

FOR IMMEDIATE RELEASE

MARCH 5, 2024

CANFOR PULP REPORTS 2023 AND FOURTH QUARTER OF 2023 RESULTS

Vancouver, B.C. – Canfor Pulp Products Inc. (“The Company” or “CPPI” or “Canfor Pulp”) (TSX: CFX) today reported its 2023 and fourth quarter of 2023 results:

Overview

- 2023 operating loss of \$128 million; net loss of \$96 million, or \$1.47 per share
- Q4 2023 operating loss of \$15 million; net loss of \$13 million, or \$0.20 per share
- Moderate uplift in global pulp market fundamentals through the fourth quarter driven by a slight increase in demand and purchasing activity in most major regions
- 20% increase in pulp production in the fourth quarter reflecting improved operating performance at both the Northwood and Intercontinental NBSK pulp mills
- Persistent challenges associated with the availability of economic fibre in British Columbia

Financial Results

The following table summarizes selected financial information for CPPI for the comparative periods:

(millions of Canadian dollars, except per share amounts)	Q4 2023	Q3 2023	YTD 2023	Q4 2022	YTD 2022
Sales	\$ 193.9	\$ 188.8	\$ 875.5	\$ 268.1	\$ 1,085.6
Reported operating income (loss) before amortization, asset write-down and impairment	\$ 1.1	\$ (27.7)	\$ (42.5)	\$ (15.1)	\$ 41.4
Reported operating loss	\$ (15.1)	\$ (49.3)	\$ (127.5)	\$ (91.1)	\$ (106.0)
Adjusted operating income (loss) before amortization, asset write-down and impairment ¹	\$ (9.8)	\$ (29.7)	\$ (44.9)	\$ (15.6)	\$ 39.2
Adjusted operating loss ¹	\$ (26.0)	\$ (51.3)	\$ (129.9)	\$ (42.0)	\$ (58.6)
Net loss	\$ (13.2)	\$ (35.7)	\$ (96.1)	\$ (69.8)	\$ (79.1)
Net loss per share, basic and diluted	\$ (0.20)	\$ (0.55)	\$ (1.47)	\$ (1.07)	\$ (1.21)
Adjusted net loss ¹	\$ (13.2)	\$ (35.7)	\$ (96.1)	\$ (33.6)	\$ (42.9)
Adjusted net loss per share, basic and diluted ¹	\$ (0.20)	\$ (0.55)	\$ (1.47)	\$ (0.52)	\$ (0.66)

¹ Adjusted results referenced throughout this news release are defined as non-IFRS financial measures. For further details, refer to the “Non-IFRS Financial Measures” section of this document.

2023 was a difficult year for Canfor Pulp, as a deterioration in global pulp market fundamentals was combined with ongoing cost and operational challenges driven by sustained fibre shortages in British Columbia (“BC”).

With continuing fibre cost pressures and a declining outlook for economic residual fibre in BC, in January 2023, Canfor Pulp made the decision to restructure its operations. As a result, in April 2023, the Company wound down and permanently closed the pulp line at its Prince George Northern Bleached Softwood Kraft (“NBSK”) pulp and paper mill (“PG”). In connection with this closure, the Company’s Intercontinental NBSK pulp mill (“Intercon”) was successfully converted to provide slush pulp to its specialty paper facility, formerly supplied by PG. The combined impact of these operating structure changes is a reduction of approximately 280,000 tonnes of market kraft pulp production annually.

Canfor Pulp reported an operating loss for 2023 of \$127.5 million, compared to an operating loss of \$106.0 million in 2022. After taking account of adjusting items, including an asset write-down and impairment charge in 2022, the Company’s adjusted operating loss was \$129.9 million for the current year compared to an adjusted operating loss of \$58.6 million for the prior year.

For the fourth quarter of 2023, the Company reported an operating loss of \$15.1 million, compared to an operating loss of \$49.3 million for the third quarter of 2023. After taking account of a net \$10.9 million reversal of a previously recognized inventory write-down, the Company’s adjusted operating loss was \$26.0 million for the fourth quarter of

2023, a \$25.3 million improvement compared to an adjusted operating loss of \$51.3 million for the previous quarter. These results largely reflected a moderate improvement in global pulp market conditions, combined with a 20% increase in pulp production quarter-over-quarter.

Commenting on the Company's 2023 and fourth quarter of 2023 results, CPPI's President and Chief Executive Officer, Kevin Edgson, said, "Despite a challenging year, our employees remained focused as we navigated through the wind down of the Prince George pulp mill and successful transition of slush pulp supply from the Intercontinental pulp mill to our paper machine. We are pleased to see productivity improve this quarter following the maintenance downtime at the Northwood pulp mill. While market conditions showed some signs of recovery in the fourth quarter, demand uncertainty is anticipated, and we remain cautious in our market outlook. In addition, as the availability of economically viable fibre remains constrained, Management continues to focus on improving overall performance and preserving our balance sheet."

Fourth Quarter Highlights

Following a relatively weak second and third quarter of 2023, global softwood pulp markets moderately improved in the current quarter, largely reflecting a slight uptick in demand and purchasing activity in most major regions as global pulp producer inventories returned to a more balanced range, ending December 2023 at 40 days of supply. The positive pricing momentum in US-dollar NBSK list prices to China experienced towards the end of the prior quarter, continued well into the current period, with prices peaking in November 2023. For the current quarter overall, average US-dollar NBSK pulp list prices to China were US\$748 per tonne, up US\$68 per tonne, or 10%, from the previous quarter.

Upon the successful completion of a scheduled maintenance outage in September, the restart of the Company's Northwood NBSK pulp mill ("Northwood") was delayed into the fourth quarter of 2023, resulting in reduced NBSK pulp production early in the current period. For the quarter overall however, the operating performance at Northwood and Intercon continued to improve as the quarter progressed, resulting in a 20% increase in pulp production in the current period.

Operating income in the Company's paper segment was \$3.5 million, down \$0.9 million from the operating income of \$4.4 million in the previous quarter, largely reflecting slightly lower paper unit sales realizations, driven by a decline in global US-dollar paper pricing, as well as higher slush pulp costs and increased maintenance spend quarter-over-quarter.

Outlook

Looking forward, global softwood kraft pulp markets are projected to be fairly subdued through the first quarter of 2024. While global pulp producer inventories are estimated to remain within the balanced range, demand uncertainty is anticipated, driven principally by the deceleration in China NBSK pulp list prices in December and leading up to the seasonally slower spring period in China.

The Company has no major maintenance outages planned for the first quarter of 2024. In the second quarter of 2024, a maintenance outage is scheduled at Intercon, with a projected 5,000 tonnes of reduced NBSK market pulp production.

Given the ongoing uncertainty with regards to the availability of economically viable fibre in BC and a projected weak North American lumber market, the Company anticipates a challenging fibre supply environment for its pulp mills (both for sawmill residual chips and whole-log chips), especially in the near-term. The Company will continue to monitor operating conditions and will adjust operating rates at its pulp mills to align with economically viable fibre supply.

Bleached kraft paper markets are projected to remain solid through the first quarter of 2024 as the uptick in global paper demand towards the end of 2023 is anticipated to continue. A maintenance outage is currently planned at the Company's paper machine in the second quarter of 2024 with a projected 5,000 tonnes of reduced paper production.

Refer to the Company's annual Management's Discussion and Analysis for further discussion on the Company's results for the fourth quarter of 2023 on page 16.

Additional Information and Conference Call

A conference call to discuss the fourth quarter's financial and operating results will be held on Wednesday, March 6, 2024 at 8:00 AM Pacific time. To participate in the call, please dial Toll-Free 1-888-390-0546. For instant replay access until March 20, 2024, please dial Toll-Free 1-888-390-0541 and enter participant pass code 242132#. The conference call will be webcast live and will be available at www.canfor.com. This news release, financial statements and a presentation used during the conference call can be accessed via the Company's website at <http://www.canfor.com/investor-relations/webcasts>.

Non-IFRS Financial Measures

Throughout this press release, reference is made to certain non-IFRS financial measures which are used to evaluate the Company's performance but are not generally accepted under IFRS and may not be directly comparable with similarly titled measures used by other companies. The following table provides a reconciliation of these non-IFRS financial measures to figures reported in the Company's consolidated financial statements:

(millions of Canadian dollars)	Q4 2023	Q3 2023	YTD 2023	Q4 2022	YTD 2022
Reported operating loss	\$ (15.1)	\$ (49.3)	\$ (127.5)	\$ (91.1)	\$ (106.0)
Asset write-down and impairment	\$ -	\$ -	\$ -	\$ 49.6	\$ 49.6
Inventory write-down (recovery), net	\$ (10.9)	\$ (2.0)	\$ (2.4)	\$ (0.5)	\$ (2.2)
Adjusted operating loss	\$ (26.0)	\$ (51.3)	\$ (129.9)	\$ (42.0)	\$ (58.6)
Amortization	\$ 16.2	\$ 21.6	\$ 85.0	\$ 26.4	\$ 97.8
Adjusted operating income (loss) before amortization, asset write-down and impairment	\$ (9.8)	\$ (29.7)	\$ (44.9)	\$ (15.6)	\$ 39.2
Net loss	\$ (13.2)	\$ (35.7)	\$ (96.1)	\$ (69.8)	\$ (79.1)
Asset write-down and impairment, net of tax	\$ -	\$ -	\$ -	\$ 36.2	\$ 36.2
Adjusted net loss	\$ (13.2)	\$ (35.7)	\$ (96.1)	\$ (33.6)	\$ (42.9)

Forward Looking Statements

Certain statements in this press release constitute "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Words such as "expects", "anticipates", "projects", "intends", "plans", "will", "believes", "seeks", "estimates", "should", "may", "could", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on Management's current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and the Company assumes no obligation to update such information to reflect later events or developments, except as required by law.

About Canfor Pulp Products Inc.

Canfor Pulp Products Inc. ("Canfor Pulp" or "CPPI") is a leading global supplier of pulp and paper products with operations in the northern interior of British Columbia ("BC"). Canfor Pulp owns and operates three mills in Prince George, BC with a total capacity of 780,000 tonnes of Premium Reinforcing Northern Bleached Softwood Kraft ("NBSK") pulp and 140,000 tonnes of kraft paper. CPPI shares are traded on the Toronto Stock Exchange under the symbol CFX. For more information visit www.canfor.com.

Media Contact:

Rosemary Silva
Manager, Community Relations
(604) 661-5225
communications@canfor.com

Investor Contacts:

Pat Elliott
CFO & SVP, Sustainability
(604) 661-5441
Patrick.Elliott@canfor.com

Dan Barwin
Director, Corporate Finance
(604) 661-5390
Daniel.Barwin@canfor.com

Canfor Pulp Products Inc.
Condensed Consolidated Balance Sheets

(millions of Canadian dollars, unaudited)	As at December 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 21.1	\$ 14.7
Trade receivables	47.8	82.4
Other receivables	6.3	5.2
Income taxes recoverable	0.2	2.3
Inventories (Note 2)	165.9	183.2
Prepaid expenses and other	10.2	26.6
Total current assets	251.5	314.4
Property, plant and equipment and intangible assets		
Right-of-use assets	1.7	1.8
Other long-term assets	6.8	8.4
Total assets	\$ 675.8	\$ 756.0
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 159.7	\$ 150.1
Operating loan (Note 3(a))	107.0	15.0
Current portion of lease obligations	0.8	0.9
Total current liabilities	267.5	166.0
Term debt (Note 3(b))	-	50.0
Retirement benefit obligations (Note 4)	39.0	48.4
Lease obligations	1.4	1.9
Other long-term provisions	10.2	6.9
Deferred income taxes, net	20.6	55.4
Total liabilities	\$ 338.7	\$ 328.6
EQUITY		
Share capital	\$ 480.8	\$ 480.8
Accumulated deficit	(143.7)	(53.4)
Total equity	\$ 337.1	\$ 427.4
Total liabilities and equity	\$ 675.8	\$ 756.0

Subsequent Events (Notes 4 and 9)

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

APPROVED BY THE BOARD

"N.J. Mayr"

Director, N.J. Mayr

"The Hon. J.R. Baird"

Director, The Hon. J.R. Baird

Canfor Pulp Products Inc.
Condensed Consolidated Statements of Income (Loss)

(millions of Canadian dollars, except per share data, unaudited)	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Sales	\$ 193.9	\$ 268.1	\$ 875.5	\$ 1,085.6
Costs and expenses				
Manufacturing and product costs	161.5	235.0	774.5	866.8
Freight and other distribution costs	24.8	34.8	112.7	140.5
Amortization	16.2	26.4	85.0	97.8
Selling and administration costs	6.5	8.6	27.6	29.0
Restructuring costs (Note 8)	-	4.8	3.2	7.9
Asset write-down and impairment (Note 8)	-	49.6	-	49.6
	209.0	359.2	1,003.0	1,191.6
Operating loss	(15.1)	(91.1)	(127.5)	(106.0)
Finance expense, net	(3.6)	(2.6)	(13.2)	(7.3)
Other income (expense), net	(0.3)	(1.8)	8.2	5.0
Net loss before income taxes	(19.0)	(95.5)	(132.5)	(108.3)
Income tax recovery	5.8	25.7	36.4	29.2
Net loss	\$ (13.2)	\$ (69.8)	\$ (96.1)	\$ (79.1)
Net loss per common share: (in Canadian dollars)				
Attributable to equity shareholders of the Company				
- Basic and diluted (Note 5)	\$ (0.20)	\$ (1.07)	\$ (1.47)	\$ (1.21)

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

Canfor Pulp Products Inc.
Condensed Consolidated Statements of Other Comprehensive Income (Loss)

(millions of Canadian dollars, unaudited)	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Net loss	\$ (13.2)	\$ (69.8)	\$ (96.1)	\$ (79.1)
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to net loss:				
Defined benefit plan actuarial gains (losses), net (Note 4)	3.1	(2.5)	8.0	15.8
Income tax recovery (expense) on defined benefit plan actuarial gains (losses), net	(0.9)	0.6	(2.2)	(4.3)
Other comprehensive income (loss), net of tax	2.2	(1.9)	5.8	11.5
Total comprehensive loss	\$ (11.0)	\$ (71.7)	\$ (90.3)	\$ (67.6)

Condensed Consolidated Statements of Changes in Equity

(millions of Canadian dollars, unaudited)	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Share capital				
Balance at beginning and end of period	\$ 480.8	\$ 480.8	\$ 480.8	\$ 480.8
Retained earnings (accumulated deficit)				
Balance at beginning of period	\$ (132.7)	18.3	\$ (53.4)	\$ 14.2
Net loss	(13.2)	(69.8)	(96.1)	(79.1)
Other comprehensive income (loss), net of tax	2.2	(1.9)	5.8	11.5
Balance at end of period	\$ (143.7)	\$ (53.4)	\$ (143.7)	\$ (53.4)
Total equity	\$ 337.1	\$ 427.4	\$ 337.1	\$ 427.4

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

Canfor Pulp Products Inc.
Condensed Consolidated Statements of Cash Flows

(millions of Canadian dollars, unaudited)	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Cash generated from (used in):				
Operating activities				
Net loss	\$ (13.2)	\$ (69.8)	\$ (96.1)	\$ (79.1)
Items not affecting cash:				
Amortization	16.2	26.4	85.0	97.8
Income tax recovery	(5.8)	(25.7)	(36.4)	(29.2)
Employee future benefits expense	0.9	1.1	2.1	3.6
Finance expense, net	3.6	2.6	13.2	7.3
Restructuring costs (Note 8)	-	4.8	3.2	7.9
Asset write-down and impairment (Note 8)	-	49.6	-	49.6
Other, net	(1.3)	(1.5)	5.5	(1.7)
Defined benefit plan contributions	(0.8)	(0.7)	(5.8)	(3.3)
Income taxes received (paid), net	1.0	-	1.6	(3.6)
	0.6	(13.2)	(27.7)	49.3
Net change in non-cash working capital (Note 6)	19.5	51.8	64.0	(4.0)
	20.1	38.6	36.3	45.3
Financing activities				
Operating loan drawings, net (Note 3(a))	25.9	-	92.0	15.0
Conversion of term debt to operating loan (Note 3(a))	-	-	(50.0)	-
Repayment of lease obligations	(0.2)	(0.2)	(0.7)	(0.9)
Finance expenses paid	(3.2)	(2.4)	(11.4)	(5.8)
	22.5	(2.6)	29.9	8.3
Investing activities				
Additions to property, plant and equipment and intangible assets, net	(21.6)	(28.0)	(60.5)	(112.6)
Other, net	0.1	0.2	0.7	0.4
	(21.5)	(27.8)	(59.8)	(112.2)
Increase (decrease) in cash and cash equivalents*	21.1	8.2	6.4	(58.6)
Cash and cash equivalents at beginning of period*	-	6.5	14.7	73.3
Cash and cash equivalents at end of period*	\$ 21.1	\$ 14.7	\$ 21.1	\$ 14.7

*Cash and cash equivalents include cash on hand less unrepresented cheques

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

Canfor Pulp Products Inc. Notes to the Condensed Consolidated Interim Financial Statements

Three and twelve months ended December 31, 2023 and 2022

1. Basis of Preparation

These condensed consolidated interim financial statements (the "financial statements") include the accounts of Canfor Pulp Products Inc. ("CPPI") and its subsidiary entities, hereinafter referred to as "CPPI" or "the Company." At December 31, 2023 and March 5, 2024, Canfor Corporation ("Canfor") held a 54.8% interest in CPPI.

These financial statements do not include all of the disclosures required by IFRS Accounting Standards ("IFRS") for interim or annual financial statements. Additional disclosures relevant to the understanding of these financial statements, including the accounting policies applied, can be found in the Company's Annual Report for the year ended December 31, 2023, available at www.canfor.com or www.sedarplus.com.

These financial statements were authorized for issue by the Company's Board of Directors on March 5, 2024.

2. Inventories

(millions of Canadian dollars, unaudited)	As at December 31, 2023	As at December 31, 2022
Pulp	\$ 54.4	\$ 66.6
Paper	31.2	29.6
Wood chips and logs	30.6	27.5
Materials and supplies	49.7	59.5
	\$ 165.9	\$ 183.2

The above inventory balances are stated at the lower of cost and net realizable value. For the three months ended December 31, 2023, a \$10.9 million reversal of a previously recognized inventory write-down was recorded (twelve months ended December 31, 2023 – \$2.4 million net recovery of a previous write-down). For the three months ended December 31, 2022, a \$0.5 million reversal of a previously recognized inventory write-down was recorded (twelve months ended December 31, 2022 – \$2.2 million net recovery of a previous write-down). At December 31, 2023, no inventory provision has been recognized (December 31, 2022 – provision of \$2.4 million related to logs).

3. Operating Loan and Term Debt

(a) Available Operating Loan

(millions of Canadian dollars, unaudited)	As at December 31, 2023	As at December 31, 2022
Operating loan facility	\$ 160.0	\$ 110.0
Letters of credit	(6.9)	(12.9)
Operating loan facility drawn	(107.0)	(15.0)
Total available operating loan facility	\$ 46.1	\$ 82.1

The terms of the Company's operating loan facility include interest payable at floating rates that vary depending on the ratio of debt to total capitalization, and is based on the lenders' Canadian prime rate, bankers' acceptances, US-dollar base rate or US-dollar floating rate, plus a margin.

The operating loan facility is repayable on May 2, 2027 and has certain financial covenants, including a maximum debt to total capitalization ratio. As at December 31, 2023, the Company was fully in compliance with all covenants relating to its operating loan facility.

(b) Term Debt

The Company's \$80.0 million of non-revolving term debt is restricted for use on the continued re-investment in its facilities, specifically Northwood Northern Bleached Softwood Kraft pulp mill's ("Northwood") recovery boiler number one ("RB1").

This non-revolving term debt has a maturity date of May 2, 2027, with interest payable at floating interest rates consistent with its operating loan facility. As at December 31, 2023, the Company was fully in compliance with all covenants relating to its non-revolving term debt which remains undrawn.

4. Employee Future Benefits

For the three months ended December 31, 2023, actuarial gains of \$3.1 million (before tax) were recognized in other comprehensive income (loss) in relation to the Company's net defined benefit obligations (comprised of defined benefit plans as well as other benefit plans), as a 0.6% decrease in the discount rate used to value the net defined benefit obligations was more than offset by higher than anticipated returns on plan assets. For the twelve months ended December 31, 2023, actuarial gains of \$8.0 million (before tax) were recognized in other comprehensive income (loss).

For the three months ended December 31, 2022, actuarial losses of \$2.5 million (before tax) were recognized in other comprehensive income (loss), primarily reflecting updated membership data. For the twelve months ended December 31, 2022, actuarial gains of \$15.8 million (before tax) were recognized in other comprehensive income (loss). The actuarial assumptions used in measuring CPPI's benefit plan provisions and benefit costs are as follows:

	December 31, 2023		December 31, 2022	
	Defined Benefit Pension Plans	Other Benefit Plans	Defined Benefit Pension Plans	Other Benefit Plans
Discount rate	4.6%	4.6%	4.8%	4.8%
Rate of compensation increases	2.0%	n/a	3.0%	n/a
Initial medical cost trend rate	n/a	5.0%	n/a	5.0%
Ultimate medical cost trend rate	n/a	4.5%	n/a	4.5%
Year ultimate rate is reached	n/a	2031	n/a	2025

Subsequent to quarter-end, on February 20, 2024, the Company purchased a buy-out annuity for a portion of its defined benefit pension plan. As a result, during the three months ended March 31, 2024, \$37.2 million of the Company's accrued benefit obligation and a similar amount of defined benefit plan assets were derecognized from the Company's condensed consolidated balance sheet.

5. Earnings (Loss) Per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period.

	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Weighted average number of common shares	65,233,559	65,233,559	65,233,559	65,233,559

As at December 31, 2023 and March 5, 2024, there were 65,233,559 common shares of the Company outstanding and Canfor's ownership interest in CPPI was 54.8% (December 31, 2022 – 54.8%).

6. Net Change in Non-Cash Working Capital

(millions of Canadian dollars, unaudited)	3 months ended December 31,		12 months ended December 31,	
	2023	2022	2023	2022
Accounts receivable	\$ 2.1	\$ 36.2	\$ 33.5	\$ (11.4)
Inventories	(20.9)	24.5	7.4	28.6
Prepaid expenses and other	5.4	(1.1)	15.7	(14.8)
Accounts payable and accrued liabilities	32.9	(7.8)	7.4	(6.4)
Net change in non-cash working capital	\$ 19.5	\$ 51.8	\$ 64.0	\$ (4.0)

7. Segment Information

The Company has two reportable segments, pulp and paper, which operate as separate business units and represent separate product lines. Sales between the pulp and paper segments are accounted for at prices that approximate fair value. These include sales of slush pulp from the pulp segment to the paper segment.

(millions of Canadian dollars, unaudited)	Pulp	Paper	Unallocated	Elimination Adjustment	Consolidated
3 months ended December 31, 2023					
Sales from contracts with customers	\$ 146.1	\$ 47.8	\$ -	\$ -	\$ 193.9
Sales to other segments	26.1	-	-	(26.1)	-
Operating income (loss)	(16.0)	3.5	(2.6)	-	(15.1)
Amortization	15.4	0.8	-	-	16.2
Capital expenditures¹	20.3	1.1	0.2	-	21.6
3 months ended December 31, 2022					
Sales from contracts with customers	\$ 216.6	\$ 51.5	\$ -	\$ -	\$ 268.1
Sales to other segments	32.8	-	-	(32.8)	-
Operating income (loss)	(89.1)	1.9	(3.9)	-	(91.1)
Amortization	25.9	0.5	-	-	26.4
Capital expenditures ¹	27.6	-	0.4	-	28.0
12 months ended December 31, 2023					
Sales from contracts with customers	\$ 673.4	\$ 202.1	\$ -	\$ -	\$ 875.5
Sales to other segments	107.8	-	-	(107.8)	-
Operating income (loss)	(127.2)	11.9	(12.2)	-	(127.5)
Amortization	82.4	2.5	0.1	-	85.0
Capital expenditures¹	57.8	2.0	0.7	-	60.5
Total assets	564.0	77.8	34.0	-	675.8
12 months ended December 31, 2022					
Sales from contracts with customers	\$ 888.7	\$ 196.9	\$ -	\$ -	\$ 1,085.6
Sales to other segments	123.8	-	-	(123.8)	-
Operating income (loss)	(110.9)	18.2	(13.3)	-	(106.0)
Amortization	95.7	2.0	0.1	-	97.8
Capital expenditures ¹	110.0	0.6	2.0	-	112.6
Total assets	663.3	66.9	25.8	-	756.0

¹Capital expenditures represent cash paid for capital assets during the periods and include capital expenditures that were partially financed by government grants.

Geographic information

CPPI's products are marketed worldwide, with sales made to customers in a number of different countries. In presenting information on the basis of geographical location, sales are based on the geographical location of customers.

(millions of Canadian dollars, unaudited)	3 months ended December 31,				12 months ended December 31,			
	2023		2022		2023		2022	
Sales by location of customer								
Canada	11%	\$ 21.6	6%	\$ 15.7	9%	\$ 82.3	7%	\$ 79.3
Asia	56%	108.1	57%	152.5	57%	500.6	60%	654.4
United States	25%	47.7	29%	78.2	24%	210.0	25%	268.5
Europe	5%	10.5	5%	12.8	6%	49.6	5%	53.3
Other	3%	6.0	3%	8.9	4%	33.0	3%	30.1
	100%	\$ 193.9	100%	\$ 268.1	100%	\$ 875.5	100%	\$ 1,085.6

8. Asset Write-Down, Impairment and Restructuring Costs

In connection with the closure of the pulp line at the Prince George pulp and paper mill in April 2023, the Company recognized restructuring costs of \$3.2 million for the twelve months ended December 31, 2023 (three and twelve months ended December 31, 2022 – \$4.8 million and 7.9 million, respectively), related to the curtailment of the Company's Taylor Bleached Chemi-Thermo Mechanical Pulp ("BCTMP") mill.

As a result of continued uncertainty surrounding fibre availability for its pulp mills, the Company performed an impairment test as of December 31, 2023, on the property, plant and equipment of the pulp operations.

The recoverable amount of the Company's property, plant and equipment within the pulp operations was determined based on an assessment of value in use, estimated using a discounted cash flow model. The discounted cash flow model was projected based on past experience and actual operating results as well as Management's assessment of future trends in the pulp industry, based on both external and internal sources of data. Significant assumptions included future production volume, commodity prices, fibre and production costs, as well as the discount rate. Other assumptions included applicable foreign exchange rates, operating rates of the assets, and future capital required to maintain the current operating condition of assets. Estimated future cash flows were discounted at a rate of 9% (12% before tax), based on the Company's weighted average cost of capital for 2023 (unchanged from 2022).

As the recoverable amount of the property, plant and equipment of the pulp operations exceeded net book value at December 31, 2023, no impairment charge was recognized for the three and twelve months ended December 31, 2023 (three and twelve months ended December 31, 2022 – asset write-down and impairment charge of \$49.6 million).

The Company continues to closely monitor the direct and indirect impacts associated with the constraints on economic fibre, especially in the near-term. If the availability of economically viable fibre within BC is further reduced the Company's production, shipments and cost structure will be further affected. These factors could impact the Company's operating plan, liquidity, cash flows and the valuation of long-lived assets.

9. Subsequent Events

In February 2024, the Company entered into an asset purchase agreement to sell its Taylor BCTMP mill site for total proceeds of \$7.0 million. The transaction is anticipated to close during the three months ended March 31, 2024.

On March 1, 2024, the Company received insurance proceeds of \$15.0 million related to operational downtime experienced at Northwood in recent years that will be recognized in 'Other income (expense), net' on the Company's condensed consolidated statement of income (loss) during the three months ended March 31, 2024.