



Interfor Corporation

Burnaby, B.C.

September 25, 2025

Interfor Announces \$125 Million Bought Deal Offering of Common Shares

**Base shelf prospectus is accessible, and prospectus supplement
will be accessible within two business days, on SEDAR+**

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INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) announced today that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets and Scotiabank (collectively, the "Underwriters"), under which the Underwriters have agreed to purchase, on a bought deal basis, 12,437,800 common shares of the Company (the "Common Shares"), at a price of \$10.05 per Common Share (the "Offering Price") for gross proceeds of \$125 million (the "Offering").

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 15% of the Common Shares at the Offering Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing of the Offering (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, \$18.75 million of additional proceeds would be raised pursuant to the Offering and the aggregate proceeds of the Offering would be approximately \$143.75 million.

The Company intends to use the net proceeds of the Offering to pay down existing indebtedness and for general corporate purposes.

Since Interfor reported its second quarter results on August 7, 2025, lumber markets have weakened significantly as reflected in a 16% decline in the Framing Lumber Composite benchmark price. At the same time, the softwood lumber duty cash deposit rate imposed by the U.S. on shipments from Canada increased materially to 35.16%. This duty rate increase, combined with other factors, required Interfor to record an incremental non-cash duty expense of approximately US\$125 million in the current quarter.

Proceeds of the Offering are expected to further enhance Interfor's flexibility to navigate near-term market volatility. On a pro-forma basis including the Offering, Interfor's net debt to invested capital ratio as of today is estimated to be in the range of 35-36%, combined with ample available liquidity of approximately \$375 million. At June 30, 2025, Interfor was fully compliant with its financial covenants and expects to remain so for the foreseeable future in view of the renewal of its revolving credit facility in July 2025, which provides the Company with enhanced flexibility and extends maturity until July 2029.

The Offering is scheduled to close on or about October 1, 2025, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange and applicable securities regulatory authorities.

The Common Shares will be offered to prospective purchasers in all provinces of Canada by way of a prospectus supplement to the amended and restated base shelf prospectus of the Company dated September 25, 2025. The Common Shares may also be offered in the United States by way of private placement to "qualified institutional buyers" in reliance upon the exemption from registration

provided by Rule 144A under the U.S. Securities Act of 1933, and internationally pursuant to applicable private placement exemptions.

Access to the prospectus supplement, the base shelf prospectus and any amendment thereto is provided in accordance with securities legislation relating to procedures for providing access to a prospectus supplement, a base shelf prospectus and any amendment. The base shelf prospectus is, and the prospectus supplement will be (within two business days of the date hereof), accessible under the Company's SEDAR+ profile at www.sedarplus.ca. An electronic or paper copy of the prospectus supplement (when filed), the base shelf prospectus and any amendment thereto may be obtained, without charge, from RBC Dominion Securities Inc., Attention: Distribution Centre, 180 Wellington Street West, 8th Floor, Toronto, ON M5J 0C2 or by email at distribution.rbcds@rbccm.com or from Scotiabank at 40 Temperance Street, 6th Floor, Toronto, Ontario M5H 0B4, Attention: Equity Capital Markets or by phone at (416)-863-7704 or by email at equityprospectus@scotiabank.com by providing the contact with an email address or address, as applicable. The base shelf prospectus and prospectus supplement, including the documents incorporated therein by reference, contain important, detailed information about the Company and the Offering. Prospective investors should read the base shelf prospectus and prospectus supplement (when filed) before making an investment decision.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking information. A statement contains forward-looking information when the Company uses what it knows and expects today to make a statement about the future. All statements other than statements of historical fact contained in this news release are forward-looking statements, including without limitation: statements regarding the Offering, including with respect to the anticipated timing of the closing of the Offering, the expected receipt of regulatory and other approvals relating to the Offering, the expected proceeds of the Offering and the anticipated use of the net proceeds therefrom; statements regarding the anticipated impact of current market conditions and softwood lumber duties on the Company's results of operation and financial condition; statements regarding the anticipated impact of the Offering on the Company's financial condition, including its net debt to invested capital ratio and its available liquidity; and statements regarding the Company's expectations regarding its future compliance with its financial covenants. Readers are cautioned that actual results may vary from the forward-looking information in this news 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 news 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.sedarplus.ca, and under the heading "Risk Factors" in the prospectus supplement and base shelf prospectus. Unless otherwise indicated, the forward-looking statements in this news release are based on the Company's expectations at the date of this news 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.

ABOUT INTERFOR

Interfor is a growth-oriented forest products company with operations in Canada and the United States. The Company has annual lumber production capacity of approximately 4.7 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.

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