



PRODUITS FORESTIERS
GREENFIRST
FOREST PRODUCTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THIRD QUARTER AND THREE QUARTERS ENDED
SEPTEMBER 27, 2025

GREENFIRST FOREST PRODUCTS INC.

Dated: November 11, 2025

Table of Contents

	Page
Background	2
Forward-Looking Statements	2
Our Sustainable Business and Strategy	3
Recent Business Highlights	4
GreenFirst's Capital Allocation	4
Economic Outlook	5
Financial Highlights	7
Non-GAAP Measures	8
Results of Operations	8
Selected Financial Information	13
Capital Resources and Liquidity	13
Contractual Obligations	16
Off Balance Sheet Arrangements	16
Related Party Transactions	17
Risks and Uncertainties	17
Use of Estimates and Judgments	17
Financial Instruments and Risk Management	17
Disclosure Controls and Procedures and Internal Control Over Financial Reporting	20
Subsequent Events	20
Share Data Information	20

Background

This Management's Discussion and Analysis ("MD&A") provides information on GreenFirst Forest Products Inc. ("GreenFirst", the "Company", "we", "us", "our" or similar terms referring to GreenFirst) and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes thereto for the third quarter and three quarters ended September 27, 2025 ("Financial Statements"), which have been prepared in accordance and in compliance with International Accounting Standards ("IAS 34"), Interim Financial Reporting, as issued by the International Accounting Standards Board. The Financial Statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), as issued by the IASB. The Financial Statements follow the same accounting policies as described in the consolidated financial statements for the year ended December 31, 2024. This MD&A should also be read in conjunction with the Company's Annual Financial Statements and the Annual Management's Discussion and Analysis for the year ended December 31, 2024 ("Annual MD&A"). This MD&A has been prepared as of November 11, 2025, and has been approved by the Company's Board of Directors.

In this MD&A, the Company uses a number of performance measures and indicators to monitor and analyze the financial results that do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar performance measures and indicators used by other issuers. Please refer to the "Non-GAAP Measures" section of this MD&A for details. All figures are stated in Canadian dollars, unless otherwise noted, and all references to "USD" or "US\$" are to the United States dollar.

Forward-Looking Statements

This MD&A has been prepared taking into consideration information available as at November 11, 2025, and contains forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts should be considered forward-looking statements. Such forward-looking

statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this MD&A, the words "may," "will", "anticipate," "believe," "estimate", "expect" and "intend" and words of similar import, are intended to identify forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements. These statements reflect management's current view of future events and are subject to certain risks and uncertainties as contained herein, and in the Company's other filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results could differ materially from those anticipated in these forward-looking statements. Management undertakes no obligation to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that these expectations are based on reasonable assumptions, the Company can give no assurance that those expectations will materialize.

A comprehensive list of forward-looking statements the Company uses can be found in our Annual Information Form dated March 14, 2025 available at www.sedarplus.com.

Our Sustainable Business and Strategy

GreenFirst operates four sawmills and hold timber licenses for Crown forests in Ontario, securing a renewable and stable supply of raw materials. Headquartered in Toronto, with regional offices in North Bay and Timmins, we are deeply connected to the communities we serve.

GreenFirst's long-term vision is to expand its operations in the lumber sector and establish itself as the largest lumber producer in Ontario. The Company's strategy is grounded in sustainable and responsible forestry practices that support both environmental stewardship and long-term value creation. By leveraging the carbon-storing attributes of lumber, GreenFirst believes it is well positioned to navigate cyclical market conditions and benefit from the growing demand for sustainable building materials.

GreenFirst maximizes value by focusing on strong financial performance, a culture of safety, and disciplined cost control. We recognize the cyclical volatility of the lumber market, and remain committed to fiscal prudence. Our capital allocation strategy ensures a resilient balance sheet and robust liquidity, supporting sustainable growth through carefully managed investments.

At GreenFirst, sustainability is at the heart of everything we do. Our Forest Stewardship Council® (FSC®) certification ensures that our forest management practices meet globally recognized environmental and social responsibility standards. We are committed to enhancing biodiversity, promoting forest health, and reducing energy consumption, with a focus on utilizing the whole tree for maximum efficiency.

We are strategically investing in our Ontario operations to enhance productivity, expand capacity, and reduce production costs. These efforts are guided by a prudent approach to capital projects, with the goal of achieving top-quartile performance in the forestry sector. We expect increased lumber production from our Ontario sawmills in the near term, driven by continuous improvement, operational excellence and strategic upgrades. This growth is supported by our annual allowable harvest rights in Ontario—an environmentally stable, business-friendly jurisdiction—even as fibre availability tightens across Canada.

GreenFirst values its employees as its most important asset. We prioritize diversity and inclusion, creating a workplace where all are welcome. We also maintain strong, long-standing relationships with Indigenous and rural communities, ensuring mutual growth and respect.

GreenFirst is committed to environmental stewardship, recognizing that sustainable forestry practices contribute to combating climate change. Lumber is carbon-negative and the only renewable building material, requiring less energy to produce and transport compared to alternatives. We also utilize by-products such as wood chips for energy production, generating power with net-zero carbon emissions.

GreenFirst is well-positioned for long-term growth, with a solid asset base, clear operational goals, and a firm commitment to sustainability. We will continue to create value for our shareholders, employees, customers, and local communities while advancing our mission to be a global leader in sustainable forestry.

Recent Business Highlights

Changes to Duties Rate

On August 8, 2025, the U.S. Department of Commerce ("US DOC") issued its Final Determination for the Sixth Administrative Review ("AR6") regarding imports of softwood lumber products from Canada for the 2023 period of review. The final determination established a combined duty rate of 35.16%, which is higher than the rate previously assessed to the Company for 2023. As a result, 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), in the third quarter of 2025 reflecting the increase in anti-dumping ("ADD") and countervailing ("CVD") duty rates.

Cash deposits continue to be made at the most recent final ADD and CVD duty rates. Amounts paid to date remain held in trust by the US DOC pending the final resolution of all administrative reviews and appeals.

Trade and Tariff Exposure

Our products have not been subject to U.S. import tariffs, with the exception of a two-day period in the first quarter of 2025, as they remained compliant with the provisions of the United States-Mexico-Canada Agreement (USMCA).

On September 30, 2025, the U.S. Government issued a final proclamation under Section 232 of the Trade Expansion Act of 1962, introducing new tariffs on imports of timber, lumber, and certain derivative wood products from Canada and other countries. Effective October 14, 2025, softwood lumber products became subject to a 10% tariff with potential future adjustments.

These Section 232 measures are in addition to the existing ADD and CVD duties currently applied to Canadian softwood lumber exports. The Company is assessing the potential financial and operational impacts of these additional tariffs, which may further increase the total effective duty burden on shipments to the U.S. market. Depending on market conditions, the Company may seek to mitigate these impacts through pricing adjustments, product mix optimization, or supply chain diversification.

The Company continues to monitor trade policy developments closely and will evaluate any opportunities for relief or adjustments that may arise through government-to-government negotiations or administrative reviews.

GreenFirst's Capital Allocation

As of November 11, 2025, the Company has total debt outstanding of \$28.8 million, comprised of \$17.5 million under the revolving portion of the credit facility and \$11.3 million under the equipment financing portion of the credit facility.

During the third quarter and three quarters ended September 27, 2025, the Company made net debt drawdown of \$6.5 million and \$19.0 million, respectively, under the revolving portion of the credit facility.

GreenFirst's approach to capital management is designed to support long-term value creation, operational resilience, and investor confidence. Effective capital allocation and financial discipline are essential to our strategy, particularly given the cyclical nature of commodity markets and the forestry sector. Our capital management objectives include maintaining a strong financial position, improving our cost structure, ensuring liquidity across commodity price cycles, supporting access to growth capital, and maintaining compliance with all debt agreements.

We define capital as the sum of net debt and shareholders' equity. This definition provides a clear view of the resources available to support the business and aligns with how management evaluates financial health and allocates resources. Maintaining balance between debt and equity ensures that we can respond quickly to opportunities or challenges, while preserving flexibility and minimizing financial risk.

Seasonality is a key consideration in our capital planning. Our harvesting operations require investment of significant working capital in the first quarter each year to build up log inventory ahead of the primary production season. This front-loaded capital demand is built into our liquidity planning to ensure we can meet operational needs without compromising financial stability.

GreenFirst maintains a disciplined and long-term approach to capital allocation. Strategic investments in our Ontario sawmills and forest operations are aimed at enhancing productivity, expanding capacity, and reducing costs. By prioritizing projects with strong returns and maintaining fiscal prudence, we are able to strengthen our competitive position while navigating industry volatility. This capital strategy supports our broader goals of sustainable growth and responsible value creation for shareholders.

As at	September 27, 2025
Total debt outstanding ¹	\$ 30,537
Less: cash and cash equivalents	(3,487)
Net debt	27,050
Shareholders' equity	81,683
Total capital	\$ 108,733

¹Total debt outstanding consists of the carrying amounts of the Company's credit facilities.

In addition to its prudent and solid financial position, the Company possesses valuable core assets and opportunities as follows:

- **Four uniquely positioned operating sawmills** in Ontario with over 510 million board feet of annualized production capacity. With a focus on capital projects and increased productivity, we believe our four mills in Chapleau, Cochrane, Hearst and Kapuskasing have the ability to potentially produce higher annual volumes of lumber in the coming years;
- **Abundant forests** with a dedicated 2.5 million cubic metres of annual allowable fibre supply in Ontario. The general fibre basket is shrinking in Canada and our allowable cut provides us with a competitive advantage in a stable, business-friendly jurisdiction;
- **Net over-funded pension** assets of approximately \$11.5 million, which the Company has been able to protect from market volatility and preserve the asset surpluses;
- **Available non-capital and capital tax loss carryforwards** of \$173.6 million and nil, respectively, which will shelter future taxable income; and
- **Long-term relationships** with leading companies in the home improvement segment.

Economic 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 key 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.

Financial Highlights

The following selected financial information is derived from the Company's Financial Statements and Annual Financial Statements for third quarter and three quarters ended September 27, 2025, September 28, 2024, and second quarter ended June 28, 2025, respectively:

	September 27, 2025	June 28, 2025	September 28, 2024
For the quarter ended			
Net sales from continuing operations⁽³⁾	70,230	84,538	70,806
Operating earnings (loss) from continuing operations	(50,905)	(8,828)	12,062
Net income (loss)	(57,383)	(9,593)	8,835
Net income (loss) from continuing operations	(57,383)	(9,593)	14,822
Basic earnings (loss) per share	(2.54)	(0.42)	0.50
Basic earnings (loss) per share from continuing operations	(2.54)	(0.42)	0.83
Diluted earnings (loss) per share	(2.54)	(0.42)	0.48
Diluted earnings (loss) per share from continuing operations	(2.54)	(0.42)	0.81
Adjusted EBITDA from continuing operations⁽¹⁾⁽²⁾	(47,193)	(5,161)	15,673
		September 27, 2025	September 28, 2024
For the three quarters ended			
Net sales from continuing operations⁽³⁾		226,598	212,903
Operating earnings (loss) from continuing operations		(58,322)	5,078
Net income (loss)		(66,056)	(19,045)
Net income (loss) from continuing operations		(66,056)	5,017
Basic (loss) per share		(3.06)	(1.07)
Basic earnings (loss) per share from continuing operations		(3.06)	0.28
Diluted (loss) per share		(3.06)	(1.07)
Diluted earnings (loss) per share from continuing operations		(3.06)	0.28
Adjusted EBITDA from continuing operations⁽¹⁾⁽²⁾		(47,294)	15,894
		September 27, 2025	December 31, 2024
As at			
Total assets	\$ 209,030	\$ 220,466	
Total liabilities	127,347	74,850	
Total shareholders' equity	81,683	145,616	

¹Adjusted 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 this MD&A.

²Non-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.

³Includes net sales to external parties only.

Non-GAAP Measures

EBITDA and Adjusted EBITDA are used by the Company and its investors as a means of assessing the performance of its core operations in comparison to prior periods. EBITDA and Adjusted EBITDA are non-GAAP measures and are not intended to replace net income (loss), or other measures of financial performance and liquidity reported in accordance with IFRS.

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.

Management has utilized net debt and net debt to invested capital as key indicators to monitor its debt levels and leverage. Net debt is defined as borrowings under the Company's credit facilities and term loans, less cash and cash equivalents. Invested capital is calculated as the sum of net debt and shareholders' equity. These are non-GAAP financial measures and are not intended to replace other measures of financial performance and liquidity reported in accordance with IFRS.

Adjusted EBITDA

For the quarter ended	September 27, 2025	June 28, 2025	September 28, 2024
Net income (loss) from continuing operations	\$ (57,383)	\$ (9,593)	\$ 14,822
<i>Adjustments:</i>			
Finance costs, net	6,543	797	(1,924)
Income taxes	10	(32)	(836)
Depreciation and amortization	3,712	3,667	3,611
EBITDA	(47,118)	(5,161)	15,673
Gain on sale of assets	(75)	—	—
Adjusted EBITDA from continuing operations⁽¹⁾⁽²⁾	\$ (47,193)	\$ (5,161)	\$ 15,673
<hr/>			
For the three quarters ended	September 27, 2025	September 28, 2024	
Net income (loss) from continuing operations	\$ (66,056)	\$	5,017
<i>Adjustments:</i>			
Finance costs, net	7,780	233	
Income taxes	29	382	
Depreciation and amortization	11,028	10,816	
EBITDA	(47,219)	16,448	
Gain on sale of assets	(75)	(554)	
Adjusted EBITDA from continuing operations⁽¹⁾⁽²⁾	\$ (47,294)	\$	15,894

¹Adjusted 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 this MD&A.

²Non-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.

Net Debt to Invested Capital

As at	September 27, 2025	June 28, 2025	September 28, 2024
Net debt			
Total debt ¹	\$ 30,537	\$ 24,779	\$ 39,858
Cash and cash equivalents	(3,487)	(4,372)	(407)
Net debt	\$ 27,050	\$ 20,407	\$ 39,451
Invested capital			
Net debt	\$ 27,050	\$ 20,407	\$ 39,451
Shareholders' equity	81,683	138,774	165,858
Invested capital	\$ 108,733	\$ 159,181	\$ 205,309
Net debt to invested capital	24.88 %	12.82 %	19.22 %

¹Total debt outstanding consists of the carrying amounts of the Company's credit facilities.

Results of Operations for the Third Quarter and Three Quarters Ended September 27, 2025

Except for the fourth quarter the Company operates on a 13-week fiscal quarter.

The third quarter of 2025 comprises the results of operations from June 29, 2025 through September 27, 2025. The Company's results for the preceding second quarter of 2025 includes results of operations from March 30, 2025 through June 28, 2025. The results for the third quarter of 2024 include results of operations from June 30, 2024 through September 28, 2024.

For purposes of the following discussion on the results of operations, the Company has excluded results from its discontinued operations (Please see *Note 4 - Discontinued Operations in the Company's Financial Statements for further information*).

During the third quarter and three quarters ended September 27, 2025, the Company recorded a net loss from continuing operations of \$57.4 million and \$66.1 million, respectively (diluted loss per share from continuing operations of \$2.54 and \$3.06, respectively) and Adjusted EBITDA from continuing operations of negative \$47.2 million and negative \$47.3 million, respectively.

In the preceding second quarter of 2025, the Company recorded a net loss from continuing operations of \$9.6 million (diluted loss per share from continuing operations of \$0.42) and Adjusted EBITDA from continuing operations of negative \$5.2 million.

In the comparative third quarter and three quarters ended September 28, 2024, the Company recorded net income from continuing operations of \$14.8 million and \$5.0 million, respectively (diluted earnings per share from continuing operations of \$0.81 and 0.28, respectively) and Adjusted EBITDA from continuing operations of positive \$15.7 million and \$15.9 million, respectively.

Third Quarter of 2025 Highlights

In the third quarter of 2025, based on its continuing operations, the Company reported an operating loss of \$50.9 million, including a negative contribution of \$5.4 million defined as revenues of \$70.2 million offset by cost of sales of \$75.6 million. The negative contribution was primarily related to the Company recording a provision for the net realized value on inventory of \$8.2 million during the current period. The operating loss includes the impact of both an increase in duties paid and duties liability resulting from adjustments to finalized duties rates from AR6 (\$42.7 million), selling, general & administrative expense (\$3.0 million) and other operating income (\$0.1 million).

Net sales and shipments

For the third quarter ended September 27, 2025, the Company reported net sales of \$70.2 million compared to \$84.5 million in the second quarter ended June 28, 2025, a decrease of approximately 17%. The decrease in net sales was primarily driven by lower shipments during the quarter in addition to lower realized pricing during the quarter.

The total volume shipped in the third quarter of 2025 was 93.3 million board feet at an average price of \$695 per thousand board feet (mfbm), compared to 109.7 million board feet shipped in the second quarter of 2025 at an average price of \$712 mfbm. The decrease in averaging pricing reflects weaker market pricing conditions during the quarter, due to market uncertainties including potential tariffs.

The lumber industry continues to face headwinds, including weaker demand driven by housing affordability pressures associated with elevated mortgage rates and an oversupply of lumber inventory in the market. These challenges are further compounded by ongoing uncertainty regarding U.S. trade tariffs, including anti-dumping, countervailing, and recently finalized Section 232 measures, despite production curtailments implemented across North America.

In the comparative third quarter ended September 28, 2024, the Company reported net sales of \$70.8 million, reflecting shipments of 105.9 million board feet at \$606 mfbm. When compared to the third quarter of 2024, the third quarter of 2025 saw lower sales volumes offset by higher pricing.

During the three quarters ended September 27, 2025, the Company reported net sales of \$226.6 million compared to \$212.9 million for three quarters ended September 28, 2024. In comparison to the same period last year, the increase in net sales was due to the higher average pricing realized offset by lower volumes sold during the three quarters ended September 27, 2025. The total volume shipped in the three quarters ended September 27, 2025, was 293.1 million board feet compared to 315.3 million board feet in the three quarters ended September 28, 2024.

US housing starts were reported at 1.31 million units (SAAR) in August 2025, a decrease from the 1.38 million seen in June 2025. US benchmark lumber prices for delivery to the Great Lakes region for 2x4 2&better random length and studs during the quarter were US\$603/mfbm and \$US509/mfbm, respectively, and are currently averaging US\$573/Mfbm and US\$466/Mfbm, respectively, for the fourth quarter of 2025 thus far.

Lumber demand in 2025 remains constrained by high interest rates, ongoing housing affordability challenges, and cautious consumer spending. Although U.S. housing starts are expected to recover modestly, construction activity remains below historical levels. Labor shortages, elevated building costs, and extreme weather events have also contributed to delays and subdued demand. Additionally, tighter inventory management by builders and retailers continues to moderate purchasing activity.

Manufacturing and Production

Cost of sales includes labour, raw materials costs (including log costs), consumables, freight, depreciation, and energy costs.

For the third quarter ended September 27, 2025, the Company reported cost of sales of \$75.6 million compared to \$80.1 million in the second quarter ended June 28, 2025, a decrease of approximately 6%. 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 Chapeau 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.

Lumber production for the third quarter of 2025, was 90.8 million board feet, compared to 115.8 million board feet in the second quarter of 2024. This decrease in production was primarily attributable to shutdowns taken

during the period in relation to the capital project installation primarily for the Chappleau large log line which are expected to return to normal levels in Q4 2025 with increased production in Q1 2026.

The comparative third quarter ended September 28, 2024, had cost of sales of \$69.8 million. Lumber production in the third quarter of 2024 was 94.9 million board feet. The increase in cost of sales in the third quarter of 2025 compared to the third quarter of 2024 was primarily due to provision for the net realized value on inventory of \$8.6 million during the current period primarily related to decreases in benchmark prices.

During the three quarters ended September 27, 2025, the Company reported cost of sales of \$217.8 million compared to \$207.2 million in the three quarters ended September 28, 2024, an increase of approximately 5%. This was primarily driven by provision for the net realized value on inventory of \$8.2 million, offset by lower volumes sold during the current period. During the three quarters ended September 27, 2025, production was 308.0 million board feet compared to 311.2 million board feet compared to the same period last year.

Duties

The Company's softwood lumber sales to US customers are subject to ADD and CVD as determined by the US DOC. The Company expenses all softwood lumber duties and includes the impact in profit and loss. The Company records duties as an expense at the cash deposit rate until an Administrative Review by the US DOC is finalized and has set a new applicable rate for each period of review. The difference between the cumulative cash deposits paid and cumulative export duty expense recognized for each period of review is recorded on our balance sheet as export duty deposits receivable or payable.

The Company expensed duties of \$42.7 million and \$56.7 million for the third quarter and three quarters ended September 27, 2025, which 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 resulting from adjustments to finalized duties rates from AR6 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.

In comparison, for the third quarter and three quarters ended September 28, 2024, the Company recorded duties recoveries of \$15.0 million and \$8.1 million respectively, due to the Company recognizing duties deposits resulting from adjustments to finalized duties rates from the Fifth Administrative Review in relation to 2022 duties paid. In addition, the Company was subjected to a lower combined duties rate of 8.05% during the comparative period.

Notwithstanding the deposit rates assigned under the investigations, our final liability for CVD and ADD will not be determined until each annual administrative review process is complete and related appeals processes are concluded.

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 income (loss) and comprehensive income (loss) while the Administrative Reviews are taking place. Changes to the US DOC's existing ADD and CVD 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).

Selling, General and Administration

The Company's selling, general and administrative ("SG&A") expenses primarily reflect corporate and administrative personnel costs, fees paid to consultants and external service providers, IT and infrastructure costs, public-company costs, and other shared back-office expenses.

For the third quarter ended September 27, 2025, SG&A expenses were \$3.0 million compared to \$4.6 million in the second quarter ended June 28, 2025. During the second quarter of 2025 SG&A expenses

were higher primarily due to non-cash stock-based compensation expenses in addition to higher non-recurring professional and legal services.

For the third quarter September 27, 2025, the Company reported SG&A expenses of \$3.0 million compared to \$3.5 million for the third quarter September 28, 2024, there was a decrease of approximately 17% which was due to higher stock-based expenses in the prior period as a result of changes in the share price, effecting the carrying value of the Company's DSU liability. This was offset by recognizing higher IT related costs in the current period ended.

During the three quarters ended September 27, 2025, the Company reported SG&A of \$10.1 million compared to \$9.3 million for the three quarters ended September 28, 2024, resulting in an increase of approximately 9%. SG&A included a recovery of \$1.3 million related to the difference between accrued and actual incentive payout for 2024. Excluding the impact of the benefit between the two periods, SG&A expenses remained relatively flat.

Other Operating Income (Loss)

Other operating income (loss) mainly includes the impact of foreign exchange on the Company's US dollar-denominated net working capital. As the Company sells a substantial portion of its products to customers in the United States, those sales are denominated in US dollars.

For the third quarter and three quarters ended September 27, 2025, the Company reported other operating income of \$0.1 million and other operating loss \$0.3 million, respectively. This was driven by realized and unrealized foreign exchange losses due to the strengthen of the Canadian dollar compared to the US dollar. In the comparative period of the third quarter and three quarters ended September 28, 2024, the Company reported a other operating loss of \$0.4 million and other operating income \$0.6 million, respectively.

Net Finance (Costs)/Income

Net finance (costs)/income primarily include interest on the Company's credit facility, including amortization of deferred financing costs. Net finance costs also include bank charges, net interest on the Company's pension assets and liabilities, interest expenses (income) related to the duties deposits/ (payables), and accretion expense related to lease liabilities and decommissioning obligations. During the third quarter and three quarters ended September 27, 2025 net finance costs were \$6.5 million and \$7.8 million, respectively. In the prior period and for the third quarter and three quarters ended September 28, 2024, the Company recorded net finance income of \$1.9 million and net finance costs of \$0.2 million, respectively. The increase in net finance costs was primarily driven by the Company recording interest expenses on its duties payables for underpayments in relation to 2023 duties paid as a result of the Sixth Administrative Review during the current period. Consequently, during the prior year period the Company recorded interest income on its duties deposits for overpayments in relation to 2022 duties paid as a result of the Fifth Administrative Review. This was offset slightly by carrying lower levels of borrowings against the revolving portion of the credit facility in comparison to the prior period which resulted in lower interest charges for the third quarter and three quarters ended September 27, 2025.

Deferred Tax Expense

For the third quarter and three quarters ended September 27, 2025, the Company recorded a deferred tax expense of \$0.01 million and \$0.03 million, a substantial portion of which was triggered by deferred tax recoveries on other comprehensive losses related to the Company's pension plans during period.

Selected Financial Information – Quarterly Highlights

The following table presents selected financial information related to the Company's eight most recent completed fiscal quarters (in thousands of Canadian dollars, except per share amounts and certain operating metrics):

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Net sales from continuing operations ⁽²⁾	70,230	84,538	71,830	69,948	70,806	69,650	72,447	73,763
Net earnings (loss) from continuing operations ⁽²⁾	(57,383)	(9,593)	920	(26,647)	14,822	(9,946)	141	(13,393)
Net (loss) earnings from discontinued operations ⁽²⁾	—	—	—	(1,382)	(5,987)	(4,583)	(13,492)	(8,195)
Basic earnings (loss) per share from continuing operations ⁽²⁾	(2.54)	(0.42)	0.04	(1.39)	0.83	(0.56)	0.01	(0.75)
Basic earnings (loss) per share from discontinued operations ⁽²⁾	—	—	—	(0.07)	(0.34)	(0.26)	(0.76)	(0.46)
Diluted (loss) earnings per share from continuing operations ⁽²⁾	(2.54)	(0.42)	0.04	(1.39)	0.81	(0.56)	0.01	(0.75)
Diluted (loss) earnings per share from discontinued operations ⁽²⁾	—	—	—	(0.07)	(0.34)	(0.26)	(0.76)	(0.46)
<i>Operating metrics</i>								
Lumber Sales Volume from continuing operations (MFBM) ⁽²⁾	93,339	109,726	90,034	93,489	105,904	102,191	107,217	111,877
Lumber Produced from continuing operations (MFBM) ⁽²⁾	90,769	115,766	101,419	102,947	94,882	112,375	103,968	101,879
Lumber - Average Selling Price (C\$/MFBM) from continuing operations ⁽¹⁾⁽²⁾⁽³⁾	695	712	729	680	606	627	618	587

¹Average gross price before duties and other deductions.

²Certain prior period amounts have been restated as a result of a change in presentation of the Company's Financial Statements for continuing and discontinued operations under IFRS. Please refer to Note 4 - Discontinued Operations, in the Company's Financial Statements for further information.

³Average selling price is not inclusive of sales by-products and logs.

On a sustained basis, the Company's quarterly financial trends are impacted by typical industry-wide seasonality, levels of lumber production, log costs, market prices for lumber, the USD/CAD foreign currency exchange rate and business-development transactions.

Logging operations are seasonal due to several factors including weather and ground conditions that vary from winter freezing to spring snow melt.

Capital Resources and Liquidity

Liquidity

At September 27, 2025, the Company had \$3.5 million in cash on hand (December 31, 2024 - \$27.8 million). In addition, as at September 27, 2025, net of \$19.0 million (December 31, 2024 - nil) drawn down, the Company had \$30.4 million (December 31, 2024 - \$39.3 million), less \$14.1 million for standby letters of credit (December 31, 2024 - \$8.3 million), of excess availability under the revolving portion of the credit facility. In addition, the Company also had access to \$13.4 million (December 31, 2024 - \$11.3 million) remaining under its equipment financing portion of the credit facility (or, "equipment financing agreement"). The Company had drawdown \$11.6 million (December 31, 2024 - \$13.7 million) under its equipment financing agreement as at September 27, 2025. As of the date of this MD&A, the Company had drawdown \$17.5 million and \$11.3 million under its ABL and equipment financing agreement, respectively.

Cash flow for the third quarter and three quarters ended September 27, 2025

During the third quarter and three quarters ended September 27, 2025, the Company decreased its cash balance by \$0.9 million and \$24.3 million respectively, as compared to an increase of \$5.8 million and \$8.6 million respectively, for the third quarter and three quarters ended September 28, 2024. Ending cash

on hand as at September 27, 2025 was a balance of \$3.5 million as compared to \$11.0 million as at September 28, 2024.

Cash Used in Operations

During the three quarters ended September 27, 2025, the Company used \$20.9 million of cash in operating activities. The use of cash primarily reflecting net investments in working capital driven by seasonal harvesting activities, timing of collections for certain receivables, net repayments on accounts payable balances and net losses from operations.

During the third quarter September 27, 2025, the Company generated \$1.1 million of cash from operating activities. This primarily reflected the extension of certain accounts payable balances, inflows from reductions in inventory and collection of accounts receivables, partially offset by net losses from operations.

Cash Used in Investing Activities

During the three quarters ended September 27, 2025, the Company used \$18.8 million of cash in investing activities, primarily for purchases of property, plant and equipment of which approximately \$10.5 million related to the Chapleau large log line project.

During the third quarter September 27, 2025, the Company used \$7.3 million of cash in investing activities, mainly for purchases in property, plant and equipment of which approximately \$2.3 million related to the Chapleau large log line project.

Cash Provided by Financing Activities

During the three quarters ended September 27, 2025, the Company generated \$15.5 million of cash from financing related activities. This was primarily driven by a net drawdown of \$19.0 million on the revolving portion of the Company's credit facility, partially offset by \$2.1 million in repayments on the equipment term loan portion of the credit facility.

Capital Resources

The Company's objectives when managing capital are to maintain a strong financial position, to continuously improve its cost structure, to maintain liquidity throughout commodity price cycles, to support access to additional capital for expansion and to ensure compliance with existing debt agreements. The Company defines capital as the sum of net debt and shareholder's equity.

As at	September 27, 2025
Total debt outstanding ¹	\$ 30,537
Less: cash and cash equivalents	(3,487)
Net debt	27,050
Shareholders' equity	81,683
Total capital	\$ 108,733

¹Total debt outstanding consists of the carrying amounts of the Company's credit facilities.

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 27, 2025.

As at September 27, 2025, the Company also has approximately \$173.6 million and nil in non-capital and capital loss carryforwards, respectively, available to offset taxable income and capital gains.

Shareholders' Equity

For the third quarter and three quarters ended September 27, 2025, shareholders' equity decreased by \$63.9 million, compared to December 31, 2024, primarily reflecting the following transactions during the period; \$66.1 million net loss offset by a \$2.2 million increase in shareholders' equity resulting from equity based payments.

Credit Facility

During the third quarter and three quarters ended September 27, 2025, the Company made net drawdowns of \$6.5 million and \$19.0 million, respectively, on the revolving portion of its credit facility. As at September 27, 2025, the Company had an aggregate net draw of \$11.6 million 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 of principal and interest. Borrowings under the facility are based on select strategic capital expenditure projects and the value of existing equipment.

The Company remains subject to a maximum annual capital expenditure limit relative to budget, as defined in the Credit Agreement. The Company may draw on the facility based on a prescribed percentage of accounts receivable and its inventory carrying value, less applicable reserves. As at September 27, 2025, the Company was in compliance with all covenants under the credit facility.

Under the amended and restated credit agreement, the Company's maximum borrowing capacity under the revolving portion of the credit facility is \$60.0 million (September 28, 2024 - \$75.0 million) and equipment financing portion of \$25.0 million (September 28, 2024 - 25.0 million).

During the third quarter and three quarters ended September 27, 2025, \$2 thousand and \$4 thousand respectively, (September 28, 2024 - \$32 thousand and \$130 thousand respectively) of deferred financing costs were amortized relating to the credit facility.

At September 27, 2025, there were \$14.1 million (September 28, 2024 - \$5.4 million) of outstanding standby letters of credit issued, which reduces the amounts available to draw under the revolving credit facility. Additionally, as at September 27, 2025, the Company also had \$6.6 million (September 28, 2024 - \$5.4 million) of outstanding standby letters of credit issued and backstopped by a third party, which do not impact the amounts available to draw under the credit facility. The Company had a \$3.9 million letter of credit as at September 27, 2025, issued to Kap Paper Inc. as the applicant. This letter of credit was issued and guaranteed (September 28, 2024 - nil) by a financial institution which the Company has indemnified.

Going Concern

The 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 27, 2025, the Company reported a net loss from continuing operations of \$57.4 million and \$66.1 million, respectively. For the three quarters ended September 27, 2025, the Company reported cash used in operating activities of \$20.9 million. As at September 27, 2025, the Company has working capital of \$48.3 million including cash and cash equivalents of \$3.5 million. In addition, as at September 27, 2025, the excess availability under the revolving portion of the credit facility was \$30.4 million less \$14.1 million of outstanding letters of credit.

The Company's ability to continue as a going concern is dependent on its ability to realize positive cash flows from operations. The ability to generate positive cash flows from operations is dependent on market prices for lumber, demand for the Company's products and/or increases in productivity resulting in higher volumes produced and lower costs. In addition, the Company is dependent on supply and demand factors related to the sale of its by-products in the region within which its sawmills are located. The financial

viability of pulp and paper mills and their reliance on government assistance in our industry may reduce market demand for by-products, leading to lower market prices and possibly even sawmill closures and/or curtailments.

In addition, as a result of the amended duties and newly imposed tariffs on the Canadian softwood lumber market, the uncertainty and impacts of any such duties and tariffs related to generating positive cash flows from operations are unknown and indeterminable. The above are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company has forecasted its cash flows over the next twelve months based on current lumber prices, duty rates, operating costs and production and sales volumes consistent with the past twelve months. Based on these forecasts, the Company believes that it has sufficient cash/working capital and available lines of credit to finance its operations for the next twelve months.

The 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.

Contractual Obligations

The estimated cash payments (undiscounted) due in respect of contractual and legal obligations including debt principal payments and capital commitments for the one-year periods ending September 27 are summarized as follows:

	2026	2027	2028	2029	2030 and beyond	Total
Accounts payable and accrued liabilities	\$ 32,044	\$ —	\$ —	\$ —	\$ —	\$ 32,044
Other liabilities, excl. leases	12,108	—	—	—	2,126	14,234
Lease liabilities	1,908	1,461	1,125	854	3,337	8,685
Long term debt	2,983	3,221	3,478	1,930	—	11,612
Total	\$ 49,043	\$ 4,682	\$ 4,603	\$ 2,784	\$ 5,463	\$ 66,575

Pension Plans and Other Post-Retirement Benefits

As at September 27, 2025, the Company had net assets related to pension plans in asset positions on the Balance Sheet of \$0.8 million (December 31, 2024 - \$2.3 million), and had recorded \$4.7 million (December 31, 2024 - \$4.7 million) of liabilities related to post-retirement obligations and pension plans in liability positions.

During the third quarter and three quarters ended September 27, 2025, the Company recorded a \$0.03 million and \$0.1 million rereasurement loss from continuing operations, net of tax (September 28, 2024 - income, net of tax of \$2.3 million and loss, net of tax \$1.1 million) related to its pension plans in other comprehensive loss.

Off Balance Sheet Arrangements

As of September 27, 2025, the Company had \$14.1 million (September 28, 2024 - \$5.4 million) of outstanding letters of credit that are backed by a reserve against the revolving portion of the Company's credit facility, thereby reducing the maximum availability for borrowing. Additionally, the Company had a further \$6.6 million (September 28, 2024 - \$5.4 million) of outstanding letters of credit backstopped by a third party, which do not impact the amounts available under the Company's credit facility.

The Company also had surety bonds of \$3.6 million outstanding as of September 27, 2025. These bonds are in support of the Ontario Ministry of the Environment for access to certain waste disposal sites both

GreenFirst and Kap Paper Inc. as the applicant for which the Company has agreed to indemnify, respectively.

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 which is currently fair valued at \$1.4 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.

There was no change in the investment carrying value during the third quarter and three quarters ended September 27, 2025 (September 28, 2024 - nil). This investment is accounted for at fair value with changes in fair value recorded in net income (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 periods noted below. Following are the aggregate values of such transactions (amounts are in thousands of dollars):

For the third quarter ended	September 27, 2025⁽¹⁾	September 28, 2024⁽¹⁾
Fees incurred for services – officers and companies controlled by officers	168	337
For the three quarters ended	September 27, 2025⁽¹⁾	September 28, 2024⁽¹⁾
Fees incurred for services – officers and companies controlled by officers	342	1,513

⁽¹⁾ Includes fees for management services, administrative support, and reimbursement of expenses.

Risks and Uncertainties

There are certain risks inherent in an investment in securities and activities of the Company, which investors should carefully consider before investing in the Company. A comprehensive list of risks and uncertainties to which the Company is exposed can be found in our Annual Information Form dated March 14, 2025 available at www.sedarplus.com.

Use of Estimates and Judgments

The preparation of the 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; recoverability of trade and other receivables; estimated useful lives of property, plant and equipment; recoverability of long-lived assets; and employee future benefits. Actual amounts could differ materially from these and other estimates, the impact of which would be recorded in future periods.

Financial Instruments and Risk Management

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 and the vendor take-back mortgage are recorded at amortized cost based on the amount at initial recognition, less principal payments or receipts

respectively, 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.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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 27, 2025 is \$3.5 million (December 31, 2024 - \$27.8 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 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 27, 2025, a \$0.2 million (December 31, 2024 - \$0.2 million) allowance for expected credit losses was recorded.

The carrying amount of accounts receivable of \$18.0 million, excluding value added tax, represents the maximum credit exposure for its accounts receivables as at September 27, 2025 (December 31, 2024 - \$13.7 million).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity to fulfill its obligations when due and monitors cash flow requirements daily and projections weekly.

The Company can draw down on the revolving portion of the credit facility based on a prescribed percentage of accounts receivable and its inventory carrying value, less reserves. The facility matures on September 23, 2028. Drawings under the equipment financing portion are either project specific or based on a prescribed percentage of appraised equipment value.

The Company had drawn \$19.0 million on the revolving portion of the credit facility at September 27, 2025 (December 31, 2024 - nil). The Company had excess liquidity of \$30.4 million (December 31, 2024 -

\$39.3 million), less open letters of credit of \$14.1 million (December 31, 2024 - \$8.3 million) backed by the credit facility. Additionally, as at September 27, 2025, the Company also had \$6.6 million (December 31, 2024 - \$5.4 million) of outstanding standby letter of credit backstopped by a third party, which do not impact the amounts available to draw under the credit facility. The Company also had a \$3.9 million letter of credit as at September 27, 2025, issued to Kap Paper Inc. as the applicant, which was issued and guaranteed (December 31, 2024 - \$5.0 million) by a financial institution for which the Company has indemnified. Furthermore, the Company had \$11.6 million drawn against the equipment financing portion of the credit facility as at September 27, 2025 (December 31, 2024 - \$13.7 million) with an additional \$13.4 million (December 31, 2024 - \$11.3 million) available to draw.

Market Risk

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

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 5.45% annualized at September 27, 2025. The Equipment Term Loan portion of the credit facility bears a fixed rate of 7.70%.

As at September 27, 2025 a 100 basis point increase in the interest rate on the revolving portion of the credit facility would increase the net loss in the statement of income (loss) and comprehensive income (loss) by \$0.2 million on an annual basis. Similarly, as at September 27, 2025 a 100 basis point reduction in the interest rate on the revolving portion of the credit facility would decrease the net loss by \$0.2 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 and transportation, 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 27, 2025, 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 27, 2025
Cash and cash equivalents	\$ 298
Accounts receivable	3,552
Accounts payable and other liabilities	(5,986)
Duties liability, including accrued interest	(28,883)
Net monetary assets in US Dollars	\$ (31,019)

Based on the US dollar statement of financial position exposure at September 27, 2025, with other variables unchanged, if the Canadian dollar were to weaken against the US dollar by 1%, relative to the rate at September 27, 2025, the net earnings in the statement of income (loss) and comprehensive income (loss) would be approximately \$0.4 million greater. If the Canadian dollar were to strengthen against the US dollar by 1%, relative to the rate at September 27, 2025, the net earnings in the statement of income (loss) and comprehensive income (loss) would be approximately \$0.4 million less

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer are responsible for the establishment and maintenance of internal controls over financial reporting including disclosure controls and procedures. The Company has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external reporting purposes in accordance with IFRS.

Management has evaluated the design and effectiveness of the Company's internal controls over financial reporting as of December 31, 2024 through inquiry, review and testing. Management has used The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework (2013) to evaluate the effectiveness of the Company's internal controls over financial reporting as of December 31, 2024. Based on this evaluation, Management has concluded that as at December 31, 2024, the Company's internal controls and disclosure controls and procedures over financial reporting were effective.

There have been no changes to the design of internal controls over financial reporting that occurred during the year ended September 27, 2025 which have materially affected or are reasonably likely to materially affect the internal controls over financial reporting.

Subsequent Events

Tariffs

On September 29, 2025, the U.S. administration issued a proclamation that imposed a tariff of 10% under Section 232 of the Trade Expansion Act of 1962 on imported softwood timber and lumber into the U.S., effective October 14, 2025. This tariff will be in addition to the existing softwood lumber duties applied to U.S. imports of Canadian lumber.

Warrant Exercises

On September 18, 2025 the Board approved the right to cashless exercise warrants expiring on October 22, 2025.

On October 22, 2025, the Company issued 4,020 common shares in relation to a cashless exercise of 566,642 warrants.

On October 20, 2025, the Company issued 500,000 common shares in relation to a cash exercise of 500,000 warrants at a price of \$2.3965.

On October 23, 2025, 539,370 warrants with an exercise price of \$2.3965 expired.

Net Drawdown on Revolving Portion of the Credit Facility

Subsequent to September 27, 2025 the Company made net repayments of \$1.5 million on the revolving portion of its credit facility.

Share Data

As of the date of this MD&A the Company has: 23,111,932 common shares outstanding; 1,569,250 warrants to purchase common shares at a price of \$30.39 with expiry date of July 30, 2026; 403,298 stock options to purchase common shares at prices ranging from \$15.00 to \$19.20 with expiry dates ranging from December 15, 2026 to January 2, 2028; 204,130 restricted share units with expiry dates ranging from November 14, 2027 to May 18, 2030; 39,538 performance share units with an expiry dates of May 18, 2030; and 406,877 deferred share units which can be cash or equity-settled with an expiry date at the end of the subsequent fiscal year following the director's retirement.