



Stella-Jones Inc.

**Condensed Interim Consolidated
Financial Statements
(Unaudited)
September 30, 2022 and 2021**

Stella-Jones Inc.Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

(expressed in millions of Canadian dollars)

	Note	As at September 30, 2022 \$	As at December 31, 2021 \$
Assets			
Current assets			
Accounts receivable		325	230
Inventories		1,102	1,106
Income taxes receivable		—	9
Other current assets		76	43
		<u>1,503</u>	<u>1,388</u>
Non-current assets			
Property, plant and equipment		709	629
Right-of-use assets		154	138
Intangible assets		164	158
Goodwill	3	368	341
Derivative financial instruments	6	32	3
Other non-current assets		6	8
		<u>2,936</u>	<u>2,665</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		211	162
Income taxes payable		8	1
Current portion of long-term debt		1	33
Current portion of lease liabilities		41	35
Current portion of provisions and other long-term liabilities	4	11	11
		<u>272</u>	<u>242</u>
Non-current liabilities			
Long-term debt		773	701
Lease liabilities		120	109
Deferred income taxes		163	137
Provisions and other long-term liabilities	4	18	15
Employee future benefits		4	13
		<u>1,350</u>	<u>1,217</u>
Shareholders' equity			
Capital stock	5	196	208
Retained earnings		1,204	1,161
Accumulated other comprehensive income		186	79
		<u>1,586</u>	<u>1,448</u>
		<u>2,936</u>	<u>2,665</u>

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

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Change in Shareholders' Equity

(Unaudited)

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

(expressed in millions of Canadian dollars)

	Accumulated other comprehensive income						Total shareholders' equity
	Capital stock	Retained earnings	Foreign currency translation adjustment	Translation of long-term debts designated as net investment hedges	Unrealized gains on cash flow hedges	Total	
	\$	\$	\$	\$	\$	\$	\$
Balance – January 1, 2022	208	1,161	175	(98)	2	79	1,448
Comprehensive income (loss)							
Net income for the period	—	205	—	—	—	—	205
Other comprehensive income (loss)	—	7	102	(16)	21	107	114
Comprehensive income (loss) for the period	—	212	102	(16)	21	107	319
Dividends on common shares	—	(37)	—	—	—	—	(37)
Employee share purchase plans	1	—	—	—	—	—	1
Repurchase of common shares (note 5)	(13)	(132)	—	—	—	—	(145)
	(12)	(169)	—	—	—	—	(181)
Balance – September 30, 2022	196	1,204	277	(114)	23	186	1,586

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

Stella-Jones Inc.Condensed Interim Consolidated Statements of Change in Shareholders' Equity...*Continued*

(Unaudited)

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

(expressed in millions of Canadian dollars)

	<u>Accumulated other comprehensive income</u>						Total shareholders' equity
	Capital stock	Retained earnings	Foreign currency translation adjustment	Translation of long-term debts designated as net investment hedges	Unrealized losses on cash flow hedges	Total	
	\$	\$	\$	\$	\$	\$	\$
Balance – January 1, 2021	214	1,079	179	(98)	(1)	80	1,373
Comprehensive income (loss)							
Net income for the period	—	205	—	—	—	—	205
Other comprehensive income (loss)	—	4	2	(1)	—	1	5
Comprehensive income (loss) for the period	—	209	2	(1)	—	1	210
Dividends on common shares	—	(35)	—	—	—	—	(35)
Employee share purchase plans	1	—	—	—	—	—	1
Repurchase of common shares (note 5)	(5)	(73)	—	—	—	—	(78)
	(4)	(108)	—	—	—	—	(112)
Balance – September 30, 2021	210	1,180	181	(99)	(1)	81	1,471

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

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Income

(Unaudited)

(expressed in millions of Canadian dollars, except earnings per common share)

		For the		For the	
		three-month periods		nine-month periods	
	Note	ended September 30,		ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Sales		842	679	2,400	2,205
Expenses					
Cost of sales (including depreciation and amortization (3 months - \$18 (2021 - \$16) and 9 months - \$53 (2021 - \$46))		703	597	1,988	1,814
Selling and administrative (including depreciation and amortization (3 months - \$3 (2021 - \$2) and 9 months - \$10 (2021 - \$8))		41	30	113	95
Other losses, net		—	1	1	2
		744	628	2,102	1,911
Operating income		98	51	298	294
Financial expenses		10	5	22	17
Income before income taxes		88	46	276	277
Provision for income taxes					
Current		22	9	64	68
Deferred		1	3	7	4
		23	12	71	72
Net income for the period		65	34	205	205
Basic and diluted earnings per common share	5	1.07	0.52	3.30	3.14

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

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(expressed in millions of Canadian dollars)

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net income for the period	65	34	205	205
Other comprehensive loss				
Items that may subsequently be reclassified to net income				
Gains on translation of financial statements of foreign operations	83	33	102	2
Losses on translation of long-term debt designated as hedges of net investment in foreign operations	(13)	(7)	(16)	(1)
Change in fair value of derivatives designated as cash flow hedges	11	(1)	29	—
Income tax on change in fair value of derivatives designated as cash flow hedges	(3)	—	(8)	—
Items that will not subsequently be reclassified to net income				
Remeasurements of post-retirement benefit obligations	—	2	9	5
Income taxes on remeasurements of post-retirement benefit obligations	—	(1)	(2)	(1)
	78	26	114	5
Comprehensive income for the period	143	60	319	210

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

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(expressed in millions of Canadian dollars)

	Note	For the		For the	
		three-month periods		nine-month periods	
		ended September 30,		ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Cash flows from (used in)					
Operating activities					
Net income for the period		65	34	205	205
Adjustments for					
Depreciation of property, plant and equipment		7	6	22	18
Depreciation of right-of-use assets		10	10	30	28
Amortization of intangible assets		4	2	11	8
Financial expenses		10	5	22	17
Current income taxes expense		22	9	64	68
Deferred income taxes		1	3	7	4
Provisions and other long-term liabilities		1	—	1	(5)
Other		1	1	1	(2)
		<u>121</u>	<u>70</u>	<u>363</u>	<u>341</u>
Changes in non-cash working capital components					
Accounts receivable		66	69	(78)	(75)
Inventories		56	81	61	18
Other current assets		(10)	(7)	(26)	(6)
Accounts payable and accrued liabilities		(10)	48	36	78
		<u>102</u>	<u>191</u>	<u>(7)</u>	<u>15</u>
Interest paid		(10)	(8)	(23)	(19)
Income taxes paid		(20)	(28)	(48)	(80)
		<u>193</u>	<u>225</u>	<u>285</u>	<u>257</u>
Financing activities					
Proceeds from short-term debt		—	—	—	125
Repayment of short-term debt		—	—	—	(123)
Net change in revolving credit facilities		(81)	(165)	(34)	(123)
Proceeds from long-term debt		—	31	63	152
Repayment of long-term debt		—	(31)	(33)	(105)
Repayment of lease liabilities		(11)	(9)	(30)	(26)
Dividends on common shares		(12)	(11)	(37)	(35)
Repurchase of common shares	5	(59)	(27)	(142)	(78)
Other		1	—	1	—
		<u>(162)</u>	<u>(212)</u>	<u>(212)</u>	<u>(213)</u>
Investing activities					
Business combinations	3	(8)	—	(8)	—
Purchase of property, plant and equipment		(20)	(11)	(57)	(31)
Additions of intangible assets		(3)	(3)	(8)	(13)
Other		—	1	—	—
		<u>(31)</u>	<u>(13)</u>	<u>(73)</u>	<u>(44)</u>
Net change in cash and cash equivalents during the period					
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents – Beginning of period					
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents – End of period					
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

1 Description of the business

Stella-Jones Inc. (with its subsidiaries, either individually or collectively, referred to as the “Company”) is North America’s leading producer of pressure-treated wood products. It supplies the continent’s major electrical utilities and telecommunication companies with wood utility poles and North America’s Class 1, short line and commercial railroad operators with railway ties and timbers. The Company also provides industrial products, which include wood for railway bridges and crossings, marine and foundation pilings, construction timbers and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing the Canadian market through its national manufacturing and distribution network. The Company has treating and pole peeling facilities across Canada and the United States and sells its products primarily in these two countries. The Company’s headquarters are located at 3100 de la Côte-Vertu Blvd., in Saint-Laurent, Quebec, Canada. The Company is incorporated under the Canada Business Corporations Act, and its common shares are listed on the Toronto Stock Exchange (“TSX”) under the stock symbol SJ.

2 Significant accounting policies

Basis of presentation

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and Chartered Professional Accountants Canada Handbook Accounting - Part I, applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 8, 2022.

The same accounting policies, methods of computation and presentation have been followed in the preparation of these condensed interim consolidated financial statements as were applied in the annual consolidated financial statements for the year ended December 31, 2021.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of Stella-Jones Inc. and its controlled subsidiaries. Intercompany transactions and balances between these companies have been eliminated. All consolidated subsidiaries are wholly owned. The significant subsidiaries within the legal structure of the Company are as follows:

Subsidiary	Parent	Country of incorporation
Stella-Jones U.S. Holding Corporation	Stella-Jones Inc.	United States
Stella-Jones Corporation	Stella-Jones U.S. Holding Corporation	United States
Cahaba Pressure Treated Forest Products, Inc.	Stella-Jones U.S. Holding Corporation	United States
Cahaba Timber, Inc.	Stella-Jones U.S. Holding Corporation	United States

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

3 Business combination

On July 22, 2022, the Company completed the acquisition of substantially all of the operating assets of the Dinsmore Trucking group (“Dinsmore”), a specialty poles and logs carrier and transportation business. Dinsmore’s operations are principally located in Ontario and Alberta and their services extend across Canada and to parts of the United-States. This acquisition will provide the Company with increased control and flexibility of transport operations to service its network and customers.

The cash outlay associated with this acquisition was eight million dollars, excluding acquisition-related costs of less than a million dollars recognized in the consolidated statement of income under selling and administrative expenses. The Company financed this acquisition through its existing credit facilities. The consideration transferred is also comprised of an amount payable of approximately one million dollars.

The following is a final summary of the assets acquired, the liabilities assumed and the consideration transferred at fair value as at the acquisition date.

(Amounts in millions of Canadian dollars)

Assets acquired	
Property, plant and equipment	7
Right-of-use assets	3
Goodwill	2
	<hr/>
	12
Liabilities assumed	
Lease liabilities	3
	<hr/>
	3
Total net assets acquired and liabilities assumed	
	<hr/>
	9
Consideration transferred	
Cash	8
Consideration payable	1
	<hr/>
Consideration transferred	9

Goodwill is deductible for Canadian tax purposes and represents the future economic value associated with the acquired workforce and synergies with the Company’s operations. For impairment test purposes, goodwill is allocated to cash-generating units (“CGUs”) as defined in the Company’s accounting policies. Goodwill is allocated to a CGU defined as plants specialized in the treatment of utility poles and residential lumber.

In the period from July 22, 2022 to September 30, 2022, the combined sales and net income of Dinsmore amounted to less than a million dollars and nil, respectively.

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

4 Provisions and other long-term liabilities

(Amounts in millions of Canadian dollars)	As at September 30, 2022	As at December 31, 2021
Site remediation	18	16
Share-based payment plans	6	4
Others	5	6
	29	26
Less: Current portion of provisions and long-term liabilities	11	11
	18	15

The Company's share-based payment plans consist of cash-settled restricted stock unit, performance stock unit and deferred share unit plans.

Restricted stock units (RSUs) and Performance stock units (PSUs)

Under the Stock Unit Plan, RSUs and PSUs are granted to certain executives and key employees of the Company. RSUs and PSUs entitle the holders to receive a cash payment equal to the average closing price on the TSX of the Company's common shares for the five trading days preceding the vesting date multiplied by a factor which ranges from 0% to 200% based on the attainment of performance criteria and/or market conditions set out pursuant to the plan, provided the individual is still employed by the Company at time of vesting. RSUs vest ratably over a period of three years and PSUs are paid three years after the grant date.

Changes in outstanding RSUs during the nine-month periods ended September 30, are as follows:

	2022	2021
RSUs outstanding - Beginning of period	103,963	266,750
Granted	88,763	64,517
Vested	(63,527)	(213,855)
Forfeited	(2,395)	(5,156)
RSUs outstanding - End of period	126,804	112,256

Changes in outstanding PSUs during the nine-month periods ended September 30, are as follows:

	2022	2021
PSUs outstanding - Beginning of period	29,398	—
Granted	44,382	32,258
Forfeited	(697)	—
PSUs outstanding - End of period	73,083	32,258

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

Deferred share units (DSUs)

DSUs entitle non-executive directors of the Company to receive a minimum participation amount in the form of DSUs and they may elect to participate in the DSU plan for a portion of their Board fees. Such deferred remuneration is converted to DSUs based on the average closing price of the Company's common shares on the TSX of the five trading days immediately preceding the date such awards are granted to the non-employee director. DSUs are settled for cash only after a non-employee director ceases to act as a director.

Changes in outstanding DSUs during the nine-month periods ended September 30, are as follows:

	2022	2021
DSUs outstanding - Beginning of period	20,131	6,375
Granted	24,202	13,756
DSUs outstanding - End of period	44,333	20,131

5 Capital stock and earnings per share

The following table provides the number of common shares outstanding for the nine-month periods ended September 30:

	2022	2021
Number of common shares outstanding – Beginning of period	63,773,252	66,187,404
Common shares repurchased	(3,868,055)	(1,725,871)
Employee share purchase plans	30,667	24,114
Number of common shares outstanding – End of period	59,935,864	64,485,647

a) Capital stock

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

All issued shares are fully paid. The common shares provide for the right to receive notice of, attend and vote at all meetings of shareholders and receive dividends, subject to the prior rights of the preferred shares and any other shares ranking senior to the common shares. To date, the Company has not issued any preferred shares.

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

b) Earnings per share

The following table provides the reconciliation, as at September 30, between basic earnings per common share and diluted earnings per common share:

(Amounts in millions of Canadian dollars, except per share amounts)	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2022	2021	2022	2021
Net income applicable to common shares	\$65	\$34	\$205	\$205
Weighted average number of common shares outstanding*	60.7	64.7	62.1	65.2
Effect of dilutive stock options*	—	—	—	—
Weighted average number of diluted common shares outstanding*	60.7	64.7	62.1	65.2
Basic and diluted earnings per common share	\$1.07	\$0.52	\$3.30	\$3.14

* Number of shares is presented in millions.

c) Normal Course Issuer Bid

On November 8, 2021, the TSX accepted Stella-Jones' Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") to purchase for cancellation up to 4,000,000 common shares during the 12-month period commencing November 12, 2021 and ending November 11, 2022 ("2021-2022 NCIB").

On March 8, 2022, the Company received approval from the TSX to amend its 2021-2022 NCIB in order to increase the maximum number of common shares that may be repurchased for cancellation by the Company during the 12-month period ending November 11, 2022 from 4,000,000 to 5,000,000 common shares, representing approximately 10% of the public float of its common shares as at October 31, 2021. The amendment to the 2021-2022 NCIB was effective on March 14, 2022.

During the nine-month period ended September 30, 2022, the Company repurchased for cancellation 3,868,055 common shares under its 2021-2022 NCIB (September 30, 2021 - 1,725,871 common shares under the NCIB then in effect) for a total consideration of \$145 million (September 30, 2021 - \$78 million), representing an average price of \$37.45 per common share (September 30, 2021 - \$45.42). For the nine-month period ended September 30, 2022, the Company's capital stock was reduced by \$13 million (September 30, 2021 - five million dollars) and the remaining \$132 million (September 30, 2021 - \$73 million) was accounted for as a decrease in retained earnings.

As at September 30, 2022, the Company had unsettled transactions to repurchase 80,271 common shares for a consideration of three million dollars and recorded a financial liability of that amount. The settlement of these transactions occurred in early October 2022.

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

6 Fair value measurement and financial instruments

The following table summarizes the Company's interest rate swap agreements:

(Amounts in millions of Canadian dollars)					As at September 30, 2022	As at December 31, 2021
Notional amount	Related debt instrument	Fixed rate %	Effective date	Maturity date	Notional equivalent CAS	Notional equivalent CAS
US\$50	Revolving credit facilities	0.872*	December 2021	December 2026	68	63
US\$125	Term loan facility	1.125 **	July 2021	June 2028	171	158

* Plus applicable margin of 1.00% to 2.25% based on pricing grid included in the revolving credit agreements.

** Plus set margin of 1.725%.

The Company designates its interest rate swap agreements as cash flow hedges of the underlying debt. The cash flow hedge documentation allows the Company to substitute the underlying debt as long as the hedge effectiveness is demonstrated. As at September 30, 2022, all cash flow hedges were effective.

As at September 30, 2022, the fair value of interest swap agreements was \$32 million, recognized as non-current assets in the interim consolidated statement of financial position (December 31, 2021 - three million dollars).

The fair value of these financial instruments has been estimated using the discounted future cash flow method and has been classified as Level 2 in the fair value hierarchy as per IFRS 7, *Financial Instruments: Disclosures*, as it is based mainly on observable market data, namely government bond yields and interest rates. A description of each level of the hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for these assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments which are not measured at fair value on the statement of financial position are represented by accounts receivable, accounts payable and accrued liabilities and long-term debt. The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The long-term debt has a carrying value of \$774 million (December 31, 2021 - \$734 million) and a fair value of \$737 million (December 31, 2021 - \$747 million).

7 Seasonality

The Company's operations follow a seasonal pattern, with utility poles, railway ties and industrial products shipments strongest in the second and third quarters to provide industrial end-users with product for their summer maintenance projects. Residential lumber sales follow the same seasonal pattern. Inventory levels of utility poles, railway ties and residential lumber are typically highest in the first quarter in advance of the summer shipping season.

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

8 Segment information

The Company operates within two business segments which are the production and sale of pressure-treated wood and the procurement and sales of logs and lumber.

The pressure-treated wood segment includes utility poles, railway ties, residential lumber and industrial products.

The logs and lumber segment comprises of the sales of logs harvested in the course of the Company's procurement process that are determined to be unsuitable for use as utility poles. Also included in this segment is the sale of excess lumber to local home-building markets. Assets and net income related to the logs and lumber segment are nominal.

Operating plants are located in six Canadian provinces and 19 American states. The Company also operates a large distribution network across North America.

Sales attributed to countries based on location of customer for the nine-month periods ended September 30, are as follows:

(Amounts in millions of Canadian dollars)	2022	2021
Canada	792	837
U.S.	1,608	1,368
	2,400	2,205

Sales by product for the nine-month periods ended September 30, are as follows:

(Amounts in millions of Canadian dollars)	2022	2021
Utility poles	901	698
Railway ties	589	553
Residential lumber	644	666
Industrial products	111	96
Pressure-treated wood	2,245	2,013
Logs and lumber	155	192
	2,400	2,205

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

Property, plant and equipment, right-of-use assets, intangible assets and goodwill attributed to the countries based on location are as follows:

(Amounts in millions of Canadian dollars)	As at September 30, 2022	As at December 31, 2021
Property, plant and equipment		
Canada	192	175
U.S.	517	454
	<u>709</u>	<u>629</u>
Right-of-use assets		
Canada	22	20
U.S.	132	118
	<u>154</u>	<u>138</u>
Intangible assets		
Canada	53	50
U.S.	111	108
	<u>164</u>	<u>158</u>
Goodwill		
Canada	21	19
U.S.	347	322
	<u>368</u>	<u>341</u>

9 Subsequent events

a) On November 1, 2022, the Company completed the acquisition of substantially all of the assets of the wood utility pole manufacturing business of Texas Electric Cooperatives, Inc., located in Jasper County Texas. Total consideration associated with the acquisition was US\$32 million, including inventories estimated at four million dollars US.

b) On November 2, 2022, the Company amended and restated the sixth amended and restated credit agreement dated as of May 3, 2019, as amended on February 24, 2020, October 30, 2020 and July 30, 2021, pursuant to a seventh amended and restated credit agreement (the "Seventh ARCA"). Under the terms of the Seventh ARCA, the amount available under the unsecured revolving credit facility was increased from US\$325 million to US\$400 million and London Interbank Offered Rate ("LIBOR") references were replaced with Secured Overnight Financing Rate. Revolving facility advances made prior to this amendment continue to apply LIBOR rates until the end of their term. All other terms and conditions remained substantially unchanged.

c) On November 8, 2022, the Toronto Stock Exchange accepted the Company's Notice of Intention to Make a Normal Course Issuer Bid ("Notice"). Pursuant to the Notice, the Company may, during the twelve-month period commencing November 14, 2022 and ending November 13, 2023, purchase for cancellation, up to 5,000,000 common shares, representing approximately 9.6% of the public float of its common shares.

Stella-Jones Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2022 and 2021

d) On November 8, 2022, the Board of Directors declared a quarterly dividend of \$0.20 per common share payable on December 16, 2022 to shareholders of record at the close of business on December 1, 2022.