



INVESTOR PRESENTATION

MAY 2021

FORWARD-LOOKING INFORMATION & NON-GAAP MEASURES

Forward-Looking Information:

This presentation contains forward-looking information about Interfor Corporation (the “Company”), including its 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 presentation, 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 presentation, are described in Interfor’s annual Management’s Discussion & Analysis under the heading “Risks and Uncertainties” and in Interfor’s quarterly Management’s Discussion & Analysis 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 presentation 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. Unless otherwise indicated, the forward-looking information in this presentation is based on the Company’s expectations at the date of this presentation. Interfor undertakes no obligation to update such forward-looking information, except as required by law.

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.

INTERFOR INVESTMENT HIGHLIGHTS



Pure-play North American lumber producer

- Fourth largest lumber producer in North America, with 17 strategically located sawmills
- High exposure to US South region with attractive log costs

Compelling lumber market fundamentals

- Robust demand across all end-use segments, including housing and repair & remodel
- Measured supply growth near-term in the US South; declining supply long-term from BC

Growth-focused strategy

- Long-standing strategy of growth and geographic lumber diversification
- 10 year lumber production volume CAGR of 8%

Top tier lumber margins and returns

- Industry leading EBITDA margins and return on capital employed
- Well capitalized, low-cost portfolio of sawmills

Balanced capital allocation with significant financial flexibility

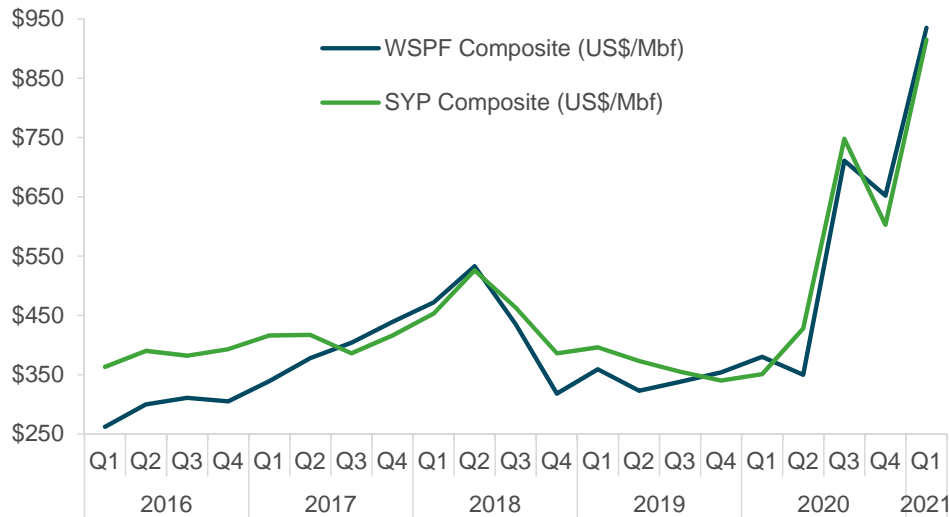
- Disciplined approach across growth capex, M&A and share-buybacks
- Significant net cash position and >\$900 MM of liquidity as of March 31, 2021

Positive ESG and carbon story

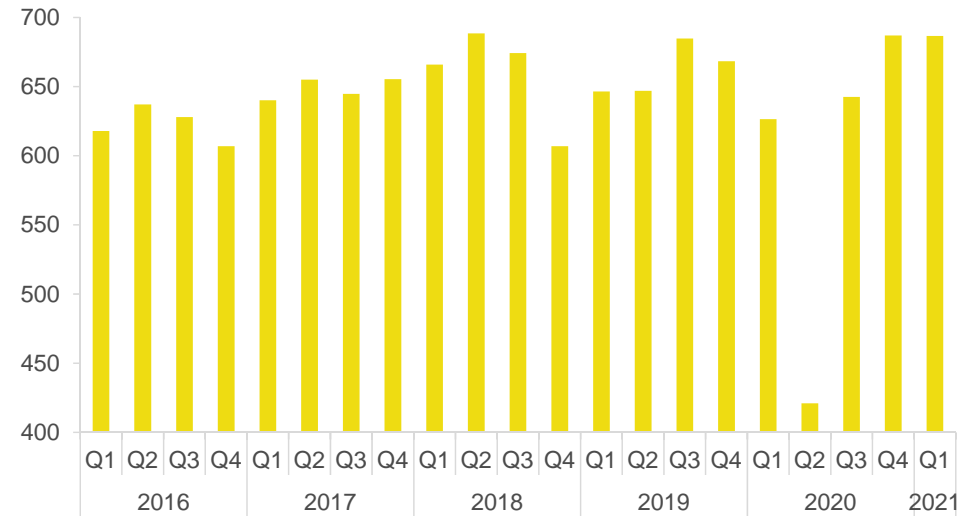
- Sustainable forest management practices
- Producer of climate-friendly building products

FINANCIAL & OPERATING SNAPSHOT

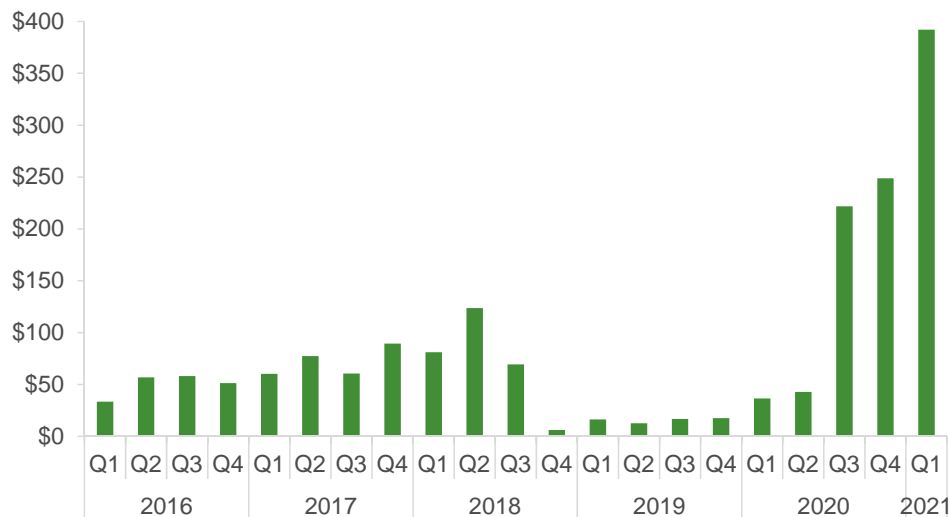
BENCHMARK LUMBER PRICES (US\$/MBF)



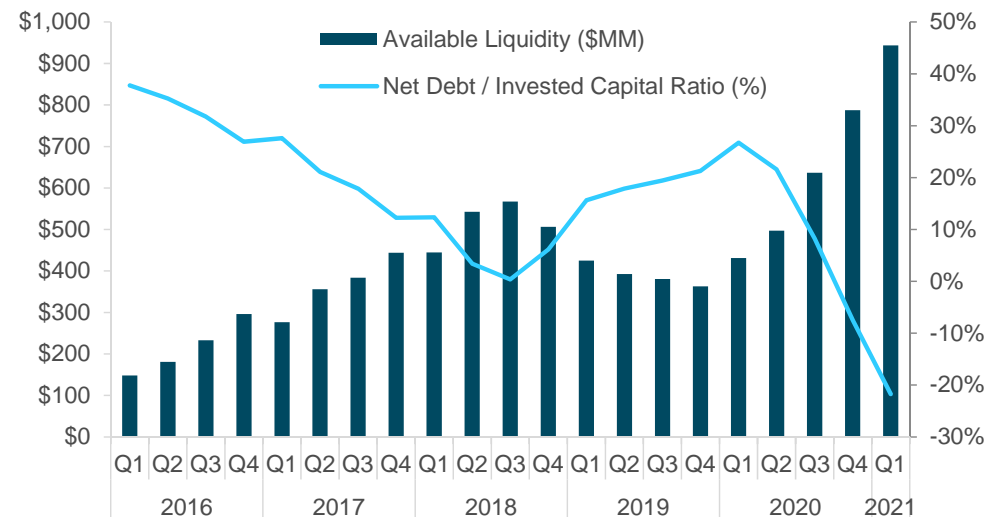
PRODUCTION VOLUMES (MMBF)

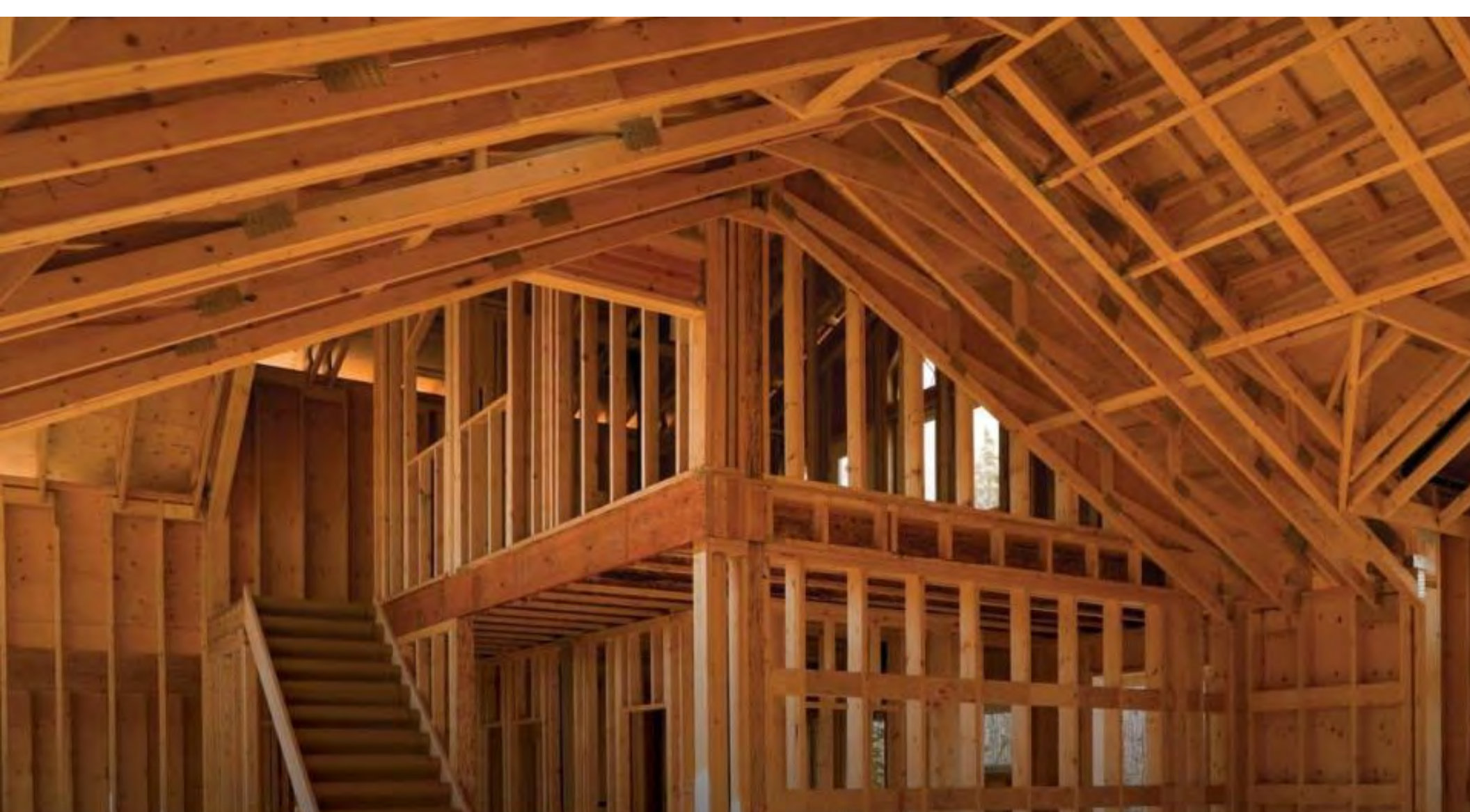


ADJUSTED EBITDA (\$MM)



LEVERAGE & LIQUIDITY (% & \$MM)⁽¹⁾



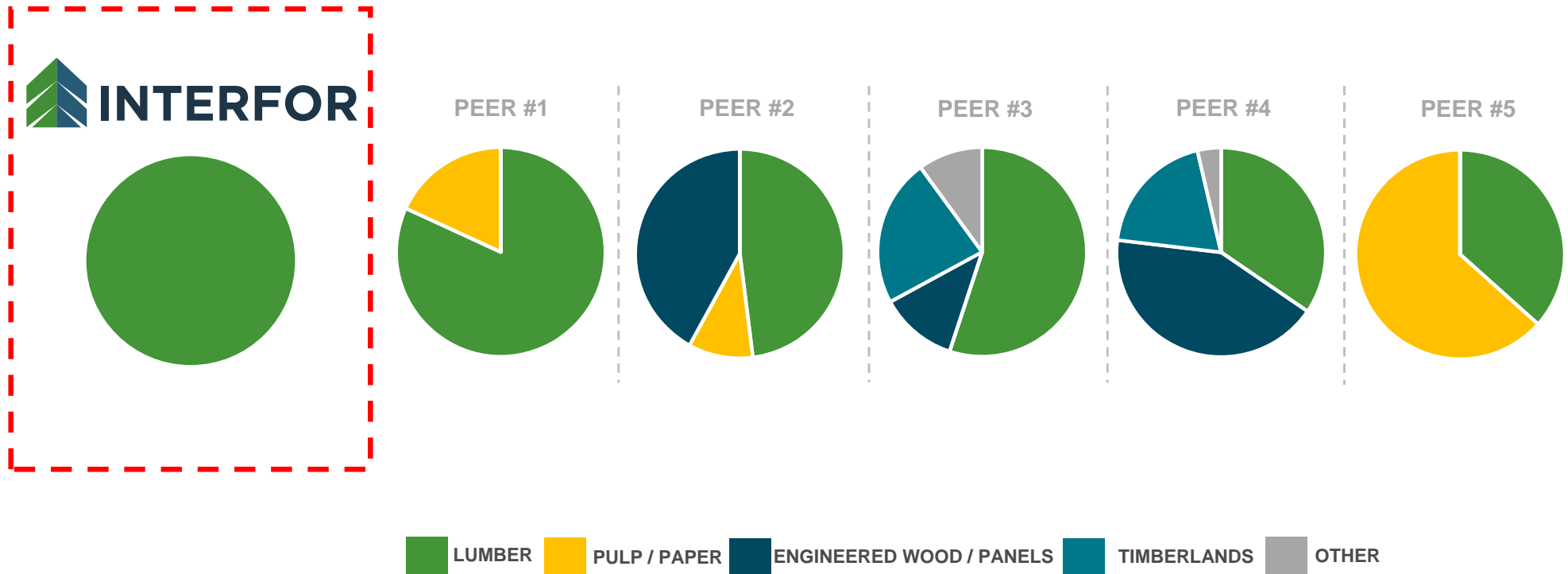


PURE-PLAY NORTH AMERICAN LUMBER PRODUCER

PURE-PLAY LUMBER PRODUCER

Interfor is the only publicly traded pure-play lumber producer of scale

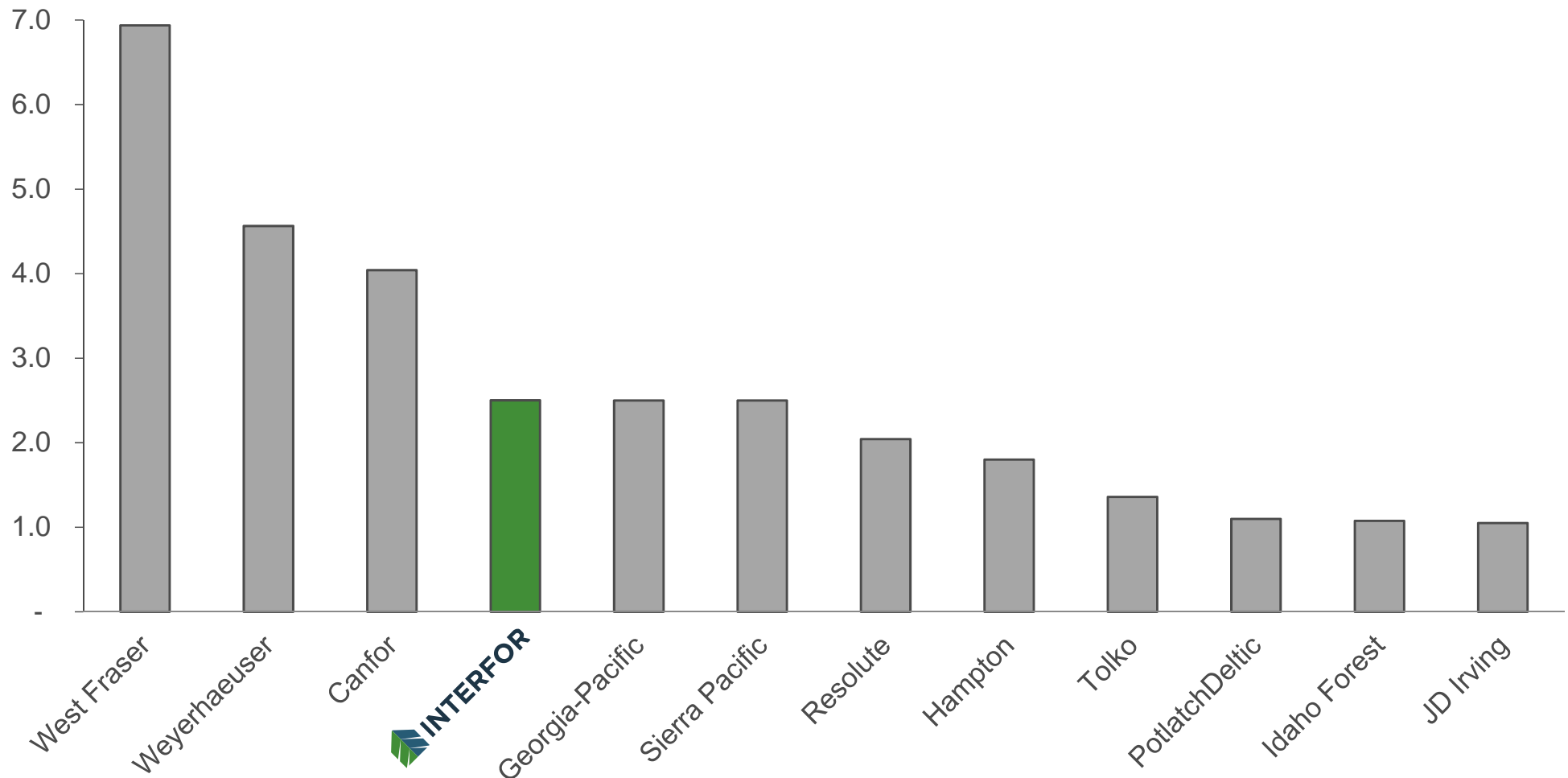
REVENUES BY BUSINESS SEGMENT (1)



INDUSTRY LANDSCAPE

Interfor is the fourth largest lumber producer in North America

NORTH AMERICAN LUMBER PRODUCTION BY COMPANY – 2020 (BBF)



INTERFOR OPERATING REGIONS

55% of Interfor's production capacity is in the US South

BC INTERIOR

750 MMBF (24%)

- 3 dimension mills
- Douglas-Fir, Hem-Fir, SPF, Cedar
- Efficient, modern, low-cost, well-capitalized

BC COAST

140 MMBF (4%)

- 1 specialty/high-value mill
- Hem-Fir, Douglas-Fir
- Woodlands logging business

US NORTHWEST

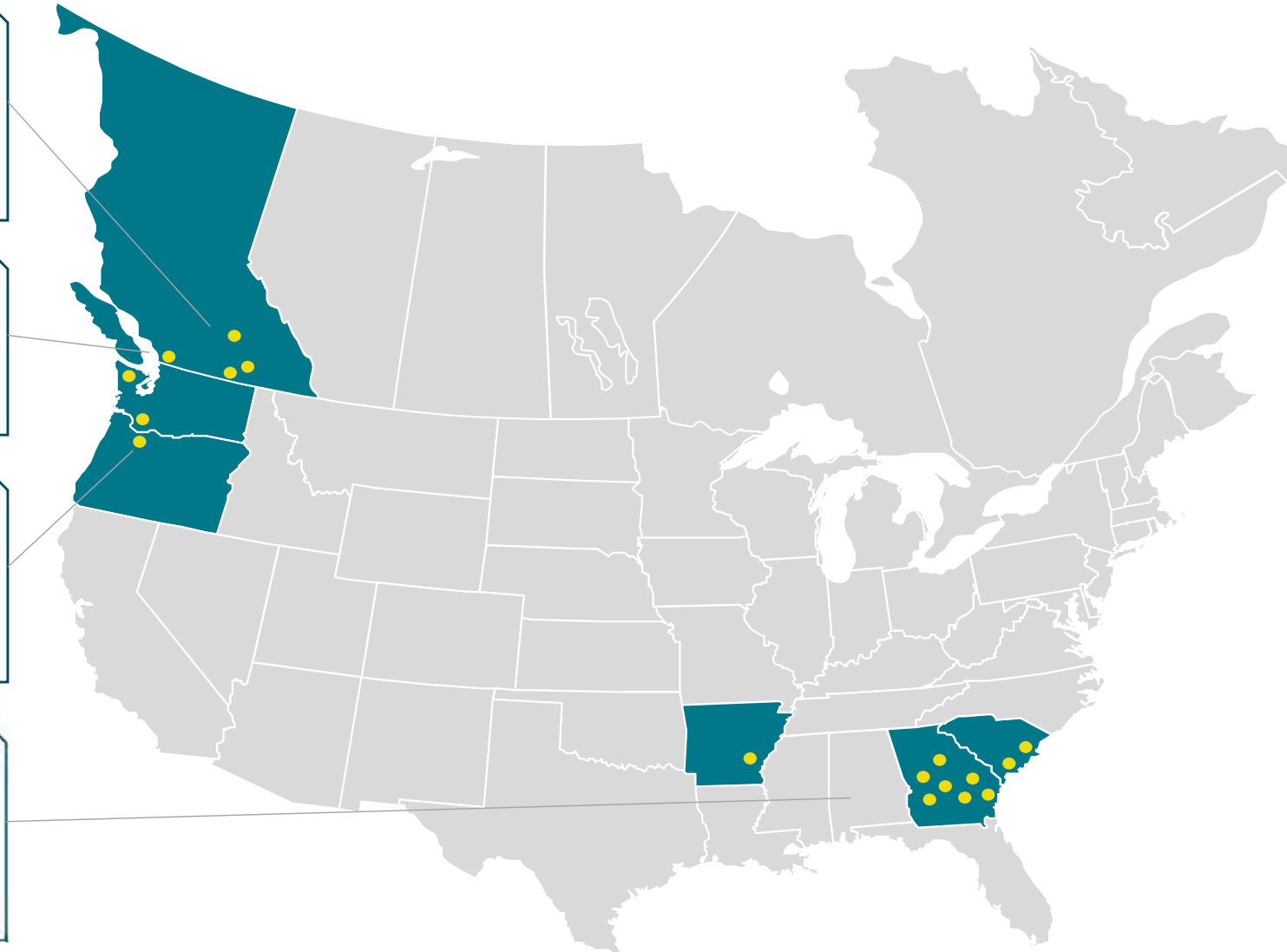
550 MMBF (17%)

- 3 stud mills
- Hem-Fir, Douglas-Fir
- Efficient, modern, low-cost, well-capitalized

US SOUTH

1,715 MMBF (55%)

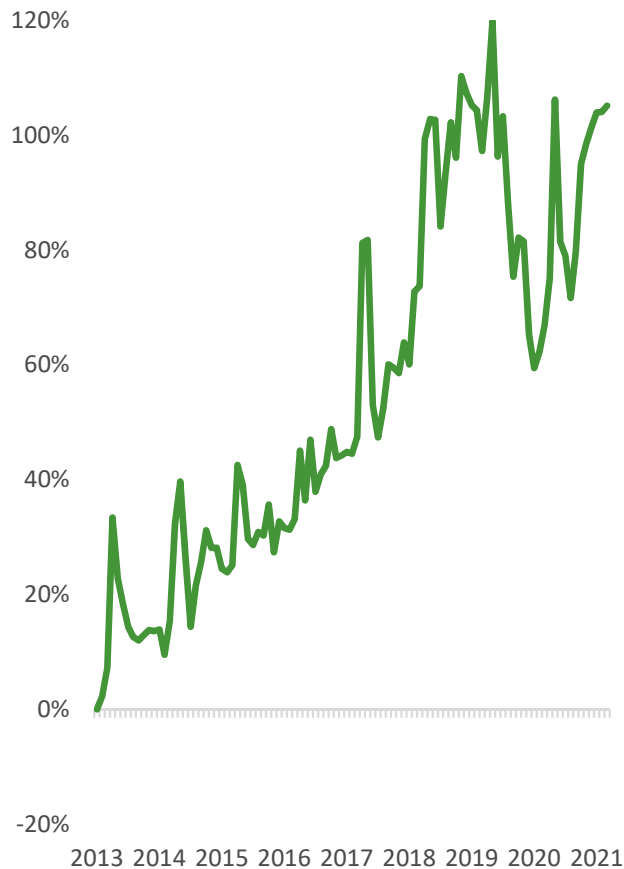
- 10 dimension mills
- Southern Yellow Pine
- Strong geographic fit with ongoing capex investment upside



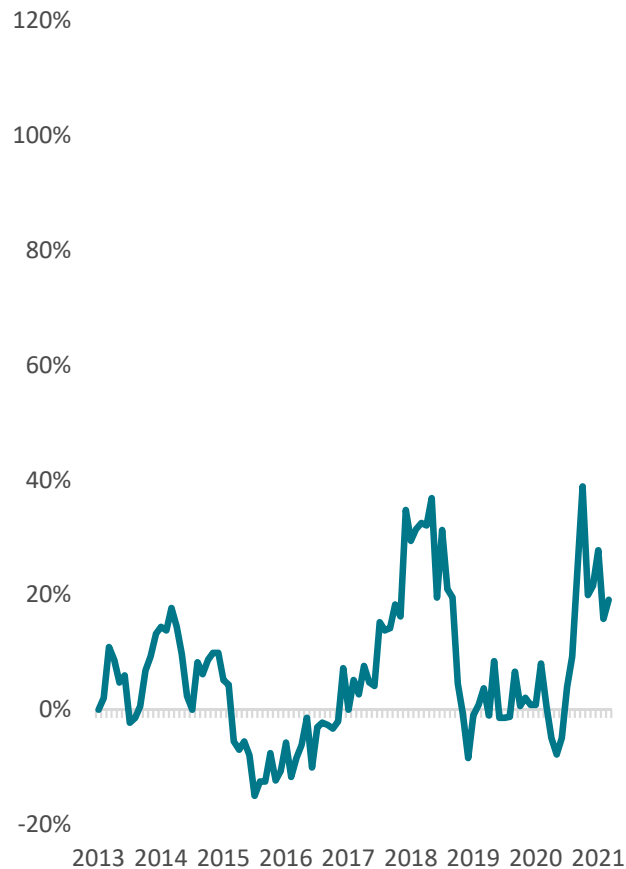
REGIONAL LOG COST TRENDS

The US South has the most attractive and stable log costs in North America

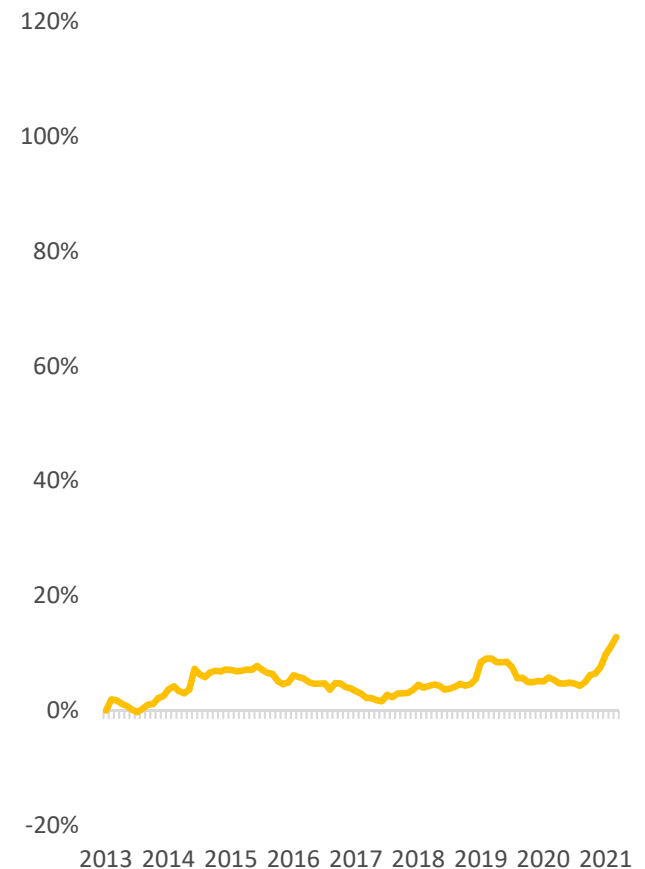
BC INTERIOR
(INDEXED VS. 2013)



US NORTHWEST
(INDEXED VS. 2013)



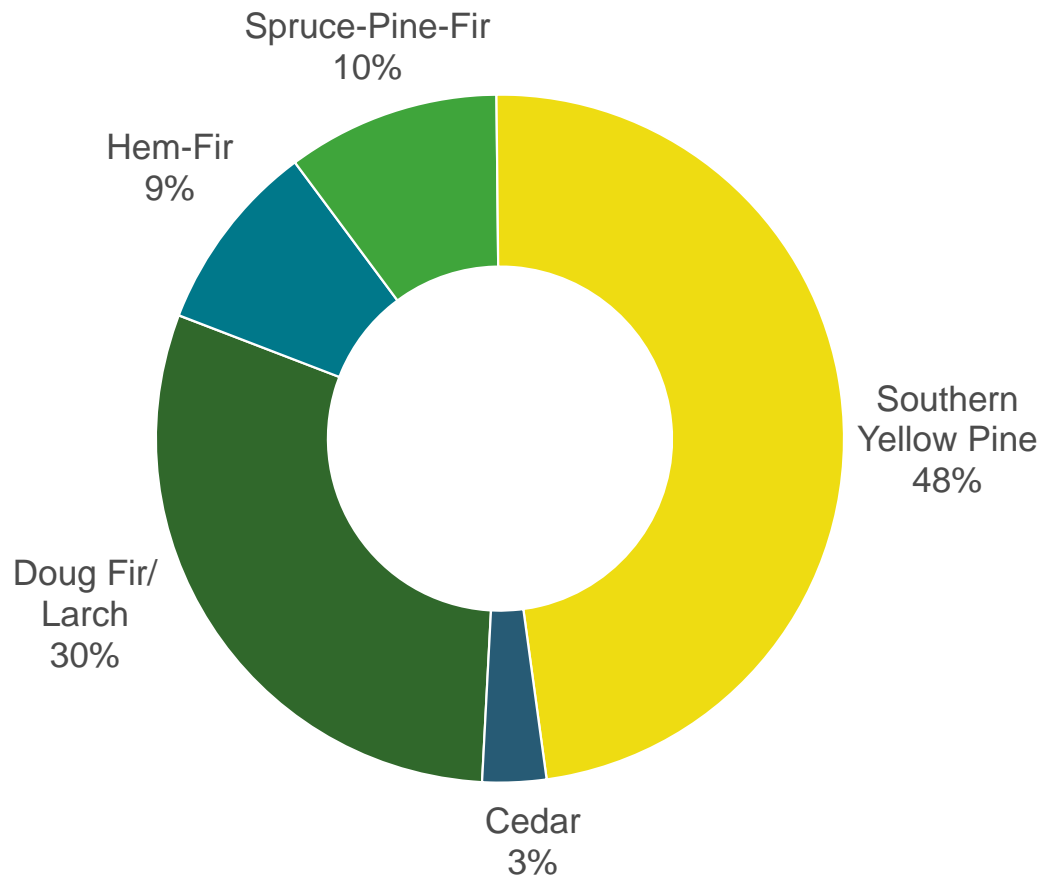
US SOUTH
(INDEXED VS. 2013)



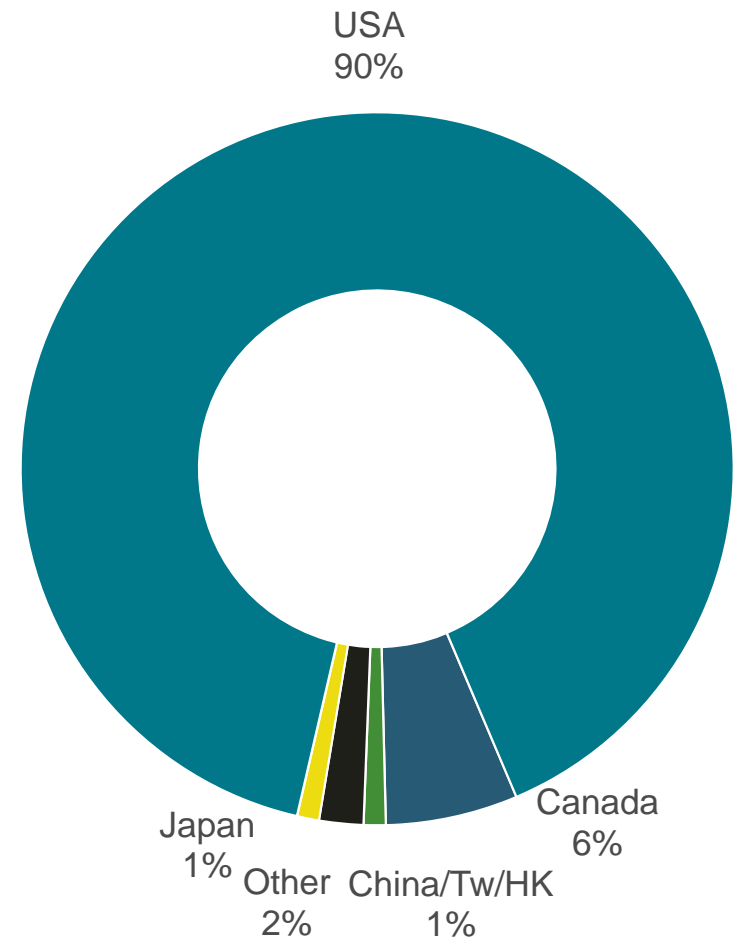
KEY PRODUCTS & MARKETS

Diverse lumber species and end-use mix; high leverage to key US market

LUMBER SALES BY SPECIES (1)



LUMBER SALES BY MARKET (1)



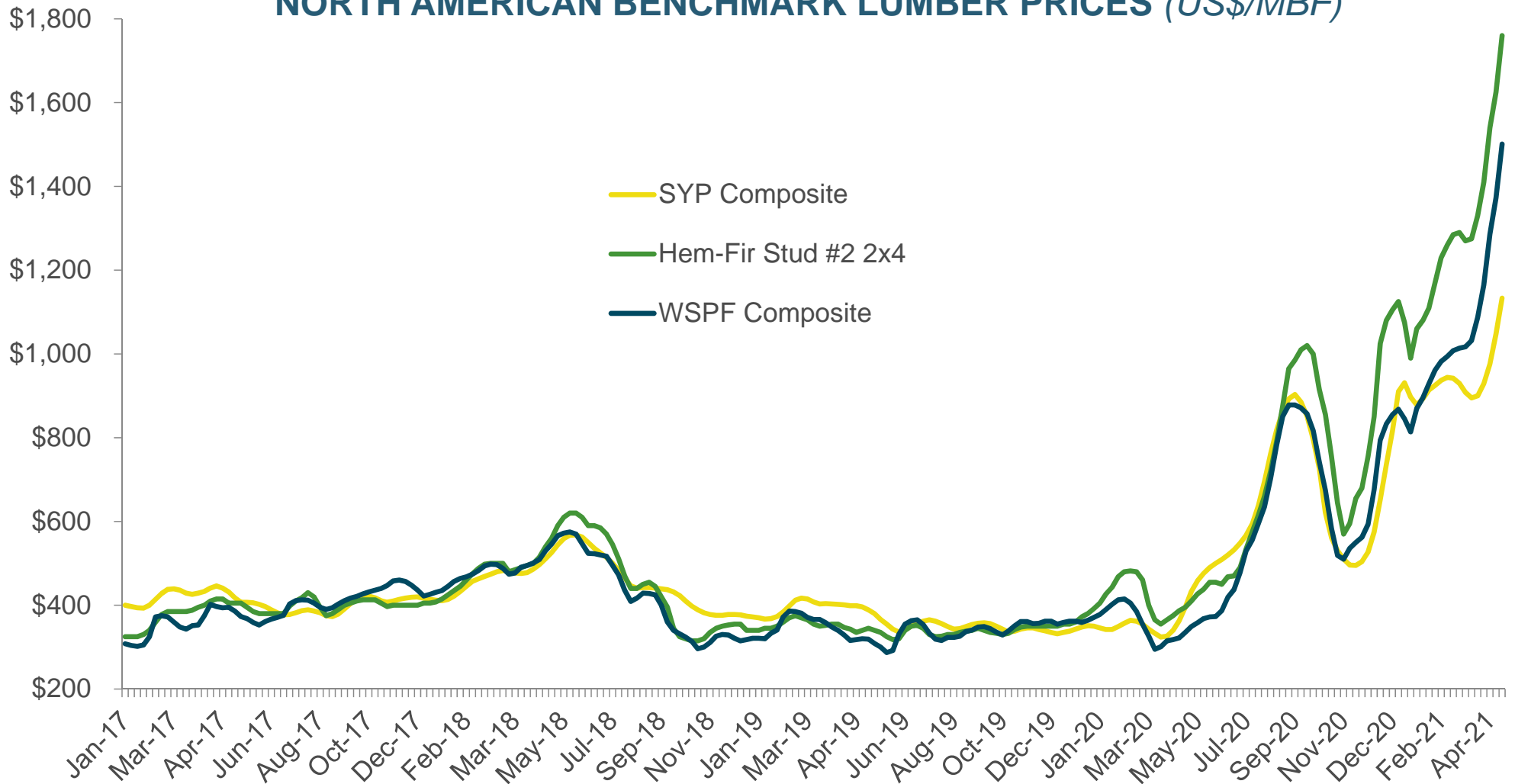


COMPELLING LUMBER MARKET FUNDAMENTALS

LUMBER PRICES

Recent robust pricing environment driven by strong demand fundamentals

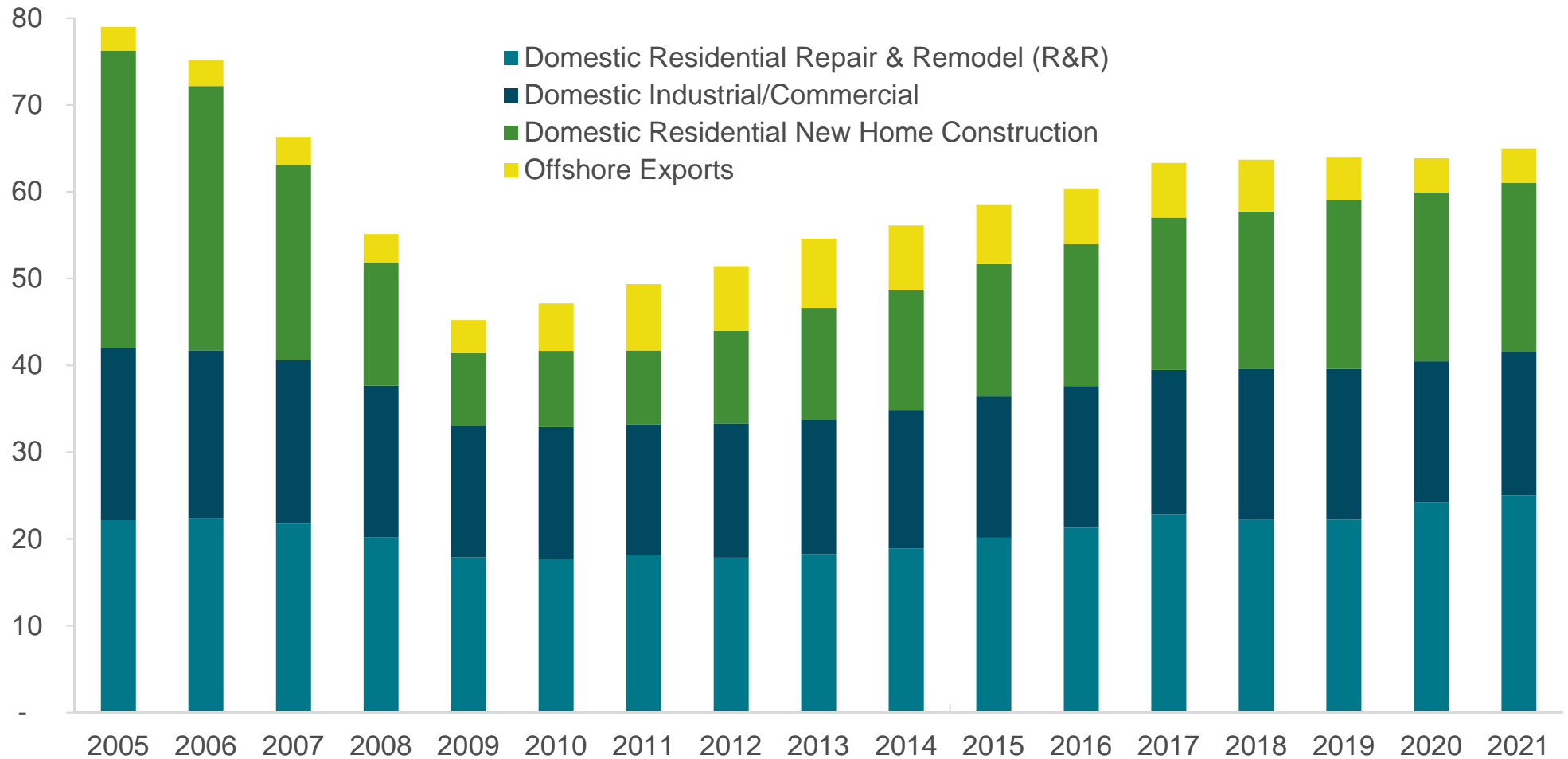
NORTH AMERICAN BENCHMARK LUMBER PRICES (US\$/MBF)



LUMBER DEMAND

Relatively stable R&R & industrial demand, with upside leverage to housing

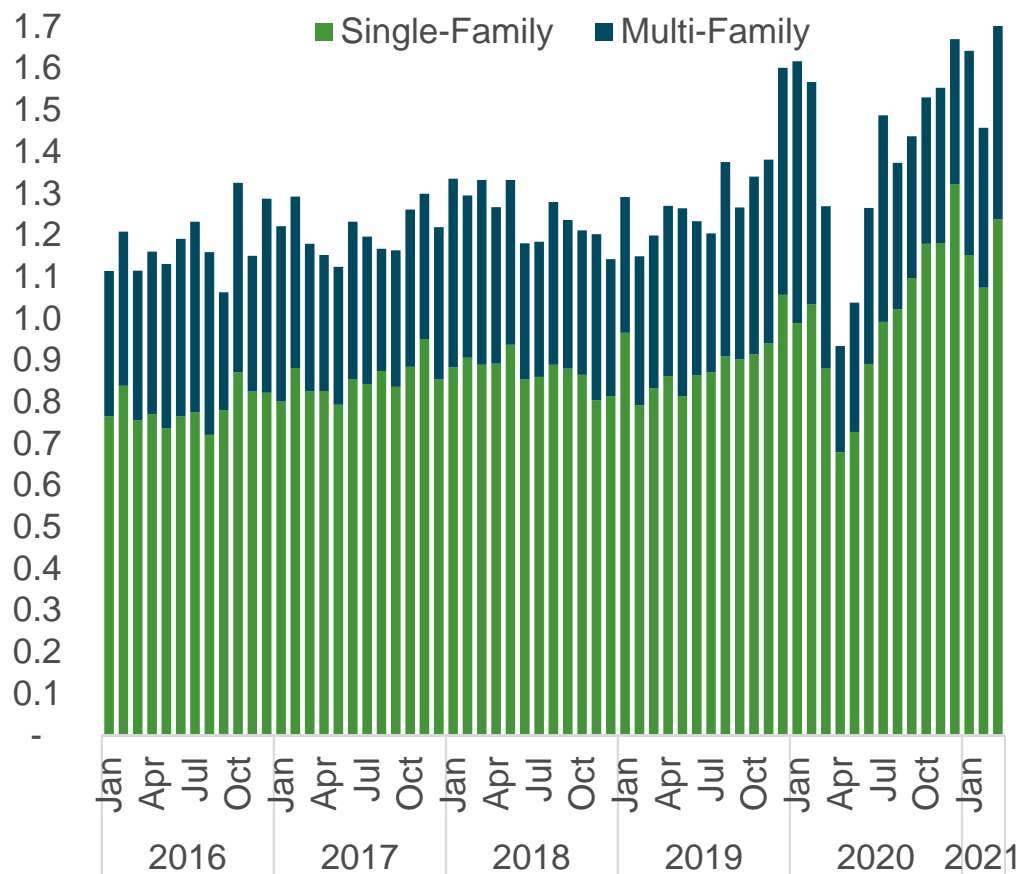
NORTH AMERICAN LUMBER DEMAND BY END-USE (BBF)



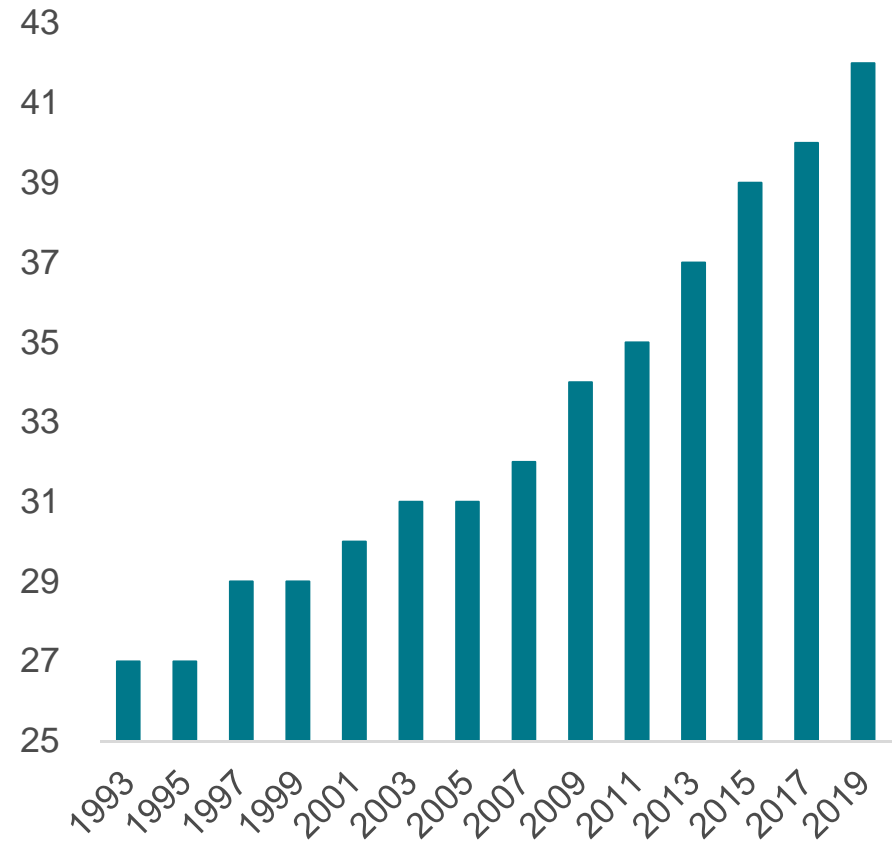
LUMBER DEMAND: KEY DRIVERS

Single-family US housing starts in early 2021 are the highest since 2006

US HOUSING STARTS
(MILLIONS SEASONALLY ADJUSTED)



AGE OF US HOUSING STOCK
(MEDIAN AGE IN YEARS)



LUMBER SUPPLY

Measured supply growth in the US South, offset by ongoing declines in BC

NORTH AMERICAN LUMBER PRODUCTION (BBF)

<u>Region</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
South	18.3	18.8	19.4	20.8
West	13.9	14.4	14.3	14.3
Other	1.6	1.6	1.5	1.6
USA	33.8	34.9	35.2	36.7
Rest of Canada	15.4	14.9	14.3	14.1
BC	13.0	12.4	9.7	8.9
Canada	28.3	27.3	24.0	23.1
North America	62.1	62.2	59.2	59.7
Offshore Imports	1.2	1.5	1.5	2.1

US SOUTH

Measured growth (three year CAGR of 4%), limited by labour availability and long equipment lead times

US WEST & CANADA (NON-BC)

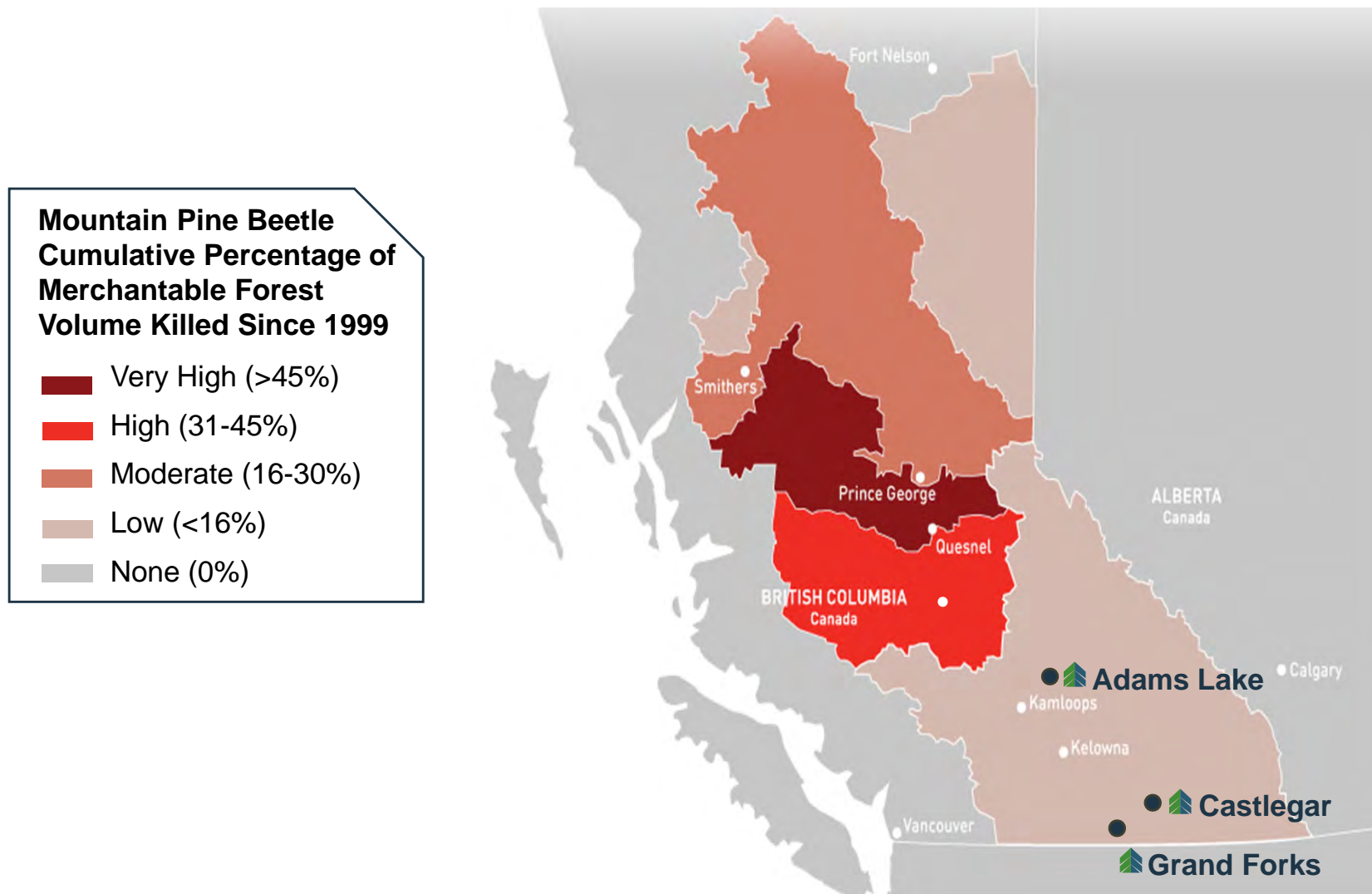
Relatively stable; good balance between available timber supply and manufacturing capacity

BRITISH COLUMBIA (BC)

Structural declines and permanent capacity reductions due to impacts of Mountain Pine Beetle forest infestation (~30% decline in production since 2017)

LUMBER SUPPLY: BC INTERIOR

Declining log supply across BC, but Interfor well-positioned in southern BC



SOFTWOOD LUMBER DISPUTE

Minimal exposure to duties with 70% of lumber production based in the US

U.S. COUNTERVAILING & ANTI-DUMPING CASH DEPOSIT RATES

<u>COMPANY</u>	<u>2017-20</u> ⁽¹⁾	<u>2020-21</u> ⁽²⁾
West Fraser	23.56%	8.97%
Canfor	20.52%	4.62%
Tolko	22.07%	8.99%
Resolute	17.90%	20.25%
JD Irving	9.38%	4.23%
All Others (Includes Interfor)	20.23%	8.99%

INTERFOR SOFTWOOD LUMBER DUTIES HIGHLIGHTS

US\$143 MM

Duties on Deposit

Cumulative duties of US\$143 MM have been paid by Interfor since the inception of the current trade dispute and are held in trust by the US Government; most of which are off-balance sheet

15%

Shipments Exposed to Duties

Interfor's shipments into the US from Canada represent only 15% of Interfor's total company-wide sales volumes



GROWTH-FOCUSED STRATEGY

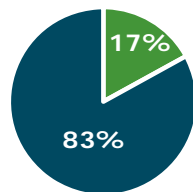
INTERFOR GROWTH STRATEGY

Long-standing strategy of growth and geographic lumber diversification

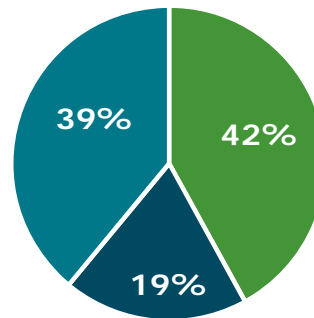
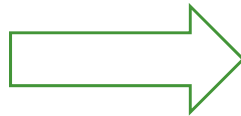
2001

2012

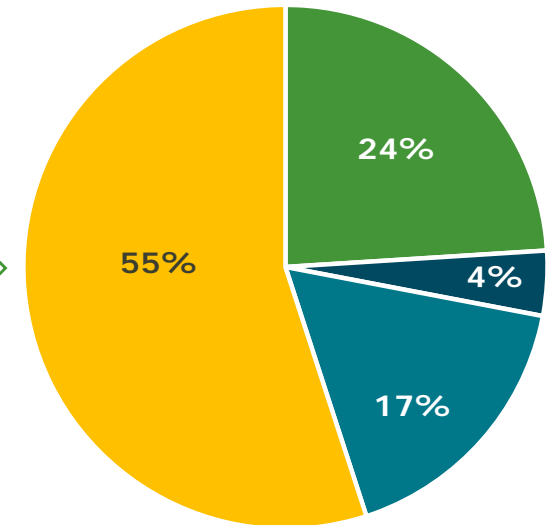
2021



0.8 BBF



1.7 BBF



3.2 BBF

- BC Interior
- US Northwest
- BC Coast
- US Southeast

INTERFOR GROWTH STRATEGY

Interfor's strategy has been consistent over time and across regions

Acquisitions have focused on assets with future potential

Efforts post-acquisition are then focused on operational integration and the establishment of best practices, followed by capital investments

US NORTHWEST



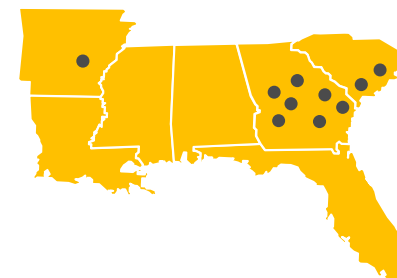
2004 - 2020

BC INTERIOR



2007 - 2022

US SOUTH



2013 - 2022

Timely Acquisitions:

- Crown Pacific (2004), Floragon (2005), Portac (2008), Simpson (2015)

- Pope & Talbot (2007)
- Tenure (2010, 2013, 2020)

- Rayonier (2013), Keadle (2014), Tolleson (2014), Simpson & Price (2015), WestRock (2021)

Restructuring & Operating Best-Practices:

- Marysville, Beaver, Tacoma Gilchrist closed
- Gilchrist transformed to specialty before being sold in 2020

- Castlegar and Grand Forks workforce restructured

- Established infrastructure
- Established Interfor standards
- Small capital projects

Strategic Capital Investments:

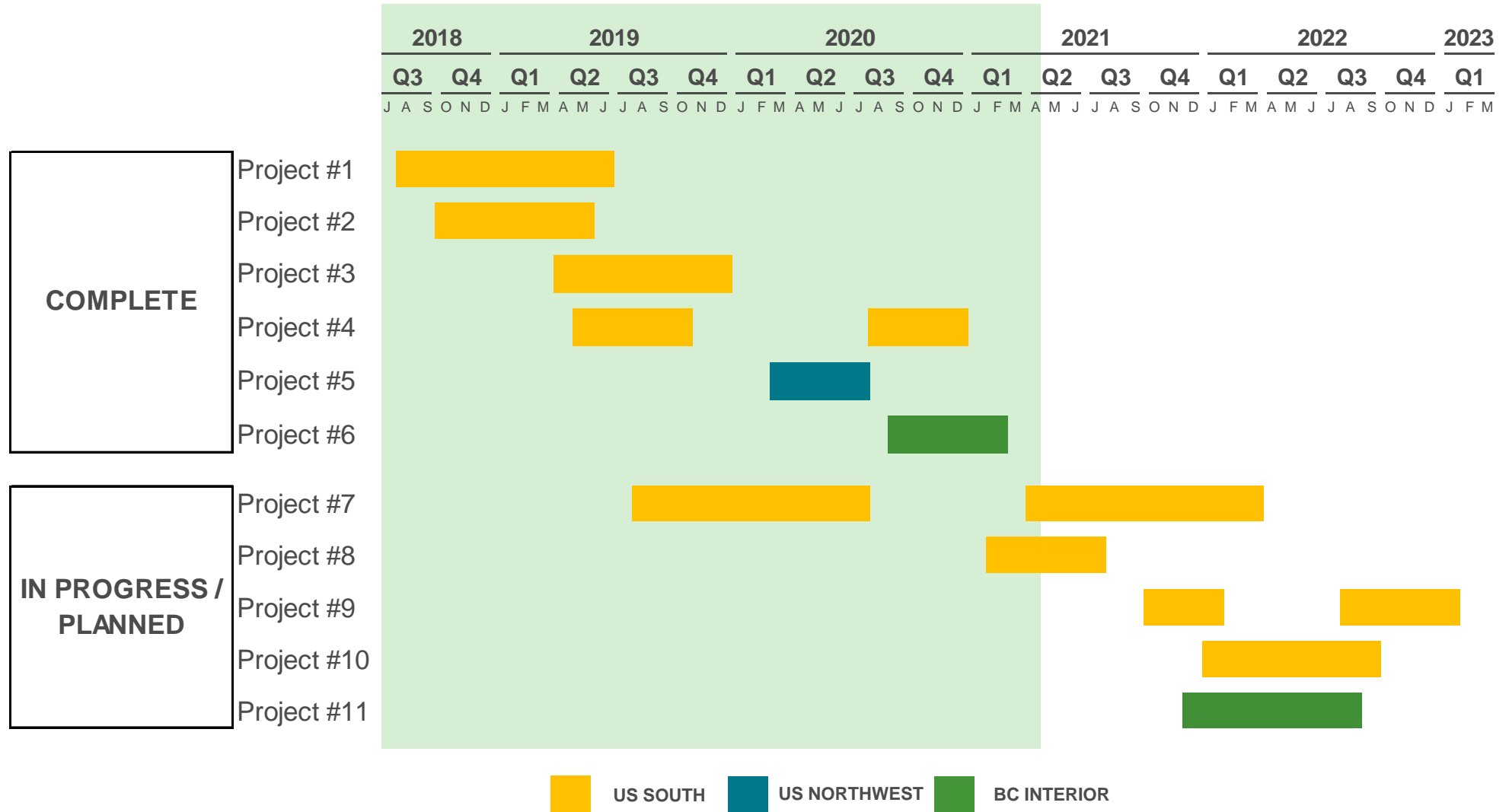
- Molalla (2006 & 2020); Port Angeles (2007)

- Adams Lake (2009 & 2021), Grand Forks (2012), Castlegar (2015 & 2022)

- Various phases of strategic capex completed, in-progress or being planned (2018-2022)

MULTI-YEAR STRATEGIC CAPEX PLAN

Multi-year strategic capex plan underway, primarily focused in the US South



MULTI-YEAR STRATEGIC CAPEX PLAN

Mill rebuilds, machine center upgrades, debottlenecking & optimization projects



Monticello, Arkansas



Eatonton, Georgia



Molalla, Oregon

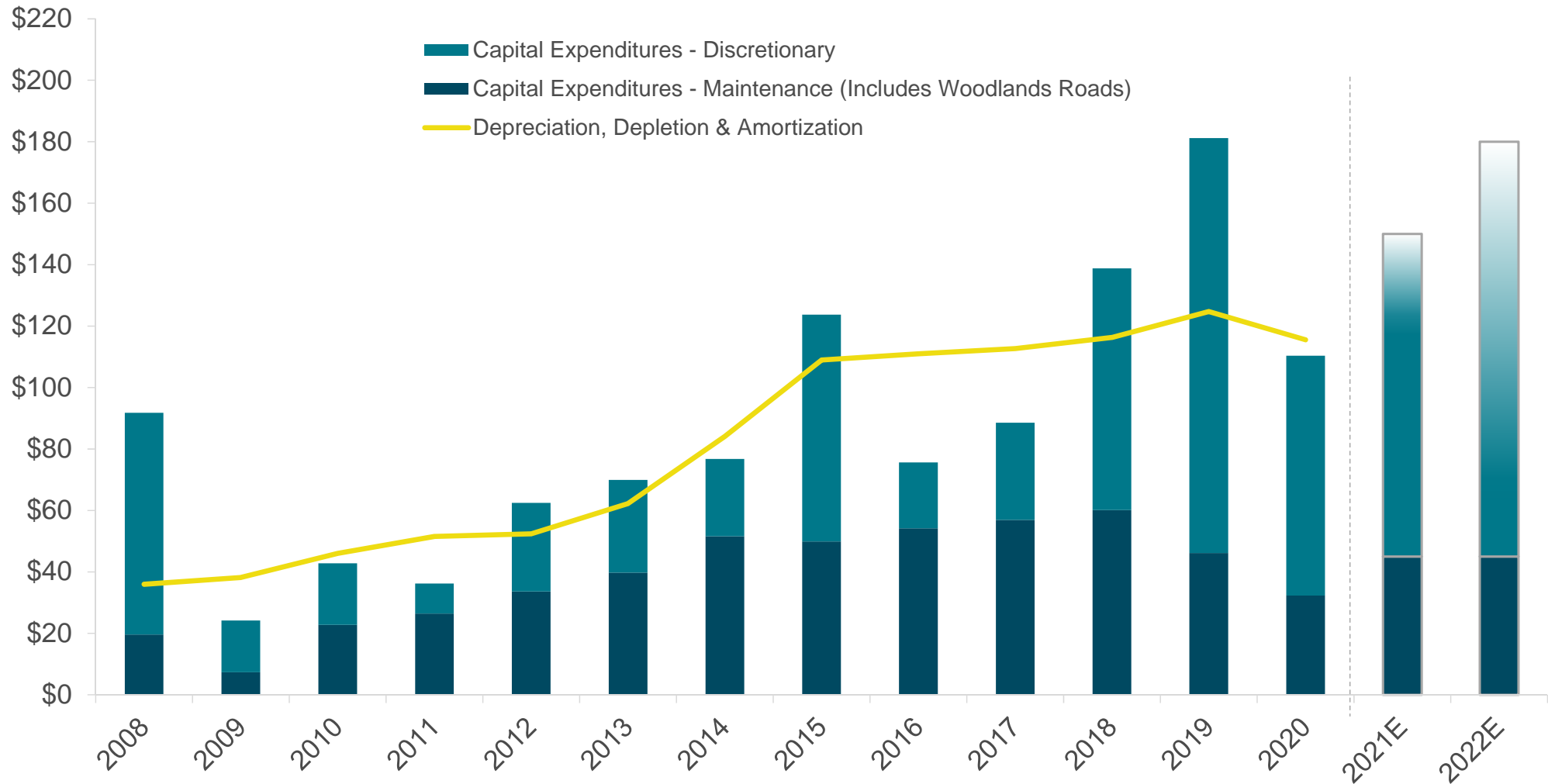


Adams Lake, British Columbia

CAPITAL SPENDING PROFILE

Strategic investments resulting in a well-capitalized, low-cost sawmill portfolio

HISTORICAL CAPITAL EXPENDITURES & OUTLOOK (\$MM)

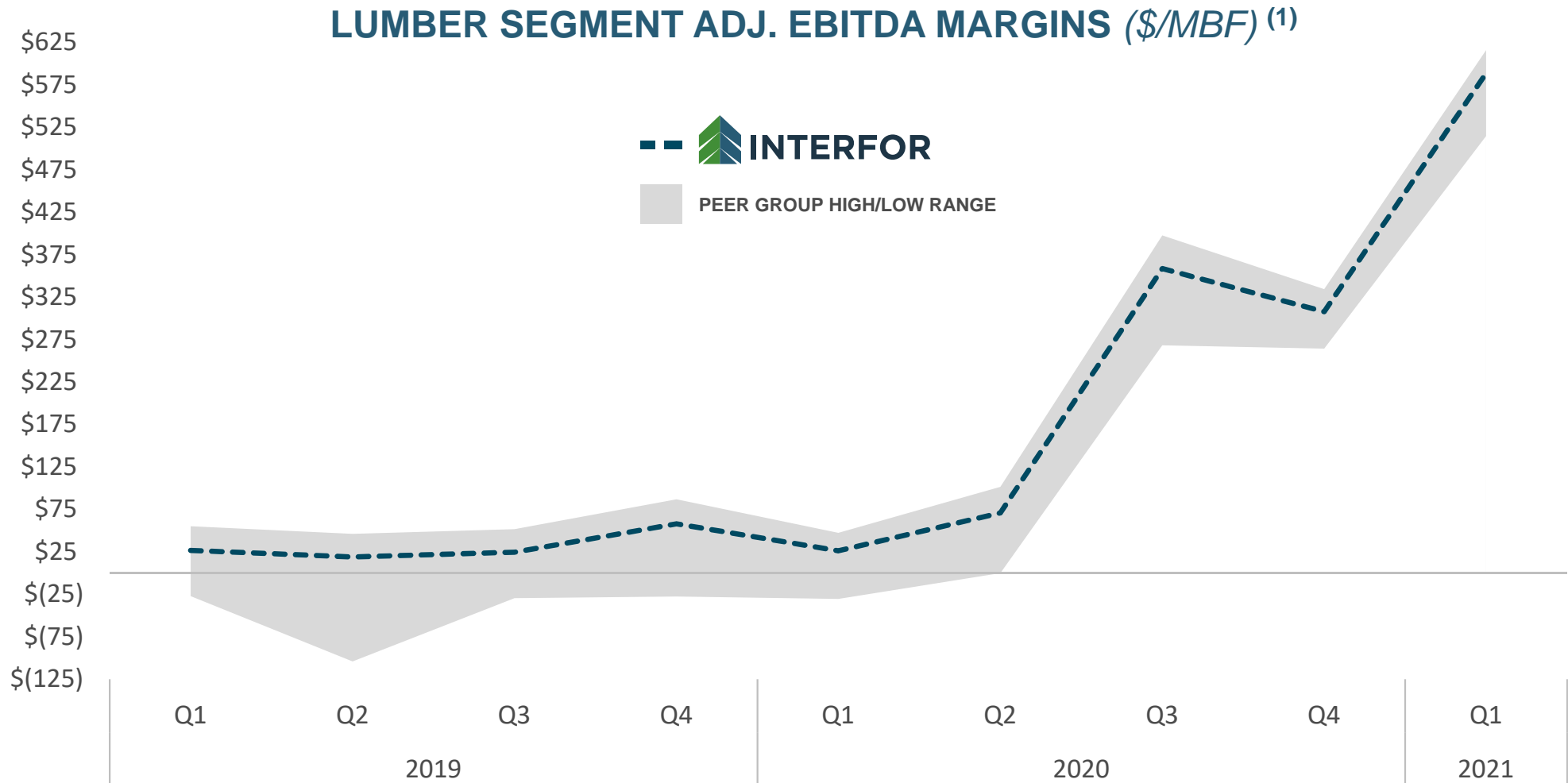




TOP TIER LUMBER MARGINS & RETURNS

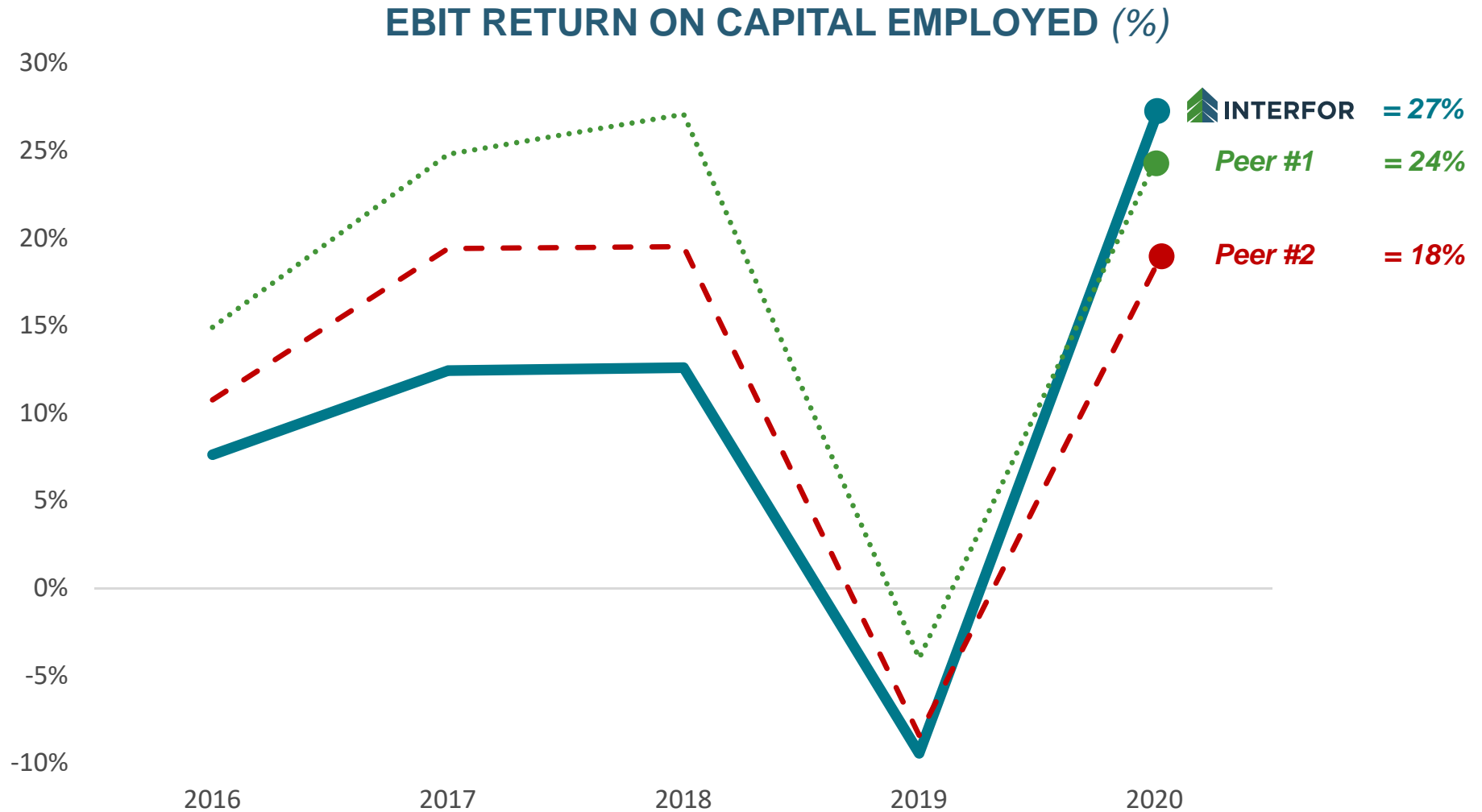
TOP TIER LUMBER MARGINS

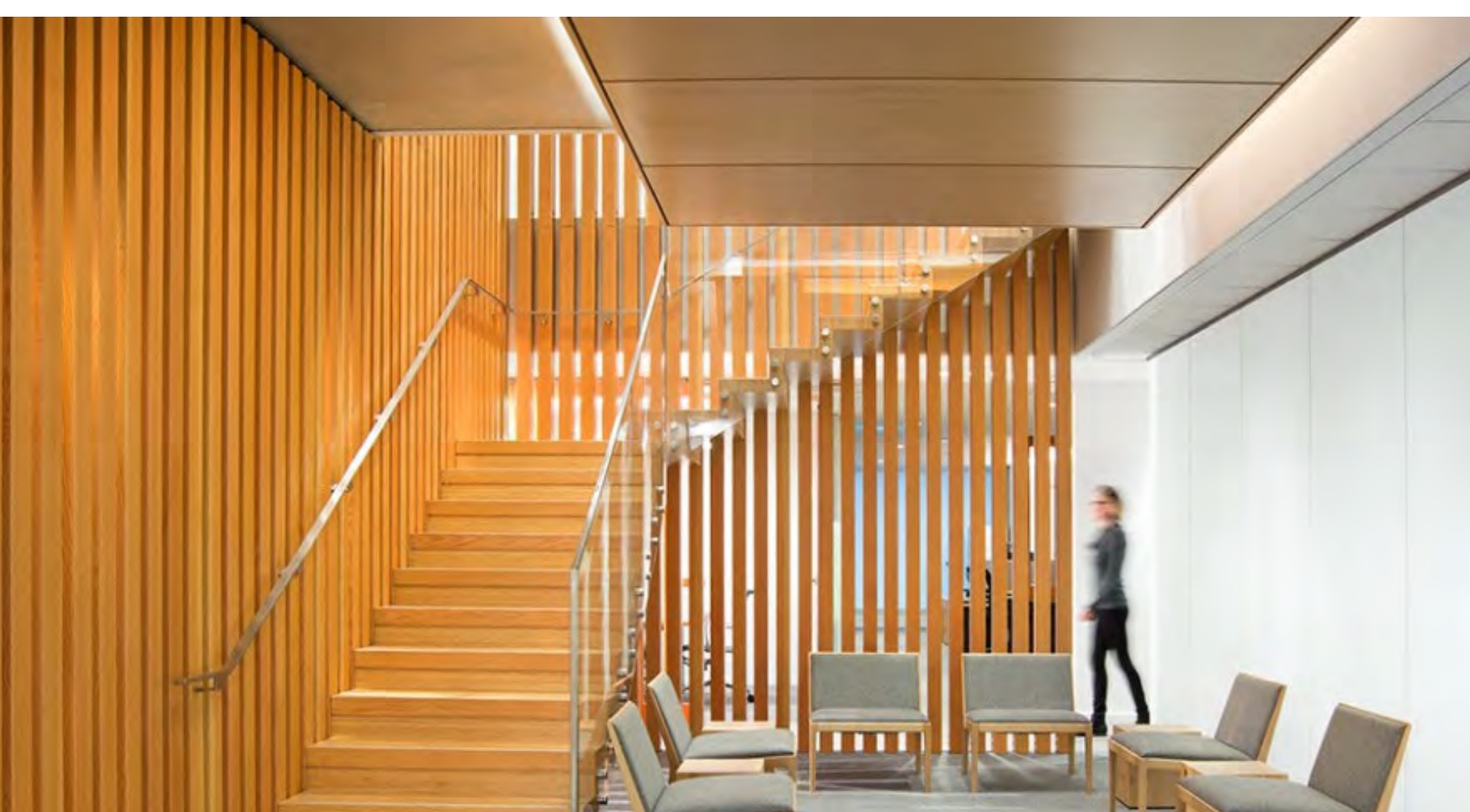
Consistent top tier margin performance across all market conditions



TOP TIER RETURN ON CAPITAL

Multi-year strategic capex plan that began in 2017 is starting to have an impact



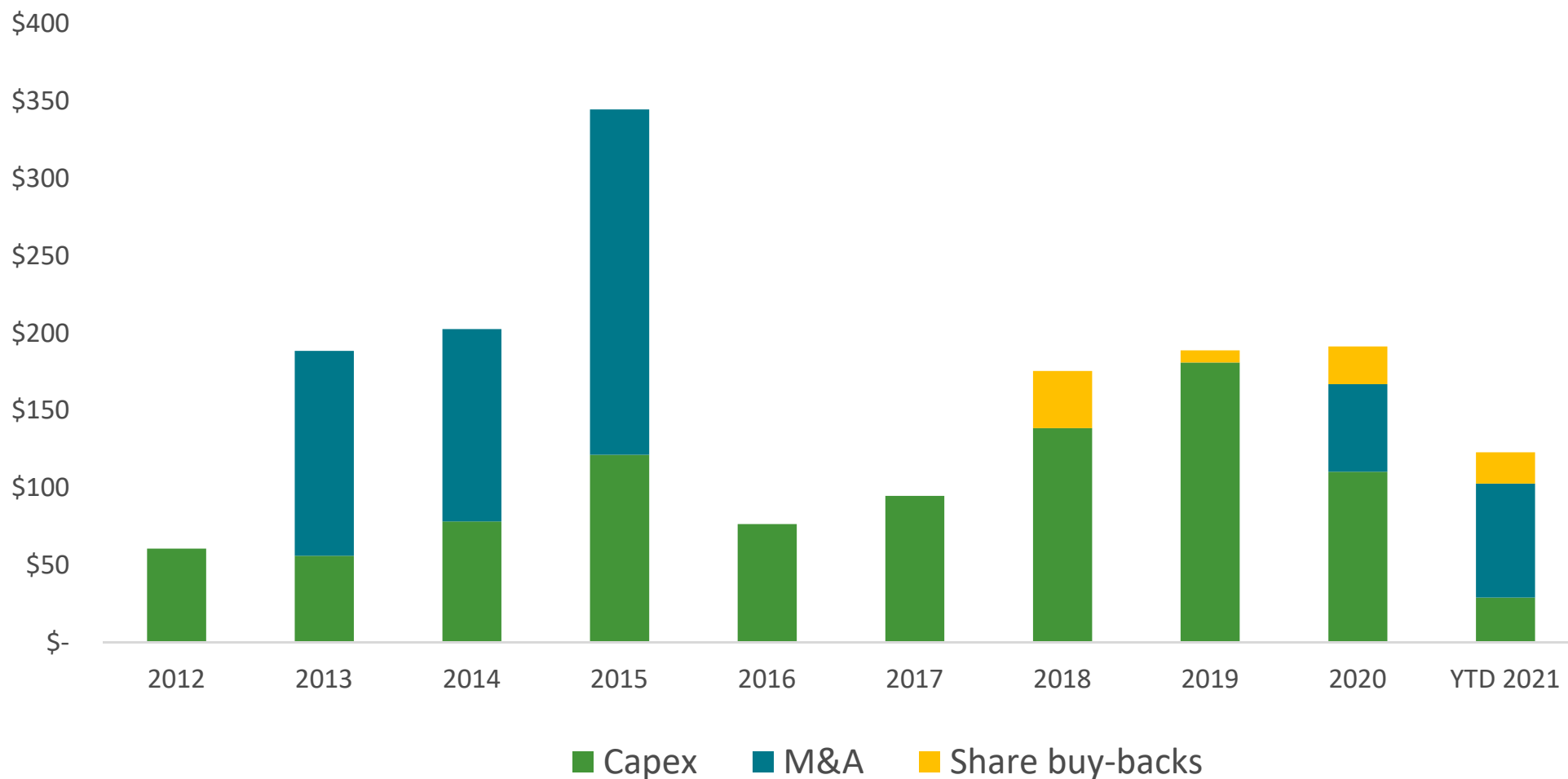


**BALANCED CAPITAL ALLOCATION WITH
SIGNIFICANT FINANCIAL FLEXIBILITY**

BALANCED CAPITAL ALLOCATION

Disciplined, multi-faceted approach to capital allocation depending on the circumstances

HISTORICAL CAPITAL DEPLOYMENT EXPENDITURES (\$MM) ⁽¹⁾



RECENT CAPITAL ALLOCATION

Balanced approach to recent capital deployment initiatives

Internal Growth

Multi-year strategic capital program; total capex spend of approx. \$150 MM in 2021 and \$150-180 MM in 2022

External Growth

Disciplined lumber-focused M&A; recent acquisition from WestRock completed in Q1-2021; regularly analyzing other opportunities



INTERFOR

Opportunistic Buybacks

NCIB authorized in November 2020 for up to 6 MM shares; repurchased 2.1 MM shares @ ~\$21 per share through the end of March 2021

Portfolio Optimization

Ongoing proactive portfolio management to maximize returns; Sold Gilchrist, OR mill in 2020; closed Hammond, BC mill in 2019

WESTROCK SAWMILL ACQUISITION

Logical tuck-in acquisition with operational and capital investment upside

- Acquisition of WestRock's sawmill in Summerville, South Carolina closed on March 12, 2021.
- Cash consideration of US\$59 MM, included log and lumber inventories.
- Mill produced 125 MMbf in 2020.
- New permit received in 2020 allowing for an increase in production of up to 200 MMbf/year.
- Operational and capital investment initiatives to optimize and increase production going forward.
- Significant log sort optimization and procurement synergies with existing mills (Meldrim/Georgetown).
- Long-term residuals off-take agreement with WestRock's Charleston, SC paper mill.

APPROX. LOG PROCUREMENT AREAS



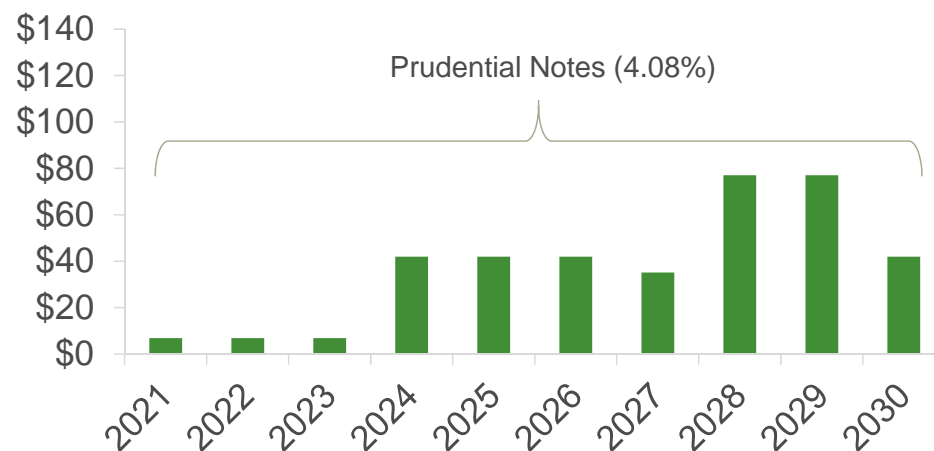
CAPITAL STRUCTURE

Significant financial flexibility to consider a variety of capital deployment options

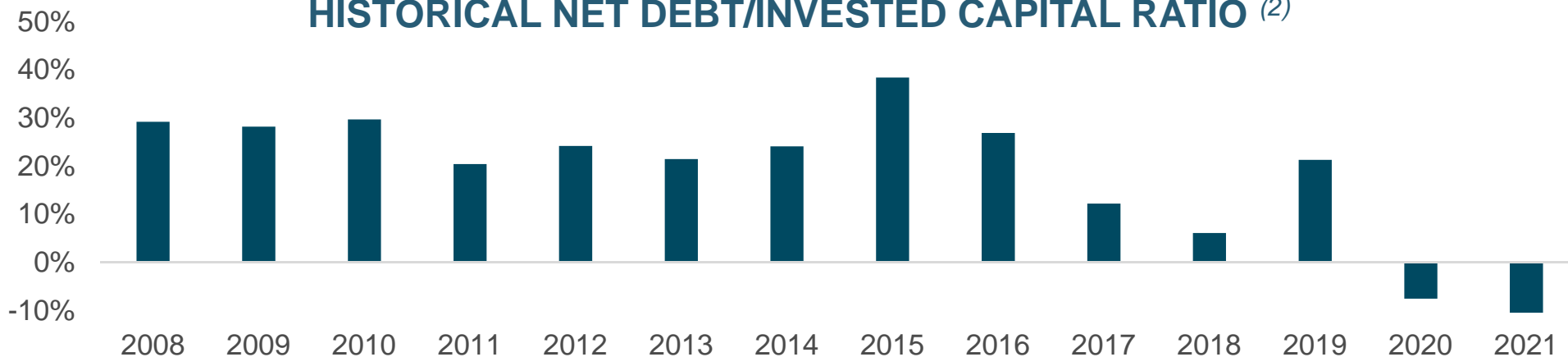
CAPITAL STRUCTURE AS OF MAR 31, 2021 (\$MM)

Cash	\$613
Debt	\$377
Net Debt (Cash)	<u>\$(236)</u>
Book Equity	\$1,322
Invested Capital	<u>\$(1,086)</u>
NET DEBT/INVESTED CAPITAL (%)	<u>(22)%</u>
Total Liquidity ⁽¹⁾	\$944

DEBT MATURITY SCHEDULE AS OF MAR 31, 2021 (\$MM)



HISTORICAL NET DEBT/INVESTED CAPITAL RATIO ⁽²⁾

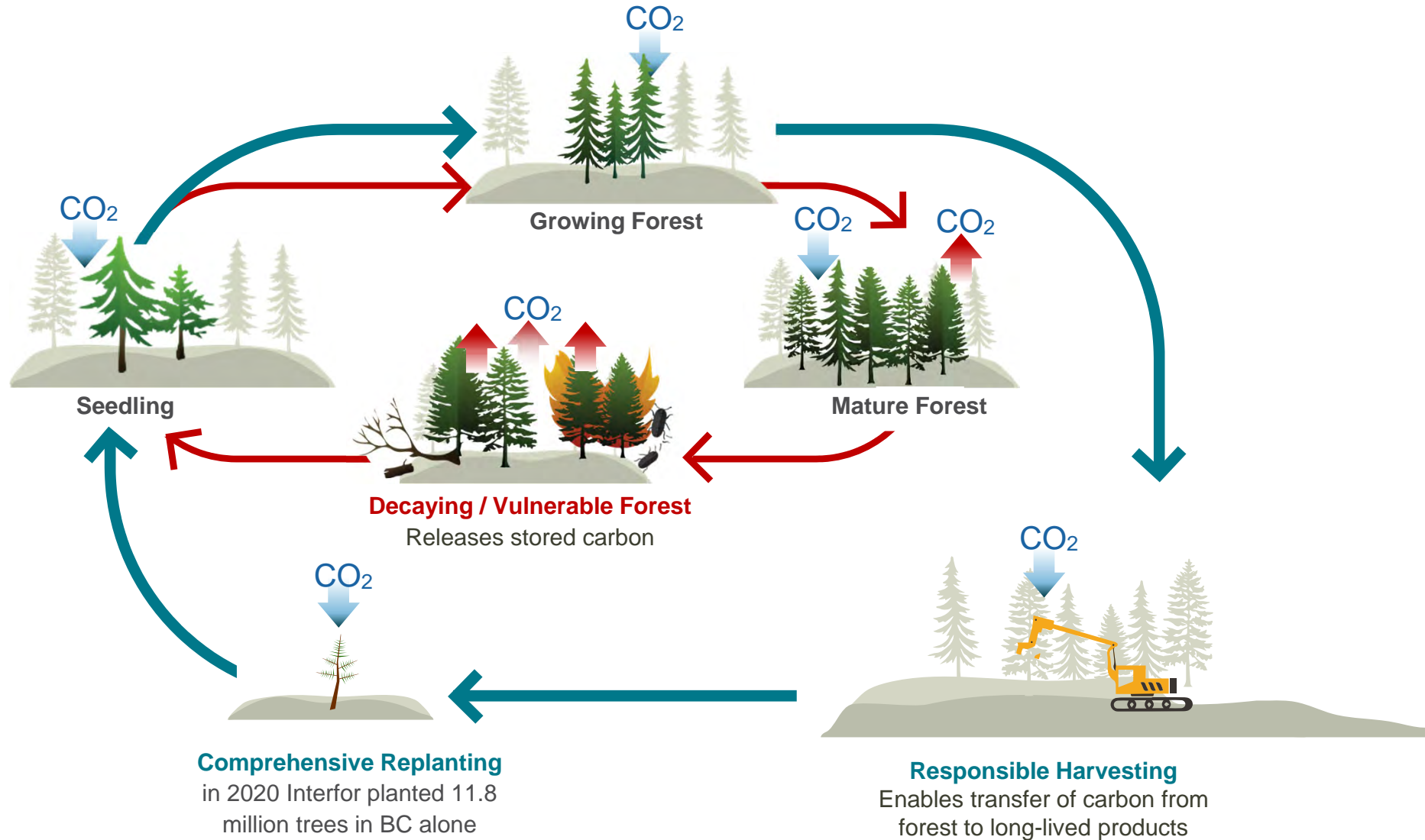




POSITIVE ESG & CARBON STORY

ENHANCING THE NATURAL CARBON CYCLE

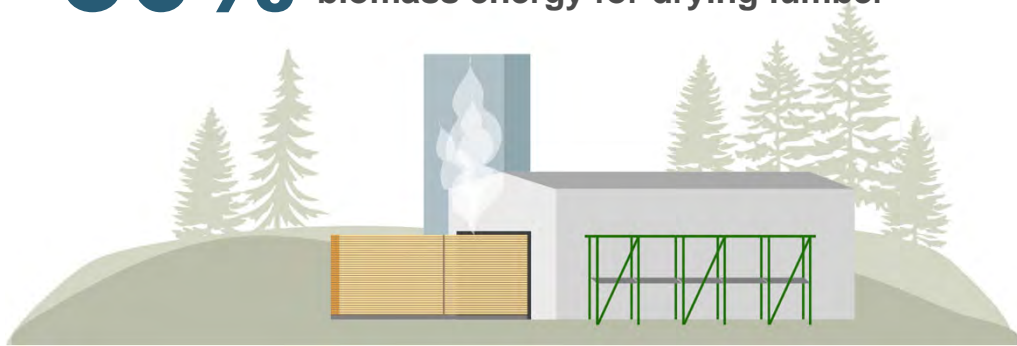
Responsible forest management increases long-term carbon storage



SUSTAINABLE MANUFACTURING

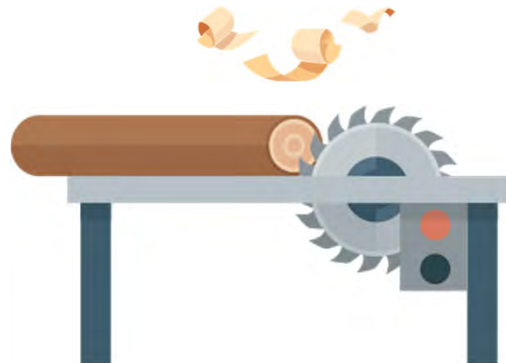
Lumber produced by Interfor stores 4x the carbon emitted in all phases of its production

86% of Interfor sites with kilns use renewable biomass energy for drying lumber



~400,000 tonnes of CO₂e avoided annually by using biomass instead of burning fossil fuels

100% usage of every log delivered



3.7 MM

tonnes of CO₂ stored in lumber sold by Interfor in 2020

VS.

0.9 MM

tonnes of CO₂e emitted by Interfor and the upstream supply chain combined in 2020, comprising direct fossil fuel, biogenic and electricity emissions

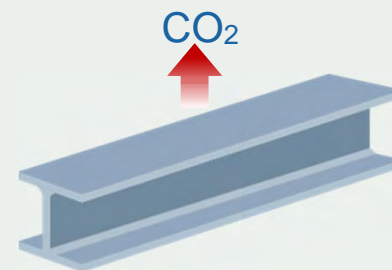
LUMBER: LOW-CARBON BUILDING MATERIAL

Lumber is a climate-friendly building product vs. other alternatives

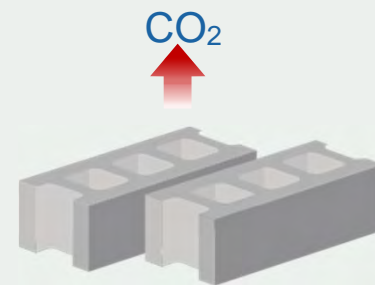


1m² of a building constructed using
wood wall studs
Stores net 16.7kg CO₂*

Compared to the use of:



Steel
Emits 18.0kg CO₂*



Concrete
Emits 27.5kg CO₂*

RESPONSIBILITY AT THE HEART OF THE COMPANY

Integrating ESG standards throughout our business

ENVIRONMENT



Climate:

- We contribute meaningfully to the global effort to combat climate change, through sustainable forest management and manufacturing sustainable building materials
- Our climate strategy assesses climate-related risks and opportunities; we are positioned for resilience
- We manage our own environmental impacts and minimize waste, through using renewable energy, optimizing logistics, and investing in our sawmills to improve their efficiency

Biodiversity and Conservation:

- We are leaders in protecting biodiversity, wildlife, and forests of high conservation value
- We have independent, third party sustainable forestry and chain-of-custody certifications

Environmental Management:

- We maintain an environmental management system (EMS) for all our manufacturing facilities and harvesting operations
- We have environmental monitoring programs for water use, air emissions, waste management, fuel handling and spill prevention

SOCIAL



Safety:

- We embrace world-leading safety standards and target zero Medical Incident Rate (MIR) and Lost Time Frequency Rate (LTFR) metrics, because our goal is to never hurt anyone
- We are leaders in safety: Our MIR and LTFR are at levels well below the industry average and trending downward

People:

- Our focus on employee training, development, internal promotion, competitive compensation, and diversity demonstrates our commitment to our people
- We have goals and action plans to increase the representation of women and people of color in our workforce

Community Partnerships:

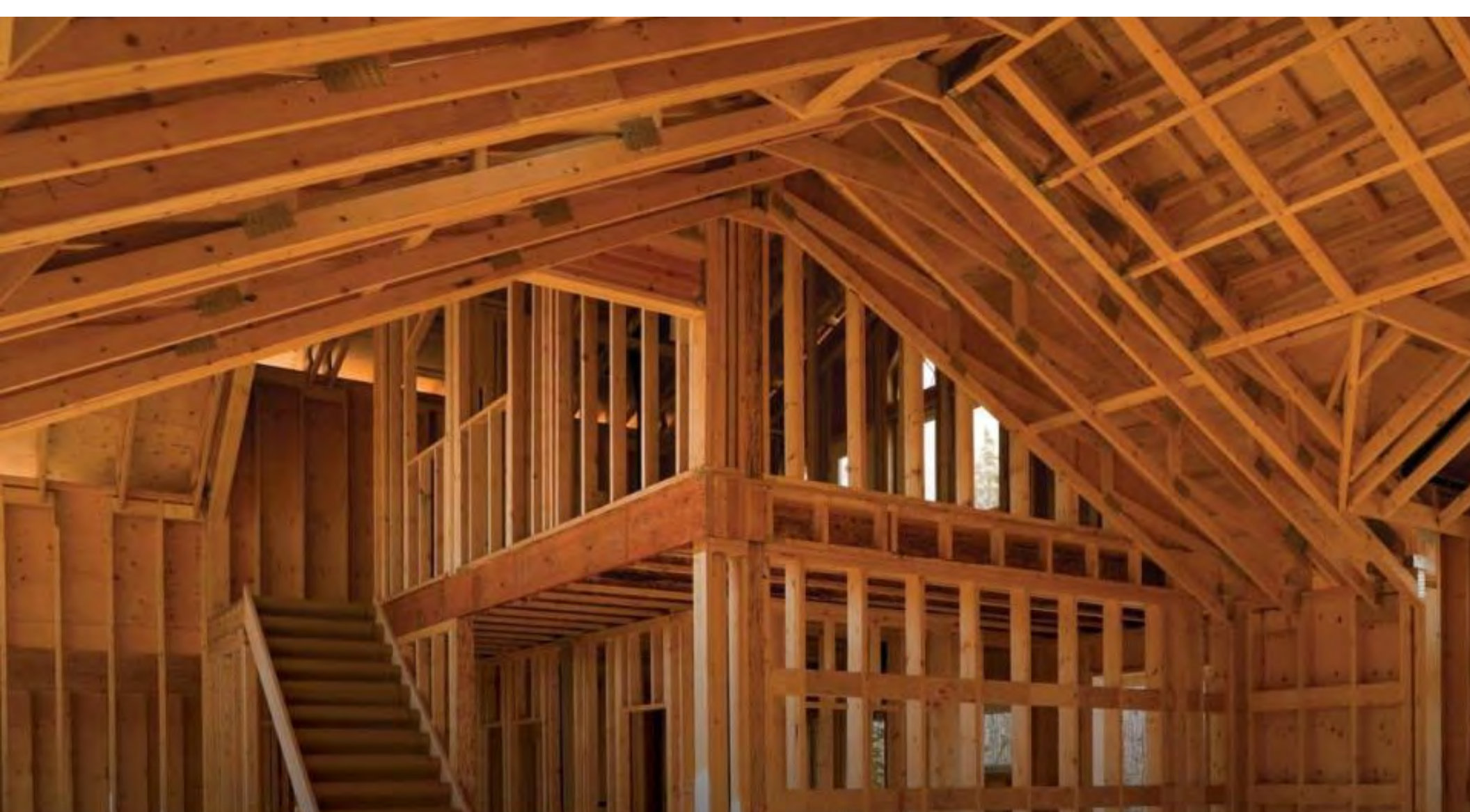
- We have signed agreements with 35 of the First Nations with whom we work, supporting shared business opportunities, training and capacity building
- We engage meaningfully with, support, and give back to the communities in which we operate

GOVERNANCE



ESG Oversight:

- 91% of directors are independent; 27% of directors are women; Chair of the Board is independent
- Board-level oversight of all ESG factors, including Board committees with oversight over:
 - environmental and safety
 - Employees and compensation
 - Governance, corporate responsibility and human rights
 - financial reporting and information system security
- Our annual Sustainability Report provides in-depth and meaningful information to investors
- Our Code of Conduct & Ethics, including our core values, applies to all directors, officers and employees
- We have a confidential whistleblower hotline to encourage employees, contractors, vendors and the general public to report any concerns



CONTACT INFORMATION

INVESTOR CONTACTS

RICK POZZEBON

SVP & Chief Financial Officer

604-689-6804

richard.pozzebon@interfor.com

MIKE MACKAY

VP, Corporate Development & Strategy

604-689-6846

mike.mackay@interfor.com

ANALYST COVERAGE

BMO CAPITAL MARKETS	Mark Wilde	(212) 883-5102	mark.wilde@bmo.com
CIBC CAPITAL MARKETS	Hamir Patel	(604) 331-3047	hamir.patel@cibc.com
EQUITY RESEARCH ASSOCIATES	Kevin Mason	(604) 886-5741	kmason@equityresearchassociates.com
RAYMOND JAMES	Daryl Swetlishoff	(604) 659-8246	daryl.swetlishoff@raymondjames.ca
RBC CAPITAL MARKETS	Paul Quinn	(604) 257-7048	paul.c.quinn@rbccm.com
SCOTIA CAPITAL	Benoit Laprade	(514) 287-3627	benoit.laprade@scotiabank.com
TD SECURITIES	Sean Steuart	(416) 308-3399	sean.steuart@tdsecurities.com