DOMAN™

Doman Building Materials Group Ltd.

Unaudited Interim Condensed Consolidated Financial Statements

June 30, 2026
(in thousands of Canadian dollars)

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

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

(in thousands of Canadian dollars)	Notes	As at June 30, 2026 $	As at December 31, 2025 $
Assets			
Current assets			
Cash and cash equivalents		**7,939**	4,932
Trade and other receivables	5	**371,989**	203,210
Income taxes receivable		**4,425**	3,299
Inventories	6	**439,121**	424,299
Prepaid expenses and deposits		**16,424**	17,376
		839,898	653,116
Non-current assets			
Property, plant and equipment	7	**236,056**	225,900
Right-of-use assets	8	**163,740**	169,889
Deferred income tax assets		**36,112**	27,826
Intangible assets	9	**243,079**	253,286
Goodwill	10	**522,963**	507,890
		1,201,950	1,184,791
Total assets		**2,041,848**	1,837,907
Liabilities			
Current liabilities			
Bank indebtedness		**8,136**	3,124
Trade and other payables		**198,852**	150,819
Dividends payable	14	**12,289**	12,270
Income taxes payable		**2,174**	3,262
Current portion of non-current liabilities	8, 11, 12	**35,021**	33,379
		256,472	202,854
Non-current liabilities			
Loans and borrowings	11	**901,255**	814,078
Lease liabilities	8	**151,773**	157,235
Contingent consideration	12	**16,240**	21,360
Deferred income tax liabilities		**3,788**	5,634
Retirement benefit obligations	13	**2,739**	2,774
		1,075,795	1,001,081
Total liabilities		**1,332,267**	1,203,935
Equity			
Common shares	14	**590,300**	589,115
Contributed surplus		**10,906**	10,855
Foreign currency translation		**89,653**	45,928
Retained earnings (deficit)		**18,722**	(11,926)
		709,581	633,972
Total liabilities and equity		**2,041,848**	1,837,907
Commitments and contingencies	8, 23		
Subsequent event	14		

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

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

(in thousands of Canadian dollars, except per share and share amounts)	Notes	Three months ended June 30, 2026 $	Three months ended June 30, 2025 $	Six months ended June 30, 2026 $	Six months ended June 30, 2025 $
Revenue	19, 20	**904,466**	886,719	**1,666,435**	1,679,967
Cost of sales		**758,668**	744,030	**1,391,176**	1,404,756
Gross margin from operations		**145,798**	142,689	**275,259**	275,211
Expenses					
Distribution, selling and administration		**66,973**	62,653	**128,335**	125,143
Depreciation and amortization	7, 8, 9	**23,937**	25,279	**48,130**	49,781
		90,910	87,932	**176,465**	174,924
Operating earnings		**54,888**	54,757	**98,794**	100,287
Finance costs	15	**17,618**	19,268	**34,267**	38,640
Acquisition costs		**250**	–	**250**	–
Earnings before income taxes		**37,020**	35,489	**64,277**	61,647
Provision for (recovery of) income taxes					
Current income tax		**14,049**	10,963	**19,542**	17,162
Deferred income tax		**(8,227)**	(3,156)	**(10,387)**	(6,755)
		5,822	7,807	**9,155**	10,407
Net earnings		**31,198**	27,682	**55,122**	51,240
Other comprehensive income (loss)					
Exchange differences on translation of foreign operations[1]		**23,697**	(57,756)	**43,725**	(60,239)
Actuarial gain from pension and other benefit plans[2]		**33**	33	**102**	70
		23,730	(57,723)	**43,827**	(60,169)
Comprehensive earnings (loss)		**54,928**	(30,041)	**98,949**	(8,929)
Net earnings per share					
Basic and diluted		**0.36**	0.32	**0.63**	0.59
Weighted average number of shares					
Basic and diluted		**87,772,765**	87,464,509	**87,757,073**	87,418,219

1. Item that may be reclassified to earnings in subsequent periods.
2. Item that will not be reclassified to earnings.

Interim Condensed Consolidated Statements of Changes in Equity (Unaudited)

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

(in thousands of Canadian dollars, except share amounts)	Common shares		Contributed surplus	Foreign currency translation	Retained earnings (Deficit)	Total
	#	$	$	$	$	$
As at December 31, 2025	**87,639,744**	**589,115**	**10,855**	**45,928**	**(11,926)**	**633,972**
Shares issued pursuant to (Note 14):						
Restricted Equity Common Share Plan	18,292	188	(188)	–	–	–
Employee Common Share Purchase Plan	123,147	997	–	–	–	997
Share-based compensation charged to operations		–	239	–	–	239
Dividends (Note 14)		–	–	–	(24,576)	(24,576)
Net earnings		–	–	–	55,122	55,122
Other comprehensive income		–	–	43,725	102	43,827
As at June 30, 2026	**87,781,183**	**590,300**	**10,906**	**89,653**	**18,722**	**709,581**
As at December 31, 2024	87,289,766	586,547	11,083	101,563	(43,523)	655,670
Shares issued pursuant to (Note 14):						
Restricted Equity Common Share Plan	91,522	628	(628)	–	–	–
Employee Common Share Purchase Plan	109,621	808	–	–	–	808
Share-based compensation charged to operations		–	349	–	–	349
Dividends (Note 14)		–	–	–	(24,485)	(24,485)
Net earnings					51,240	51,240
Other comprehensive (loss) income		–	–	(60,239)	70	(60,169)
As at June 30, 2025	**87,490,909**	**587,983**	**10,804**	**41,324**	**(16,698)**	**623,413**

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

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

		Three months ended June 30,		Six months ended June 30,	
		2026	2025	2026	2025
(in thousands of Canadian dollars)	Notes	$	$	$	$
Operating activities					
Net earnings for the period		**31,198**	27,682	**55,122**	51,240
Items not affecting cash:					
Depreciation and amortization	7, 8, 9	**23,937**	25,279	**48,130**	49,781
Finance costs	15	**17,618**	19,268	**34,267**	38,640
Provision for income taxes		**5,822**	7,807	**9,155**	10,407
Other		**488**	(125)	**(293)**	(1,699)
Income taxes paid		**(15,764)**	(9,721)	**(21,731)**	(14,176)
Interest paid on loans and borrowings		**(4,167)**	(13,998)	**(28,105)**	(33,529)
Cash flows from operating activities before changes in non-cash working capital		**59,132**	56,192	**96,545**	100,664
Changes in non-cash working capital	18	**55,365**	55,659	**(119,436)**	(114,902)
Net cash flows provided by (used in) operating activities		**114,497**	111,851	**(22,891)**	(14,238)
Financing activities					
Shares issued, net of transaction costs	14	**–**	–	**997**	808
Dividends paid	14	**(12,287)**	(12,236)	**(24,557)**	(24,457)
Payments of lease liabilities, including interest	8	**(8,895)**	(7,844)	**(17,690)**	(15,789)
Net (repayments) advances on revolving loan facility		**(88,974)**	(93,984)	**84,938**	46,795
Payment of contingent consideration		**–**	–	**(7,630)**	–
Other		**(54)**	(75)	**(181)**	(491)
Net cash flows (used in) provided by financing activities		**(110,210)**	(114,139)	**35,877**	6,866
Investing activities					
Purchase of property, plant and equipment	7	**(4,741)**	(2,618)	**(20,976)**	(6,138)
Proceeds from disposition		**40**	266	**5,698**	14,751
Net cash flows (used in) provided by investing activities		**(4,701)**	(2,352)	**(15,278)**	8,613
Net (decrease) increase in cash and cash equivalents		**(414)**	(4,640)	**(2,292)**	1,241
Foreign exchange difference		**(58)**	(1,096)	**287**	(710)
Cash and cash equivalents (net of bank indebtedness) – beginning of period		**275**	15,647	**1,808**	9,380
Cash and cash equivalents (net of bank indebtedness) – end of period		**(197)**	9,911	**(197)**	9,911

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

1. NATURE OF OPERATIONS

Doman Building Materials Group Ltd. (the "Company") was incorporated in 2009 under the Business Corporations Act (British Columbia). On May 11, 2010, the Company was continued under the laws of Canada pursuant to section 187 of the Canada Business Corporations Act. The Company has limited liability, with its shares publicly listed on the Toronto Stock Exchange ("TSX"). The Company's head office is located at Suite 1600 – 1100 Melville Street, Vancouver, British Columbia. The Company's operations commenced in 1989.

The Company operates through its wholly owned subsidiaries, producing and treating lumber and providing other value-add services, as well as distributing various building materials across Canada and in the United States ("US").

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

a) Statement of compliance

These unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, on a basis consistent with the accounting policies disclosed in the Company's audited Annual Consolidated Financial Statements for the year ended December 31, 2025.

These unaudited Interim Condensed Consolidated Financial Statements were authorized for issuance on August 5, 2026, by the Board of Directors of the Company.

b) Basis of presentation

These unaudited Interim Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiaries. The notes presented in these unaudited Interim Condensed Consolidated Financial Statements include in general only significant changes and transactions occurring since the Company's last year-end and are not fully inclusive of all disclosures required by IFRS Accounting Standards ("IFRS") for annual financial statements. These unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited Annual Consolidated Financial Statements, including the notes thereto, for the year ended December 31, 2025.

c) Functional and presentation currency

These unaudited Interim Condensed 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, except common share volumes and per share amounts.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies as disclosed in the Company's audited Annual Consolidated Financial Statements for the year ended December 31, 2025, have been consistently applied to all periods in the preparation of these unaudited Interim Condensed Consolidated Financial Statements.

Changes in accounting standards

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces *IAS 1 Presentation of Financial Statements*. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented within three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, with retrospective application required. The Company is currently in the process of assessing the impact of this new standard.

4. BUSINESS ACQUISITIONS

Temecula Acquisition

On August 28, 2025, the Company completed the acquisition of certain assets of Temecula Electrical Supply Inc. (through the Company's wholly owned subsidiary, and now doing business as "Temecula Electrical Supply") (the "Temecula Acquisition") in Temecula, California. The Temecula Acquisition is an expansion of the Company's existing electric supply and distribution business, Alpha Electric Supply.

The majority of the purchase price was allocated to inventory and goodwill.

(in thousands of Canadian dollars)

5. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise primarily from sales of lumber and building materials to customers. These are summarized as follows:

	June 30, 2026 $	December 31, 2025 $
Trade receivables	**359,654**	190,472
Allowance for doubtful accounts	**(742)**	(798)
Net trade receivables	**358,912**	189,674
Other receivables	**13,077**	13,536
Total trade and other receivables	**371,989**	203,210

The aging analysis of trade and other receivables was as follows:

	June 30, 2026 $	December 31, 2025 $
Neither past due nor impaired	**351,129**	184,117
Past due but not impaired:		
Less than 1 month	**14,079**	13,302
1 to 3 months	**5,522**	4,496
3 to 6 months	**1,259**	1,295
Total trade and other receivables	**371,989**	203,210

The Company holds no collateral for any receivable amounts outstanding as at June 30, 2026.

Activity in the Company's provision for doubtful accounts was as follows:

	$
Balance at December 31, 2025	798
Accruals and adjustments during the period	(76)
Foreign exchange	20
Balance at June 30, 2026	**742**

6. INVENTORIES

	June 30, 2026 $	December 31, 2025 $
Inventories held for resale	**341,318**	325,731
Inventories held for processing	**97,803**	98,568
	439,121	424,299

7. PROPERTY, PLANT, AND EQUIPMENT

	Land $	Buildings, leasehold improvements and roads $	Machinery, automotive and other equipment $	Computer equipment and systems development $	Total $
Cost					
Cost at December 31, 2025	17,188	102,921	257,727	10,731	388,567
Additions	–	10,815	9,894	267	20,976
Disposals	–	–	(6,951)	–	(6,951)
Foreign exchange difference	269	4,204	7,611	130	12,214
Cost at June 30, 2026	**17,457**	**117,940**	**268,281**	**11,128**	**414,806**
Accumulated depreciation					
Accumulated depreciation at December 31, 2025	–	17,944	137,090	7,633	162,667
Depreciation	–	2,271	10,296	551	13,118
Disposals	–	–	(1,488)	–	(1,488)
Foreign exchange difference	–	982	3,391	80	4,453
Accumulated depreciation at June 30, 2026	**–**	**21,197**	**149,289**	**8,264**	**178,750**
Net book value at December 31, 2025	17,188	84,977	120,637	3,098	225,900
Net book value at June 30, 2026	**17,457**	**96,743**	**118,992**	**2,864**	**236,056**

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company enters into various leases for the operation of its business, including distribution facilities, treatment plant facilities, computer equipment, light vehicles, forklifts and other equipment as required to operate efficiently.

Right-of-use assets

	Facilities[1] $	Machinery, automotive and other equipment[2] $	Computer equipment $	Total $
Balance at December 31, 2025	148,549	19,384	1,956	169,889
Additions	–	7,586	31	7,617
Modifications and remeasurements	1,304	371	–	1,675
Amortization	(12,088)	(3,656)	(343)	(16,087)
Disposals	(2,596)	(20)	(3)	(2,619)
Foreign exchange movements	2,773	466	26	3,265
Balance at June 30, 2026	**137,942**	**24,131**	**1,667**	**163,740**

Lease liabilities

	Facilities[1] $	Machinery, automotive and other equipment[2] $	Computer equipment $	Total $
Balance at December 31, 2025	161,629	19,888	2,030	183,547
Additions	–	7,586	31	7,617
Modifications and remeasurements	1,304	371	–	1,675
Disposals	(2,729)	(21)	–	(2,750)
Finance costs	2,783	677	45	3,505
Lease payments	(13,218)	(4,086)	(386)	(17,690)
Foreign exchange movements	3,056	482	27	3,565
Balance at June 30, 2026	152,825	24,897	1,747	179,469
Less: current portion	(20,534)	(6,497)	(665)	(27,696)
	132,291	**18,400**	**1,082**	**151,773**

1. Includes agreements related to distribution, wood treatment, manufacturing and office facility leases.
2. Includes forklifts, light vehicles and other heavy equipment leases.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

Contractual commitments

Future undiscounted payments due under the terms of the Company's contractual agreements, including these leases, are as follows (including certain leases with related parties, as disclosed in Note 16):

Years ending December 31	$
Remainder 2026	23,092
2027	43,775
2028	41,182
2029	34,769
2030	18,161
Thereafter	59,447
	220,426

9. INTANGIBLE ASSETS

	US operations $	Value-added services $	Total $
Cost			
Cost at December 31, 2025	396,201	9,989	406,190
Foreign exchange difference	14,569	–	14,569
Cost at June 30, 2026	**410,770**	**9,989**	**420,759**
Accumulated amortization			
Accumulated amortization at December 31, 2025	142,915	9,989	152,904
Amortization	18,925	–	18,925
Foreign exchange difference	5,851	–	5,851
Accumulated amortization at June 30, 2026	**167,691**	**9,989**	**177,680**
Net intangible assets at December 31, 2025	253,286	–	253,286
Net intangible assets at June 30, 2026	**243,079**	**–**	**243,079**

(in thousands of Canadian dollars)

10. GOODWILL

	Canadian operations $	US operations $	Value-added services $	Total $
Balance at December 31, 2025	62,624	409,919	35,347	507,890
Foreign exchange difference	–	15,073	–	15,073
Balance at June 30, 2026	**62,624**	**424,992**	**35,347**	**522,963**

11. LOANS AND BORROWINGS

	June 30, 2026				December 31, 2025			
	Face value $	Carrying amount $	Current portion $	Non-current portion $	Face value $	Carrying amount $	Current portion $	Non-current portion $
2029 Unsecured notes[1]	535,000	531,066	–	531,066	535,000	530,464	–	530,464
Revolving loan facility[2]	370,858	369,904	–	369,904	284,431	283,217	–	283,217
Other	505	505	220	285	611	611	214	397
	906,363	**901,475**	**220**	**901,255**	**820,042**	**814,292**	**214**	**814,078**

1. Non-publicly listed, with a maturity date of September 17, 2029, and interest rate at 7.50%, payable semi-annually ("2029 Unsecured Notes").
2. Maximum credit available is $580,000. Amount advanced under the facility at any time is limited to a defined percentage of inventories and trade receivables, less certain reserves. The facility is secured by a first charge over the Company's assets and an assignment of trade receivables and requires that certain covenants be met by the Company. This facility matures on April 30, 2028.

The terms and conditions of the revolving loan facility are consistent with those disclosed in Note 16 to the 2025 audited Annual Consolidated Financial Statements.

During the six months ended June 30, 2026, certain drawings under the revolving loan facility were designated as a hedge against the Company's investment in its US operations and an unrealized foreign exchange loss of $3,148 was recognized in Foreign currency translation in Other comprehensive income.

Issuance of senior unsecured notes

On December 2, 2025, the Company completed an additional private placement offering under the terms of the existing 2029 Unsecured Notes. These additional notes were issued at a price of $1,016 per $1,000 principal, resulting in gross proceeds of $172,763. The offering was underwritten by Stifel, CIBC Capital Markets and TD Securities as joint active bookrunners, and National Bank Capital Markets, Raymond James, RBC Capital Markets, Wells Fargo Securities, and Canaccord Genuity, with Desjardins Capital Markets acting as joint bookrunners.

Net cash proceeds raised on December 2, 2025, from the 2029 Unsecured Notes, together with additional funds drawn under the Company's revolving loan facility, were used on December 17, 2025, to repurchase for cancellation the $272,163 balance of the Company's unsecured notes, having a maturity date of May 15, 2026.

Amendment of revolving loan facility

On January 31, 2025, the Company amended its existing revolving loan facility, increasing the maximum available credit from $500,000 to $580,000. All other material terms remained substantially unchanged.

The Company was not in breach of any of its covenants during the period ended June 30, 2026, and had the right to defer settlement for more than twelve months from the period end date. Accordingly, the revolving loan facility was classified as non-current as at June 30, 2026.

As part of the Company's cash management strategy, and notwithstanding contractual maturity, the Company continues to have the right and may, at its discretion, repay portions of its revolving loan facility earlier than the maturity date.

12. CONTINGENT CONSIDERATION

The earnout commitment is payable annually over five years from the date of the Doman Tucker Lumber Acquisition on October 1, 2024, if certain earnings performance targets after the acquisition are met. The earnout commitment was recorded in the Consolidated Statement of Financial Position as a contingent consideration liability at fair value, based on estimated future payments in each of the five years from the acquisition date, at a discount rate of approximately 12%. The fair value of the contingent consideration as at June 30, 2026, was $23.3 million (December 31, 2025 – $28.2 million).

(in thousands of Canadian dollars)

13. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Total net benefit expense of the Company's pension and post-retirement benefit plans for the three months ended June 30, 2026, was $566 (2025 – $551) and for the six-month period ended June 30, 2026, was $1,118 (2025 – $1,089). These expenses have been included in distribution, selling and administration costs and finance costs in the unaudited Interim Condensed Consolidated Statement of Earnings.

The table below reflects liabilities related to employee future benefit plans:

	June 30, 2026 $	December 31, 2025 $
Pension benefit plan	**696**	731
Other benefit plans	**2,043**	2,043
	2,739	2,774

Further information about these plans is disclosed in Note 17 to the 2025 audited Annual Consolidated Financial Statements.

14. SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of common and preferred shares with no par value.

Restricted Equity Common Share Plan ("RECSP")

As at June 30, 2026, there were no outstanding Restricted Share Units ("RSUs") pursuant to the RECSP (December 31, 2025 – nil). Compensation expense in respect of RSUs for the three months ended June 30, 2026, was $214 (2025 – $349), and for the six-month period to date was $239 (2025 – $349).

Employee Common Share Purchase Plan ("ECSPP")

For the three months ended June 30, 2026, the Company did not issue any common shares from treasury (2025 – nil), and for the six-month period to date the Company issued 123,147 (2025 – 109,621) common shares from treasury for gross proceeds of $997 (2025 – $808), pursuant to the ECSPP.

Subsequent to June 30, 2026, the Company issued 113,304 shares under the ECSPP for gross proceeds of $1,103.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2026 and 2025
(in thousands of Canadian dollars)

Dividends

The following quarterly dividends of $0.14 per share were declared and paid by the Company:

	2026			2025		
	Declared			Declared		
	Record date	Amount $	Payment date	Record date	Amount $	Payment date
Quarter 1	Mar 31, 2026	**12,287**	Apr 15, 2026	Mar 31, 2025	12,236	Apr 15, 2025
Quarter 2	Jun 30, 2026	**12,289**	Jul 15, 2026	Jun 30, 2025	12,249	Jul 15, 2025
		24,576			**24,485**	
Quarter 3				Sep 29, 2025	12,268	Oct 15, 2025
Quarter 4				Dec 31, 2025	12,270	Jan 15, 2026
					49,023	

The Board of the Company is routinely assessing its dividend policy in the context of overall profitability, cash flows, capital requirements, general economic conditions and other business needs.

15. FINANCE COSTS

Finance costs include the following:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	$	$	$	$
Loans and borrowings	**15,077**	17,919	**29,255**	34,770
Lease liabilities	**1,744**	1,398	**3,505**	2,826
Interest income and other	**(479)**	(1,727)	**(1,145)**	(2,332)
Net cash interest	**16,342**	17,590	**31,615**	35,264
Amortization of financing costs	**711**	888	**1,420**	1,767
Accretion of contingent consideration	**530**	757	**1,163**	1,542
Interest on net defined benefit liability	**35**	33	**69**	67
	17,618	19,268	**34,267**	38,640

(in thousands of Canadian dollars)

16. RELATED PARTY TRANSACTIONS

Transactions

The Company has transactions with related parties in the normal course of operations at amounts as agreed between the related parties as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Leased distribution[1] and treatment facilities[2]	**1,423**	1,304	**2,846**	2,608
Purchase of product[3]	**716**	483	**1,296**	1,222
Service fees and other[4]	**246**	245	**447**	470
Professional fees and other[5]	**195**	153	**399**	307

1. Paid to a company controlled by a member of key management personnel who is a director and officer of the Company, or a close family member of that person's family.
2. Paid to a company solely controlled by a director and officer of the Company.
3. Paid to a public company that a member of key management personnel who is a director and officer of the Company has an ownership interest in.
4. Paid to companies controlled by a member of key management personnel who is also a director and officer of the Company.
5. Paid to a company controlled by an officer of the Company.

Commitments with related parties

Future undiscounted minimum payments under the terms of the leases with companies, in which a member of key management personnel who is also an officer or director and officer of the Company has an interest in, are as follows:

Years ending December 31	**$**
Remainder of 2026	2,859
2027	5,833
2028	5,988
2029	5,769
2030	3,098
Thereafter	7,690
	31,237

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Payable to related parties

Trade and other payables include amounts due to related parties as follows:

	June 30, 2026 $	December 31, 2025 $
Purchase of product[(1)]	**224**	80
Service fees and other[(2)]	**–**	69
Professional fees and other[(3)]	**197**	397

1. Owing to a public company that a member of key management personnel who is a director and officer of the Company has an ownership interest in.
2. Owing to companies controlled by a member of key management personnel who is also a director and officer of the Company.
3. Owing to a company controlled by an officer of the Company.

17. FINANCIAL INSTRUMENTS

Non-derivative financial instruments

The carrying amounts of non-derivative financial instruments approximate fair value, with the exception of the following:

	June 30, 2026		December 31, 2025	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
2029 Unsecured Notes[(1)]	**531,066**	**553,003**	530,464	543,694
Revolving loan facility	**369,904**	**370,858**	283,217	284,431

1. Non-publicly listed, with a maturity date of September 17, 2029, and interest rate at 7.5%.

The following methods and assumptions were used to determine the estimated fair value of each class of financial instrument:

- The fair values of cash and cash equivalents, trade and other receivables, bank indebtedness, trade and other payables and dividends payable were comparable to their carrying amounts, given the short maturity periods.
- The fair value of the Company's 2029 Unsecured Notes was based on a price quoted by an independent investment brokerage.
- The fair value of the Company's revolving loan facility approximates its carrying value as it bears interest at a variable rate based on current market rates. The fair value has been estimated as the carrying value excluding unamortized financing costs.
- The fair values of the Company's lease liabilities and other loans approximate their carrying values as they bear interest that approximates current market rates.

IFRS 13, *Fair Value Measurement* requires classification of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

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

Level 2 – Inputs other than quoted prices that are observable for the asset and liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

All of the Company's financial instruments are categorized as Level 2 fair values, with the exception of contingent consideration, which was categorized as Level 3.

Contingent consideration was assumed as part of a historic business combination, and was subsequently measured at fair value. Valuation technique used was based on discounted cash flows, which considers the present value of expected future payments, discounted using a risk-adjusted discount rate. The change in the fair value of the contingent consideration liability during the six months ended June 30, 2026, was nominal.

The expenses resulting from financial assets and liabilities recorded in net earnings are as disclosed in Note 15.

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The following table shows, as at June 30, 2026, the Company's contractual obligations with respect to its non-derivative financial instruments, including estimated interest, within the periods indicated:

	Face value $	**Total contractual obligation[1]** $	**Remainder of 2026** $	**2027-2028** $	**2029-2030** $	**Thereafter** $
Unsecured notes[2]	*535,000*	**675,438**	20,063	80,250	575,125	–
Revolving loan facility[3]	*370,858*	**473,082**	9,476	463,606	–	–
Leases and other contractual commitments (Note 8)		**220,426**	23,092	84,957	52,930	59,447
Accounts payable and others		**227,807**	198,972	14,625	14,210	–
Total contractual obligations		**1,596,753**	**251,603**	**643,438**	**642,265**	**59,447**

1. Includes future interest obligations.
2. Non-publicly listed notes with maturity date of September 17, 2029, and interest rate at 7.5%.
3. Interest has been calculated based on the average borrowing under the facility for the six months ended June 30, 2026, utilizing the interest rate payable under the terms of the facility at June 30, 2026. This facility matures on April 30, 2028.

Derivative financial instruments

From time to time, the Company uses derivative financial instruments for economic hedging purposes in managing lumber price risk and foreign exchange risk through the use of futures contracts and options. Derivative instruments are measured at fair value through profit and loss with changes in fair value recorded in net earnings.

The Company held no outstanding foreign exchange contracts as at June 30, 2026, and December 31, 2025. Additionally, the Company held a nominal amount of lumber futures contracts.

When held by the Company, these derivative financial instruments are traded through well-established financial services firms with a long history of providing trading, exchange and clearing services for commodities and currencies. As trading activities are closely monitored and restricted by senior management, including limits for a maximum number of outstanding contracts at any point in time, the risk of a material credit loss on these financial instruments is considered low.

Hedge of investment in foreign operations

Certain drawings under the revolving loan facility were designated as a hedge against the Company's investment in its US operations. During the six months ended June 30, 2026, the Company recorded an unrealized foreign exchange loss of $3,148 (2025 – gain of $11,164), arising on revaluation of hedged foreign currency debt in Foreign currency translation in Other comprehensive income during the period.

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Financial risk management

The Company's activities result in exposure to a variety of financial risks from its financial assets and financial liabilities, including risks related to credit, interest rates, currency, liquidity and wood product prices.

Financial assets include trade and other receivables, which are measured at amortized cost. Financial liabilities include bank indebtedness, trade and other payables, dividends payable, unsecured notes, revolving loan facility and lease liabilities. All financial liabilities are measured at amortized cost.

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management, which seeks to minimize any potential adverse effects on the Company's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises primarily from the Company's trade and other receivables. The Company grants credit to its customers in the normal course of operations. To limit its exposure to credit risk, the Company performs ongoing evaluations of the credit quality of its customers and follows diligent credit granting and collection procedures. Purchase limits are established for each customer and are reviewed regularly.

The Company regularly reviews the collectability of its trade accounts receivable and establishes an allowance for doubtful accounts based on its best estimate of any potentially uncollectible accounts.

As at June 30, 2026, trade accounts receivable, excluding other receivables, were as follows:

	$
Current	357,618
Past due over 60 days	2,036
Trade receivables	359,654
Less: Allowance for doubtful accounts	(742)
	358,912

As at June 30, 2026, the maximum exposure to credit risk, including both trade and other receivables, was $371,989 (December 31, 2025 – $203,210), which represents the carrying value amount of financial instruments classified as trade and other receivables.

Interest rate risk

The majority of the Company's borrowings are currently issued at fixed rates, specifically, the 2029 Unsecured Notes (Note 11). Therefore, the Company is exposed to fair value interest rate risk on these borrowings, as interest rate decreases make the Company susceptible to opportunity costs.

Additionally, the Company is exposed to interest rate risk through its variable rate revolving loan facility (Note 11). Based on the Company's average variable rate borrowings during the six months ended June 30, 2026, the sensitivity of a 1% increase in interest rates would result in an approximate decrease of $727 in quarterly net earnings.

The Company did not hold any interest rate swaps during the periods ended June 30, 2026 and 2025. However, the negative risk of rising interest rates was mitigated by financing a significant portion of the Company's borrowings through the unsecured notes at fixed rates.

Currency risk

Currency risk is the risk that changes in market prices of foreign exchange rates will affect the Company's earnings or the value of its holdings of financial instruments. The Company is exposed to currency risk on the US dollar components of its revolving loan facility, as well as revenues and purchase transactions that are denominated in US dollars.

As at June 30, 2026, the Company had US dollar drawings under its revolving loan facility of US$62,604 (December 31, 2025 – US$54,575), which have been designated as a hedge against the Company's net investment in its foreign operations.

As at June 30, 2026, an increase of $0.01 in the Canadian dollar versus the US dollar would have an insignificant impact on quarterly net earnings, and an increase in Other comprehensive earnings of approximately $8,800.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or at a reasonable cost. The Company manages liquidity risk by having appropriate credit facilities available at all times. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. The Company is exposed to refinancing risks as there can be no assurance that the Company will be able to secure credit on the same terms or amount when the facility expires.

Other price risk

Other price risk is defined as the potential adverse impact on net earnings and economic value due to price movement and volatilities. The Company is exposed to other price risk with respect to certain construction materials. The Company closely monitors construction materials prices.

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18. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital had the following impact on cash flows:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Trade and other receivables	**(2,226)**	3,487	**(163,050)**	(158,081)
Inventories	**34,463**	52,503	**(4,386)**	4,495
Prepaid expenses and deposits	**360**	1,369	**1,377**	4,187
Trade and other payables	**22,768**	(1,700)	**46,623**	34,497
	55,365	55,659	**(119,436)**	(114,902)

19. REVENUE

The following table presents disaggregated revenues for the Company in categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	Three months ended June 30, 2026			Three months ended June 30, 2025(1)		
	Building Materials	**Other**	**Total**	**Building Materials**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Geographic markets						
Canada	261,829	–	**261,829**	263,615	21	**263,636**
US	642,637	–	**642,637**	623,083	–	**623,083**
	904,466	–	**904,466**	886,698	21	**886,719**
Revenue categories						
Products	903,070	–	**903,070**	884,975	21	**884,996**
Services	1,396	–	**1,396**	1,723	–	**1,723**
	904,466	–	**904,466**	886,698	21	**886,719**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

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	Six months ended June 30, 2026			Six months ended June 30, 2025[1]		
	Building Materials $	Other $	Total $	Building Materials $	Other $	Total $
Geographic markets						
Canada	482,929	–	**482,929**	492,312	3,760	**496,072**
US	1,183,506	–	**1,183,506**	1,183,895	–	**1,183,895**
	1,666,435	–	**1,666,435**	1,676,207	3,760	**1,679,967**
Revenue categories						
Products	1,663,268	–	**1,663,268**	1,672,860	3,760	**1,676,620**
Services	3,167	–	**3,167**	3,347	–	**3,347**
	1,666,435	–	**1,666,435**	1,676,207	3,760	**1,679,967**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

Certain customers elect to prepay for goods and services, for which the Company has recorded a contract liability of $8,569 as at June 30, 2026 (December 31, 2025 – $7,740), related to these future performance obligations (unearned revenues). These amounts are included in trade and other payables in the unaudited Interim Condensed Consolidated Statement of Financial Position.

During the three months ended June 30, 2026, one customer individually accounted for revenue in excess of 10%, purchasing an aggregate of $317,426 (2025 – $312,347, representing one customer) and for the six-month period to date, one customer individually accounted for revenue in excess of 10%, purchasing an aggregate of $587,926 (2025 – $596,861, representing one customer).

20. SEGMENTED INFORMATION

The Company operates as a wholesale distributor of building materials and home renovation products, including value-added services such as lumber pressure treating.

Based on products offered, production processes involved, and how financial information is produced internally for the purposes of making operating decisions, the Company operates as one reportable segment, with the remaining smaller operations categorized as Other.

During the comparative year ended December 31, 2025, the Company revised its internal reporting structure for management purposes following the sale of the Company's timberlands disclosed in Note 13 to the 2025 audited Annual Consolidated Financial Statements.

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The remaining activities previously reported within the Other segment, are no longer reviewed separately by the chief operating decision maker, and have been integrated into the Building Materials segment as value-added services. As a result, comparative information for the three months and six months ended June 30, 2025, has been restated to reflect current year presentation.

Business segment revenues and specified expenses were as follows:

	Three months ended June 30, 2026			Three months ended June 30, 2025[1]		
	Building Materials $	Other $	Total $	Building Materials $	Other $	Total $
Revenue	904,466	–	**904,466**	886,698	21	**886,719**
Specified expenses						
Depreciation and amortization	23,937	–	**23,937**	24,963	316	**25,279**
Finance costs	17,618	–	**17,618**	19,268	–	**19,268**
Net earnings (loss)	31,198	–	**31,198**	28,056	(374)	**27,682**
Purchase of property, plant and equipment	4,741	–	**4,741**	2,618	–	**2,618**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

	Six months ended June 30, 2026			Six months ended June 30, 2025		
	Building Materials $	Other $	Total $	Building Materials $	Other $	Total $
Revenue	1,666,435	–	**1,666,435**	1,676,207	3,760	**1,679,967**
Specified expenses						
Depreciation and amortization	48,130	–	**48,130**	48,987	794	**49,781**
Finance costs	34,267	–	**34,267**	38,640	–	**38,640**
Net earnings	55,122	–	**55,122**	49,000	2,240	**51,240**
Purchase of property, plant and equipment	20,976	–	**20,976**	6,116	22	**6,138**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

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Business segment long-term assets were as follows:

	June 30, 2026		December 31, 2025	
	Building Materials $	Percent %	Building Materials $	Percent %
Canada	**223,534**	**19**	219,527	19
US	**978,416**	**81**	965,264	81
Long-term assets	**1,201,950**	**100**	1,184,791	100

The percentage of total revenue from external customers from product groups was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026 %	2025 %	2026 %	2025 %
Construction materials	**84**	82	**83**	82
Specialty and allied	**13**	15	**14**	15
Other	**3**	3	**3**	3
	100	100	**100**	100

21. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide dividends to shareholders and benefits for other stakeholders. The Company includes debt and equity, comprising shareholders' capital, contributed surplus, deficit (including cumulative dividends on shares), and foreign currency translation on foreign operations, in the definition of capital.

The Company seeks to maintain a balance between the higher returns that might be possible with the leverage afforded by higher borrowing levels and the security afforded by a sound capital structure. It does this by maintaining appropriate debt levels in relation to its working capital and other assets in order to provide the maximum dividends to shareholders commensurate with the level of risk. Also, the Company utilizes its debt capabilities to buy back shares, where appropriate, in order to maximize cash distribution rates for remaining shareholders.

The Company manages the capital structure and adjusts it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, repurchase shares in the market, issue new shares, or sell assets to reduce debt.

The Company's policy over the long-term, is to dividend all available cash from operations to shareholders after reducing debt and providing for cash required for maintenance of capital expenditures and other reserves considered advisable by the Company's directors. The Company has eliminated the impact of seasonal fluctuations by equalizing quarterly dividends.

There are no externally imposed capital requirements and the Company's loan agreements do not contain any capital maintenance covenants.

There were no changes to the Company's approach to capital management during the current period.

22. SEASONALITY

The Company's revenues are subject to seasonal variances that fluctuate in accordance with the normal home building season, depending on the geographical location, which creates a timing difference between quarterly free cash flow earned and the Company's policy of equalizing quarterly dividends paid.

23. CONTINGENCIES

Product liability and other claims

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.

DOMAN™

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