

INVESTOR PRESENTATION

MAY 2024

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, facility restart plans and ramp-up timelines, pro-forma capacity, expected earnings and returns, pro-forma debt ratios, liquidity, borrowing capacity, regulatory approvals and other relevant factors. 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", which is available on www.interfor.com and under Interfor's profile on www.sedarplus.ca. Material factors and assumptions used to develop the forward-looking information in this presentation include the timing and value of proceeds received from the disposition of Coast B.C. forest tenures; availability and cost of logs; competition; currency exchange sensitivity; environment; government regulation; health and safety; Indigenous reconciliation; information technology and cyber security; labour availability; logistics availability and cost; natural and man-made disasters and climate change; price volatility; residual fibre revenue; softwood lumber trade; and tax exposures. Unless otherwise indicated, the forward-looking statements in this presentation are based on the Company's expectations at the date of this presentation. 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 any interim financial results and other data included in this presentation, 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.sedarplus.ca.

Currency:

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

INTERFOR INVESTMENT HIGHLIGHTS



Pure-play North American lumber producer of scale

- Top three softwood lumber producer in North America, with 31 strategically located facilities
- High exposure to US South, Eastern Canada and Atlantic Canada with attractive log costs

Compelling lumber market fundamentals

- Diversified demand across end-use segments, including housing and repair & remodel
- Supply growth constrained by availability of fibre and labour, and equipment lead times

Top quartile operating margins and returns on capital

- Top quartile EBITDA margins and returns on capital employed
- Well capitalized, high-margin portfolio of sawmills

Growth-focused strategy

- Long-standing strategy of growth; 10-year lumber production volume CAGR of 9%
- Acquisitions since 2021 have increased production capacity by 69%

Balanced capital allocation and optimized capital structure

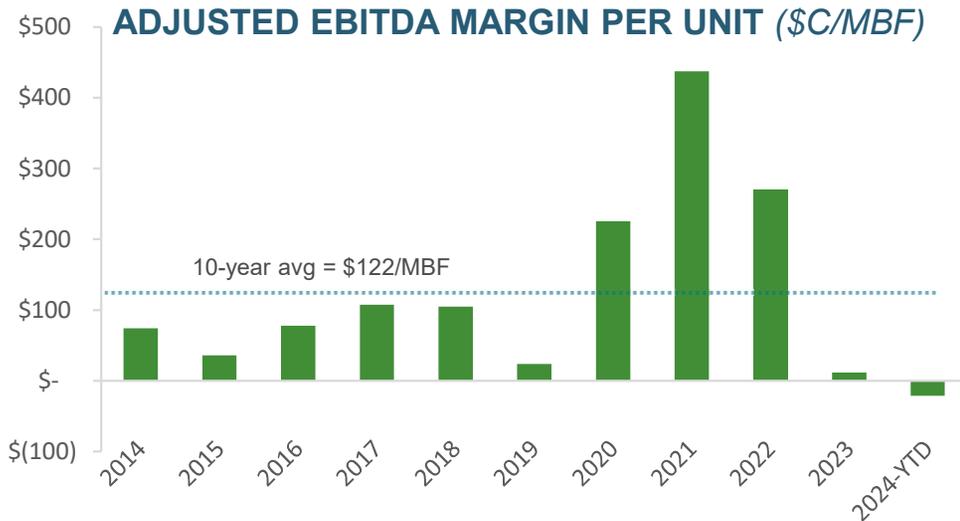
- Disciplined approach across growth capex, M&A and returns to shareholders
- Well structured balance sheet and ~\$300 Million of liquidity as of March 31, 2024

Positive ESG and carbon story

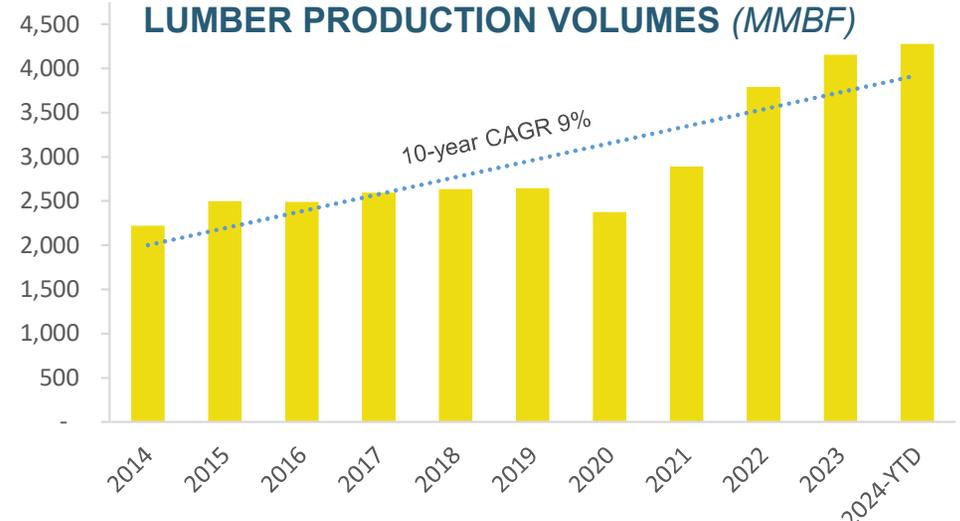
- Sustainable forest management and harvesting practices
- Lumber is a climate-friendly building product with opportunity to displace concrete/steel

INVESTOR VALUE PROPOSITION

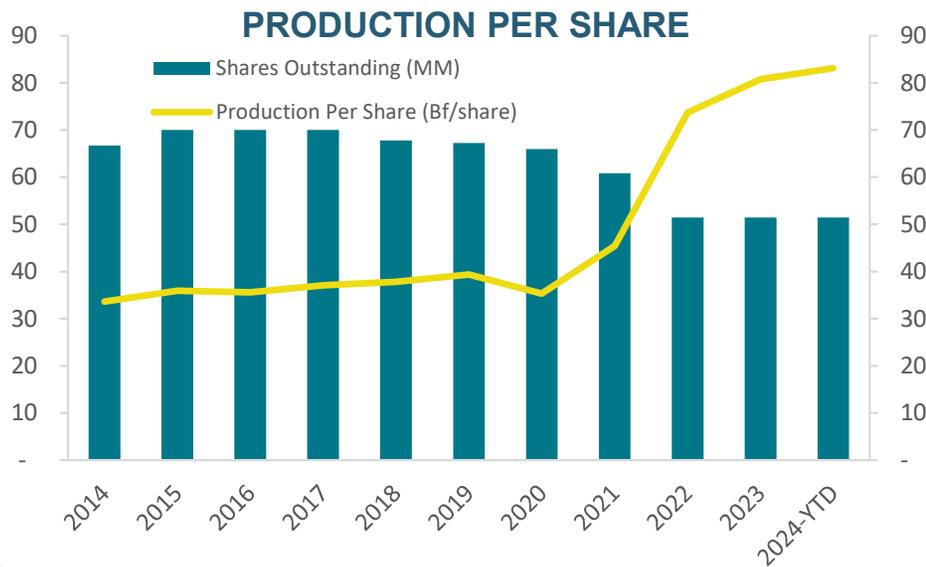
Attractive Earnings Through the Cycle



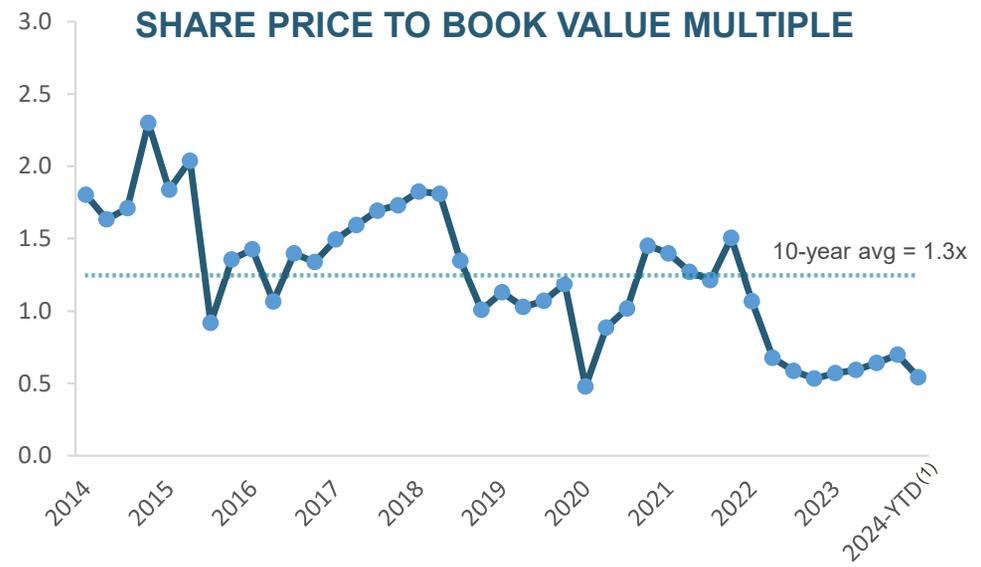
Consistently Growing Volumes

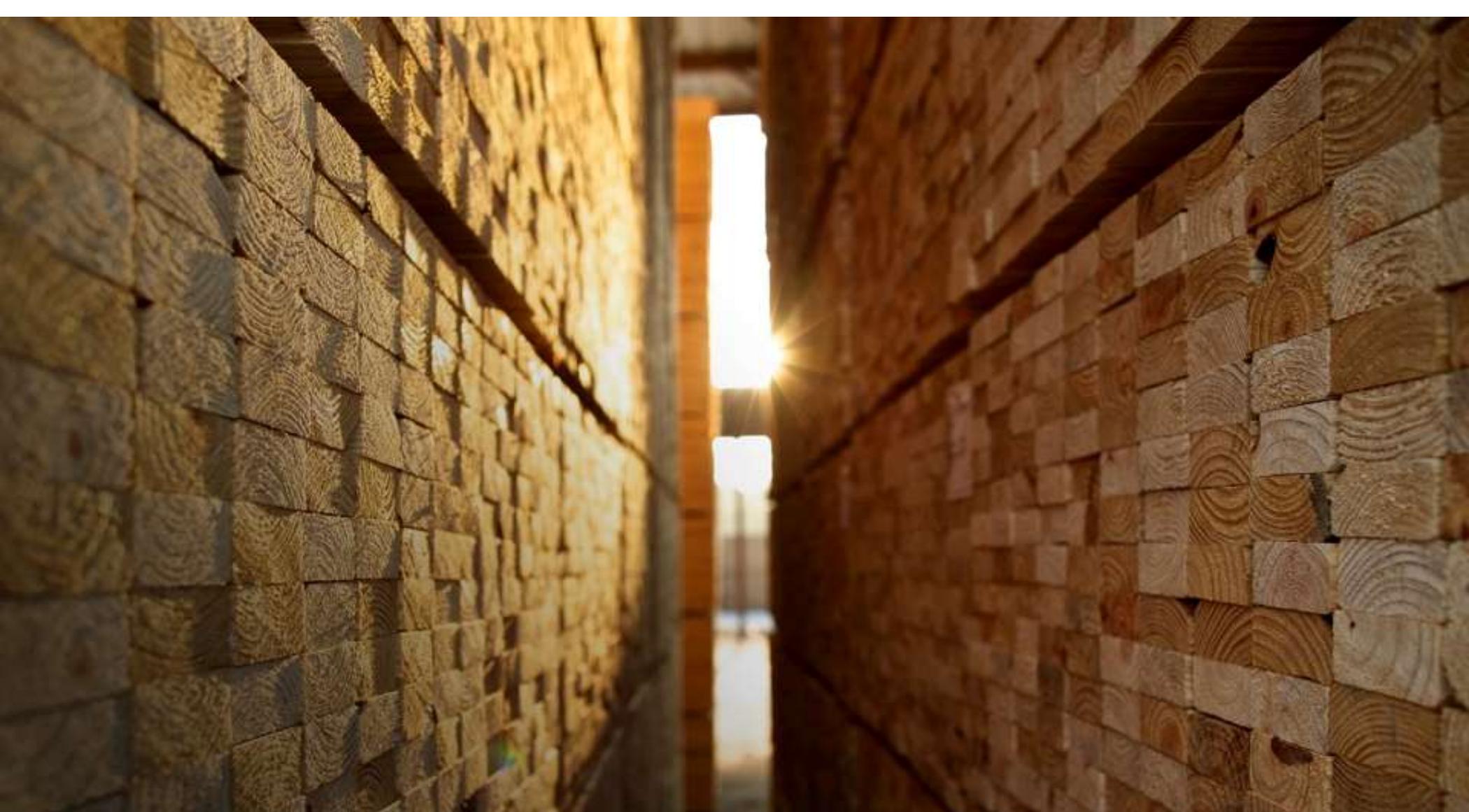


Increasing Leverage to Production



Attractive Valuation Metrics





PURE-PLAY NORTH AMERICAN LUMBER PRODUCER

PURE-PLAY LUMBER PRODUCER

Interfor is a North American focused, pure-play softwood lumber producer

INTERFOR 2023 REVENUES BY SOURCE

Softwood Lumber (80%)

Dimensional lumber primarily for framing/structural applications, manufactured at Interfor's sawmill facilities



Other Wood Products (4%)

Primarily I-joists - engineered wood structural members manufactured by Interfor with internally-sourced lumber flanges and externally-sourced oriented strand board web



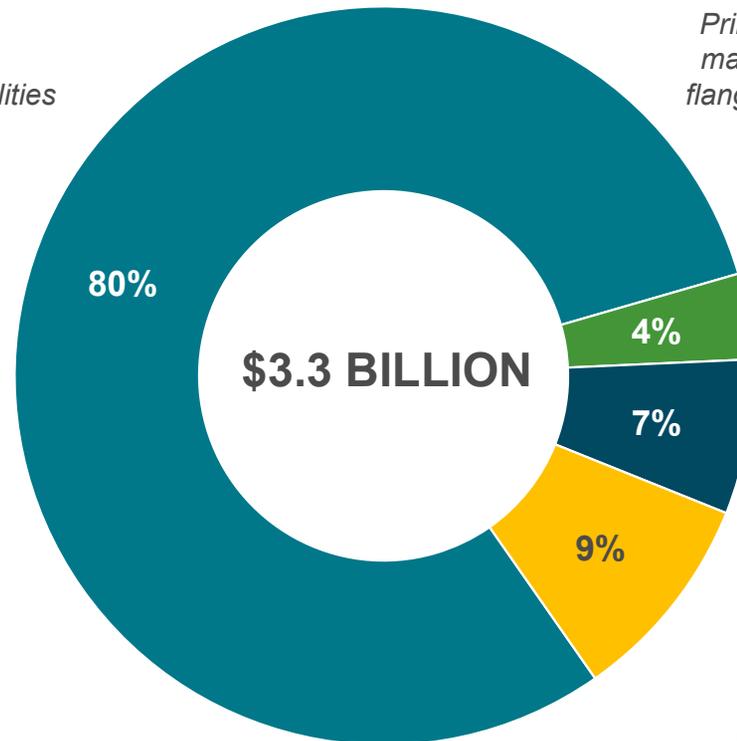
Logs (7%)

Logs that do not meet the criteria for processing at Interfor's facilities, due to factors such as species (e.g. hardwood) or size



Wood Chips & Other By-Products (9%)

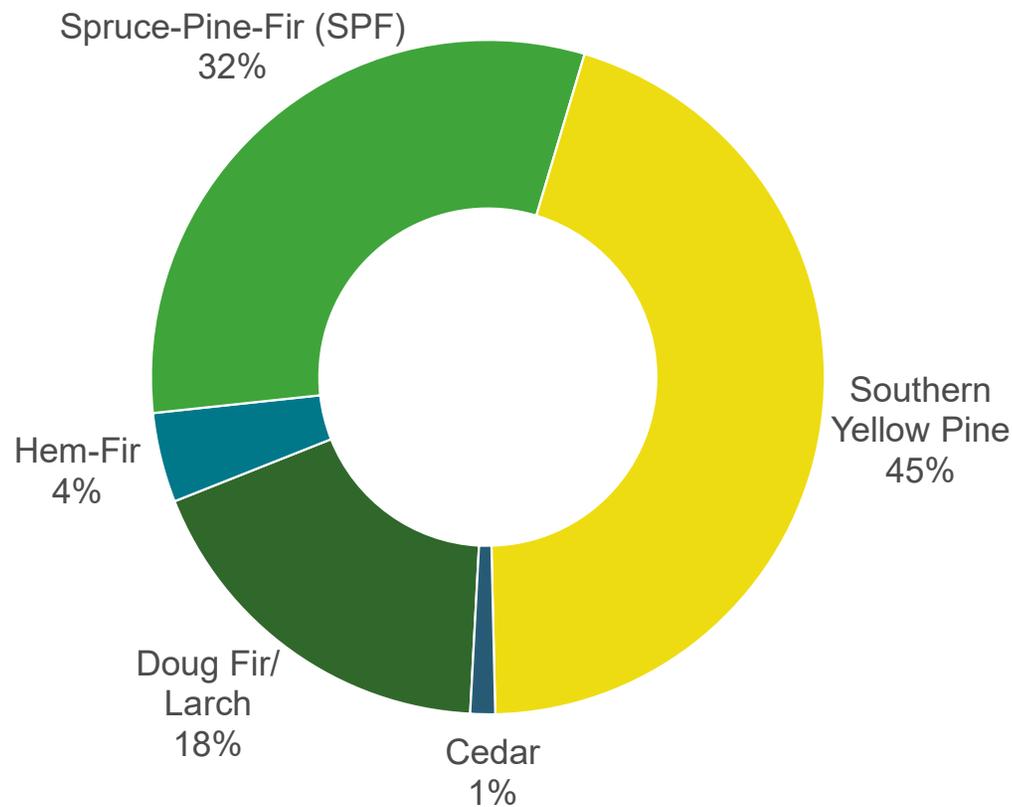
Wood chips and other products (bark, sawdust, shavings) that are produced during the lumber manufacturing process



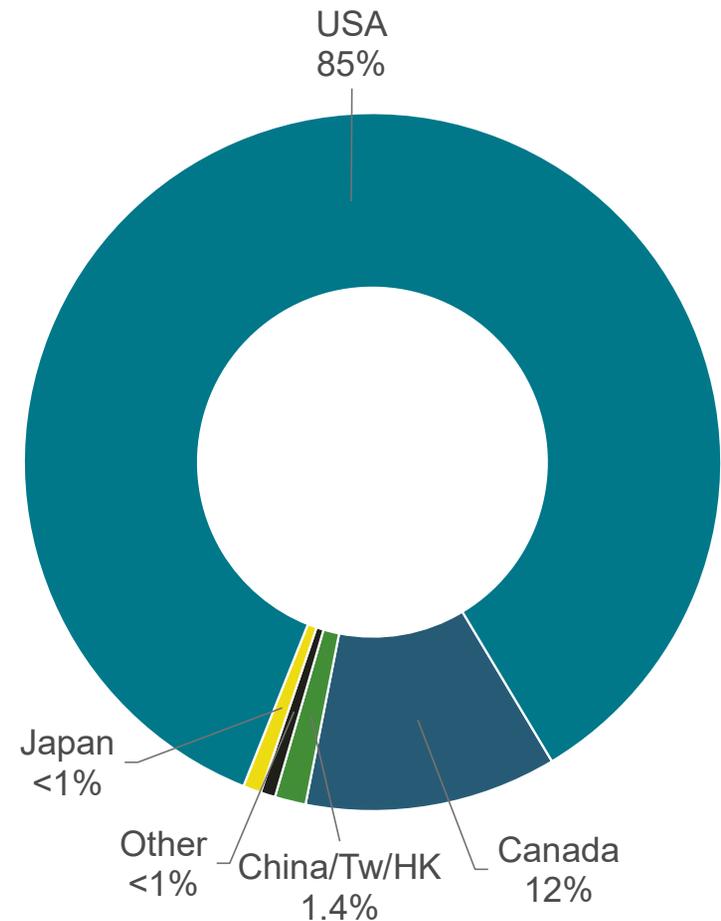
LUMBER SPECIES & MARKETS

Diverse lumber species mix; high leverage to key US market

INTERFOR LUMBER SALES BY SPECIES (1)



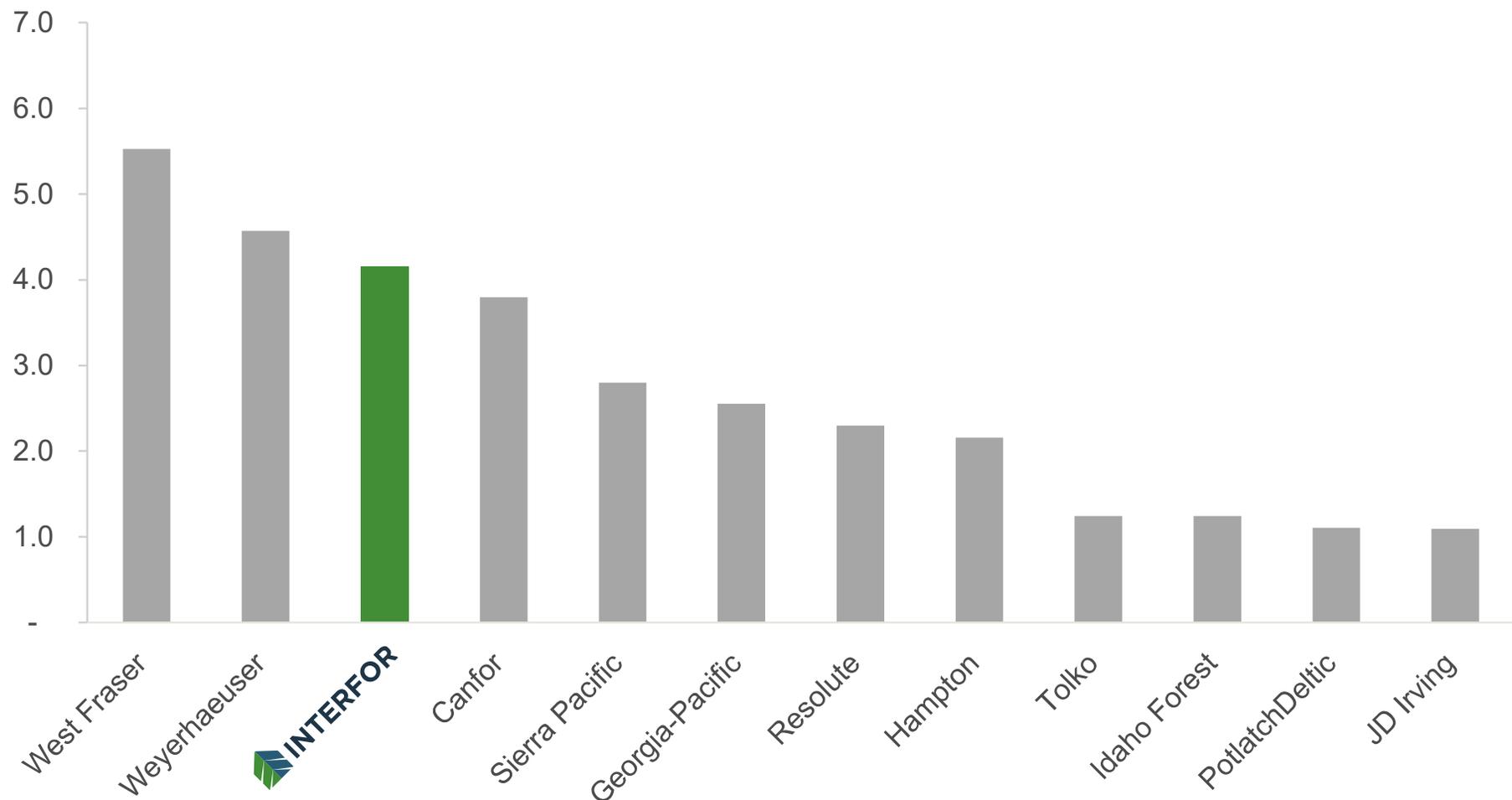
INTERFOR LUMBER SALES BY MARKET (1)



LUMBER INDUSTRY LANDSCAPE

Interfor is a top three producer in North America and the only publicly traded pure-play lumber producer of scale

NORTH AMERICAN LUMBER PRODUCTION BY COMPANY – 2023 (BBF) ⁽¹⁾



INTERFOR OPERATIONS

BC INTERIOR

750 MMBF (15%)

- 3 dimension mills; 1 remanufacturing facility (Sumas, WA)
- Douglas-Fir, Hem-Fir, SPF, Cedar
- Efficient, modern, low-cost, well-capitalized

US NORTHWEST

550 MMBF (11%)

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

EASTERN CANADA

985 MMBF (20%)

- 4 stud mills; 3 dimension mills; 1 I-Joist facility; 1 remanufacturing facility
- Spruce – Pine – Fir (SPF)
- Efficient, well-run, well-maintained

ATLANTIC CANADA

350 MMBF (7%)

- 2 stud mills; woodlands management division
- Spruce – Pine – Fir (SPF)
- Efficient, modern, low-cost, well-capitalized

US SOUTH

2,335 MMBF (47%)

- 12 dimension mills; 1 stud mill
- Southern Yellow Pine (SYP)
- Ongoing capex investment upside

5.0 Billion board feet of lumber production capacity, with operations in all major timber baskets

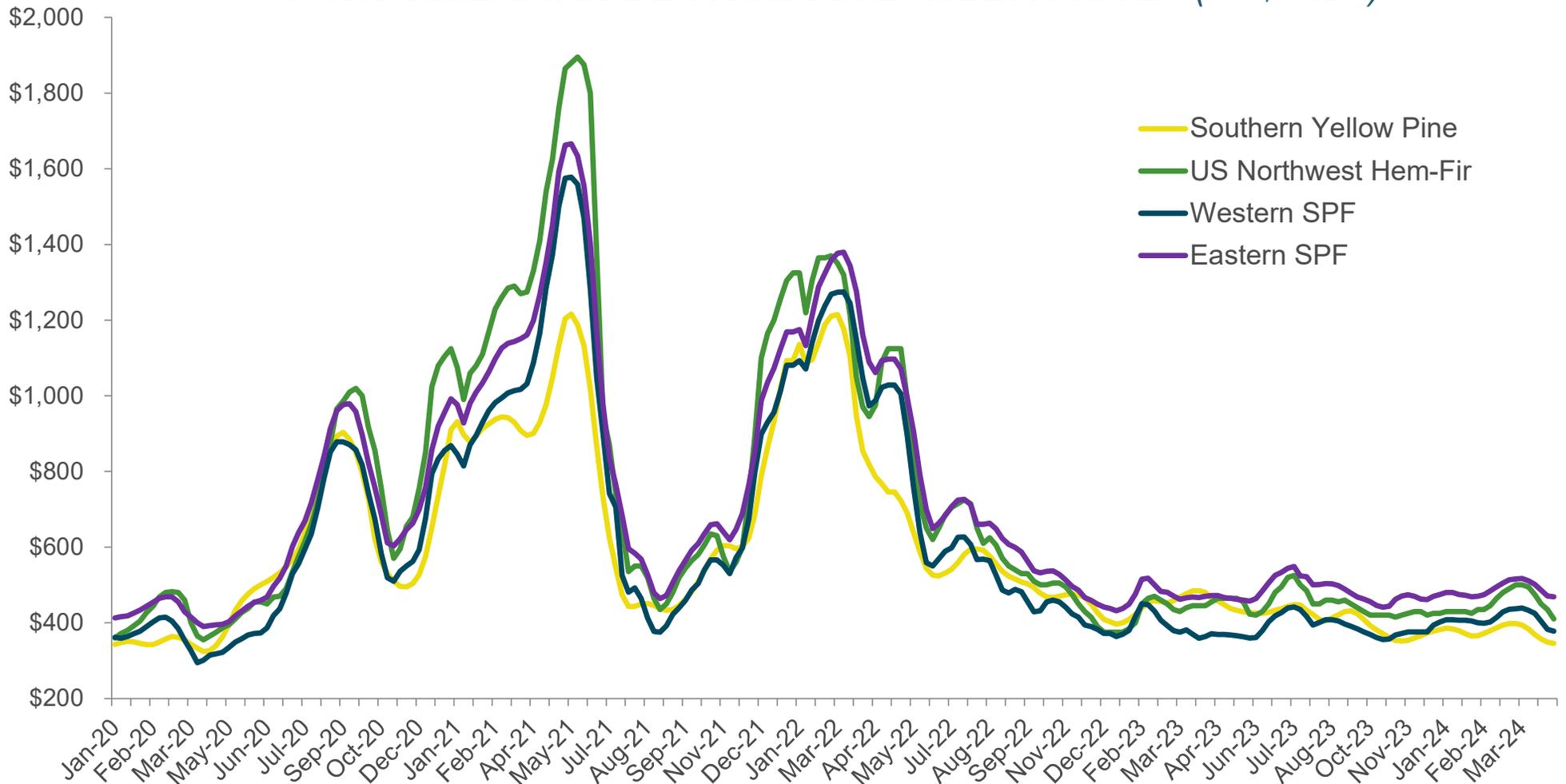


COMPELLING LUMBER MARKET FUNDAMENTALS

LUMBER PRICES

Recent pricing back to historical trading ranges, following significant volatility through the pandemic

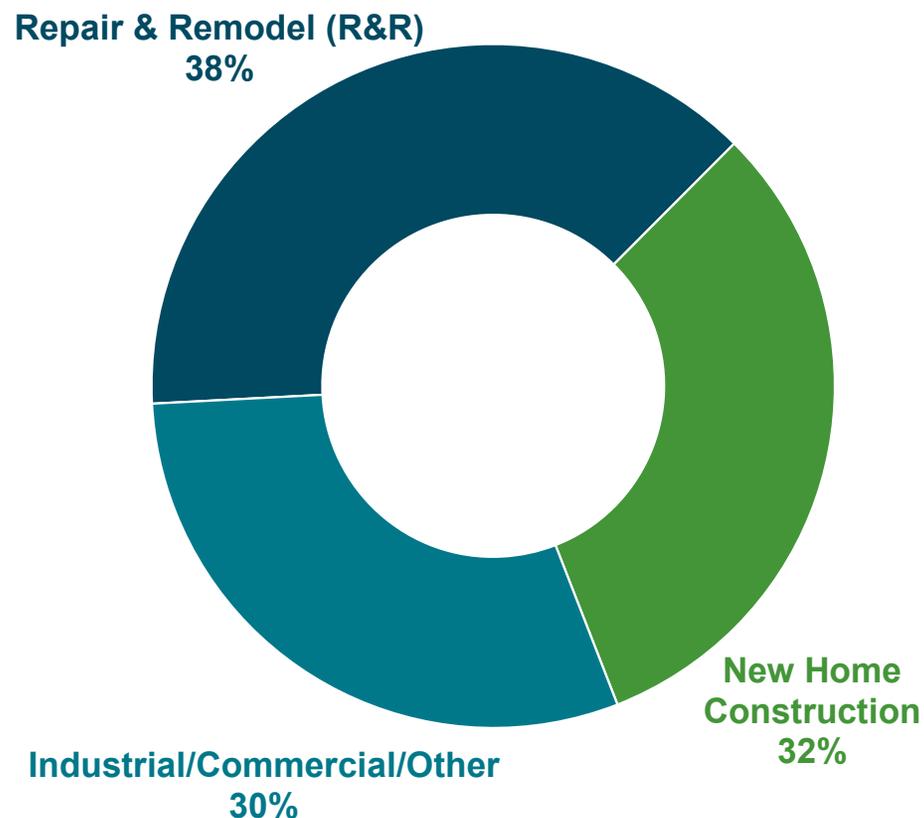
NORTH AMERICAN BENCHMARK LUMBER PRICES (US\$/MBF)



LUMBER DEMAND

Diversified end-use demand drivers across R&R, industrial and housing

NORTH AMERICAN LUMBER DEMAND BY END-USE



KEY DEMAND DRIVERS

Repair & Remodel

- Housing stock > 40 years old on average
- Strong household balance sheets

New Home Construction

- Strong fundamentals, despite near-term affordability headwind
- More than a decade of underbuilding
- Favorable demographics

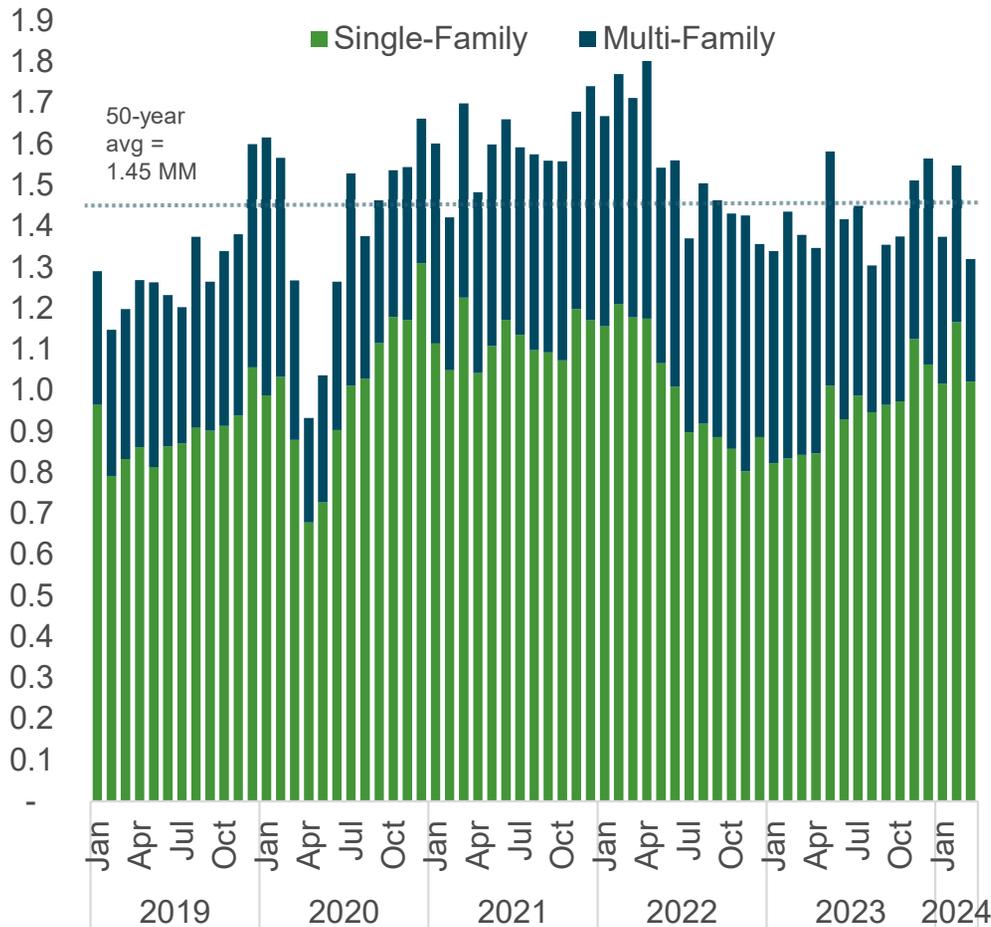
Industrial / Commercial

- Steady demand in-line with overall economic activity

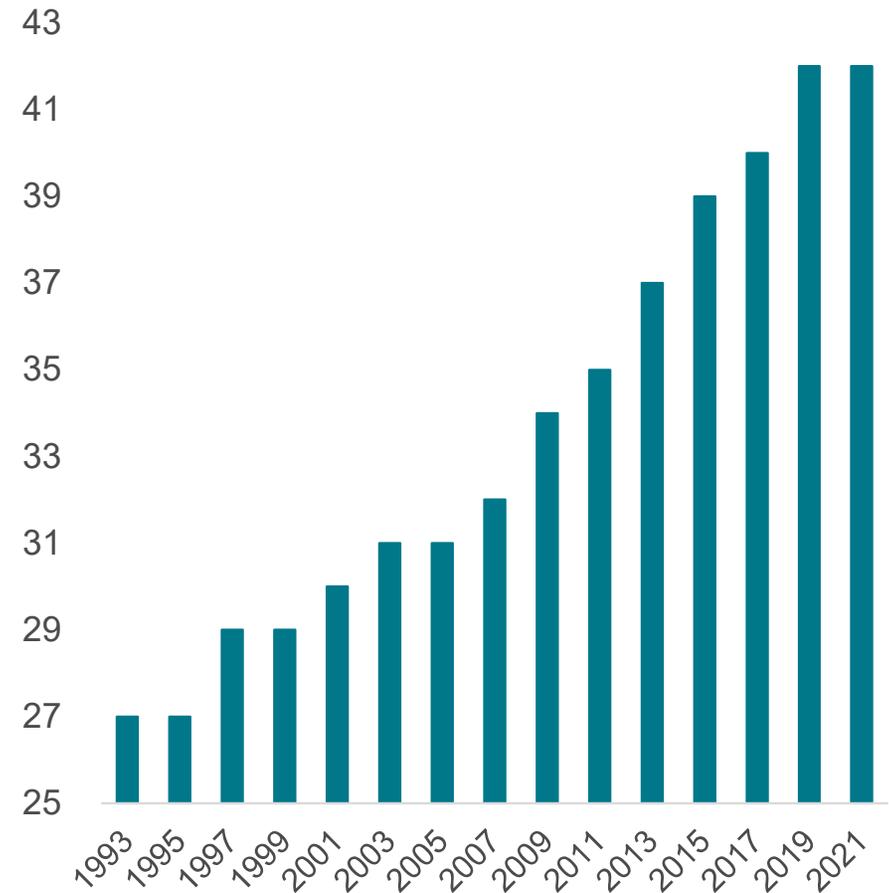
LUMBER DEMAND: KEY DRIVERS

Underlying housing fundamentals remain favourable, despite near-term volatility

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
US - South	19.4	20.8	20.9	22.1	22.1
US - West	14.3	14.5	14.7	14.1	13.7
US - Other	1.5	1.7	1.7	1.6	1.6
Canada – All Except BC	14.4	14.1	14.5	13.6	13.3
Canada - BC	9.7	8.9	9.2	7.9	6.9
Domestic Production	59.2	60.0	61.0	59.2	57.5
Offshore Imports	2.1	2.9	3.2	3.8	3.7
Offshore Exports	(5.0)	(3.7)	(3.4)	(2.7)	(2.7)
Supply Available For NA Demand	56.3	59.2	60.8	60.4	58.4

US SOUTH

Measured growth (five-year CAGR of only 3%), 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)

Ongoing permanent reductions due to impacts of Mountain Pine Beetle forest infestation (>40% decline in production since 2018).

OFFSHORE IMPORTS

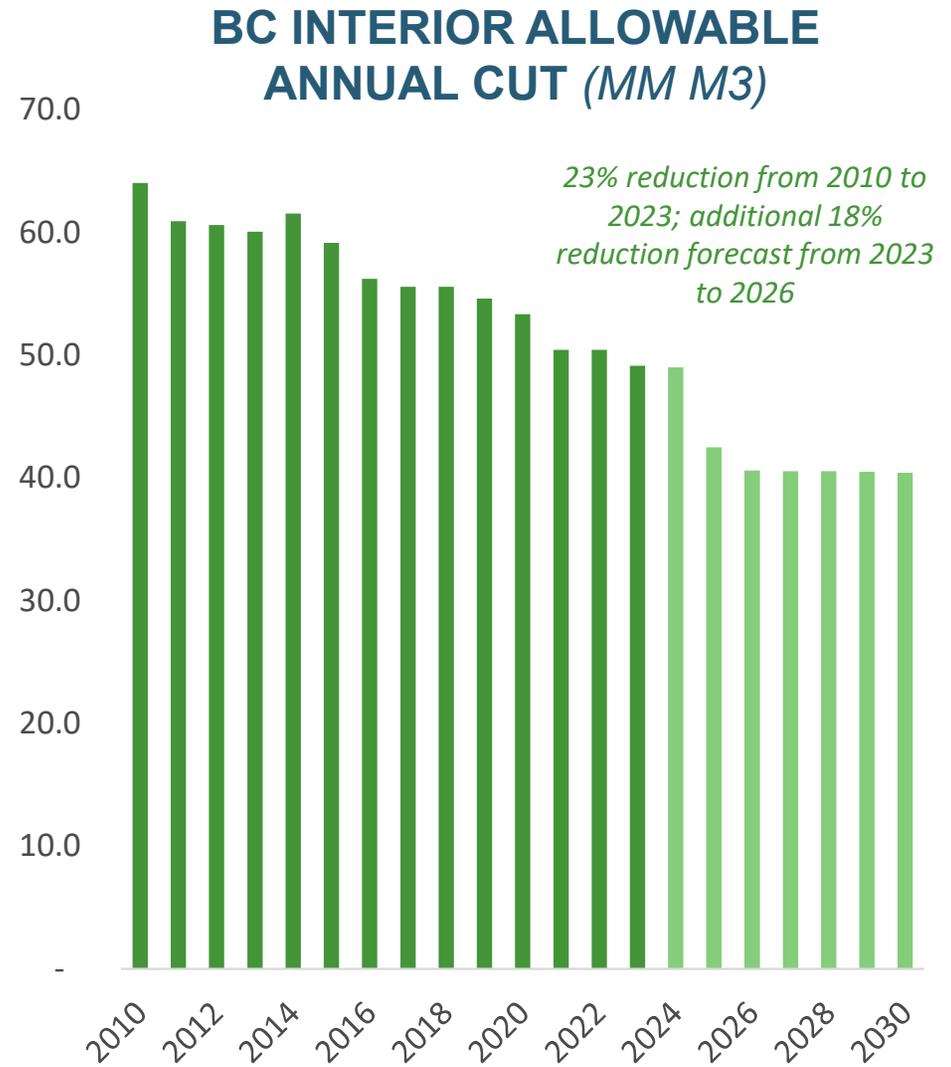
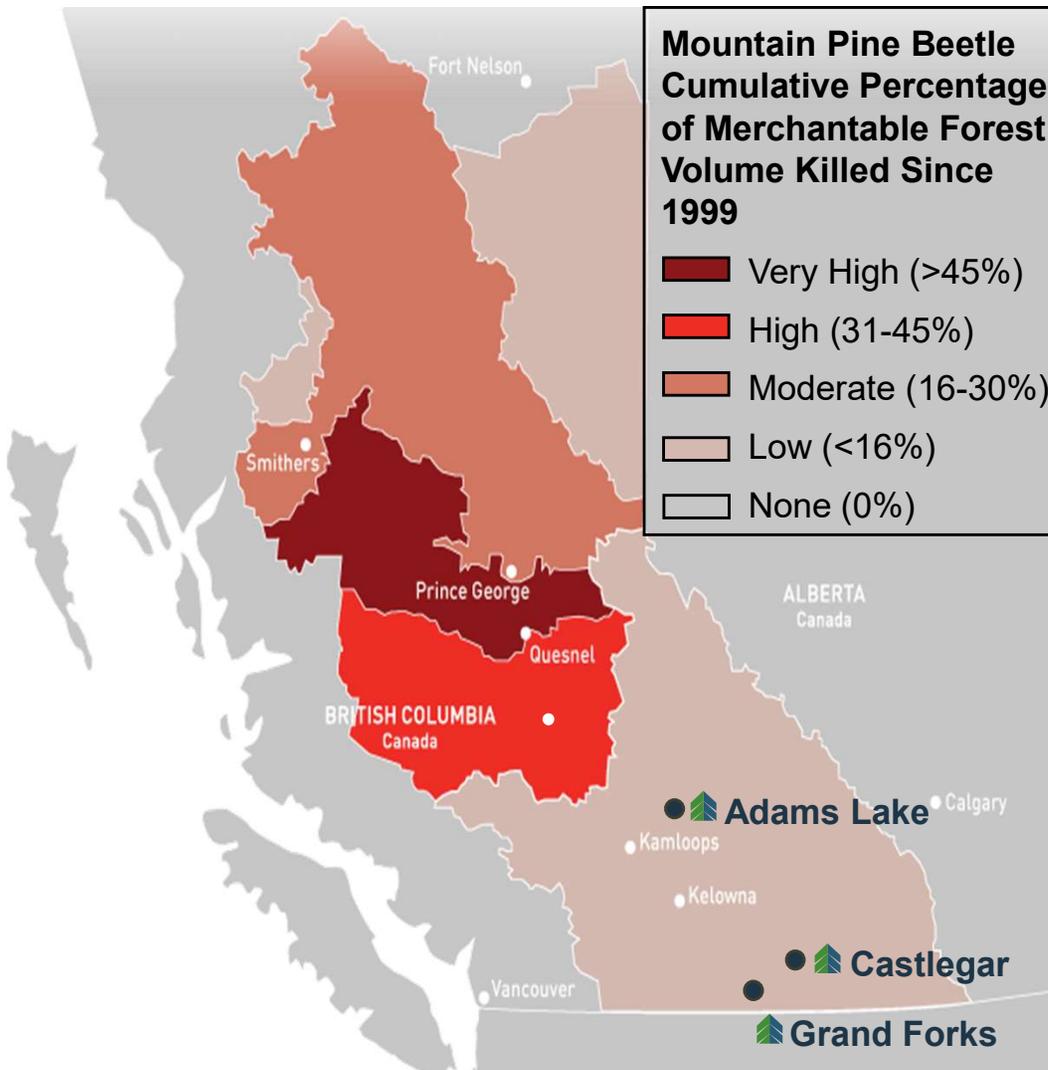
Growth in European imports driven by strong North American markets, combined with temporarily low log costs in Europe due to a spruce bark beetle outbreak. Import volumes expected to ease going forward.

OFFSHORE EXPORTS

Lower exports has been driven by reduced demand from Asia, but has since stabilized.

LUMBER SUPPLY: BC INTERIOR

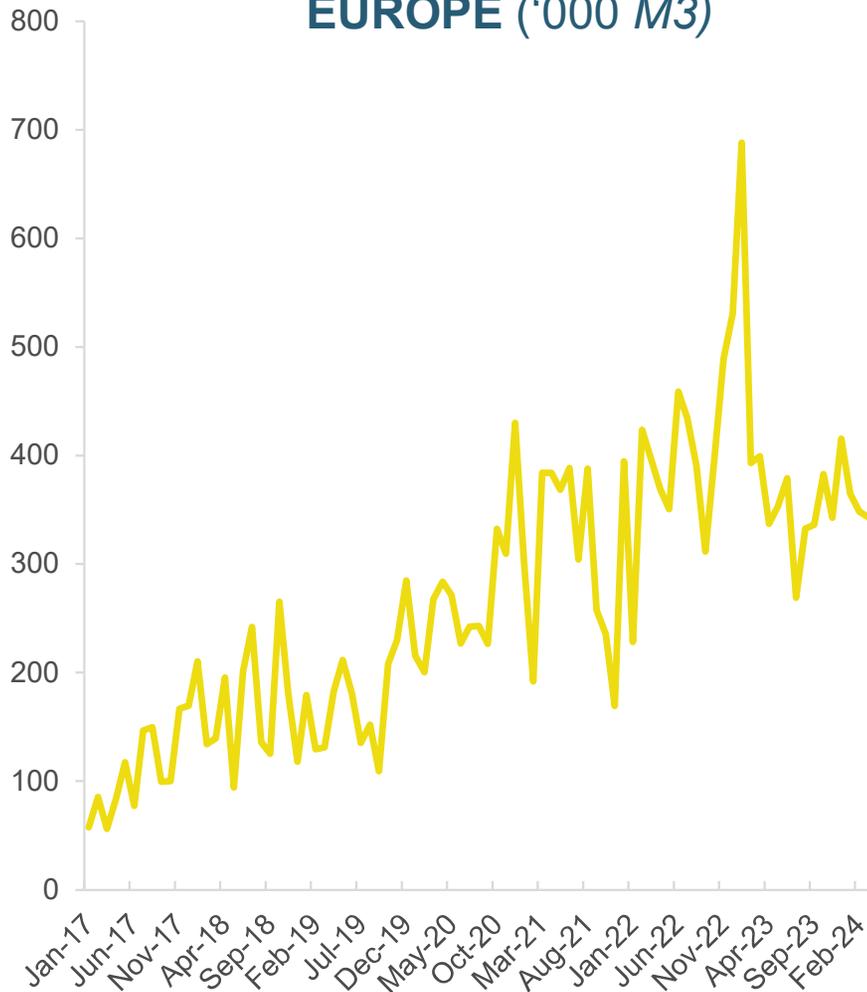
Declining BC industry log supply, but Interfor well-positioned in southern BC



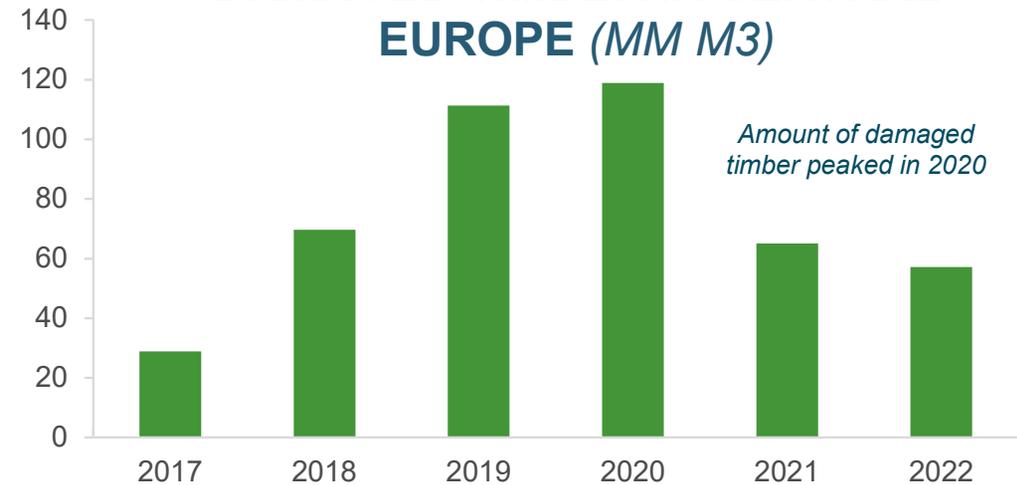
LUMBER SUPPLY: EUROPEAN IMPORTS

European imports surged in late 2022/early 2023, but have since declined

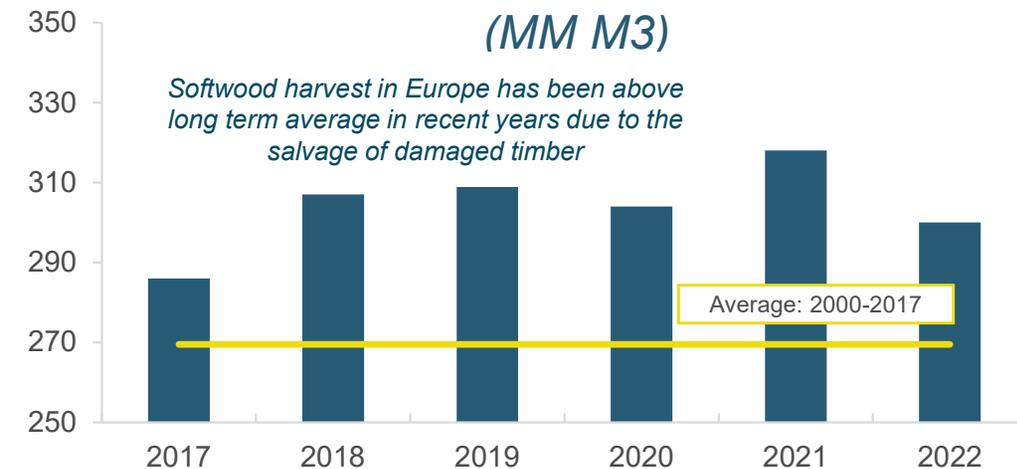
US LUMBER IMPORTS FROM EUROPE ('000 M3)



DAMAGED TIMBER IN CENTRAL EUROPE (MM M3)



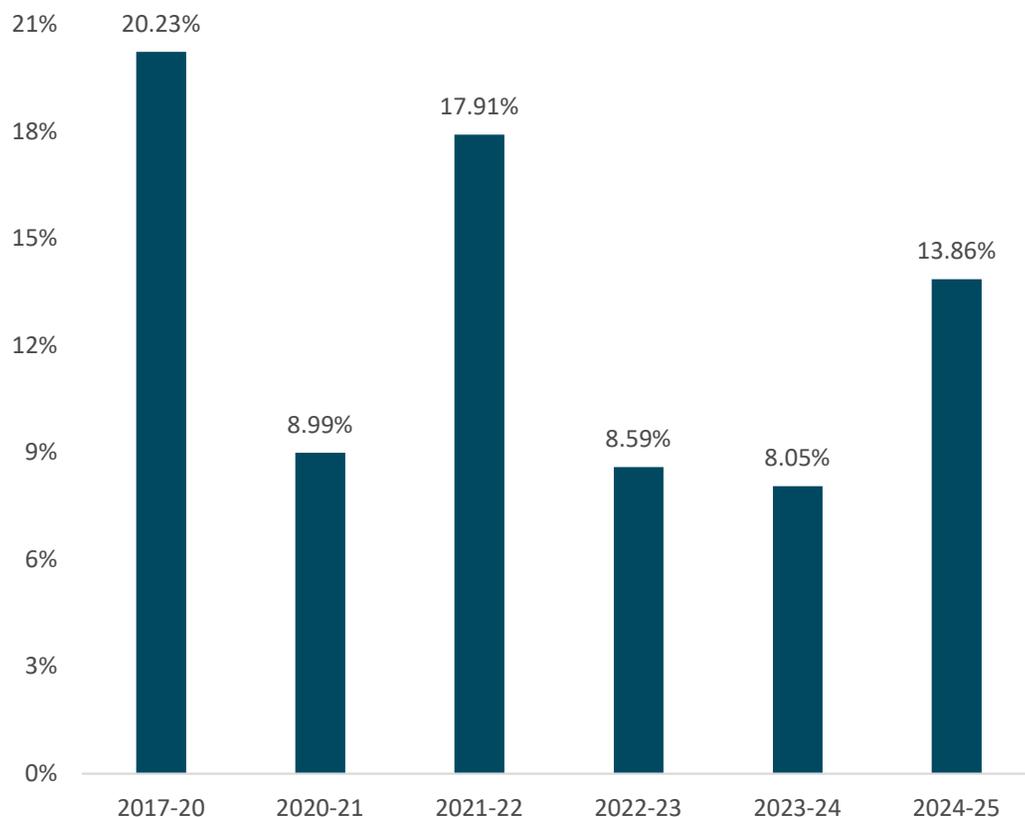
EUROPEAN SOFTWOOD HARVEST (MM M3)



SOFTWOOD LUMBER DISPUTE

Limited exposure to duties with ~60% of lumber capacity based in the US

U.S. COUNTERVAILING & ANTI-DUMPING CASH DEPOSIT RATES APPLICABLE TO INTERFOR ⁽¹⁾



INTERFOR SOFTWOOD LUMBER DUTIES HIGHLIGHTS

US\$560 MM

Duties on Deposit

Duties paid by Interfor and held in trust by the US Gov.; ~70% are off-balance sheet

~C\$11/Share

Potential Value

After-tax basis assuming 100% refund of all duties on deposit

~25% of Shipments

Exposed to Duties

Shipments into the US from Canada as a % of Interfor's total company-wide shipments

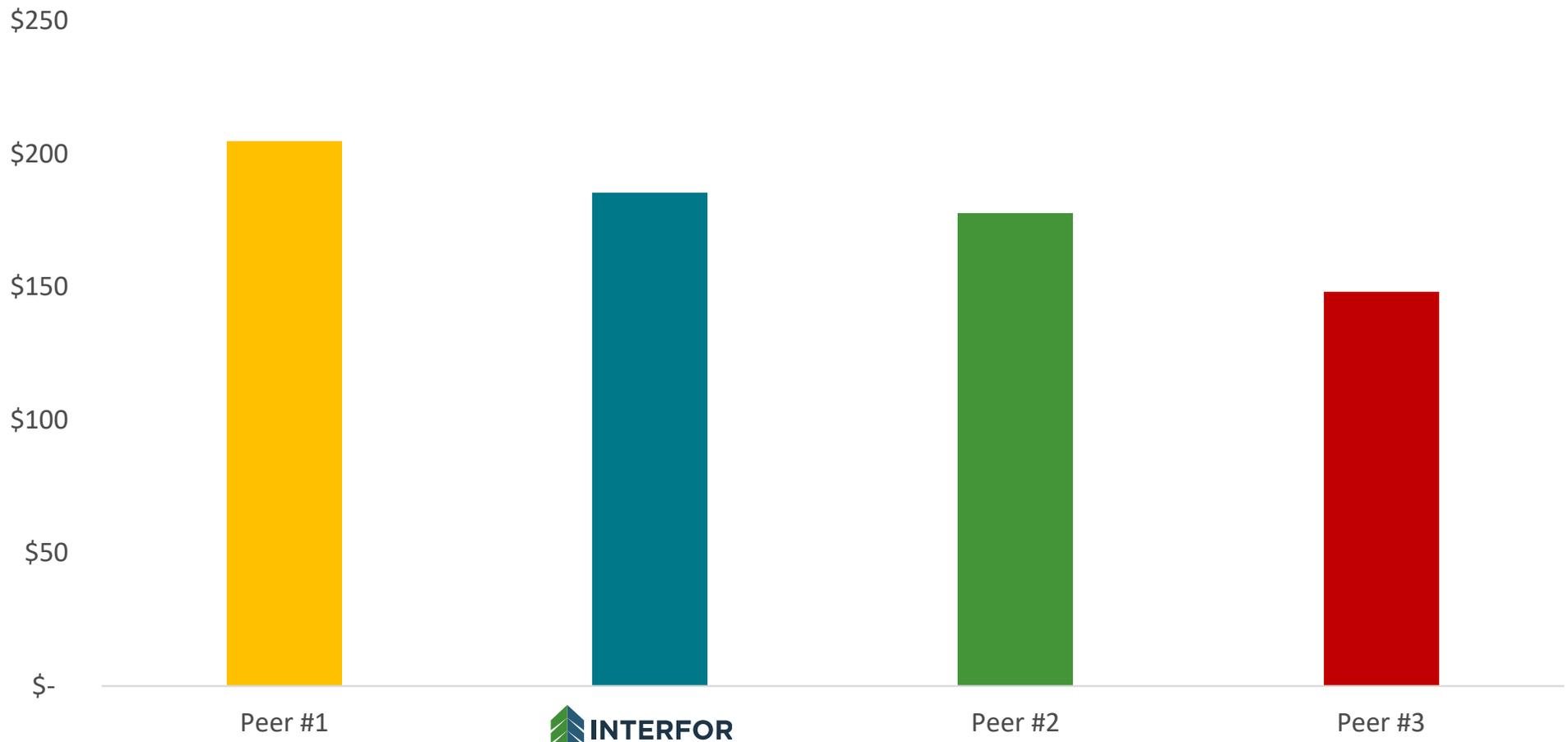


TOP-TIER MARGINS & RETURNS ON CAPITAL

TOP QUARTILE OPERATING MARGINS

Focus on operational excellence reflected in superior margin performance

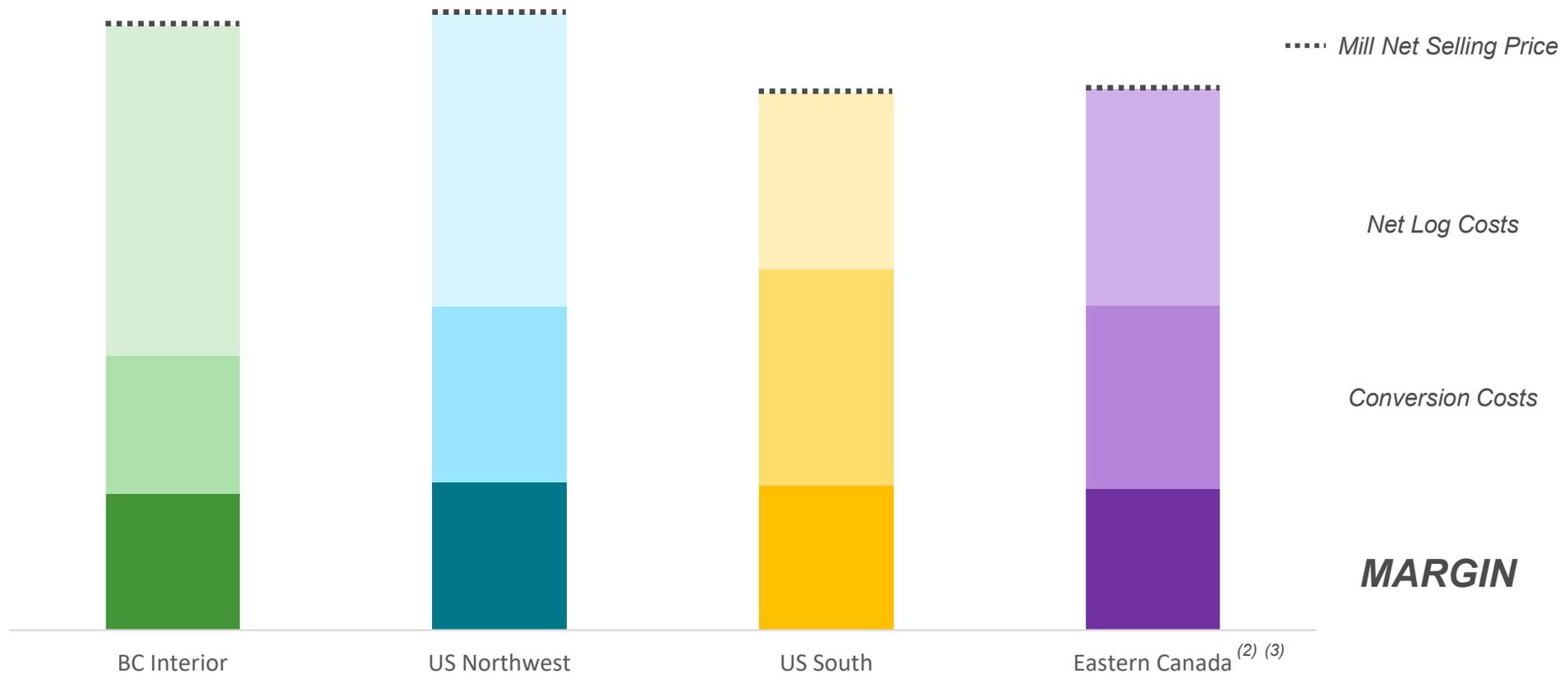
LUMBER SEGMENT ADJ. EBITDA MARGINS – 2019 TO 2023 (C\$/MBF) ⁽¹⁾⁽²⁾



INTERFOR REGIONAL OPERATING MARGINS

Consistent margins across regions over time, but achieved via different routes

INTERFOR CASH MARGIN (C\$/MBF) ⁽¹⁾



(1) Average of 2016-2023

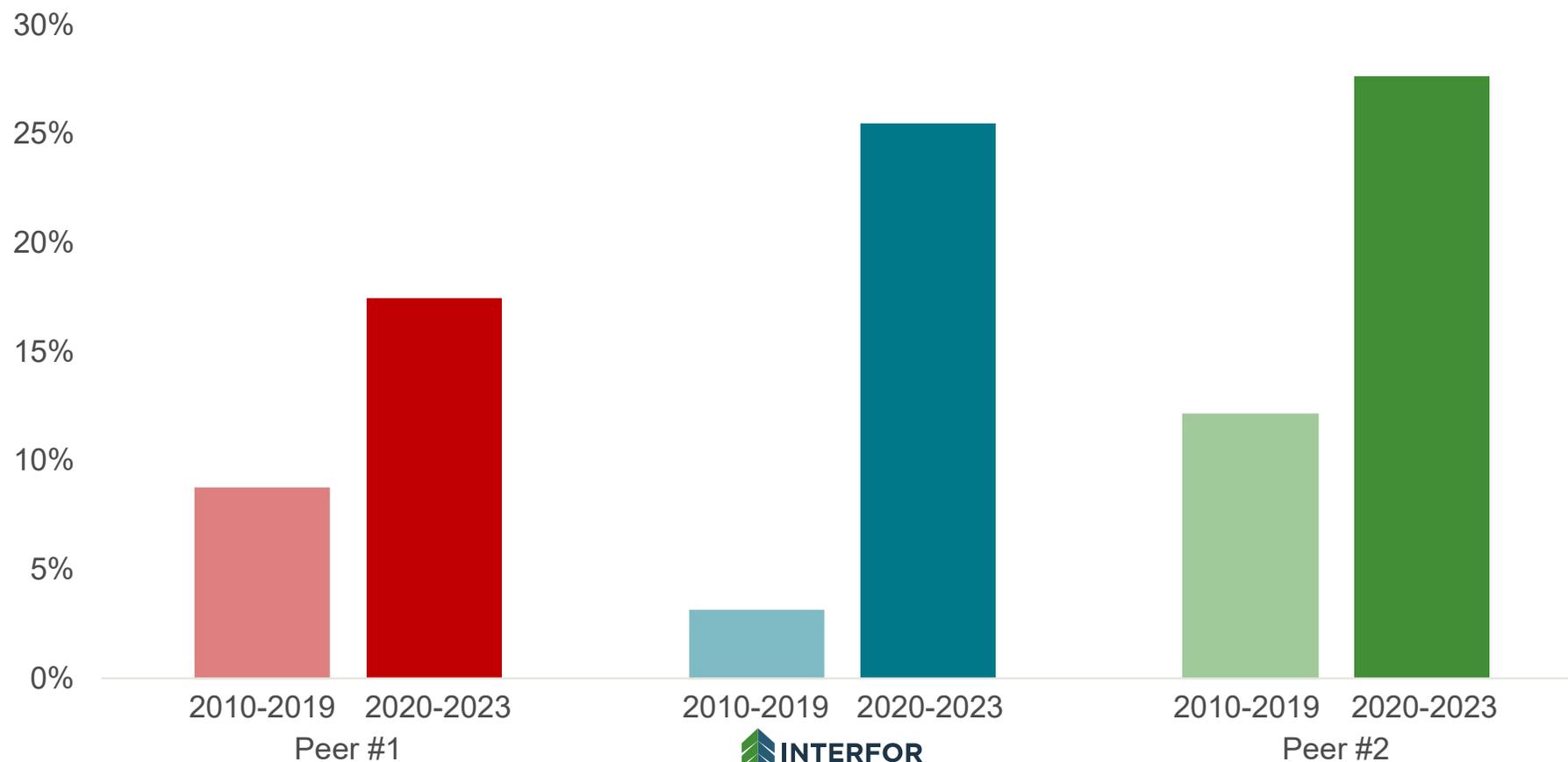
(2) Eastern Canada includes historical results pre-acquisition of EACOM.

(3) Does not include the acquisition of Chaleur by Interfor on November 30, 2022.

FOCUS ON RETURN ON CAPITAL

Improvement in relative performance vs. peers in recent years; driven by disciplined and balanced capital deployment

EBIT RETURN ON CAPITAL EMPLOYED (%) ⁽¹⁾

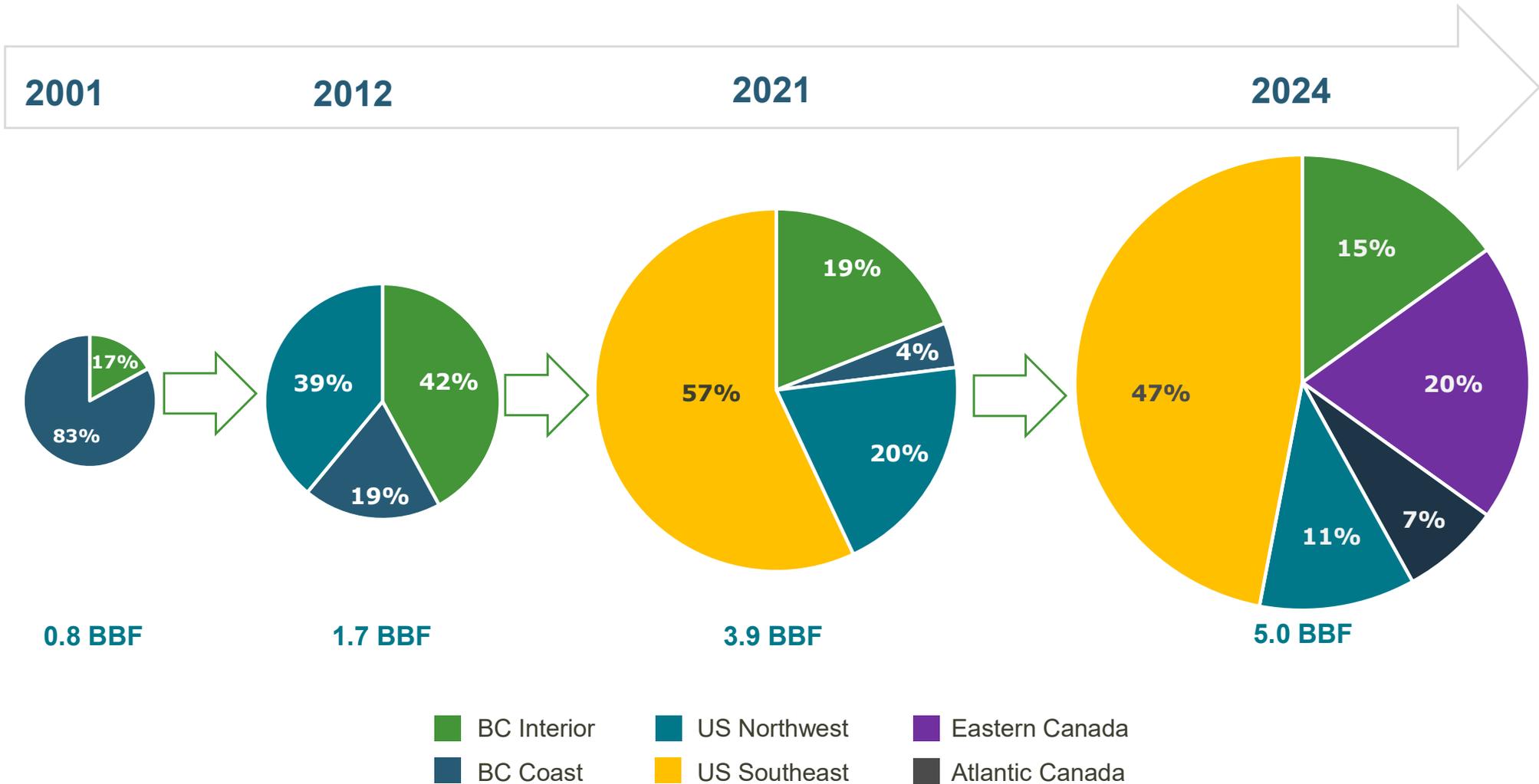




GROWTH-FOCUSED STRATEGY

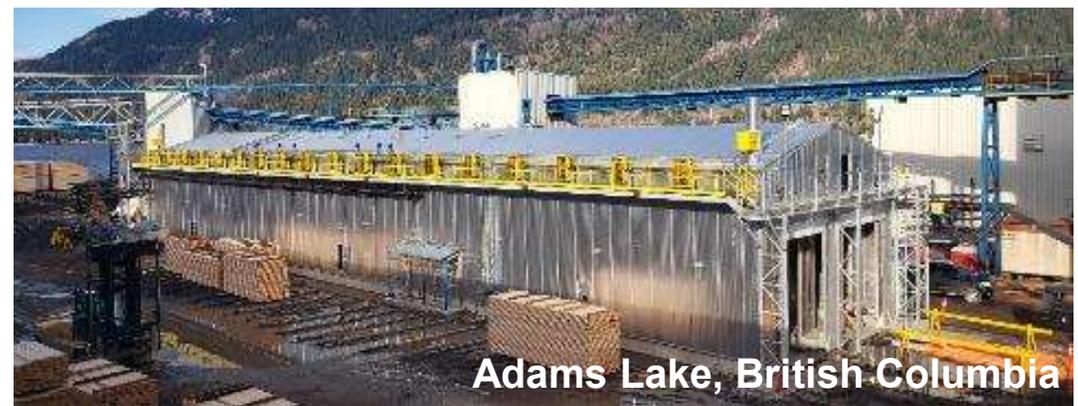
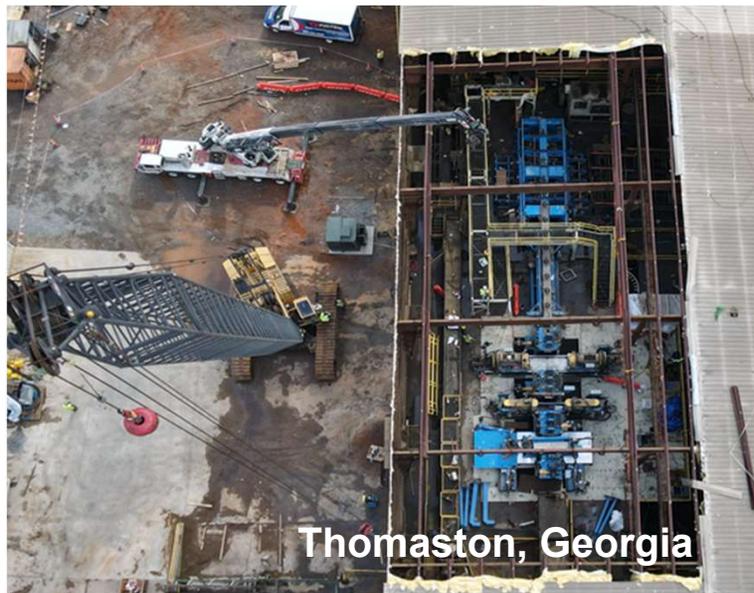
GROWTH & DIVERSIFICATION STRATEGY

Long-standing strategy of growth and geographic lumber diversification (1)



INTERNAL GROWTH: MULTI-YEAR CAPEX PLAN

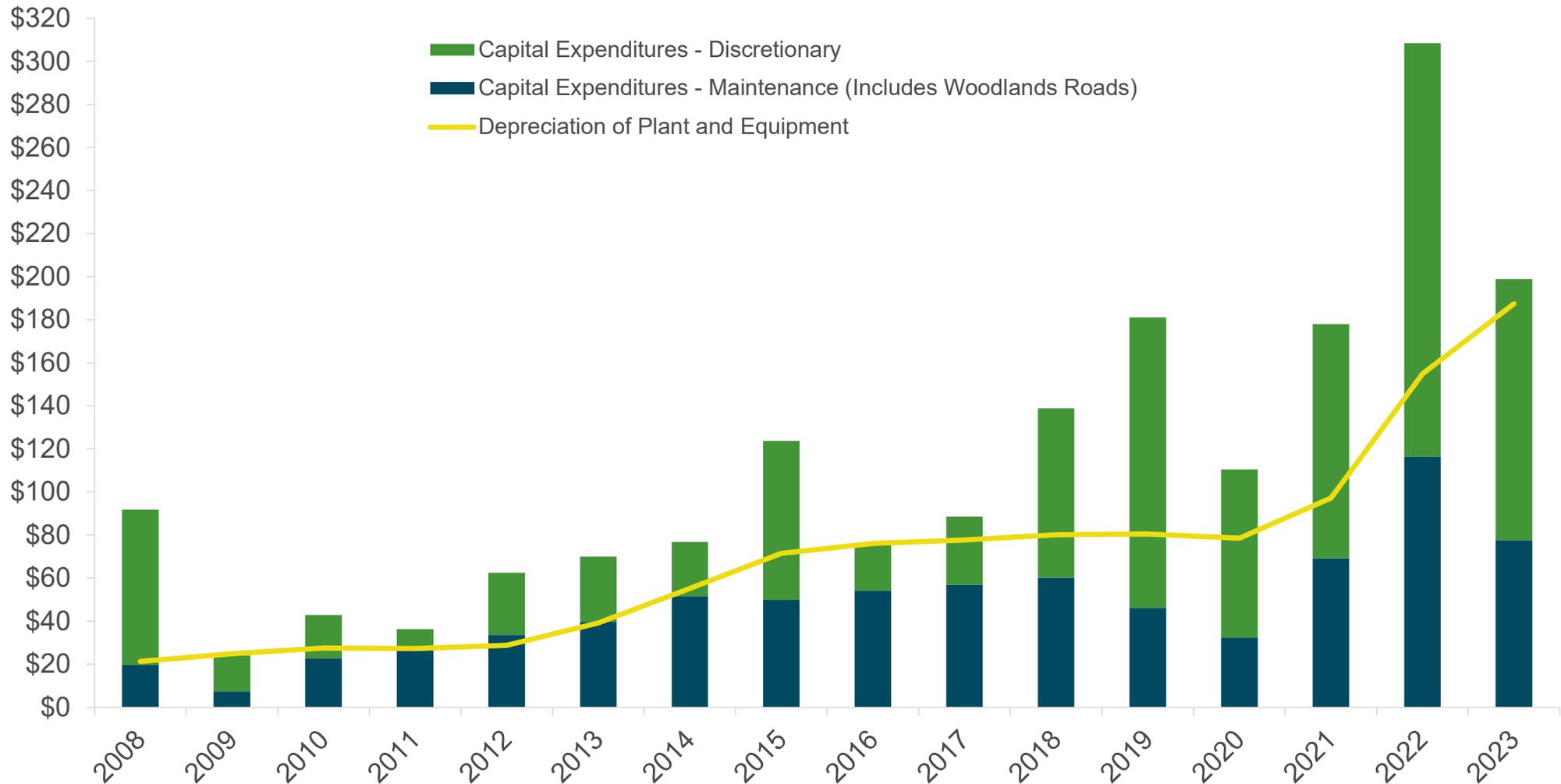
Mill rebuilds, machine center upgrades, debottlenecking & optimization projects



INTERNAL GROWTH: CAPEX SPENDING PROFILE

Strategic investments resulting in a well-capitalized, high-margin sawmill portfolio

HISTORICAL CAPITAL EXPENDITURES (\$MM)



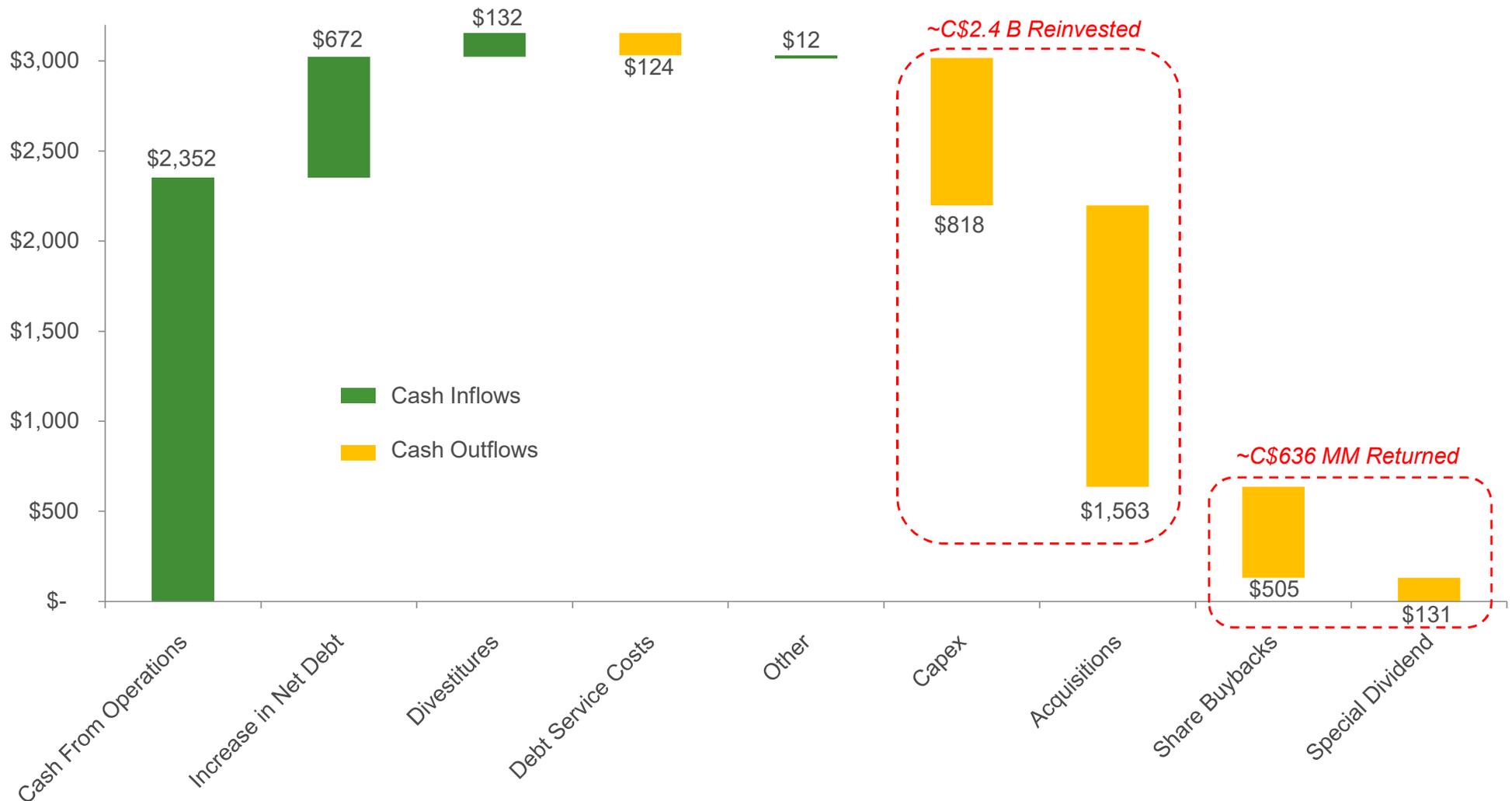


BALANCED CAPITAL ALLOCATION & OPTIMIZED CAPITAL STRUCTURE

BALANCED CAPITAL ALLOCATION

Capital deployed in a disciplined and balanced manner to maximize returns

CAPITAL DEPLOYMENT SUMMARY – 2020 TO 2024 (\$MM) ⁽¹⁾



OPTIMIZED & LOW-COST CAPITAL STRUCTURE

Efficient, flexible and low-cost capital structure. Combination of long-term, laddered maturity, fixed-rate debt and flexible variable-rate revolving facility

CAPITAL STRUCTURE AS OF MARCH 31, 2024 (\$MM)

Cash	\$83
Debt – Senior Secured Notes	\$656
Debt – Revolving Term Line ⁽¹⁾	\$325
Net Debt	\$897
Book Equity	\$1,690
Invested Capital	\$2,587
NET DEBT/INVESTED CAPITAL (%)	34.7%
Available Liquidity ⁽²⁾	\$300
Lumber Duties on Deposit	US\$560

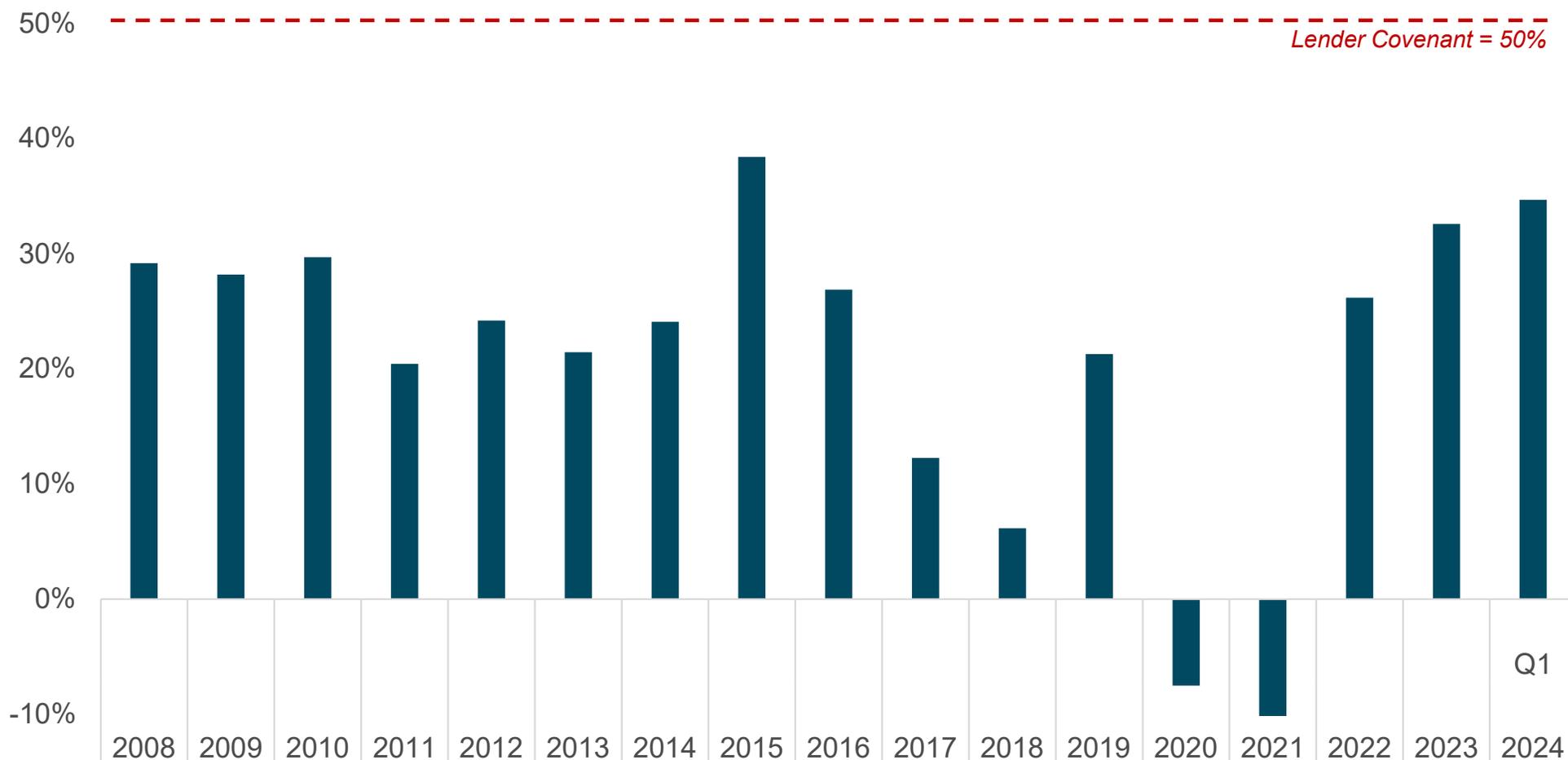
SENIOR SECURED NOTES MATURITY SCHEDULE AS OF MARCH 31, 2024 (\$MM)



CONSERVATIVE LEVERAGE MAINTAINED

Conservative leverage maintained to provide flexibility through all markets. Near-term leverage expected to benefit from income tax refunds and net proceeds from disposition of Coastal BC forest tenures

HISTORICAL NET DEBT – TO – INVESTED CAPITAL RATIO (%) ⁽¹⁾





POSITIVE ESG & CARBON STORY

BUILDING VALUE SUSTAINABLY

Respecting Nature. Building Sustainably.

A Sustainability Strategy to Match our Growth Ambition.

Long-standing strategy of purposeful growth and geographic lumber diversification.

Commitment to growing in a way that makes the world a better place.

Dedicated ESG leader and renewed sustainability strategy rolled out in 2022.

OUR VISION & PURPOSE

Embracing a culture of sustainability excellence and world-leading sustainability practices to advance renewable wood products as part of the climate solution

OUR GOALS



Climate

Our goal is to have a positive influence on the climate and environment



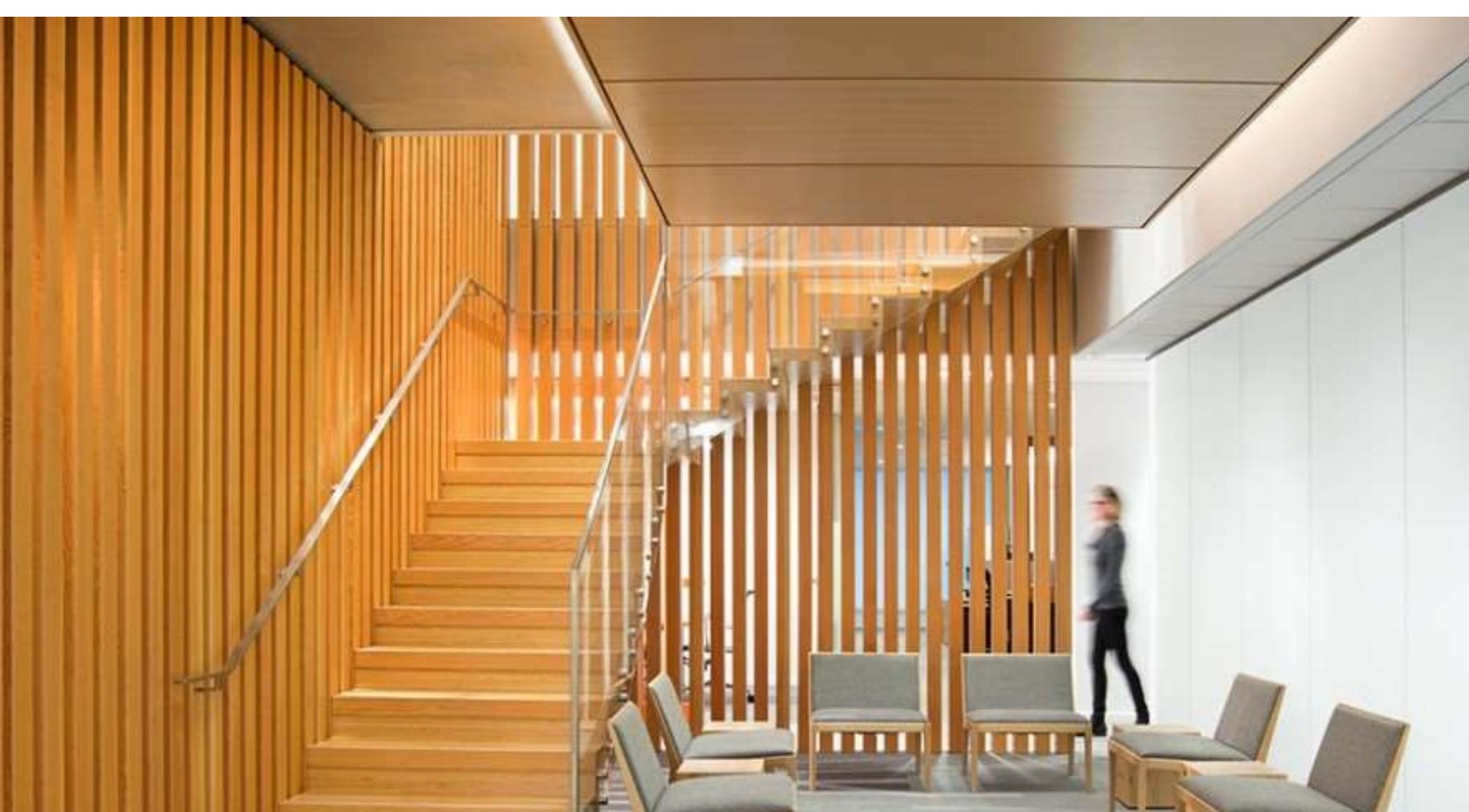
People

Our goal is to develop a workforce that reflects the diversity and strengths of our communities



Safety

Our goal is that everyone returns home safely



CONTACT INFORMATION & RESOURCES



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ADDITIONAL RESOURCES

