



Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2021 Second Quarter Results via conference call or webcast on Thursday, July 29, 2021 at 1:00 PM ET. Please dial 1-866-795-3013 toll free in North America (Canada and the USA) or, for overseas calls, please dial 1-409-937-8907 (Conference ID 9763584) at approximately 12:50 PM ET. For those unable to participate, a recorded rebroadcast will be available until 4:00 PM (Eastern Time) August 28, 2021. To access this rebroadcast, please dial 1-855-859-2056 or 1-404-537-3406 (Conference ID 9763584).

ACADIAN TIMBER CORP. REPORTS SECOND QUARTER RESULTS

Edmundston, NEW BRUNSWICK – July 28, 2021 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended June 26, 2021 (the “second quarter”).

“With favourable operating conditions and steady demand for our products, we were able to reduce our inventory and recover the volume shortfall of the first quarter,” commented Erika Reilly, Chief Executive Officer. “Acadian expects continued steady demand for its key products for the remainder of the year.”

Acadian generated \$2.9 million of Free Cash Flow and declared dividends of \$4.8 million to its shareholders during the second quarter, reflecting the seasonality of the business. Acadian’s balance sheet remains solid with \$20.1 million of net liquidity as at June 26, 2021, which includes funds available under our credit facilities.

With health and safety continuing as a top focus, Acadian experienced no recordable safety incidents among employees and contractors during the second quarter.

¹ This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio which 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 its operations while the 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 other fixed assets, unrealized exchange gain/loss on debt, depreciation and amortization 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. As a result, we have provided in this news release reconciliations of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow.

Review of Operations

Operating and Financial Highlights

<i>(CAD thousands, except per share information)</i>	Three Months Ended		Six Months Ended	
	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Sales volume (000s m ³)	211.3	139.7	501.3	514.6
Sales	\$ 18,414	\$ 11,458	\$ 44,306	\$ 42,866
Operating earnings	3,763	1,283	10,503	9,546
Net income	5,898	5,229	11,722	1,518
Adjusted EBITDA	\$ 3,827	\$ 1,354	\$ 10,701	\$ 9,683
Adjusted EBITDA margin	21%	12%	24%	23%
Free Cash Flow	\$ 2,864	\$ (208)	\$ 7,854	\$ 6,357
Dividends declared	4,839	4,839	9,678	9,678
Payout Ratio	n/a	n/a	123%	152%
Per share – basic and diluted				
Net income	\$ 0.35	\$ 0.31	\$ 0.70	\$ 0.09
Free Cash Flow	0.17	(0.01)	0.47	0.38
Dividends declared	0.29	0.29	0.58	0.58

During the second quarter, Acadian generated sales of \$18.4 million, compared to \$11.5 million in the prior year period. Sales volume, excluding biomass, increased 55% over the prior year period due to favourable operating conditions and stable demand. Acadian recovered the volume shortfall of the first quarter, benefiting from an earlier start following the spring thaw and more operating days compared to the prior year period. Weighted average selling price, excluding biomass, was flat year-over-year as increased sawlog pricing was offset by weaker pulpwood pricing and a stronger Canadian dollar.

Operating costs and expenses were \$14.7 million during the second quarter, compared to \$10.2 million in the prior year period, reflecting higher sales volumes and timber services activity. Weighted average variable costs, excluding biomass, decreased 9%, as a result of lower processing costs and a stronger Canadian dollar compared to the prior year period.

Adjusted EBITDA was \$3.8 million during the second quarter, compared to \$1.4 million in the prior year period while the Adjusted EBITDA margin for the quarter was 21%, compared to 12% in the prior year period for the reasons discussed above. Free Cash Flow was \$2.9 million compared to \$0.2 million of negative Free Cash Flow in the same period in 2020.

Net income for the second quarter totaled \$5.9 million, or \$0.35 per share, compared to a net income of \$5.2 million, or \$0.31 per share in the same period in 2020. The increase in net income from the prior year period is due to increased operating earnings offset by a combination of lower non-cash fair value adjustments and unrealized foreign exchange gain on long-term debt in 2021 compared to 2020.

During the first half of 2021, Acadian sales of \$44.3 million increased 3% compared to the prior year period. The weighted average selling price, excluding biomass, decreased 1%, and the sales volume was flat year-over-year. Operating costs and expenses of \$33.8 million were also flat year-over-year. Strong sawlogs prices, lower administrative costs, and increased timber services revenues resulted in Adjusted EBITDA of \$10.7 million compared to \$9.7 million during the first half of 2020. Adjusted EBITDA margin improved to 24% from 23%.

For the six months ended June 26, 2021, net income was \$11.7 million, or \$0.70 per share, which represents an increase of \$10.2 million compared to the prior period, primarily as a result of a non-cash unrealized foreign exchange gain on long term debt of \$3.5 million this year compared to a loss of \$5.2 million in 2020 combined with lower administrative costs and interest expense.

Segment Performance

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended June 26, 2021				Three Months Ended June 27, 2020			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	41.0	54.9	33%	\$ 3,464	42.3	48.3	40%	\$ 2,506
Hardwood	78.8	88.9	54%	6,476	32.0	53.6	45%	4,248
Biomass	21.4	21.4	13%	878	17.7	17.7	15%	631
	141.2	165.2	100%	10,818	92.0	119.6	100%	7,385
Timber services and other				4,056				2,097
Sales				\$ 14,874				\$ 9,482
Adjusted EBITDA				\$ 3,839				\$ 1,781
Adjusted EBITDA margin				26%				19%

	Six Months Ended June 26, 2021				Six Months Ended June 27, 2020			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	139.2	141.4	40%	\$ 9,031	158.8	161.7	43%	\$ 9,138
Hardwood	159.8	163.0	46%	12,287	135.8	149.6	40%	12,013
Biomass	51.0	51.0	14%	2,087	62.5	62.5	17%	2,124
	350.0	355.4	100%	23,405	357.1	373.8	100%	23,275
Timber services and other				9,790				7,904
Sales				\$ 33,195				\$ 31,179
Adjusted EBITDA				\$ 8,198				\$ 7,660
Adjusted EBITDA margin				27%				25%

Sales for New Brunswick Timberlands were \$14.9 million during the second quarter, compared to \$9.5 million during the prior year period. Sales volume, excluding biomass, increased 41% relative to the same period in 2020, mainly due to higher softwood sawlogs and hardwood pulpwood sales. During the second quarter, New Brunswick's operations benefited from favourable operating conditions and recovered the volume shortfall of the first quarter, except for softwood pulpwood, for which demand remained weak. Biomass sales volume increased 21% due to strong deliveries to export markets. The weighted average selling price, excluding biomass, for the second quarter was \$69.13 per m³, or 4% higher than the prior year period, reflecting strong sawlog prices and a favourable product mix. Biomass pricing was up 15% year-over-year reflecting the higher average hauling distance to market driven by the customer mix.

Operating costs and expenses were \$11.1 million during the second quarter, compared to \$7.7 million in the prior year period due to higher harvesting and timber services activity. Favourable operating conditions during the quarter, resulted in more operating days than in the prior year period. Weighted average variable costs, excluding biomass, decreased by 7% due to lower log processing costs compared to the prior year period.

Adjusted EBITDA for the quarter was \$3.8 million compared to \$1.8 million during the prior year period and Adjusted EBITDA margin increased to 26% from 19% in the prior year period. Adjusted EBITDA increase was driven by higher sales volumes and additional revenues from timber services.

During the first half of 2021, New Brunswick Timberlands' sales of \$33.2 million increased 6% compared to the prior year period. The weighted average selling price, excluding biomass, increased 3%, however the sales volume, excluding biomass, decreased 2% year-over-year. The volume decrease reflects the lower softwood pulpwood deliveries due to the increased availability of sawmill residuals in the region. Operating costs and expenses of \$24.4 million during the first half of 2021 were

\$0.8 million higher than the prior year period due to higher timber services activity. As a result of higher sales and lower administration costs, Adjusted EBITDA increased to \$8.9 million from \$7.7 million during the first half of 2020, and Adjusted EBITDA margin improved to 27% from 25%.

There were no recordable safety incidents amongst employees or contractors during the second quarter of 2021.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	Three Months Ended June 26, 2021				Three Months Ended June 27, 2020			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	27.6	27.5	60%	\$ 1,855	10.4	10.2	51%	\$ 810
Hardwood	10.0	18.3	40%	1,552	7.3	9.8	49%	1,025
Biomass	0.3	0.3	0%	3	0.1	0.1	0%	—
	37.9	46.1	100%	3,410	17.8	20.1	100%	1,835
Timber services and other				130				141
Sales				\$ 3,540				\$ 1,976
Adjusted EBITDA				\$ 424				\$ 117
Adjusted EBITDA margin				12%				6%

	Six Months Ended June 26, 2021				Six Months Ended June 27, 2020			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	103.6	103.5	71%	\$ 7,573	102.4	102.4	73%	\$ 8,065
Hardwood	36.9	41.8	29%	3,305	37.7	38.2	27%	3,360
Biomass	0.6	0.6	0%	8	0.2	0.2	0%	2
	141.1	145.9	100%	10,886	140.3	140.8	100%	11,427
Timber services and other				225				260
Sales				\$ 11,111				\$ 11,687
Adjusted EBITDA				\$ 2,452				\$ 3,166
Adjusted EBITDA margin				22%				27%

Sales for Maine Timberlands during the second quarter totaled \$3.5 million, compared to \$2.0 million for the same period last year. Sales volume, excluding biomass, increased by 129% as a result of favourable operating conditions and stable demand.

The weighted average selling price, excluding biomass, in Canadian dollar terms was \$74.26 per m³, compared to \$91.45 per m³ in 2020. In U.S. dollar terms, the weighted average selling price, excluding biomass, was \$60.38 per m³, compared to \$65.16 per m³ in 2020 with higher sawlog prices offset by lower hardwood pulpwood prices. The 19% price decrease in Canadian dollar terms is mainly due to changes in the foreign exchange rate compared to the prior year period.

Operating costs and expenses for the second quarter were \$3.1 million, compared to \$1.9 million during the same period in 2020 as a result of higher sales volumes. Weighted average variable costs, excluding biomass, decreased 17%, benefiting from a stronger Canadian dollar and lower softwood sawlogs costs related to a higher proportion of roadside sales.

Adjusted EBITDA for the quarter was \$0.4 million compared to \$0.1 million during the prior year period and Adjusted EBITDA margin was 12% compared to 6% in the prior year period. Adjusted EBITDA was impacted by higher volumes partially offset by the stronger Canadian dollar.

During the first half of 2021, Maine Timberlands' sales were \$11.1 million compared to \$11.7 million in the prior year period. Maine Timberlands' weighted average selling price, excluding biomass, decreased 8% in Canadian dollar terms, and 1% in

U.S. dollar terms, however the sales volume, excluding biomass, increased 3% year-over-year. Operating costs and expenses of \$8.8 million during the first half of 2021 were flat year-over-year. Adjusted EBITDA was \$2.5 million compared to \$3.2 million during the first half of 2020 while Adjusted EBITDA margin was 22% compared to 27% in 2020.

There were no recordable safety incidents amongst employees or contractors during the second quarter of 2021.

Carbon Credit Project

Over the past 18 months, Acadian has explored opportunities to participate in both compliance and voluntary carbon credit markets. During the quarter, Acadian executed its first carbon development and marketing agreement to develop voluntary carbon credits on the portion of its Maine Timberlands that is subject to a working forest conservation easement. This project commits Acadian to balancing harvest and growth, and requires long term planning, annual reporting, periodic carbon inventory verification, and maintenance of the existing sustainable forestry certification.

While this project is relatively small, and expected to contribute modestly to cash flow and have little impact on operations, it forms a foundation for further carbon credit development. As it takes about 12-18 months to develop and sell carbon credits, Acadian expects to begin receiving proceeds from sales in mid to late 2022.

Market Outlook

The following contains forward-looking information about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2021. Reference should be made to the section entitled "Cautionary Statement Regarding Forward-Looking Information and Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our Management's Discussion and Analysis of Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

Acadian expects continued steady demand for its softwood and hardwood sawlogs, hardwood pulpwood, and biomass.

While North American softwood lumber prices are moderating as supply and demand come into balance, demand for softwood lumber is expected to remain strong given the continued positive outlook for U.S. home construction and improvements, supported by low interest rates, income and job growth, aging and underbuilt housing stock, and favorable home buying demographics. Consensus forecast for U.S. housing starts is 1.55 million for 2021 and 1.52 million for 2022.

Accordingly, softwood sawmills are running steady in our operating regions, and Acadian is continuing to experience steady demand for its softwood sawlogs.

Demand for hardwood sawlogs has been strong as both appearance and industrial grade lumber is in high demand and roundwood inventories at hardwood sawmills are low. Acadian expects strong demand and pricing for its hardwood sawlogs for the remainder of this year.

Regional hardwood pulpwood demand is expected to remain stable as the economy improves, while softwood pulpwood demand is expected to remain weak with continued high roundwood inventories regionally and significant competition from sawmill residuals that limit prospects for near term improvement.

Demand for biomass from Acadian's New Brunswick operation is expected to remain stable to positive, with steady demand from the regional market supplemented by the return of export markets.

Appointment of Director

Concurrent with his appointment to President and Chief Executive Officer, Adam Shepanski has been appointed to the Board of Directors.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.29 per share, payable on October 15, 2021 to shareholders of record on September 30, 2021.

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***Acadian Timber Corp.** (“Acadian”, the “Company” or “we”) 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 on a value basis and actively managing these assets to drive improved performance.

Acadian’s shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

For further information, please visit our website at www.acadiantimber.com or contact:

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Cautionary Statement Regarding Forward-Looking Information and Statements

This News Release contains forward-looking information and statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such forward-looking statements may contain such words as "may," "will," "intend," "should," "suggest," "expect," "believe," "outlook," "forecast," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information is included in this News Release and includes statements made in this News Release in sections entitled "Dividend Policy of the Company," "Liquidity and Capital Resources," and "Market Outlook" and without limitation other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; changes in U.S. housing starts; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian or U.S. income tax law; the economic situation of key customers; disease outbreak; Acadian's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in the Annual Report dated February 10, 2021, the Annual Information Form dated March 26, 2021, and other filings of Acadian made with securities regulatory authorities, which are available on SEDAR at www.sedar.com. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to Acadian. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: forecasts in the housing market; anticipated financial performance; anticipated market conditions; business prospects; the economic situation of key customers; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the ability to obtain financing on acceptable terms. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this News Release are made as of the date of this News Release and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Net Income
(unaudited)

	Three Months Ended		Six Months Ended	
<i>(CAD thousands, except per share data)</i>	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Sales	\$ 18,414	\$ 11,458	\$ 44,306	\$ 42,866
Operating costs and expenses				
Cost of sales	12,269	7,768	29,716	28,629
Selling, administration and other	2,058	2,086	3,698	4,303
Silviculture	260	250	263	251
Depreciation and amortization	64	71	126	137
	14,651	10,175	33,803	33,320
Operating earnings	3,763	1,283	10,503	9,546
Interest expense, net	(727)	(1,172)	(1,482)	(2,463)
Other items				
Fair value adjustments and other	2,055	4,237	2,480	3,218
Unrealized exchange gain / (loss) on long-term debt	2,288	3,030	3,504	(5,180)
Gain on sale of timberlands	—	—	72	—
Earnings before income taxes	7,379	7,378	15,077	5,121
Current income tax expense	(179)	(656)	(1,285)	(1,558)
Deferred income tax expense	(1,302)	(1,493)	(2,070)	(2,045)
Net income	\$ 5,898	\$ 5,229	\$ 11,722	\$ 1,518
Net income per share – basic and diluted	\$ 0.35	\$ 0.31	\$ 0.70	\$ 0.09

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Comprehensive Income
(unaudited)

	Three Months Ended		Six Months Ended	
<i>(CAD thousands)</i>	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Net income	\$ 5,898	\$ 5,229	\$ 11,722	\$ 1,518
Other comprehensive (loss) / income				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation (loss) / gain	(3,185)	(4,169)	(4,618)	7,455
Comprehensive income	\$ 2,713	\$ 1,060	\$ 7,104	\$ 8,973

Acadian Timber Corp.
Interim Condensed Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	June 26, 2021	December 31, 2020
Assets		
Current assets		
Cash	\$ 7,853	\$ 10,258
Accounts receivable and other assets	6,744	7,731
Current income taxes receivable	—	415
Inventory	614	957
	15,211	19,361
Timber	386,375	388,005
Land, roads, and other fixed assets	98,286	99,892
Intangible asset	6,140	6,140
Total assets	\$ 506,012	\$ 513,398
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,237	\$ 8,640
Current income taxes payable	338	—
Dividends payable to shareholders	4,839	4,839
	11,414	13,479
Long-term debt	97,755	101,185
Deferred income tax liabilities	106,176	105,493
Shareholders' equity	290,667	293,241
Total liabilities and shareholders' equity	\$ 506,012	\$ 513,398

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended		Six Months Ended	
<i>(CAD thousands)</i>	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Cash provided by (used for):				
Operating activities				
Net income	\$ 5,898	\$ 5,229	\$ 11,722	\$ 1,518
Adjustments to net income:				
Income tax expense	1,481	2,149	3,355	3,603
Depreciation and amortization	64	71	126	137
Fair value adjustments and other	(2,055)	(4,237)	(2,480)	(3,218)
Unrealized exchange (gain) / loss on long-term debt	(2,288)	(3,030)	(3,504)	5,180
Gain on sale of timberlands	—	—	(72)	—
Income taxes paid	(2,118)	—	(532)	—
Net change in non-cash working capital balances and other	596	3,664	(1,260)	3,358
	1,578	3,846	7,355	10,578
Financing activities				
Repayment of short-term debt	—	(1,156)	—	(8,169)
Issuance of long-term debt	—	—	—	19,795
Repayment of long-term debt	—	—	—	(9,729)
Deferred financing costs	—	(17)	—	(527)
Dividends paid to shareholders	(4,839)	(4,839)	(9,678)	(9,678)
	(4,839)	(6,012)	(9,678)	(8,308)
Investing activities				
Additions to timber, land, roads, and other fixed assets	(88)	(87)	(157)	(95)
Proceeds from sale of timberlands	—	—	75	—
	(88)	(87)	(82)	(95)
(Decrease) increase in cash during the period	(3,349)	(2,253)	(2,405)	2,175
Cash, beginning of period	11,202	12,029	10,258	7,601
Cash, end of period	\$ 7,853	\$ 9,776	\$ 7,853	9,776

Acadian Timber Corp.
Reconciliations to Adjusted EBITDA and Free Cash Flow

<i>(CAD thousands)</i>	Three Months Ended		Six Months Ended	
	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Net income	\$ 5,898	\$ 5,229	\$ 11,722	\$ 1,518
Add (deduct):				
Interest expense, net	727	1,172	1,482	2,463
Current income tax expense	179	656	1,285	1,558
Deferred income tax expense	1,302	1,493	2,070	2,045
Depreciation and amortization	64	71	126	137
Fair value adjustments and other	(2,055)	(4,237)	(2,480)	(3,218)
Unrealized exchange (gain) / loss on long-term debt	(2,288)	(3,030)	(3,504)	5,180
Adjusted EBITDA	\$ 3,827	\$ 1,354	\$ 10,701	\$ 9,683
Add (deduct):				
Interest paid on debt, net	(696)	(819)	(1,408)	(1,673)
Additions to timber, land, roads, and other fixed assets	(88)	(87)	(157)	(95)
Gain on sale of timberlands	—	—	(72)	—
Proceeds from sale of timberlands	—	—	75	—
Current income tax expense	(179)	(656)	(1,285)	(1,558)
Free Cash Flow	\$ 2,864	\$ (208)	\$ 7,854	\$ 6,357
Dividends declared	\$ 4,839	\$ 4,839	\$ 9,678	\$ 9,678
Payout Ratio	n/a	n/a	123%	152%