



Interfor Corporation

Burnaby, B.C.

November 04, 2021

Interfor Reports Q3'21 Results and Announces Renewal of Share Buyback Program EBITDA¹ of \$94 million on Sales of \$664 million Net Cash Position with Available Liquidity of \$836 million

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded Net earnings in Q3'21 of \$65.6 million, or \$1.05 per share, compared to \$419.2 million, or \$6.45 per share in Q2'21 and \$121.6 million, or \$1.81 per share in Q3'20. Adjusted net earnings in Q3'21 were \$46.7 million compared to \$433.5 million in Q2'21 and \$140.0 million in Q3'20.

Adjusted EBITDA was \$93.9 million on sales of \$664.3 million in Q3'21 versus \$611.3 million on sales of \$1.1 billion in Q2'21.

Notable items in the quarter:

- Record Production and Shipments
 - Total lumber production in Q3'21 was 731 million board feet, representing an increase of 15 million board feet quarter-over-quarter and setting an Interfor production record. The U.S. South and U.S. Northwest regions accounted for 411 million board feet and 156 million board feet, respectively, compared to 387 million board feet and 137 million board feet in Q2'21. Sawmills acquired on July 9, 2021 contributed to the increased output in both regions. Production in the B.C. region decreased to 164 million board feet from 192 million board feet in Q2'21 due to log supply related downtime at the B.C. Interior sawmills as a result of wildfires.
 - Total lumber shipments were 753 million board feet, or 39 million board feet higher than Q2'21 and 135 million board feet higher than Q3'20.
 - Interfor's average selling price was \$744 per mfbm, down \$675 per mfbm versus Q2'21. The SYP Composite, Western SPF Composite and KD H-F Stud 2x4 9' lumber price benchmarks decreased quarter-over-quarter by US\$560, US\$840 and US\$1,051 per mfbm to US\$468, US\$479 and US\$558 per mfbm, respectively.
- Strong Free Cash Flow Generation
 - Interfor generated \$72.3 million of cash flow from operations before changes in working capital, or \$1.15 per share. A decrease in working capital investment added \$123.9 million of cash flow, primarily related to the collection of trade receivables recorded at higher lumber prices and lower log inventories in B.C. driven by wildfire impacts.
 - Net debt ended the quarter at \$(133.8) million, or (9.3)% of invested capital, resulting in available liquidity of \$836.3 million.
- Strategic Capital Investments
 - Capital spending was \$44.0 million, including \$26.6 million on high-return discretionary projects. The majority of this discretionary spending was focused on the ongoing multi-year rebuild of the Eatonton, GA sawmill, which will begin ramp-up in Q1'22.

¹ Refer to Adjusted EBITDA in the Non-GAAP Measures section

- Acquisition of Four US Sawmills and Restart of the DeQuincy, LA Operation
 - On July 9, 2021, Interfor concluded the acquisition of four sawmill operations located in Bay Springs, MS, Fayette, AL, DeQuincy, LA and Philomath, OR (the "Acquired US Sawmills") from Georgia-Pacific Wood Products LLC and GP Wood Products LLC. The Company paid total consideration of US\$372.0 million.
 - Inventory purchase accounting adjustments of \$14.0 million related to the Acquired US Sawmills are included in production costs for Q3'21.
 - Significant progress has been made on restarting operations at the sawmill in DeQuincy, LA, which has annual lumber production capacity of 200 million board feet. Lumber production is expected to begin in Q1'22 and ramp-up over the course of 2022.
- Normal Course Issuer Bid ("NCIB") Completion
 - On September 16, 2021, Interfor announced an amendment to its NCIB increasing the maximum number of common shares that may be purchased by an additional 690,906 common shares. The amended NCIB allowed for the purchase of up to 6,672,658 common shares.
 - During Q3'21, Interfor purchased 2,882,048 common shares under the Company's NCIB for total consideration of \$83.1 million. This completed the purchase of all 6,672,658 common shares allowable for total consideration of \$177.3 million, representing an average price of \$26.56 per share, or 1.03 times book value per share at September 30, 2021.
- Sale of Former Sawmill Property
 - On July 21, 2021, the Company completed the sale of property, plant and equipment at its former Hammond sawmill located in Maple Ridge, B.C. for net cash proceeds of \$39.7 million and recorded a gain of \$22.8 million.
- Softwood Lumber Duties
 - Interfor expensed \$6.1 million of duties in the quarter, representing the full amount of CV and AD duties incurred on its Canadian shipments of softwood lumber into the U.S. at a combined rate of 8.99%.
 - Cumulative duties of US\$163.0 million have been paid by Interfor since the inception of the current trade dispute and are held in trust by the U.S. Except for US\$32.9 million in respect of overpayments arising from duty rate adjustments, Interfor has recorded the duty deposits as an expense.

Renewal of NCIB

The Toronto Stock Exchange ("TSX") has approved the renewal by the Company of its NCIB.

The NCIB will allow for the purchase during the twelve-month period commencing on November 11, 2021 and ending on November 10, 2022 of up to 6,041,701 common shares, which represents 10% of the Company's public float as at November 4, 2021.

Under TSX rules, Interfor will be allowed to purchase daily a maximum of 117,823 common shares, representing 25% of the average daily trading volume of the Company's common shares over the six-month period ending October 31, 2021, subject to certain exemptions for block purchases. As of November 4, 2021, the Company has 60,781,186 common shares issued and outstanding. All purchases will be made through open market transactions through the facilities of the TSX or other Canadian alternative trading systems and will conform to their rules and regulations. The price to be paid by Interfor for any common shares will be the market price at the time of acquisition. All common shares purchased pursuant to the NCIB will be cancelled.

Interfor has also entered into an automatic securities purchase plan agreement with a securities broker under which the broker will act as the Company's agent to acquire Interfor common shares under the NCIB during the Company's scheduled blackout periods in the course of the NCIB. Purchases by the broker under the NCIB during these periods will be made at the broker's discretion, subject to certain

parameters established by Interfor prior to each period with respect to price and number of common shares.

The Company continues to believe that, from time to time, the market price of its common shares may be attractive and their purchase would represent a prudent use of its capital to increase shareholder value.

Deferral of Old-Growth Logging in B.C.

On November 2, 2021, the B.C. government announced a proposed deferral of harvesting within 2.6 million hectares of B.C. forests. This proposed deferral, if implemented, has been identified as temporary and is subject to First Nations engagement which is currently ongoing. Interfor requires additional and more specific information to understand the potential impacts of this proposal on its operations in B.C. Interfor's operations within the coastal and interior regions of B.C. account for 4% and 19% of its total lumber production capacity, respectively.

Outlook

North American lumber markets over the near term are expected to remain above historical trends driven by continued strong demand from new housing starts and repair and remodel activity, albeit with volatility as the economy adjusts to the COVID-19 pandemic recovery.

Interfor expects lumber demand to continue to grow over the mid-term, as repair and renovation activities and U.S. housing starts benefit from favourable underlying economic fundamentals and trends.

Interfor's strategy of maintaining a diversified portfolio of operations in multiple regions allows the Company to both reduce risk and maximize returns on capital over the business cycle. While uncertainty remains as to the duration and extent of the economic impact from the COVID-19 pandemic, Interfor is well positioned with its strong balance sheet and significant available liquidity.

Financial and Operating Highlights¹

Unit	For the 3 months ended			For the 9 months ended		
	Sept. 30	Sept. 30	Jun. 30	Sept. 30	Sept. 30	
	2021	2020	2021	2021	2020	
Financial Highlights²						
Total sales	\$MM	664.3	644.9	1,099.7	2,613.3	1,521.3
Lumber	\$MM	559.6	562.4	1,012.9	2,334.9	1,263.8
Logs, residual products and other	\$MM	104.7	82.5	86.8	278.4	257.5
Operating earnings	\$MM	54.8	171.4	568.3	978.7	199.3
Net earnings	\$MM	65.6	121.6	419.2	749.4	131.1
Net earnings per share, basic	\$/share	1.05	1.81	6.45	11.61	1.95
Adjusted net earnings ³	\$MM	46.7	140.0	433.5	750.9	151.4
Adjusted net earnings per share, basic ³	\$/share	0.74	2.08	6.67	11.60	2.25
Operating cash flow per share (before working capital changes) ³	\$/share	1.15	3.20	7.46	14.48	4.32
Adjusted EBITDA ³	\$MM	93.9	221.7	611.3	1,097.3	301.1
Adjusted EBITDA margin ³	%	14.1%	34.4%	55.6%	42.0%	19.8%
Total assets	\$MM	2,488.7	1,731.9	2,409.4	2,488.7	1,731.9
Total debt	\$MM	375.3	400.2	365.1	375.3	400.2
Net debt ³	\$MM	(133.8)	88.7	(490.7)	(133.8)	88.7
Net debt to invested capital ³	%	(9.3%)	8.3%	(46.1%)	(9.3%)	8.3%
Annualized return on capital employed ³	%	16.0%	45.6%	110.8%	69.2%	18.4%
Operating Highlights						
Lumber production	million fbm	731	642	716	2,133	1,690
Lumber sales	million fbm	753	618	714	2,133	1,758
Lumber - average selling price ⁴	\$/thousand fbm	744	910	1,419	1,095	719
Average USD/CAD exchange rate ⁵	1 USD in CAD	1.2600	1.3321	1.2282	1.2513	1.3541
Closing USD/CAD exchange rate ⁵	1 USD in CAD	1.2741	1.3339	1.2394	1.2741	1.3339

Notes:

- Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
- Financial information presented for interim periods in this release is prepared in accordance with IFRS and is unaudited.
- Refer to the Non-GAAP Measures section of this release for definitions and reconciliations of these measures to figures reported in the Company's unaudited condensed consolidated interim financial statements.
- Gross sales before duties.
- Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Interfor's Net debt at September 30, 2021 was \$(133.8) million, or (9.3)% of invested capital, representing a decrease of \$58.4 million from the level of Net debt at December 31, 2020.

As at September 30, 2021 the Company had net working capital of \$563.7 million and available liquidity of \$836.3 million, based on the full borrowing capacity under its \$350 million Revolving Term Line.

The Revolving Term Line and Senior Secured Notes are subject to financial covenants, including net debt to total capitalization ratios, and an EBITDA interest coverage ratio.

Management believes, based on circumstances known today, that Interfor has sufficient working capital and liquidity to fund operating and capital requirements for the foreseeable future.

Thousands of Dollars	For the 3 months ended		For the 9 months ended	
	2021	Sept. 30, 2020	2021	Sept. 30, 2020
Net debt				
Net debt, period opening	\$(490,682)	\$239,114	\$(75,432)	\$224,860
(Repayment) issuance of Senior Secured Notes	-	-	(6,671)	140,770
Revolving Term Line net drawings (repayments)	1	(23)	1	(82)
Impact on U.S. Dollar denominated debt from weakening (strengthening) CAD	10,221	(8,647)	38	(278)
Decrease (increase) in cash and cash equivalents	365,553	(144,849)	(48,016)	(285,473)
Impact on U.S. Dollar denominated cash and cash equivalents from (weakening) strengthening CAD	(18,922)	3,110	(3,749)	8,908
Net debt, period ending	\$(133,829)	\$88,705	\$(133,829)	\$88,705

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of September 30, 2021:

Thousands of Canadian Dollars	Revolving Term Line	Senior Secured Notes	Total
Available line of credit and maximum borrowing available	\$350,000	\$375,328	\$725,328
Less:			
Drawings	-	375,328	375,328
Outstanding letters of credit included in line utilization	22,836	-	22,836
Unused portion of facility	\$327,164	\$-	327,164
Add:			
Cash and cash equivalents			509,157
Available liquidity at September 30, 2021			\$836,321

Interfor's Revolving Term Line matures in March 2024 and its Senior Secured Notes have maturities principally in the years 2024-2030.

As of September 30, 2021, the Company had commitments for capital expenditures totaling \$93.5 million for both maintenance and discretionary capital projects.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted net earnings, Adjusted net earnings per share, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital, Operating cash flow per share (before working capital changes), and Annualized return on capital employed which are used by the Company and certain investors to evaluate operating performance and financial position. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

The following table provides a reconciliation of these non-GAAP measures to figures as reported in the Company's audited consolidated financial statements (unaudited for interim periods) prepared in accordance with IFRS:

Thousands of Canadian Dollars except number of shares and per share amounts	For the 3 months ended			For the 9 months ended	
	Sept. 30 2021	Sept. 30 2020	Jun. 30 2021	Sept. 30 2021	Sept. 30 2020
Adjusted Net Earnings					
Net earnings	\$65,630	\$121,604	\$419,241	\$749,358	\$131,148
Add:					
Asset write-downs and restructuring costs	997	12,985	2,213	3,352	13,471
Other foreign exchange (gain) loss	(9,104)	2,907	4,645	(2,113)	8,719
Long term incentive compensation expense	4,809	5,576	11,145	23,624	2,259
Other (income) expense	(22,571)	43	1,045	(23,522)	(428)
Post closure wind-down (recoveries) costs	(24)	3,085	251	451	3,085
Income tax effect of above adjustments	6,956	(6,206)	(4,991)	(264)	(6,875)
Adjusted net earnings	\$46,693	\$139,994	\$433,549	\$750,886	\$151,379
Weighted average number of shares - basic ('000)	62,741	67,270	64,984	64,539	67,263
Adjusted net earnings per share	\$0.74	\$2.08	\$6.67	\$11.63	\$2.25
Adjusted EBITDA					
Net earnings	\$65,630	\$121,604	\$419,241	\$749,358	\$131,148
Add:					
Depreciation of plant and equipment	25,899	20,850	22,717	70,090	56,512
Depletion and amortization of timber, roads and other	7,396	7,922	6,669	21,033	26,560
Finance costs	4,444	4,907	4,437	13,405	14,188
Income tax expense	16,439	41,916	138,922	241,617	45,684
EBITDA	119,808	197,199	591,986	1,095,503	274,092
Add:					
Long term incentive compensation expense	4,809	5,576	11,145	23,624	2,259
Other foreign exchange (gain) loss	(9,104)	2,907	4,645	(2,113)	8,719
Other (income) expense	(22,571)	43	1,045	(23,522)	(428)
Asset write-downs and restructuring costs	997	12,985	2,213	3,352	13,471
Post closure wind-down (recoveries) costs	(24)	2,967	251	451	2,967
Adjusted EBITDA	\$93,915	\$221,677	\$611,285	\$1,097,295	\$301,080
Sales	\$664,274	\$644,884	\$1,099,670	\$2,613,251	\$1,521,308
Adjusted EBITDA margin	14.1%	34.4%	55.6%	42.0%	19.8%
Net debt to invested capital					
Net debt					
Total debt	\$375,328	\$400,170	\$365,106	\$375,328	\$400,170
Cash and cash equivalents	(509,157)	(311,465)	(855,788)	(509,157)	(311,465)
Total net debt	\$(133,829)	\$88,705	\$(490,682)	\$(133,829)	\$88,705
Invested capital					
Net debt	\$(133,829)	\$88,705	\$(490,682)	\$(133,829)	\$88,705
Shareholders' equity	1,567,063	983,225	1,554,205	1,567,063	983,225
Total invested capital	\$1,433,234	\$1,071,930	\$1,063,523	\$1,433,234	\$1,071,930
Net debt to invested capital ¹	(9.3%)	8.3%	(46.1%)	(9.3%)	8.3%
Operating cash flow per share (before working capital changes)					
Cash provided by operating activities	\$196,375	\$175,492	\$484,723	\$966,178	\$296,837
Cash (generated from) used in operating working capital	(124,114)	40,087	(249)	(31,759)	(5,260)
Operating cash flow (before working capital changes)	\$72,261	\$215,579	\$484,474	\$934,419	\$291,577
Weighted average number of shares - basic ('000)	62,741	67,270	64,984	64,539	67,263
Operating cash flow per share (before working capital changes)	\$1.15	\$3.20	\$7.46	\$14.48	\$4.33
Annualized return on capital employed					
Net earnings	\$65,630	\$121,604	\$419,241	\$749,358	\$131,148
Add:					
Finance costs	4,444	4,907	4,437	13,405	14,188
Income tax expense	16,439	41,916	138,922	241,617	45,684
Earnings before income taxes and finance costs	\$86,513	\$168,427	\$562,600	\$1,004,380	\$191,020
Capital employed					
Total assets	\$2,488,693	\$1,731,881	\$2,409,388	\$2,488,693	\$1,731,881
Current liabilities	(307,349)	(196,473)	(285,081)	(307,349)	(196,473)
Less:					
Current portion of long term debt	6,901	7,225	6,713	6,901	7,225
Current portion of lease liabilities	11,921	12,579	11,758	11,921	12,579
Capital employed, end of period	\$2,200,166	\$1,555,212	\$2,142,778	\$2,200,166	\$1,555,212
Capital employed, beginning of period	2,142,778	1,402,379	1,915,146	1,672,103	1,214,375
Average capital employed	\$2,171,472	\$1,478,796	\$2,028,962	\$1,936,135	\$1,384,794
Earnings before income taxes and finance costs divided by average capital employed	4.0%	11.4%	27.7%	51.9%	13.8%
Annualization factor	4.0	4.0	4.0	1.3	1.3
Annualized return on capital employed	16.0%	45.6%	110.8%	69.2%	18.4%

Note 1: Net debt to invested capital as of the period end



CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the three and nine months ended September 30, 2021 and 2020 (unaudited)

(thousands of Canadian Dollars except earnings per share)

	Three Months Sept. 30, 2021	Three Months Sept. 30, 2020	Nine Months Sept. 30, 2021	Nine Months Sept. 30, 2020
Sales	\$664,274	\$644,884	\$2,613,251	\$1,521,308
Costs and expenses:				
Production	550,494	394,463	1,439,990	1,154,825
Selling and administration	13,727	11,992	38,742	30,664
Long term incentive compensation expense	4,809	5,576	23,624	2,259
U.S. countervailing and anti-dumping duty deposits	6,114	19,719	37,675	37,706
Depreciation of plant and equipment	25,899	20,850	70,090	56,512
Depletion and amortization of timber, roads and other	7,396	7,922	21,033	26,560
	608,439	460,522	1,631,154	1,308,526
Operating earnings before write-downs and restructuring costs	55,835	184,362	982,097	212,782
Asset write-downs and restructuring costs	997	12,985	3,352	13,471
Operating earnings	54,838	171,377	978,745	199,311
Finance costs	(4,444)	(4,907)	(13,405)	(14,188)
Other foreign exchange gain (loss)	9,104	(2,907)	2,113	(8,719)
Other income (expense)	22,571	(43)	23,522	428
	27,231	(7,857)	12,230	(22,479)
Earnings before income taxes	82,069	163,520	990,975	176,832
Income tax (recovery) expense:				
Current	(14,737)	1,515	203,576	1,651
Deferred	31,176	40,401	38,041	44,033
	16,439	41,916	241,617	45,684
Net earnings	\$65,630	\$121,604	\$749,358	\$131,148
Net earnings per share				
Basic	\$1.05	\$1.81	\$11.61	\$1.95
Diluted	\$1.04	\$1.81	\$11.58	\$1.95

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three and nine months ended September 30, 2021 and 2020 (unaudited)

(thousands of Canadian Dollars)

	Three Months Sept. 30, 2021	Three Months Sept. 30, 2020	Nine Months Sept. 30, 2021	Nine Months Sept. 30, 2020
Net earnings	\$65,630	\$121,604	\$749,358	\$131,148
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings:				
Defined benefit plan actuarial gain (loss), net of tax	963	(109)	6,545	(1,365)
Items that are or may be recycled to Net earnings:				
Foreign currency translation differences for foreign operations, net of tax	28,841	(8,027)	11,078	21,656
Total other comprehensive income (loss), net of tax	29,804	(8,136)	17,623	20,291
Comprehensive income	\$95,434	\$113,468	\$766,981	\$151,439



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three and nine months ended September 30, 2021 and 2020 (unaudited)

(thousands of Canadian Dollars)

	Three Months Sept. 30, 2021	Three Months Sept. 30, 2020	Nine Months Sept. 30, 2021	Nine Months Sept. 30, 2020
Cash provided by (used in):				
Operating activities:				
Net earnings	\$65,630	\$121,604	\$749,358	\$131,148
Items not involving cash:				
Depreciation of plant and equipment	25,899	20,850	70,090	56,512
Depletion and amortization of timber, roads and other	7,396	7,922	21,033	26,560
Deferred income tax expense	31,176	40,401	38,041	44,033
Current income tax (recovery) expense	(14,737)	1,515	203,576	1,651
Finance costs	4,444	4,907	13,405	14,188
Other assets	(155)	355	69	841
Reforestation liability	(1,033)	(139)	(1,724)	(1,989)
Provisions and other liabilities	3,386	4,638	10,273	(662)
Stock options	247	123	610	613
Write-down of plant, equipment and other	1,005	9,807	3,040	9,754
Unrealized foreign exchange (gain) loss	(6,522)	2,812	1,895	8,603
Other (income) expense	(22,571)	43	(23,522)	(428)
Income tax (paid) refund	(21,904)	741	(151,725)	753
	72,261	215,579	934,419	291,577
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	55,043	(69,994)	(17,557)	(100,548)
Inventories	36,285	(9,919)	3,060	57,404
Prepayments	841	(209)	(3,935)	1,698
Trade accounts payable and provisions	31,945	40,035	50,191	46,706
	196,375	175,492	966,178	296,837
Investing activities:				
Additions to property, plant and equipment	(38,019)	(19,736)	(100,613)	(65,724)
Additions to roads and bridges	(5,932)	(3,686)	(13,129)	(8,829)
Acquisitions	(466,311)	-	(539,941)	(56,606)
Proceeds on disposal of property, plant and equipment and other	39,773	229	45,749	1,096
Net (additions to) proceeds from deposits and other assets	(993)	25	(111)	123
	(471,482)	(23,168)	(608,045)	(129,940)
Financing activities:				
Issuance of share capital, net of expenses	308	191	2,654	191
Share repurchases	(83,131)	-	(152,869)	-
Dividend paid	-	-	(130,625)	-
Interest payments	(4,221)	(4,583)	(12,640)	(13,092)
Lease liability payments	(3,403)	(3,052)	(9,967)	(9,060)
Debt refinancing costs	-	(8)	-	(151)
Term line net drawings (repayments)	1	(23)	1	(82)
Additions to long term debt	-	-	-	140,770
Repayments of long-term debt	-	-	(6,671)	-
	(90,446)	(7,475)	(310,117)	118,576
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	18,992	(3,110)	3,749	(8,908)
(Decrease) increase in cash	(346,631)	141,739	51,765	276,565
Cash and cash equivalents, beginning of period	855,788	169,726	457,392	34,900
Cash and cash equivalents, end of period	\$509,157	\$311,465	\$509,157	\$311,465



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2021 and December 31, 2020 (unaudited)

(thousands of Canadian Dollars)

	Sept. 30, 2021	Dec. 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$509,157	\$457,392
Trade accounts receivable and other	134,211	117,371
Income taxes receivable	14,786	169
Inventories	191,720	160,188
Prepayments	21,178	17,970
	871,052	753,090
Employee future benefits	7,109	106
Deposits and other assets	49,237	48,957
Right of use assets	33,143	35,471
Property, plant and equipment	1,044,042	729,163
Roads and bridges	27,693	22,379
Timber licences	112,098	114,953
Goodwill and other intangible assets	343,862	138,838
Deferred income taxes	457	230
	\$2,488,693	\$1,843,187
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable and provisions	\$205,009	\$150,509
Current portion of long term debt	6,901	6,897
Reforestation liability	15,673	16,181
Lease liabilities	11,921	11,745
Income taxes payable	67,845	4,394
	307,349	189,726
Reforestation liability	28,281	29,735
Lease liabilities	26,759	28,541
Long term debt	368,427	375,063
Employee future benefits	9,385	11,137
Provisions and other liabilities	37,762	26,637
Deferred income taxes	143,667	102,036
Equity:		
Share capital	484,259	523,605
Contributed surplus	4,579	5,157
Translation reserve	60,924	49,846
Retained earnings	1,017,301	501,704
	1,567,063	1,080,312
	\$2,488,693	\$1,843,187

Approved on behalf of the Board:

"L. Sauder"
 Director

"T. V. Milroy"
 Director

FORWARD-LOOKING STATEMENTS

This release contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Statements containing forward-looking information may include words such as: will, could, should, believe, expect, anticipate, intend, forecast, projection, target, outlook, opportunity, risk or strategy. Readers are cautioned that actual results may vary from the forward-looking information in this release, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this release are described in Interfor's third quarter and annual Management's Discussion and Analysis under the heading "Risks and Uncertainties", which are available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this release include volatility in the selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; natural or man-made disasters; currency exchange rates; changes in government regulations; the availability of the Company's allowable annual cut ("AAC"); claims by and treaty settlements with Indigenous peoples; the Company's ability to export its products; the softwood lumber trade dispute between Canada and the U.S.; stumpage fees payable to the Province of British Columbia ("B.C."); environmental impacts of the Company's operations; labour disruptions; information systems security; and the existence of a public health crisis (such as the current COVID-19 pandemic). Unless otherwise indicated, the forward-looking statements in this release are based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information, except as required by law.

ABOUT INTERFOR

Interfor is a growth-oriented forest products company with operations in Canada and the United States. The Company has annual production capacity of approximately 3.9 billion board feet and offers a diverse line of lumber products to customers around the world. For more information about Interfor, visit our website at www.interfor.com.

The Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis for Q3'21 are available at www.sedar.com and www.interfor.com.

There will be a conference call on Friday, November 5, 2021 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its third quarter 2021 financial results.

The dial-in number is **1-833-297-9919**. The conference call will also be recorded for those unable to join in for the live discussion and will be available until December 5, 2021. The number to call is **1-855-859-2056, Passcode 2786506**.

For further information:

Richard Pozzebon, Senior Vice President and Chief Financial Officer
(604) 422-3400