



PRODUITS FORESTIERS
GREENFIRST
FOREST PRODUCTS

GREENFIRST FOREST PRODUCTS INC.

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

For the Third Quarter and Three Quarters ended
September 28, 2024
(Unaudited)

GREENFIRST FOREST PRODUCTS INC.

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

(In thousands of Canadian Dollars)

As at	Note(s)	September 28, 2024	December 31, 2023
Assets			
<i>Current assets</i>			
Cash and cash equivalents	\$	407	\$ 2,425
Trade and other receivables		17,341	25,826
Inventory	7	71,648	77,099
Prepaid expenses and other current assets		432	2,647
Assets held for distribution	4	57,477	—
		147,305	107,997
<i>Non-current assets</i>			
Property, plant and equipment		91,307	122,847
Timber licences		10,903	11,125
Right of use assets		1,750	1,276
Investment	13, 14	1,429	1,429
Pension plans in asset positions		21,610	23,183
Duties deposits	9	32,996	10,087
Total assets	\$	307,300	\$ 277,944
Liabilities			
<i>Current liabilities</i>			
Accounts payable	\$	29,270	\$ 32,553
Other current liabilities		15,602	22,006
Long-term debt, current	8	28,211	—
Liabilities associated with assets held for distribution	4	46,299	—
		119,382	54,559
<i>Non-current liabilities</i>			
Long-term debt	8	11,647	22,648
Post-retirement obligations		7,720	8,099
Lease liabilities, long-term		1,158	653
Other long-term liabilities		1,535	6,747
Total liabilities		141,442	92,706
Shareholders' equity			
Share capital	11	254,728	254,728
Equity reserves		12,227	11,500
Accumulated other comprehensive income (loss)		599	1,661
Accumulated deficit		(101,696)	(82,651)
Total shareholders' equity		165,858	185,238
Total liabilities and shareholders' equity	\$	307,300	\$ 277,944

Note 2 - Basis of Preparation (Going Concern)

Note 17 - Subsequent Events

Approved and authorized by the Board of Directors on November 12, 2024:

“Paul Rivett”	“William G. Harvey”
Executive Chair & Director	Director

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

GREENFIRST FOREST PRODUCTS INC.

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

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

For the periods ended	Note(s)	Quarter ended		Three Quarters ended	
		September 28, 2024	September 30, 2023 ⁽¹⁾	September 28, 2024	September 30, 2023 ⁽¹⁾
Net sales	16	\$ 70,806	\$ 67,993	\$ 212,903	\$ 210,919
Cost of sales		(69,771)	(60,266)	(207,200)	(211,973)
Duties	9	14,992	2,238	8,069	(10,023)
Selling, general and administrative expenses	5	(3,542)	(4,508)	(9,320)	(13,023)
Other operating (loss) income		(423)	808	626	170
Operating earnings (loss)		12,062	6,265	5,078	(23,930)
Finance income (costs), net	6	1,924	(125)	(233)	(1,499)
Gain on revaluation of investment	13, 14	—	—	—	286
Gain on sale of assets		—	—	554	—
Net income (loss), before income taxes		13,986	6,140	5,399	(25,143)
Current tax (expense) recovery		—	(606)	—	(606)
Deferred tax (expense) recovery		836	(476)	(382)	(296)
Net income (loss) from continuing operations		14,822	5,058	5,017	(26,045)
Net (loss) income from discontinued operations	4	(5,987)	(2,401)	(24,062)	614
Net income (loss)		\$ 8,835	\$ 2,657	\$ (19,045)	\$ (25,431)
<i>Other comprehensive income (loss)</i>					
<i>Items that will not be reclassified to earnings in future periods:</i>					
Defined benefit pension plans adjustments, net of a tax recovery of \$382 and expense of \$834 from continuing operations (2023 - net of a tax recovery of \$593 and recovery of \$94)		2,314	(1,125)	(1,062)	260
Defined benefit pension plans adjustments, net of tax expense of \$nil and \$nil from discontinued operations (2023 - net of tax expense of \$nil and \$70)		—	—	—	194
Comprehensive income (loss)		\$ 11,149	\$ 1,532	\$ (20,107)	\$ (24,977)
Basic earnings (loss) per share	11	\$ 0.05	\$ 0.02	\$ (0.11)	\$ (0.14)
Basic earnings (loss) per share from continuing operations	11	0.08	0.03	0.03	(0.15)
Basic (loss) earnings per share from discontinued operations	11	(0.03)	(0.01)	(0.14)	0.01
Diluted earnings (loss) per share	11	0.05	0.02	(0.11)	(0.14)
Diluted earnings (loss) per share from continuing operations	11	0.08	0.03	0.03	(0.15)
Diluted (loss) earnings per share from discontinued operations	11	(0.03)	(0.01)	(0.14)	0.01

⁽¹⁾ Certain prior period amounts have been restated as a result of a change in presentation for continuing and discontinued operations under IFRS. Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations

The accompanying notes are an integral part of these condensed 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 28, 2024	September 30, 2023 ⁽¹⁾	September 28, 2024	September 30, 2023 ⁽¹⁾
Cash (used in) provided by:					
Operating activities:					
Net income (loss)		\$ 8,835	\$ 2,657	\$ (19,045)	\$ (25,431)
<i>Adjustments for:</i>					
Depreciation and amortization		4,286	4,132	12,434	12,917
Income taxes		(2,175)	1,082	382	816
Foreign exchange gain		540	(1,083)	(691)	(423)
Stock option expense	12	320	324	727	1,004
Finance (income) costs, net	6	(1,997)	125	160	1,500
Gain on settlement of pension assets		(824)	—	(824)	—
Gain on revaluation of investment	13	—	—	—	(286)
(Gain) loss on sale of assets		—	—	(554)	3,456
Inventory net realizable value adjustments		1,495	(1,499)	(174)	(20,357)
Duties recovery	9	(19,178)	(9,226)	(19,178)	(9,226)
<i>Changes in non-cash working capital and other:</i>					
Trade receivables and other receivables		1,067	4,217	669	8,505
Inventory		233	(515)	(7,098)	(12,207)
Accounts payable, accrued liabilities and other		7,510	6,735	9,401	(18,365)
Interest paid		(848)	(392)	(2,573)	(2,660)
Cash taxes paid		—	(534)	—	(534)
Total cash (used in) provided by operating activities		(736)	6,023	(26,364)	(61,291)
Investing activities:					
Purchase of property, plant and equipment		(3,320)	(6,058)	(5,884)	(16,133)
Net proceeds from sale of assets	4	—	—	506	94,092
Transactions costs related to the sale of assets	4	—	—	—	(2,553)
Total cash (used in) provided by investing activities		(3,320)	(6,058)	(5,378)	75,406
Financing activities:					
Net (repayment of) proceeds from revolving portion of credit facility	8	(200)	(7,000)	12,705	(36,000)
Proceeds from Equipment Term Loan	8	—	—	15,618	—
Repayment of Equipment Term Loan	8	(658)	—	(1,243)	—
Borrowings under Kap Term Loan		15,000	—	24,000	—
Repayment of revolving portion of the credit facility related to Kap Term Loan		(4,000)	—	(10,000)	—
Repayment of lease obligations		(269)	(321)	(748)	(1,021)
Total cash provided by (used in) financing activities		9,873	(7,321)	40,332	(37,021)
Increase (decrease) in cash		5,817	(7,356)	8,590	(22,906)
Cash, beginning of the period		5,198	9,803	2,425	25,353
Cash, end of the period		\$ 11,015	\$ 2,447	\$ 11,015	\$ 2,447
Interest paid		(848)	(392)	(2,573)	(2,660)
Cash taxes paid		—	(534)	—	(534)

⁽¹⁾ Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations for details related to the cash flow from discontinued operations.

The accompanying notes are an integral part of these condensed 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 (Loss) Earnings	Accumulated Deficit	Total
Balance, January 1, 2024	\$ 254,728	\$ 11,500	\$ 1,661	\$ (82,651)	\$ 185,238
Net loss	—	—	—	(19,045)	(19,045)
Other comprehensive loss, net of tax	—	—	(1,062)	—	(1,062)
Equity-based payments	—	727	—	—	727
Balance, September 28, 2024	\$ 254,728	\$ 12,227	\$ 599	\$ (101,696)	\$ 165,858

	Share Capital	Equity Reserves	Accumulated Other Comprehensive (Loss) Earnings	Accumulated Deficit	Total
Balance, January 1, 2023	\$ 254,728	\$ 10,572	\$ (5,206)	\$ (35,632)	\$ 224,462
Net loss	—	—	—	(25,431)	(25,431)
Other comprehensive income, net of tax	—	—	454	—	454
Equity-based payments	—	1,004	—	—	1,004
Balance, September 30, 2023	\$ 254,728	\$ 11,576	\$ (4,752)	\$ (61,063)	\$ 200,489

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

GREENFIRST FOREST PRODUCTS INC.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

1. NATURE OF OPERATIONS

GreenFirst Forest Products Inc. ("GreenFirst", or the "Company") operates as a forest products business consisting of four operating sawmills located in Ontario. On July 2, 2024, GreenFirst announced its plan to spin-out Kap Corporation. Kap Corporation houses GreenFirst's paper mill operations. The spin-out is part of the natural progression of the decentralization and deconsolidation of the paper mill that was originally disclosed by GreenFirst in the fall of 2023. The spin-out of Kap Corporation was completed subsequent to September 28, 2024 and as a result the Company has classified the assets and liabilities associated with the Company's paper operations as held for distribution and the comparative consolidated statement of comprehensive income (loss) and other relevant notes have been prepared to separately show the discontinued operations from the Company's continuing operations.

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.

The Company's head office and registered records office is 10 Four Seasons Place, 10 FL, Toronto, ON, M9B 6H7. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "GFP".

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, 2023 ("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 IFRS Accounting Standards ("IFRS") as issued by the IASB.

These Financial Statements were approved by the Company's Board of Directors ("Board") on November 12, 2024.

Basis of Measurement

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

Going Concern

These Financial Statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and meet its obligations in the normal course of business as they become due. For the third quarter and three quarters ended September 28, 2024, the Company reported a net income from continuing operations, before income taxes of \$14.0 million and \$5.4 million, respectively, and cash provided from continuing operating activities of \$5.7 million and cash used in continuing operating activities of \$7.4 million respectively. For the year ended December 31, 2023, the Company reported a net loss, before income taxes of \$50.4 million and cash used in operating activities of \$58.0 million. At September 28, 2024, the Company has working capital of \$27.9 million (December 31, 2023 - \$53.4 million).

The Company's ability to continue as a going concern is dependent on its ability to realize positive cash flows from operations and/or obtain necessary financing and/or receive cash from the sale of non-core assets. The ability to generate positive cash flows from operations is dependent on market prices for

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lumber and/or increases in productivity resulting in higher volumes produced and lower costs. Market prices for lumber remain volatile. As certain factors related to generating positive cash flows from operations and/or obtaining necessary financing and/or receiving cash from the sale of non-core assets are not under the Company's control, there are material uncertainties related to these events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company is evaluating strategies and/or taking actions which include but are not limited to, implementing various productivity improvement plans, obtaining additional funding under the Company's current credit facility, sale of non-core assets (including land in Kenora) and other sources of financing. During the three quarters ended September 28, 2024, the Company accessed \$15.6 million under its equipment financing facility portion of the credit facility ("Equipment Term Loan") (see *Note 8 - Long-term Debt*). Subsequent to September 28, 2024, the Company announced the launch of a rights offering with the potential to raise gross proceeds of up to \$96.9 million. There are no assurances the Company will be successful in generating positive cash flows from operations and/or obtaining additional necessary financing and/or receiving cash from the sale of non-core assets.

These consolidated financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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 subsidiaries of the Company:

Subsidiary	Jurisdiction	Direct or Indirect Ownership	Date of control and consolidation
2776034 Ontario Inc.	Ontario, Canada	100%	September 8, 2020
GreenFirst Forest Products (QC) Inc.	Quebec, Canada	100%	March 16, 2021
1000729804 Ontario Inc.	Ontario, Canada	100%	January 1, 2024
Kap Corporation	Ontario, Canada	100%	August 12, 2024
Kap Paper Inc.	Ontario, Canada	100%	January 1, 2024
GreenFirst Forest Products (Ontario) Inc.	Ontario, Canada	100%	January 1, 2024

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 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; 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.

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Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

Functional and Presentation Currency

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

3. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

New Accounting Pronouncements Adopted in 2024

We adopted the following accounting amendments that were effective for our condensed consolidated interim financial statements commencing January 1, 2024. The adoption of these standards have not had a material impact on our financial results:

Amendments to IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, clarifying the classification requirements in the standard for liabilities as current or non-current.

Amendments to IAS 1, *Presentation of Financial Statements - Non-current Liabilities with Covenants*, modifying the 2020 amendments to IAS 1 to further clarify the classification, presentation, and disclosure requirements in the standard for non-current liabilities with covenants.

Recent Accounting Pronouncements Not Yet Adopted

The IASB has issued the following new standard and amendments to an existing standard that will become effective on January 1, 2027:

IFRS 18, *Presentation and Disclosure in Financial Statements* (replacing IAS 1, *Presentation of Financial Statements*), with an aim to improve how information is communicated in the financial statements, with a focus on information in the statement of income.

We are assessing the impacts IFRS 18 will have on our consolidated financial statements.

Discontinued Operations

The Company's discontinued operations are excluded from the results of continuing operations and are presented as a single amount, net of tax, as net earnings from discontinued operations in the consolidated statements of earnings. The consolidated statements of cash flows include cash flows of the discontinued operations, and has not been restated to reflect discontinued operations. The details of the cash flows from discontinued operations are presented in the notes to the financial statements. The consolidated balance sheets have not been restated to reflect discontinued operations.

4. ASSETS AND LIABILITIES HELD FOR DISTRIBUTION AND DISCONTINUED OPERATIONS

Kap Paper Corporation

On July 2, 2024, the Company announced its intention to complete a spin-out transaction of its paper operations as the next step of its decentralization plan announced earlier in the year. As at September 28, 2024, the Company has classified the assets and liabilities associated with the Company's paper operations as held for distribution and the comparative consolidated statement of comprehensive income (loss) and other relevant notes have been prepared to separately show the discontinued operations from the Company's continuing operations.

Subsequent to September 28, 2024 the Company closed the Plan of Arrangement that resulted in the distribution of the outstanding shares of Kap Corporation to the Company's shareholders on the basis of one common share of Kap Corporation for each ten common shares (post-consolidation) of the Company. The fair

GREENFIRST FOREST PRODUCTS INC.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

market value of these shares will be approximately equal to the assets and liabilities distributed to the shareholders of Kap Corporation on November 5, 2024.

Assets held for distribution	September 28, 2024
Cash and cash equivalents	10,608
Trade and other receivables	7,815
Inventory	12,723
Prepaid expenses and other current assets	555
Property, plant and equipment	25,776
Total	57,477

Liabilities associated with assets held for distribution	
Accounts payable	(14,575)
Other current liabilities	(3,710)
Long-term debt	(13,651)
Other long-term liabilities	(4,087)
Deferred financing benefit, current	(1,413)
Deferred financing benefit, long-term	(8,863)
Total	(46,299)

	Quarter ended		Three quarters ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales	\$ 26,771	\$ 32,121	\$ 79,054	\$ 108,119
Cost of sales	(33,575)	(33,843)	(101,552)	(107,015)
Selling, general and administrative expenses	(479)	(679)	(1,709)	(2,273)
Other operating income (expense)	(116)	—	72	—
Operating loss	(7,399)	(2,401)	(24,135)	(1,169)
Finance costs, net	73	—	73	—
Net loss from discontinued operations, before income taxes	(7,326)	(2,401)	(24,062)	(1,169)
Deferred tax recovery	1,339	—	—	—
Net loss from discontinued operations	\$ (5,987)	\$ (2,401)	\$ (24,062)	\$ (1,169)
Comprehensive loss from discontinued operations	\$ (5,987)	\$ (2,401)	\$ (24,062)	\$ (1,169)

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Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

	Quarter ended		Three quarters ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Total cash (used in) provided by operating activities	(6,445)	7,555	(18,948)	2,839
Total cash (used in) financing activities	(317)	(1,197)	(586)	(2,813)
Total cash provided by investing activities	15,000	3,330	30,142	2,421

Chip sales to Kap Corporation

The Company sells its by-products to Kap Corporation as a key input in its operations. These chip sales have previously, been recorded as intercompany chip transfer and eliminated on consolidation for the purposes of preparing the group financial statements. However, since Kap Corporation will now be an external third-party customer to the Company going forward, the consolidated statement of comprehensive income (loss) and other relevant notes have been revised to include chip sales to Kap Corporation as external chip sales with the recognition of its associated cost of sales. The revenue and cost of sales associated with these transactions for the third quarter and three quarters ended September 28, 2024 was \$3.6 million and \$10.5 million, respectively (September 30, 2023 - \$4.4 million and \$12.6 million).

Chantiers Chibougamau Ltée

On December 21, 2022, the Company signed a definitive agreement to sell its two Quebec sawmills and related forest operations to Chantiers Chibougamau Ltée ("Chantiers Chibougamau"). The transaction closed on March 14, 2023 for \$94.1 million in gross proceeds, subject to final adjustments. The comparative consolidated statement of comprehensive income (loss) and other relevant notes have been prepared to separately show the discontinued operations from the Company's continuing operations.

GREENFIRST FOREST PRODUCTS INC.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

	Quarter ended		Three quarters ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales	\$ —	\$ —	\$ —	\$ 26,800
Cost of sales	—	—	—	(19,724)
Duties	—	—	—	(1,915)
Selling, general and administrative expenses	—	—	—	(7)
Operating earnings	—	—	—	5,154
Finance costs, net	—	—	—	(1)
Loss on disposal of assets	—	—	—	(3,456)
Net income from discontinued operations, before income taxes	—	—	—	1,697
Deferred tax recovery	—	—	—	86
Net income from discontinued operations	\$ —	\$ —	\$ —	\$ 1,783
<i>Other comprehensive income</i>				
<i>Items that will not be reclassified to earnings in future periods:</i>				
Defined benefit pension plans adjustments, net of tax expense of \$nil and \$nil from discontinued operations (2023 - net of tax expense of \$nil and \$70)	—	—	—	194
Comprehensive income from discontinued operations	\$ —	\$ —	\$ —	\$ 1,977

	Quarter ended		Three quarters ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Total cash (used in) operating activities	\$ —	\$ —	\$ —	\$ (14,188)
Total cash (used in) investing activities	\$ —	\$ —	\$ —	\$ (2,794)

The following is the calculation of the loss on sale recorded in relation to this transaction during the first quarter ended April 1, 2023:

	March 14, 2023
Gross proceeds	\$ 94,092
Transaction-related costs	(2,553)
Net proceeds	91,539
Net assets sold	(94,995)
Loss on sale recorded in net earnings from discontinued operations	\$ (3,456)

GREENFIRST FOREST PRODUCTS INC.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

5. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the third quarter ended		
Salaries and benefits	\$ 1,768	\$ 1,336
Third party fees and other services	1,204	2,347
Administration, office and facility costs	570	825
Total selling, general and administrative expenses	\$ 3,542	\$ 4,508

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the three quarters ended		
Salaries and benefits	\$ 1,976	\$ 5,386
Third party fees and other services	4,773	5,708
Administration, office and facility costs	2,571	1,929
Total selling, general and administrative expenses	\$ 9,320	\$ 13,023

⁽¹⁾ Certain prior period amounts have been restated as a result of a change in presentation for continuing and discontinued operations under IFRS. Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations

6. FINANCE INCOME (COSTS), NET

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the third quarter ended		
Interest on credit facility	\$ (579)	\$ (638)
Interest on Equipment Term Loan	(285)	—
Amortization of capitalized ABL fees (Note 8)	(32)	(60)
Interest income on duties deposits	3,103	692
Accretion expense for lease liabilities	(21)	(6)
Accretion expense related to Rayonier Credit Note	(65)	(96)
Interest income	76	81
Net interest income on pension plans and post-retirement obligations	160	91
Bank charges and other	(433)	(189)
Finance income (costs), net	\$ 1,924	\$ (125)

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the three quarters ended		
Interest on credit facility	\$ (1,930)	\$ (1,996)
Interest on Equipment Term Loan	(550)	—
Amortization of capitalized ABL fees (Note 8)	(130)	(168)
Interest income on duties deposits	3,466	692
Accretion expense for lease liabilities	(62)	(54)
Accretion expense related to Rayonier Credit Note	(259)	(297)
Interest income	175	398
Net interest income on pension plans and post-retirement obligations	482	288
Bank charges and other	(1,425)	(362)
Finance (costs), net	\$ (233)	\$ (1,499)

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Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the third quarter and three quarters ended September 28, 2024

(In thousands of Canadian dollars unless otherwise stated)

(1) Certain prior period amounts have been restated as a result of a change in presentation for continuing and discontinued operations under IFRS. Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations

7. INVENTORY

As at	September 28, 2024	December 31, 2023
Finished goods	\$ 23,125	\$ 27,493
Work-in-process	14,448	14,168
Raw materials	32,811	31,668
Manufacturing and maintenance supplies	1,264	3,770
Total inventory	\$ 71,648	\$ 77,099

As at September 28, 2024, the Company recorded an inventory valuation write-down of \$4.2 million for continuing operations (December 31, 2023 - \$5.7 million, including discontinued operations) to reflect net realizable value being lower than cost.

8. LONG-TERM DEBT

GFP Credit Facility

The Company's credit facility for as at September 28, 2024 is as follows:

Continuity of credit facility		
Balance, January 1, 2024	\$	22,648
Net proceeds from revolving portion of credit facility		12,705
Repayment of Credit Facility related to Kap Term Loan		(10,000)
Amortization of deferred financing charges for credit facility		130
Proceeds from Equipment Term Loan		15,618
Repayment of Equipment Term Loan		(1,243)
Carrying value of credit facility, September 28, 2024		39,858
Less: current portion of Credit Facility		(28,211)
Long-term portion of Credit Facility	\$	11,647

Contractual minimum principal repayments related to the credit facility are due as follows:

Less than 1 year	\$	28,468
1 - 3 years		9,682
Thereafter		1,930
Total	\$	40,080

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During the third quarter and three quarters ended September 28, 2024, the Company made a net repayment and drawdown of \$4.2 million and \$2.7 million respectively, on the revolving portion of the credit facility. Additionally, during the three quarters ended September 28, 2024, the Company made an aggregate \$15.6 million draw under the equipment financing portion of the credit facility in the form of a term loan. The Equipment Term Loan has a 60-month term, with monthly amortizing repayments that include both principal and interest. The borrowing is based on select strategic capital expenditure projects and value of existing equipment.

The Company remains subject to a maximum annual capital expenditure amount relative to budget, as these terms are defined in the Credit Agreement. 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 28, 2024, the Company is undergoing the renewal process related to the revolving portion of its credit facility which matures on September 23, 2025 and as such has classified the liability as current. As at September 28, 2024, the Company was in compliance with all covenants under the credit facility.

During the third quarter and three quarters September 28, 2024, the Company amended its maximum borrowing capacity under the revolving portion of the credit facility from \$100.0 million to \$75.0 million. The change did not have an impact on the Company's availability under the credit facility.

During the third quarter and three quarters ended September 28, 2024, \$0.03 million and \$0.1 million respectively (September 30, 2023 - \$0.1 million and \$0.2 million) of deferred financing costs were amortized relating to the credit facility.

At September 28, 2024, there were \$5.4 million (September 30, 2023 - \$5.4 million) of outstanding standby letters of credit issued, which reduces the amounts available to draw under the credit facility. Additionally, as at September 28, 2024, the Company also had \$5.4 million (September 30, 2023 - \$5.4 million) of outstanding standby letters of credit issued backstopped by another third party, thereby not impacting the amounts available to draw under the credit facility. Subsequent to September 28, 2024, a letter of credit with Kap Paper Inc. as the applicant was issued by a financial institution and guaranteed by a 3rd party for which the Company has indemnified the 3rd party.

9. U.S. COUNTERVAILING AND ANTI-DUMPING DUTY DEPOSIT

In late 2016, a petition was filed by the U.S. Lumber Coalition and other petitioners seeking countervailing duties ("CVD") and anti-dumping duties ("ADD") on Canadian softwood lumber imports to the U.S. On January 6, 2017, a preliminary determination was announced by the U.S. International Trade Commission ("ITC") that there was reasonable indication that the U.S. industry is materially injured by imports of softwood lumber products from Canada and the U.S. Department of Commerce ("DOC") imposed duties on Canadian shipments of softwood lumber into the U.S.

The initial duty deposit rate, totaling 20.23%, was imposed upon the Company's acquisition of its sawmill assets on August 28, 2021.

The following table summarizes the cash deposit rates that were in effect along with the preliminary and final revised rates by period:

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Effective dates for combined ADD and CVD	Cash deposit rates in effect	Final Rate
Fourth administrative review		
August 28, 2021 - December 31, 2021	20.23 %	8.05 %
Fifth administrative review		
January 1, 2022 - December 31, 2022	20.23 %	14.40 %
Sixth administrative review		
January 1, 2023 - August 1, 2023	20.23 %	Pending
August 2, 2023 - December 31, 2023	8.05 %	Pending
Seventh administrative review		
January 1, 2024 - August 18, 2024	8.05 %	Pending
August 19, 2024 - September 18, 2024	14.54 %	Pending
September 19, 2024 - September 28, 2024	14.40 %	Pending

As the Company was subject to CVD and ADD rates during fiscal 2021 and 2022 that were higher than the rates finalized by the US DOC's, the Company recognized a long-term asset related to the duties overpayments, in addition to accrued interest from the date the duties were paid. The duty deposits receivable is represented as follows:

Duty deposits receivable

Balance, December 31, 2023	\$	10,087
Export duties recognized as duty deposits receivable		19,178
Interest income recognized on duties deposits receivable		3,466
Foreign exchange gain recognized on duties deposit receivable		265
Balance, September 28, 2024	\$	32,996

Each Period of Inquiry ("POI") is subject to independent administrative review by the US DOC, and the results of each POI may not be offset but the results within a POI in respect of ADD and CVD may be offset.

The Company will continue to reassess the duties deposit estimate at each quarter-end applying the US DOC's methodology to updated sales and cost data as this becomes available. Quarterly revisions to the duties deposit rate may result in a material adjustment to the condensed consolidated interim statement of loss and comprehensive loss while the Administrative Reviews are taking place. Changes to the US DOC's existing countervailing duties and anti-dumping duties rates during the course of each administrative review may also result in material adjustments to the condensed consolidated interim statement of income (loss) and comprehensive income (loss).

10. PENSION AND OTHER POST-RETIREMENT BENEFITS

During the third quarter ended September 28, 2024, the Company purchased a buy-out group annuity through one of its subsidiaries, that transferred \$26.5 million of defined benefit pension obligations to a Canadian insurance company. The Company's recognized of a net settlement gain of approximately \$0.8 million during the third quarter ended September 28, 2024.

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11. 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.

Issued and outstanding

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

	Number of Common Shares	Amount
Balance, December 31, 2023	177,572,272	\$ 254,728
Balance, September 28, 2024	177,572,272	\$ 254,728

Warrants

Changes in outstanding common share purchase warrants were as follows:

	Number of Warrants	Weighted Average Exercise Price ⁽¹⁾	Carrying Amount in reserves
Balance, December 31, 2023	31,752,618	\$ 1.70	\$ 9,132
Balance, September 28, 2024	31,752,618	\$ 1.70	\$ 9,132

⁽¹⁾ In dollars per common share.

Earnings (Loss) Per Share

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the third quarter ended		
Net income	\$ 8,835	\$ 2,657
Basic weighted average number of common shares outstanding	177,572,272	177,572,272
Basic earnings (loss) per share	\$ 0.05	\$ 0.02
Basic earnings (loss) per share from continuing operations	\$ 0.08	\$ 0.03
Basic loss per share from discontinued operations	\$ (0.03)	\$ (0.01)

	September 28, 2024	September 30, 2023 ⁽¹⁾
For the third quarter ended		
Net income	\$ 8,835	\$ 2,657
Basic weighted average number of common shares outstanding	177,572,272	177,572,272
Dilutive effect of exercisable warrants outstanding	6,065,434	12,412,902
Diluted weighted average number of common shares outstanding	183,637,706	189,985,174
Diluted earnings (loss) per share	\$ 0.05	\$ 0.02
Diluted earnings (loss) per share from continuing operations	\$ 0.08	\$ 0.03
Diluted earnings per share from discontinued operations	\$ (0.03)	\$ (0.01)

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For the three quarters ended	September 28, 2024	September 30, 2023 ⁽¹⁾
Net loss	\$ (19,045)	\$ (25,431)
Basic weighted average number of common shares outstanding	177,572,272	177,572,272
Basic loss per share	\$ (0.11)	\$ (0.14)
Basic earnings (loss) per share from continuing operations	\$ 0.03	\$ (0.15)
Basic (loss) earnings per share from discontinued operations	\$ (0.14)	\$ 0.01

For the three quarters ended	September 28, 2024	September 30, 2023 ⁽¹⁾
Net loss	\$ (19,045)	\$ (25,431)
Basic weighted average number of common shares outstanding	177,572,272	177,572,272
Dilutive effect of exercisable warrants outstanding	—	—
Diluted weighted average number of common shares outstanding	177,572,272	177,572,272
Diluted earnings (loss) per share	\$ (0.11)	\$ (0.14)
Diluted earnings (loss) per share from continuing operations	\$ 0.03	\$ (0.15)
Diluted (loss) earnings per share from discontinued operations	\$ (0.14)	\$ 0.01

⁽¹⁾ Certain prior period amounts have been restated as a result of a change in presentation for continuing and discontinued operations under IFRS. Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations

As at September 28, 2024, 4,516,474 stock options (September 30, 2023 - 6,975,767), granted by the Company were either not vested or not in-the-money and therefore non-exercisable (See Note 12 – Equity-Based Compensation).

There were no shareholder dividends declared during the third quarter and three quarters ended September 28, 2024 and September 30, 2023.

12. EQUITY-BASED COMPENSATION

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. The Omnibus Plan plan was amended in restated in 2024.

Stock Options

During the third quarter and three quarters ended September 28, 2024 the Company granted nil stock options, under the Omnibus Plan (September 30, 2023 - nil and 1,174,250). During the third quarter and three quarters ended September 28, 2024 the Company forfeited/expired nil and 1,000,000 stock options, respectively, due to terminations or expirations under the Omnibus Plan (September 30, 2023 - nil and 661,146). As at September 28, 2024, 4,516,474 stock options to directors, officers, employees and contractors were outstanding (September 30, 2023 - 6,975,767), of which 1,817,790 stock options were vested and exercisable (September 30, 2023 - 2,257,900).

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	Number of Options	Weighted Average Exercise Price ⁽¹⁾	Years Before Expiration
Outstanding, December 31, 2023	5,516,474	\$ 1.70	2.75
Expired	(1,000,000)	1.75	—
Outstanding, September 28, 2024	4,516,474	\$ 1.69	2.61

⁽¹⁾ In dollars per option.

The Company recorded an expense related to the stock options granted under the Omnibus Plan for the third quarter and three quarters ended September 28, 2024 of \$0.1 million and \$0.2 million, respectively (September 30, 2023 - \$0.3 million and 1.0 million).

Restricted Share Units

During the third quarter and three quarters ended September 28, 2024, the Company granted 212,766 RSUs and 212,766 RSUs, respectively (September 30, 2023 - nil and nil). During the third quarter and three quarters ended September 28, 2024, the Company recorded an expense of \$0.2 million and expense of \$0.6 million respectively (September 30, 2023 - expense of nil and nil) related to the RSUs granted under the Omnibus Plan.

Deferred Share Units

During the third quarter and three quarters ended September 28, 2024, the Company granted 360,867 DSUs and 723,301 DSUs, respectively (September 30, 2023 - 161,685 DSUs and 431,161 DSUs). During the third quarter and three quarters ended September 28, 2024, the Company recorded an expense of \$0.8 million and expense of \$0.4 million respectively (September 30, 2023 - expense of \$0.1 million and \$0.2 million) related to the DSUs granted under the Omnibus Plan.

As at September 28, 2024, the Company had 1,747,184 DSUs outstanding (December 31, 2023 - 1,023,883 DSUs). As at September 28, 2024, the liability related to DSUs is \$1.4 million (December 31, 2023 - \$1.0 million).

13. 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. The Chairman and a former director of GreenFirst are members of the Boreal board. See *Note 14 – Financial Instruments and Risk Management*.

There was no change in the investment carrying value during the third quarter and three quarters ended September 28, 2024 (September 30, 2023 - gain of nil and \$0.3 million). 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 28, 2024 and September 30, 2023. Following are the aggregate values of such transactions:

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For the third quarter and three quarters ended September 28, 2024

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For the third quarter ended	September 28, 2024⁽¹⁾⁽²⁾	September 30, 2023 ⁽¹⁾
Fees incurred for services – officers and companies controlled by officers	337	948

For the three quarters ended	September 28, 2024⁽¹⁾⁽²⁾	September 30, 2023 ⁽¹⁾
Fees incurred for services – officers and companies controlled by officers	1,513	2,881

⁽¹⁾ Includes fees for management services, administrative support, and reimbursement of expenses. These fees were paid to entities controlled by or affiliated with a director of the Company. \$757 of this was recorded as transaction costs as part of "Loss from Sale of Assets" during the first quarter ended April 1, 2023.

⁽²⁾ There are no amounts outstanding outside the normal course of business related to these services as at September 28, 2024 (\$nil outstanding as at July 1, 2023).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 28, 2024, the Company's financial instruments categorization and values are as follows:

	Category	Carrying and fair value
Cash and cash equivalents	Amortized cost \$	407
Trade and other receivables, excluding value added tax	Amortized cost	10,139
Duties deposits	Amortized cost	32,996
Accounts payable and other current liabilities, excluding lease liabilities	Amortized cost	44,118
Long-term debt, current	Amortized cost	28,211
Long-term debt	Amortized cost	11,647
Lease liabilities	Amortized cost	1,912
Investment	Fair value	1,429

Except for the Company's investment asset, the fair value of all other financial instruments approximates the carrying value due to their short-term nature. Long-term debt is recorded at amortized cost based on the amount at initial recognition, less principal payments, plus cumulative amortization using the effective interest rate method of the difference between initial amount and the maturity amount.

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.

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 28, 2024 is \$0.4 million (December 31, 2023 - \$2.4 million). The Company holds these deposits with a Canadian Schedule 1 financial institution.

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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 28, 2024, a \$0.2 million (December 31, 2023 - \$0.3 million) allowance for expected credit losses was recorded.

The carrying amount of accounts receivable, excluding value added tax of \$10.1 million represents the maximum credit exposure for its accounts receivables at September 28, 2024 (December 31, 2023 - \$23.3 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 had \$19.6 million, less \$5.4 million for standby letters of credit, of excess availability under the asset-based lending ("ABL") portion of the credit facility and \$9.4 million of equipment financing under the credit facility as at September 28, 2024.

The Company can draw down on the ABL, or revolving, portion based on a prescribed percentage of accounts receivable and its inventory carrying value, less reserves. The facility matures on September 23, 2025. Drawings under the equipment financing portion are either project specific or based on a prescribed percentage of appraised equipment value. The Company had drawn down \$25.7 million on the revolving portion of the credit facility at September 28, 2024 (December 31, 2023 – \$23.0 million on the revolving portion of the credit facility). Additionally, the Company had open letters of credit of \$5.4 million (December 31, 2023 - \$5.4 million) backed by the credit facility, which reduces availability by the same amount. Subsequent to September 28, 2024, a letter of credit with Kap Paper Inc. as the applicant was issued by a financial institution and guaranteed by a 3rd party for which the Company has indemnified the 3rd party. The Company had \$15.6 million drawn against the equipment financing portion of the credit facility at September 28, 2024 (December 31, 2023 - nil).

After record highs in lumber pricing realized in the first half of 2022, the subsequent sharp decline in lumber prices has impacted the Company's profitability and cash flows. The Company expects average lumber prices to increase during the remainder of 2024 and continues to execute on increasing productivity with various improvement plans aimed to positively impact cash flows from operations compared to 2023. In addition, the Company is evaluating options and executing on sale of non-core assets (including land in Kenora for which the Company is working with third parties on the sale of the entire land parcel), and other sources of financing, pending market conditions. Subsequent to September 28, 2024, the Company announced the launch of a rights offering with the potential to raise gross proceeds of up to \$96.9 million, with a minimum backstop of \$20.0 million. There are no assurances the Company will be successful in generating positive cash flows from operations and/or obtaining additional necessary financing.

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.

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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 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 revolving portion of the credit facility bears a variable rate of CDOR or Canadian Prime Rate plus a premium, currently at 7.45% annualized at September 28, 2024. The Equipment Term Loan portion of the credit facility bears a fixed rate of 7.70%.

A 100 basis point increase in the interest rate on the secured term debt loan would decrease the net earnings in the statement of loss and comprehensive loss by approximately \$0.3 million on an annual basis. Similarly, a 100 basis point reduction in the interest rate on the secured term debt loan would increase the net earnings (loss) by approximately \$0.3 million on an annual basis.

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 28, 2024, the portion of the Company's monetary assets and liabilities held in US dollars are as follows:

As at (in thousands of US dollars)	September 28, 2024
Cash and cash equivalents	\$ 52
Accounts receivable	4,403
Accounts payable and other liabilities	(4,381)
Duties deposits, including accrued interest	24,412
Net monetary assets in US Dollars	\$ 24,486

Based on the US dollar statement of financial position exposure at September 28, 2024, with other variables unchanged, if the Canadian dollar were to weaken against the US dollar by 1%, relative to the rate at September 28, 2024, the net earnings in the statement of loss and comprehensive loss would be approximately \$0.3 million greater. If the Canadian dollar were to strengthen against the US dollar by 1%, relative to the rate at September 28, 2024, the net earnings in the statement of loss and comprehensive loss would be approximately \$0.3 million less.

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15. 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.

As at	September 28, 2024	
Total debt outstanding ¹	\$	39,858
Less: cash and cash equivalents		(407)
Net debt		39,451
Shareholders' equity		165,858
Total capital	\$	205,309

⁽¹⁾ 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 and through sale of non-core assets 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 test performed quarterly: a maximum annual capital expenditure amount relative to budget, 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 the covenants. The Company was in compliance with its covenants under the Credit Agreement as at September 28, 2024. As at September 28, 2024.

16. SEGMENT AND GEOGRAPHICAL INFORMATION

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource allocation decisions and to assess performance. The CODM is the Chief Executive Officer. The CODM makes decisions and assess performance of the Company's continuing operations on a consolidated basis such that the Company is a signing reportable operating segment under its continuing operations.

For the third quarter and three quarters ended September 28, 2024, there was one customer that represented 10% or more of total net sales for the Company (September 30, 2023 - one customers).

For the third quarter ended	September 28, 2024		September 30, 2023⁽¹⁾
Canada	\$	18,635	\$ 18,883
United States		52,171	49,110
Total net sales	\$	70,806	\$ 67,993

For the three quarters ended	September 28, 2024		September 30, 2023⁽¹⁾
Canada	\$	51,006	\$ 58,744
United States		161,897	152,175
Total net sales	\$	212,903	\$ 210,919

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⁽¹⁾ Certain prior period amounts have been restated as a result of a change in presentation for continuing and discontinued operations under IFRS. Please refer to Note 4 - Assets and Liabilities Held for Distribution and Discontinued Operations

17. SUBSEQUENT EVENTS

Rights Offering

On October 31, the Company announced a rights offering to raise gross proceeds of up to \$96.9M (the "Rights Offering") by issuing up to 17,722,410 common shares in the capital of the Company (the "GF Shares") at a price of \$5.47 per share representing a 25% discount to the Company's five day VWAP ending on October 30, 2024. The Company has entered into a Standby Purchase Agreement pursuant to which Ravenswood Investments III, L.P. and The Ravenswood Investment Company L.P., two funds managed by Robotti & Company Advisors, LLC (together the "Standby Purchasers"). Under the Standby Purchase Agreement, the Standby Purchasers have agreed to purchase up to an aggregate of 3,656,307 GF Shares not otherwise purchased under the Rights Offering for a commitment of up to \$20.0 million. Proceeds from the Rights Offering will be used to support an off-cycle capital expenditure program that will drive great operational productivity and future earnings.

10 to 1 Substantive Consolidation

On October 17, 2024, the Company completed a substantive consolidation (the "Substantive Consolidation") of its outstanding common shares (the "Common Shares") on the basis of one post-consolidation Common Share for each ten (10) pre-consolidation common shares (the "Consolidation Ratio").

As a result, Shareholders who held less than 1,000 Common Shares as of the Determination Date were entitled to cash consideration equal to that number of pre-Consolidation Common Shares held by the holder multiplied by \$0.74, being the closing price of the pre-Consolidation Common Shares on the TSX on September 26, 2024.

Shareholders who held 1,000 or more Common Shares now hold the number of post-Consolidation Common Shares equal to the number of Common Shares held divided by the Consolidation Ratio of 10. If, as a result of the Substantive Consolidation, a Shareholder is entitled to a fractional Common Share, such fractional Common Share that is less than 0.5 of one (1) post-Consolidation Common Share is cancelled and each fractional Common Share that is at least 0.5 of one (1) post-Consolidation Common Share was rounded up to one (1) whole post- Consolidation Common Share.