



ACQUISITION OF EACOM TIMBER

NOVEMBER 23, 2021

Cover Picture: EACOM's Elk Lake, Ontario mill

FORWARD-LOOKING INFORMATION & NON-GAAP MEASURES

Forward-Looking Information:

This presentation contains forward-looking information about Interfor Corporation's ("Interfor" or the "Company") 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 in this presentation, include but are not limited to, statements regarding production capacity, future growth, growing demand, synergies, pro-forma capacity, expected earnings and returns, pro-forma debt ratios, pro forma liquidity, borrowing capacity, regulatory approvals and the expected closing date, and other relevant factors. 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 annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is 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 report 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 crises (such as the current COVID-19 pandemic). Unless otherwise indicated, the forward-looking statements in this presentation are based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information or statements, except as required by law. The Company's independent auditor, KPMG LLP, has not audited, reviewed or performed any procedures with respect to the interim financial results and other data included in this release, and accordingly does not express an opinion or any other form of assurance with respect thereto.

Non-GAAP Measures:

This presentation makes reference to certain non-GAAP measures, such as EBITDA, Adjusted EBITDA and Net debt to invested capital, 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. Definitions and reconciliations of terms can be found in Interfor's annual and quarterly Management's Discussion & Analysis which are available on www.interfor.com and under Interfor's profile on www.sedar.com.

Currency:

All financial references in this presentation are expressed in Canadian dollars, unless otherwise noted.

TRANSACTION HIGHLIGHTS

Consistent with growth-focused strategy as a pure-play lumber producer

Increases total lumber production and capacity by one billion board feet or 25%

Builds upon already geographically diverse operations, adding significant scale in a new region

Complements existing products, customer base and geographic mix with highly sought-after SPF offerings; establishes Interfor as the only producer with a presence in all key fibre regions

Attractive valuation based on mid-cycle earnings, with significant near-term synergies

New platform for future growth opportunities in eastern Canada/US, with well established, knowledgeable and local operating team and infrastructure

Attractive fibre fundamentals, with very competitive log costs

Steady residuals off-take through long-term business relationships with well-capitalized pulp producers

Adds lumber-adjacent products, with the addition of an I-Joist plant and a value-added remanufacturing plant

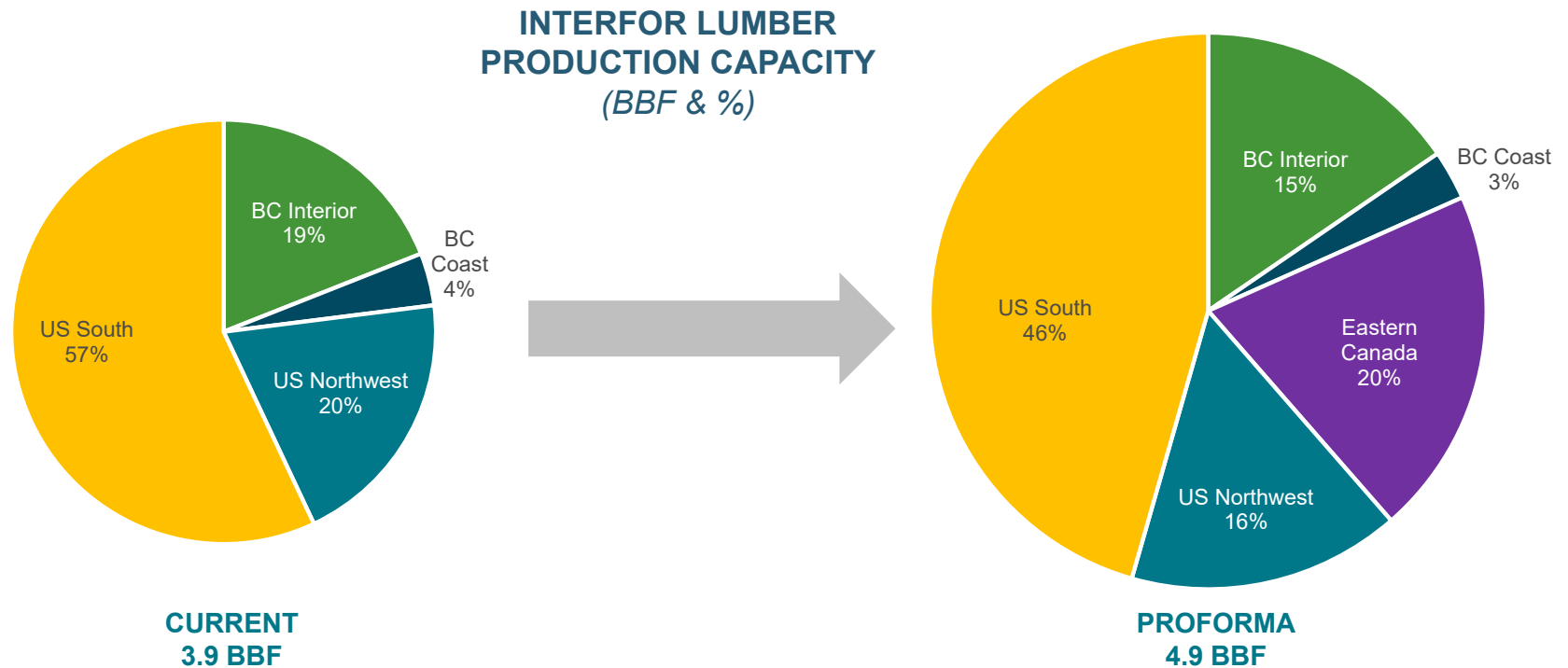


TRANSACTION TERMS

Item	Description
Transaction	<ul style="list-style-type: none"> Acquisition of 100% of the equity interests of EACOM Timber Corporation
Key Facilities	<ul style="list-style-type: none"> 7 sawmills (5 in Ontario, 2 in Quebec), total of 985 MMbf / year of SPF capacity 1 I-Joist plant, producing solid-sawn flange I-Joists 1 value-added remanufacturing plant
Consideration	<ul style="list-style-type: none"> Cash purchase price of C\$490 MM: <ul style="list-style-type: none"> Includes C\$120 MM of net working capital Plus the assumption of all countervailing (“CV”) and anti-dumping (“AD”) duty deposits at closing, for consideration equal to 55% of the total on an after-tax basis <ul style="list-style-type: none"> As of Sept 30, 2021, EACOM had paid cumulative CV and AD duties of US\$150 MM and had an effective tax rate of approximately 26%
Conditions	<ul style="list-style-type: none"> Customary conditions and regulatory approvals, including: <ul style="list-style-type: none"> HSR anti-trust filing Province of Ontario fibre supply agreement transfers
Estimated Closing	<ul style="list-style-type: none"> First half of 2022

TRANSFORMATIVE GROWTH

- Transformative deal that grows Interfor's lumber capacity by 25%, builds on its geographic diversification and expands its offering of spruce-pine-fir (SPF) lumber
- SPF lumber is becoming increasingly scarce in North America given ongoing declines in British Columbia's fibre base and SPF is expected to become relatively more valuable within the broader lumber market mix in the years ahead
- Adds an attractive I-Joist product offering to service the strong new home construction market, as well as a sizeable value-added lumber remanufacturing facility
- Provides a new regional platform with additional opportunities to continue with disciplined lumber-focused growth



REGIONAL DIVERSIFICATION

- Interfor to become a truly North American lumber producer, with operations in all the key fibre regions on the continent, further diversifying and de-risking the operating platform

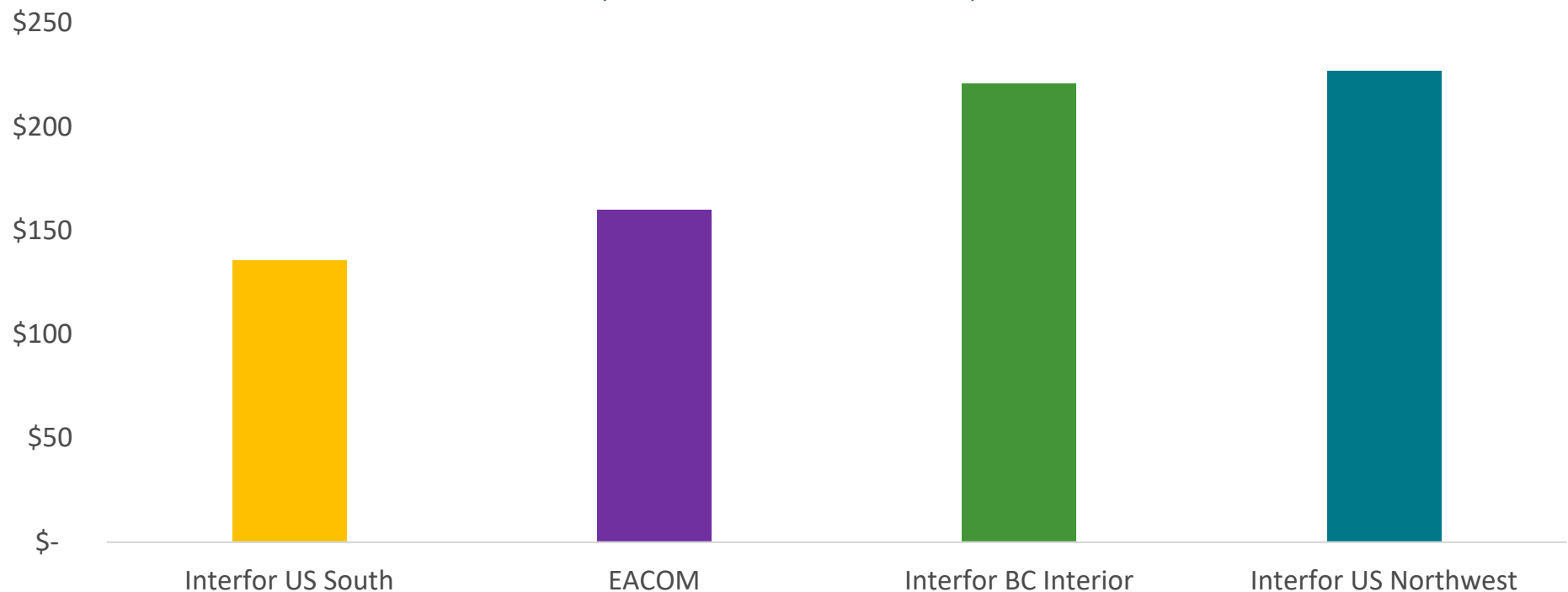
INTERFOR & EACOM OPERATIONS



ATTRACTIVE FIBRE FUNDAMENTALS

- EACOM's log costs are very attractive, second only to the US South
- Residuals – stable pricing, long-standing business relationships with well capitalized pulp producers and no significant exposure to newsprint manufacturers
- Responsible forest management through international certification, including the Forest Stewardship Council® (FSC®) and the Sustainable Forestry Initiative® (SFI®)

2020 NET LOG COSTS BY REGION ⁽¹⁾
(US\$/MBF LUMBER BASIS)

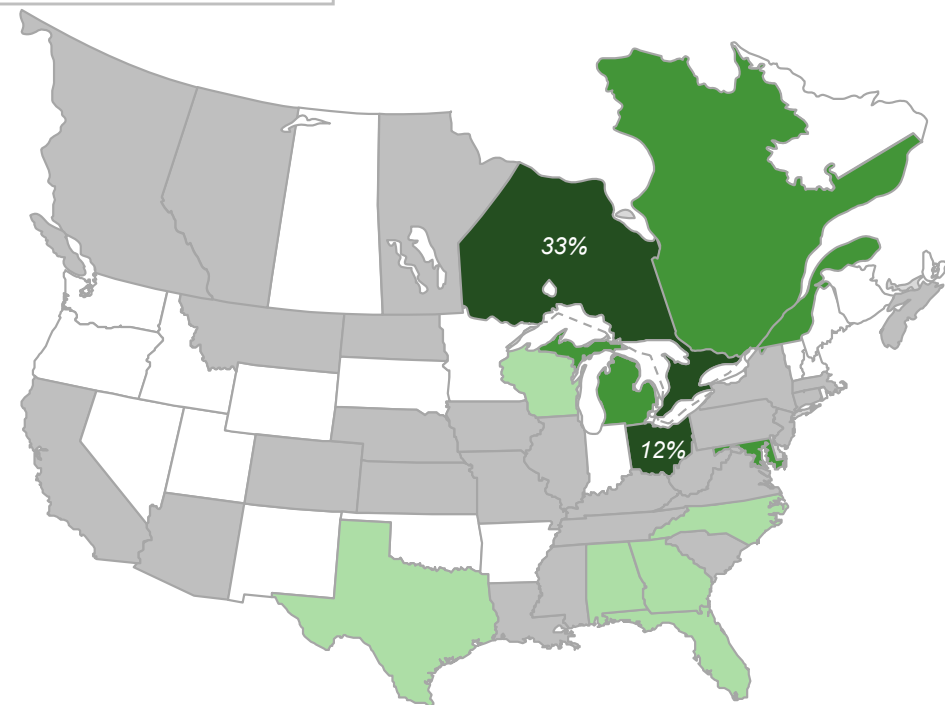
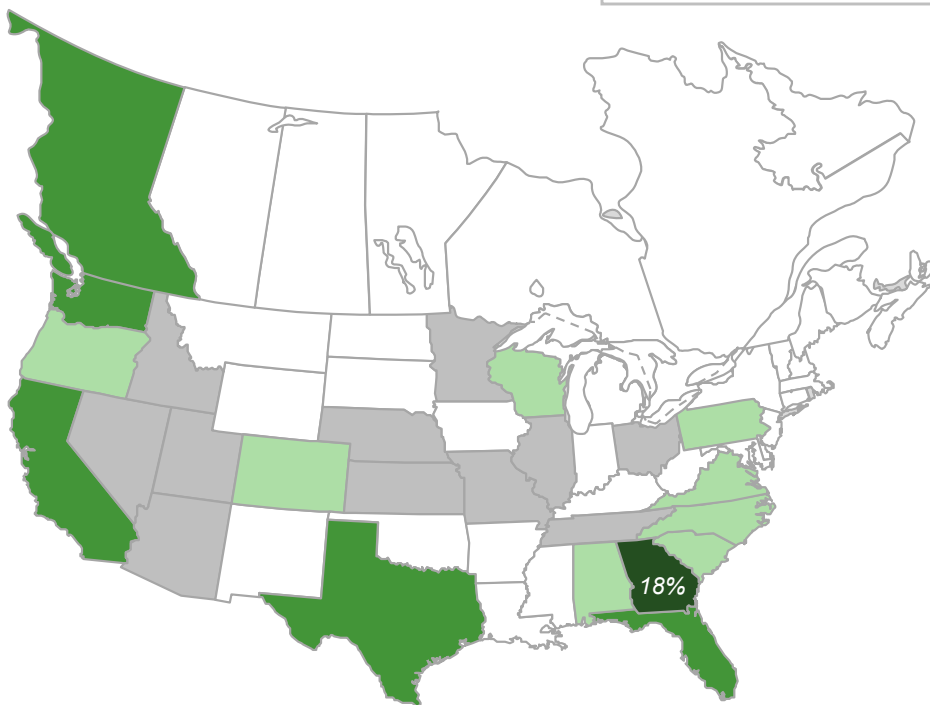


EXPANSION INTO ATTRACTIVE MARKETS

- Complementary geographic destinations with Interfor:
 - EACOM's facilities are very well positioned to service Greater Toronto, the fourth largest metropolitan area in North America, as well as other key Great Lakes markets
 - Approx. 40% of EACOM's shipments remains in Canada and are not subject to duties
 - I-Joists are not subject to duties
- Complementary customer mix (expands exposure to key segments, such as home centres)

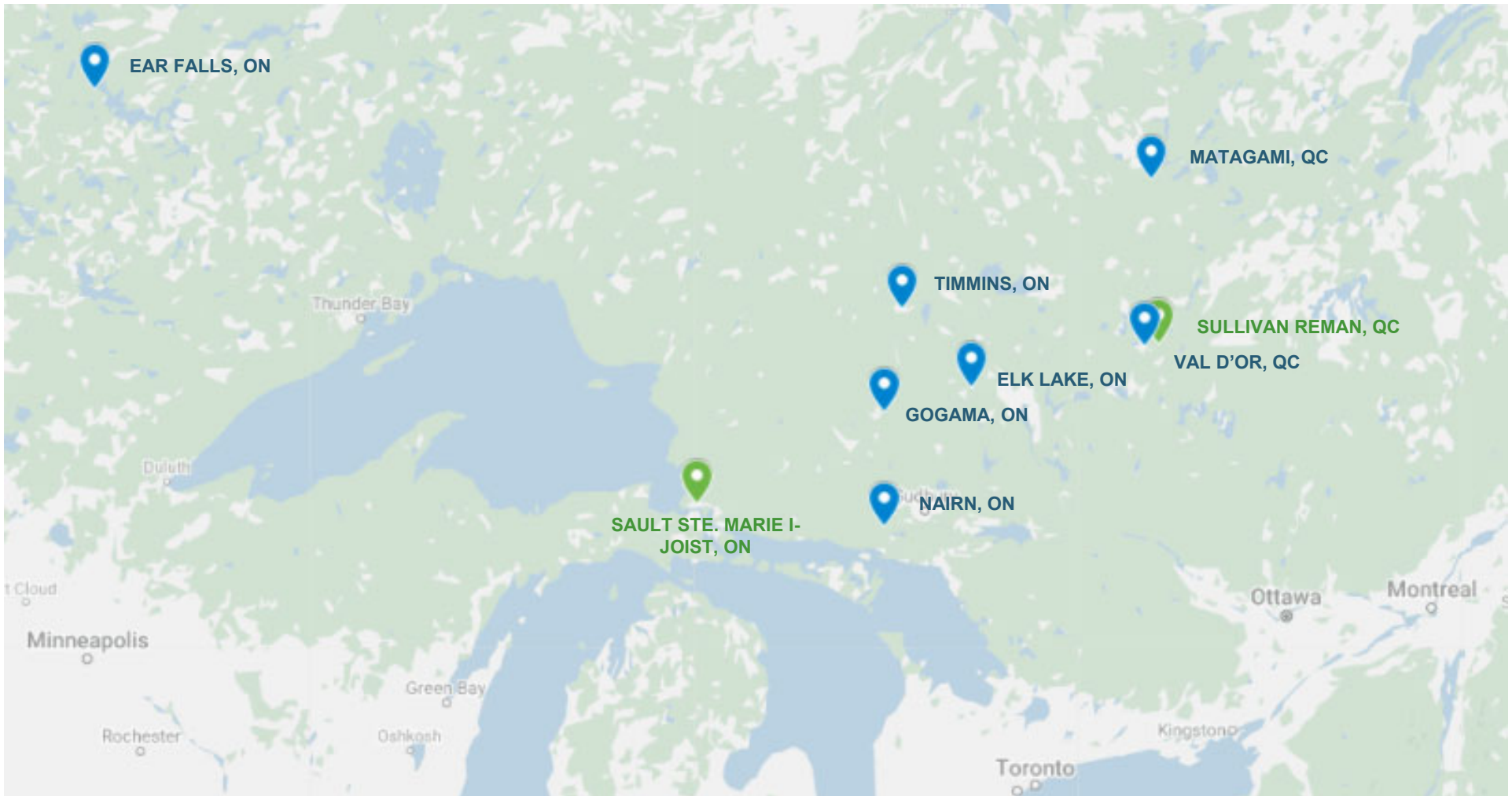
INTERFOR 2020 SHIPMENTS (%)

EACOM 2020 SHIPMENTS (%)



OPERATIONS OVERVIEW

- 7 sawmills (5 in Ontario, 2 in Quebec), with total SPF lumber capacity of 985 MMbf / year
- 1 I-Joist plant, producing branded and private-label solid-sawn flange I-Joists
- 1 lumber reman plant producing components for bedframes and furring strips



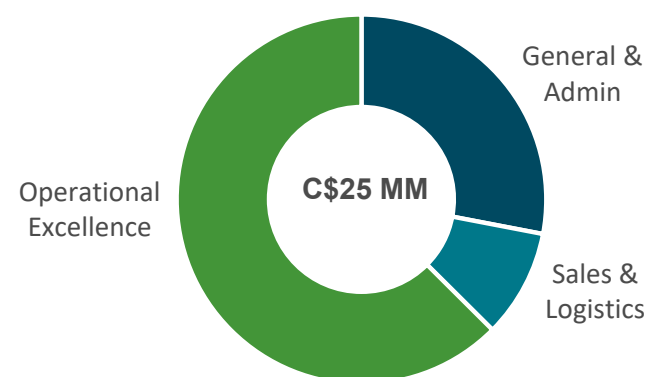
FINANCIAL PERFORMANCE & VALUE

- **Purchase price of C\$490 MM represents:**
 - Pre-synergy mid-cycle EBITDA multiple of 5.4x
 - Post-synergy mid-cycle EBITDA multiple of 4.3x
 - Lumber capacity multiple of C\$497/Mbf or US\$398/Mbf
- **Synergies estimated at C\$25 MM/year:**
 - Operations, sales, logistics and administration
 - Expected to be fully achieved within two years, with no capital requirements

OPERATING & FINANCIAL SNAPSHOT

<i>Item</i>	2018	2019	2020	2021 ⁽¹⁾	Mid-Cycle ⁽²⁾	% Change 2018-21
Lumber Production (MMbf)	885	919	930	949	960	7%
I-Joist Production (MLft)	48	55	67	68	70	41%
EBITDA (C\$MM)	\$75	\$8	\$151	\$475	\$90	nm

ANNUAL SYNERGIES ESTIMATE



FINANCING & CAPITAL STRUCTURE

- Purchase price to be funded with cash on hand and available debt facilities
- Very strong capital structure and available liquidity post-transaction, with significant additional credit capacity available

<u>C\$MM</u>	<u>Actual</u> <u>Sept'21</u>	<u>Proforma</u> ⁽¹⁾ <u>Sept'21</u>
Cash	\$509	-
Debt	\$375	\$432
<u>Net Debt (Cash)</u>	<u>(\$134)</u>	<u>\$432</u>
<u>Book Equity</u>	<u>\$1,567</u>	<u>\$1,567</u>
Invested Capital	\$1,433	\$1,999
Net Debt / Invested Capital	-9%	22%
Available Liquidity ⁽²⁾	\$836	\$270

(1) Proforma is illustrative, based on C\$490 MM purchase price and 55% of the tax-effected amount of EACOM's September 30, 2021 countervailing ("CV") and anti-dumping ("AD") duties on deposit of US\$150 MM, assuming an effective tax rate of approximately 26%.

(2) Reflects cash on hand plus amount available under existing credit facility.

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