February 28, 2026, since expected credit losses are limited to \$1.0 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

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### 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 ended February 28, 2026 (same last year).

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

|                                                                        | February 28, 2026 |      | February 28, 2025 |      |
|------------------------------------------------------------------------|-------------------|------|-------------------|------|
|                                                                        | \$                | %    | \$                | %    |
| Sales to the major customer that exceeded 10% of total Company's sales | 15,855            | 14.6 | 19,273            | 17.3 |

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

|                             | February 28<br>2026 | February 28<br>2025 |
|-----------------------------|---------------------|---------------------|
|                             | \$                  | \$                  |
| Trade and other receivables | (8,743)             | (13,394)            |
| Inventories                 | (20,691)            | (27,595)            |
| Prepaid expenses            | (2,027)             | (6)                 |
| Trade and other payables    | 9,254               | 6,433               |
|                             | (22,207)            | (34,562)            |

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

|                                       | Bank<br>loans | CORRA<br>loans | Lease<br>liabilities | Total |
|---------------------------------------|---------------|----------------|----------------------|-------|
| <i>Liability related changes</i>      | \$            | \$             | \$                   | \$    |
| <b>Period ended February 28, 2026</b> |               |                |                      |       |
| Interest expense                      | 104           | 217            | 330                  | 651   |
| Interest paid                         | 88            | 254            | 330                  | 672   |
| <br>Year ended November 30, 2025      |               |                |                      |       |
| Interest expense                      | 345           | 1,299          | 1,415                | 3,059 |
| Interest paid                         | 371           | 1,229          | 1,415                | 3,015 |
| <br>Period ended February 28, 2025    |               |                |                      |       |
| Interest expense                      | 100           | 139            | 341                  | 580   |
| Interest paid                         | 67            | 137            | 341                  | 545   |

## 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.

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Unaudited

For the three months ended February 28, 2026 and 2025

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

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

|                      | As at<br>February 28<br>2026 | As at<br>November 30<br>2025 | As at<br>February 28<br>2025 |
|----------------------|------------------------------|------------------------------|------------------------------|
|                      | \$                           | \$                           | \$                           |
| Cash                 | 4,117                        | 3,767                        | 4,237                        |
| Bank Indebtedness    | (44,488)                     | (17,564)                     | (42,385)                     |
| Net (Debt)           | (40,371)                     | (13,797)                     | (38,148)                     |
| Share capital        | 9,167                        | 9,184                        | 9,271                        |
| Retained earnings    | 194,075                      | 198,445                      | 192,136                      |
| Shareholders' Equity | 203,242                      | 207,629                      | 201,407                      |
| Total Capital        | 162,871                      | 193,832                      | 163,259                      |

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 82% (85% in 2025) of total sales, the sales to clients located in the United States represent approximately 10% (8% in 2025) of total sales, and the sales to clients located in other markets represent approximately 8% (same in 2025) of total sales.

|        | February 28<br>2026 | February 28<br>2025 |
|--------|---------------------|---------------------|
|        | \$                  | \$                  |
| Canada | 88,809              | 94,510              |
| US     | 11,678              | 9,382               |
| Export | 8,242               | 7,288               |
|        | 108,729             | 111,180             |

### Sales categories

|                                | February 28<br>2026 | February 28<br>2025 |
|--------------------------------|---------------------|---------------------|
|                                | \$                  | \$                  |
| Lumber                         | 66,912              | 65,342              |
| Specialty and commodity panels | 20,514              | 20,154              |
| Flooring                       | 12,359              | 16,116              |
| Building material              | 8,944               | 9,568               |
|                                | 108,729             | 111,180             |

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Unaudited

For the three months ended February 28, 2026 and 2025

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

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#### 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 February 28, 2026, the Company has paid and expensed cumulative cash deposits of \$6.6 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 comprehensive income.

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 20.53% and final CVD rate of 14.63%, resulting in a final combined rate of 35.16%.

Despite cash deposits being made in 2026 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.

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/ADD rates separate from the DOC's cash deposit rate. As a result, CVD was expensed at estimated rates of 6.74% and 14.63% and ADD was expensed at estimated accrual rates of 7.66% and 20.53%. This results in combined accounting rates of 14.40% and 35.16% for fiscal year 2025.

On January 1, 2026, the Company moved into the ninth period of review ("POR9"), which is based on sales and cost data in 2026. Consistent with prior periods, the Company was unable to estimate applicable CVD/ADD rates separate from the DOC's cash deposit rates. As a result, CVD was expensed at an estimated rate of 14.63% and ADD was expensed at an estimated rate of 20.53%. This results in a combined accounting rate of 35.16%.

As a result, for the three months ended February 28, 2026, the Company recorded a net duty expense of \$0.4 million (for the three months ended February 28, 2025 - \$0.2 million).

#### Summary

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 comprehensive income 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 comprehensive income.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Unaudited****For the three months ended February 28, 2026 and 2025****(tabular amounts are in thousands of dollars, except per share amounts)****17. 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 the first quarter of 2025 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 impacts of the restatement on the interim consolidated financial statements as at and for the quarter ended February 28, 2025 are as follows:

|                                                | February 28<br>2025    | Adjustments | February 28<br>2025 |
|------------------------------------------------|------------------------|-------------|---------------------|
| Consolidated Statement of Comprehensive Income | as previously reported |             | as restated         |
|                                                | \$                     | \$          | \$                  |
| Cost of goods sold                             | 85,713                 | 5,987       | 91,700              |
| Selling, administrative and general expenses   | 27,819                 | (5,987)     | 21,832              |

**Additional information on:**

|                           | February 28<br>2025    | Adjustments | February 28<br>2025 |
|---------------------------|------------------------|-------------|---------------------|
| Note 4                    | as previously reported |             | as restated         |
| Cost of Goods sold        | \$                     | \$          | \$                  |
| Employee benefits expense | 426                    | 4,274       | 4,700               |

|                                             | February 28<br>2025    | Adjustments | February 28<br>2025 |
|---------------------------------------------|------------------------|-------------|---------------------|
| Note 4                                      | as previously reported |             | as restated         |
| Selling administrative and general expenses | \$                     | \$          | \$                  |
| Employee benefits expense                   | 16,647                 | (4,274)     | 12,373              |