# Geographic information

Canfor operates manufacturing facilities in Canada,the Us and Europe.Canfor'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 and assets are based on the geographical location of the assets.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (millions of Canadian dollars) |  | 2022 | | | 2021 |
| Sales by location of customer | $ |  |  |  |  |
| Canada | 11% | 823.2 |  | 9% $ | 698.8 |
| United States | 55% | 4,062.4 |  | 54% | 4,155.9 |
| Europe | 17% | 1,264.5 |  | 17% | 1,293.7 |
| Asia | 15% | 1,122.5 |  | 18% | 1,370.9 |
| Other | 2% | 154.1 |  | 2% | 165.6 |
|  | 100% $ | 7,426.7 |  | 100% $ | 7,684.9 |
|  |  | As at December 31, |  |  | As at December 31, |
| millions of Canadian dollars |  | 2022 | | | 2021 |
| Propertyplant and equipment ROU assets,timber licenses goodwill and other intangible assets by location |  |  |  |  |  |
| Canada | 45% | $ 1,427.2 | | | 1,172.9 |
| United States | 38% |  | 1,225.9 | 43% $ 35% | 934.9 |
| Europe | 17% |  | 554.5 | 22% | 597.6 |
| Asia and Other | 0% |  | 0.4 | 0% | 0.8 |
|  | 100% | $ | 3,208.0 | 100% $ | 2,706.2 |

# 24.

In circumstances where the Company is not able to determine the outcome of a legal action and claim, no amount is recognized in the consolidated financial statements, with an amount accrued only when a reliable estimate of the obligation can be made.Although there can be no assurance as to the disposition of a legal action and claim, it is the opinion of Management, based upon the information available at this time, that the expected outcome of a legal action and claim, individually or in aggregate, is unlikely to have a material adverse effect on the operating results and financial condition of the Company as a whole.

# (a)

June 8,2021,the Company announced its plans to construct a new sawmill near DeRidder,Louisiana.On April 22, the Company announced its plans to upgrade and expand its sawmill and planer facility located in Urbana ion County,Arkansas,and on July 28,2022,announced its plans to construct a new sawmill in southern Alabam

AtDecember31,2022,Canforhad contractuaobligations of$215.7 millionDecember31,2021-$250.3 million reflecting commitments for the construction of capital assets, including those mentioned above, and other working capital items.The majority of these commitments are expected to be settled within two years. In addition, the Company nas committed to leases of property,plant and equipment as outlined under Note 6

# 25.

# Financial risk management

nfor is exposed to a number of risks as a result of holding financial instruments. These risks include credit ri uidity risk and market risk.

Canfor's internal Risk Management Committee manages risk in accordance with a Board approved Price Risk Management Controls Policy. This policy provides the framework for risk management related to commodity price, foreign exchange,interest rate and counterparty credit risk of Canfor.