

# GreenFirst Reports Financial Results for the Third Quarter of 2025

TORONTO--(BUSINESS WIRE)--November 11, 2025--GreenFirst Forest Products Inc. (TSX: GFP) (“GreenFirst” or the “Company”) announced results for the third quarter and three quarter ended September 27, 2025. The Company’s interim financial statements ("Financial Statements") and related Management's Discussion and Analysis ("MD&A") for the third quarter and three quarter ended September 27, 2025 are available on GreenFirst’s website at [www.greenfirst.ca](http://www.greenfirst.ca) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Highlights

- Q3 2025 net loss from continuing operations was \$57.4 million or \$2.54 loss per share (diluted), compared to net loss of \$9.6 million or \$0.42 loss per share (diluted) in Q2 2025. Adjusted EBITDA from continuing operations for Q3 2025 was negative \$47.2 million (or negative \$13.4 million excluding the impact of the duty liability resulting from adjustments to finalized duty rates under AR6) compared to negative \$5.2 million in Q2 2025.
- Benchmark prices saw decreases during the quarter which resulted in an average realized lumber prices of \$695/mfbm for Q3 2025 which was lower than the \$712/mfbm pricing realized in Q2 2025.
- On August 8, 2025, the US DOC’s Final Determination of its Sixth Administrative Review (“AR6”) with respect to imports of softwood lumber products from Canada for 2023 assessed a duty rate higher than what the Company was assessed in 2023. Based on this final rate, calculated to be 35.16%, the Company recorded a duty expense of \$33.8 million (US\$24.6 million), plus accrued interest of \$5.9 million (US\$4.3 million) during the third quarter and three quarters ended September 27, 2025. The total duties liability as at September 27, 2025 was \$39.7 million (December 31, 2024 – nil). Cash deposits are paid at the most recent final ADD and CVD duty rates. Amounts paid to date remain held in trust by the US DOC. The Company has filed a continued suspension of liquidation of entries subject to the rates established in the final results of AR6.

## GreenFirst Reports Q3 Results Amid Market Uncertainty

“Q3 2025 results were impacted by a weak lumber market and ongoing uncertainty surrounding higher duty rates and tariffs. We finished Q3 2025 with lower sales volumes compared to Q2 2025. Excluding the impact of the duty liability resulting from adjustments to finalized duty rates under AR6, we recorded a negative EBITDA of \$13.5 million in Q3 2025. This was primarily driven by lower selling prices and higher production costs related to downtime from the installation of our new large log line at the Chapleau mill and scheduled curtailments,” said Joel Fournier, GreenFirst’s Chief Executive Officer. “Despite these challenges, GreenFirst remained resilient and disciplined in its operations. During the quarter, we continued executing our modernization plan at the Chapleau mill and have now begun commissioning the new saw line. This investment positions us well to benefit when market conditions improve.”

## Financial Highlights

The following selected financial information is from the Company's financial statements and MD&A:

<i>(In thousands of CAD, except per share amounts)</i>	<b>September 27, 2025</b>	June 28, 2025	September 28, 2024
<b>For the quarter ended</b>			
<b>Net sales from continuing operations<sup>(3)</sup></b>	<b>\$ 70,230</b>	\$ 84,538	\$ 70,806
<b>Operating earnings (loss) from continuing operations</b>	<b>(50,905)</b>	(8,828)	12,062
<b>Net income (loss)</b>	<b>(57,383)</b>	(9,593)	8,835
<b>Net income (loss) from continuing operations</b>	<b>(57,383)</b>	(9,593)	14,822
<b>Basic earnings (loss) per share</b>	<b>(2.54)</b>	(0.42)	0.50
<b>Basic earnings (loss) per share from continuing operations</b>	<b>(2.54)</b>	(0.42)	0.83
<b>Diluted earnings (loss) per share</b>	<b>(2.54)</b>	(0.42)	0.48
<b>Diluted earnings (loss) per share from continuing operations</b>	<b>(2.54)</b>	(0.42)	0.81
<b>Adjusted EBITDA from continuing operations<sup>(1)(2)</sup></b>	<b>\$ (47,193)</b>	\$ (5,161)	\$ 15,673
<i>(In thousands of CAD)</i>	<b>September 27, 2025</b>		December 31, 2024
<b>As at</b>			
<b>Total assets</b>	<b>\$ 209,030</b>	\$	220,466
<b>Total liabilities</b>	<b>127,347</b>	\$	74,850
<b>Total shareholders' equity</b>	<b>\$ 81,683</b>	\$	145,616

<sup>1</sup>Adjusted EBITDA is a Non-GAAP measure and does not have standardized meaning under GAAP or IFRS. As a result, it may not be comparable to information presented by other companies. For an explanation and reconciliation of Adjusted EBITDA to related comparable financial information presented in the Financial Statements prepared in accordance with IFRS, refer to the *Non-GAAP Measures* section in the Company's MD&A.

<sup>2</sup>Non-GAAP Adjusted EBITDA before one-time duties expenses and recoveries for the third quarter and three quarters ended September 27, 2025 was negative \$13.4 million and negative \$13.5 million respectively, compared to negative \$3.5 million and negative \$3.3 million respectively, for the third quarter and three quarters ended September 28, 2024.

<sup>3</sup>Includes net sales to external parties.

Net sales were \$70.2 million in Q3 2025, an decrease of approximately 17% compared to Q2 2025. The decrease in net sales was primarily driven by lower shipments during the quarter in addition to lower realized pricing during the quarter.

Cost of sales were \$75.6 million, an decrease of approximately 6% compared to Q2 2025. The decrease in cost of sales was primarily due to lower shipment volumes during the quarter, offset by the cost of downtime for the installation of the Chapleau large log line and other maintenance projects. Additionally, in the current period the Company recorded a provision for the net realized value on inventory of \$8.2 million related to decreases in benchmark prices. During September 2025 US benchmark lumber prices for delivery to Great Lakes region for 2x4 2&better random length and studs were US\$559/mfbm and \$US463/mfbm.

## Other Expenses

Duties expense of \$42.7 million in the third quarter of 2025 was higher than the second quarter of 2025 of 8.3 million. During the third quarter of 2025 duties expensed consisted of \$8.9 million in relation to shipments sold and \$33.8 million recognized subsequent to the finalization of AR6 for underpayments in relation to 2023 duties paid. During the second quarter of 2025 the Company was subject to a combined duty rate of 14.4% which was raised to 35.16% during the third quarter of 2025.

SG&A expenses were \$3.0 million in the third quarter of 2025 compared to \$4.6 million in the second quarter of 2025, which was primarily due to non-cash stock-based compensation expenses in addition to higher non-recurring professional and legal services.

### **Liquidity and Borrowings**

At September 27, 2025, the Company had \$3.5 million in cash on hand and \$30.4 million, less \$14.1 million for standby letters of credit, of excess availability under its revolving portion of the credit facility. In addition, the Company also had access to \$13.4 million remaining under its equipment financing portion of the credit facility. The Company had drawn down \$19.0 million under its revolving portion of the credit facility and \$11.6 million (net of repayments) under its equipment financing agreement as at September 27, 2025.

### **Outlook**

The economic outlook for the lumber industry reflects a balance of ongoing challenges and emerging opportunities. Macroeconomic concerns are beginning to stabilize, which may support a recovery in lumber demand and pricing. In North America, the housing market is showing signs of recovery after recent volatility. Mortgage rates are expected to ease while price growth moderates in 2026, which should improve affordability for borrowers. This could provide relief to homeowners and support demand in new construction, remodeling, and renovation activity which are all keys factors that are expected to continue driving lumber demand. However, it's hard to say for sure how much mortgage rates will go down and it is also possible they will rise due to the current economic uncertainty.

Structural market dynamics are also contributing to longer-term demand fundamentals. A persistent shortage of housing inventory in the U.S., the aging of the existing housing stock, and demographic-driven demand are likely to support the lumber market both in the near and long term.

In the short term, reduced lumber demand and conservative inventory management are creating supply-side pressures. Supply constraints persist, particularly in Western Canada due to wildfire impacts, regulatory harvest limits, and mill curtailments. While these factors mainly affect Western provinces, limited timber availability and transportation challenges also influence the broader Canadian lumber supply chain, including Ontario. These constraints contribute to ongoing tightness in lumber supply which could help stabilize or even support lumber prices in the coming months.

Labour market constraints remain a key challenge for the industry, contributing to higher costs and occasional production disruptions. Inflationary pressures across North America have further increased the cost of critical inputs, placing additional strain on operational efficiency. Staffing challenges and tight wood supply are ongoing risks that could negatively impact production output and margins across the industry.

Despite these pressures, continuous improvements in production and processing techniques are driving gains in efficiency and helping reduce costs. Companies with access to capital to invest in modern, efficient equipment are better positioned to enhance long-term competitiveness.

A growing focus on environmental sustainability is also reshaping the industry landscape. Organizations that prioritize sustainable forest management and environmentally responsible operations are increasingly gaining favor among regulators, consumers, and investors. GreenFirst is aligned with this trend, producing high-quality lumber in a safe and responsible manner. We are committed to protecting our employees and the environment while creating long-term value for our stakeholders. Our renewable building materials sequester carbon and represent a natural solution in the global effort to combat climate change.

Nonetheless, downside risks remain. Should broader economic conditions or employment levels weaken significantly, or if interest rates remain elevated for an extended period without sufficient adjustments in housing prices, affordability could remain strained. This scenario could suppress new home construction and, in turn, reduce near-term demand for lumber products.

Our company, based in Ontario, primarily supplies SPF lumber products to the U.S. market. On a year-to-date basis, SPF lumber prices have rebounded in 2025, with benchmark prices increasing approximately 8-10%. Pricing strength is supported by constrained supply, elevated U.S. rebuilding demand (notably in wildfire-affected areas), and ongoing trade-related duties on Canadian exports.

Similar to most Canadian softwood lumber exporters, our company faces combined ADD and CVD of 35.16% imposed by the US DOC. Our SPF products have largely remained exempt from tariffs due to compliance with the United States-Mexico-Canada Agreement (USMCA), except for a two-day period in the first quarter of 2025. Effective October 14, 2025, softwood lumber products became subject to a 10% tariff with potential future adjustments.

The actual impact of any current or future tariffs remains unknown and cannot be reasonably estimated at this time. Several factors will influence the outcome, including the effective date and duration of any new trade actions, potential changes in the amount, scope, or nature of the tariffs, and the possibility of countermeasures by the Canadian government. Additionally, any mitigating actions available to the Company or the broader industry may affect the overall impact. We continue to monitor developments closely and assess their potential implications for our operations and financial position.

## **Reconciliation of Adjusted EBITDA**

References to EBITDA in this document are measures of earnings (loss) before interest and finance costs, income taxes, depreciation and amortization, while references to Adjusted EBITDA reflect EBITDA plus other non-operating costs such as impact of valuation changes on the Company's investments, loss on sale of assets and other non-operating losses. Management believes that certain lenders, investors, and analysts use EBITDA and Adjusted EBITDA as a common valuation measurement and to measure the Company's ability to service debt and meet other payment obligations. EBITDA and Adjusted EBITDA are not intended to replace net earnings (loss), or other measures of financial performance and liquidity reported in accordance with GAAP. *For more information on non-GAAP measures, please see the Company's MD&A.*

<i>(In thousands of CAD)</i>	<b>September 27, 2025</b>	June 28, 2025	September 28, 2024
<b>For the quarter ended</b>			
<b>Net income (loss) from continuing operations</b>	<b>\$ (57,383)</b>	\$ (9,593)	\$ 14,822
<i>Adjustments:</i>			
Finance costs, net	<b>6,543</b>	797	(1,924)
Income taxes	<b>10</b>	(32)	(836)
Depreciation and amortization	<b>3,712</b>	3,667	3,611
<b>EBITDA</b>	<b>(47,118)</b>	(5,161)	15,673
Gain on sale of assets	<b>(75)</b>	—	—
<b>Adjusted EBITDA from continuing operations<sup>(1)(2)</sup></b>	<b>\$ (47,193)</b>	\$ (5,161)	\$ 15,673

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## Earnings Conference Call

GreenFirst will host a conference call to review the Q3 2025 financial results on Wednesday, November 12, 2025 at 9:00am (Eastern). The live webcast of the earnings conference call can be accessed via web: <http://momentum.adobeconnect.com/greenfirstq3/> and via phone: (+1) 416 764 8658 or (+1) 888 886 7786. A replay of the webcast and presentation slides will be available on GreenFirst's website following the conference call.

## About GreenFirst

GreenFirst Forest Products is a forest-first business, focused on sustainable forest management and lumber production. The Company owns four sawmills located in rich wood baskets proudly operating over six million hectares of FSC® certified public Ontario forest lands (FSC®-C167905). The Company believes that responsible forest practices, coupled with the long-term green advantage of lumber, provide GreenFirst with significant cyclical and secular advantages in building products.

## Forward Looking Information

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend”, “estimate” or the negative of these terms and similar expressions. Forward-looking statements are based on certain assumptions and, while GreenFirst considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including those set out in GreenFirst’s public disclosure record filed under its profile on [www.sedarplus.ca](http://www.sedarplus.ca). Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. GreenFirst disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**For more information, please visit: [www.greenfirst.ca](http://www.greenfirst.ca)**

## **Contacts**

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