



PRODUITS FORESTIERS  
**GREENFIRST**  
FOREST PRODUCTS

**GREENFIRST FOREST PRODUCTS INC.**

**Condensed Consolidated Interim Financial Statements (Unaudited)**  
(In thousands of Canadian dollars unless otherwise stated)

**For the third quarter and three quarters ended September 24, 2022 and September 25, 2021**

# GREENFIRST FOREST PRODUCTS INC.

## Condensed Consolidated Interim Statements of Financial Position (Unaudited)

(In thousands of Canadian Dollars)

As at	Note(s)	September 24, 2022	Restated (Note 4) December 31, 2021
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$	29,896	\$ 36,173
Trade and other receivables	18	49,685	36,040
Inventory	7	128,757	107,204
Prepaid expenses and other current assets		2,706	3,353
		<b>211,044</b>	<b>182,770</b>
<i>Non-current assets</i>			
Property, plant and equipment	18	191,185	182,657
Biological assets	18	5,165	5,165
Timber licences		11,494	11,716
Right of use assets		2,388	3,382
Investment	14	1,143	500
Deferred financing charges	9	—	1,431
Pension plans in asset positions		17,111	29,773
Deferred tax asset		2,346	—
<b>Total assets</b>	<b>\$</b>	<b>441,876</b>	<b>\$ 417,394</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Accounts payable	\$	47,120	\$ 27,481
Other current liabilities	8	22,247	20,220
Long-term debt, current	9	5,625	6,339
		<b>74,992</b>	<b>54,040</b>
<i>Non-current liabilities</i>			
Long-term debt	9	77,733	108,882
Post-retirement obligations		9,843	10,043
Lease liabilities, long-term		1,334	2,132
Other long-term liabilities	8	7,599	7,363
Deferred tax liability		4,155	4,318
<b>Total liabilities</b>		<b>175,656</b>	<b>186,778</b>
<b>Shareholders' equity</b>			
Share capital	12	254,728	254,728
Equity reserves		10,509	9,577
Accumulated other comprehensive (loss) earnings		(7,000)	1,033
Retained earnings (accumulated deficit)		7,983	(34,722)
<b>Total shareholders' equity</b>		<b>266,220</b>	<b>230,616</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$</b>	<b>441,876</b>	<b>\$ 417,394</b>

Note 18 - Subsequent Events

Approved and authorized by the Board of Directors on November 8, 2022:

"Rick Doman" CEO & Director	"William G. Harvey" Director
--------------------------------	---------------------------------

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

# GREENFIRST FOREST PRODUCTS INC.

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

(In thousands of Canadian Dollars, except per share amounts)

	Note(s)	Quarter ended		Three quarters ended	
		September 24, 2022	September 25, 2021	September 24, 2022	September 25, 2021
Net sales	17	\$ 153,424	\$ 28,928	\$ 540,756	\$ 28,928
Cost of sales		(150,934)	(30,718)	(397,312)	(30,718)
Duties		(12,970)	(1,790)	(51,679)	(1,790)
Selling, general and administrative expenses	5	(5,916)	(1,772)	(18,867)	(3,476)
Other operating income (expense)		4,030	(694)	5,602	(715)
<b>Operating (loss) earnings</b>		<b>(12,366)</b>	<b>(6,046)</b>	<b>78,500</b>	<b>(7,771)</b>
Finance costs, net	6	(3,993)	(1,480)	(11,648)	(1,658)
Gain on revaluation of investment	14	—	—	643	—
Loss on extinguishment of debt	9	(11,187)	—	(11,187)	—
Transaction costs		—	(5,606)	—	(7,668)
Foreign exchange on long-term debt		(5,311)	10	(7,896)	(111)
Other non-operating losses	18	(5,320)	—	(5,320)	—
<b>Net (loss) earnings, before income taxes</b>		<b>(38,177)</b>	<b>(13,122)</b>	<b>43,092</b>	<b>(17,208)</b>
Deferred tax recovery (expense)	11	14,918	—	(387)	—
<b>Net (loss) earnings</b>		<b>(23,259)</b>	<b>(13,122)</b>	<b>42,705</b>	<b>(17,208)</b>
<b>Other comprehensive loss</b>					
<i>Items that will not be reclassified to earnings in future periods:</i>					
Defined benefit pension plans adjustments, net of tax recovery of \$2,100 and \$2,896, respectively		(6,276)	(784)	(8,033)	(899)
<b>Comprehensive (loss) earnings for the period</b>		<b>\$ (29,535)</b>	<b>\$ (13,906)</b>	<b>\$ 34,672</b>	<b>\$ (18,107)</b>
<b>Basic (loss) earnings per share</b>	12	<b>\$ (0.13)</b>	<b>\$ (0.16)</b>	<b>\$ 0.24</b>	<b>\$ (0.40)</b>
<b>Diluted (loss) earnings per share</b>	12	<b>(0.13)</b>	<b>(0.16)</b>	<b>0.22</b>	<b>(0.40)</b>

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

# GREENFIRST FOREST PRODUCTS INC.

## Condensed Consolidated Interim Statements of Cash Flow (Unaudited)

(In thousands of Canadian Dollars)

	Note(s)	Quarter ended		Three quarters ended	
		September 24, 2022	Restated (Note 4) September 25, 2021	September 24, 2022	Restated (Note 4) September 25, 2021
<b>Cash provided by (used in):</b>					
<b>Operating activities:</b>					
Net earnings (loss)		\$ (23,259)	\$ (13,122)	\$ 42,705	\$ (17,208)
<i>Adjustments for:</i>					
Depreciation and amortization		4,459	1,302	12,764	1,302
Income taxes		(14,918)	—	387	—
Foreign exchange loss		1,277	714	2,309	697
Stock option expense	13	304	—	932	—
Finance costs, net	6	3,993	1,480	11,648	1,658
Loss on extinguishment of debt	9	11,187	—	11,187	—
Gain on revaluation of investment	14	—	—	(643)	—
Net periodic benefit cost of pension and postretirement plans in excess of funding		(103)	144	(336)	144
Other		—	878	—	115
<i>Changes in non-cash working capital and other:</i>					
Trade receivables and other receivables		(1,608)	(34,779)	(13,645)	(34,789)
Inventory		12,206	(5,690)	(21,553)	(5,690)
Accounts payable, accrued liabilities and other		13,160	46,215	20,083	48,498
<b>Total cash provided by (used in) operating activities</b>		<b>6,697</b>	<b>(2,858)</b>	<b>65,838</b>	<b>(5,273)</b>
<b>Investing activities:</b>					
Acquisitions		—	(245,062)	—	(245,062)
Purchase of property, plant and equipment		(10,929)	(603)	(18,597)	(773)
<b>Total cash used in investing activities</b>		<b>(10,929)</b>	<b>(245,665)</b>	<b>(18,597)</b>	<b>(245,835)</b>
<b>Financing activities:</b>					
Shares and warrants issued under rights offering		—	167,499	—	167,499
Share issue costs		—	(3,662)	—	(3,662)
Borrowings under Credit Facility and Term Loan	9	84,000	126,103	84,000	126,103
Repayment of Credit Facility and Term Loan		(120,303)	—	(133,092)	—
Prepayment premium		(2,786)	—	(2,786)	—
Deferred financing costs	9	(642)	(13,585)	(642)	(13,585)
Exercise of options		—	—	—	1,449
Exercise of warrants		—	1,013	—	1,923
Repayment of lease obligations		(339)	(123)	(998)	(123)
<b>Total cash (used in) provided by financing activities</b>		<b>(40,071)</b>	<b>277,245</b>	<b>(53,518)</b>	<b>279,604</b>
<b>Increase (decrease) in cash</b>		<b>\$ (44,303)</b>	<b>\$ 28,722</b>	<b>\$ (6,277)</b>	<b>\$ 28,496</b>
<b>Cash, beginning of the period</b>		<b>74,199</b>	<b>5,056</b>	<b>36,173</b>	<b>5,282</b>
<b>Cash, end of the period</b>		<b>\$ 29,896</b>	<b>\$ 33,778</b>	<b>\$ 29,896</b>	<b>\$ 33,778</b>
<b>Interest paid</b>		<b>\$ 5,663</b>	<b>\$ 7</b>	<b>\$ 8,805</b>	<b>\$ 100</b>
<b>Cash taxes paid</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

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

# GREENFIRST FOREST PRODUCTS INC.

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

(In thousands of Canadian Dollars)

	Share Capital	Equity Reserves	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings (Accumulated Deficit)	Total
<b>Balance, January 1, 2022</b>	<b>\$ 254,728</b>	<b>\$ 9,577</b>	<b>\$ 1,033</b>	<b>\$ (34,722)</b>	<b>\$ 230,616</b>
Net earnings	—	—	—	42,705	42,705
Other comprehensive loss, net of tax	—	—	(8,033)	—	(8,033)
Equity-based payments	—	932	—	—	932
<b>Balance, September 24, 2022</b>	<b>\$ 254,728</b>	<b>\$ 10,509</b>	<b>\$ (7,000)</b>	<b>\$ 7,983</b>	<b>\$ 266,220</b>
Balance, January 1, 2021	\$ 38,362	\$ 498	\$ (126)	\$ (26,559)	12,175
Net loss (Restated See Note 4)	—	—	—	(17,208)	(17,208)
Other comprehensive loss, net of tax	—	—	(899)	—	(899)
Shares issued on conversion of debentures	4,075	(302)	—	—	3,773
Shares issued on exercise of options	1,449	—	—	—	1,449
Shares issued on exercise of warrants	1,923	—	—	—	1,923
Shares issued on rights offering	167,499	—	—	—	167,499
Shares issued as consideration for business acquired	54,214	—	—	—	54,214
Share issuance costs	(3,662)	—	—	—	(3,662)
Allocation of proceeds to backstop warrants	(9,132)	9,132	—	—	—
<b>Balance, September 25, 2021</b>	<b>\$ 254,728</b>	<b>\$ 9,328</b>	<b>\$ (1,025)</b>	<b>\$ (43,767)</b>	<b>\$ 219,264</b>

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

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

### 1. NATURE OF OPERATIONS

GreenFirst Forest Products Inc. ("GreenFirst", or the "Company") began operating as a forest products business on August 28, 2021 with the acquisition of six sawmills and one paper mill collectively located in Ontario and Quebec. The Company manufactures and markets high quality forest products.

The Company also owns a sawmill in Kenora, Ontario, which was acquired on October 6, 2020 and remains idle. Prior to the 2020 acquisition of the Kenora sawmill, the Company had no operations and held cash and marketable securities through its subsidiary 1347 Investors LLC.

The Company operates in two business segments, Forest Products and Paper Products. Through its Forest Products segment, the Company manufactures and markets a wide range of spruce-pine-fir ("SPF") lumber products for use in residential and commercial construction with by-products from production sold to pulp-producers and the Company's Paper Products segment. The Paper Products segment manufactures and markets paper grade products used to print newspapers, advertising materials, food service bags and other publications.

The Company's head office and registered records office is Suite 1000 – 401 The West Mall, Toronto, Ontario, M9C 5J5. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "GFP".

The Company's fiscal year end is the last day of the calendar year. For interim (quarterly) reporting periods, the Company defines interim period-end dates as the last Saturday of the interim quarter.

### 2. BASIS OF PREPARATION

#### ***Statement of Compliance***

These condensed consolidated interim financial statements ("Financial Statements") are prepared in accordance and in compliance with International Accounting Standards ("IAS 34"), *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), using the same accounting policies, including estimates and judgments and methods of application as those disclosed in the Company's annual audited consolidated financial statements for the year ended December 31, 2021 ("Annual Financial Statements"), except as disclosed in note 3. These Financial Statements should be read in conjunction with the Company's Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

These Financial Statements were approved by the Company's Board of Directors ("Board") on November 8, 2022.

#### ***Basis of Measurement***

These Financial Statements have been prepared under the historical cost basis, except where otherwise stated in the applicable accounting policies.

#### ***Basis of Consolidation***

These Financial Statements include the accounts of the Company and the subsidiaries over which the Company exercises control. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these Financial Statements from when control commences until the date on which control ceases. The financial statements of the subsidiaries are prepared for the same reporting period and apply the same accounting policies as the Company. All transactions between consolidated entities are eliminated in the consolidation of these Financial Statements. Set out below is a list of significant subsidiaries of the Company:

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

<b>Subsidiary</b>	<b>Jurisdiction</b>	<b>Direct or Indirect Ownership</b>	<b>Date of control and consolidation</b>
1347 Investors LLC <sup>(1)</sup>	Delaware, USA	100%	November 19, 2019
Lumber Assets Holding L.P.	Ontario, Canada	100%	September 8, 2020
2776034 Ontario Inc.	Ontario, Canada	100%	September 8, 2020
GreenFirst Forest Products (QC) Inc. <sup>(2)</sup>	Quebec, Canada	100%	March 16, 2021

<sup>(1)</sup> Effective March 25, 2022, 1347 Investors LLC was voluntarily dissolved, with the assets and liabilities assumed by GreenFirst Forest Products, Inc.

<sup>(2)</sup> Formerly 9437-6001 Quebec Inc.

### ***Use of Estimates and Judgments***

The preparation of these Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosures at the date of these Financial Statements. It also requires management to exercise judgment in the process of applying accounting policies. Significant areas requiring estimation and judgment include: assessing the fair value and net realizable value of inventory based on estimated selling prices, costs of completion, applicable duties, transportation costs and disposal costs; estimated useful lives of property, plant and equipment; recoverability of long-lived assets; fair value of the consideration paid and of the acquired assets and liabilities assumed on acquisitions; decommissioning obligations; and employee future benefits. Actual amounts could differ materially from these and other estimates, the impact of which would be recorded in future periods.

### ***Functional and Presentation Currency***

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

### ***Reclassification***

Certain amounts in prior periods have been reclassified to conform with the presentation for the current year.

## **3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

### ***Changes in Accounting Policies Adopted***

#### **Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets**

On May 14, 2020, the IASB issued Onerous Contracts – Cost of Fulfilling a Contract and amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* to specify which costs to include in determining the "cost of fulfilling" a potential onerous or loss-making contract. The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments are effective for contracts for which an entity has not yet fulfilled all its obligations on or after the effective date. The adoption of these amendments did not have a material financial impact on the Company.

#### **Amendment to IAS 16, Property, Plant and Equipment**

In May 2020, the IASB issued an amendment to IAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*. The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be ready for its intended use. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in net earnings (loss). The amendment is effective for annual periods beginning on or after January 1, 2022. The adoption of this amendment did not have a material financial impact on the Company.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

### ***Future Changes in Accounting Policies***

#### **Amendments to IAS 1, *Presentation of Financial Statements***

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* to clarify the definition of 'material' in the context of applying IFRS. The amendments require an entity to disclose their material accounting policies information rather than their significant accounting policies. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company is assessing the impact of these amendments and does not expect any changes to the disclosure of its accounting policies from the adoption of these amendments.

In January 2020, the IAS issued amendments to IAS 1, *Presentation of Financial Statements*, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. The amendments specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least 12 months, provided that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability. The amendments also clarify when a liability is considered settled. The amendments are effective for annual periods beginning on or after January 1, 2023, and are to be applied retrospectively upon adoption. The Company is assessing the impact of the amendments and does not expect any material financial impact from the adoption of these amendments.

#### **Amendments to IAS 12, *Income Taxes***

On May 7, 2021, the IASB issued amendments to IAS 12, *Income Taxes* ("IAS 12") – *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*. The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company is assessing the impact of the amendments and does not expect any significant financial impact from the adoption of these amendments.

## **4. ACQUISITION OF SAWMILLS AND PAPER MILL**

### ***Acquisition of Rayonier mills***

On August 28, 2021, the Company acquired a business consisting of six sawmills and one paper mill, all located in either Ontario or Quebec, from certain Canadian subsidiaries of Rayonier Advanced Materials Inc. ("RYAM") (the "Rayonier Asset Acquisition"), for aggregate consideration of \$296.1 million consisting of \$245.1 million in cash (US\$193.5 million), \$54.2 million in common shares, partially offset by net receivables and estimated final adjustment balances of \$3.1 million, which includes a \$7.9 million credit note ("Rayonier Credit Note") issued to the vendor to be paid in five equal annual installments. Following the Rayonier Asset Acquisition, the Company and RYAM together engaged a third-party arbitrator to finalize adjustments relating to inventory valuation.

As at December 31, 2021, the Company had previously recorded a \$7.7 million receivable related to estimated final inventory adjustments at closing, to be paid by the seller. As a result, the purchase price was also reduced by \$7.7 million and the Company included this within trade and other receivables. During the third quarter of fiscal 2022, the Company has adjusted this amount to \$5.3 million, which reflects the latest estimate of the amount subject to the arbitration process at September 24, 2022. As a result of this change, and other net adjustments of \$0.3 million, the Company has revised the estimated net final adjustment amounts receivable, with a corresponding decrease in the total consideration by \$2.1 million.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

The common share consideration resulted in the issuance of 28,684,433 common shares of the Company with a fair value of \$1.89 per common share. The Rayonier Credit Note consideration is non-interest bearing, is payable in five equal annual installments on the anniversaries of the closing and has been discounted to its net present value. The Company intends to set-off the principal amount of the Rayonier Credit Note against amounts owing by the vendor to the Company under a chip purchase agreement. Acquisition costs of \$7.7 million, specifically related to the Rayonier Asset Acquisition, were expensed as part of acquisition and transaction related costs on the statements of earnings (loss) in prior periods.

The Company has determined that the transaction represents a business combination under IFRS 3, *Business Combinations* ("IFRS 3"), with the Company identified as the acquirer and accordingly the transaction has been accounted for using the acquisition method of accounting in accordance with IFRS 3.

The Company has measured and recorded the identifiable assets acquired and the liabilities assumed at management's estimates of their acquisition-date fair values. The estimated fair values of assets acquired and liabilities assumed are based on the information available as of and since the acquisition date, up until the measurement period end, which the Company believes provides a reasonable basis for estimating the fair values. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date. As such, the Company has finalized its acquisition-date fair values based on information as of August 28, 2022.

Property, plant and equipment is valued using the cost approach, where the value of an asset is based on an estimate of the cost to purchase or replace the asset, adjusted for the estimated useful lives and physical condition, and functional and economic obsolescence at the date of acquisition. Inventory is valued based on the estimated selling price at the date of acquisition, less estimated costs to complete and sell, including duties and transportation, and a reasonable profit allowance for the completion and selling effort.

As the acquisition occurred on August 28, 2021, the Company and its external valuation experts continued to assess acquisition date fair value adjustments up until the measurement period end. This included assessment of fair values of property, plant and equipment and related depreciation charges, leases and estimated final purchase price adjustments related to inventory. During the third quarter of 2022, the Company adjusted the purchase price by \$2.1 million compared to the estimated amount as at December 31, 2021, as discussed above. The Company also finalized the allocation of fair value to the net assets acquired and liabilities assumed during the third quarter of 2022. This reassessment resulted in a revision to acquired land, biological assets related to private timberlands and values of certain plant and equipment assets, as outlined below. As a result of this revision, the Company recalculated the amount of depreciation related to the acquired assets based on the revised purchase price allocation. The Company has adjusted prior period balances to reflect this change.

The Company's final purchase and its allocation to net assets is as follows:

	December 31, 2021	August 28, 2022
	(Preliminary)	(Final)
<b>Purchase price consideration:</b>		
Cash	\$ 245,062	\$ 245,062
Common shares of the Company	54,214	54,214
Indebtedness and estimated final adjustments	(5,166)	(3,139)
<b>Total consideration</b>	<b>\$ 294,110</b>	<b>\$ 296,137</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

	December 31, 2021	August 28, 2022
<b>Fair value of net assets acquired:</b>	(Preliminary)	(Final)
Inventory	\$ 98,935	\$ 98,935
Property, plant and equipment	171,634	170,517
Timber licenses	11,814	11,814
Other assets	9,089	12,233
Pension plans in asset positions	30,186	30,186
Other non-current liabilities	(4,654)	(4,654)
Other liabilities	(5,598)	(5,598)
Post-retirement obligations	(11,365)	(11,365)
Deferred tax liabilities	(5,931)	(5,931)
<b>Total fair value</b>	<b>\$ 294,110</b>	<b>\$ 296,137</b>

The Company's final estimate of fair values has the following impact on prior period figures:

### For the third quarter and three quarters ended September 25, 2021

<b>Consolidated statement of comprehensive loss</b>	<b>Previous Stated</b>	<b>Restated</b>	<b>Net Impact</b>
Cost of sales (depreciation)	\$ (31,082)	\$ (30,718)	\$ 364

### As at December 31, 2021

<b>Consolidated statement of financial position</b>	<b>Previous Stated</b>	<b>Restated</b>	<b>Net Impact</b>
Property, plant and equipment	\$ 182,317	\$ 182,657	\$ 340
Trade and other receivables	38,067	36,040	(2,027)
Biological assets	2,021	5,165	3,144
Accumulated deficit	(36,179)	(34,722)	1,457

### For the year ended December 31, 2021

<b>Consolidated statement of comprehensive loss</b>	<b>Previous Stated</b>	<b>Restated</b>	<b>Net Impact</b>
Cost of sales (depreciation)	\$ (162,233)	\$ (160,776)	\$ 1,457

### For the second quarter ended June 25, 2022

<b>Consolidated statement of comprehensive loss</b>	<b>Previous Stated</b>	<b>Restated</b>	<b>Net Impact</b>
Cost of sales (depreciation)	\$ (139,066)	\$ (137,526)	\$ 1,540
Deferred tax (expense) recovery	(21,442)	(21,850)	(408)

### For the two quarters ended June 25, 2022

<b>Consolidated statement of comprehensive loss</b>	<b>Previous Stated</b>	<b>Restated</b>	<b>Net Impact</b>
Cost of sales (depreciation)	\$ (249,647)	\$ (246,378)	\$ 3,269
Deferred tax (expense) recovery	(14,439)	(15,305)	(866)

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021  
(In thousands of Canadian dollars unless otherwise stated)

The estimates of the fair values of net identifiable assets acquired and liabilities assumed reasonably approximate the fair value of the consideration, and therefore it has been determined that there is no goodwill.

As part of the Rayonier Asset Acquisition, the Company entered into a Transaction Services Agreement ("RYAM TSA"), under which RYAM would provide services to the Company in the areas of IT support, general accounting, treasury, and other day-to-day operations for a period of time. During the third quarter and three quarters ended September 24, 2022, the fees related to services provided under the RYAM TSA were \$nil and \$1.4 million, respectively (September 25, 2021 - \$0.3 million and \$0.3 million).

Additionally, the Company has ongoing sales transactions with RYAM, the terms and conditions for which are the same as those entered into by other parties transacting with the Company.

### 5. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	September 24, 2022	September 25, 2021
<b>For the quarter ended</b>		
Salaries and benefits	\$ 3,021	\$ 580
Third party fees and other services	2,298	833
Administration, office and facility costs	597	359
<b>Total selling, general and administrative expenses</b>	<b>\$ 5,916</b>	<b>\$ 1,772</b>

	September 24, 2022	September 25, 2021
<b>For the three quarters ended</b>		
Salaries and benefits	\$ 9,867	\$ 626
Third party fees and other services	5,517	1,971
Administration, office and facility costs	3,483	879
<b>Total selling, general and administrative expenses</b>	<b>\$ 18,867</b>	<b>\$ 3,476</b>

### 6. FINANCE COSTS, NET

	September 24, 2022	September 25, 2021
<b>For the quarter ended</b>		
Interest on Term Debt	\$ 2,823	\$ 1,116
Amortization of Term Debt deferred financing costs (Note 9)	735	310
Amortization of capitalized ABL fees (Note 9)	130	54
Accretion expense for lease liabilities	25	—
Accretion expense related to Rayonier Credit Note	115	—
Interest income	(318)	—
Interest income on pension assets	(794)	—
Interest expense on pension liabilities	568	—
Bank charges and other	709	—
<b>Finance costs, net</b>	<b>\$ 3,993</b>	<b>\$ 1,480</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021  
(In thousands of Canadian dollars unless otherwise stated)

<b>For the three quarters ended</b>	<b>September 24, 2022</b>	September 25, 2021
Interest on Term Debt	\$ 8,701	\$ 1,116
Amortization of Term Debt deferred financing costs (Note 9)	2,318	310
Amortization of capitalized ABL fees (Note 9)	390	54
Interest on convertible debentures	—	178
Accretion expense for lease liabilities	84	—
Accretion expense related to Rayonier Credit Note	336	—
Interest income	(414)	—
Interest income on pension assets	(2,383)	—
Interest expense on pension liabilities	1,703	—
Bank charges and other	913	—
<b>Finance costs, net</b>	<b>\$ 11,648</b>	<b>\$ 1,658</b>

## 7. INVENTORY

<b>As at</b>	<b>September 24, 2022</b>	December 31, 2021
Finished goods	\$ 38,268	\$ 31,495
Work-in-process	25,344	20,902
Raw materials	59,520	49,751
Manufacturing and maintenance supplies	5,625	5,056
<b>Total inventory</b>	<b>\$ 128,757</b>	<b>\$ 107,204</b>

During the third quarter and three quarters ended September 24, 2022, the Company recorded an inventory valuation write-down of \$3.2 million and \$5.1 million, respectively, (September 25, 2021 - \$nil and \$nil) to reflect net realizable value being lower than cost.

## 8. OTHER LIABILITIES

<b>As at</b>	<b>September 24, 2022</b>	December 31, 2021
Accrued payroll and benefits	\$ 10,101	\$ 7,675
Advances payable	1,811	2,319
Customer prepayments	470	684
Lease liabilities, current portion	1,120	1,272
Accrued utilities charges	700	885
Stumpage liabilities	4,205	4,961
Holdbacks	1,563	592
Rayonier Credit Note, current portion (Note 4)	1,580	1,580
Other liabilities	697	252
<b>Total other current liabilities</b>	<b>\$ 22,247</b>	<b>\$ 20,220</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021  
(In thousands of Canadian dollars unless otherwise stated)

At September 24, 2022, the Company's other long-term liabilities consisted of \$4.1 million (December 31, 2021 - \$5.0 million) of the long-term portion of the Rayonier Credit Note (see Note 4 – Acquisition of Sawmills and Paper Mill) and \$3.5 million (December 31, 2021 - \$2.4 million) related to obligations for decommissioning activities.

### 9. CREDIT FACILITIES AND LONG-TERM DEBT

The Company's outstanding debt is as follows:

<b>As at</b>	<b>September 24, 2022</b>	December 31, 2021
Term debt - senior secured term credit facility	\$ —	\$ 125,196
Unamortized deferred financing charges	—	(9,975)
Credit Facility	<b>84,000</b>	—
Unamortized deferred financing charges on Credit Facility	<b>(642)</b>	—
Carrying value of Credit Facility	<b>83,358</b>	115,221
Less: current portion	<b>(5,625)</b>	(6,339)
<b>Long-term debt</b>	<b>\$ 77,733</b>	<b>\$ 108,882</b>

The amounts related to the Company's term debt and Credit Facility for the three quarters ended September 24, 2022 are:

#### Term debt and Credit Facility

Balance, January 1, 2022	\$	115,221
Amortization of deferred financing charges		2,318
Repayment of term debt		(133,092)
Write-off of deferred financing charges		7,657
Foreign exchange on term debt		7,896
Proceeds from Credit Facility		84,000
Deferred financing charges on Credit Facility		(642)
<b>Carrying value of Credit Facility, September 24, 2022</b>		<b>83,358</b>
Less: current portion		(5,625)
<b>Long-term debt</b>	<b>\$</b>	<b>77,733</b>

Contractual minimum principal repayments related to the Credit Facility are due as follows:

Less than 1 year	\$	5,625
1 - 3 years		78,375
Thereafter		—
<b>Total</b>	<b>\$</b>	<b>84,000</b>

On September 23, 2022, the Company extinguished its US\$100.0 million (CAD\$126.1 million at initial closing) senior secured term credit facility (the "Term Loan" or term debt) with a term of four years. The balance outstanding at the time of extinguishment was US\$87.3 million (CAD\$118.7 million). In addition, the Company extinguished its \$65.0 million asset backed revolving loan (the "ABL") with a term of three years. Concurrently, the Company entered into a credit agreement with a Tier 1 Canadian Bank (the "Credit Agreement") for \$140.0 million consisting of a term loan of \$15.0 million (24-month term, with a 1-

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

year extension available) and a revolving facility of up to \$125.0 million (36-month term, with a 1-year extension available) (collectively, the "Credit Facility"). The Company is required to make quarterly repayments of principal of \$1.6 million on the term loan portion of the Credit Facility, with the balance of the principal due upon its maturity.

The Company is subject to certain financial covenants under the Credit Facility, including a minimum fixed charge coverage ratio and a maximum annual capital expenditure amount relative to budget, as these terms are defined in the Credit Agreement. The Credit Agreement requires the Company to meet a minimum fixed charge coverage ratio of 1.1:1. The fixed charge coverage ratio is calculated on a trailing twelve-month basis. The Company monitors these ratios and is required to report them to the lender. The Company can draw down on the facility based on a prescribed percentage of accounts receivable and its inventory carrying value, less reserves.

As at September 24, 2022, the Company was in compliance with all covenants under the new Credit Facility.

In connection with the extinguishment of the Term Loan and the ABL facility, the Company recognized a loss of \$11.2 million, which primarily relates to the write-off of \$7.7 million and \$1.0 million of remaining capitalized fees related to the Term Loan and ABL facility, respectively. In addition, there was a \$2.5 million prepayment premium related to the early extinguishment of the Term Loan. The Company capitalized a total of \$0.6 million of deferred financing costs related to the new Credit Facility.

During the quarter ended September 24, 2022, the Company also made its mandatory principal repayment of \$1.6 million related to the Term Loan. Earlier in the two quarters ended June 25, 2022, the Company had made principal repayments of \$12.8 million. Total repayments of principal during the three quarters ended September 24, 2022 amounted to \$133.1 million.

During the third quarter and three quarters ended September 24, 2022, \$0.7 million and \$2.3 million (September 25, 2021 - \$0.3 million and \$0.3 million), respectively, of deferred financing costs were amortized relating to the Term Loan. During the third quarter and three quarters ended September 24, 2022, \$0.1 million and \$0.4 million, respectively, of deferred financing costs were amortized relating to the ABL (September 25, 2021 - \$0.1 million and \$0.1 million). As noted, the balance of these capitalized financing costs were written off upon the extinguishment of the Term Loan and ABL facility.

At September 24, 2022, there were \$12.7 million (December 31, 2021 - \$13.7 million) of outstanding standby letters of credit issued, which reduces the amounts available to draw under the Credit Facility. The Company is in the process of transitioning its outstanding letters of credit from the previous lender to the new Credit Facility. The Company is seeking necessary approvals from the respective beneficiaries of the letters of credit, with a current backstop provided to the old lender from the new lender as at September 24, 2022.

## 10. CONVERTIBLE DEBENTURES

On October 22, 2020, the Company completed a non-brokered Private Placement financing of 2,000,000 Units at a purchase price of \$0.50 per Unit and of 4,000 Convertible Debentures at a purchase price of \$1,000 per Convertible Debentures, for aggregate gross proceeds of \$5.0 million.

Each Convertible Debenture was secured and had a maturity date of two years from the date of issuance. The Convertible Debentures bore interest at a rate of 4% per annum until the completion of a Qualified Investment (as defined below) and 2% per annum thereafter. If, prior to the maturity date, the Company closed an investment in excess of \$25.0 million (a "Qualified Investment") the principal amount of each Convertible Debenture, plus accrued interest, would automatically convert at maturity into one common share and one warrant (a "Unit) at a price of \$0.50 per Unit (provided that the term of any Warrant issued

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

in connection therewith will be limited to 5 years from the date of issuance of the Convertible Debenture) to the extent that the issuance of the common shares issuable on conversion of the Convertible Debentures and exercise of the associated Warrants did not result in the holder thereof holding 20% or more of issued and outstanding common shares of the Company. On June 24, 2021, the Convertible Debenture was amended, following shareholder approval, so that it could be converted into Units, at the option of the holders, without regard for the 20% restriction previously mentioned.

Upon initial recognition, the Convertible Debentures were accounted for as compound financial instruments with a liability and an equity component representing the conversion feature. The proceeds were allocated between the liability and equity component based on their relative fair values. The initial fair value of the liability of \$3.7 million was determined using a discount cash flow model and a discount rate of 4%, with \$0.3 million allocated to the equity component. On June 24, 2021, all of the outstanding Convertible Debentures were converted into Units at a price of \$0.50 per Unit and the majority of accrued interest was paid. As a result, the carrying value of the Convertible Debenture was derecognized and the issuance of Units was recognized in shareholders' equity (refer to, *Note 12 – Shareholders' Equity*).

The changes in the carrying value of the liability component are as follows:

	Carrying Value
Balance, January 1, 2021	\$ 3,702
Accretion of discount	70
Conversion of debentures	(3,772)
<b>Balance, December 31, 2021</b>	<b>\$ —</b>

## 11. INCOME TAXES

The provision for income taxes for the third quarter and three quarters ended September 24, 2022 and September 25, 2021 is comprised of the following:

	September 24, 2022	September 25, 2021
<b>For the quarter ended</b>		
Current income tax recovery	\$ —	—
Deferred income tax expense	14,918	—
<b>Total</b>	<b>\$ 14,918</b>	<b>—</b>

	September 24, 2022	September 25, 2021
<b>For the three quarters ended</b>		
Current income tax expense	\$ —	\$ —
Deferred income tax expense	(387)	—
<b>Total</b>	<b>\$ (387)</b>	<b>\$ —</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

The reconciliation of income tax (expense) recovery computed at statutory tax rates to income tax (expense) recovery, using a 27% (2021 - 27%) statutory rate is:

	<b>September 24,</b>	September 25,
<b>For the quarter ended</b>	<b>2022</b>	2021
Net earnings (loss), before income taxes	\$ (38,177)	\$ (13,122)
Statutory tax rate	27 %	27 %
Tax (expense) recovery at statutory tax rate	\$ 10,308	\$ 3,543
Non-taxable income/non-deductible expenses	(842)	—
Fixed asset valuation changes	5,334	—
Change in unrecognized deferred tax assets	118	(3,543)
<b>Current and deferred income tax expense</b>	<b>\$ 14,918</b>	<b>\$ —</b>

	<b>September</b>	September 25,
<b>For the three quarters ended</b>	<b>24,</b>	2,021
	<b>2,022</b>	2,021
Net earnings (loss), before income taxes	\$ 43,092	\$ (17,208)
Statutory tax rate	27 %	27 %
Tax (expense) recovery at statutory tax rate	\$ (11,635)	\$ 4,646
Non-taxable income/non-deductible expenses	(1,027)	—
Fixed asset valuation changes	5,334	—
Change in unrecognized deferred tax assets	6,941	(4,645)
<b>Current and deferred income tax expense</b>	<b>\$ (387)</b>	<b>\$ —</b>

In addition to the deferred tax (expense) recovery recorded in net earnings, a deferred tax recovery for third quarter and three quarters ended September 24, 2022 was also recorded in other comprehensive income of \$2,100 and \$2,896, respectively (September 25, 2021 - \$nil and \$nil), related to the remeasurement of the pension plan assets.

## 12. SHAREHOLDERS' EQUITY

### *Share Capital*

#### *Authorized*

- Unlimited number of common voting shares with no par value.
- 100,000,000 preferred shares with no par value, none of which are outstanding for the reporting periods presented.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021  
(In thousands of Canadian dollars unless otherwise stated)

### *Issued and outstanding*

Changes to common shares and share capital issued and outstanding are as follows:

	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Balance, January 1, 2021</b>	23,810,626 \$	38,362
Conversion of debentures	8,000,000	4,075
Exercise of options (Note 13)	2,206,000	1,449
Shares issued under the rights offering	111,665,880	158,367
Share issue costs during the period	—	(3,662)
Exercise of warrants	3,205,333	1,923
Rayonier Asset Acquisition consideration	28,684,433	54,214
Balance, December 31, 2021	177,572,272	254,728
<b>Balance, September 24, 2022</b>	<b>177,572,272 \$</b>	<b>254,728</b>

### **Convertible Debentures**

On June 24, 2021, all of the outstanding Convertible Debentures were converted into 8,000,000 Units at a price of \$0.50 per unit with each unit consisting of one common share and one warrant. The issued common shares were recorded at the carrying value of the convertible debenture.

### **Rights Offering**

On July 9, 2021, the Company initiated a rights offering (the "Rights Offering"), by issuing three rights ("Rights") for each common share outstanding to shareholders of record at that date. Each Right entitled the holder to subscribe for one subscription receipt for an exercise price of \$1.50 per subscription receipt for a period up to July 30, 2021. Each subscription receipt entitled the holder thereof to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration or further action, one common share. On July 30, 2021, the Rights Offering closed resulting in the issuance of 111,665,880 subscription receipts (the "Subscription Receipts") for gross proceeds of \$167.5 million which was deposited in escrow pending the completion of the escrow release conditions, primarily the completion of the Rayonier Asset Acquisition discussed in *Note 4 – Acquisition of Sawmills and Paper Mill*.

The Company allocated \$9.1 million of the gross proceeds to backstop warrants issued as part of the Rights Offering to a party in consideration for providing a backstop commitment, further described below.

On August 28, 2021, each Subscription Receipt was automatically exchanged, without payment of additional consideration or further action by the holders thereof, for a total of 111,665,880 common shares of the Company.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

### Warrants

Changes in outstanding common share purchase warrants were as follows:

	Number of Warrants	Weighted Average Exercise Price <sup>(1)</sup>	Carrying Amount in reserves
<b>Balance, January 1, 2021</b>	2,000,000	\$ 0.60	\$ 89
Issued upon conversion of debentures	8,000,000	0.60	—
Exercised	(3,205,334)	(0.60)	(89)
Adjustments as a result of anti-dilution provisions:			
Number of warrants subject to adjustment	(6,794,666)	(0.60)	—
Warrants outstanding after adjustment	16,060,118	0.25	—
Issued in connection with Rights Offering	15,692,500	3.18	9,132
Balance, December 31, 2021	31,752,618	1.70	9,132
<b>Balance, September 24, 2022</b>	31,752,618	\$ 1.70	\$ 9,132

<sup>(1)</sup> In dollars per common share.

On July 2, 2021, 3,205,334 warrants were exercised for proceeds of \$1.9 million.

As a result of the Rights Offering closing on July 30, 2021, anti-dilution provisions were triggered for warrants outstanding at the time of closing. These warrants had been issued as part of the exchange of the convertible notes to Units consisting of common shares and warrants. By triggering the anti-dilution provisions, the number of warrants outstanding increased to 16,060,118 with a new exercise price of \$0.2538. These warrants expire October 22, 2025.

In consideration for providing a backstop commitment in connection with the Rights Offering, on July 30, 2021, Senvest Management, LLC (together with its affiliates and funds of which Senvest Management, LLC acts as investment manager, the "Standby Purchaser") was issued 15,692,500 warrants to acquire Common Shares for a period of five years at an exercise price of \$3.18. The Standby Purchaser has been granted nomination rights in respect of one independent director for so long as it beneficially holds at least 5% of the issued and outstanding Common Shares of the Company. In addition, registration rights were granted to the Standby Purchaser, whereby it can require the Company to file a prospectus to qualify for trading the Common Shares issuable under the warrants, for so long as it holds at least 15% of the issued and outstanding Common Shares.

The issuance date fair value of the backstop warrants of \$9.1 million was determined using the Black-Scholes model with the following inputs:

	July 30, 2021
Expected life	5 years
Exercise price	\$ 3.18
Volatility	33%
Underlying price of common share on the grant date	\$ 2.57
Risk free rate	0.81%

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

### Rayonier Asset Acquisition Consideration

On August 28, 2021, as part of the Rayonier Asset Acquisition, the Company issued 28,684,433 common shares, representing an acquisition date fair value of \$54.2 million as part of the total consideration for the assets acquired.

### Private Placement

On October 22, 2020, the Company completed a non-brokered Private Placement financing of 2,000,000 Units at a purchase price of \$0.50 per Unit and of 4,000 Convertible Debentures at a purchase price of \$1 thousand per Convertible Debenture, for aggregate gross proceeds of \$5.0 million. Each Unit is comprised of one common share and one common share purchase warrant of the Company (the "Warrant"). Each Warrant entitles the holder thereof to purchase one common share at a purchase price of \$0.60 until the date that is five years after the date that the Warrant is issued. Each Unit is immediately separable into one common share and one warrant upon issuance.

The transaction was accounted for as a compound financial instrument in accordance with IAS 32, *Financial instruments: presentation*. The proceeds were allocated between the common shares and the warrants based on their relative fair values as outlined below. The fair value of the common shares was based on the market value as of the date of issuance of the units. The fair value of the warrants was determined using the Black-Scholes model with the following inputs:

	<b>October 22, 2020</b>
Expected life	5 years
Exercise price	\$ 0.60
Volatility	10%
Underlying price of common shares on the grant date	\$ 0.60
Risk free rate	0.39%

Following the private placement, two of the subscribers to the private placement became directors of the Company. The two directors subscribed for, in aggregate, \$3.6 million of the convertible debentures and 1,800,000 Units.

### Earnings (Loss) Per Share

<b>For the quarter ended</b>	<b>September 24, 2022</b>	<b>September 25, 2021<sup>(1)</sup></b>
Net (loss) earnings	\$ (23,259)	\$ (13,122)
Basic weighted average number of common shares outstanding	177,572,272	82,463,939
<b>Basic (loss) earnings per share</b>	<b>\$ (0.13)</b>	<b>\$ (0.16)</b>

<sup>(1)</sup> Prior period figures have been restated due to the finalization of purchase price accounting related to the Rayonier Asset Acquisition during the third quarter ended September 24, 2022. Please see Note 4 - Acquisition of Sawmills and Paper Mill.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021  
(In thousands of Canadian dollars unless otherwise stated)

<b>For the quarter ended</b>	<b>September 24, 2022</b>	September 25, 2021 <sup>(1)</sup>
Net (loss) earnings	\$ (23,259)	\$ (13,122)
Basic weighted average number of common shares outstanding	177,572,272	82,463,939
Dilutive effect of exercisable warrants outstanding	—	—
Dilutive effect of exercisable stock options outstanding	—	—
Diluted weighted average number of common shares outstanding	177,572,272	82,463,939
<b>Diluted (loss) earnings per share</b>	<b>\$ (0.13)</b>	<b>\$ (0.16)</b>

<sup>(1)</sup> Prior period figures have been restated due to the finalization of purchase price accounting related to the Rayonier Asset Acquisition during the third quarter ended September 24, 2022. Please see *Note 4 - Acquisition of Sawmills and Paper Mill*.

<b>For the three quarters ended</b>	<b>September 24, 2022</b>	September 25, 2021 <sup>(1)</sup>
Net (loss) earnings	\$ 42,705	\$ (17,208)
Basic weighted average number of common shares outstanding	177,572,272	43,105,470
<b>Basic (loss) earnings per share</b>	<b>\$ 0.24</b>	<b>\$ (0.40)</b>

<sup>(1)</sup> Prior period figures have been restated due to the finalization of purchase price accounting related to the Rayonier Asset Acquisition during the third quarter ended September 24, 2022. Please see *Note 4 - Acquisition of Sawmills and Paper Mill*.

<b>For the three quarters ended</b>	<b>September 24, 2022</b>	September 25, 2021 <sup>(1)</sup>
Net (loss) earnings	\$ 42,705	\$ (17,208)
Basic weighted average number of common shares outstanding	177,572,272	43,105,470
Dilutive effect of exercisable warrants outstanding	13,910,497	—
Dilutive effect of exercisable stock options outstanding	15,318	—
Diluted weighted average number of common shares outstanding	191,498,087	43,105,470
<b>Diluted (loss) earnings per share</b>	<b>\$ 0.22</b>	<b>\$ (0.40)</b>

<sup>(1)</sup> Prior period figures have been restated due to the finalization of purchase price accounting related to the Rayonier Asset Acquisition during the third quarter ended September 24, 2022. Please see *Note 4 - Acquisition of Sawmills and Paper Mill*.

The 15,692,500 warrants issued to the Standby Purchaser on July 30, 2021, to acquire Common Shares for a period of five years at an exercise price of \$3.18 were non-dilutive for the third quarter and three quarters ended September 24, 2022. For the third quarter and three quarters ended September 24, 2022, 4,915,941 and 4,613,941 stock options, respectively, granted by the Company were either not vested or not in-the-money and therefore non-exercisable (See *Note 13 – Equity-Based Compensation*).

There were no shareholder dividends declared during the third quarter and three quarters ended September 24, 2022 and September 25, 2021.

### 13. EQUITY-BASED COMPENSATION

#### *Rolling Stock Option Plan*

##### *Stock Options*

The Company established a rolling stock option plan (the "Rolling Plan") effective on June 2, 2003, which was amended June 20, 2012, to reflect the TSX Venture Exchange policies and practices. The maximum

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

number of common shares which can be reserved for issuance under the Plan is 10% of the prevailing issued and outstanding shares of the Company. Stock options granted under the Plan are exercisable for a period no longer than ten years, although the vesting terms, if any and expiry period are at the discretion of the Company's Board of Directors.

Changes to stock options granted under the Plan were as follows:

	Number of Options	Weighted Average Exercise Price <sup>(1)</sup>	Years Before Expiration
<b>Outstanding, January 1, 2021</b>	2,206,000	0.66	6.67
Exercised	(2,206,000)	0.66	—
<b>Outstanding as of December 31, 2021</b>	—	—	—

<sup>(1)</sup> In dollars per option.

During the third quarter and three quarters ended September 24, 2022, the Company recorded an expense of \$nil and \$nil (September 25, 2021 - \$nil and \$nil), respectively, related to the stock options granted under the prior Rolling Plan. All outstanding options held by officers and directors under the Plan were exercised during the year ended December 31, 2021 for cash proceeds of \$1.4 million.

### ***Omnibus Equity Incentive Plan***

In 2021, the Company established the 2021 Omnibus Equity Incentive Plan ("Omnibus Plan") for directors, officers, employees and contractors. Under the Omnibus Plan, the Company may grant stock options, Restricted Share Units ("RSUs"), Performance Share Units ("PSUs"), Deferred Share Units ("DSUs") and Dividend-Equivalent Rights. The maximum number of common shares which can be reserved for issuance under the Plan is 10% of the prevailing issued and outstanding shares of the Company.

#### *Stock Options*

During the third quarter and three quarters ended September 24, 2022 the Company granted nil and 329,800 stock options, respectively under the Omnibus Plan (September 25, 2021 - nil and nil). During the third quarter and three quarters ended September 24, 2022 the Company forfeited 180,717 stock options due to terminations under the Omnibus Plan (September 25, 2021 - nil and nil). As at September 24, 2022, 4,915,941 stock options to directors, officers, employees and contractors were outstanding (December 31, 2021 - 4,766,858), of which 302,000 stock options were vested and exercisable (December 31, 2021 - 302,000).

	Number of Options	Weighted Average Exercise Price <sup>(1)</sup>	Years Before Expiration
<b>Outstanding, January 1, 2021</b>	— \$	— \$	—
Granted	4,766,858	1.80	4.23
<b>Outstanding, December 31, 2021</b>	4,766,858 \$	1.80 \$	4.23
Granted	329,800	1.92	4.67
Forfeited	(180,717)	1.80	4.23
<b>Outstanding, September 24, 2022</b>	4,915,941 \$	1.81 \$	4.26

<sup>(1)</sup> In dollars per option.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

The Company recorded an expense related to the stock options granted under the Omnibus Plan for the third quarter and three quarters ended September 24, 2022 of \$0.3 million and \$0.9 million, respectively (September 25, 2021 - \$nil and \$nil).

The fair value of the stock options granted during the third quarter and three quarters ended September 24, 2022 was determined using the Black-Scholes model with the following inputs:

	<b>May 24, 2022</b>
Expected life	3 - 5 years
Term	5 years
Exercise price	\$ 1.92
Volatility	31%
Underlying price of common share on the grant date	\$ 1.92
Risk free rate	2.51%

### *Performance Share Units*

During the third quarter and three quarters ended September 24, 2022, the Company did not grant any Performance Share Units ("PSUs") under the Omnibus Plan (September 25, 2021 - nil and nil). As at September 24, 2022 the Company had 277,000 PSUs outstanding (December 31, 2021 - 277,000), which were granted to a certain officer. PSUs have a performance-based criteria based on various metrics. The PSUs are cash-settled instruments and are accounted for as a financial liability. During the third quarter and three quarters ended September 24, 2022, the Company recorded an expense of \$41 and \$122, respectively, related to the PSUs (September 25, 2021 - \$nil and \$nil).

### *Deferred Share Units ("DSUs")*

Under the Company's Omnibus Equity Incentive Plan, the Company may grant DSUs to members of its Board. The DSUs are cash-settled instruments and are accounted for as a financial liability. The liability is remeasured at each reporting period based on the Company's common share price. The DSUs vest immediately on the grant date and are automatically settled upon the departure of the beneficiary from the Company's Board.

During the third quarter and three quarters ended September 24, 2022, the Company granted 117,622 and 309,069 DSUs, respectively (September 25, 2021 - nil and nil). As at September 24, 2022, the Company had 309,069 DSUs outstanding (December 31, 2021 - nil). During the third quarter and three quarters ended September 24, 2022, the Company recorded an expense of \$0.2 million and \$0.5 million, respectively (September 25, 2021 - \$nil and \$nil) related to the DSUs granted under the Omnibus Plan. As at September 24, 2022, the liability related to DSUs is \$0.5 million (December 31, 2021 - \$nil).

## **14. RELATED PARTY TRANSACTIONS**

### ***Investment in Boreal Carbon Corporation***

On November 30, 2021, the Company purchased 1,428,571 common shares in Boreal Carbon Corporation ("Boreal") for \$0.5 million. Boreal is an entity focused on acquiring and managing forestry projects in North America to generate carbon credits. Boreal's Chairman and Vice-Chairman are the Chairman and CEO of GreenFirst, respectively. See *Note 15 – Financial Instruments and Risk Management*.

During the third quarter and three quarters ended September 24, 2022 the Company recorded a gain on investment of \$nil and \$0.6 million respectively (September 25, 2021 - \$nil and \$nil). The increase in the investment carrying value as at September 24, 2022 to \$1.1 million (December 31, 2021 - \$0.5 million) was due to a fair value adjustment supported by a revaluation of Boreal's common share price based on

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

the pricing in an equity financing by Boreal during the quarter. This investment is accounted for at fair value with changes in fair value recorded in earnings (loss).

### Management Services Agreements

Certain directors of the Company, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. Some of these companies transacted with the Company during the third quarter and three quarters ended September 24, 2022 and September 25, 2021. Following are the aggregate values of such transactions:

	September 24, 2022	September 25, 2021
<b>For the quarter ended</b>		
Fees incurred for services – officers and companies controlled by officers <sup>(1)(2)(3)</sup>	110	256
<b>For the three quarters ended</b>		
Fees incurred for services – officers and companies controlled by officers <sup>(1)(2)(3)</sup>	170	577

<sup>(1)</sup> Includes fees for management services, administrative support, and reimbursement of office expenses. Additionally, certain companies controlled by one of the Company's directors provided finance, information technology and human resource services.

<sup>(2)</sup> Includes fees paid to an entity controlled by the Company's former CEO, Larry Gene Swets Jr., who was engaged as a contractor pursuant to a management service agreement effective January 31, 2019, which was subsequently terminated effective August 28, 2021. Also includes fees paid to an entity controlled by the Company's CFO pursuant to a consulting contract.

<sup>(3)</sup> There are no amounts outstanding related to these services as at September 24, 2022 and December 31, 2021, other than those based on the Company's normal course of business payment terms.

## 15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 24, 2022, the Company's financial instruments categorization and values are as follows:

	Category	Carrying and fair value
Cash and cash equivalents	Amortized cost \$	29,896
Trade and other receivables, excluding value added tax	Amortized cost	38,207
Accounts payable and other current liabilities, excluding lease liabilities	Amortized cost	69,367
Long-term debt	Amortized cost	83,358
Lease liabilities	Amortized cost	2,454
Investment	Fair value	1,143

Except for the Company's investment, the fair value of all other financial instruments approximates the carrying value due to their short-term nature. Long term debt fair value approximates its carrying value due to the short period between initial recognition and period end.

The Company has classified its investment in Boreal as fair value through profit and loss. The Company uses Level 3 inputs to assess the fair value of the investment at the reporting date as there is no public information available regarding the value of Boreal's common shares.

The Company's financial instruments expose the Company to credit, liquidity and market risk.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

### ***Credit Risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash deposits and receivables from customers.

The Company's maximum exposure to credit risk attributable to cash deposits as at September 24, 2022 is \$29.9 million (December 31, 2021 - \$36.2 million). The Company holds these deposits with a Canadian Schedule 1 financial institution.

The Company's exposure to credit risk with respect to accounts receivable is dependent upon individual characteristics of each customer. Each new customer is assessed for creditworthiness before payment and delivery terms and conditions are offered, with such review encompassing any external ratings, and bank and other references. Purchase limits are established for each customer and are regularly reviewed. The Company does not require specific credit guarantees for its customers and mitigates the risk of potential losses through the active monitoring of its receivables, considering past experience with its customer base, current economic conditions and any known specific customer issues.

The Company regularly reviews the collectability of its accounts receivable and establishes an allowance for expected credit losses based on its best estimate of expected credit losses. At September 24, 2022, a \$0.2 million (December 31, 2021 - \$0.2 million) allowance for expected credit losses was recorded.

The carrying amount of accounts receivable, excluding value added tax of \$38.2 million represents the maximum credit exposure for its accounts receivables at September 24, 2022 (December 31, 2021 - \$32.7 million).

### ***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity to fulfill its obligations when due and monitors cash flow requirements daily and projections weekly. In addition to the Company's cash and cash equivalent balances, it has access to \$35.3 million under the revolving portion of the Credit Facility as at September 24, 2022. The Company can draw down on the facility based on a prescribed percentage of accounts receivable and its inventory carrying value, less reserves. The facility matures on September 23, 2025. The Company had drawn down \$69.0 million on the revolving portion of the Credit Facility and \$15.0 million on the term loan portion of the Credit Facility at September 24, 2022 (December 31, 2021 – \$115.2 million outstanding under the now extinguished Term Loan). Additionally, the Company had open letters of credit of \$12.7 million (December 31, 2021 - \$13.7 million), which reduces availability by the same amount.

Under the Credit Facility, additional principal repayments will be required of up to 50% of excess working capital (as defined in the Credit Agreement) annually.

### ***Market Risk***

The Company is exposed to market risk primarily through changes in commodity prices, the US dollar to Canadian dollar exchange rate and interest rates.

### ***Commodity Prices***

The Company's products are commodities that are widely available from other producers; because these products have few distinguishing qualities from producer to producer, competition is based primarily on price, which is determined by supply relative to demand. The Company attempts to minimize the economic impact of these changes through continuously looking for cost reductions in its operations and

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

employing flexible manufacturing schedules that can increase or decrease in response to supply and demand fluctuations. The Company currently does not hedge its exposure to commodity prices.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has borrowings under its Credit Facility which creates interest rate risk exposure for the Company. The term loan portion of the Credit Facility bears variable interest based on the CDOR or Canadian Prime Rate plus a premium, currently at 7.31% annualized at September 24, 2022. The revolving portion of the Credit Facility bears a variable rate of CDOR or Canadian Prime Rate plus a premium, currently at 6.44% annualized at September 24, 2022.

A 100 basis point increase in the interest rate on the secured term debt loan would decrease the net earnings in the statement of profit and loss by approximately \$0.1 million. Similarly, a 100 basis point reduction in the interest rate on the secured term debt loan would increase the net earnings in the statement of earnings (loss) by approximately \$0.1 million.

### **Currency Risk**

The Company is exposed to foreign exchange risk on revenues and expenditures denominated in foreign currencies, principally US dollars. The Company's US dollar denominated sales accounts for a significant volume of its sales. Except for duties, the majority of the Company's expenditures are in Canadian dollars.

The Company is exposed to currency risk on US dollar cash and cash equivalents, accounts receivable and accounts payable balances.

As at September 24, 2022, the portion of the Company's monetary assets and liabilities held in US dollars are as follows:

<b>As at (in thousands of US dollars)</b>	<b>September 24, 2022</b>	
Cash and cash equivalents	\$	2,620
Accounts receivable		13,638
Accounts payable and other liabilities		(5,272)
<b>Net monetary assets in US Dollars</b>	<b>\$</b>	<b>10,986</b>

Based on the US dollar statement of financial position exposure at September 24, 2022, with other variables unchanged, if the Canadian dollar were to weaken against the US dollar by 1%, relative to the rate at September 24, 2022, the net earnings in the statement of earnings (loss) would be approximately \$0.1 million less. If the Canadian dollar were to strengthen against the US dollar by 1%, relative to the rate at September 24, 2022, the net earnings in the statement of earnings (loss) would be approximately \$0.1 million greater.

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

### 16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong statement of financial position and to continuously improve its cost structure to maintain liquidity throughout commodity price cycle and to support access to additional capital for expansion. The Company defines capital as net debt and shareholders' equity.

<b>As at</b>	<b>September 24, 2022</b>
Total debt outstanding <sup>1</sup>	\$ 83,358
Less: cash and cash equivalents	(29,896)
Net debt	53,462
Shareholders' equity	266,220
<b>Total capital</b>	<b>\$ 319,682</b>

<sup>1</sup>Total debt outstanding consists of the carrying amounts of the Company's borrowings under the Credit Facility.

The Company manages its capital through detailed operating and capital expenditure budgeting combined with frequent forecasting. The Company's strategic capital expenditure decisions are predicated on adequate cash flow from operations to support those expenditures.

The Company's Credit Facility contains restrictive covenants that limit the Company's ability to undertake certain actions without the lender's consent, and it also includes the following financial covenant tests performed quarterly: a minimum fixed-charge coverage ratio and a maximum annual capital expenditure amount relative to budget, all as defined in the Credit Agreement. The Company monitors its performance monthly as well as its future performance expectations, adjusting as required, so it remains in compliance with these covenants. The Company was in compliance with its covenants under the Credit Agreement as at September 24, 2022.

### 17. SEGMENT AND GEOGRAPHICAL INFORMATION

The Company operates in two business segments, Forest Products and Paper Products based on factors that include similarities in products, production processes and economic characteristics. Through its Forest Products segment, the Company manufactures and markets a wide range of forest products for use in residential and commercial construction, including SPF lumber, wood chips and by-products. The Paper Products segment manufactures and markets paper-grade products used to print newspapers, advertising materials, food service bags and other related paper products. Corporate activities consist primarily of senior management, accounting, information systems, human resources, treasury, tax and legal administrative functions that provide support services to the operating business segments. The Company does not allocate the cost of maintaining these support functions to its operating units. Transactions between segments are at market prices and on standard business terms.

For the third quarter and three quarters ended September 24, 2022, there were no customers that represent 10% or more of total net sales for the Company (September 25, 2021 - none and none, respectively).

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

### Statement of earnings (loss) for the quarter ended September 24, 2022

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Net sales</b>					
External	\$ 127,397	\$ 26,027	\$ —	\$ —	\$ 153,424
Intersegment	48,069	—	—	(48,069)	—
<b>Total net sales</b>	<b>\$ 175,466</b>	<b>\$ 26,027</b>	<b>\$ —</b>	<b>\$ (48,069)</b>	<b>\$ 153,424</b>
<b>Operating income (loss)</b>	<b>\$ (3,341)</b>	<b>\$ (9,001)</b>	<b>\$ (24)</b>	<b>\$ —</b>	<b>\$ (12,366)</b>
Finance costs, net	\$ 26	\$ —	\$ 3,967	\$ —	\$ 3,993
Depreciation and amortization	5,975	689	(2,205)	—	4,459
Capital expenditures	9,658	1,000	271	—	10,929

### Statement of earnings (loss) for the three quarters ended September 24, 2022

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Net sales</b>					
External	\$ 477,309	\$ 63,447	\$ —	\$ —	\$ 540,756
Intersegment	166,923	—	—	(166,923)	—
<b>Total net sales</b>	<b>\$ 644,232</b>	<b>\$ 63,447</b>	<b>\$ —</b>	<b>\$ (166,923)</b>	<b>\$ 540,756</b>
<b>Operating income (loss)</b>	<b>\$ 102,959</b>	<b>\$ (15,220)</b>	<b>\$ (9,239)</b>	<b>\$ —</b>	<b>\$ 78,500</b>
Finance costs, net	\$ 87	\$ 18	\$ 11,543	\$ —	\$ 11,648
Depreciation and amortization	12,627	2,058	(1,921)	—	12,764
Capital expenditures	15,219	3,107	271	—	18,597

### Statement of earnings (loss) for the third quarter ended September 25, 2021

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Net sales</b>					
External	\$ 22,796	\$ 6,132	\$ —	\$ —	\$ 28,928
Intersegment	792	—	—	(792)	—
<b>Total net sales</b>	<b>\$ 23,588</b>	<b>\$ 6,132</b>	<b>\$ —</b>	<b>\$ (792)</b>	<b>\$ 28,928</b>
<b>Operating income (loss)</b>	<b>\$ (4,048)</b>	<b>\$ (731)</b>	<b>\$ (1,267)</b>	<b>\$ —</b>	<b>\$ (6,046)</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

### Statement of earnings (loss) for the three quarters ended September 25, 2021

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Net sales</b>					
External	\$ 22,796	\$ 6,132	\$ —	\$ —	<b>28,928</b>
Intersegment	792	—	—	(792)	—
<b>Total net sales</b>	<b>\$ 23,588</b>	<b>\$ 6,132</b>	<b>\$ —</b>	<b>\$ (792)</b>	<b>28,928</b>
<b>Operating income (loss)</b>	<b>\$ (4,048)</b>	<b>\$ (731)</b>	<b>\$ (2,992)</b>	<b>\$ —</b>	<b>(7,771)</b>

### Statement of financial position as at September 24, 2022

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Total assets</b>	<b>\$ 274,347</b>	<b>\$ 97,447</b>	<b>\$ 311,144</b>	<b>\$ (241,062)</b>	<b>441,876</b>
<b>Total liabilities</b>	<b>\$ 56,096</b>	<b>\$ 14,852</b>	<b>\$ 345,770</b>	<b>\$ (241,062)</b>	<b>175,656</b>

### Statement of financial position as at December 31, 2021

	Forest Products	Paper Products	Corporate	Eliminations	Total
<b>Total assets</b>	<b>\$ 252,404</b>	<b>\$ 90,017</b>	<b>\$ 296,423</b>	<b>\$ (221,450)</b>	<b>417,394</b>
<b>Total liabilities</b>	<b>\$ 71,737</b>	<b>\$ 11,748</b>	<b>\$ 324,743</b>	<b>\$ (221,450)</b>	<b>186,778</b>

### Geographical net sales for the quarter ended September 24, 2022

	Forest Products	Paper Products	Corporate	Total
Canada	\$ 41,746	\$ 4,437	\$ —	<b>46,183</b>
United States	85,651	21,590	—	<b>107,241</b>
<b>Total net sales</b>	<b>\$ 127,397</b>	<b>\$ 26,027</b>	<b>\$ —</b>	<b>153,424</b>

### Geographical net sales for the three quarters ended September 24, 2022

	Forest Products	Paper Products	Corporate	Total
Canada	\$ 192,027	\$ 10,852	\$ —	<b>202,879</b>
United States	285,282	52,595	—	<b>337,877</b>
<b>Total net sales</b>	<b>\$ 477,309</b>	<b>\$ 63,447</b>	<b>\$ —</b>	<b>540,756</b>

### Geographical net sales for the third quarter and three quarters ended September 25, 2021

	Forest Products	Paper Products	Corporate	Total
Canada	\$ 15,302	\$ 1,018	\$ —	<b>16,320</b>
United States	7,494	5,114	—	<b>12,608</b>
<b>Total net sales</b>	<b>\$ 22,796</b>	<b>\$ 6,132</b>	<b>\$ —</b>	<b>28,928</b>

# GREENFIRST FOREST PRODUCTS INC.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third and three quarters ended September 24, 2022 and September 25, 2021

(In thousands of Canadian dollars unless otherwise stated)

---

### 18. SUBSEQUENT EVENTS

#### ***Loss on Settlement of Arbitration***

As part of the purchase price consideration for the Rayonier Asset Acquisition, the Company had recorded a \$5.3 million receivable related to estimated final inventory adjustments at closing (See *Note 4 - Acquisition of Sawmills and Paper Mill*), which reflected the estimate of the amount subject to the arbitration process as at September 24, 2022. On November 4, 2022, the arbitrator provided a final and binding written determination, as a result of which the Company revised the carrying value of this receivable to \$nil. The Company has accounted for this transaction as an adjusting subsequent event by recording a loss of \$5.3 million for the third quarter and three quarters ended September 24, 2022, under "Other non-operating loss" in the statement of (loss) earnings.

#### ***Sale of Private Forest Land***

On November 7, 2022, the Company announced the sale of its 203,000 acres of private forest land south of Kapuskasing, Ontario, to a third party for cash proceeds of \$49.2 million.