



## Interfor Corporation

Burnaby, B.C.

July 26, 2022

### ***Interfor Announces Intention to Commence Substantial Issuer Bid***

**INTERFOR CORPORATION** ("Interfor" or the "Company") (TSX: IFP) announced today its intention to commence a substantial issuer bid (the "Offer") pursuant to which the Company will offer to purchase up to \$100,000,000 in value of its outstanding common shares (the "Shares") for cancellation from holders of Shares (the "Shareholders") for cash. The Offer will proceed by way of a "modified Dutch auction" procedure with a tender price range from \$29.00 to \$34.00 per Share, representing a 3.5% to a 21.3% premium over the Company's volume-weighted average price on the Toronto Stock Exchange over the last 20 trading days.

As of July 25, 2022, there were 54,787,641 Shares issued and outstanding. The Offer would be for approximately 6.3% of the total number of issued and outstanding Shares if the purchase price is determined to be \$29.00 (which is the minimum price per Share under the Offer) or approximately 5.4% of the total number of issued and outstanding Shares if the purchase price is determined to be \$34.00 (which is the maximum price per Share under the Offer).

Holders of Shares wishing to tender to the Offer will be entitled to do so pursuant to: (i) auction tenders in which they will specify the number of Shares being tendered at a price of not less than \$29.00 and not more than \$34.00 per Share in increments of \$0.10 per Share, or (ii) purchase price tenders in which they will not specify a price per Share, but will rather agree to have a specified number of Shares purchased at the purchase price to be determined by auction tenders. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

The purchase price to be paid by the Company for each validly deposited Share will be based on the number of Shares validly deposited pursuant to auction tenders and purchase price tenders, and the prices specified by Shareholders making auction tenders. The purchase price will be the lowest price which enables the Company to purchase the maximum number of Shares not exceeding an aggregate of \$100,000,000 in value based on valid auction tenders and purchase price tenders, determined in accordance with the terms of the Offer. Shares deposited at or below the finally determined purchase price will be purchased at such purchase price. Shares that are not taken up in connection with the Offer, including Shares deposited pursuant to auction tenders at prices above the purchase price, will be returned to Shareholders that tendered to the Offer.

If the aggregate purchase price for Shares validly tendered pursuant to auction tenders and purchase price tenders is greater than the amount available for auction tenders and purchase price tenders, the Company will purchase Shares from the holders of Shares who made purchase price tenders or tendered at or below the finally determined purchase price on a pro rata basis, except that "odd lot" holders (holders of less than 100 Shares) will not be subject to proration.

The Offer will commence on August 2, 2022 and expire at 5:00 p.m. (Eastern time) on September 8, 2022 (the "Expiration Time"), unless withdrawn or extended. The Offer will not be conditional upon any minimum number of Shares being tendered. The Offer will, however, be subject to other conditions and the Company will reserve the right, subject to applicable laws, to withdraw or amend the Offer, if, at any time prior to the payment of deposited Shares, certain events occur.

Under the Company's normal course issuer bid that commenced on November 11, 2021 (the "NCIB"), the Company purchased for cancellation an aggregate of 6,041,701 Shares, being the maximum allowable number of Shares that may be purchased under the NCIB. Accordingly, the Company will not

be making further acquisitions of Shares pursuant to the NCIB prior to its expiry on November 10, 2022.

The Board of Directors of the Company believes that the Offer is a prudent use of the Company's financial resources given the Company's business profile and assets, the current market price of the Shares and the Company's ongoing cash requirements. The Board of Directors of the Company also believes the Offer will provide Shareholders with the option to access liquidity with respect to their Shares that may not otherwise be available on the TSX. The Company plans to fund repurchases of Shares through available cash on hand. The Offer is optional for all shareholders, who are free to choose whether to participate, how many Shares to tender and, in the case of auction tenders, at what price to tender within the specified range. Any shareholders who do not deposit their Shares (or whose Shares are not repurchased under the Offer) will realize a proportionate increase in their equity interest in the Company, to the extent that Shares are purchased under the Offer.

Interfor directors and officers do not have a present intention to tender any Shares pursuant to the Offer.

Details of the Offer, including instructions for tendering Shares to the Offer and the factors considered by the Board of Directors in making its decision to approve the Offer, will be included in the formal offer to purchase and issuer bid circular and other related documents (the "Offer Documents"). The Offer Documents will be mailed to Shareholders, filed with applicable Canadian securities regulatory authorities and made available without charge on SEDAR at [www.sedar.com](http://www.sedar.com), and posted on the Company's website at [www.interfor.com](http://www.interfor.com).

Interfor has engaged RBC Capital Markets ("RBC") as financial advisor to the Offer. The Board of Directors of the Company has obtained a liquidity opinion, on a voluntary basis, from RBC to the effect that, based on and subject to the qualifications, assumptions and limitations stated in such opinion, a liquid market for the Shares exists as of July 25, 2022, and that it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. A copy of the opinion of RBC will be included in the Offer Documents.

Computershare Investor Services Inc. has been engaged by Interfor to act as depository for the Offer. Shareholders who have questions regarding the Offer or require any assistance tendering Shares may contact Computershare Investor Services by telephone at 1-800-564-6253 (North America) or 514-982-7555 (International), or by e-mail at [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

Interfor has not engaged a dealer manager for the Offer but reserves the right to do so before the Offer expires.

The Board of Directors of the Company has approved the Offer. However, none of the Company, its Board of Directors, RBC or Computershare makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer. Shareholders are urged to evaluate carefully all information in the Offer Documents, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Shares under the Offer, and, if so, how many Shares to deposit and at what price(s).

The Offer referred to in this news release has not yet commenced. This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares. The solicitation and the offer to buy Shares will only be made pursuant to the Offer Documents that are filed with the Canadian securities regulatory authorities. The offer will not be made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of offers to sell Shares would not be in compliance with the laws of that jurisdiction.

## **FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking information about the Company's current intentions regarding commencement of the Offer, the timing of the Offer, terms and conditions of the Offer, the ultimate purchase price, the number of Shares to be purchased and the amount of capital to be returned to shareholders under the Offer. Any such forward-looking information is based on information currently available to Interfor and is based on assumptions and analyses made in light of

Interfor's experience and perception of historical trends and current conditions. Readers are cautioned that actual results may vary from the forward-looking information, 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 most recent first quarter and annual Management's Discussion and Analysis under the heading "Risks and Uncertainties", which are available on [www.interfor.com](http://www.interfor.com) and under Interfor's profile on [www.sedar.com](http://www.sedar.com). 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 or statements, 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 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](http://www.interfor.com).

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