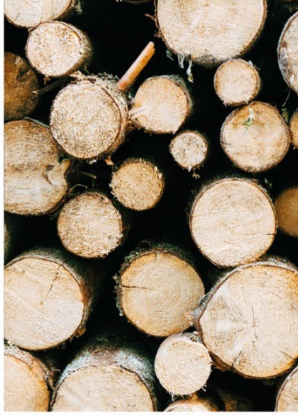




ANNUAL REPORT
2020






goodfellowinc.com

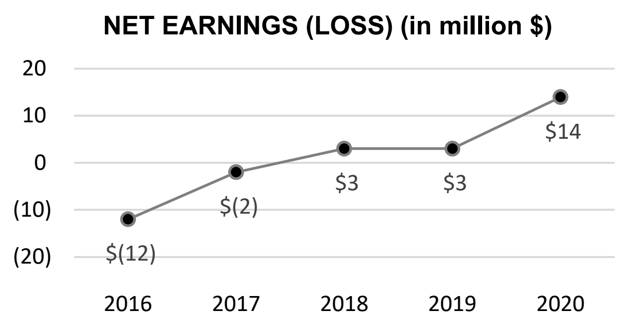
GOODFELLOW

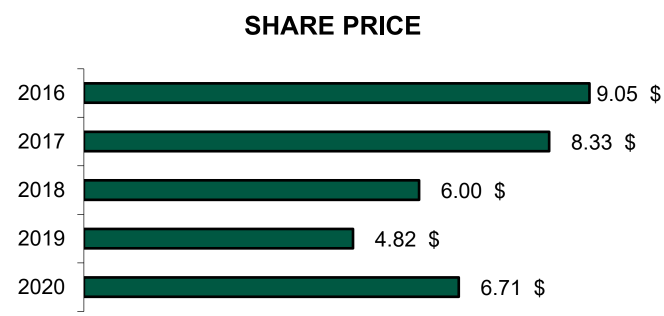
FINANCIAL HIGHLIGHTS

OPERATING ANNUAL RESULTS
(in thousands of dollars, except per share amounts)

	2020	2019	2018	2017	2016
Sales	**$454,103**	$449,587	$475,207	$523,659	$565,173
Earnings (loss) before income taxes	**$19,022**	$4,269	$3,277	$(3,275)	$(16,294)
Net earnings (loss)	**$13,811**	$3,054	$2,571	$(2,094)	$(12,105)
- per share	**$1.61**	$0.36	$0.30	$(0.25)	$(1.42)
Cash flow (excluding non-cash working capital, income tax paid and interest paid)	**$28,645**	$9,775	$9,705	$2,630	$(10,802)
- per share (1)	**$3.35**	$1.14	$1.14	$0.31	$(1.27)
Shareholders' equity	**$121,229**	$113,408	$112,863	$109,434	$110,693
- per share (1)	**$14.16**	$13.24	$13.27	$12.86	$13.01
Share price at year-end	**$6.71**	$4.82	$6.00	$8.33	$9.05
Dividend paid per share	**$0.20**	$0.10	-	-	$0.30

(1) Non-IFRS financial measures – refer to "Non-IFRS Financial Measures" section of this MD&A





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CHAIRMAN'S REPORT TO THE SHAREHOLDERS

The year ended November 30, 2020 resulted in near record earnings of $1.61 per share. These earnings, which we achieved in the face of a global pandemic, speak well to our strong management team and leadership. Unprecedented market demand in the second half of the fiscal year drove prices and margins up accordingly.

Inventories were carefully managed and ended the year at less than $85 million. With no long-term debt and a bank indebtedness of less than $29 million, we are well positioned to take advantage of strategic opportunities which may occur in the near future.

Goodfellow is well prepared both as to human capital and financial muscle for the future, and our balance sheet is the strongest in our history. With distribution yards across Canada, our marketing strength is formidable.

The demand for our products has carried forward into the 2021 year and we anticipate a strong first half. We will be on the lookout for opportunities to bolster our value-added capabilities, and will continue to invest in our facilities.

Finally, on behalf of the Board of Directors we would like to thank our shareholders for their continued trust and loyalty. It was well earned once again by the work of all our people throughout the organization. Thank you to our suppliers and customers for their support and to our management team for their hard work in achieving these results.

G. Douglas Goodfellow

G. Douglas Goodfellow
Chairman of the Board
February 19, 2021

PRESIDENT'S REPORT TO THE SHAREHOLDERS

The fourth-quarter results of fiscal 2020 were characterized by continued pandemic realities and their drastic effects on supply and demand. The Company performed very well and was able to capitalize on surging demand in commodities and seasonal products. This trend extended well into late November which is uncharacteristic and unprecedented in the previous fourth quarters.

The manufacturing sector showed some positive signs of growth despite the challenges it is facing with pandemic restrictions. The LBM side of the business continued its positive momentum due to the cocooning effect on home renovations and new constructions. Goodfellow used its diverse value-added capabilities to meet the strong demand for custom orders and specialty products. The Company positioned itself to succeed across the country with a firm commitment to maintaining needed inventory levels and ensuring superior customer service from coast to coast.

In late September 2020, the Company fell victim to a cyber-attack. Initiatives were quickly executed to protect the Company's interests and restore ongoing service. The financial results of the Company were dampened by this incident. The resourcefulness and understanding of Goodfellow's sales processes by the employee base mitigated the potential catastrophic or pursuant consequences. The Company would like to thank its suppliers and customers for supporting us during this period. Service is now fully restored and moving forward in 2021.

Sincerely,

Patrick Goodfellow
President and Chief Executive Officer
February 19, 2021

The following Management’s Discussion and Analysis (“MD&A”) and Goodfellow Inc. (hereafter the “Company”) consolidated financial statements were approved by the Audit Committee and the Board of Directors on February 19, 2021.
The MD&A should be read in conjunction with the consolidated financial statements and the corresponding notes for the years ended November 30, 2020 and November 30, 2019.
The MD&A provides a review of the significant developments and results of operations of the Company during the years ended November 30, 2020 and November 30, 2019.
The consolidated financial statements for the years ended November 30, 2020 and November 30, 2019 are prepared in accordance with International Financial Reporting Standards (“IFRS”).
All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

As outlined in the “Significant accounting policies” section of this MD&A, the Company adopted IFRS 16, Leases, using the modified retrospective approach, effective for the annual reporting period beginning on December 1, 2019. Accordingly, comparative figures as at and for the year ended November 30, 2019 have not been restated and continue to be reported under IAS 17, Leases.

Additional information relating to Goodfellow Inc., including the Annual Information Form and the Annual Report can be found on SEDAR at ***www.sedar.com****.*

FORWARD-LOOKING STATEMENTS

This MD&A contains implicit and/or explicit forecasts, as well as forward-looking statements on the objectives, strategies, financial position, operating results and activities of Goodfellow Inc. Forward-looking statements can be identified by words such as: "believe," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding liquidity and risk management in the current economic conditions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, these statements are forward-looking to the extent that they are based on expectations relative to markets in which the Company exercises its activities and on various assessments and assumptions. Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. Our actual results could differ significantly from management’s expectations if recognized or unrecognized risks and uncertainties affect our results or if our assessments or assumptions are inaccurate. These risks and uncertainties include, among other things; the effects of general economic and business conditions including the cyclical nature of our business; industry competition; inflation, credit, currency and interest rate risks; environmental risk; level of demand and financial performance of the manufacturing industry; competition from vendors; changes in customer demand; extent to which we are successful in gaining new long-term relationships with customers or retaining existing ones and the level of service failures that could lead customers to use competitors' services; increased customer bankruptcies; dependence on key personnel; impact of the COVID-19 pandemic and the related climate of uncertainty; laws and regulation; information systems, cost structure and working capital requirements; occurrence of hostilities, political instability or catastrophic events and other factors described in our public filings available at www.sedar.com. For these reasons, we cannot guarantee the results of these forward-looking statements. The MD&A gives an insight into our past performance as well as the future strategies and key performance indicators as viewed by our management team at Goodfellow Inc. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

COVID-19

The Company’s expectation of operating and financial performance in 2021 is based on certain assumptions including assumptions about the COVID-19 pandemic, such as the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of the Company. These include in particular the assumption that the Company’s manufacturing and distribution facilities will remain opened and in operation, the assumption that its workforce will remain healthy, the assumption that hardware and lumber stores and other industrial and manufacturing clients will remain opened and will continue ordering and selling the Company’s products, the assumption that construction activity will not be halted by mandatory closures and the assumption that the Company’s supply chain will not be interrupted. The Company’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

NON-IFRS FINANCIAL MEASURES

In addition to discussing earnings in accordance with IFRS, this MD&A provides cash flow per share and earnings before interest, taxes, depreciation and amortization [“EBITDA”] as a non-IFRS financial measure. These financial measures are not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Management considers it to be useful information to assist knowledgeable investors in evaluating the cash generating capabilities of the Company. Cash flow per share is defined as cash flow from operations (excluding non-cash working capital, income tax paid and interest paid) of $28.6 million for the fiscal period ended November 30, 2020 divided by the total number of outstanding shares of 8,562,554.

Reconciliation of net earnings to EBITDA (thousands of dollars)	**For the years ended** **November 30** **2020**	 November 30 2019
	$	$
Net earnings	**13,811**	3,054
Income taxes	**5,211**	1,215
Net financial costs	**2,719**	3,137
Operating income	**21,741**	7,406
Depreciation and amortization of property, plant and equipment and intangible assets	**3,433**	3,479
Amortization of right-of-use assets	**4,324**	-
EBITDA	**29,498**	10,885

BUSINESS OVERVIEW

Goodfellow Inc. is a distributor of lumber products, building materials, and hardwood flooring products. The Company carries on the business of wholesale distribution of wood and associated products and remanufacturing, distribution and brokerage of lumber. The Company sells to over 7000 customers who represent three main sectors - retail trade, industrial, and manufacturing. The Company operates 13 distribution centres and 9 processing plants in Canada, and 1 distribution centre in the USA.

OVERALL PERFORMANCE

The fiscal year 2020 was a good year for the Company. Despite the pandemic, the Company was able to perform well mainly due to its diversified specialty and value-added products as well as its capability to meet the strong demand for custom orders. The Company also capitalized on the shortage of commodity supply to increase its margins on many products. The cocooning effect from the pandemic was very beneficial overall for the lumber section. Travel restrictions for Canadians created a strong desire to renovate and improve their homes. Strong growth in the construction of multi-storey residential units also contributed to a strong, unprecedented fourth quarter 2020 result. Strong demand in commodities and seasonal products continued through November and well into December, starting 2021 on a positive note.

SELECTED ANNUAL INFORMATION (in thousands of dollars, except per share amounts)

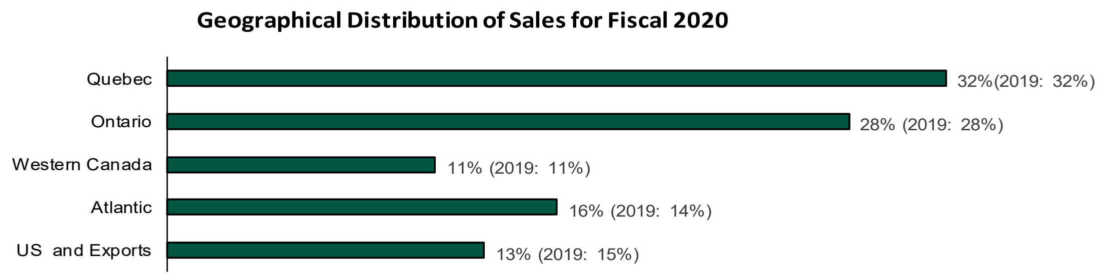
	2020	2019	2018
	$	$	$
Sales	**454,103**	449,587	475,207
Earnings before income taxes	**19,022**	4,269	3,277
Net earnings	**13,811**	3,054	2,571
Total Assets	**218,323**	180,581	190,718
Total Lease Liabilities	**17,658**	28	43
Cash Dividends paid	**1,712**	851	-
PER COMMON SHARE			
Net earnings per share, Basic	**1.61**	0.36	0.30
Net earnings per share, Diluted	**1.61**	0.35	0.30
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	**3.35**	1.14	1.14
Shareholders' Equity	**14.16**	13.24	13.27
Share Price	**6.71**	4.82	6.00
Cash Dividends paid	**0.20**	0.10	-

COMPARISON FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019
(In thousands of dollars, except per share amounts)

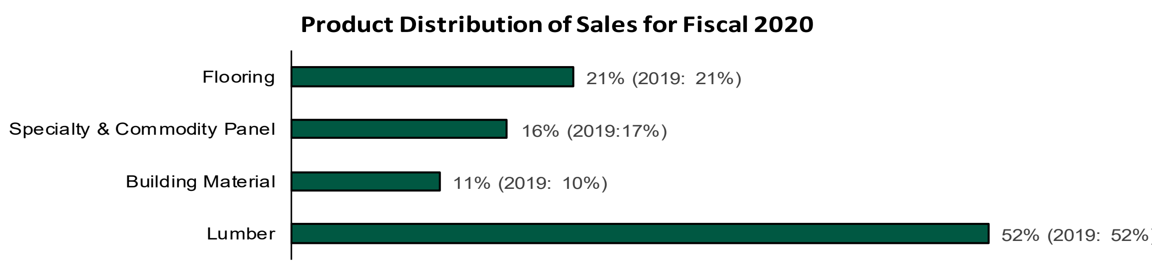
HIGHLIGHTS FOR THE YEARS ENDED NOVEMBER 30, 2020 AND 2019	**2020**	2019	Variance
	$	$	%
Sales	**454,103**	449,587	+1.0
Earnings before income taxes	**19,022**	4,269	+345.6
Net earnings	**13,811**	3,054	+352.2
Net earnings per share – Basic	**1.61**	0.36	+347.2
Net earnings per share – Diluted	**1.61**	0.35	+360.0
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	**28,645**	9,775	+193.0
EBITDA	**29,498**	10,885	+171.0
Average bank indebtedness	**34,481**	58,074	-40.6
Inventory average	**92,977**	103,698	-10.3

During the second quarter, in the face of the COVID-19 pandemic, the Company implemented rigorous sanitary practices and physical distancing measures in the workplace to mitigate health risks to its employees and the threat to its ongoing operations. The Company was able to keep most of its facilities opened in the early days of the COVID-19 pandemic, relying on exemptions from mandatory closures for essential products and services. The severe economic downturn caused by the COVID-19 pandemic and related government-imposed closures adversely impacted demand for the Company's products. In addition, construction activity in most of Canada was halted for several weeks in the second quarter as part of provincial government-imposed closures. In the third quarter, some restrictions were lifted except for the one related to travelling. In Canada, the federal border restrictions and provincial imposed restrictions combined with government salary protection programs had a positive impact in our industry and for the Company. Many consumers decided to invest in their property, since they were restricted from travelling in the summer of 2020. This trend continued in the fourth quarter.

Sales in Canada during fiscal 2020 increased 4% compared to last year despite the pandemic, mainly due to strong sales in the second half of fiscal 2020. Quebec sales increased 2% due to an increase in sales of engineered wood and softwood lumber. Sales in Ontario increased 2% mainly due to an increase in sales of softwood lumber and specialty and commodity panels. Sales in Western Canada decreased 1% due to a decline in sales of flooring and specialty and commodity panels. Atlantic region sales increased 14% due to an increase in sales of all the categories of products.



Sales in the United States during fiscal 2020 decreased 10% on a Canadian dollar basis compared to last year mostly due to the impact of the COVID-19 pandemic and decline in hardwood sales. On a US dollar basis, US denominated sales decreased 11% compared to last year. Finally, export sales decreased 22% compared to last year mostly due to the impact of the COVID-19 pandemic, and a strike at the Port of Montreal.



In terms of the distribution of sales by product, all product categories with the exception of building materials maintained their sales volume mostly due to consumers' investment in their property. Flooring sales during fiscal 2020 decreased 1% compared to last year. Specialty and commodity panel sales decreased 2% compared to last year. Building material sales increased 6% compared to last year. Finally, lumber sales increased 1% compared to last year.

Cost of Goods Sold
Cost of goods sold during fiscal 2020 was $362.4 million compared to $364.5 million last year. Cost of goods sold decreased 0.6% compared to last year. Total freight outbound cost decreased 3.3% compared to last year. Gross profits were $91.7 million compared to $85.0 million last year. Gross profits increased 7.9% compared to last year. Gross margins were 20.2% in fiscal 2020 (18.9% last year). The market allowed us to increase our margins due to shortages of lumber.

Selling, Administrative and General Expenses
Selling, Administrative and General Expenses during fiscal 2020 was $70.1 million compared to $77.6 million last year. Selling, Administrative and General Expenses decreased 9.7% compared to last year. In response to the COVID-19 pandemic, the Company implemented in the second quarter a number of cost-reduction measures such as reduced expenses related to non-essential travel and has furloughed up to 29% of its workforce. Furthermore, the Company benefited from the Canada Emergency Wage Subsidy that contributed in particular to maintaining jobs relating to the production and distribution of essential services.

Total selling, distribution and administrative expenses during fiscal 2020, excluding the impact of IFRS 16, would have been $71.0 million. The IFRS 16 impact on selling, distribution and administrative expenses is due to operating lease expenses under IAS 17 being replaced with a smaller amount of depreciation expense related to the right-of-use assets.

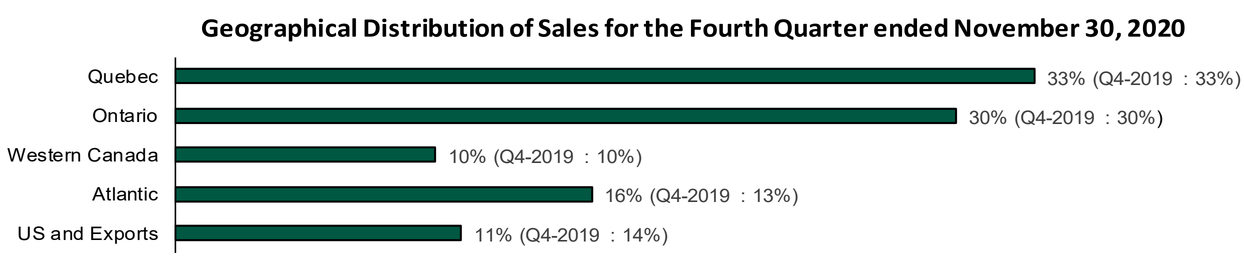
Net Financial Costs
Net financial costs during fiscal 2020 were $2.7 million compared to $3.1 million last year. The average Canadian prime rate decreased to 2.87% compared to 3.95% last year. The average US prime rate decreased to 3.63% compared to 5.33% last year. Average bank indebtedness was $34.5 million compared to $58.1 million last year.

Total net financial costs during fiscal 2020, excluding the impact of IFRS 16, would have been $2.0 million. The adoption of IFRS 16 increased the interest expense by $0.7 million related to lease liabilities.

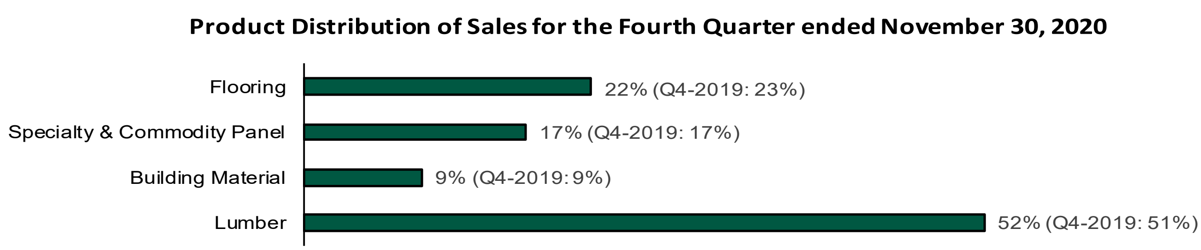
COMPARISON FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019
(In thousands of dollars, except per share amounts)

HIGHLIGHTS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019	Q4-2020	Q4-2019	Variance
	$	$	%
Sales	**122,641**	107,127	+14.5
Earnings before income taxes	**7,862**	406	+1,836.5
Net earnings	**5,776**	277	+1,985.2
Net earnings per share – Basic and Diluted	**0.67**	0.03	+2,133.3
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	**10,108**	1,450	+597.1
EBITDA	**10,373**	1,981	+423.6
Average bank indebtedness	**16,049**	42,124	-61.9
Inventory average	**85,135**	93,900	-9.3

Sales in Canada during the fourth quarter of fiscal 2020 increased 19% compared to the same period a year ago mostly due to the fact that the construction sector was very strong mainly due to the good weather, and that many consumer continued investing in their property since they were restricted from travelling. Quebec sales increased by 17% mainly due to an increase in almost all categories except for hardwood lumber. Sales in Ontario increased by 16% mainly due to an increase in sales of lumber and specialty and commodity products. Western Canada sales increased 10% due to an increase in sales of flooring, siding and building material. Atlantic region sales increased 38% due to an increase in sales of flooring, pressure treated wood, and fir products.



Sales in the United States for the fourth quarter of fiscal 2020 decreased 14% on a Canadian dollar basis and US dollar basis compared to the same period last year mostly due to decrease in sales of lumber products and specialty and commodity panels. Finally, export sales decreased 12% during the fourth quarter of fiscal 2020 compared to last year mostly due to decrease of sales in lumber and flooring products.



In terms of the distribution of sales by product, flooring sales for the fourth quarter ended November 30, 2020 increased 10% compared to last year. Specialty and commodity panel sales increased 16% compared to last year. Building material sales increased 7% compared to last year. Finally, lumber sales increased 17% compared to the same period a year ago.

Cost of Goods Sold
Cost of goods sold for the fourth quarter of fiscal 2020 was $95.7 million compared to $86.5 million for the corresponding period a year ago. Cost of goods sold increased 10.6% compared to last year. Total freight outbound cost increased 9.4% compared to last year. Gross profits were $27.0 million compared to $20.7 million last year. Gross profits increased 30.4% compared to last year. Gross margins were 22.0% for the three months ended November 30, 2020 (19.3% last year). The market allowed us to increase our margins due to shortages of lumber.

Selling, Administrative and General Expenses
Selling, Administrative and General Expenses for the fourth quarter ended November 30, 2020 were $18.7 million compared to $19.6 million for the corresponding period last year. Selling, Administrative and General Expenses decreased 4.6% compared to last year. This decline results from the measures taken by the Company to reduce costs and improve its operational efficiency during the second quarter of 2020 in response to the COVID-19 pandemic. The Company implemented a number of cost-reduction measures such as reduced expenses related to non-essential travel.

Total selling, distribution and administrative expenses for the fourth quarter of 2020, excluding the impact of IFRS 16, would have been $18.9 million. The IFRS 16 impact on selling, distribution and administrative expenses is due to operating lease expenses under IAS 17 being replaced with a smaller amount of depreciation expense related to the right-of-use assets.

Net Financial Costs

Net financial costs for the three months ended November 30, 2020 were $0.5 million ($0.7 million last year). The average Canadian prime rate was at 2.45% during the fourth quarter of fiscal 2020 compared to 3.95% last year. The average US prime rate decreased to 3.25% compared to 4.96% last year. Average bank indebtedness was $16.0 million compared to $42.1 million a year ago.

Total net financial costs for the fourth quarter of 2020, excluding the impact of IFRS 16, would have been $0.4 million. The adoption of IFRS 16 increased the interest expense by $0.1 million related to lease liabilities.

SUMMARY OF THE LAST EIGHT MOST RECENTLY COMPLETED QUARTERS

(In thousands of dollars, except per share amounts)

	Feb-2020[(1)]	May-2020[(1)]	Aug-2020[(1)]	Nov-2020[(1)]
	$	$	$	$
Sales	88,856	103,763	138,843	122,641
Net (loss) earnings	(2,060)	3,399	6,696	5,776
Net (loss) earnings per share	(0.24)	0.40	0.78	0.67

	Feb-2019	May-2019	Aug-2019	Nov-2019
	$	$	$	$
Sales	88,153	123,713	130,594	107,127
Net (loss) earning	(1,550)	1,855	2,472	277
Net (loss) earnings per share	(0.18)	0.22	0.29	0.03

As indicated above, our results over the past eight quarters follow a seasonal pattern with sales activities traditionally higher in the second and third quarters. In the second quarter of 2020, revenue is unusually low compared to the second quarter of 2019 due to COVID-19.

[1] Includes the impact of the adoption of IFRS 16

STATEMENT OF FINANCIAL POSITION AT NOVEMBER 30, 2020 AND 2019

Total Assets

Total assets at November 30, 2020 was $218.3 million compared to $180.6 million last year. Cash at November 30, 2020 closed at $3.5 million compared to $2.4 million last year. Trade and other receivables at November 30, 2020 was $76.1 million ($48.5 million last year). Inventories at November 30, 2020 was $84.7 million compared to $87.3 million last year. Prepaid expenses at November 30, 2020 was $2.6 million (same last year). Defined benefit plan asset was $1.9 million at November 30, 2020 compared to $2.2 million last year. Other assets were $0.8 million at November 30, 2020 (same last year).

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

Property, plant and equipment at November 30, 2020 was $31.1 million compared to $32.8 million last year. Capital expenditures during fiscal 2020 amounted to $1.4 million compared to $1.0 million last year. Property, plant and equipment capitalized during fiscal 2020 mainly included buildings, yard equipment, computers and rolling stock. Intangible assets at November 30, 2020 was $3.2 million compared to $3.9 million last year, largely decreased due to annual amortization expense of $728 thousand. Right-of-use assets at November 30, 2020 was $14.3 million (nil last year). Depreciation of property, plant, equipment, intangible, and right-of-use assets during fiscal 2020 amounted to $7.8 million compared to $3.5 million last year.

Total Liabilities

Total liabilities at November 30, 2020 was $97.1 million compared to $67.2 million last year. Bank indebtedness was $28.6 million compared to $31.2 million last year. Trade and other payables at November 30, 2020 was $39.6 million compared to $29.0 million last year. Income taxes payable was $4.9 million compared to $0.7 million last year. Provision at November 30, 2020 was $1.5 million (same last year). Dividend payable at November 30, 2020 was $2.1 million ($0.9 million last year). Lease liabilities at November 30, 2020 were $17.7 million compared to $43 thousand last year. Deferred income taxes at November 30, 2020 was $1.6 million compared to $3.2 million last year. Defined benefit plan obligation was $1.2 million at November 30, 2020 compared to $0.6 million last year.

Shareholders' Equity

Total Shareholders' Equity at November 30, 2020 was $121.2 million compared to $113.4 million last year. The Company generated a return on equity of 11.4% during fiscal 2020 compared to 2.7% last year. The share price closed at $6.71 per share on November 30, 2020 ($4.82 on November 30, 2019). The book value at November 30, 2020 was $14.16 per share compared to $13.24 last year. Share capital was $9.4 million at November 30, 2020 (same last year). Dividends of $0.20 and $0.10 per share were paid for fiscal years ended November 30, 2020 and November 30, 2019. Another dividend of $0.25 per share, totaling $2.1 million was declared in fiscal 2020, but payable in fiscal 2021.

LIQUIDITY AND CAPITAL RESOURCES

Financing

In May 2019, the Company renewed its credit agreement with its present lenders, two chartered Canadian banks. The credit agreement has a maximum revolving operating facility of $90 million maturing in May 2021. In addition, an accordion of $10 million is available once per fiscal year for a maximum of 150 days only. Funds advanced under these credit facilities bear interest at the prime rate plus a premium and are secured by first ranking security on the universality of the movable and immovable property of the Company. As at November 30, 2020, the Company was compliant with its financial covenants. As at November 30, 2020, under the credit agreement, the Company was using $24.0 million of its facility compared to $30.0 million last year.

The Company's business follows a seasonal pattern with sales activities traditionally higher in the second and third quarter. As a result, cash flow requirements are generally higher during these periods. The current facility is considered by management to be adequate to support its current forecasted cash flow requirements. Source of funding and access to capital is disclosed in detail under LIQUIDITY AND RISK MANAGEMENT IN THE CURRENT ECONOMIC CONDITIONS.

Cash Flow

Net cash flow from operating activities for fiscal 2020 was $11.4 million compared to $13.4 million last year. Financing activities during fiscal 2020 was $(12.3) million compared to $(11.9) million last year. Investing activities during fiscal 2020 was $(1.4) million compared to $(1.1) million last year (See Property, plant, equipment, intangible and right-of use assets for more details).

LIQUIDITY AND RISK MANAGEMENT IN THE CURRENT ECONOMIC CONDITIONS

The Company's objectives are as follows:

1. Maintain financial flexibility in order to preserve its ability to meet financial obligations;
2. Maintain a low debt-to-capitalization ratio to preserve its capacity to pursue its organic growth strategy;
3. Maintain financial ratios within covenants requirements;
4. Provide an adequate return to its shareholders.

The Company defines its capitalization as shareholders' equity and debt. Shareholders' equity includes the amount of paid-up capital in respect of all issued and fully paid common shares together with the retained earnings, calculated on a consolidated basis in accordance with IFRS. Debt includes bank indebtedness reduced by the amounts of cash and cash equivalents. Capitalization represents the sum of debt and shareholders' equity.

The Company manages its capital and makes adjustments to it in the 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 the 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. The Company believes that all its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

As at November 30, 2020 and 2019, the Company achieved the following results regarding its capital management objectives:

Capital management	**As at November 30 2020**	As at November 30 2019
Debt-to-capitalization ratio	**17.3%**	20.6%
Interest coverage ratio	**11.9**	3.5
Return on shareholders' equity	**11.4%**	2.7%
Current ratio	**2.1**	2.2
EBITDA (in thousands of dollars)	**$29,498**	$10,885

These measures are not prescribed by IFRS and are defined by the Company as follows:

- Debt-to-capitalization ratio represents debt over total shareholders' equity. Debt is defined as bank indebtedness less cash and cash equivalents. Capitalization is debt plus shareholders' equity. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Interest coverage ratio represents the EBITDA during the period for which the calculation is made over interest expenses for the same period on a consolidated basis, calculated on a rolling four-quarter basis. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity.
- Current ratio is total current assets divided by total current liabilities.
- EBITDA is earnings before interest, taxes, depreciation and amortization.

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

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

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

Cost Structure, Working Capital Requirements
At November 30, 2020, the Company's total debt-to-capitalization ratio stood at 17.3% compared to 20.6% on November 30, 2019.

For further information, the principal risk factors to which the Company is exposed are described in the Management's Report contained in its Annual Report for the twelve months ended November 30, 2020 as well as in the 2020 Annual Information Form available on SEDAR (www.sedar.com).

FINANCIAL COMMITMENTS AND CONTINGENCIES

Obligations	Payments due by period (in thousands of dollars) - undiscounted				
	Total	**Less than 1 year**	**2 – 3 Years**	**4 – 5 Years**	**After 5 years**
Lease obligations	19,912	5,128	8,011	4,092	2,681
Purchase obligations	418	418	-	-	-
Total obligations	**20,330**	**5,546**	**8,011**	**4,092**	**2,681**

Contingent liabilities
During the normal course of business, certain product liability and other claims have been brought against the Company and, where applicable, its suppliers. While there is inherent difficulty in predicting the outcome of such matters, management has vigorously contested the validity of these claims, where applicable, and based on current knowledge, believes that they are without merit and does not expect that the outcome of any of these matters, in consideration of insurance coverage maintained, or the nature of the claims, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, results of operations or future earnings of the Company.

RISKS AND UNCERTAINTIES

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 enters into forward exchange contracts to hedge certain accounts payable and certain future purchase commitments denominated in U.S. dollars and Euros. During the twelve months ended November 30, 2020, the Company did not use foreign exchange contracts to mitigate its effect on sales and purchases. Consequently, as at November 30, 2020 there were no outstanding foreign exchange contracts.

Interest Risk
The Company uses a credit facility to finance working capital requirements. The interest cost of this facility is dependent upon Canadian and US bank prime rates. The profitability of the Company could be adversely affected by increases in the bank prime rate.

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. The loss of any major customer could have a material effect on the Company's results, operations and financial conditions.

Environmental Risk
The Company's St-André (QC) site shows continued traces of surface contamination from previous treating activities exceeding existing regulatory requirements. The Company received approval for the environmental rehabilitation plan in fiscal 2016. The Company started to implement its plan during fiscal 2016 and treatment of soil on-site was to be performed over an estimated period of 5 years. The remaining rehabilitation was expected to occur in fiscal 2020. Unfortunately, because of the duration and impact of the COVID-19 pandemic no work was performed in fiscal 2020. The remaining rehabilitation is now expected to occur in fiscal 2021 unless other delays occur due to the COVID-19 pandemic. If additional delays occur the Company might have to modify its rehabilitation plan in fiscal 2021 and submit for approval to the Minister of the environment a revised timetable to complete the rehabilitation, taking into account any possible impact from the prevailing sanitary conditions. Based on current available information, the provision as at November 30, 2020 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. In particular, the Company has assumed that the site will be restored using technology and materials that are currently available. The Company has been provided with a reasonable estimate, reflecting different assumptions about pricing of the individual components of the cost. The provision has been calculated using a discount rate of 3.6% and an inflation rate of 0.7%.

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

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

Dependence on Major Customers
The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded annually and can be revoked. Only one major customer exceeds 10% of total Company sales in the twelve months ended November 30, 2020 (same last year). The following represents the total sales consisting primarily of various wood products of the major customer:

	Years ended			
(in thousands of dollars)	**November 30, 2020**		November 30, 2019	
	$	**%**	$	%
Sales to major customer(s) that exceeded 10% of total Company's sales	**67,716**	**14.9**	58,019	12.9

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

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

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

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

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

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

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

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

In the late September 2020, the Company detected a ransomware cyberattack on its information technology systems. The malware used to perform the attack encrypted certain electronic data stored on the Company's network so it cannot be read or used. The attack took place after the close of business and was immediately detected at the opening of business on the following day, with steps immediately taken to contain and mitigate any potential impact to the Company's data and operations and start the recovery process.

In collaboration with its cybersecurity insurance carriers, independent cybersecurity experts were brought in to assist the Company in dealing with the matter in accordance with industry best practices. The Company also reported the attack to law enforcement agencies.

Customers' personal information was not compromised as a result of this attack. However, some employee personal information has been compromised and the Company is taking measures to minimize the impact for affected employees, including retaining the services of TransUnion to proactively monitor and manage their credit record.

The Company was able to re-establish its data and systems and was successful in doing it.

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.

The following are the contractual maturities of financial liabilities as at November 30, 2020:
(in thousands of dollars)

Financial Liabilities					
	Carrying Amount	**Contractual cash flows**	**0 to 12 Months**	**12 to 36 Months**	**36 months and more**
Bank indebtedness	28,570	28,570	28,570	-	-
Trade and other payables	39,614	39,614	39,614	-	-
Dividend payable	2,141	2,141	2,141	-	-
Total financial liabilities	**70,325**	**70,325**	**70,325**	-	-

The following are the contractual maturities of financial liabilities as at November 30, 2019:

Financial Liabilities					
	Carrying Amount	Contractual cash flows	0 to 12 Months	12 to 36 Months	36 months and more
Bank indebtedness	31,204	31,204	31,204	-	-
Trade and other payables	29,048	29,048	29,048	-	-
Dividend payable	856	856	856	-	-
Lease liabilities	43	43	15	28	-
Total financial liabilities	61,151	61,151	61,123	28	-

Interest Rate Risk
The Company uses a credit facility to finance working capital requirements. The interest cost of this facility is dependent upon Canadian and US bank prime rates. The profitability of the Company could be adversely affected with increases in the bank prime rate. Management does not believe that the impact of interest rate fluctuations will be significant on its operating results. A 1% fluctuation of interest rate on the $28.6 million in bank indebtedness would impact interest expense annually by $0.3 million.

Currency Risk
The Company could enter into forward exchange contracts to economically hedge certain trade payables and from time to time future purchase commitments denominated in U.S. dollars, Euros and Pounds sterling. 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 November 30, 2020, the Company had the following currency exposure:

Financial assets and liabilities measured at amortized costs
(in thousands of dollars)

	USD	**GBP**	**Euro**
Cash	1,416	212	10
Bank indebtedness	(1,462)	-	-
Trade and other receivables	7,051	145	-
Trade and other payables	(3,775)	(77)	(275)
Lease liabilities	(515)	-	-
Net exposure	**2,715**	**280**	**(265)**
CAD exchange rate as at November 30, 2020	1.3001	1.7318	1.5508
Impact on net earnings based on a fluctuation of 5% on CAD	**127**	**17**	**(15)**

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 provision for doubtful accounts recorded, no impairment allowance is necessary in respect of trade receivables that are current or past due. The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded annually and can be revoked. In its assessment of the loss allowance for credit losses as at November 30, 2020, the Company considered the economic impact of the COVID-19 pandemic on its assessment. This was not considered to be significant.

The following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:
(in thousands of dollars)

	November 30 2020	November 30 2019
	$	$
Current	**70,326**	42,898
31 - 60 days past due	**2,752**	3,238
61 - 90 days past due	**1,620**	735
91 - 120 days past due	**712**	397
Over 120 days past due	**653**	564
	76,063	47,832
Loss allowance	**(122)**	(144)
Balance, end of period	**75,941**	47,688

As at November 30, 2020, expected credit losses are limited to $122 thousand and therefore, the expected credit losses from the aging of trade accounts receivable have not been presented separately in the table above.

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, trade and other payables and lease liabilities approximate their fair values.

RELATED PARTY TRANSACTIONS

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

Commercial Transactions
During the year ended November 30, 2020, the entities of the Company have not entered into business transactions with related parties that are not members of the Company.

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

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

	November 30 2020	November 30 2019
(in thousands of dollars)	**$**	$
Salaries and other short-term benefits	**1,943**	1,756
Post-employment benefits	**103**	105
	2,046	1,861

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates are volatile by their nature and are continuously monitored by management. Actual results may differ from these estimates. A discussion of the significant estimates that could have a material effect on the financial statements is provided below:

i. *Allowance for sales returns*
The Company provides for the possibility that merchandise already sold may be returned by customers. To this end, the Company has made certain assumptions based on the quantity of merchandise expected to be returned in the future.

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

iii. *Valuation of inventory*
Estimating the impact of certain factors on the net realizable value of inventory, such as obsolescence and losses of inventory, as well as estimating the cost of inventory, freight accrual and inventory provisions, requires a certain level of judgment. Inventory quantities, age and condition, and average costs are measured and assessed regularly throughout the year.

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

Environmental expenditures are estimated taking into consideration the anticipated method and extent of the remediation consistent with regulatory requirements, industry practices, current technology and possible uses of the site. The estimated amount of future remediation expenditures is reviewed periodically based on available information. The provision requires the use of estimates and assumptions such as the estimated amount of future remediation expenditures, the anticipated method of remediation, the discount rate and the estimated time frame for remediation. These estimates and assumptions might require additional revisions in the future depending on changes in the industry or the economic environment including any potential developments from the COVID-19 pandemic. Any changes in management’s estimate may have a material impact on the Company’s statement of financial position and consolidated statement of comprehensive income. See Note 13 for further details.

v. *Leases*
In determining the carrying amount of right-of-use assets and lease liabilities, the Company is required to estimate the incremental borrowing rate specific to each leased asset if the interest rate implicit in the lease is not readily determinable. Management determines the incremental borrowing rate of each leased asset by incorporating the Company's creditworthiness, the security, term and value of the underlying leased asset, and the economic environment in which the leased asset operates in. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

vi. *Critical judgments in applying accounting policies*
Management exercises judgment in determining the appropriate lease term on a lease by lease basis. Management considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option. The periods covered by renewal options are only included in the lease term if management is reasonably certain to renew.

Management considers reasonably certain to be a high threshold. Changes in the economic environment or changes in the industry may impact management's assessment of lease term, and any changes in management's estimate of lease terms may have a material impact on the Company's statement of financial position and consolidated statement of comprehensive income.

vii. *Impact of COVID-19 pandemic*
The Company reflected, where appropriate, on the impact of the COVID-19 pandemic and the related climate of uncertainty on some of its estimates and assumptions, including significant judgment areas, used in preparing the consolidated financial statements. The main areas impacted were the determination of whether there is an indication that assets are impaired and where appropriate, the estimates and assumptions used in the establishment of their recoverable amount. Additional revisions might be required in the future depending on the development of the COVID-19 pandemic and its impact on the Company's results of operations and financial position, and this could have a material impact on the final measurement of the carrying amount of the Company's assets.

SIGNIFICANT ACCOUNTING POLICIES

The new accounting policies set out below have been adopted in the audited consolidated financial statements for the year ended November 30, 2020:

- IFRS 16 – *Leases*
- IFRIC 23 – *Uncertainty Over Income Tax Treatments*

Further information on these modifications can be found in Note 3 of the audited consolidated financial statements for the year ended November 30, 2020.

DISCLOSURE OF OUTSTANDING SHARE DATA

At November 30, 2020, there were 8,562,554 common shares issued (same last year). The Company has authorized an unlimited number of common shares to be issued, without par value. At February 19, 2021, there were 8,562,554 common shares outstanding.

SUBSEQUENT EVENT

On November 16, 2020, the Company declared a dividend of $0.25 per share, totaling $2.1 million to shareholders of record on November 27, 2020, which was paid on December 4, 2020.

OUTLOOK

The evolution of COVID-19 is still currently unpredictable and due to the rise of new cases of infection worldwide it makes estimating the end of the pandemic impossible to determine at this date. The presence of a vaccine is reassuring nonetheless and Canadians cannot be overconfident that vaccination levels will be as anticipated by the end of 2021. In consequence, risk management requires caution. It is imperative to maintain a strong balance sheet throughout the period ahead in 2021.

COVID-19

The duration and impact of the COVID-19 pandemic on the Company are unknown at this time. As such, it is not possible to reliably estimate the length and severity of the COVID-19's related impacts on the financial results and operations of the Company. The Company continues to closely monitor the situation as it evolves day-to-day and may take further actions in response to the directives of the government and public health authorities or that are in the best interests of its colleagues, customers, suppliers or other stakeholders, as necessary. The Company has already taken and will continue to take swift actions to mitigate the effects of COVID-19 on its day-to-day business operations, with the best interests of its employees, customers, suppliers and other stakeholders at the crux of every action taken.

These changes and any additional changes in operations in response to COVID-19 could materially impact financial results and may include temporary closures of facilities, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on supply chains and distribution channels, temporary or long-term restrictions on cross-border commerce and travel, greater currency volatility, and increased risks to IT systems, networks and digital services. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, adversely impact operations and the financial performance of the Company. The spread of COVID-19 has caused an economic slowdown and increased volatility in financial markets. Governments and central banks have responded with monetary and fiscal interventions intended to stabilize economic conditions. However, it is not currently known how these interventions will impact debt and equity markets or the economy generally. Although the ultimate impact of COVID-19 on the global economy and its duration remain uncertain, disruptions caused by COVID-19 may adversely affect the performance of the Company. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, adversely impact demand for the Company's products and/or the debt and equity markets, both of which could adversely affect the Company's financial performance. Governmental interventions aimed at containing COVID-19 could also impact the Company's available workforce, its supply chain and distribution channels and/or its ability to engage in cross-border commerce, which could in turn adversely affect the operations or financial performance of the Company.

CERTIFICATION

Disclosure Controls

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

As required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have caused the effectiveness of the disclosure controls and procedures to be evaluated. Based on that evaluation, they have concluded that the design and operation of the system of disclosure controls and procedures were effective as at November 30, 2020.

Procedures and Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

As required by NI 52-109, the CEO and the CFO have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework established in 'Internal Control – Integrated Framework (COSO Framework)' published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013. Based on that evaluation, they have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at November 30, 2020.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

There has been no change in the Company's internal control over financial reporting that occurred during the three and twelve months ended November 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Delson, February 19, 2021

Patrick Goodfellow	Charles Brisebois, CPA, CMA
President and Chief Executive Officer	Chief Financial Officer

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

The accompanying consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards, and the other financial information provided in the Annual Report, which is consistent with the financial statements, are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements include some amounts that are based on management's best estimates and judgment and, in their opinion, present fairly the Company's financial position, results of operations and cash flows. The Company's procedures and internal control systems are designed to provide reasonable assurance that accounting records are reliable and safeguard the Company's assets.

The Audit Committee is responsible for reviewing the consolidated financial statements and Annual Report and recommending their approval to the Board of Directors. In order to fulfill its responsibilities, the Audit Committee meets with management and independent auditors to discuss internal control over financial reporting process, significant accounting policies, other financial matters and the results of the examination by the independent auditors.

These consolidated financial statements have been audited by the independent auditors KPMG LLP, Chartered Professional Accountants, and their report is included herein.

Patrick Goodfellow
President and Chief Executive Officer

Charles Brisebois, CPA, CMA
Chief Financial Officer

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Goodfellow Inc.;

Opinion

We have audited the consolidated financial statements of Goodfellow Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at November 30, 2020 and November 30, 2019;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in Shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at November 30, 2020 and November 30, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Prospective Change in Accounting Policy

We draw attention to Note 3 to the financial statements, which indicates that the Entity has changed its accounting policy for leases as of December 1, 2019, due to the adoption of IFRS 16 - Leases using a modified retrospective approach.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

– the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
– the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2020".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions and the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2020" as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP*

The engagement partner on the audit resulting in this auditors' report is Giuseppe Funiciello.

Montréal, Canada
February 19, 2021

*CPA auditor, CA, public accountancy permit No. A122264

GOODFELLOW INC.
Consolidated Statements of Comprehensive Income
For the years ended November 30, 2020 and 2019
(in thousands of dollars, except per share amounts)

	Years ended	
	November 30 2020	November 30 2019
	$	$
Sales (Note 22)	**454,103**	449,587
Expenses (Income)		
Cost of goods sold (Note 4)	**362,354**	364,545
Selling, administrative and general expenses (Note 4)	**70,053**	77,639
Gain on disposal of property, plant and equipment	**(45)**	(3)
Net financial costs (Note 5)	**2,719**	3,137
	435,081	445,318
Earnings before income taxes	**19,022**	4,269
Income taxes (Note 15)	**5,211**	1,215
Net earnings	**13,811**	3,054
Items that will not subsequently be reclassified to net earnings		
Remeasurement of defined benefit plan obligation, net of taxes of $165 ($265 in 2019) (Note 16)	**(426)**	(723)
Total comprehensive income	**13,385**	2,331
Net earnings per share – Basic (Note 14 c))	**1.61**	0.36
Net earnings per share – Diluted (Note 14 c))	**1.61**	0.35

The notes 1 to 22 are an integral part of these consolidated financial statements.

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

	As at November 30 2020	As at November 30 2019
	$	$
Assets		
Current Assets		
Cash	**3,466**	2,364
Trade and other receivables (Note 6)	**76,093**	48,498
Inventories (Note 7)	**84,740**	87,339
Prepaid expenses	**2,584**	2,563
Total Current Assets	**166,883**	140,764
Non-Current Assets		
Property, plant and equipment (Note 8)	**31,148**	32,838
Intangible assets (Note 9)	**3,238**	3,927
Right-of-use assets (Note 3 & 10)	**14,324**	-
Defined benefit plan asset (Note 16)	**1,945**	2,222
Other assets	**785**	830
Total Non-Current Assets	**51,440**	39,817
Total Assets	**218,323**	180,581
Liabilities		
Current liabilities		
Bank indebtedness (Note 11)	**28,570**	31,204
Trade and other payables (Note 12)	**39,614**	29,048
Income taxes payable	**4,859**	734
Provision (Note 13)	**1,473**	1,470
Dividend payable (Note 14 c))	**2,141**	856
Current portion of lease liabilities (Note 3 & 10)	**4,315**	15
Total Current Liabilities	**80,972**	63,327
Non-Current Liabilities		
Lease liabilities (Note 3 & 10)	**13,343**	28
Deferred income taxes (Note 15)	**1,597**	3,209
Defined benefit plan obligation (Note 16)	**1,182**	609
Total Non-Current Liabilities	**16,122**	3,846
Total Liabilities	**97,094**	67,173
Shareholders' Equity		
Share capital (Note 14)	**9,424**	9,424
Retained earnings	**111,805**	103,984
	121,229	113,408
Total Liabilities and Shareholders' Equity	**218,323**	180,581

Contingent liabilities and commitments (Note 20)

Approved by the Board

G. Douglas Goodfellow

G. Douglas Goodfellow, Director

Normand Morin

Normand Morin, Director

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the years ended November 30, 2020 and 2019
(in thousands of dollars)

	Years ended	
	November 30 2020	November 30 2019
	$	$
Operating Activities		
Net earnings	**13,811**	3,054
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment (Note 8)	**2,705**	2,786
Right-of-use assets (Note 10)	**4,324**	-
Intangible assets (Note 9)	**728**	693
Accretion expense on provision (Note 5)	**72**	14
Decrease in provision (Note 13)	**(69)**	(197)
Income taxes	**5,211**	1,215
Gain on disposal of property, plant and equipment	**(45)**	(3)
Interest expense (Note 5)	**950**	2,134
Interest on lease liabilities (Note 5)	**681**	-
Funding in deficit of pension plan expense	**259**	47
Other assets	**(7)**	111
Share-based compensation	**-**	(79)
Other	**25**	-
	28,645	9,775
Changes in non-cash working capital items (Note 17)	**(14,117)**	6,856
Interest paid	**(1,495)**	(2,154)
Income taxes paid	**(1,592)**	(1,069)
	(17,204)	3,633
Net Cash Flows from Operating Activities	**11,441**	13,408
Financing Activities		
Proceeds from borrowings under bank loans	**104,000**	115,000
Repayment of borrowings under bank loans	**(97,000)**	(113,000)
Proceeds from borrowings under banker's acceptances	**33,000**	40,000
Repayment of borrowings under banker's acceptances	**(46,000)**	(53,000)
Payment of lease liabilities (Note 10)	**(4,572)**	(14)
Dividend paid	**(1,712)**	(851)
	(12,284)	(11,865)
Investing Activities		
Acquisition of property, plant and equipment	**(1,431)**	(968)
Increase in intangible assets	**(39)**	(176)
Proceeds on disposal of property, plant and equipment	**49**	18
	(1,421)	(1,126)
Net cash (outflow) inflow	**(2,264)**	417
Cash position, beginning of year	**1,160**	743
Cash position, end of year	**(1,104)**	1,160
Cash position is comprised of:		
Cash	**3,466**	2,364
Bank overdraft (Note 11)	**(4,570)**	(1,204)
	(1,104)	1,160

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 2020 and 2019
(in thousands of dollars)

	Share Capital	**Retained Earnings**	**Total**
	$	$	$
Balance as at November 30, 2018	9,152	103,711	112,863
Net earnings	-	3,054	3,054
Other comprehensive income	-	(723)	(723)
Total comprehensive income	-	2,331	2,331
Transactions with owners of the Company			
Dividend (Note 14 c))	-	(1,707)	(1,707)
Share-based payment (Note 14 b))	272	(351)	(79)
Balance as at November 30, 2019	9,424	103,984	113,408
IFRS 16 adoption adjustment, net of taxes of $940 (Note 3)	**-**	**(2,567)**	**(2,567)**
Balance as at December 1, 2019	**9,424**	**101,417**	**110,841**
Net earnings	**-**	**13,811**	**13,811**
Other comprehensive income	**-**	**(426)**	**(426)**
Total comprehensive income	**-**	**13,385**	**13,385**
Transactions with owners of the Company			
Dividend (Note 14 c))	**-**	**(2,997)**	**(2,997)**
Balance as at November 30, 2020	**9,424**	**111,805**	**121,229**

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 consolidated financial statements of the Company as at and for the years ended November 30, 2020 and 2019 include the accounts of the Company and its wholly-owned subsidiaries.

2. Basis of preparation

a) *Statement of compliance*
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB"). Certain comparative figures have been reclassified to conform to the current year's presentation.

The financial statements were authorized for issue by the Board of Directors on February 19, 2021.

b) *Basis of measurement*
These consolidated financial statements have been prepared on the historical cost basis except for the following material items:
- Environmental provision is recorded at present value of the expected expenditure to be paid.
- Defined benefit plan assets and liabilities are measured at the present value of the defined benefit obligation less the fair value of the plan assets, and
- Liabilities for cash-settled share-based payment arrangements are measured in accordance with IFRS 2, *Share-Based Payment*.

c) *Functional and presentation currency*
These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand unless otherwise noted.

d) *Use of estimates, judgments and assumptions*

Key sources of estimation uncertainty:

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates are volatile by their nature and are continuously monitored by management. Actual results may differ from these estimates. A discussion of the significant estimates that could have a material effect on the financial statements is provided below:

i. *Allowance for sales returns*
The Company provides for the possibility that merchandise already sold may be returned by customers. To this end, the Company has made certain assumptions based on the quantity of merchandise expected to be returned in the future.

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

iii. *Valuation of inventory*
Estimating the impact of certain factors on the net realizable value of inventory, such as obsolescence and losses of inventory, as well as estimating the cost of inventory, freight accrual and inventory provisions, requires a certain level of judgment. Inventory quantities, age and condition, and average costs are measured and assessed regularly throughout the year.

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

Environmental expenditures are estimated taking into consideration the anticipated method and extent of the remediation consistent with regulatory requirements, industry practices, current technology and possible uses of the site. The estimated amount of future remediation expenditures is reviewed periodically based on available information. The provision requires the use of estimates and assumptions such as the estimated amount of future remediation expenditures, the anticipated method of remediation, the discount rate and the estimated time frame for remediation. These estimates and assumptions might require additional revisions in the future depending on changes in the industry or the economic environment including any potential developments from the COVID-19 pandemic. Any changes in management's estimate may have a material impact on the Company's statement of financial position and consolidated statement of comprehensive income. See Note 13 for further details.

v. *Leases*
In determining the carrying amount of right-of-use assets and lease liabilities, the Company is required to estimate the incremental borrowing rate specific to each leased asset if the interest rate implicit in the lease is not readily determinable. Management determines the incremental borrowing rate of each leased asset by incorporating the Company's creditworthiness, the security, term and value of the underlying leased asset, and the economic environment in which the leased asset operates in. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

vi. *Critical judgments in applying new accounting policies*
Management exercises judgment in determining the appropriate lease term on a lease by lease basis. Management considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option. The periods covered by renewal options are only included in the lease term if management is reasonably certain to renew.

Management considers reasonably certain to be a high threshold. Changes in the economic environment or changes in the industry may impact management's assessment of lease term, and any changes in management's estimate of lease terms may have a material impact on the Company's statement of financial position and consolidated statement of comprehensive income.

vii. *Impact of COVID-19 pandemic*
The Company reflected, where appropriate, on the impact of the COVID-19 pandemic and the related climate of uncertainty on some of its estimates and assumptions, including significant judgment areas, used in preparing the consolidated financial statements. The main areas impacted were the determination of whether there is an indication that assets are impaired and where appropriate, the estimates and assumptions used in the establishment of their recoverable amount. Additional revisions might be required in the future depending on the development of the COVID-19 pandemic and its impact on the Company's results of operations and financial position, and this could have a material impact on the final measurement of the carrying amount of the Company's assets.

3. Significant Accounting Policies

a) Adoption of New Accounting Policies

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), replacing IAS 17, *Leases* and related interpretations. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lessors continue to classify leases as finance and operating leases. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. IFRS 16 became effective for annual periods beginning on or after January 1, 2019.

The Company adopted the standard for the annual period beginning December 1, 2019 and applied the requirements of the standard using the modified retrospective approach with the cumulative effects of initial application recorded in opening retained earnings as at December 1, 2019 with no restatements of the comparative period. Under the modified retrospective approach, the Company has elected to use the following practical expedients permitted on adoption of IFRS 16:

- the Company did not reassess whether a contract is, or contains, a lease at the date of initial application and instead applied IFRS 16 to contracts that were previously identified as leases applying IAS 17, *Leases*;
- the Company relied on the assessment of the onerous lease provisions under IAS 37, *Provisions, contingent liabilities and contingent assets*, instead of performing an impairment review;
- the Company excluded initial direct costs in the measurement of the right-of-use assets at the date of initial application; and
- the Company used hindsight in determining the lease term at the date of initial application.

When applying the modified retrospective transition approach, for leases previously classified as operating leases under IAS 17 and IFRIC 4, on initial application, a lessee is permitted to measure the ROU (right-of-use) asset, on a lease-by-lease basis, using one of two methods: (1) as if IFRS 16 had always been applied, using the incremental borrowing rate at the date of initial application; or (2) at an amount equal to the lease liability (subject to certain adjustments). The Company applied the first option to certain leases, which resulted in a lower carrying amount of the ROU asset at the date of initial application as compared to the lease liability, for those leases. For the remainder of the leases, the Company recognized the ROU assets based on the corresponding lease liability.

In addition, deferred lease credits (relating to lease inducements) that were recorded in accounts payable and accrued liabilities were derecognized with a corresponding transition adjustment to retained earnings on transition date, as a result of the adoption of IFRS 16, and prepaid rent that was recorded in trade and other receivables and in other assets, on the consolidated statement of financial position as at December 1, 2019 was transferred to the recognized ROU asset.

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

The following table summarizes the impact of adopting IFRS 16 on certain items on the Company's consolidated balance sheet as at December 1, 2019:

	As at November 30 2019	Transition adjustments	As at December 1 2019
	$	$	$
Current assets			
Trade and other receivables	48,498	(37)	48,461
Non-current assets			
Property, plant and equipment (1)	32,838	(30)	32,808
Right-of-use assets	-	17,152	17,152
Other assets	805	(52)	753
Current Liabilities			
Trade and other payables	29,048	(127)	28,921
Current portion of lease liabilities	-	4,686	4,686
Current portion of obligations under finance leases (1) (2)	15	(15)	-
Non-current liabilities			
Deferred income tax	3,209	(940)	2,269
Lease liabilities	-	16,024	16,024
Obligations under finance leases (1) (2)	28	(28)	-
Shareholders' equity			
Retained earnings	103,984	(2,567)	101,417

(1) Leases previously classified as finance lease arrangements under IAS 17 were presented within property plant and equipment, and obligations under finance leases. Effective December 1, 2019, these balances are included in right-of-use assets, and lease liabilities.

(2) Presented under Lease liabilities in the statement of financial position at November 30, 2019 for comparative purposes.

The Company used its incremental borrowing rates as at December 1, 2019 to measure its lease liabilities. The weighted average incremental borrowing rate was 3.60% at date of adoption.

The following table reconciles the operating lease commitments disclosed under IAS 17 as at November 30, 2019 and the lease liabilities recognized on December 1, 2019:

	$
Total operating lease commitments disclosed as at November 30, 2019	**19,115**
Other service contracts	(103)
Obligation under finance leases	43
Operating lease commitments of leases commencing on or after December 1, 2019	(418)
Extension options reasonably certain to be exercised	4,171
Lease liabilities recognized as at December 1, 2019 – undiscounted	22,808
Discounted using the incremental borrowing rate as at December 1, 2019	20,710
Current portion of lease liabilities	4,686
Non-current portion of lease liabilities	16,024
Total lease liabilities	**20,710**

As a result of the adoption of IFRS 16 as described above, the Company has updated its significant accounting policies for leases in Note 3 g) below.

Uncertain Income Tax Treatments
In June 2017, the IASB issued IFRIC 23, *Uncertainty Over Income Tax Treatments*, which clarifies how to apply the recognition and measurement requirements in IAS 12, *Income Taxes*, when there is uncertainty regarding income tax treatments. The Interpretation addresses whether an entity needs to consider uncertain tax treatments separately, the assumptions an entity should make about the examination of tax treatments by taxation authorities, how an entity should determine taxable profit and loss, tax bases, unused tax losses, unused tax credits, and tax rates, and how an entity considers changes in facts and circumstances in such determinations. IFRIC 23 was applied to the annual reporting period beginning December 1, 2019. There were no significant impacts from the adoption of IFRIC 23 on its consolidated financial statements.

b) *Principles of Consolidation*
The consolidated financial statements incorporate the Company's accounts and the accounts of the subsidiaries, all wholly-owned, that it controls. Control exists when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The financial statements of subsidiaries are prepared with the same reporting period of the Company. The accounting policies of subsidiaries are aligned with the policies of the Company. All intercompany transactions, balances, revenues and expenses were fully eliminated upon consolidation.

c) *Cash*
Cash consists of cash on hand and highly liquid investments with an initial term of three months or less.

d) *Inventories*
Inventories, which consist of raw materials, work in process and finished goods are recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to its present location and condition. The costs of conversion of inventories also include the costs directly related to the conversion of materials to finished goods, such as direct labour and a systematic allocation of fixed and variable production overhead. Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses. The cost of inventory is recognized as an expense when the inventory is sold. Previous write-downs to net realizable value are reversed if there is a subsequent increase in the value of the related inventories.

e) *Property, Plant, Equipment and intangible assets*
Items of property, plant, equipment and intangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Government grants received in respect of property, plant and equipment are recognized as a reduction to the cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset, including any costs directly attributable to bringing the asset to a working condition for its intended use, and borrowing costs.

When an item of property, plant, equipment and intangible assets is made up of components that have differing useful lives, cost is allocated among the different components that are depreciated separately.

A gain or loss on the disposal or retirement of an item of property, plant, equipment and intangible assets, which is the difference between the proceeds from the disposal and the carrying amount of the asset, is recognized in net earnings. Leasehold improvements are amortized using the straight-line method over the terms of the leases. Other capital assets are amortized using the declining balance method with the following rates:

Buildings	4% to 20%
Yard improvements	8% to 10%
Furniture and fixtures	4% to 20%
Equipment	4% to 20%
Computer equipment	20%
Rolling stock	30%

Estimated useful lives, depreciation methods, rates and residual values are reviewed at each annual reporting date, with the effect of any changes accounted for on a prospective basis.

f) *Intangible assets*
Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software is subject to the declining balance method at a rate of 20%. Our Enterprise resource planning system is subject to a linear amortization of 10 years and the customer relationship is subject to a linear amortization of 5 years.

g) *Leases*

The Company recognizes a right-of-use asset and a lease liability based on the present value of future lease payments when the leased asset is available for use by the Company. The lease payments include fixed and in-substance fixed payments and variable lease payments that depend on an index or rate, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate for its present value calculations. Lease payments are discounted over the lease term, which includes the fixed term and renewal options that the Company is reasonably certain to exercise. Lease payments are allocated between the lease liability and a finance cost, which is recognized in finance costs over the lease term in the consolidated statement of earnings.

When a contract contains both lease and non-lease components, the Company will allocate the consideration in the contract to each of the components on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. Relative stand-alone prices are determined by maximizing the most observable prices for a similar asset and/or service.

Lease payments for assets that are exempt through the short-term exemption and variable payments not based on an index or rate are recognized in selling, distribution and administrative expenses as incurred.

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. Cost is calculated as the initial measurement of the lease liability plus any initial direct costs and any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life.

h) *Impairment of Non-Financial Assets*

On each reporting date, the Company reviews the carrying amounts of property, plant and equipment, intangible assets and right-of-use assets for any indication of impairment. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss. If the recoverable amount of the individual asset cannot be estimated, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of fair value less costs to sell and the value in use. To measure value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the estimated recoverable amount of an asset or of a CGU is less than its carrying amount, the carrying amount of the asset or of the CGU is reduced to its recoverable amount. An impairment loss is immediately recognized in net earnings.

When an impairment loss subsequently reverses, the carrying amount of the asset or of the CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the CGU in the prior periods. Reversals of impairment losses are immediately recognized in net earnings.

i) *Foreign Currency Translation*

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the respective transaction dates. Revenues and expenses denominated in foreign currencies are translated into the functional currency at average rates of exchange prevailing during the period. The resulting gains or losses on translation are included in cost of goods sold in the determination of net earnings.

j) *Revenue Recognition*

Revenue from the sale of goods from activities relating to remanufacturing, distribution of lumber and wood products is recognized, net of discounts and customer rebates, at the point in time when the transfer of control of the related products has taken place (based on shipping or delivery terms as specified in the sales contract), and collectability is reasonably assured. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

k) *Post-Employment Benefits*

a) *Defined Contribution Plans*

Defined contribution plans include pension plans offered by the Company that are regulated by the Régie des rentes du Québec and by the Canada Revenue Agency and 408 Simple IRA plans (for its US employees). The Company recognizes the contributions paid under defined contribution plans in net earnings in the period in which the employees rendered service entitling them to the contributions. The Company has no legal or constructive obligation to pay additional amounts other than those set out in the plans.

b) *Defined Benefit Plans*

The Company accrues its obligations under employee benefit plans and the related costs, net of plan assets, as the services are rendered. The Company's net liability in respect of defined benefits is calculated separately for each plan by estimating the amount of future benefits that plan members have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company has a number of defined benefit pension plans and has adopted the following policies:

i. The cost of pensions earned by employees is actuarially determined using the projected unit credit method based on management's best estimate of salary escalation, retirement ages of employees, discount rates and mortality rates. Actuarial valuations are performed by independent actuaries on each reporting date of the annual financial statements.
ii. For the purpose of calculating the costs of the plans, assets are recorded at fair value and interest on the service cost is allowed for in the interest cost.
iii. Actuarial gains or losses are recognized, for each reporting period, through other comprehensive income. Past service costs arising from plan amendments are recognized in net earnings in the period that they arise.
iv. The defined benefit plans are subject to minimum funding requirements which under certain circumstances could generate an additional liability under IFRIC 14. Any variation in that liability would be recognized immediately in net earnings.

Pension expense consists of the following:

i. the cost of pension benefits provided in exchange for plan members' services rendered in the period;
ii. net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the net defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments;
iii. past service costs; and
iv. gains or losses on settlements or curtailments.

l) *Income taxes*

Income taxes consist of current tax and deferred tax. Current tax and deferred tax are recognized in net earnings except when they are related to items recognized directly in shareholders' equity or in other comprehensive income, in which case the current tax and deferred tax are recognized directly in shareholders' equity or in other comprehensive income, in accordance with the accounting treatment of the item to which it relates.

The Company's income tax expense is based on tax rules and regulations that are subject to interpretation and require estimates and assumptions that may be challenged by taxation authorities. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years. The Company's estimates of current income tax assets and liabilities are periodically reviewed and adjusted as circumstances warrant, such as changes to tax laws and administrative guidance, and the resolution of uncertainties through either the conclusion of tax audits or expiration of prescribed time limits within the relevant statutes.

The final results of government tax audits and other events may vary materially compared to estimates and assumptions used by management in determining the income tax expense and in measuring current income tax assets and liabilities.

Deferred tax is recognized on the temporary differences between the carrying amounts of the assets and liabilities presented in the consolidated statement of financial position and the corresponding tax bases used for tax purposes. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is included in net earnings in the period that includes the enactment or substantively enacted date except to the extent that it relates to an item recognized either in other comprehensive income or directly in equity in the current or in a previous period.

The Company only offsets income tax assets and liabilities if it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are recognized under non-current assets or liabilities, irrespective of the expected date of realization or settlement.

m) *Earnings per Share*

Basic earnings per share (EPS) are calculated by dividing the net earnings of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of shares outstanding to include additional shares issued from the assumed exercise of share options, if dilutive. The number of additional shares is calculated by assuming that the proceeds from such exercises, as well as the amount of unrecognized share-based payment, if any, are used to purchase common shares at the average market share price during the reporting period.

n) *Share-based payments*

Equity-settled

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees becomes entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Cash-settled

A liability is recognized for the services acquired and is recorded at fair value based on the share price of the Company's shares in other non-current payables, except for the current portion recorded in trade and other payables, with a corresponding expense recognized in employee benefits expense in selling, general and administrative expenses. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the awards that meet the related service and non-market performance conditions at the vesting date. At the end of each reporting period until the liability is settled, the fair value of the liability is remeasured, with any changes in fair value recognized in the consolidated statements of comprehensive income for the period.

o) *Financial Instruments*

The Company initially recognizes financial assets on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i. *Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

The Company currently classifies its cash and cash equivalents and trade and other receivables as assets measured at amortized cost.

Impairment of financial assets

The Company uses the "expected credit loss" model for calculating impairment and recognizes expected credit losses as a loss allowance if they relate to a financial asset measured at amortized cost. The carrying amount of these assets in the consolidated statement of financial position is stated net of any loss allowance.

ii. *Financial assets measured at fair value*

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. There are currently no financial assets measured at fair value with changes in fair value recognized in profit or loss.

However, for investments in equity instruments that are not held for trading, the Company may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss, and no impairment is recognized in profit or loss.

Dividends earned from such investments are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment. The Company currently has no equity instruments that are not held for trading.

iii. *Financial liabilities are classified into the following categories:*

Financial liabilities measured at amortized cost

The Company classifies non-derivative financial liabilities as measured at amortized cost. Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company currently classifies trade and other payables, bank indebtedness and long-term debt as financial liabilities measured at amortized cost.

Financial liabilities measured at fair value

Financial liabilities measured at fair value are initially recognized at fair value and are re-measured at each reporting date with any changes therein recognized in profit or loss. The Company currently has no financial liabilities measured at fair value.

iv. *Non-hedge derivative financial instruments measured at fair value*
Non-hedge derivative financial instruments, if any, are recorded as either assets or liabilities measured initially at their fair value. Attributable transaction costs are recognized in profit or loss as incurred. All derivative financial instruments not designated in a hedge relationship are classified as financial instruments at fair value through profit and loss. Any subsequent change in the fair value of non-hedge foreign exchange contracts are accounted for in cost of goods sold for the period in which it arises.

p) *Borrowing Costs*
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of these assets until the assets are in the condition necessary for them to be capable of operating in the manner intended by management. In instances where the Company does not have borrowings directly attributable to the acquisition of qualifying assets, the Company uses the weighted average of the borrowing costs. The borrowing costs thus added to the qualifying assets will not exceed the borrowing costs incurred during the corresponding period.

Investment revenues earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in net earnings in the period in which they are incurred.

q) *Provisions*
Provisions are recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. If the effect of the time value of money is material, the provisions are measured at their present value.

i) *Onerous contracts*
A provision for onerous contracts is measured and recognized when the Company has concluded a contract for which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii) *Environmental provisions*
Environmental provisions relate to the discounted present value of estimated future expenditures associated with the obligations of restoring the environmental integrity of certain properties. Environmental expenditures are estimated taking into consideration the anticipated method and extent of the remediation consistent with regulatory requirements, industry practices, current technology and possible uses of the site. The estimated amount of future remediation expenditures is reviewed periodically based on available information. The amount of the provision is the present value of the estimated future remediation expenditures discounted using a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as financial costs, while the revision of estimates of environmental expenditures and discount rates are recorded in selling, administrative and general expenses in the consolidated statement of comprehensive income.

r) *Government Grants*
Government grants related to depreciable assets, including investment tax credits, are recognized in the consolidated statement of financial position as a reduction of the carrying amount of the related asset. They are then recognized in net earnings, as a deduction from the depreciation expense, over the estimated useful life of the depreciable asset. Other government grants are recognized in net earnings as a deduction from the related expense.

s) *Presentation of Dividends and Interest Paid in Cash Flow Statements*
IFRS permits dividends and interest paid to be shown as operating or financing activities, as deemed relevant for the entity. The Company has elected to classify dividends paid as cash flows used in financing activities and interest paid as cash flows used in operating activities.

t) *Financial costs*
Financial costs comprise interest expense on borrowings (including on lease liabilities), unwinding of the discount on provisions and other financial charges. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in net earnings using the effective interest method.

u) *Interests in equity-accounted investees*
The Company's interests in equity-accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than the rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are recognized initially at cost, which includes transactions cost. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit and loss and Other Comprehensive Income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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

4. Additional information on cost of goods sold and selling, administrative and general expenses

	November 30 2020	November 30 2019
	$	$
Employee benefit expense [1]	**45,424**	50,608
Obsolescence adjustment included in cost of goods sold	**1,359**	712
Depreciation included in cost of goods sold	**864**	974
Depreciation included in selling, administrative and general expenses	**6,893**	2,505
Foreign exchange gains (losses)	**307**	(82)

(1) In the year ended November 30, 2020, the Company was qualified to receive the Canada Emergency Wage Subsidy (CEWS). The Company recognized $3.0 million related to CEWS for the year ended November 30, 2020 against the related remunerations. As at November 30, 2020, $30 thousand was not yet received from the government.

5. Net financial costs

	November 30 2020	November 30 2019
	$	$
Interest expense	**950**	2,134
Interest expense on lease liabilities	**681**	-
Accretion expense on provision (Note 13)	**72**	14
Other financial costs	**1,017**	1,000
Financial cost	**2,720**	3,148
Financial income	**(1)**	(11)
Net financial costs	**2,719**	3,137

6. Trade and other receivables

	November 30 2020	November 30 2019
	$	$
Trade receivables	**76,063**	47,832
Allowance for doubtful accounts	**(122)**	(144)
	75,941	47,688
Other receivables	**152**	810
	76,093	48,498

7. Inventories

	November 30 2020	November 30 2019
	$	$
Raw materials	**7,154**	6,393
Work in process	**5,476**	7,309
Finished goods	**74,200**	75,410
	86,830	89,112
Provision for obsolescence	**(2,090)**	(1,773)
	84,740	87,339

For the year ended November 30, 2020, $347.0 million (2019 - $348.9 million) of inventories were expensed as cost of goods sold. Included in inventories is a return asset for the right to recover returned goods in the amount of $1.0 million as at November 30, 2020 (November 30, 2019 - $1.4 million).

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

8. Property, plant and equipment

	Land	Buildings, Yard and Leasehold improvements	Equipment, Furniture and Fixtures	Rolling Stock	Computer Equipment	Total
	$	$	$	$	$	$
Cost						
Cost at December 1, 2018	6,263	49,935	27,787	6,283	4,636	94,904
Additions	-	350	538	292	103	1,283
Disposals	-	-	(24)	(2)	-	(26)
Cost at November 30, 2019	6,263	50,285	28,301	6,573	4,739	96,161
Reclassification of right-of-use assets	-	-	-	(69)	-	(69)
Additions	-	100	379	517	53	1,049
Disposals	-	-	-	(11)	-	(11)
Cost at November 30, 2020	**6,263**	**50,385**	**28,680**	**7,010**	**4,792**	**97,130**
Accumulated depreciation						
Accumulated depreciation at December 1, 2018	-	27,607	23,652	5,763	3,526	60,548
Depreciation	-	1,546	843	171	226	2,786
Disposals	-	-	(10)	(1)	-	(11)
Accumulated depreciation at November 30, 2019	-	29,153	24,485	5,933	3,752	63,323
Reclassification of right-of-use assets	-	-	-	(39)	-	(39)
Depreciation	-	1,496	767	238	204	2,705
Disposals	-	-	-	(7)	-	(7)
Accumulated depreciation at November 30, 2020	**-**	**30,649**	**25,252**	**6,125**	**3,956**	**65,982**
Net book value at November 30, 2019	6,263	21,132	3,816	640	987	32,838
Net book value at November 30, 2020	**6,263**	**19,736**	**3,428**	**885**	**836**	**31,148**

9. Intangible assets

	Software and technologies	Customer relationship	Total
	$	$	$
Cost			
Cost at December 1, 2018	6,333	530	6,863
Additions	176	-	176
Cost at November 30, 2019	6,509	530	7,039
Additions	39	-	39
Cost at November 30, 2020	**6,548**	**530**	**7,078**
Accumulated depreciation			
Accumulated depreciation at December 1, 2018	2,110	309	2,419
Amortization	587	106	693
Accumulated depreciation at November 30, 2019	2,697	415	3,112
Amortization	622	106	728
Accumulated depreciation at November 30, 2020	**3,319**	**521**	**3,840**
Net book value at November 30, 2019	3,812	115	3,927
Net book value at November 30, 2020	**3,229**	**9**	**3,238**

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

10. Right-of-use assets and lease liabilities

The Company leases offices, warehouses, vehicles, yards, and equipment.

Right-of-use assets

	Buildings	Furniture	Rolling stock	Total
	$	$	$	$
As at December 1, 2019 (Note 3)	11,479	422	5,251	17,152
Additions	298	25	1,214	1,537
Amortization	(2,052)	(150)	(2,122)	(4,324)
Disposals	-	-	(41)	(41)
Balance at November 30, 2020	**9,725**	**297**	**4,302**	**14,324**

Lease liabilities

	Buildings	Furniture	Rolling stock	Total
	$	$	$	$
As at December 1, 2019 (Note 3)	15,026	422	5,262	20,710
Additions	298	25	1,214	1,537
Early repayment of lease liabilities	-	-	(41)	(41)
Interest expense on lease liabilities (Note 5)	360	9	312	681
Payment of lease liabilities	(2,780)	(163)	(2,310)	(5,253)
Foreign exchange movements	30	-	(6)	24
Balance at November 30, 2020	**12,934**	**293**	**4,431**	**17,658**
Less: current portion	(2,538)	(132)	(1,645)	(4,315)
Balance at November 30, 2020	**10,396**	**161**	**2,786**	**13,343**

The following table presents the amount recognized in the statement of comprehensive income for the year ended November 30, 2020 related to leases:

	November 30, 2020
	$
Depreciation of right-of-use asset	**4,324**
Interest expense on lease liabilities	**681**
Expense related to low value and short-term leases	**274**
Variable lease payments (not included in the measurement of lease liabilities)	**1,094**
Total amount recognized for the year ended November 30, 2020 – Statement of comprehensive income	**6,373**

The following table presents a maturity analysis of future undiscounted cash flows from lease liabilities by fiscal year:

	$
2021	5,128
2022	4,270
2023	3,741
2024	2,688
2025	1,404
Thereafter	2,681
Total undiscounted lease liabilities	19,912

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

11. Bank indebtedness

	November 30 2020	November 30 2019
	$	$
Bank loans	**12,000**	5,000
Banker's acceptances	**12,000**	25,000
Bank overdraft	**4,570**	1,204
	28,570	31,204

In May 2019, the Company renewed its credit agreement with its present lenders, two chartered Canadian banks. The credit agreement has a maximum revolving operating facility of $90 million maturing in May 2021. In addition, an accordion of $10 million is available once per fiscal year for a maximum of 150 days only.

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 immovable and movable property of the Company. As at November 30, 2020, the Company was compliant with its financial covenants. As at November 30, 2020, under the credit agreement, the Company used $24.0 million of its facility compared to $30.0 million last year.

12. Trade and other payables

	November 30 2020	November 30 2019
	$	$
Trade payables and accruals	**31,056**	20,438
Payroll related liabilities	**5,965**	5,569
Sales taxes payable	**2,593**	3,041
	39,614	29,048

13. Provision

The Company's St-André (QC) site shows continued traces of surface contamination from previous treating activities exceeding existing regulatory requirements. The Company received approval for the environmental rehabilitation plan in fiscal 2016. The Company started to implement its plan during fiscal 2016 and treatment of soil on-site was to be performed over an estimated period of 5 years. The remaining rehabilitation was expected to occur in fiscal 2020. Unfortunately, because of the duration and impact of the COVID-19 pandemic no work was performed in fiscal 2020. The remaining rehabilitation is now expected to occur in fiscal 2021 unless other delays occur due to the COVID-19 pandemic. If additional delays occur the Company might have to modify its rehabilitation plan in fiscal 2021 and submit for approval to the Minister of the environment a revised timetable to complete the rehabilitation, taking into account any possible impact from the prevailing sanitary conditions. Based on current available information, the provision as at November 30, 2020 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. In particular, the Company has assumed that the site will be restored using technology and materials that are currently available. The Company has been provided with a reasonable estimate, reflecting different assumptions about pricing of the individual components of the cost. The provision has been calculated using a discount rate of 3.6% and an inflation rate of 0.7%.

The change in environmental provision is as follows:

	November 30 2020	November 30 2019
	$	$
Balance, beginning of year	**1,470**	1,653
Changes due to:		
Revision of future expected expenditures	**(59)**	187
Accretion expense	**72**	14
Expenditures incurred	**(10)**	(384)
Balance, end of year	**1,473**	1,470
Current portion	**1,473**	1,470

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.

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

14. Share Capital

a) Authorized

An unlimited number of common shares, without par value

	November 30 2020	November 30 2019	**November 30 2020**	November 30 2019
	Number of shares	Number of shares	**$**	$
Shares outstanding at the beginning of the year	**8,562,554**	8,506,554	**9,424**	9,152
Issuance of deferred shares (Note 14 b))	**-**	56,000	**-**	272
Shares outstanding at the end of the year	**8,562,554**	8,562,554	**9,424**	9,424

b) Share-based payments

On January 15, 2017, the Company granted deferred shares to a key executive. Under this program, the executive was eligible to receive shares of the Company if specific non-market performance targets were met. The shares were vested at November 30, 2017 as the Company met the non-market performance targets. On April 12, 2019, the Company modified these deferred shares to allow for a cash alternative at the key executive's discretion. The cash alternative allows the key executive to a cash payment equal to the number of deferred shares exercised multiplied by the fair value of the shares calculated using the average closing trading price during the preceding twenty trading days of the exercise. On April 12, 2019 (the date of the modification), based on an average closing share price of $6.27 for the twenty trading days preceding April 12, 2019, an amount of $351 thousand was transferred from retained earnings to Payroll related liabilities.

At the end of each reporting period until the liability is settled, the fair value of the liability is remeasured, with any changes in fair value recognized in profit and loss for the period. On November 14, 2019, based on a closing share price of $4.85, the key executive exercised his right and received 56,000 shares of the Company. The Company recognized a share-based compensation recovery of $79 thousand in Employee benefit expense for the twelve months ended November 30, 2019 with a corresponding change in Payroll related liabilities. All shares under this grant have been issued in 2019 and therefore, the payroll related liabilities are nil at November 30, 2020 and 2019.

c) Net earnings and dividend per share

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

	November 30 2020	November 30 2019
	$	$
Net earnings		
- basic	**13,811**	3,054
- diluted (see Note 14b))	**13,811**	2,997
Weighted average number of common shares		
- basic	**8,562,554**	8,508,888
- diluted	**8,562,554**	8,562,554

Dividends per share of $0.35 and $0.20 were declared for the fiscal year ended November 30, 2020 and 2019, respectively. Dividends of $0.20 and $0.10 per share were paid in the fiscal year ended November 30, 2020 and 2019, respectively. As at November 30, 2020 and 2019, the Company had a dividend payable of $2.1 million and $0.9 million, respectively.

15. Income Taxes

The income tax expense is as follows:

	November 30 2020	November 30 2019
	$	$
Current tax expense	**5,717**	1,394
Deferred tax expense	**(506)**	(179)
	5,211	1,215

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

The provision for income taxes is at an effective tax rate, which differs from the basic corporate statutory tax rate as follows:

	November 30 2020	November 30 2019
	$	$
Earnings before income taxes	**19,022**	4,269
Statutory income tax rate (%)	**27.4**	27.7
Income taxes based on above rates	**5,212**	1,183
Adjusted for:		
Permanent differences	**17**	34
Difference in expected rate of reversal versus current rate	**(29)**	(3)
Other	**11**	1
	5,211	1,215

Temporary differences that give rise to deferred income tax assets and liabilities are as follows:

	November 30 2020	November 30 2019
	$	$
Deferred income tax (liabilities) assets:		
Deferred pension asset	**(204)**	(432)
Provisions and other	**969**	883
Property, plant and equipment	**(2,360)**	(3,631)
Intangible assets	**(2)**	(29)
Net deferred tax liability	**(1,597)**	(3,209)

16. Post-employment benefits

The Company has a number of pension plans providing pension benefits to most of its employees.

The Pension Plan for the Hourly Employees of Goodfellow Inc. ("Hourly Plan") is a hybrid pension plan funded by employer and member contributions. Defined benefits are based on career average earnings for service up to April 30, 2008. The Hourly Plan was a pure defined benefit plan until April 30, 2008 but was amended effective May 1, 2008 to introduce a defined contribution (DC) component.

The Pension Plan for the Salaried Employees of Goodfellow Inc. ("Salaried Plan") is also a hybrid pension plan funded by employer and member contributions. Defined benefits are based on length of service up to May 31, 2007 and final average earnings calculated at the earliest of retirement, termination or death. The Salaried Plan was a pure defined benefit plan until May 31, 2007 but has been amended effective June 1, 2007 to introduce a defined contribution (DC) component. As for the DC components, the Company matches employee contributions.

All employees have ceased to accrue service under the defined benefit portions of the plans.

A. Defined Contribution Plans

The Company contributes to several defined contribution plans and 408 Simple IRA plans (for its US employees). The pension expense under these plans is equal to the Company's contributions. The pension expense for the year ended November 30, 2020 was $1.3 million (same last year).

B. Defined Benefit Plans

The measurement date for the plan assets and obligations is November 30. The most recent actuarial valuations for funding purposes were filed with the pension regulators on December 31, 2018 for both plans. The next actuarial valuation for both plans for funding will be no later than as of December 31, 2021.

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

Information about the Company's defined benefit plans is as follows:

	November 30 2020	November 30 2019
	$	$
Defined benefit obligation		
Balance, beginning of year	**53,642**	49,369
Interest cost	**1,542**	1,881
Benefits paid	**(2,711)**	(2,259)
Actuarial (gain) loss		
Changes in financial assumptions	**2,516**	6,373
Effect of experience adjustments	**-**	(1,722)
Balance, end of year	**54,989**	53,642

	November 30 2020	November 30 2019
	$	$
Plan assets		
Fair value, beginning of year	**55,255**	52,016
Interest income	**1,585**	1,982
Employer contributions	**41**	4
Benefits paid	**(2,711)**	(2,259)
Administrative expenses paid from plan assets	**(343)**	(151)
Return on plan assets in excess of interest income	**1,925**	3,663
Fair value, end of year	**55,752**	55,255
Net asset	**763**	1,613

The actual return on plan assets was $3.5 million in 2020 and $5.6 million in 2019.

The funded status of the defined benefit plans are as follows:

	November 30 2020	November 30 2019
	$	$
Defined benefit obligation		
- funded	**15,615**	15,325
- partly funded	**39,374**	38,317
Fair value of plan assets		
- funded	**17,560**	17,547
- partly funded	**38,192**	37,708
Funded status – surplus (deficit)		
- funded	**1,945**	2,222
- partly funded	**(1,182)**	(609)

The significant actuarial weighted average assumptions used are as follows:

	November 30 2020	November 30 2019
	%	%
Defined benefit obligation:		
Discount rate	**2.60**	2.95
Rate of compensation increase	**3.00**	3.00
Net benefit plan expense:		
Discount rate	**2.95**	3.90
Rate of compensation increase	**3.00**	3.00

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

Net benefit plan expense:

	November 30 2020	November 30 2019
	$	$
Interest cost	**1,542**	1,881
Interest income	**(1,585)**	(1,982)
Administrative expenses	**343**	151
Net benefit plan expense	**300**	50

The net benefit plan expense is included in Cost of goods sold, and Selling, Administrative, and General Expenses in the consolidated statement of comprehensive income.

The plan assets by asset category are as follows:

	November 30 2020	November 30 2019
	%	%
Equity security:		
Canadian stocks	**20**	21
US stocks	**18**	19
International stocks	**18**	18
Debt securities:		
Universal type	**44**	42
All investments are quoted on an active market		

History of deficit and of experience gains and losses:

	November 30 2020	November 30 2019
	$	$
Benefit obligation	**54,989**	53,642
Fair value of plan assets	**55,752**	55,255
Surplus	**763**	1,613
Experience (gain) loss on plan liabilities*		
- Amount	**-**	(1,722)
- Percentage of beginning of year liabilities	**0%**	3.49%
** Excluding impact of change in assumptions*		

A one percent change in discount rate would not have a significant impact on pension expense.

Amount, timetable and uncertainty of future cash flows:

- Sensitivity analysis

Sensitivity to the discount rate:

	Down by 0.25%	**Assumption used**	**Up by 0.25%**
Defined benefit obligation	$56,910	$54,989	$53,172
Discount rate	2.35%	2.60%	2.85%

Sensitivity to the life expectancy:

	Up to one year	**Assumption used**
Defined benefit obligation	$56,713	$54,989
Mortality rates (CPM2014Priv – MI2017)		
Life expectancy of man of 65 years	23.0 years	22.0 years
Life expectancy of woman of 65 years	25.5 years	24.5 years

- Funding policy

Goodfellow Inc. contributes amounts required to comply with provincial and federal legislation.

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

- Expected contributions

  The total cash payment for post-employment benefits for 2020, consisting of cash contributed by the Company to its funded pension plans, was $41 thousand ($4 thousand in 2019). Based on the latest filed actuarial valuation for funding purposes as at December 31, 2018, the Company expects to contribute nil in 2021.

- Duration

  The weighted average duration of the defined benefit obligation is 14 years.

17. Additional Cash Flow Information

Changes in Non-Cash Working Capital Items

	November 30 2020	November 30 2019
	$	$
Trade and other receivables	**(27,632)**	1,510
Inventories	**2,599**	5,205
Prepaid expenses	**(126)**	590
Trade and other payables	**11,042**	(449)
	(14,117)	6,856

Non-cash transactions
The Company purchased property, plant, equipment and intangible assets for which an amount of $4 thousand was unpaid as at November 30, 2020 ($386 thousand as at November 30, 2019).

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

	Bank loans	**Banker's acceptances**	**Lease liabilities**	**Total**
Liability related changes	**$**	**$**	$	$
Year ended November 30, 2019				
Interest expense	433	1,701	-	2,134
Interest paid	443	1,711	-	2,154
Year ended November 30, 2020				
Interest expense	283	667	681	1,631
Interest paid	252	562	681	1,495

18. 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.

The following are the contractual maturities of financial liabilities as at November 30, 2020:

Financial Liabilities					
	Carrying Amount	**Contractual cash flows**	**0 to 12 Months**	**12 to 36 Months**	**36 months and more**
Bank indebtedness	28,570	28,570	28,570	-	-
Trade and other payables	39,614	39,614	39,614	-	-
Dividend payable	2,141	2,141	2,141	-	-
Total financial liabilities	**70,325**	**70,325**	**70,325**	-	-

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

The following are the contractual maturities of financial liabilities as at November 30, 2019:

Financial Liabilities	Carrying Amount	Contractual cash flows	0 to 12 Months	12 to 36 Months	36 months and more
Bank indebtedness	31,204	31,204	31,204	-	-
Trade and other payables	29,048	29,048	29,048	-	-
Dividend payable	856	856	856	-	-
Lease liabilities	43	43	15	28	-
Total financial liabilities	61,151	61,151	61,123	28	-

Interest Rate Risk
The Company uses a credit facility to finance working capital requirements. The interest cost of this facility is dependent upon Canadian and US bank prime rates as well as the Company's funded debt to capitalization ratio. The profitability of the Company could be adversely affected with increases in the bank prime rate. Management does not believe that the impact of interest rate fluctuations will be significant on its operating results. A 1% fluctuation of interest rate on the $28.6 million in bank indebtedness would impact interest expense annually by $0.3 million.

Currency Risk
The Company could enter into forward exchange contracts to economically hedge certain trade payables and from time to time future purchase commitments denominated in U.S. dollars, Euros and Pounds sterling. 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 November 30, 2020, the Company had the following currency exposure on:

Financial assets and liabilities measured at amortized costs

	USD	**GBP**	**Euro**
Cash	1,416	212	10
Bank indebtedness	(1,462)	-	-
Trade and other receivables	7,051	145	-
Trade and other payables	(3,775)	(77)	(275)
Lease liabilities	(515)	-	-
Net exposure	**2,715**	**280**	**(265)**
CAD exchange rate as at November 30, 2020	1.3001	1.7318	1.5508
Impact on net earnings based on a fluctuation of 5% on CAD	**127**	**17**	**(15)**

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 provision for doubtful accounts recorded, no impairment allowance is necessary in respect of trade receivables that are current or past due. The Company does not have long-term contracts with any of its customers. Distribution agreements are usually awarded annually and can be revoked. In its assessment of the loss allowance for credit losses as at November 30, 2020, the Company considered the economic impact of the COVID-19 pandemic on its assessment. This was not considered to be significant.

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

	November 30 2020	November 30 2019
	$	$
Current	**70,326**	42,898
31 - 60 days past due	**2,752**	3,238
61 - 90 days past due	**1,620**	735
91 - 120 days past due	**712**	397
Over 120 days past due	**653**	564
	76,063	47,832
Loss allowance	**(122)**	(144)
Balance, end of period	**75,941**	47,688

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

As at November 30, 2020, expected credit losses are limited to $122 thousand and therefore, the expected credit losses from the aging of trade accounts receivable have not been presented separately in the table above.

Economic Dependence
Only one major customer exceeds 10% of total Company sales during fiscal 2020 (same last year). The following represents the total sales consisting primarily of various wood products of the major customer:

	Years ended			
	November 30, 2020		November 30, 2019	
	$	**%**	$	%
Sales to major customer that exceeded 10% of total Company's sales	**67,716**	**14.9**	58,019	12.9

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

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on available public market information or, when such information is not available, is estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate level of risk for the instrument.

The estimated fair values may differ in amount from that which could be realized in an immediate settlement of the instruments. The carrying amounts of cash, trade and other receivables, bank indebtedness, trade and other payables and lease liabilities approximate their fair values.

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

The Company defines its capitalization as shareholders' equity and debt. Shareholders' equity includes the amount of paid-up capital in respect of all issued and fully paid common shares together with the retained earnings, calculated on a consolidated basis in accordance with IFRS. Debt includes bank indebtedness reduced by the amounts of cash and cash equivalents. Capitalization represents the sum of debt and shareholders' equity.

The Company manages its capital and makes adjustments to it in the 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 the 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. The Company believes that all its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

As at November 30, 2020 and 2019, the Company achieved the following results regarding its capital management objectives:

Capital management	**As at November 30 2020**	As at November 30 2019
Debt-to-capitalization ratio	**17.3%**	20.6%
Interest coverage ratio	**11.9**	3.5
Return on shareholders' equity	**11.4%**	2.7%
Current ratio	**2.1**	2.2
EBITDA	**$29,498**	$10,885

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

These measures are not prescribed by IFRS and are defined by the Company as follows:

- Debt-to-capitalization ratio represents debt over total shareholders' equity. Debt is defined as bank indebtedness less cash and cash equivalents. Capitalization is debt plus shareholders' equity. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Interest coverage ratio represents the EBITDA during the period for which the calculation is made over interest expenses for the same period on a consolidated basis, calculated on a rolling four-quarter basis. This ratio is presented without the impact of IFRS 16 to conform to the bank's covenant requirement.
- Return on shareholders' equity is the net earnings (loss) divided by shareholders' equity.
- Current ratio is total current assets divided by total current liabilities.
- EBITDA is earnings before interest, taxes, depreciation and amortization.

20. Contingent liabilities and commitments

Contingent liabilities
During the normal course of business, certain product liability and other claims have been brought against the Company and, where applicable, its suppliers. While there is inherent difficulty in predicting the outcome of such matters, management has vigorously contested the validity of these claims, where applicable, and based on current knowledge, believes that they are without merit and does not expect that the outcome of any of these matters, in consideration of insurance coverage maintained, or the nature of the claims, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, results of operations or future earnings of the Company.

Commitments
As at November 30, 2020, the minimum future purchase obligation for the next year was $418 thousand.

21. Related party transactions

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

	November 30 2020	November 30 2019
Salaries and other short-term benefits	**1,943**	1,756
Post-employment benefits	**103**	105
	2,046	1,861

22. 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 87% (85% in 2019) of total sales, the sales to clients located in the United States represent approximately 8% (9% in 2019) of total sales, and the sales to clients located in other markets represent approximately 5% (6% in 2019) of total sales

	November 30 2020	November 30 2019
	$	$
Canada	**396,636**	381,965
US	**37,054**	41,352
Export	**20,413**	26,270
	454,103	449,587

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

Sales categories

	November 30 2020	November 30 2019
	$	$
Flooring	**95,104**	95,808
Specialty and commodity panels	**72,858**	74,305
Building material	**50,278**	47,313
Lumber	**235,863**	232,161
	454,103	449,587

CORPORATE INFORMATION

BOARD OF DIRECTORS

G. Douglas Goodfellow **
Chairman of the Board
Goodfellow Inc.

Claude Garcia */**
Chairman of the Compensation Committee

Stephen A. Jarislowsky */**
Director
Founder of Jarislowsky Fraser Ltd

Normand Morin */**
Chairman of the Audit Committee

David A. Goodfellow
Director

Alain Côté */**
Lead Director

* Member of the Audit Committee
** Member of the Executive Compensation Committee

OFFICERS

Patrick Goodfellow
President & Chief Executive Officer

Charles Brisebois
Chief Financial Officer &
Secretary of the Board

G. Douglas Goodfellow
Chairman of the Board

Mary Lohmus
Executive Vice President,
Ontario & Western Canada

David Warren
Senior Vice President,
Atlantic

Luc Dignard
Vice President,
Sales, Quebec

Jeff Morrison
Vice President,
National accounts

Luc Pothier
Vice President,
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Eric Bisson
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Harry Haslett
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