



KRUGER PRODUCTS L.P.

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3-MONTH AND 9-MONTH PERIODS ENDED SEPTEMBER 30, 2022
AND SEPTEMBER 30, 2021**

Kruger Products L.P.

Unaudited Condensed Consolidated Statements of Financial Position

(tabular amounts are in thousands of Canadian dollars)

	September 30, 2022	December 31, 2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	82,123	148,519
Restricted cash (note 17)	5,978	2,506
Trade and other receivables	122,417	88,802
Receivables from related parties (note 14)	223	271
Advances to partners (note 12)	-	13,752
Inventories	295,790	251,071
Income tax recoverable	1,012	1,171
Prepaid expenses	10,299	5,455
	<u>517,842</u>	<u>511,547</u>
Non-current assets		
Property, plant and equipment (note 6)	1,282,153	1,224,698
Right-of-use assets (note 7)	86,197	91,626
Other long-term assets (note 14)	30,535	37,456
Pensions (note 8)	133,441	-
Goodwill	152,021	152,021
Intangible assets	30,986	29,222
Deferred income taxes	101,135	75,742
Total assets	<u><u>2,334,310</u></u>	<u><u>2,122,312</u></u>
Liabilities		
Current liabilities		
Trade and other payables	269,093	258,626
Payables to related parties (note 14)	8,559	11,485
Income tax payable	96	300
Distributions payable (notes 12 and 14)	12,674	12,300
Current portion of provisions (note 9)	2,198	3,705
Current portion of long-term debt (note 10)	34,559	48,550
Current portion of lease liabilities (note 11)	28,949	30,170
	<u>356,128</u>	<u>365,136</u>
Non-current liabilities		
Long-term debt (note 10)	1,095,047	920,331
Long-term lease liabilities (note 11)	75,025	82,354
Long-term payable to related party (note 14)	44,233	42,454
Long-term provisions (note 9)	5,954	6,929
Pensions (note 8)	-	58,481
Post-retirement benefits (note 8)	44,401	57,331
	<u>1,620,788</u>	<u>1,533,016</u>
Liabilities to non-unitholders		
Current portion of Partnership units liability (note 12)	-	14,064
Long-term portion of Partnership units liability (note 12)	159,137	159,137
Total Partnership units liability	<u>159,137</u>	<u>173,201</u>
Total liabilities	<u><u>1,779,925</u></u>	<u><u>1,706,217</u></u>
Equity		
Partnership units (note 12)	483,292	461,536
Deficit	(22,084)	(117,123)
Accumulated other comprehensive income	93,177	71,682
Total equity	<u>554,385</u>	<u>416,095</u>
Total equity and liabilities	<u><u>2,334,310</u></u>	<u><u>2,122,312</u></u>
Subsequent events (note 12)		

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

Kruger Products L.P.
Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)
For the 3-month and 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars)

	3-month period ended September 30, 2022 \$	3-month period ended September 30, 2021 \$	9-month period ended September 30, 2022 \$	9-month period ended September 30, 2021 \$
Revenue (note 14)	427,026	391,392	1,223,264	1,041,132
Expenses				
Cost of sales (note 14)	394,596	345,577	1,130,940	903,885
Selling, general and administrative expenses (note 14)	30,059	29,055	94,025	86,404
Loss on sale of non-financial assets	1	2	11	5
Restructuring costs, net (note 9)	139	166	1,007	207
Operating income (loss)	2,231	16,592	(2,719)	50,631
Interest expense and other finance costs	18,907	18,740	53,810	47,925
Other expense (note 5)	26,045	11,728	34,329	10,781
Loss before income taxes	(42,721)	(13,876)	(90,858)	(8,075)
Income tax recovery (note 13)	(3,919)	(4,618)	(17,980)	(7,823)
Net loss for the period	(38,802)	(9,258)	(72,878)	(252)
Other comprehensive income (loss)				
Items that will not be reclassified to net loss:				
Remeasurements of pensions	(3,184)	44,377	191,741	138,418
Remeasurements of post-retirement benefits	(293)	1,670	13,758	6,019
Items that may be subsequently reclassified to net loss:				
Cumulative translation adjustment	17,110	7,441	21,495	69
Total other comprehensive income for the period	13,633	53,488	226,994	144,506
Comprehensive income (loss) for the period	(25,169)	44,230	154,116	144,254

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

Kruger Products L.P.
Unaudited Condensed Consolidated Statements of Changes in Equity
For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

	Partnership units		Deficit	Accumulated other comprehensive income	Total equity
	#	\$	\$	\$	\$
As of January 1, 2021	66,216,999	439,571	(224,503)	73,334	288,402
Distributions payable (note 12)	-	-	(12,202)	-	(12,202)
Distributions paid (note 12)	-	-	(24,116)	-	(24,116)
Fair value adjustment (note 12)	-	(132)	132	-	-
Change in actuarial gain on pension	-	-	138,418	-	138,418
Change in actuarial gain on post-retirement benefits	-	-	6,019	-	6,019
Cumulative translation adjustment	-	-	-	69	69
Net loss for the period	-	-	(252)	-	(252)
Issuance of partnership units (note 12)	1,572,458	16,500	-	-	16,500
As of September 30, 2021	67,789,457	455,939	(116,504)	73,403	412,838
As of January 1, 2022	68,333,895	461,536	(117,123)	71,682	416,095
Distributions payable (note 12)	-	-	(12,674)	-	(12,674)
Distributions paid (note 12)	-	-	(24,883)	-	(24,883)
Fair value adjustment (note 12)	-	25	(25)	-	-
Change in actuarial gain on pension	-	-	191,741	-	191,741
Change in actuarial gain on post-retirement benefits	-	-	13,758	-	13,758
Cumulative translation adjustment	-	-	-	21,495	21,495
Net loss for the period	-	-	(72,878)	-	(72,878)
Issuance of partnership units (note 12)	2,078,875	21,731	-	-	21,731
As of September 30, 2022	70,412,770	483,292	(22,084)	93,177	554,385

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

Kruger Products L.P.
Unaudited Condensed Consolidated Statements of Cash Flows
For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars)

	9-month period ended September 30, 2022 \$	9-month period ended September 30, 2021 \$
Cash flows from (used in) operating activities		
Net loss for the period	(72,878)	(252)
Items not affecting cash		
Depreciation	66,444	61,292
Amortization	3,277	2,539
Loss on sale of property, plant and equipment	18	326
Change in amortized cost of Partnership units liability (note 5)	-	10,283
Foreign exchange loss (note 5)	34,329	498
Interest expense and other finance costs	53,810	47,925
Pension and post-retirement benefits (note 8)	10,976	12,486
Provisions (note 9)	1,267	1,547
Income tax recovery	(17,980)	(7,823)
Loss on sale of non-financial assets	11	5
Total items not affecting cash	152,152	129,078
Net change in non-cash working capital (note 18)	(85,245)	(120,743)
Contributions to pension and post-retirement benefit plans	(12,554)	(11,451)
Provisions paid (note 9)	(4,003)	(4,173)
Income tax payments	(1,757)	(2,019)
Net cash used in operating activities	(24,285)	(9,560)
Cash flows from (used in) investing activities		
Purchases of property, plant and equipment	(27,311)	(19,438)
Purchases of property, plant and equipment and software related to the TAD Sherbrooke Project	(15,185)	(88,273)
Purchases of property, plant and equipment related to the Sherbrooke Expansion Project	(29,944)	-
Interest paid on credit facilities related to the TAD Sherbrooke Project	-	(608)
Interest paid on credit facilities related to the Sherbrooke Expansion Project	(289)	-
Government assistance received (note 6)	1,023	-
Purchases of software	(4,939)	(774)
Proceeds on sale of property, plant and equipment	1	8
Net cash used in investing activities	(76,644)	(109,085)
Cash flows from (used in) financing activities (note 19)		
Proceeds from long-term debt	248,326	225,197
Repayment of long-term debt	(135,718)	(21,913)
Payment of deferred financing fees	(2,818)	(8,935)
Payment of lease liabilities	(21,263)	(18,954)
Change in Restricted cash (note 17)	(3,472)	(1,438)
Interest paid on long-term debt	(36,198)	(24,753)
Distributions and advances paid, net (note 12)	(15,764)	(41,360)
Net cash from financing activities	33,093	107,844
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	1,440	(737)
Decrease in cash and cash equivalents during the period	(66,396)	(11,538)
Cash and cash equivalents - Beginning of period	148,519	128,739
Cash and cash equivalents - End of period	82,123	117,201

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

Kruger Products L.P.

Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

1 General information

Kruger Products L.P. (KPLP or the Partnership) is a limited partnership registered in the Province of Quebec, Canada whose partners are Kruger Inc. (ultimate parent), KPGP Inc. (KPGP) and KP Tissue Inc. (KPT). The Partnership manufactures, sells and distributes tissue products for household, industrial and commercial use. The Partnership has plants in New Westminster, British Columbia; Crabtree, Quebec; Sherbrooke, Quebec; Gatineau, Quebec; Scarborough and Trenton, Ontario and Memphis, Tennessee. The Partnership's headquarters are located in Mississauga, Ontario, Canada.

2 Basis of presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including International Accounting Standard (IAS) 34 - Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), and with interpretations of the International Financial Reporting Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting. These unaudited condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Partnership for the year ended December 31, 2021.

These unaudited condensed consolidated financial statements were approved by the board of directors of KPGP on November 8, 2022.

3 Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of these unaudited condensed consolidated financial statements are described in the annual audited consolidated financial statements of the Partnership for the year ended December 31, 2021 and have been applied to all periods presented except the following accounting policies, which were adopted effective January 1, 2022:

- (i) IFRS 3, Reference to Conceptual Framework. In May 2020, the IASB issued an amendment to IFRS 3 to (i) clarify references to the 2018 Conceptual Framework in order to determine what constitutes an asset or liability in a business combination, (ii) add an exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 and (iii) clarify that an acquirer should not recognize contingent assets at the acquisition date. The mandatory effective date was for annual periods beginning on or after January 1, 2022. The amended standard had no impact on the unaudited condensed consolidated financial statements.
- (ii) IAS 37, Onerous Contracts – Cost of Fulfilling a Contract. In May 2020, the IASB issued an amendment to IAS 37 to clarify which costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous. The mandatory effective date was for annual periods beginning on or after January 1, 2022. The amended standard had no impact on the unaudited condensed consolidated financial statements.
- (iii) IAS 16, Proceeds before Intended Use. In May 2020, the IASB issued an amendment to IAS 16 to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The mandatory effective date was for annual periods beginning on or after January 1, 2022. The amended standard had no impact on the unaudited condensed consolidated financial statements.

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Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

The impact of new standards, amendments to standards and interpretations that have been issued but not yet effective for financial periods beginning on or after January 1, 2023 and have not been early adopted have been discussed in the annual audited consolidated financial statements for the year ended December 31, 2021, except for the following:

- (i) IAS 1, Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued an amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The mandatory effective date would be annual periods beginning on or after January 1, 2023, with early adoption permitted. The amended standard is not expected to have an impact on the unaudited condensed consolidated financial statements.
- (ii) IAS 1, Disclosure of Accounting Policies. In February 2021, the IASB issued amendments to IAS 1 to provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The mandatory effective date would be annual periods beginning on or after January 1, 2023, with early adoption permitted. The amended standard is not expected to have an impact on the unaudited condensed consolidated financial statements.
- (iii) IAS 8, Accounting Policies, Changes to Accounting Estimates and Errors. In February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of accounting estimates to clarify the distinction between changes in accounting policies and changes in accounting estimates and the correction of errors. The mandatory effective date would be annual periods beginning on or after January 1, 2023, with early adoption permitted. The amended standard is not expected to have an impact on the unaudited condensed consolidated financial statements.
- (iv) IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB issued amendments to IAS 12 that require an entity to recognize deferred tax on certain transactions such as leases and decommissioning obligations that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The mandatory effective date would be annual periods beginning on or after January 1, 2023, with early adoption permitted. The amended standard is not expected to have an impact on the unaudited condensed consolidated financial statements.
- (v) IFRS 16, Lease Liability in a Sale and Leaseback. In September 2022, the IASB issued amendments to IFRS 16 to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The mandatory effective date would be annual periods beginning on or after January 1, 2024, with early adoption permitted. The amended standard is not expected to have an impact on the unaudited condensed consolidated financial statements.

4 Critical accounting estimates and judgments

The preparation of these unaudited condensed consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities in the unaudited condensed consolidated financial statements and the disclosure of contingencies at the dates of the unaudited condensed consolidated statements of financial position, and the reported amounts of revenues and expenses during the reporting period. On a regular basis and with the information available, management reviews its estimates. Actual results could differ from those estimates. When adjustments become necessary, they are reported in earnings in the period in which they occur. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and the future periods if the revision affects both current and future periods. The estimates and judgement applied by management that most significantly affect the unaudited condensed consolidated financial statements are the same as the ones that applied to the audited consolidated financial statements for the year ended December 31, 2021.

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Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

5 Other expense

	3-month period ended September 30, 2022	3-month period ended September 30, 2021	9-month period ended September 30, 2022	9-month period ended September 30, 2021
	\$	\$	\$	\$
Foreign exchange loss	26,045	8,301	34,329	498
Change in amortized cost of Partnership units liability	-	3,427	-	10,283
	<u>26,045</u>	<u>11,728</u>	<u>34,329</u>	<u>10,781</u>

6 Property, plant and equipment

	Land \$	Buildings \$	Machinery and equipment \$	Assets under construction or development \$	Total \$
As of January 1, 2022					
Cost	38,754	383,304	1,543,688	61,569	2,027,315
Accumulated depreciation	-	(108,153)	(694,464)	-	(802,617)
Net book value as of January 1, 2022	38,754	275,151	849,224	61,569	1,224,698
Additions	-	-	-	83,245	83,245
Capitalized interest	-	-	-	1,422	1,422
Disposals	-	-	(19)	-	(19)
Transfers	5,541	9,484	42,700	(57,725)	-
Investment tax credits	-	-	(1,023)	-	(1,023)
Depreciation	-	(7,986)	(44,493)	-	(52,479)
Exchange differences	119	4,031	21,133	1,026	26,309
As of September 30, 2022	<u>44,414</u>	<u>280,680</u>	<u>867,522</u>	<u>89,537</u>	<u>1,282,153</u>
As of September 30, 2022					
Cost	44,414	398,601	1,623,668	89,537	2,156,220
Accumulated depreciation	-	(117,921)	(756,146)	-	(874,067)
Net book value as of September 30, 2022	<u>44,414</u>	<u>280,680</u>	<u>867,522</u>	<u>89,537</u>	<u>1,282,153</u>

Kruger Products L.P.

Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

7 Right-of-use assets

	Land \$	Buildings \$	Equipment \$	Motor vehicles \$	Total \$
As of January 1, 2022					
Cost	38,256	146,219	14,325	2,700	201,500
Accumulated right-of-use depreciation	(26,876)	(74,448)	(6,666)	(1,884)	(109,874)
Net book value as of January 1, 2022	11,380	71,771	7,659	816	91,626
Additions, net of lease terminations	-	5,258	3,874	513	9,645
Right-of-use depreciation	(1,287)	(11,376)	(2,477)	(450)	(15,590)
Exchange differences	-	285	220	11	516
As of September 30, 2022	10,093	65,938	9,276	890	86,197
As of September 30, 2022					
Cost	38,256	149,948	18,480	3,183	209,867
Accumulated right-of-use depreciation	(28,163)	(84,010)	(9,204)	(2,293)	(123,670)
Net book value as of September 30, 2022	10,093	65,938	9,276	890	86,197

8 Pensions and post-retirement benefits

The following were the significant assumptions for the defined benefit pension plans and other benefit plans:

Assumptions	Pensions		Post-retirement benefit plans	
	September 30, 2022 %	December 31, 2021 %	September 30, 2022 %	December 31, 2021 %
Discount rate - accrued benefit obligation	5.07	3.02	5.07	3.02
Rate of compensation increases	3.25 - 4.00	3.25 - 4.00		

Kruger Products L.P.

Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

The net benefit pension plan expense included the following components:

	Pensions		Post-retirement benefit plans	
	3-month period ended September 30, 2022	3-month period ended September 30, 2021	3-month period ended September 30, 2022	3-month period ended September 30, 2021
	\$	\$	\$	\$
Net benefit plan expense				
Current service cost	3,035	3,643	521	553
Interest cost	4,762	3,726	367	314
Expected return on plan assets	(4,370)	(3,132)	-	-
Administrative cost	150	147	-	-
	<u>3,577</u>	<u>4,384</u>	<u>888</u>	<u>867</u>

	Pensions		Post-retirement benefit plans	
	9-month period ended September 30, 2022	9-month period ended September 30, 2021	9-month period ended September 30, 2022	9-month period ended September 30, 2021
	\$	\$	\$	\$
Net benefit plan expense				
Current service cost	8,960	10,386	1,565	1,658
Interest cost	14,344	11,772	1,100	945
Expected return on plan assets	(13,219)	(9,481)	-	-
Administrative cost	451	442	-	-
	<u>10,536</u>	<u>13,119</u>	<u>2,665</u>	<u>2,603</u>

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Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

9 Provisions

	Environmental and asset retirement obligations ^(a)	Long-term incentives, DSUs, PSUs and RSUs ^(b)	Restructuring	Total
	\$	\$	\$	\$
Provisions as of				
January 1, 2022	4,848	5,314	472	10,634
Current	-	3,256	449	3,705
Non-current	4,848	2,058	23	6,929
Provisions as of				
January 1, 2022	4,848	5,314	472	10,634
Additional provisions	-	1,092	175	1,267
Reclassification	-	179	(40)	139
Paid during the period	-	(3,607)	(396)	(4,003)
Interest accretion	115	-	-	115
Provisions as of				
September 30, 2022	4,963	2,978	211	8,152
Current	-	1,987	211	2,198
Non-current	4,963	991	-	5,954

(a) Environmental and asset retirement obligations

The Partnership has made a provision for the potential obligation under a land lease at one of its plant locations to demolish the building and restore the land at the end of the lease to its original condition. The current lease ends in March 2028. During the year ended December 31, 2019, the Partnership entered into a new lease agreement that commences in March 2028 and permits the Partnership to secure the site until March 2053. The undiscounted amount to settle this obligation is estimated to be between \$13.1 million and \$17.3 million. The liability is estimated using a discounted cash flow with a discount rate of 3.15 % (December 31, 2021 – 3.15%).

(b) Long-term incentives, DSUs, PSUs and RSUs

Long-term incentives include the Executive Long-Term Incentive Plan (LTIP) for the Partnership. The LTIP uses performance share units (PSUs) and restricted share units (RSUs). Performance results are based primarily on Adjusted EBITDA (note 15) return on capital employed using a three-year average, along with other components. The PSUs are paid in cash in June of the year following the three-year period they are earned. The PSU expense is recognized over the same three-year period. The RSUs are expensed and vest one-third each year and are paid in cash each June.

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Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

10 Long-term debt

		September 30, 2022	December 31, 2021
	Maturity	\$	\$
KPLP Senior Credit Facility	2026	103,819	-
Senior Unsecured Notes due April 24, 2025	2025	123,645	123,272
Senior Unsecured Notes due April 9, 2029	2029	132,315	132,008
AgCredit Agreement ^(a)	2026, 2032, 2036, 2037	575,371	515,994
KPSI IQ Debenture	2028	93,478	103,894
Nordea2 Credit Facility	2029	53,051	55,762
KPSB IQ Debenture	2034	18,948	18,278
Quebec PM Loan	2026	14,098	17,363
IQ Bathroom Tissue Loan	2032	10,686	-
IQ Facial Tissue Loan	2033	2,338	-
Ontario Loan	2026	1,857	2,310
		1,129,606	968,881
AgCredit Agreement ^(a)		4,592	19,172
KPSI IQ Debenture		16,689	16,689
Nordea2 Credit Facility		7,855	7,266
Quebec PM Loan		4,938	4,938
Ontario Loan		485	485
Less: Current portion of long-term debt		34,559	48,550
Long-term debt		1,095,047	920,331

Amounts are net of deferred financing fees

a) AgCredit Agreement

On March 30, 2022, the borrowers entered into the fourth amendment to the AgCredit Agreement (the Fourth Amendment) to make available through the TAD Sherbrooke Project Facility a new US\$87 million facility (the Term D Credit Facility) for the purpose of refinancing the borrowings outstanding under the \$111 million term loan facility (the Term C Credit Facility) and to extend the maturity dates on the revolving loans of US\$10 million and \$12.5 million from December 31, 2023 to December 31, 2026. The Term D Credit Facility was drawn in full on the effective date and was used to prepay in full the \$107.0 million of principal, accrued interest and fees outstanding under the Term C Credit Facility. The prepayment of the Term C Credit Facility was accounted for as a debt extinguishment and resulted in a Loss on extinguishment of debt of \$1.5 million, recorded in Interest expense and other finance costs in the unaudited condensed consolidated statement of comprehensive income (loss). The unamortized portion of transaction costs originally deducted from the Term C Credit Facility of \$1.3 million were included in the determination of the Loss on extinguishment of debt. The Term D Credit Facility is repayable by March 30, 2032 by quarterly principal instalment payments commencing on June 30, 2026 and bearing interest at a 6.07% maximum fixed interest rate.

Pursuant to the Fourth Amendment, within 120 days after the end of each fiscal year, commencing with the fiscal year ending on or about December 31, 2022 through and including the fiscal year ending on or about December 31, 2025, a subsidiary of the Partnership, Kruger Products Sherbrooke Inc. (KPSI) agreed to deposit an aggregate amount

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Notes to Unaudited Condensed Consolidated Financial Statements

For the 9-month periods ended September 30, 2022 and September 30, 2021

(tabular amounts are in thousands of Canadian dollars, except unit amounts)

equal to 75% of the Canadian Borrower Excess Cash Flow (as defined in the Fourth Amendment) for such fiscal year in a designated bank account (the KPSI Dedicated Account) to be used only for the purpose of prepaying the Term D Credit Facility, subject to certain conditions specified in the Fourth Amendment. The KPSI Dedicated Account constitutes collateral and is subject to a Blocked Account Control Agreement (as defined in the Fourth Amendment) in favour of the lender.

The AgCredit Agreement requires the borrowers to comply with certain financial covenants. The financial covenants are calculated on a Combined Basis (as defined in the AgCredit Agreement).

On September 15, 2022, the borrowers entered into the fifth amendment to the AgCredit Agreement (the Fifth Amendment) to amend the definition of the Combined Fixed Charge Coverage Ratio (as defined in the AgCredit Agreement) so that for the fiscal quarters ending December 31, 2022, March 31, 2023 and June 30, 2023, the relevant amount calculated for the ratio is determined not by using four consecutive fiscal quarter periods but instead by using the financial results from October 1, 2022 to each fiscal quarter end, dividing by the number of days in the period and multiplying by 365. The Fifth Amendment also changed the starting date of the Combined Fixed Charge Coverage Ratio from the fiscal quarter ending September 30, 2022 to the fiscal quarter ending December 31, 2022. On a Combined Basis and quarterly financial basis, the borrowers shall not permit the Combined Fixed Charge Coverage Ratio as of the end of any fiscal quarter of the borrowers, beginning with the fiscal quarter ending December 31, 2022 to be less than:

- (i) 1.10 to 1.00 with respect to the fiscal quarter ending December 31, 2022 through and including the fiscal quarter ending September 30, 2023; and
- (ii) 1.25 to 1.00 with respect to the fiscal quarter ending December 31, 2023 and each fiscal quarter thereafter.

11 Lease liabilities

The Partnership's leases relate to right-of-use of land, buildings, equipment and motor vehicles. The contractual undiscounted cash flows for Lease liabilities were as follows:

	September 30, 2022
	\$
Less than 1 year	28,949
Between 1 and 5 years	56,606
More than 5 years	50,119
	<u>135,674</u>

Renewal options have been included in the measurement of Lease liabilities when it is reasonably certain that the Partnership will exercise the renewal option.

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Interest expense on Lease liabilities, expenses relating to variable payments not included in the measurement of Lease liabilities, expenses relating to low-value leases and expenses relating to short-term leases were as follows:

	3-month period ended September 30, 2022	3-month period ended September 30, 2021	9-month period ended September 30, 2022	9-month period ended September 30, 2021
	\$	\$	\$	\$
Interest expense on Lease liabilities ^(a)	1,098	1,357	3,394	4,341
Expenses relating to variable payments not included in the measurement of Lease liabilities ^(b)	1,220	1,445	4,259	4,203
Expenses relating to low-value leases ^(b)	54	69	168	198
Expenses relating to short-term leases ^(c)	167	1,208	753	2,406
	<u>2,539</u>	<u>4,079</u>	<u>8,574</u>	<u>11,148</u>

(a) Included in Interest expense and other finance costs in the unaudited condensed consolidated statement of comprehensive income (loss).

(b) Included in Cost of sales and Selling, general and administrative expenses (SG&A) in the unaudited condensed consolidated statement of comprehensive income (loss).

(c) Included in Cost of sales in the unaudited condensed consolidated statement of comprehensive income (loss).

Expenses relating to variable payments not included in the measurement of Lease liabilities include variable lease payments for operating costs, property taxes and insurance.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Partnership's incremental borrowing rate. Generally, the Partnership uses its incremental borrowing rate as the discount rate. The weighted-average rate applied is 4.09 % as of September 30, 2022 (December 31, 2021 – 4.10 %). Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

12 Distributions and Partnership units liability

	Partnership units liability \$
As of January 1, 2022	173,201
Tax Distributions	(14,064)
As of September 30, 2022	<u>159,137</u>

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The Partnership unit distributions paid, the portion of the distribution reinvested by the partners, the additional Partnership units issued at the unit price, and the gross proceeds were as follows:

Distribution Payment Date	9-month period ended September 30, 2022			
	Partnership unit distributions	Unit price	Issuance of Partnership units	Gross proceeds
	\$	\$	#	\$
January 17, 2022	12,300	10.50	536,871	5,637
April 15, 2022	12,397	10.81	495,022	5,351
July 15, 2022	12,486	10.26	1,046,982	10,743
	<u>37,183</u>		<u>2,078,875</u>	<u>21,731</u>

Distribution Payment Date	9-month period ended September 30, 2021			
	Partnership unit distributions	Unit price	Issuance of Partnership units	Gross proceeds
	\$	\$	#	\$
January 15, 2021	11,919	10.70	507,826	5,434
April 15, 2021	12,010	10.47	528,465	5,533
July 15, 2021	12,106	10.32	536,167	5,533
	<u>36,035</u>		<u>1,572,458</u>	<u>16,500</u>

On October 17, 2022, the Partnership paid a distribution of \$12.7 million to the partners. Pursuant to the Partnership's Distribution Reinvestment Plan (DRIP), a portion of the distribution was reinvested by the partners, resulting in the Partnership issuing 1,066,619 Partnership units at a price of \$10.26. During the 9-month period ended September 30, 2022, an increase of \$0.03 million was recorded as a fair value adjustment to reflect the market value of the Partnership units issued.

Subsequent to September 30, 2022, the Partnership declared a distribution of \$12.9 million, payable on January 16, 2023.

The Partnership paid Partnership unit distributions, Tax Distributions and advances to its related parties as follows:

	9-month period ended September 30, 2022		
	Tax Distributions	Partnership unit distributions	Total
	\$	\$	\$
Paid to Kruger Inc. ^(a)	274	10,563	10,837
Paid to KPGP	-	3	3
Paid to KPT ^(b)	38	4,886	4,924
Total paid	<u>312</u>	<u>15,452</u>	<u>15,764</u>

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	9-month period ended September 30, 2021			
	Advances paid	Tax Distributions	Partnership unit distributions	Total
	\$	\$	\$	\$
Paid to Kruger Inc. ^(a)	8,458	10,149	15,374	33,981
Paid to KPGP	1	1	3	5
Paid to KPT ^(b)	1,478	1,738	4,158	7,374
Total paid	<u>9,937</u>	<u>11,888</u>	<u>19,535</u>	<u>41,360</u>

(a) During the 9-month periods ended September 30, 2022 and September 30, 2021, Partnership unit distributions were paid to Kruger Inc. net of the DRIP reinvestment. During the 9-month period ended September 30, 2022, Kruger Inc.'s DRIP reinvestment was \$21.2 million (9-month period ended September 30, 2021 - \$15.4 million).

(b) During the 9-month periods ended September 30, 2022 and September 30, 2021, Partnership unit distributions were paid to KPT net of the DRIP reinvestment. During the 9-month period ended September 30, 2022, KPT's DRIP reinvestment was \$0.5 million (9-month period ended September 30, 2021 - \$1.1 million).

Tax Distributions

On February 28, 2022, pursuant to the Tax Distribution as defined in the Partnership Agreement, the Partnership declared a Tax Distribution of \$14.1 million, of which the advances of \$13.8 million were offset and the remaining \$0.3 million was paid on February 28, 2022.

13 Income taxes

The Partnership is not a tax paying entity for the 9-month periods ended September 30, 2022 and September 30, 2021. The income (loss) from the Partnership flows to the partners, Kruger Inc., KPGP and KPT. However, the Partnership's subsidiaries KP USA, KTG, TAD Luxembourg S.A.R.L, TAD1 Canco I Inc., TAD1 Canco II Inc., TAD1 GP ULC, TAD2 GP ULC, KPSI and KPSB are corporate entities and, therefore, are subject to tax.

Income tax expense (recovery) was recognized based on management's best estimate of the effective weighted average annual income tax rate expected for the full financial year. The estimated effective weighted average annual income tax rate for the 9-month period ended September 30, 2022 was 19.8% (9-month period ended September 30, 2021 – 96.9%).

The components of income taxes were as follows:

	3-month period ended September 30, 2022	3-month period ended September 30, 2021	9-month period ended September 30, 2022	9-month period ended September 30, 2021
	\$	\$	\$	\$
Current tax expense	547	499	1,385	1,338
Deferred tax recovery	(4,466)	(5,117)	(19,365)	(9,161)
	<u>(3,919)</u>	<u>(4,618)</u>	<u>(17,980)</u>	<u>(7,823)</u>

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Notes to Unaudited Condensed Consolidated Financial Statements

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14 Related party transactions

The Partnership makes sales to and acquires goods and services from Kruger Inc. and its subsidiary companies (related parties) in the normal course of business. These transactions are measured at the exchange amount, which is the amount agreed on by the related parties, and are non-interest bearing.

Kruger Inc. also provided certain management and support services related to the TAD Sherbrooke Project and the Sherbrooke Expansion Project including project management services and engineering, construction, accounting and corporate finance support services.

Sales of goods to Kruger Inc. for the 9-month period ended September 30, 2022 were \$0.3 million (9-month period ended September 30, 2021 - \$1.2 million). Sales of goods to subsidiaries of Kruger Inc. for the 9-month period ended September 30, 2022 were \$3.0 million (9-month period ended September 30, 2021 - \$1.5 million). Goods are sold based on the price lists in force and terms that would be available to third parties.

Purchases of goods and services from Kruger Inc. for the 9-month period ended September 30, 2022 were \$5.9 million (9-month period ended September 30, 2021 - \$6.2 million). Purchases of goods and services from subsidiaries of Kruger Inc. for the 9-month period ended September 30, 2022 were \$45.2 million (9-month period ended September 30, 2021 - \$40.4 million). These purchases of goods and services are included within Cost of sales and SG&A expenses in the unaudited condensed consolidated statement of comprehensive income (loss).

During the 9-month period ended September 30, 2022, management fees of \$5.8 million (9-month period ended September 30, 2021 - \$5.6 million) were paid to Kruger Inc. for management services provided to the Partnership.

Balances due to and from related parties were as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Receivables from Kruger Inc.	12	12
Receivables from subsidiaries of Kruger Inc.	41	13
Receivables from KPT	170	246
Total receivables from related parties	<u>223</u>	<u>271</u>
Payables to Kruger Inc.	5,672	7,396
Payables to subsidiaries of Kruger Inc.	2,887	4,089
Total payables to related parties	<u>8,559</u>	<u>11,485</u>

The receivables from and payables to related parties are based on commercial terms agreed on between the parties, unsecured and non-interest bearing. There were no provisions related to the receivables from related parties as of September 30, 2022 and December 31, 2021. There were no loans outstanding with related parties as of September 30, 2022 and December 31, 2021.

Long-term payable to KBLP

As of September 30, 2022, an obligation of \$44.2 million was recorded in the unaudited condensed consolidated statement of financial position as Long-term payable to related party (December 31, 2021 - \$42.5 million). During the 9-month period ended September 30, 2022, the increase in the obligation due to passage of time was \$1.7 million and was recognized as Interest expense and other finance costs in the unaudited condensed consolidated statement of comprehensive income (loss).

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The Partnership declared distributions, which are payable to its related parties as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Distribution payable to Kruger Inc.	10,884	10,518
Distribution payable to KPGP	1	1
Distribution payable to KPT	1,789	1,781
Total distribution payable	<u>12,674</u>	<u>12,300</u>

15 Segment information

Reportable segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer who is considered to be the Chief Operating Decision Maker. The Partnership operates in two industry segments: Consumer and Away-From-Home (AFH).

(a) Consumer

This segment operates using the Partnership's manufacturing facilities in Canada (New Westminster, British Columbia; Crabtree, Quebec; Sherbrooke, Quebec; Gatineau, Quebec) and in the United States (Memphis, Tennessee). The Consumer segment includes sales of branded tissue products such as Cashmere™, Purex™, White Swan™, Scotties™, Sponge Towels™ and White Cloud™ and private label tissue products.

(b) AFH

This segment operates using the Partnership's manufacturing facilities in Canada. The AFH business sells tissue products primarily through distributors to businesses involved in property management, health care, food service, manufacturing and lodging and also to public facilities.

Segment operating income is the earnings (loss) for each such segment before (i) interest expense and other finance costs, (ii) income taxes, (iii) depreciation, (iv) amortization, (v) impairment (gain on sale) of non-financial assets, (vi) loss (gain) on disposal of property, plant and equipment, (vii) foreign exchange loss (gain), (viii) costs related to restructuring activities, (ix) changes in amortized cost of Partnership units liability, (x) change in fair value of derivatives, (xi) consulting costs related to operational transformation initiatives, (xii) corporate development related costs and (xiii) loss (gain) on sale of shares. The unaudited condensed consolidated financial statements refer to "Adjusted EBITDA", a measure which does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other companies. "Consumer Segment Adjusted EBITDA" and "AFH Segment Adjusted EBITDA" means in each case the Segment operating income for the respective reportable segment of the Partnership.

Corporate and other costs

Corporate and other costs include certain management overhead costs not directly attributable to the business segments.

The Partnership's assets, operations and employees are located primarily in Canada and the United States. The same long-term assets of the Partnership are used for the Consumer and AFH segments. Accordingly, assets cannot be allocated to these segments.

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(tabular amounts are in thousands of Canadian dollars, except unit amounts)

	3-month period ended September 30, 2022			Total \$
	Consumer \$	AFH \$	Corporate and other costs \$	
Revenue from external customers	346,063	80,963	-	427,026
Adjusted EBITDA	25,038	5,357	315	30,710
Depreciation and amortization				24,792
Interest expense and other finance costs				18,907
Loss on sale of non-financial assets				1
Restructuring costs, net				139
Foreign exchange loss				26,045
Consulting costs related to operational transformation initiatives				3,547
Loss before income taxes				(42,721)
Income tax recovery				(3,919)
Net loss				(38,802)

	3-month period ended September 30, 2021			Total \$
	Consumer \$	AFH \$	Corporate and other costs \$	
Revenue from external customers	332,416	58,976	-	391,392
Adjusted EBITDA	39,092	2,162	(941)	40,313
Depreciation and amortization				23,464
Interest expense and other finance costs				18,740
Change in amortized cost of Partnership units liability				3,427
Loss on sale of property, plant and equipment				62
Loss on sale of non-financial assets				2
Restructuring costs, net				166
Foreign exchange loss				8,301
Corporate development related costs				27
Loss before income taxes				(13,876)
Income tax recovery				(4,618)
Net loss				(9,258)

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	9-month period ended September 30, 2022			
	Consumer	AFH	Corporate and other costs	Total
	\$	\$	\$	\$
Revenue from external customers	1,015,238	208,026	-	1,223,264
Adjusted EBITDA	74,719	1,685	(4,819)	71,585
Depreciation and amortization				69,721
Interest expense and other finance costs				53,810
Loss on sale of property, plant and equipment				18
Loss on sale of non-financial assets				11
Restructuring costs, net				1,007
Foreign exchange loss				34,329
Consulting costs related to operational transformation initiatives				3,547
Loss before income taxes				(90,858)
Income tax recovery				(17,980)
Net loss				(72,878)

	9-month period ended September 30, 2021			
	Consumer	AFH	Corporate and other costs	Total
	\$	\$	\$	\$
Revenue from external customers	896,144	144,988	-	1,041,132
Adjusted EBITDA	123,563	(3,174)	(5,296)	115,093
Depreciation and amortization				63,831
Interest expense and other finance costs				47,925
Change in amortized cost of Partnership units liability				10,283
Loss on sale of property, plant and equipment				326
Loss on sale of non-financial assets				5
Restructuring costs, net				207
Foreign exchange loss				498
Corporate development related costs				93
Loss before income taxes				(8,075)
Income tax recovery				(7,823)
Net loss				(252)

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Geographic segments

The Partnership has generated revenue in Canada and the United States. Revenue and assets were allocated based on the location of the customer and long-term assets, respectively.

	3-month period ended September 30, 2022	3-month period ended September 30, 2021	9-month period ended September 30, 2022	9-month period ended September 30, 2021
Revenue	\$	\$	\$	\$
Canada	249,827	233,529	732,033	647,516
US	177,199	157,863	491,231	393,616
	<u>427,026</u>	<u>391,392</u>	<u>1,223,264</u>	<u>1,041,132</u>

	September 30, 2022		
	Canada	US	Total
	\$	\$	\$
Property, plant and equipment	932,001	350,152	1,282,153
Goodwill	152,021	-	152,021
Intangible assets	30,986	-	30,986

	December 31, 2021		
	Canada	US	Total
	\$	\$	\$
Property, plant and equipment	895,355	329,343	1,224,698
Goodwill	152,021	-	152,021
Intangible assets	29,222	-	29,222

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16 Financial instruments

Classification of financial instruments

As of September 30, 2022, the classification of the financial instruments, as well as their carrying amounts and fair values, was as follows:

	Classification	Carrying amount \$	Fair value \$
Cash and cash equivalents	financial assets at amortized cost	82,123	82,123
Restricted cash	financial assets at amortized cost	5,978	5,978
Trade and other receivables	financial assets at amortized cost	122,417	122,417
Receivables from related parties	financial assets at amortized cost	223	223
Embedded derivative	embedded derivative at fair value through profit and loss	10	10
Trade payables	financial liabilities at amortized cost	(137,764)	(137,764)
Accrued liabilities	financial liabilities at amortized cost	(77,558)	(77,558)
Contract liabilities	financial liabilities at amortized cost	(53,771)	(53,771)
Payables to related parties	financial liabilities at amortized cost	(8,559)	(8,559)
Long-term payable to related party	financial liabilities at amortized cost	(44,233)	(44,233)
Distributions payable	financial liabilities at amortized cost	(12,674)	(12,674)
Long-term debt	financial liabilities at amortized cost	(1,129,606)	(1,157,302)
Lease liabilities	financial liabilities at amortized cost	(103,974)	(103,974)
Partnership units liability	financial liabilities at amortized cost	(159,137)	(159,137)

The following table details the fair value hierarchy of financial instruments by level as of September 30, 2022:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Embedded derivative	-	10	-	10
Long-term debt	-	(1,157,302)	-	(1,157,302)
Partnership units liability	-	-	(159,137)	(159,137)

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As of December 31, 2021, the classification of the financial instruments, as well as their carrying amounts and fair values, was as follows:

	Classification	Carrying amount \$	Fair value \$
Cash and cash equivalents	financial assets at amortized cost	148,519	148,519
Restricted cash	financial assets at amortized cost	2,506	2,506
Trade and other receivables	financial assets at amortized cost	88,802	88,802
Receivables from related parties	financial assets at amortized cost	271	271
Advances to partners	financial assets at amortized cost	13,752	13,752
Embedded derivative	embedded derivative at fair value through profit and loss	10	10
Trade payables	financial liabilities at amortized cost	(118,116)	(118,116)
Accrued liabilities	financial liabilities at amortized cost	(73,639)	(73,639)
Contract liabilities	financial liabilities at amortized cost	(66,871)	(66,871)
Payables to related parties	financial liabilities at amortized cost	(11,485)	(11,485)
Long-term payable to related party	financial liabilities at amortized cost	(42,454)	(42,454)
Distributions payable	financial liabilities at amortized cost	(12,300)	(12,300)
Long-term debt	financial liabilities at amortized cost	(968,881)	(991,072)
Lease liabilities	financial liabilities at amortized cost	(112,524)	(112,524)
Partnership units liability	financial liabilities at amortized cost	(173,201)	(173,201)

The following table details the fair value hierarchy of financial instruments by level as of December 31, 2021:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Embedded derivative	-	10	-	10
Long-term debt	-	(991,072)	-	(991,072)
Partnership units liability	-	-	(173,201)	(173,201)

Fair value

Cash, cash equivalents and restricted cash, Trade and other receivables, Receivables from related parties, Advances to partners, Embedded derivative, Trade payables, Accrued liabilities, Contract liabilities, Payables to related parties and Distributions payable are short-term financial instruments whose fair value approximates the carrying amount, given they will mature in the near future.

The fair values of the KPLP Senior Credit Facility, the Senior Unsecured Notes due April 24, 2025, the Senior Unsecured Notes due April 9, 2029, the AgCredit Agreement and the Nordea2 Credit Facility approximate the current principal amount outstanding as the interest rate approximates current market interest rates. The fair values of the KPSI IQ Debenture, the Quebec PM Loan and the Ontario Loan are recorded on future cash flows discounted using market rates, net of the government grant recorded on the below-market rate of interest. The fair values of the KPSB IQ Debenture, the IQ Bathroom Tissue Loan and the IQ Facial Tissue Loan are recorded on future cash flows discounted using a market rate of interest.

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The fair values of Long-term debt and discount rates were as follows:

	Discount rate	September 30, 2022	December 31, 2021
		\$	\$
KPLP Senior Credit Facility	-	104,300	-
Senior Unsecured Notes due April 24, 2025	-	125,000	125,000
Senior Unsecured Notes due April 9, 2029	-	135,000	135,000
AgCredit Agreement	-	581,219	521,481
KPSI IQ Debenture	6.1%	93,766	104,253
KPSB IQ Debenture	6.4%	27,748	27,336
Nordea2 Credit Facility	-	54,988	58,126
Quebec PM Loan	4.4%	14,269	17,566
IQ Bathroom Tissue Loan	7.2%	15,080	-
IQ Facial Tissue Loan	7.5%	4,075	-
Ontario Loan	4.4%	1,857	2,310
		1,157,302	991,072

Amounts exclude deferred financing fees

Management has estimated the fair value of the Embedded derivative using a probability-weighted interest rate pricing method. The valuation methodology used is categorized as a Level 2 methodology.

Fair value of the Partnership units liability

The Partnership units liability is classified as a financial liability at amortized cost. Management has estimated the fair value of the Partnership units liability using a discounted cash flow model. Significant assumptions include the income tax obligation, discount rate and an industry capitalization rate. There were no significant changes in the assumptions during the 9-month period ended September 30, 2022.

17 Restricted cash

As of September 30, 2022, the Partnership recorded Restricted cash of \$6.0 million (December 31, 2021 - \$2.5 million).

Pursuant to the Repayment Agreement in connection with the KPSB IQ Debenture, the Partnership holds prescribed Rate Discounts, as administered by the Ministère des Finances du Québec, in a dedicated account (the KPLP Dedicated Account) to be used only for the purpose of funding the Partnership's redemption payments to Investissement Québec (IQ). No redemption payments to IQ were funded during the 9-month period ended September 30, 2022. The KPLP Dedicated Account is recorded in the unaudited condensed consolidated statement of financial position as Restricted cash.

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18 Non-cash working capital

The change in non-cash working capital on the unaudited condensed consolidated statement of cash flows comprised the following:

	9-month period ended September 30, 2022	9-month period ended September 30, 2021
	\$	\$
Increase in trade and other receivables	(31,781)	(10,423)
Decrease (increase) in receivables from related parties	213	(1,068)
Increase in inventories	(38,084)	(41,038)
Decrease (increase) in prepaid expenses	(4,529)	38
Decrease in income taxes	305	322
Decrease in trade and other payables	(8,180)	(66,906)
Decrease in payables to related parties	(3,189)	(1,668)
	<u>(85,245)</u>	<u>(120,743)</u>

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19 Cash flows from (used in) financing activities

The change in financing activities on the unaudited condensed consolidated statement of cash flows comprised the following:

	As of January 1, 2021	Proceeds from long- term debt	Repayment of long- term debt	Payment of deferred financing fees	Payment of lease liabilities	Change in Restricted cash	Interest paid on long-term debt	Distribution s and advances paid, net	Movements not in financing activities	As of September 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted cash	-	-	-	-	-	(1,438)	-	-	-	(1,438)
Trade and other receivables	(88,041)	-	-	-	-	-	(156)	-	(10,630)	(98,827)
Advances to partners	(5,647)	-	-	-	-	-	-	(9,937)	5,647	(9,937)
Prepaid expenses	(8,315)	-	-	-	-	-	(319)	-	391	(8,243)
Other long-term assets	(10)	-	-	(4,438)	-	-	-	-	(35,916)	(40,364)
Accrued liabilities	114,776	-	-	-	-	-	(24,278)	-	(26,432)	64,066
Distributions payable	11,919	-	-	-	-	-	-	(36,035)	36,318	12,202
Long-term debt	753,473	225,197	(21,913)	(4,497)	-	-	-	-	2,087	954,347
Lease liabilities	130,975	-	-	-	(18,954)	-	-	-	17,953	129,974
Partnership units liability	185,424	-	-	-	-	-	-	(11,888)	4,636	178,172
Partnership units	439,571	-	-	-	-	-	-	16,500	(132)	455,939
Total	1,534,125	225,197	(21,913)	(8,935)	(18,954)	(1,438)	(24,753)	(41,360)	(6,078)	1,635,891

	As of January 1, 2022	Proceeds from long- term debt	Repayment of long- term debt	Payment of deferred financing fees	Payment of lease liabilities	Change in Restricted cash	Interest paid on long-term debt	Distribution s and advances paid, net	Movements not in financing activities	As of September 30, 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted cash	(2,506)	-	-	-	-	(3,472)	-	-	-	(5,978)
Trade and other receivables	(88,802)	-	-	-	-	-	(948)	-	(32,667)	(122,417)
Prepaid expenses	(5,455)	-	-	-	-	-	(1,955)	-	(2,889)	(10,299)
Other long-term assets	(37,456)	-	-	(331)	-	-	-	-	7,252	(30,535)
Accrued liabilities	73,639	-	-	-	-	-	(33,295)	-	37,214	77,558
Distributions payable	12,300	-	-	-	-	-	-	(37,183)	37,557	12,674
Long-term debt	968,881	248,326	(135,718)	(2,487)	-	-	-	-	50,604	1,129,606
Lease liabilities	112,524	-	-	-	(21,263)	-	-	-	12,713	103,974
Partnership units liability	173,201	-	-	-	-	-	-	(312)	(13,752)	159,137
Partnership units	461,536	-	-	-	-	-	-	21,731	25	483,292
Total	1,667,862	248,326	(135,718)	(2,818)	(21,263)	(3,472)	(36,198)	(15,764)	96,057	1,797,012