Interfor Corporation

Burnaby, B.C. February 12, 2026

Interfor Reports Q4'25 Results

Adjusted EBITDA loss of $29 million and Net Loss of $105 million

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded a net loss in Q4'25 of $104.6 million, or $1.59 per share, compared to a net loss of $215.8 million, or $4.19 per share in Q3'25 and a net loss of $49.9 million, or $0.97 per share in Q4'24.

Adjusted EBITDA was a loss of $29.2 million on sales of $600.6 million in Q4'25 versus an Adjusted EBITDA loss of $183.8 million on sales of $689.3 million in Q3'25 and Adjusted EBITDA of $80.4 million on sales of $746.5 million in Q4'24.

Notable items:

- Financing Transactions
    - During and subsequent to Q4'25, Interfor completed a series of financing transactions. Taken together, these transactions significantly enhance Interfor's financial flexibility, bolster liquidity and provide meaningful additional runway as the Company continues to navigate volatile lumber market conditions. At December 31, 2025, Interfor had a net debt to invested capital ratio of 36.5% and had available liquidity of $481.6 million, proforma for the transactions outlined below.
    - In October 2025, the Company completed its previously announced bought deal equity offering, which generated gross proceeds of $143.8 million through the issuance of 14,303,470 common shares.
    - In December 2025, the Company entered into a US$26.0 million letter of credit facility ("LC Facility"), guaranteed by Export Development Canada ("EDC"). Letters of credit under the facility are to be used as collateral for US customs bonds, allowing for increased availability under the Company's Revolving Term Line ("Term Line").
    - In February 2026, the Company entered into a $30.0 million term loan, guaranteed by the Business Development Bank of Canada. The financing is expected to close in Q1'26 and was arranged through the Government of Canada's Softwood Lumber Guarantee Program.
    - In February 2026, the Company amended its Term Line and its Senior Secured Notes. The amendments include the ability to exclude up to $300.0 million of non-cash asset or goodwill impairment charges from January 1, 2025 onwards from the calculation of the Company's net debt to invested capital ratio and a higher threshold as to when the springing two times EBITDA interest coverage ratio covenant applies. Specifically, the Company can elect to increase the threshold to 47.5% from the existing 42.5% of net debt to invested capital ratio for several quarters, until an outside date of March 31, 2028. The amendments also require that Interfor maintain minimum liquidity levels of up to $175.0 million, depending on certain circumstances. There were no changes to the maturity date of July 25, 2029 for the Term Line and the commitment was amended to $540.0 million.

    - In February 2026, the Company received commitments for US$75.0 million in Senior Secured Notes with a group of private note holders. The financing is expected to close in Q1'26, subject to final documentation, with the proceeds expected to be used to settle upcoming maturities of the Company's existing Senior Secured Notes in 2026 and 2027. The new Senior Secured Notes will carry an annual fixed interest rate of 8.00% and have a final maturity in 2034. All other terms are largely consistent with Interfor’s existing Senior Secured Notes. Following completion of the financing and the amendments noted above, Interfor’s Senior Secured Notes will have a weighted average interest rate of 6.55%.

- Production Curtailments in Response to Market Conditions
    - Lumber production of 753 million board feet was down 159 million board feet versus the preceding quarter. This decline largely reflects the temporary production curtailments announced on October 17, 2025.
    - Lumber shipments of 812 million board feet exceeded production by approximately 8%, resulting in a 63 million board foot reduction in inventory volume during the quarter.
    - Weak lumber market conditions were reflected in Interfor’s average selling price of $599 per mfbm, down $19 per mfbm versus Q3’25. This was primarily due to lower average prices across most of the key benchmarks quarter-over-quarter, with the exception of the SYP Composite benchmark price which remained relatively flat.
    - Due to the prolonged weak lumber market, higher duties and tariffs and mill specific economic and operating factors, the Company recorded an impairment charge of $69.1 million against property, plant and equipment in Eastern Canada.
- Monetization of Coastal B.C. Operations
    - The Company sold Coastal B.C. forest tenures totalling approximately 127,000 cubic metres of allowable annual cut (“AAC”) and related assets and liabilities for gross proceeds of $10.0 million and a gain of $9.5 million. During the quarter, the Company made all final settlement payments and therefore had no remaining contractual obligations related to the monetization of the Coastal B.C. operations as at December 31, 2025.
    - Interfor held approximately 574,000 cubic metres of AAC for disposition at December 31, 2025, subject to approvals from the Ministry of Forests.
- Capital Investments
    - Capital spending was $17.5 million, including $8.1 million of discretionary investment primarily focused on the multi-year rebuild of the Thomaston, GA sawmill, which is expected to be completed in Q1’26.
    - Capital expenditures planned for 2026 are estimated to be in the range of $75.0 million to $80.0 million.
- Export Duties and Tariffs
    - Interfor recorded $31.2 million of export duties expense in the quarter. This represents countervailing (“CV”) and anti-dumping (“AD”) duties incurred on shipments of softwood lumber from its Canadian operations to the U.S. at a combined rate of 35.16%.
    - Interfor has paid cumulative duties of US$663.5 million, or approximately $10.09 per share on an after-tax basis, as at December 31, 2025. Except for a US$71.5 million net receivable recorded 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.
    - Effective October 14, 2025, the U.S. imposed a tariff of 10% under Section 232 of the *Trade Expansion Act*, on all imports of softwood timber and lumber into the U.S., including from Canada. During the quarter, the Company paid $4.7 million in Section 232 tariffs.

Outlook

North American lumber markets over the near term are expected to remain volatile as the economy continues to adjust to changing monetary policies, tariffs, labour shortages and geo-political uncertainty, and as industry-wide lumber production continues to adjust to match demand.

Notably, benchmark lumber prices rebounded late in Q4'25 and into early Q1'26, with the SYP Composite lumber price rising US$102 per mfbm or 32%, the Western SPF Composite lumber price rising US$56 per mfbm or 15% and the KD H-F Stud 2x4 9' lumber price rising US$100 per mfbm or 26% from the end of September 2025 through to the end of January 2026. Winter weather in North America, industry-wide market curtailments and seasonal demand factors are expected to drive ongoing price fluctuations in early 2026.

Near-term volatility is likely to be amplified by the significantly higher duty rates on Canadian lumber exports to the U.S., the Section 232 tariff and by any additional tariffs or other trade restrictions, if imposed. Overall, the Company is well positioned to navigate this volatility with a diversified product mix in Canada and the U.S., with approximately 60% of its total lumber produced and sold within the U.S. Ultimately, only about 25% of the Company's total lumber production is exported from Canada to the U.S. and exposed to duties, the Section 232 tariff and other potential trade measures.

Over the mid-term, Canadian lumber is expected to remain a key source of supply to meet U.S. needs, as growth in U.S. lumber manufacturing capacity will likely be limited by labour constraints, lengthy equipment lead-times, residual offtake constraints and extended project ramp-up schedules. Over the same period, the North American lumber market is expected to continue to benefit from favourable underlying demand fundamentals, including the advanced age of the U.S. housing stock, a shortage of available housing and various demographic factors.

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.

Financial and Operating Highlights[1]

	Unit	For the three months ended Dec. 31 2025	Dec. 31 2024	Sept. 30 2025	For the year ended Dec. 31 2025	2024	2023
Financial Highlights[2]							
Total sales	$MM	600.6	746.5	689.3	2,805.9	3,023.6	3,315.7
Lumber	$MM	486.8	619.1	570.7	2,341.5	2,466.8	2,661.3
Logs, residual products and other	$MM	113.8	127.4	118.6	464.4	556.8	654.4
Operating earnings (loss)	$MM	(148.9)	25.2	(229.7)	(406.9)	(291.2)	(252.4)
Net loss	$MM	(104.6)	(49.9)	(215.8)	(344.4)	(304.3)	(266.8)
Net loss per share, basic	$/share	(1.59)	(0.97)	(4.19)	(6.26)	(5.91)	(5.19)
Adjusted EBITDA[3]	$MM	(29.2)	80.4	(183.8)	(147.2)	19.4	48.4
Adjusted EBITDA margin[3]	%	(4.9%)	10.8%	(26.7%)	(5.2%)	0.6%	1.5%
Total assets	$MM	2,721.5	3,078.7	2,914.8	2,721.5	3,078.7	3,395.7
Total debt	$MM	829.8	904.7	913.7	829.8	904.7	897.7
Net debt[3]	$MM	797.6	861.3	893.3	797.6	861.3	842.7
Net debt to invested capital ratio[3]	%	36.5%	35.7%	40.7%	36.5%	35.7%	32.5%
Annualized return on capital employed[3]	%	(20.2%)	(2.2%)	(36.9%)	(14.4%)	(10.4%)	(9.7%)
Operating Highlights							
Lumber production	million fbm	753	948	912	3,501	3,956	4,152
U.S. South	million fbm	396	425	433	1,655	1,824	1,897
U.S. Northwest	million fbm	50	112	115	418	457	626
Eastern Canada	million fbm	174	235	198	781	1,015	1,020
B.C.	million fbm	133	176	166	647	660	609
Lumber sales	million fbm	812	940	924	3,577	4,046	4,174
Lumber - average selling price[4]	$ per mfbm	599	659	618	655	610	638
Key Statistics							
Benchmark lumber prices[5]							
SYP Composite	US$ per mfbm	341	373	338	376	363	423
KD H-F Stud 2x4 9’	US$ per mfbm	422	421	455	456	415	444
Eastern SPF Composite	US$ per mfbm	480	515	527	518	482	480
Western SPF Composite	US$ per mfbm	401	457	429	439	410	389
USD/CAD exchange rate[6]							
Average	1 USD in CAD	1.3947	1.3982	1.3768	1.3978	1.3698	1.3497
Closing	1 USD in CAD	1.3706	1.4389	1.3941	1.3706	1.4389	1.3226

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 Accounting Standards (“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, tariffs and freight.
5 Based on Random Lengths Benchmark Lumber Pricing.
6 Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Interfor's net debt at December 31, 2025 was $797.6 million, or 36.5% of invested capital, representing a decrease of $63.7 million from December 31, 2024.

As at December 31, 2025 the Company had net working capital of $177.3 million and available liquidity of $371.3 million, based on the available borrowing capacity under its Term Line.

In October 2025, the Company completed a bought deal offering of 12,437,800 common shares of the Company and the concurrent exercise of an over-allotment option to purchase an additional 1,865,670 common shares at a price of $10.05 per common share for gross proceeds of $143.8 million.

In December 2025, the Company entered into a US$26.0 million LC Facility. Letters of credit issued under the LC Facility are to be used as collateral for US customs bonds. As at December 31, 2025, US$25.2 million of letters of credit were issued under the LC Facility and the LC Facility is guaranteed by EDC.

The Term Line and Senior Secured Notes are subject to financial covenants, including a maximum net debt to invested capital ratio of 50.0% and a minimum EBITDA interest coverage ratio of two times, which becomes effective if the net debt to invested capital ratio exceeds certain thresholds. As at December 31, 2025, Interfor was fully in compliance with all covenants relating to the Term Line and Senior Secured Notes.

Subsequent to year end, the Company completed a series of financing transactions, as discussed above under Financing Transactions.

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.

	For the three months ended			For the year ended	
Millions of Dollars	Dec. 31 2025	Dec. 31 2024	Sept. 30 2025	Dec. 31 2025	Dec. 31 2024
Net debt					
Net debt, period opening	$893.3	$849.9	$798.0	$861.3	$842.7
Additions to Senior Secured Notes	-	-	-	-	45.3
Repayments of Senior Secured Notes	-	-	-	(47.7)	(45.3)
Term Line net drawings (repayments)	(69.7)	(35.1)	82.8	14.5	(69.9)
Decrease (increase) in cash and cash equivalents	(12.6)	(8.7)	(4.0)	9.1	15.1
Foreign currency translation impact on U.S. Dollar denominated cash and cash equivalents and debt	(13.4)	55.2	16.5	(39.6)	73.4
Net debt, period ending	$797.6	$861.3	$893.3	$797.6	$861.3

On March 26, 2025, the Company paid US$33.3 million of principal that was due on the Company's Series C Senior Secured Notes.

On March 26, 2024, the Company issued US$33.3 million of Series I Senior Secured Notes, bearing interest at 6.37% with principal repayment due at final maturity on March 26, 2030. The proceeds were used to settle US$33.3 million of principal under the Company's Series C Senior Secured Notes due on March 26, 2024.

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of December 31, 2025:

Millions of Dollars	Revolving Term Line	Senior Secured Notes	Total
Available line of credit and maximum borrowing available	$562.5	$617.4	$1,179.9
Less:			
Drawings	212.4	617.4	829.8
Outstanding letters of credit included in line utilization	11.0	-	11.0
Unused portion of facilities	$339.1	$ -	339.1
Add:			
Cash and cash equivalents			32.2
Available liquidity at December 31, 2025			$371.3

Interfor's Senior Secured Notes have maturities in the years 2026-2033.

On July 25, 2025, the Company completed an early renewal of its Term Line at a committed facility size of $562.5 million and extended the maturity from December 17, 2026 to July 25, 2029.

Subsequent to year end, the Company completed a series of financing transactions, as discussed above under Financing Transactions.

As of December 31, 2025, the Company had commitments for capital expenditures totalling $35.3 million for both maintenance and discretionary capital projects.

Non-GAAP Measures

This MD&A makes reference to the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital ratio and Annualized return on capital employed which are used by the Company, certain investors and lenders 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:

Millions of Dollars except number of shares and per share amounts[1]	For the three months ended Dec. 31 2025	Dec. 31 2024	Sept. 30 2025	For the year ended Dec. 31 2025	2024	2023
Adjusted EBITDA						
Net loss	$(104.6)	$(49.9)	$(215.8)	$(344.4)	$(304.3)	$(266.8)
Add:						
Depreciation of plant and equipment	33.5	41.7	37.3	149.1	177.5	187.4
Depletion and amortization of timber, roads and other	9.1	9.2	8.6	34.3	41.8	41.1
Finance costs	13.7	11.4	36.5	71.5	44.6	45.0
Income tax expense (recovery)	(41.3)	22.9	(65.9)	(116.3)	(51.9)	(91.1)
EBITDA	(89.6)	35.3	(199.3)	(205.8)	(92.3)	(84.4)
Add:						
Long-term incentive compensation expense (recovery)	(1.6)	(0.4)	(0.2)	(2.8)	(1.8)	8.7
Other foreign exchange loss (gain)	(10.5)	42.3	13.4	(32.5)	56.3	(14.7)
Other expense (income) excluding business interruption insurance	(6.2)	(1.5)	2.1	14.8	(35.9)	79.2
Asset write-downs and restructuring costs	78.7	4.7	0.2	79.1	93.1	59.6
Adjusted EBITDA	$(29.2)	$80.4	$(183.8)	$(147.2)	$19.4	$48.4
Sales	$600.6	$746.5	$689.3	$2,805.9	$3,023.6	$3,315.7
Adjusted EBITDA margin	(4.9%)	10.8%	(26.7%)	(5.2%)	0.6%	1.5%
Net debt to invested capital ratio						
Net debt						
Total debt	$829.8	$904.7	$913.7	$829.8	$904.7	$897.7
Cash and cash equivalents	(32.2)	(43.4)	(20.4)	(32.2)	(43.4)	(55.0)
Total net debt	$797.6	$861.3	$893.3	$797.6	$861.3	$842.7
Invested capital						
Net debt	$797.6	$861.3	$893.3	$797.6	$861.3	$842.7
Shareholders' equity	1,268.0	1,532.5	1,254.1	1,268.0	1,532.5	1,730.4
Cumulative net worth adjustments[2]	120.7	20.0	49.3	120.7	20.0	20.0
Total invested capital	$2,186.3	$2,413.8	$2,196.7	$2,186.3	$2,413.8	$2,593.1
Net debt to invested capital ratio[3]	36.5%	35.7%	40.7%	36.5%	35.7%	32.5%
Annualized return on capital employed						
Net loss	$(104.6)	$(49.9)	$(215.8)	$(344.4)	$(304.3)	$(266.8)
Add:						
Finance costs	13.7	11.4	36.5	71.5	44.6	45.0
Income tax expense (recovery)	(41.3)	22.9	(65.9)	(116.3)	(51.9)	(91.1)
Loss before income taxes and finance costs	$(132.2)	$(15.6)	$(245.2)	$(389.2)	$(311.6)	$(312.9)
Capital employed						
Total assets	$2,721.5	$3,078.7	$2,914.8	$2,721.5	$3,078.7	$3,395.7
Current liabilities	(225.9)	(302.2)	(300.2)	(225.9)	(302.2)	(336.2)
Less:						
Current portion of long-term debt	45.7	48.0	46.5	45.7	48.0	44.1
Current portion of lease liabilities	18.1	20.3	18.6	18.1	20.3	17.2
Capital employed, end of period	$2,559.4	$2,844.8	$2,679.7	$2,559.4	$2,844.8	$3,120.8
Capital employed, beginning of period	2,679.7	2,807.0	2,636.5	2,844.8	3,120.8	3,315.1
Average capital employed	$2,619.6	$2,825.9	$2,658.1	$2,702.1	$2,982.8	$3,218.0
Loss before income taxes and finance costs divided by average capital employed	(5.0%)	(0.6%)	(9.2%)	(14.4%)	(10.4%)	(9.7%)
Annualization factor	4.0	4.0	4.0	1.0	1.0	1.0
Annualized return on capital employed	(20.2%)	(2.2%)	(36.9%)	(14.4%)	(10.4%)	(9.7%)

Notes:

1 Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
2 Cumulative net worth adjustments are defined as non-cash fixed asset or goodwill write-downs and losses on disposal of fixed assets or goodwill, other than disposals in the ordinary course of business.
3 Net debt to invested capital ratio as of the period end.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the three and twelve months ended December 31, 2025 and 2024 (unaudited)

(millions of Canadian Dollars except per share amounts)	Three Months Dec. 31, 2025	Three Months Dec. 31, 2024	Twelve Months Dec. 31, 2025	Twelve Months Dec. 31, 2024
Sales	$600.6	$746.5	$2,805.9	$3,023.6
Costs and expenses:				
Production	577.9	649.1	2,620.0	2,911.4
Selling and administration	16.0	13.9	61.6	61.2
Long-term incentive compensation recovery	(1.6)	(0.4)	(2.8)	(1.8)
Export duties and tariffs	35.9	3.1	271.5	31.6
Depreciation of plant and equipment	33.5	41.7	149.1	177.5
Depletion and amortization of timber, roads and other	9.1	9.2	34.3	41.8
	670.8	716.6	3,133.7	3,221.7
Operating earnings (loss) before asset write-downs and restructuring costs	(70.2)	29.9	(327.8)	(198.1)
Asset write-downs and restructuring costs	(78.7)	(4.7)	(79.1)	(93.1)
Operating earnings (loss)	(148.9)	25.2	(406.9)	(291.2)
Finance costs	(13.7)	(11.4)	(71.5)	(44.6)
Other foreign exchange gain (loss)	10.5	(42.3)	32.5	(56.3)
Other income (expense)	6.2	1.5	(14.8)	35.9
	3.0	(52.2)	(53.8)	(65.0)
Loss before income taxes	(145.9)	(27.0)	(460.7)	(356.2)
Income tax expense (recovery):				
Current	(3.3)	13.0	3.2	12.0
Deferred	(38.0)	9.9	(119.5)	(63.9)
	(41.3)	22.9	(116.3)	(51.9)
Net loss	$(104.6)	$(49.9)	$(344.4)	$(304.3)
Net loss per share				
Basic	$(1.59)	$(0.97)	$(6.26)	$(5.91)
Diluted	$(1.59)	$(0.97)	$(6.26)	$(5.91)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and twelve months ended December 31, 2025 and 2024 (unaudited)

(millions of Canadian Dollars)	Three Months Dec. 31, 2025	Three Months Dec. 31, 2024	Twelve Months Dec. 31, 2025	Twelve Months Dec. 31, 2024
Net loss	$(104.6)	$(49.9)	$(344.4)	$(304.3)
Other comprehensive income (loss):				
Items that will not be recycled to Net loss:				
Defined benefit plan actuarial gain, net of tax	1.0	0.8	2.9	4.5
Items that may be recycled to Net loss:				
Foreign currency translation differences for foreign operations, net of tax	(19.6)	75.8	(60.2)	101.4
Total other comprehensive income (loss), net of tax	(18.6)	76.6	(57.3)	105.9
Comprehensive income (loss)	$(123.2)	$26.7	$(401.7)	$(198.4)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and twelve months ended December 31, 2025 and 2024 (unaudited)

(millions of Canadian Dollars)	Three Months Dec. 31, 2025	Three Months Dec. 31, 2024	Twelve Months Dec. 31, 2025	Twelve Months Dec. 31, 2024
Cash provided by (used in):				
Operating activities:				
Net loss	$(104.6)	$(49.9)	$(344.4)	$(304.3)
Items not involving cash:				
Depreciation of plant and equipment	33.5	41.7	149.1	177.5
Depletion and amortization of timber, roads and other	9.1	9.2	34.3	41.8
Income tax expense (recovery)	(41.3)	22.9	(116.3)	(51.9)
Finance costs	13.7	11.4	71.5	44.6
Other assets	0.1	(0.1)	(9.3)	(4.6)
Reforestation liability	(3.3)	(3.3)	(4.8)	(0.3)
Export duties payable and other liabilities	(1.0)	0.3	148.9	(0.4)
Stock option vesting	-	0.1	0.1	0.4
Net write-down of plant, equipment, roads and timber licences	71.4	2.2	71.5	84.4
Unrealized foreign exchange loss (gain)	(8.6)	25.2	(15.2)	33.4
Gain on lease modification	-	-	(0.2)	(0.7)
Other expense (income)	(6.2)	(1.5)	14.8	(35.9)
Income taxes received (paid), net	(1.0)	13.5	(18.1)	70.2
	(38.2)	71.7	(18.1)	54.2
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	42.8	47.9	24.8	80.8
Inventories	36.2	(14.8)	61.1	61.2
Prepayments	3.0	5.9	(1.5)	6.0
Trade accounts payable and provisions	(44.6)	(35.9)	(21.7)	(57.9)
	(0.8)	74.8	44.6	144.3
Investing activities:				
Additions to property, plant and equipment	(15.7)	(11.5)	(82.6)	(67.2)
Additions to roads and bridges	(1.8)	(3.0)	(7.7)	(6.9)
Proceeds on disposal of property, plant, equipment and other	0.7	2.9	17.1	26.6
Net proceeds (payments) related to B.C. Coast monetization	(16.7)	(0.9)	(7.1)	35.1
Net proceeds from deposits and other assets	(0.1)	1.3	2.5	2.5
	(33.6)	(11.2)	(77.8)	(9.9)
Financing activities:				
Issuance of share capital, net of expenses	137.1	0.1	137.1	0.1
Interest payments	(14.7)	(14.2)	(54.1)	(56.9)
Lease liability payments	(5.6)	(5.7)	(22.4)	(22.8)
Debt refinancing costs	(0.1)	-	(3.3)	-
Revolving Term Line net drawings (repayments)	(69.7)	(35.1)	14.5	(69.9)
Additions to Senior Secured Notes	-	-	-	45.3
Repayments of Senior Secured Notes	-	-	(47.7)	(45.3)
	47.0	(54.9)	24.1	(149.5)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	(0.8)	2.6	(2.1)	3.5
Increase (decrease) in cash	11.8	11.3	(11.2)	(11.6)
Cash and cash equivalents, beginning of period	20.4	32.1	43.4	55.0
Cash and cash equivalents, end of period	$32.2	$43.4	$32.2	$43.4

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024 (unaudited)

(millions of Canadian Dollars)	Dec. 31, 2025	Dec. 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$32.2	$43.4
Trade accounts receivable and other	81.4	109.5
Income tax receivable	3.3	-
Inventories	219.4	283.5
Prepayments	23.1	21.9
Assets held for sale	43.8	18.4
	403.2	476.7
Export duties receivable	290.2	278.7
Right of use assets	41.8	44.8
Property, plant and equipment	1,230.9	1,465.7
Roads and bridges	24.9	21.3
Timber licences	152.4	158.9
Goodwill and other intangible assets	539.6	589.2
Other assets	36.3	42.5
Deferred income taxes	2.2	0.9
	$2,721.5	$3,078.7
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable and provisions	$141.9	$203.1
Current portion of long-term debt	45.7	48.0
Reforestation liability	19.0	16.5
Lease liabilities	18.1	20.3
Income taxes payable	1.2	12.9
Liabilities held for sale	-	1.4
	225.9	302.2
Reforestation liability	19.9	27.8
Lease liabilities	25.6	25.8
Long-term debt	784.1	856.7
Export duties payable	192.2	0.6
Other liabilities	21.9	28.0
Deferred income taxes	183.9	305.1
Equity:		
Share capital	546.1	409.0
Contributed surplus	6.7	6.6
Translation reserve	186.7	246.9
Retained earnings	528.5	870.0
	1,268.0	1,532.5
	$2,721.5	$3,078.7

Approved on behalf of the Board of Directors:

"L. Sauder"
Director

"C. Griffin"
Director

FORWARD-LOOKING INFORMATION

This release contains forward-looking information. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. All statements other than statements of historical fact contained in this release constitute forward-looking information including, without limitation: statements regarding the future plans, prospects, objectives and expectations of or involving the Company. Generally, but not always, forward-looking information is identifiable by the use of words such as "believe", "expects", "plans", "forecasts", "targets", "outlook", "will", "may", "could", "should", "intends", "projects", "anticipates", "estimates", "continues", and similar words or variations or the negative thereof. The Company cautions readers not to place undue reliance on its forward-looking information because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking information and the assumptions underlying the forward-looking information.

A number of assumptions and factors on which the forward-looking information is based, which cause actual results to differ materially from the forward-looking information in this release, include but are not limited to, the following: impact of general economic conditions; demand for products and price volatility; softwood lumber trade between Canada and the U.S.; the tariffs and other trade measures recently enacted or proposed by the U.S. administration, and the potential for further escalating trade measures between the U.S., Canada and other jurisdictions, as well as the applicability, scope and timing of any such measures; the timing and value of proceeds received from the disposition of Coastal B.C. forest tenures; availability and cost of logs; availability of credit; competition; currency exchange sensitivity, such as changes in the value of the Canadian dollar relative to the U.S. dollar; government regulation, including environmental legislation; health and safety; Indigenous reconciliation in Canada; information technology and cyber security; labour availability; logistics availability and cost; natural and manmade disasters and climate change; residual fibre revenue; and tax exposures. For a more detailed discussion of these factors, see the section entitled "Risks and Uncertainties" in the Company's Annual MD&A, which is available on www.interfor.com and under Interfor's profile on www.sedarplus.ca. The Company cautions readers that this list of factors is not exhaustive and that, when relying on forward-looking information to make decisions with respect to the Company, readers should carefully consider the factors discussed, as well as other uncertainties and potential events, and the inherent risks and uncertainties of forward-looking information.

The forward-looking information contained in this release is expressly qualified in its entirety by this cautionary statement. The forward-looking information in this release is based on the Company's expectations at the date of this release and should not be relied upon as representing management's views as of any later date. The Company does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable 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 4.4 billion board feet and offers a diverse line of lumber products to customers in North America and around the world. For more information about Interfor, visit our website at www.interfor.com.

The Company's 2025 audited consolidated financial statements and Management's Discussion and Analysis are available at www.sedarplus.ca and www.interfor.com.

There will be a conference call on Friday, February 13, 2026 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 2025 financial results.

The dial-in number is ***1-888-510-2154*** or webcast URL: https://app.webinar.net/v9MOoGBP8nm. The conference call will also be recorded for those unable to join in for the live discussion and will be available until March 13, 2026. The number to call is ***1-888-660-6345, Passcode 93642#.***

For further information:
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