

ACADIAN TIMBER

INVESTOR FACT SHEET

ACADIAN TIMBER CORP.

Acadian Timber, is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of approximately 2.4 million acres of land under management, Acadian is one of the largest timberland operators in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 85 regional customers.

Acadian's business strategy is to maximize cash flows from its existing timberland assets while growing its business by acquiring assets on a value basis and utilizing its operations-oriented approach to drive improved performance.

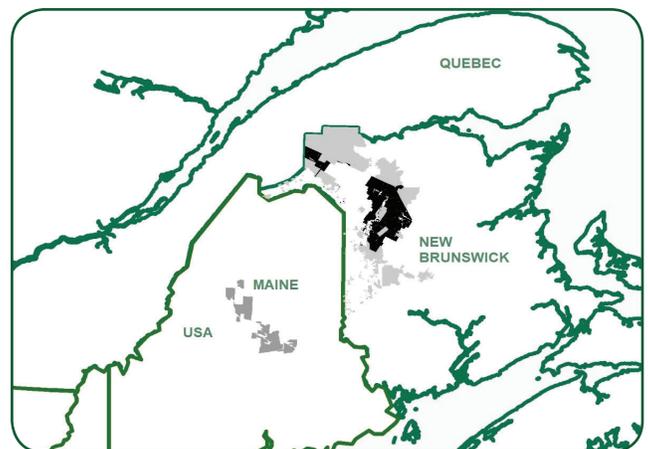
SHARE INFORMATION (\$CDN)

(AT FEBRUARY 12, 2020)

TICKER	SHARES OUTSTANDING	52-WEEK LOW/HIGH
ADN (TSX)	16,686,916	\$15.52/\$17.97
PRICE	QUARTERLY DIVIDEND	MARKET CAPITALIZATION
\$16.75	\$0.29	\$280 MILLION

2019 HIGHLIGHTS

- Terminated the management agreement between Brookfield Timberlands Mangement LP and Acadian and internalized asset management and administrative functions thereby eliminating the management fee and annual performance fee.
- Solid financial performance with net sales of \$100.0 million, adjusted EBITDA of \$23.6 million, Free Cash Flow of \$18.7 million and net income of \$17.3 million
- Declared dividends to shareholders of \$19.4 million, or \$1.16 per share.
- Excellent Safety performance with no serious safety incidents among employees during the year.
- Successful maintenance of Sustainable Forestry Initiative® certification

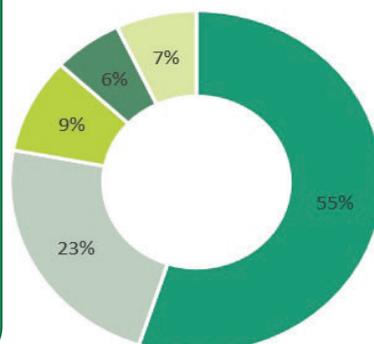


FOREST AREAS	ACRES	HECTARES
MAINE TIMBERLANDS	300,000	121,000
NEW BRUNSWICK TIMBERLANDS	761,000	308,000
CROWN LANDS UNDER MANAGEMENT	1,326,000	536,000
AREA UNDER MANAGEMENT	2,387,000	966,000

PRODUCT MIX BY END USE*

Acadian sells a wide variety of products to a broad group of customers. Acadian's greatest exposure is to softwood sawlogs; however, markets for hardwood sawlogs, hardwood and softwood pulpwood, and biomass diversify our sales.

* Percentage of log sales by value for the year ended December 31, 2019.



- SOLID WOOD**
55%
Softwood Dimension Lumber 42%
Softwood Specialty Products 1%
Hardwood Lumber 7%
Hardwood Specialty Products 5%
- ENGINEERED WOOD PRODUCTS**
9%
- PULP**
6%
- FUEL**
7%
- PACKAGING, TISSUE & SPECIALTY PAPER**
23%

ENVIRONMENTAL, HEALTH & SAFETY

Acadian recognizes that our environment is fundamental to our existence, and that our businesses and the communities where we operate depend upon its health. We strive for excellence, leadership, sustainability, and competitive advantage – with integrity – through continual improvement in our environmental performance and management of forest land. For Acadian, sustainable development means creating economic growth while caring for society and the environment.

We incorporate environmental protection into our business processes and decisions. Our belief in sustainable development is reflected through our commitment to the following principles:

- **Full Compliance** with applicable environmental legislation and regulations governing our activities
- **Open Communications with Stakeholders** on the establishment of scientifically and economically sound practices
- **Continual Improvement** in our environmental performance through optimal resource utilization, waste reduction and pollution prevention
- **Understanding Our Environmental Performance** and implementing systematic environmental management within our operations
- **Sustainable Forest Management** consistent with the principles of sustainable forestry under the Sustainable Forestry Initiative®

YEARS ENDED DECEMBER 31

(CAD THOUSANDS, EXCEPT WHERE INDICATED)

	2019	2018
SALES VOLUME (000s m ³)	1,251.1	1,307.0
SALES	\$ 100,048	\$ 99,848
ADJUSTED EBITDA ¹	\$ 23,604	\$ 22,142
FREE CASH FLOW ¹	\$ 18,722	\$ 17,771

1. Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio are key performance measures in evaluating Acadian's operations and are important in enhancing investors' understanding of Acadian's operating performance. Adjusted EBITDA and Adjusted EBITDA margin are used to evaluate operational performance. Free Cash Flow is used to evaluate Acadian's ability to generate sustainable cash flows from our operations while Payout Ratio is used to evaluate Acadian's ability to fund its distribution using Free Cash Flow. Acadian's management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, realized gain/loss on sale of roads and other fixed assets, unrealized exchange gain/loss on debt, depreciation, amortization and the Termination Fee and Adjusted EBITDA margin as Adjusted EBITDA as a percentage of its total revenue. Free Cash Flow is defined as Adjusted EBITDA less interest paid, current income tax expense, and capital expenditures plus net proceeds from the sale of fixed assets (selling price less gains or losses included in Adjusted EBITDA). Payout Ratio is defined as dividends declared divided by Free Cash Flow. As these performance measures do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"), they may not be comparable to similar measures presented by other companies. Please refer to Management's Discussion and Analysis for further details.

Trees produce a variety of products:



BIOMASS

organic matter used as fuel

6%

OF SALES

PULPWOOD

wood suitable for making pulp for producing paper

42%

OF SALES

SAWLOG AND SPECIALTY PRODUCTS

a felled tree trunk suitable for cutting up into lumber and other specialty products

52%

OF SALES

Year ended December 31, 2019.

For more information, please visit www.acadiantimber.com or contact:

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This Investor Fact Sheet may contain statements that are forward-looking in nature. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance to be materially different from results or performance expressed or implied by the forward looking statements. The risks, uncertainties and other factors that could influence actual results are described in Acadian's Annual Information Form dated March 28, 2019 and other documents filed with regulatory authorities.

