

# ACADIAN TIMBER

## INVESTOR FACT SHEET

### ACADIAN TIMBER CORP.

Acadian Timber Corp. (TSX:ADN) is one of the largest timberland owners in Eastern Canada and the Northeastern U.S. and has a total of approximately 2.4 million acres of land under management.

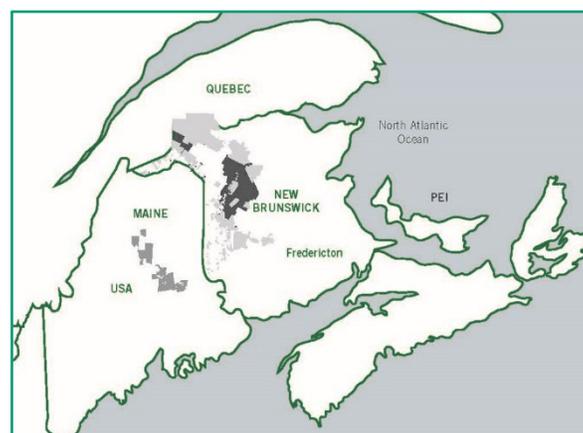
Acadian owns and manages approximately 761,000 acres of freehold timberlands in New Brunswick ("New Brunswick Timberlands" or "NB Timberlands"), approximately 300,000 acres of freehold timberlands in Maine ("Maine Timberlands"), and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood, and biomass by-products, sold to approximately 90 regional customers.

Acadian's business strategy is to maximize cash flows from its existing timberland assets through sustainable forest management and other land use activities while growing its business by acquiring assets and actively managing these assets to drive improved performance.

### SHARE INFORMATION (\$CDN)

(AT DECEMBER 31, 2021)

|                  |                    |                        |
|------------------|--------------------|------------------------|
| TICKER           | SHARES OUTSTANDING | 52-WEEK LOW/HIGH       |
| <b>ADN (TSX)</b> | <b>16,686,916</b>  | <b>\$15.67/\$21.57</b> |
| PRICE            | QUARTERLY DIVIDEND | MARKET CAPITALIZATION  |
| <b>\$19.18</b>   | <b>\$0.29</b>      | <b>\$320 MILLION</b>   |



| FOREST AREAS                 | ACRES            | HECTARES       |
|------------------------------|------------------|----------------|
| MAINE TIMBERLANDS            | 300,000          | 121,000        |
| NEW BRUNSWICK TIMBERLANDS    | 761,000          | 308,000        |
| CROWN LANDS UNDER MANAGEMENT | 1,326,000        | 537,000        |
| <b>AREA UNDER MANAGEMENT</b> | <b>2,387,000</b> | <b>966,000</b> |

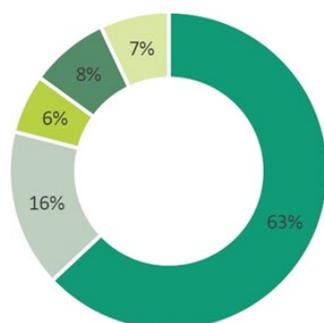
### 2021 HIGHLIGHTS

- New management team was finalized and full integration to a stand-alone company was completed
- Executed our first carbon development and marketing agreement
- Solid financial performance with sales of \$95.7 million, Adjusted EBITDA<sup>1</sup> of \$22.5 million, Free Cash Flow<sup>1</sup> of \$16.9 million and net income of \$18.7 million
- Declared dividends to shareholders of \$19.4 million, or \$1.16 per share
- Excellent safety performance with no recordable safety incidents among employees or contractors during the year
- Successfully renewed Sustainable Forestry Initiative® certification<sup>2</sup>

### 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, 2021.



**SOLID WOOD**  
63%

Softwood Dimension Lumber 48%  
Hardwood Lumber 11%  
Hardwood Specialty Products 3%

**ENGINEERED WOOD PRODUCTS**  
6%

**PULP**  
8%

**PACKAGING, TISSUE & SPECIALTY PAPER**  
16%

**FUEL**  
7%

# 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®<sup>2</sup>

## YEARS ENDED DECEMBER 31

(CAD THOUSANDS, EXCEPT WHERE INDICATED)

|                                     | 2021      | 2020      |
|-------------------------------------|-----------|-----------|
| SALES VOLUME (000s m <sup>3</sup> ) | 1,062.3   | 1,138.1   |
| SALES                               | \$ 95,729 | \$ 91,031 |
| ADJUSTED EBITDA <sup>1</sup>        | \$ 22,487 | \$ 21,485 |
| FREE CASH FLOW <sup>1</sup>         | \$ 16,933 | \$ 15,153 |

1. Adjusted EBITDA and Free Cash Flow are key performance measures in evaluating Acadian's operations and are important in enhancing investors' understanding of Acadian's operating performance. Adjusted EBITDA is indicative of the underlying profitability of Acadian's operating segments and is used to evaluate operational performance. Free Cash Flow is used to evaluate Acadian's ability to generate sustainable cash flows from our operations. Acadian's management defines Adjusted EBITDA as net income before interest, income taxes, fair value adjustments, recovery of or impairment of land and roads, realized gain/loss on sale of other fixed assets, unrealized exchange gain/loss on long-term debt and depreciation and amortization. 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 timberlands and fixed assets (selling price less gains or losses included in Adjusted EBITDA). 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.

2. SFI Marks are registered marks owned by Sustainable Forestry Initiative Inc.

## Trees produce a variety of products:



### BIOMASS

Organic matter used as fuel

**6%**

OF FREEHOLD SALES

### PULPWOOD

Wood suitable for making pulp for producing paper

**32%**

OF FREEHOLD SALES

### SAWLOGS

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

**62%**

OF FREEHOLD SALES

Year ended December 31, 2021.

For more information, please visit [www.acadiantimber.com](http://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 25, 2022 and other documents filed with regulatory authorities.*