Management's Discussion and Analysis

For the three and nine months ended September 30, 2022 and 2021

This Management's Discussion and Analysis ("MD&A") of Taiga Building Products Ltd. ("Taiga" or the "Company") has been prepared based on information available as at November 4, 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three and nine months ended September 30, 2022 and 2021. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the three and nine months ended September 30, 2022.

The financial information reported herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), which is the required reporting framework for Canadian publicly accountable enterprises, and is expressed in Canadian dollars.

Taiga's consolidated financial statements and the accompanying notes included within this report include the accounts of Taiga and its subsidiaries. Unless otherwise noted, all references in this MD&A to "dollars" or "$" are to Canadian dollars.

Unless otherwise noted, there are no material changes to the Company's contractual obligations and risks and uncertainties as described in its management's discussion and analysis for the year ended December 31, 2021.

Additional information relating to the Company including the Company's Annual Information Form dated February 25, 2022 can be found on SEDAR at www.sedar.com.

Forward-Looking Information:

This MD&A contains certain forward-looking information relating, but not limited, to future events or performance and strategies and expectations of Taiga. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "likely", "may", "will", "should", "predict", "potential", "continue" or similar words suggesting future outcomes or statements regarding expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of such forward-looking information within this document include statements relating to: the Company's perception of the building products industry and markets in which it participates and anticipated trends in such markets in any of the countries in which the Company does business; the Company's anticipated business operations, inventory levels and ability to meet order demand; the Company's anticipated ability to procure products and its relationship with suppliers; sufficiency of cash flows; and the anticipated outcome of legal and regulatory proceedings. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking information. Forward-looking information reflects management's current expectations or beliefs and is based on information currently available to Taiga and although Taiga believes it has a reasonable basis for providing the forward-looking information included in this document, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information of Taiga involves numerous assumptions and inherent risks and uncertainties, both general and specific that contribute to the possibility that the predictions, forecasts and other forward-looking information will not occur. These factors include, but are not limited to: changes in business strategies; the effects of legal or regulatory proceedings, competition and pricing pressures; changes in operational costs; changes in laws and regulations, including tax, environmental, employment, competition, anti-terrorism and trade laws and Taiga's anticipation of and success in managing the risks associated with the foregoing; and other risks detailed in this MD&A and Taiga's filings with the Canadian securities regulatory authorities available at www.sedar.com. Forward-looking information speaks only as of the date of this discussion and analysis. Taiga does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-IFRS Financial Measure:

In this MD&A, reference is made to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of the Company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS. Reconciliations of EBITDA to net earnings reported in accordance with IFRS are included in this MD&A.

Market and Industry Data:

Unless otherwise indicated, the market and industry data contained in this MD&A is based upon information of independent industry and government publications and management's knowledge of, and experience in, the markets in which the Company operates. While management believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this MD&A and no representation is given as to the accuracy of any of the data referred to in this MD&A obtained from third party sources.

1. Business Overview

Taiga is the largest independent wholesale distributor of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at fifteen strategically located distribution centres throughout Canada and two distribution centres in California and one in Washington. In addition, Taiga regularly distributes through the use of third party reload centres. Taiga also owns and operates four wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include, among others, sales levels, price fluctuations and product mix.

Taiga's primary market is Canada. Taiga expects the Canadian housing market in calendar year 2022 to moderate from highs experienced in 2021. Taiga's secondary market, the United States, is expected to decline slightly in 2022 compared to calendar year 2021. See Item 9 "Outlook".

2. Results of Operations

Sales

The Company's consolidated net sales for the quarter ended September 30, 2022 were $533.1 million compared to $484.6 million over the same period last year. The increase in sales by $48.5 million or 10% was largely due to increased commodity prices.

Consolidated net sales for the nine months ended September 30, 2022 were $1,791.9 million compared to $1,807.2 million over the same period last year. The decrease in sales by $15.3 million or 1% was largely due to the Company experiencing lower selling prices for its commodity products during the period.

Sales by segments are as follows:

	Revenue by Point of Sale							
	Three months ended September 30,				Nine months ended September 30,			
	2022		2021		2022		2021	
	$000's	%	$000's	%	$000's	%	$000's	%
Canada	439,792	82.5	392,818	81.1	1,470,358	82.1	1,477,416	81.8
United States	93,274	17.5	91,745	18.9	321,534	17.9	329,797	18.2

For the quarter ended September 30, 2022, export sales totalled $56.4 million compared to $58.0 million over the same period last year. For the nine months period ended September 30, 2022 export sales were $222.7 million compared to $257.0 million over the same period last year. These export sales were primarily to the United States and Asia and are included as part of the Canadian segment in the table above.

The Company's sales of dimension lumber and panels, as a percentage of total sales, were 55.0% for the quarter ended September 30, 2022 and 52.0% over the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, were 45.0% for the quarter ended September 30, 2022 and 48.0% over the same period last year.

The Company's sales of dimension lumber and panel, as a percentage of total sales, were 58.5% for the nine months ended September 30, 2022, compared to 60.0% over the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, were 41.5% for the nine months period ended September 30, 2022, compared to 40.0% over the same period last year.

Gross Margin

Gross margin for the quarter ended September 30, 2022 increased to $63.8 million from $7.6 million over the same period last year. Gross margin percentage was 12.0% for the three months ended September 30, 2022 compared to 1.6% in the same period last year. In the 2021 comparative period commodity prices fell dramatically and the Company booked a $13.4 million inventory reserve due to the impact falling commodity prices had on its treated inventory values.

Gross margin for the nine months ended September 30, 2022 decreased to $241.7 million from $245.9 million over the same period last year. Gross margin percentage was 13.5% for the nine months ended September 30, 2022 compared to 13.6% in the same period last year. These decreases were primarily due to lower overall commodity prices during the peak season in the previous year.

Expenses

Distribution expenses for the quarter ended September 30, 2022 were $7.3 million compared to $6.8 million over the same period last year. For the nine months period ended September 30, 2022, distribution expenses increased to $22.0 million compared to $20.7 million over the same period last year primarily due to higher distribution expenses for fuel, insurance and property taxes.

Selling and administration expenses for the quarter ended September 30, 2022 increased to $29.7 million compared to $5.4 million over the same period last year. Selling and administration expenses for the nine months ended September 30, 2022 increased to $106.3 million compared to $105.5 million over the same period last year. These increases were primarily due to higher compensation cost, and increased post-pandemic travel.

Finance expenses for the quarter ended September 30, 2022 were $1.5 million compared to $1.9 million over the same period last year. Finance expenses for the nine months period ended September 30, 2022 decreased to $5.5 million compared to $5.8 million for the same period last year. The decrease was due to reduced borrowing levels.

Subordinated debt interest expense was $0.2 million for both quarters ended September 30, 2022 and 2021. Subordinated debt interest expense was $0.7 million for both years ended September 30, 2022 and 2021.

Other (income) expense for the quarter ended September 30, 2022 was ($0.01) million compared to $0.01 million over the same period last year. Other (income) expense for the nine months ended September 30, 2022 is ($0.2) million compared to $0.3 million over the same period last year. The reason for the decreases was primarily due to the write down of an asset that had become impaired in 2021.

Net Earnings

Net earnings for the quarter ended September 30, 2022 increased to $18.6 million from ($5.2) million for the same period last year. Net earnings for the nine months period ended September 30, 2022 decreased to $78.9 million compared to $82.4 million over the same period last year. The increase and decrease for the quarter and nine months ending respectively were primarily due to differences in gross margins.

EBITDA

EBITDA for the quarter ended September 30, 2022 was $29.8 million compared to ($1.8) million for the same period last year. EBITDA increased primarily due to higher margins earned during the quarter. For the nine months ended September 30, 2022, EBITDA was $122.1 million compared to $127.8 million over the same period last year. EBITDA decreased primarily due to lower margins earned during the period.

Reconciliation of net earnings to EBITDA:

(in thousands of dollars)	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Net earnings (loss)	18,620	(5,240)	78,915	82,404
Income taxes (recovery)	6,534	(1,432)	28,493	30,549
Finance and subordinated debt interest expense	1,712	2,073	6,154	6,451
Amortization	2,898	2,758	8,517	8,352
EBITDA	29,764	(1,841)	122,079	127,756

3. Cash Flows

Operating Activities

Cash flows from operating activities provided cash of $103.8 million for the quarter ended September 30, 2022 compared to providing cash $154.6 million for the same period last year. Cash flows from operating activities provided cash of $40.7 million for the nine months ended September 30, 2022 compared to providing cash $103.0 million for the same period last year. Changes between the comparative periods were primarily due to changes in income taxes paid and non-cash working capital primarily due to increased accounts receivable, decreased inventories and increased accounts payable and accrued liabilities.

Investing Activities

Investing activities used cash of $1.3 million for the quarter ended September 30, 2022 compared to using $1.2 million for the same period last year. Investing activities used cash of $2.6 million for the nine months ended September 30, 2022 compared to using $2.7 million for the same period last year.

Financing Activities

Financing activities used cash of $1.2 million for the quarter ended September 30, 2022 compared to using $96.7 million for the same period last year. Financing activities used cash of $4.3 million during the nine months ended September 30, 2022 compared to using cash of $43.8 million during the same period last year. The decrease in usage was due to reduced borrowing from the Company's revolving credit facility during the period ending September 30, 2022 offset by a dividend paid last year.

4. Summary of Quarterly Results

Year ending December 31,

	2022			2021				2020
(in thousands of dollars, except per share amount in dollars)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Sales	533,066	646,122	612,704	412,461	484,563	786,732	535,918	411,283
Net earnings	18,620	20,794	39,540	10,282	(5,240)	58,468	29,176	17,635
Net earnings per share[(1)]	0.17	0.19	0.37	0.10	(0.05)	0.54	0.27	0.16
EBITDA	29,764	33,747	58,568	17,425	(1,841)	84,539	45,107	29,410

Notes:

(1) The amounts are identical on a basic and fully-diluted per share basis. Earnings per share is calculated using the weighted-average number of shares.

Seasonality

Taiga's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season. Taiga generally experiences higher sales in the quarters ended June 30 and September 30 and reduced sales in the late fall and winter during its quarters ended December 31 and March 31 of each fiscal year.

5. Liquidity and Capital Resources

Revolving Credit Facility

On June 28, 2018, the Company renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from $225 million to $250 million, with an option to increase the limit by up to $50 million. The Facility also features an ability to draw on additional term loans in an aggregate amount of approximately $23 million at favourable rates. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Company and certain of its subsidiaries and will mature on June 28, 2023. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories. The terms, conditions, and covenants of the Facility have been met as at September 30, 2022.

Taiga expects to meet its future cash requirements through a combination of cash generated from operations and its credit facilities. However, any severe weakening of the Canadian housing market driving reduced product demand or a significant increase in bad debts in accounts receivable could adversely impact the Company's liquidity in the short term.

Working Capital

Working capital as at September 30, 2022 increased to $308.0 million from $224.6 million as at December 31, 2021 due to increased cash and cash equivalents and accounts receivable. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**	**December 31, 2021**
Current Assets	512,140	445,313	430,589
Current Liabilities (excluding Revolving Credit Facility and Subordinated Notes)	(191,657)	(221,129)	(193,458)
Revolving Credit Facility	-	-	-
Subordinated Notes	(12,500)	-	(12,500)
Working Capital	**307,983**	**224,184**	**224,631**
Long Term Assets	155,962	150,099	152,415
Long Term Liabilities (excluding Subordinated Notes)	(109,023)	(104,469)	(109,991)
Subordinated Notes	-	(12,500)	-
Shareholders' Equity	**354,922**	**257,314**	**267,055**

Assets

Total assets were $668.1 million as at September 30, 2022 compared to $583.0 million as at December 31, 2021. The increase was primarily due to increases in cash and cash and equivalents and accounts receivable.

Inventories decreased to $199.0 million as at September 30, 2022 compared to $217.7 million as at December 31, 2021, primarily due to lower commodity prices.

Accounts receivable increased to $200.0 million as at September 30, 2022 compared to $139.2 million as at December 31, 2021 primarily due to higher revenue during the peak season.

Liabilities

Total liabilities decreased to $313.2 million as at September 30, 2022 from $315.9 million as at December 31, 2021. The decrease was primarily due to a decrease in income taxes payable.

Accounts payable and accrued liabilities increased to $185.3 million as at September 30, 2022 compared to $155.9 million as at December 31, 2021 primarily due to higher accrued inventory purchases.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On September 30, 2022, there were 108,171,321 common shares issued and outstanding.

On August 18, 2021, the Company commenced a Normal Course Issuer Bid ("NCIB") for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,427,077 of its then outstanding 108,541,557 common shares, representing 5% of the outstanding common shares. This NCIB expired on August 17, 2022 and the Company purchased 332,594 shares during the NCIB.

On August 31, 2022, the Company commenced a further NCIB for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,410,448 of its then outstanding 108,208,963 common shares, representing 5% of the outstanding common shares. For the period ending September 30, 2022 the Company purchased 37,642 shares for $94,007. These common shares purchased by the Company have been cancelled. At September 30, 2022 there were 5,372,806 remaining common shares permitted to be purchased by the Company per the terms of the NCIB with an expiration on August 30, 2023.

6. Critical Accounting Policies and Estimates, and Future Accounting Changes

The significant accounting policies of Taiga are described in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

The preparation of financial statements in conformity with IFRS requires management to make assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Financial results as determined by actual events could be different from those estimates. These estimates are described in the management's discussion and analysis for the year ended December 31, 2021 and there have been no material changes to such policies and estimates since that time.

7. Off-Balance Sheet Arrangements

Taiga does not have off-balance sheet arrangements except for commitments under operating leases as discussed under "Commitments and Contingencies" in this Management's Discussion and Analysis.

For a detailed description of financial instruments and their associated risks, see Note 24 to the Company's audited consolidated financial statements for the period ended December 31, 2021.

8. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Taiga’s management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting (“ICFR”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

The CEO and CFO of Taiga acknowledge responsibility for the design of ICFR and confirm that there were no changes in these controls that occurred during the quarter ended September 30, 2022 which materially affected, or are reasonably likely to materially affect the Company’s ICFR.

9. Outlook

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators.

In Canada, according to the Canada Mortgage and Housing Corporation (“CMHC”) in their spring Housing Market Outlook, housing starts are forecasted to range from 247,700 to 273,100 units in the 2022 calendar year compared to the 271,198 starts in 2021.

In the United States, the National Association of Home Builders reported in October 2022 that housing starts are forecasted to total 1,538,000 units in the 2022 calendar year compared to 1,605,000 units in calendar year 2021.

Taiga Building Products Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three and nine months ended September 30, 2022 and 2021
(in Canadian dollars)

NOTICE TO SHAREHOLDERS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), 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 accompanying unaudited interim consolidated financial statements of Taiga Building Products Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TAIGA BUILDING PRODUCTS LTD.

Condensed Interim Consolidated Balance Sheets
(Unaudited)

(in thousands of Canadian dollars)	September 30, 2022	September 30, 2021	December 31, 2021
Assets			
Current:			
Cash and cash equivalents (Note 4)	$ 105,589	$ 56,723	$ 69,673
Accounts receivable	200,016	179,249	139,193
Inventories (Note 5)	198,962	204,141	217,698
Prepaid expenses	4,097	5,200	4,025
Current income tax assets	3,476	-	-
	512,140	445,313	430,589
Property, plant and equipment	120,782	122,612	121,271
Intangible assets	13,450	13,605	13,263
Goodwil	10,720	9,964	9,915
Deferred tax assets	11,010	3,918	7,966
	$ 668,102	$ 595,412	$ 583,004
Liabilities and Shareholders' Equity			
Current:			
Accounts payable and accrued liabilities	$ 185,269	$ 176,943	$ 155,877
Income taxes payable	-	38,269	31,675
Current portion of long-term debt	687	639	636
Current portion of lease obligations	5,701	5,278	5,270
Subordinated notes (Note 7)	12,500	-	12,500
	204,157	221,129	205,958
Long-term debt	6,815	6,973	6,780
Lease obligations	92,820	94,661	94,132
Deferred gain	2,272	2,392	2,362
Deferred tax liabilities	6,826	48	6,347
Provisions	290	395	370
Subordinated notes (Note 7)	-	12,500	-
	313,180	338,098	315,949
Shareholders' Equity:			
Share capital (Note 8)	123,110	123,204	123,204
Accumulated other comprehensive income (Note 8)	12,502	3,997	3,456
Retained earnings	219,310	130,113	140,395
	354,922	257,314	267,055
	$ 668,102	$ 595,412	$ 583,004

The accompanying notes are an integral part of these condensed consolidated financial statemer

TAIGA BUILDING PRODUCTS LTD.

Condensed Interim Consolidated Statements of Earnings and Comprehensive Income (Unaudited)

(in thousands of Canadian dollars, except per share amounts)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Sales	$ 533,066	$ 484,563	$ 1,791,892	$ 1,807,213
Cost of sales	469,220	476,917	1,550,170	1,561,306
Gross margin	63,846	7,646	241,722	245,907
Expenses:				
Distribution	7,333	6,834	22,008	20,708
Selling and administration	29,658	5,399	106,312	105,493
Finance (Note 9)	1,494	1,855	5,498	5,795
Subordinated debt interest (Note 7)	218	218	656	656
Other expenses (income)	(11)	12	(160)	302
	38,692	14,318	134,314	132,954
Earnings (loss) before income tax	25,154	(6,672)	107,408	112,953
Income tax expense (recovery) (Note 6)	6,534	(1,432)	28,493	30,549
Net earnings (loss) for the period	$ 18,620	$ (5,240)	$ 78,915	$ 82,404
Other comprehensive income				
Exchange differences on translating foreign controlled entities	$ 7,296	$ 3,031	$ 9,046	$ 736
Total comprehensive income (loss) for the period	$ 25,916	$ (2,209)	$ 87,961	$ 83,140
Basic and diluted net earnings (loss) per common share	$ 0.17	$ (0.05)	$ 0.73	$ 0.76
Weighted average number of common shares outstanding	108,200	108,375	108,206	108,486

The accompanying notes are an integral part of these condensed consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

For the nine months ended September 30, 2021

(in thousands of Canadian dollars)	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2020	$ 124,048	$ 77,710	$ 3,261	$ 205,019
Net earnings	-	82,404	-	82,404
Dividend (Note 8)	-	(30,001)	-	(30,001)
Shares purchased under the NCIB and cancelled (Note 8)	(844)	-	-	(844)
Other comprehensive income	-	-	736	736
Balance at September 30, 2021	$ 123,204	$ 130,113	$ 3,997	$ 257,314

For the nine months ended September 30, 2022

(in thousands of Canadian dollars)	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2021	$ 123,204	$ 140,395	$ 3,456	$ 267,055
Net earnings	-	78,915	-	78,915
Shares purchased under the NCIB and cancelled (Note 8)	(94)	-	-	(94)
Other comprehensive income	-	-	9,046	9,046
Balance at September 30, 2022	$ 123,110	$ 219,310	$ 12,502	$ 354,922

The accompanying notes are an integral part of these condensed consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash provided by (used in):				
Operating:				
Net (loss) earnings	$ 18,620	$ (5,240)	$ 78,915	$ 82,404
Adjustments for non-cash items				
Amortization	2,898	2,758	8,517	8,352
Income tax expense (recovery)	6,534	(1,432)	28,493	30,549
Mark-to-market adjustment on financial instruments	(357)	939	(1,035)	(14)
Change in provisions	(27)	(26)	(80)	(76)
Loss (gain) on asset disposal	25	41	(65)	391
Amortization of deferred gain	(30)	(29)	(90)	(89)
Finance and subordinated debt interest expense	1,712	2,073	6,154	6,451
Interest paid	(1,611)	(1,611)	(5,277)	(5,511)
Income tax paid	(34,304)	(10,017)	(65,545)	(14,497)
Changes in non-cash working capital (Note 12)	110,382	167,103	(9,281)	(4,937)
Cash flows used in operating activities	103,842	154,560	40,706	103,023
Investing:				
Purchase of property, plant and equipment	(1,289)	(1,180)	(2,719)	(2,687)
Proceeds from disposition of property, plant and equipment	17	-	123	(35)
Cash flows used in investing activities	(1,272)	(1,180)	(2,596)	(2,722)
Financing:				
Increase (decrease) in revolving credit facility	-	(94,233)	-	(8,742)
Repayment of long-term debt	288	53	86	(473)
Repayment of lease obligations	(1,410)	(1,270)	(3,860)	(3,336)
Subordinated notes interest paid	-	-	(434)	(438)
Dividends paid	-	-	-	(30,001)
Repurchase of common shares	(94)	(844)	(94)	(844)
Cash flows provided by financing activities	(1,216)	(96,294)	(4,302)	(43,834)
Effect of foreign exchange on cash	1,787	(363)	2,108	256
Cash (credit facility) - beginning of year	2,448	-	69,673	-
Cash (credit facility) - end of period	$ 105,589	$ 56,723	$ 105,589	$ 56,723

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of Operations

Taiga Building Products Ltd. ("Taiga" or the "Company") is an independent wholesale distributor of building products in Canada and the United States. Taiga operates within two reportable geographic areas, Canada and the United States. The Company's shares are listed for trading on the Toronto Stock Exchange.

Taiga is a Canadian corporation and its registered and records office is located at 20th floor, 250 Howe Street, Vancouver, British Columbia, Canada V6C 3R8.

2. Basis of Preparation

(a) Statement of Compliance

These condensed interim consolidated financial statements (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, these financial statements comply with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*.

These Financial Statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

These Financial Statements were authorized for issue on November 4, 2022 by the board of directors of the Company.

(b) Basis of Consolidation

These consolidated financial statements include the accounts of Taiga Building Products Ltd. and its subsidiaries. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. Inter-company transactions and balances have been eliminated.

(c) Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

3. Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these condensed consolidated interim financial statements are summarized in the Company's annual audited consolidated financial statements for the year ended December 31, 2021.

4. Cash

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**	**December 31, 2021**
Cash	105,336	56,148	69,181
Financing costs, net of amortization	253	575	492
Total	105,589	56,723	69,673

On June 28, 2018, the Company renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from $225 million to $250 million, with an option to increase the limit by up to $50 million. The Facility also features an ability to draw on additional term loans in an aggregate amount of approximately $23 million at favourable rates. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Company and certain of its subsidiaries and will mature on June 28, 2023. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories. The terms, conditions, and covenants of the Facility have been met as at September 30, 2022.

5. Inventories

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**	**December 31, 2021**
Allied building products	52,755	40,011	50,979
Lumber products	115,279	151,425	134,948
Panel products	28,846	23,965	29,984
Production consumables	2,618	2,095	1,987
Inventory provision	(536)	(13,355)	(200)
Total	198,962	204,141	217,698

All of the Company’s inventories are pledged as security for the revolving credit facility.

6. Income Taxes

Income tax expense is comprised of:

	Three months ended September 30,		**Nine months ended September 30,**	
(in thousands of dollars)	**2022**	**2021**	**2022**	**2021**
Current	4,175	16,289	25,435	48,666
Deferred	2,359	(17,721)	(3,058)	(18,117)
Total	6,534	(1,432)	28,493	30,549

7. Subordinated Notes

Per the Trust Indenture dated November 17, 2017, the Company’s subordinated notes are unsecured, bear interest at 7% per annum and mature on November 17, 2022. The subordinated notes are not listed on any stock exchange. Interest on the notes is payable on May 17 and November 17 of each year. The aggregate principal amount of the notes that may be issued under the Indenture is unlimited. The terms, conditions, and covenants of the Indenture have been met during the quarter ended September 30, 2022.

8. Shareholders’ Equity

(a) Authorized Share Capital

Unlimited common shares without par value, unlimited class A common shares without par value, and unlimited class A and class B preferred shares without par value.

(b) Normal Course Issuer Bid

On August 18, 2021, the Company commenced a Normal Course Issuer Bid (“NCIB”) for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,427,077 of its then outstanding 108,541,557 common shares, representing 5% of the outstanding common shares. This NCIB expired on August 17, 2022 and the Company purchased 332,594 shares during the NCIB.

On August 31, 2022, the Company commenced a further NCIB for its common shares. Under the terms of the NCIB, the Company may purchase up to 5,410,448 of its then outstanding 108,208,963 common shares, representing 5% of the outstanding common shares. For the period ending September 30, 2022 the Company purchased 37,642 shares for $94,007. These common shares purchased by the Company have been cancelled. At September 30, 2022 there were 5,372,806 remaining common shares permitted to be purchased by the Company per the terms of the NCIB with an expiration on August 30, 2023.

(c) Common Shares Issued

(in thousands of dollars, except number of shares)	**Number of Shares**	**Amount**
Balance, December 31, 2021	108,208,963	123,204
Shares purchased under NCIB and cancelled	37,642	94
Balance, September 30, 2022	108,171,321	123,110

(d) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of exchange differences arising on translation of entities that have a functional currency other than the Canadian dollar.

(e) Stock Options and Warrants

Taiga does not have stock options or warrants outstanding and has not granted or cancelled options or warrants during the current or prior period.

(f) Major Shareholder

Taiga's major shareholder is Avarga Limited ("Avarga"), holding 71.8% or 77,708,814 of the issued and outstanding common shares of the Company. Taiga's current chairman, Ian Tong, is the chief executive officer and a director of Avarga. Another of Taiga's directors, Dr. Kooi Ong Tong is also Avarga's executive chairman and a significant shareholder. Avarga is an investment holding company listed on the Singapore Exchange.

(h) Dividend

At the Company's board meeting on February 25, 2021, a special dividend of 27.64 cents per share was declared, payable to shareholders of record on March 5, 2021. The dividend was paid on March 19, 2021. This was a special, one-time dividend in light of the Company's strong results in fiscal year 2020.

9. Finance Expense

The finance expense is comprised of:

	Three months ended September 30,		**Nine months ended September 30,**	
(in thousands of dollars)	**2022**	**2021**	**2022**	**2021**
Interest on revolving credit facility and other short term liabilities	50	416	1,225	1,720
Interest on leases and long-term debt	1,361	1,357	4,026	3,830
Amortization of financing costs	83	82	247	245
Total	1,494	1,855	5,489	5,795

10. Financial Instruments

The fair values of lease obligations are as follows:

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**
Carrying amount	92,237	99,939
Fair value	92,239	99,862

The fair value of the lease obligations was determined using current borrowing rates for similar debt instruments.

The fair value of the 7% subordinated notes are as follows:

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**
Carrying amount	12,500	12,500
Fair value	12,500	12,936

The fair value of the 7% subordinated notes was determined using current borrowing rates for similar debt instruments.

The carrying amount of derivative financial instrument assets and liabilities are equal to their fair values as these instruments are re-measured to their fair values at each reporting date as follows:

(in thousands of dollars)	**September 30, 2022**	**September 30, 2021**
Lumber futures	226	(181)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – based on quoted prices in active markets for identical assets or liabilities;

Level 2 – based on inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
Level 3 – applies to assets and liabilities for inputs that are not based on observable market data, which are unobservable inputs.

Derivative financial instrument assets and liabilities are classified as level 2.

The following table summarizes the classification and carrying values of the Company's financial instruments at September 30, 2022 and 2021:

(in thousands of dollars)

At September 30, 2022	**Amortized Cost** (Financial assets)	**FVTPL**	**Amortized Cost** (Financial liabilities)	**Total**
Financial assets:				
Cash and cash equivalents	105,589	-	-	105,589
Accounts receivable	200,016	-	-	200,016
Lumber futures[1]	-	226	-	226
Total financial assets:	**305,605**	**226**	**-**	**305,831**
Financial liabilities:				
Revolving credit facility	-	-	-	-
Accounts payable & accrued liabilities	-	-	185,269	185,269
Lumber futures[1]	-	-	-	-
Current portion of long-term debt	-	-	687	687
Non-current portion of long-term debt	-	-	6,815	6,815
Current portion of lease obligation	-	-	5,701	5,701
Non-current portion of lease obligation	-	-	92,820	92,820
Subordinated notes	-	-	12,500	12,500
Total financial liabilities:	**-**	**-**	**303,792**	**303,792**

(in thousands of dollars)

At September 30, 2021	**Amortized Cost** (Financial assets)	**FVTPL**	**Amortized Cost** (Financial liabilities)	**Total**
Financial assets:				
Cash and cash equivalents	56,723	-	-	56,723
Accounts receivable	179,249	-	-	179,249
Total financial assets:	**235,972**	-	**-**	**235,972**
Financial liabilities:				
Lumber futures[1]		181	-	181
Revolving credit facility	-	-	-	-
Accounts payable & accrued liabilities	-	-	176,943	176,943
Current portion of long-term debt	-	-	639	639
Non-current portion of long-term debt	-	-	6,973	6,973
Current portion of lease obligation	-	-	5,278	5,278
Non-current portion of lease obligation	-	-	94,661	94,661
Subordinates notes	-	-	12,500	12,500
Total financial liabilities:	**-**	**181**	**296,994**	**297,175**

(1)Included with accounts receivable or accounts payable and accrued liabilities on the balance sheet

11. Changes in Non-Cash Working Capital

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of dollars)	**2022**	**2021**	**2022**	**2021**
(Increase) Decrease in Accounts receivable	64,211	147,546	(60,808)	(42,444)
(Increase) Decrease in Inventories	24,376	41,499	18,736	(14,162)
(Increase) Decrease in Prepaid expenses and other	(2,529)	(1,448)	(4,741)	(32,587)
Effect of foreign exchange on working capital	7,347	2,779	9,247	490
(Decrease) Increase in Accounts payable & accrued liabilities	16,977	(23,272)	28,285	83,766
Total	110,382	167,103	(9,281)	(4,937)

12. Seasonality

Taiga's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season. Taiga generally experiences higher sales in the quarters ended June 30 and September 30 and reduced sales in the late fall and winter during its quarters ended December 31 and March 31 of each fiscal year.

13. Segmented Information

Taiga operates within one business segment and has two reportable geographic areas as follows:

	Revenue by Point of Sale							
	Three months ended September 30,				Nine months ended September 30,			
	2022		2021		2022		2021	
	$000's	**%**	**$000's**	**%**	**$000's**	**%**	**$000's**	**%**
Canada	439,792	82.5	392,818	81.1	1,470,358	82.1	1,477,416	81.8
United States	93.274	17.5	91,745	18.9	321,534	17.9	329,797	18.2

For the quarter ended September 30, 2022, export sales totalled $56.4 million compared to $58.0 million in the previous year. For the nine months period ended September 30, 2022 export sales were $222.7 million compared to $257.0 million in the previous year. These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.