Interfor Corporation

Burnaby, B.C. February 9, 2023

Interfor Reports Q4'22 Results

Adjusted EBITDA loss of $69 million and Net Loss of $72 million

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded a Net loss in Q4'22 of $72.2 million, or $1.40 per share compared to Net earnings of $3.5 million, or $0.06 per share in Q3'22 and $69.7 million, or $1.15 per share in Q4'21.

Adjusted EBITDA was a loss of $68.7 million on sales of $810.3 million in Q4'22 versus Adjusted EBITDA of $129.5 million on sales of $1.0 billion in Q3'22 and Adjusted EBITDA of $149.5 million on sales of $675.9 million in Q4'21.

Notable items in the quarter:

- Moderating Lumber Demand and Lower Prices
  - Lumber demand moderated during the quarter due in part to rising interest rates across North America, contributing to significantly lower lumber prices quarter-over-quarter. Interfor's average selling price was $699 per mfbm, down $101 per mfbm versus Q3'22. The SYP Composite, Western SPF Composite, KD H-F Stud 2x4 9' and ESPF Composite price benchmarks decreased quarter-over-quarter by US$94, US$130, US$166 and US$159 per mfbm to US$461, US$420, US$461 and US$498 per mfbm, respectively.
  - The decline in lumber prices contributed to the Company recording $58.6 million in log and lumber inventory valuation adjustments in Q4'22 compared to $20.5 million in Q3'22.
- Lumber Production Balanced with Demand
  - Lumber production totaled 874 million board feet, representing a decrease of 112 million board feet quarter-over-quarter. This decrease reflects temporary production curtailments during Q4'22, primarily related to economic conditions and market uncertainty impacting lumber demand and to accelerate ongoing capital and maintenance projects. The decrease was partially offset by the Eatonton, GA and DeQuincy, LA sawmills ramping up to designed production capacity, and the acquisition of Chaleur Forest Products ("Chaleur").
  - The U.S. South and U.S. Northwest regions accounted for 404 million board feet and 135 million board feet, respectively, compared to 470 million board feet and 159 million board feet in Q3'22. The Eastern Canada region produced 212 million board feet, including 19 million board feet related to Chaleur, versus 198 million board feet in Q3'22. Production in the B.C. region decreased to 123 million board feet from 159 million board feet in Q3'22.
  - Lumber shipments were 939 million board feet, or 125 million board feet lower than Q3'22, leading to a net reduction of lumber inventories by 41 million board feet during the quarter, excluding lumber inventory acquired as part of the Chaleur acquisition. Lumber inventories ended the quarter within our target range. Interfor is continuing to closely manage inventory levels, including announcing on January 11, 2023, a temporary reduction in lumber production for Q1'23 by at least 100 million board feet mostly concentrated outside of the U.S. South region.

- Financial Flexibility Maintained
  - Net debt at quarter-end was $720.4 million, or 26.2% of invested capital, while available liquidity was ample at $481.2 million.
  - On December 16, 2022, the Company completed an expansion of its Revolving Term Line ("Term Line"). The commitment under the facility increased by $100 million to a total of $600 million.
  - On December 1, 2022, the Company completed US$200 million of long-term debt financing with Prudential Private Capital. The Company's Senior Secured Notes now total US$489.2 million, with a weighted average interest rate of 5.30% and maturities in the years 2023-2033.
- Acquisition of Chaleur Forest Products
  - On November 30, 2022, the Company acquired 100% of the equity interests in the entities comprising Chaleur Forest Products from an affiliate of the Kilmer Group. The acquisition includes two modern and well-capitalized sawmill operations with a combined annual lumber production capacity of 350 million board feet, a woodlands management division that manages approximately 30% of the total Crown forest in New Brunswick and the assumption of US$83.5 million of countervailing ("CV") and anti-dumping ("AD") duty deposits. The Company paid total consideration of $383.7 million, which was funded from drawings on the Term Line.
- Strategic Capital Investments
  - Capital spending was $103.4 million, including $63.3 million on discretionary projects. The majority of this discretionary spending was focused on the multi-year rebuild of the Thomaston, GA sawmill, a new planer at the Castlegar, B.C. sawmill and upgrades to the Perry, GA sawmill.
- Normal Course Issuer Bid ("NCIB") Renewal
  - On November 3, 2022, the Company announced a renewal of its NCIB commencing on November 11, 2022 and ending on November 10, 2023, for the purchase of up to 5,105,002 common shares, which represents 10% of the Company's public float. The Company did not purchase any of its common shares during the quarter.
- Ongoing Monetization of Coastal B.C. Operations
  - As part of the Company's ongoing strategic review of its Coastal B.C. operations, which has resulted in the divestiture of all its manufacturing capacity in the region and several tenure transfers to date, Interfor has requested the Ministry of Forests to subdivide and transfer a number of forest tenures from its 1.57 million cubic metres of annual harvesting rights.
  - Subject to Ministry approval and certain contractual consents for which timing remains uncertain, the proposed tenure transfers are expected to result in approximately 558,607 cubic metres of the Company's timber harvesting rights being transferred to First Nation controlled entities, and 104,486 cubic metres being transferred to non-First Nation companies. Interfor is continuing the strategic review of its remaining Coastal B.C. timber harvesting rights, and may request approval for the disposition of additional forest tenures and permits in the future.
- Softwood Lumber Duties
  - On January 24, 2023, the DoC issued its preliminary CV and AD duty rates of 2.19% and 6.05% for a combined all other rate of 8.24%. The rate is the result of the DoC's fourth administrative review and is subject to change until its final rate determinations which are expected in mid-2023. At such time, the final rates will be applied to new lumber shipments. No adjustments have been recorded in the financial statements as of December 31, 2022 to reflect the preliminary duty rates announced.
  - Interfor expensed $15.1 million of duties in the quarter, representing the full amount of CV and AD duties incurred on shipments of softwood lumber from its Canadian operations to the U.S. at a combined rate of 8.59%.

- Interfor has cumulative duties of US$512.3 million, or approximately $9.85 per share after-tax, held in trust by U.S. Customs and Border Protection as at December 31, 2022. Except for US$156.8 million recorded as a receivable in respect of overpayments arising from duty rate adjustments and the fair value of rights to duties acquired, Interfor has recorded the duty deposits as an expense.

Outlook

North American lumber markets over the near term are expected to be volatile as the economy continues to adjust to inflationary pressures, higher interest rates, labour shortages and geo-political uncertainty.

Interfor expects that over the mid-term, lumber markets will continue to benefit from favourable underlying supply and demand fundamentals. Positive demand factors include the advanced age of the U.S. housing stock, a shortage of available housing and various demographic factors, while growth in lumber supply is expected to be limited by extended capital project completion and ramp-up timelines and constrained overall fibre availability.

Interfor's strategy of maintaining a diversified portfolio of operations in multiple regions allows the Company to both reduce risk and maximize returns on capital over the business cycle. Interfor is well positioned with its strong balance sheet and significant available liquidity to continue pursuing its strategic plans despite ongoing economic and geo-political uncertainty globally. In the event of a sustained lumber market downturn, Interfor maintains flexibility to significantly reduce capital expenditures and working capital levels, and to proactively adjust its lumber production to match demand.

Financial and Operating Highlights[1]

	Unit	For the three months ended Dec.31 2022	Dec. 31 2021	Sep. 30 2022	For the year ended Dec. 31 2022	2021	2020
Financial Highlights[2]							
Total sales	$MM	810.3	675.9	1,035.6	4,584.0	3,289.1	2,183.6
Lumber	$MM	656.3	591.5	837.8	3,897.4	2,926.3	1,838.8
Logs, residual products and other	$MM	154.0	84.4	197.8	686.6	362.8	344.8
Operating earnings (loss)	$MM	(114.8)	99.2	75.9	859.6	1,077.9	402.5
Net earnings (loss)	$MM	(72.2)	69.7	3.5	598.2	819.0	280.3
Net earnings (loss) per share, basic	$/share	(1.40)	1.15	0.06	10.89	12.88	4.18
Operating cash flow per share (before working capital changes)[3,5]	$/share	(1.75)	2.25	(0.02)	9.45	16.79	7.38
Adjusted EBITDA[3]	$MM	(68.7)	149.5	129.5	1,059.4	1,246.8	549.7
Adjusted EBITDA margin[3]	%	(8.5%)	22.1%	12.5%	23.1%	37.9%	25.2%
Total assets	$MM	3,619.8	2,603.5	3,294.6	3,619.8	2,603.5	1,843.2
Total debt	$MM	798.0	375.7	396.4	798.0	375.7	382.0
Net debt[3]	$MM	720.4	(162.9)	249.7	720.4	(162.9)	(75.4)
Net debt to invested capital[3]	%	26.2%	(11.1%)	10.5%	26.2%	(11.1%)	(7.5%)
Annualized return on capital employed[3]	%	(13.8%)	18.2%	5.6%	29.6%	55.7%	26.7%
Operating Highlights							
Lumber production	million fbm	874	758	986	3,792	2,891	2,377
Lumber sales	million fbm	939	719	1,064	3,928	2,852	2,441
Lumber - average selling price[4]	$/thousand fbm	699	822	800	992	1,026	753
Average USD/CAD exchange rate[6]	1 USD in CAD	1.3578	1.2603	1.3056	1.3013	1.2535	1.3415
Closing USD/CAD exchange rate[6]	1 USD in CAD	1.3544	1.2678	1.3707	1.3544	1.2678	1.2732

Notes:
1. Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
2. Financial information presented for interim periods in this release is prepared in accordance with IFRS and is unaudited.
3. Refer to the Non-GAAP Measures section of this release for definitions and reconciliations of these measures to figures reported in the Company's consolidated financial statements.
4. Gross sales including duties and freight.
5. Financial information has been adjusted for a reclassification in the presentation of unrealized foreign exchange loss (gain) within cashflow from operations resulting in a $/share change of $0.06 – Q4 2021.
6. Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Interfor's Net debt at December 31, 2022 was $720.4 million, or 26.2% of invested capital, representing an increase of $883.2 million from the level of Net cash at December 31, 2021.

As at December 31, 2022 the Company had net working capital of $452.6 million and available liquidity of $481.2 million, based on the available borrowing capacity under its $600 million Term Line.

The Term Line and Senior Secured Notes are subject to financial covenants, including a net debt to total capitalization ratio and an EBITDA interest coverage ratio.

Management believes, based on circumstances known today, that Interfor has sufficient working capital and liquidity to fund operating and capital requirements for the foreseeable future.

Thousands of Dollars	For the three months ended Dec. 31, 2022	Dec. 31, 2021	Sept. 30, 2022	For the year ended Dec. 31, 2022	Dec. 31, 2021
Net debt					
Net debt (cash), period opening	$249,718	$(133,829)	$101,991	$(162,886)	$(75,432)
Net issuance (repayment) of Senior Secure Notes	270,160	-	-	263,155	(6,671)
Revolving Term Line net drawings	133,430	2,198	-	129,580	2,199
Impact on U.S. Dollar denominated debt from weakening (strengthening) CAD	(1,984)	(1,851)	23,741	29,557	(1,813)
Decrease (increase) in cash and cash equivalents	73,812	(31,623)	130,156	480,272	(79,639)
Impact on U.S. Dollar denominated cash and cash equivalents from strengthening (weakening) CAD	(4,775)	2,219	(6,170)	(19,317)	(1,530)
Net debt (cash), period ending	$720,361	$(162,886)	$249,718	$720,361	$(162,886)

On December 16, 2022, the Company completed an expansion of its Term Line. The commitment under the Term Line has been increased by $100 million to a total of $600 million.

On December 1, 2022, the Company issued US$200 million of Series H Senior Secured Notes, bearing interest at 7.06% with payments of US$66.7 million due on December 26, 2031, 2032 and on final maturity in 2033.

On December 17, 2021, the Company completed an early renewal and expansion of its Term Line. The commitment under the facility was increased by $150 million to a total of $500 million, and the term was extended from March 2024 to December 2026.

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of December 31, 2022:

Thousands of Canadian Dollars	Revolving Term Line	Senior Secured Notes	Total
Available line of credit and maximum borrowing available	$600,000	$662,527	$1,262,527
Less:			
Drawings	135,440	662,527	797,967
Outstanding letters of credit included in line utilization	60,990	-	60,990
Unused portion of facility	$403,570	$ -	403,570
Add:			
Cash and cash equivalents			77,606
Available liquidity at December 31, 2022			$481,176

Interfor's Term Line matures in December 2026 and its Senior Secured Notes have maturities in the years 2023-2033.

As of December 31, 2022, the Company had commitments for capital expenditures totaling $179.6 million for both maintenance and discretionary capital projects.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital, Operating cash flow per share (before working capital changes), and Annualized return on capital employed which are used by the Company and certain investors to evaluate operating performance and financial position. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

The following table provides a reconciliation of these non-GAAP measures to figures as reported in the Company's audited consolidated financial statements (unaudited for interim periods) prepared in accordance with IFRS:

Thousands of Canadian Dollars except number of shares and per share amounts	For the three months ended Dec. 31 2022	Dec. 31 2021	Sept. 30 2022	For the year ended Dec. 31 2022	2021	2020
Adjusted EBITDA						
Net earnings (loss)	$(72,175)	$69,653	$3,501	$598,239	$819,011	$280,296
Add:						
Depreciation of plant and equipment	39,594	27,053	40,551	154,905	97,143	78,459
Depletion and amortization of timber, roads and other	11,668	8,397	9,780	39,727	29,430	37,071
Finance costs	4,643	4,425	1,478	15,645	17,830	16,079
Income tax expense (recovery)	(40,687)	28,462	35,831	216,644	270,079	89,573
EBITDA	(56,957)	137,990	91,141	1,025,160	1,233,493	501,478
Add:						
Long-term incentive compensation expense (recovery)	(4,202)	8,058	2,503	(8,431)	31,682	12,513
Other foreign exchange loss (gain)	(11,274)	4,468	46,918	43,120	2,355	16,881
Other expense (income) excluding business interruption insurance	4,719	(7,816)	(11,857)	(4,448)	(31,338)	(336)
Asset write-downs and restructuring costs (recoveries)	(1,033)	6,841	763	4,016	10,193	15,264
Post closure wind-down costs	-	-	-	-	451	3,914
Adjusted EBITDA	$(68,747)	$149,541	$129,468	$1,059,417	$1,246,836	$549,714
Sales	$810,361	$675,895	$1,035,597	$4,584,045	$3,289,146	$2,183,609
Adjusted EBITDA margin	(8.5%)	22.1%	12.5%	23.1%	37.9%	25.2%
Net debt to invested capital						
Net debt						
Total debt	$797,967	$375,675	$396,361	$797,967	$375,675	$381,960
Cash and cash equivalents	(77,606)	(538,561)	(146,643)	(77,606)	(538,561)	(457,392)
Total net debt	$720,361	$(162,886)	$249,718	$720,361	$(162,886)	$(75,432)
Invested capital						
Net debt	$720,361	$(162,886)	$249,718	$720,361	$(162,886)	$(75,432)
Shareholders' equity	2,027,038	1,635,973	2,123,307	2,027,038	1,635,973	1,080,312
Total invested capital	$2,747,399	$1,473,087	$2,373,025	$2,747,399	$1,473,087	$1,004,880
Net debt to invested capital (1)	26.2%	(11.1%)	10.5%	26.2%	(11.1%)	(7.5%)
Operating cash flow per share (before working capital changes)(2)						
Cash provided by operating activities	$10,306	$86,203	$47,031	$732,357	$1,052,381	$526,784
Cash used in (generated from) operating working capital	(100,284)	50,729	(47,908)	(213,469)	15,093	(31,774)
Operating cash flow (before working capital changes)	$(89,978)	$136,932	$(877)	$518,888	$1,067,474	$495,010
Weighted average number of shares - basic ('000)	*51,435*	*60,787*	*54,096*	*54,916*	*63,593*	*67,119*
Operating cash flow per share (before working capital changes)	$(1.75)	$2.25	$(0.02)	$9.45	$16.79	$7.38
Annualized return on capital employed						
Net earnings (loss)	$(72,175)	$69,653	$3,501	$598,239	$819,011	$280,296
Add:						
Finance costs	4,643	4,425	1,478	15,645	17,830	16,079
Income tax expense (recovery)	(40,687)	28,462	35,831	216,644	270,079	89,573
Earnings (loss) before income taxes and finance costs	$(108,219)	$102,540	$40,810	$830,528	$1,106,920	$385,948
Capital employed						
Total assets	$3,619,833	$2,603,510	$3,294,576	$3,619,833	$2,603,510	$1,843,187
Current liabilities	(325,997)	(321,642)	(378,779)	(325,997)	(321,642)	(189,726)
Less:						
Bank indebtedness	-	2,202	-	-	2,202	-
Current portion of long-term debt	7,336	6,868	7,425	7,336	6,868	6,897
Current portion of lease liabilities	14,796	12,239	15,578	14,796	12,239	11,745
Capital employed, end of period	$3,315,968	$2,303,177	$2,938,800	$3,315,968	$2,303,177	$1,672,103
Capital employed, beginning of period	2,938,800	2,200,165	2,869,881	2,303,177	1,672,103	1,214,375
Average capital employed	$3,127,384	$2,251,671	$2,904,340	$2,809,573	$1,987,640	$1,443,239
Earnings (loss) before income taxes and finance costs divided by average capital employed	(3.5%)	4.6%	1.4%	29.6%	55.7%	26.7%
Annualization factor	4.0	4.0	4.0	1.0	1.0	1.0
Annualized return on capital employed	(13.8%)	18.2%	5.6%	29.6%	55.7%	26.7%

Notes:

(1) Net debt to invested capital as of the period end.

(2) Financial information has been adjusted for a reclassification in the presentation of unrealized foreign exchange loss (gain) within cashflow from operations resulting in a $/share change of $0.06 – Q4 2021.

INTERFOR

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the three months and years ended December 31, 2022 and 2021 (unaudited)

(thousands of Canadian Dollars except per share amounts)	Three Months Dec. 31, 2022	Three Months Dec. 31, 2021	Year Ended Dec. 31, 2022	Year Ended Dec. 31, 2021
Sales	$810,361	$675,895	$4,584,045	$3,289,146
Costs and expenses:				
Production	846,165	508,249	3,382,127	1,948,239
Selling and administration	17,796	13,679	67,174	52,421
Long-term incentive compensation expense (recovery)	(4,202)	8,058	(8,431)	31,682
U.S. countervailing and anti-dumping duty deposits	15,147	4,426	84,912	42,101
Depreciation of plant and equipment	39,594	27,053	154,905	97,143
Depletion and amortization of timber, roads and other	11,668	8,397	39,727	29,430
	926,168	569,862	3,720,414	2,201,016
Operating earnings (loss) before asset write-downs and restructuring costs	(115,807)	106,033	863,631	1,088,130
Asset write-downs and restructuring costs	1,033	(6,841)	(4,016)	(10,193)
Operating earnings (loss)	(114,774)	99,192	859,615	1,077,937
Finance costs	(4,643)	(4,425)	(15,645)	(17,830)
Other foreign exchange gain (loss)	11,274	(4,468)	(43,120)	(2,355)
Other income (expense)	(4,719)	7,816	14,033	31,338
	1,912	(1,077)	(44,732)	11,153
Earnings (loss) before income taxes	(112,862)	98,115	814,883	1,089,090
Income tax expense (recovery):				
Current	(58,309)	1,889	184,597	205,465
Deferred	17,622	26,573	32,047	64,614
	(40,687)	28,462	216,644	270,079
Net earnings (loss)	$(72,175)	$69,653	$598,239	$819,011
Net earnings (loss) per share				
Basic	$(1.40)	$1.15	$10.89	$12.88
Diluted	$(1.40)	$1.14	$10.86	$12.84

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months and years ended December 31, 2022 and 2021 (unaudited)

(thousands of Canadian Dollars)	Three Months Dec. 31, 2022	Three Months Dec. 31, 2021	Year Ended Dec. 31, 2022	Year Ended Dec. 31, 2021
Net earnings (loss)	$(72,175)	$69,653	$598,239	$819,011
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings (loss):				
Defined benefit plan actuarial gain, net of tax	1,226	1,184	1,746	7,729
Items that are or may be recycled to Net earnings (loss):				
Foreign currency translation differences for foreign operations, net of tax	(25,421)	(2,504)	117,465	8,574
Total other comprehensive income (loss), net of tax	(24,195)	(1,320)	119,211	16,303
Comprehensive income (loss)	$(96,370)	$68,333	$717,450	$835,314

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months and years ended December 31, 2022 and 2021 (unaudited)

(thousands of Canadian Dollars)	Three Months Dec. 31, 2022	Three Months Dec. 31, 2021	Year Ended Dec. 31, 2022	Year Ended Dec. 31, 2021
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	$(72,175)	$69,653	$598,239	$819,011
Items not involving cash:				
Depreciation of plant and equipment	39,594	27,053	154,905	97,143
Depletion and amortization of timber, roads and other	11,668	8,397	39,727	29,430
Income tax expense (recovery)	(40,687)	28,462	216,644	270,079
Finance costs	4,643	4,425	15,645	17,830
Other assets	(181)	(4,354)	(30,201)	(4,285)
Reforestation liability	1,524	861	(1,325)	(863)
Provisions and other liabilities	(2,722)	5,594	(30,244)	15,867
Stock options	274	254	965	864
Write-down of plant, equipment and other	-	2,597	3,176	5,637
Unrealized foreign exchange loss (gain)	(13,487)	4,932	37,437	2,950
Other income (expense)	4,719	(7,816)	(14,033)	(31,338)
Income taxes paid	(23,148)	(3,126)	(472,047)	(154,851)
	(89,978)	136,932	518,888	1,067,474
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	100,364	(12,575)	135,437	(29,163)
Inventories	65,511	(57,221)	140,959	(53,192)
Prepayments	6,525	4,800	672	1,834
Trade accounts payable and provisions	(72,116)	14,267	(63,599)	65,428
	10,306	86,203	732,357	1,052,381
Investing activities:				
Additions to property, plant and equipment	(94,152)	(59,618)	(288,594)	(160,231)
Additions to roads and bridges	(9,209)	(3,378)	(16,855)	(16,507)
Additions to timber licences and other intangible assets	-	(29)	-	(29)
Acquisitions, net of cash acquired	(375,358)	-	(911,445)	(539,941)
Proceeds on disposal of property, plant and equipment and other	57	13,752	32,068	59,501
Investment in GreenFirst Forest Products Inc.	-	-	(55,648)	-
Net proceeds from (additions to) deposits and other assets	24	825	(3,214)	714
	(478,638)	(48,448)	(1,243,688)	(656,493)
Financing activities:				
Issuance of share capital, net of expenses	-	323	429	2,977
Share repurchases, net of expenses	(173)	-	(327,779)	(152,869)
Dividend paid	-	-	-	(130,625)
Interest payments	(3,956)	(4,143)	(17,073)	(16,783)
Lease liability payments	(4,457)	(3,355)	(16,506)	(13,322)
Debt refinancing costs	(484)	(1,155)	(747)	(1,155)
Term line net drawings	133,430	2,198	129,580	2,199
Additions to Senior Secured Notes	270,160	-	270,160	-
Repayments of Senior Secured Notes	-	-	(7,005)	(6,671)
	394,520	(6,132)	31,059	(316,249)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	4,775	(2,219)	19,317	1,530
Increase (decrease) in cash	(69,037)	29,404	(460,955)	81,169
Cash and cash equivalents, beginning of period	146,643	509,157	538,561	457,392
Cash and cash equivalents, end of period	$77,606	$538,561	$77,606	$538,561

INTERFOR

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and December 31, 2021 (unaudited)

(thousands of Canadian Dollars)	Dec. 31, 2022	Dec. 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$77,606	$538,561
Trade accounts receivable and other	174,053	147,764
Income tax receivable	104,082	12,776
Inventories	396,908	250,481
Prepayments	25,932	16,125
	778,581	965,707
Employee future benefits	18,445	8,338
Deposits and other assets	281,628	52,221
Right of use assets	33,998	33,547
Property, plant and equipment	1,701,197	1,067,754
Roads and bridges	38,050	27,101
Timber licences	178,443	106,136
Goodwill and other intangible assets	588,098	342,291
Deferred income taxes	1,393	415
	$3,619,833	$2,603,510
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness	$ -	$2,202
Trade accounts payable and provisions	285,604	218,825
Current portion of long-term debt	7,336	6,868
Reforestation liability	17,926	16,670
Lease liabilities	14,796	12,239
Income taxes payable	335	64,838
	325,997	321,642
Reforestation liability	28,671	29,250
Lease liabilities	20,456	26,850
Long-term debt	790,631	366,605
Employee future benefits	9,888	9,069
Provisions and other liabilities	24,166	43,686
Deferred income taxes	392,986	170,435
Equity:		
Share capital	408,713	484,721
Contributed surplus	5,475	4,694
Translation reserve	175,885	58,420
Retained earnings	1,436,965	1,088,138
	2,027,038	1,635,973
	$3,619,833	$2,603,510

Approved on behalf of the Board:

"L. Sauder"
Director

"T.V. Milroy"
Director

FORWARD-LOOKING STATEMENTS

This release contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Statements containing forward-looking information may include words such as: will, could, should, believe, expect, anticipate, intend, forecast, projection, target, outlook, opportunity, risk or strategy. Readers are cautioned that actual results may vary from the forward-looking information in this release, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this release are described in Interfor's annual Management's Discussion and Analysis under the heading "Risks and Uncertainties", which are available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this release include the existence of a public health crisis; volatility in the selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; natural or man-made disasters; currency exchange rates; changes in government regulations; Indigenous reconciliation; the softwood lumber trade dispute between Canada and the U.S.; environmental impacts of the Company's operations; labour availability; and information systems security. Unless otherwise indicated, the forward-looking statements in this release are based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information or statements, except as required by law.

ABOUT INTERFOR

Interfor is a growth-oriented forest products company with operations in Canada and the United States. The Company has annual lumber production capacity of approximately 5.2 billion board feet and offers a diverse line of lumber products to customers around the world. For more information about Interfor, visit our website at www.interfor.com.

The Company's 2022 audited consolidated financial statements and Management's Discussion and Analysis are available at www.sedar.com and www.interfor.com.

There will be a conference call on Friday, February 10, 2023 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its fourth quarter and fiscal 2022 financial results.

The dial-in number is ***1-888-396-8049***. The conference call will also be recorded for those unable to join in for the live discussion and will be available until March 10, 2023. The number to call is ***1-877-674-7070, Passcode 472356#.***

For further information:
Richard Pozzebon, Executive Vice President and Chief Financial Officer
(604) 422-3400