

For Immediate Release

June 17, 2020

## **Canfor Subsidiary to Acquire Strategic Assets** *Company Provides Update on Operating Rates*

Vancouver, BC — Canfor Corporation (TSX:CFP) announced today that its 70%-owned subsidiary, Vida Group, has entered into an agreement to purchase three sawmills located in Sweden from Bergs Timber for a purchase price of CAD\$43 million plus working capital.

“We are excited that Vida’s strong performance and balance sheet has enabled them to grow their operating footprint in Sweden,” said Don Kayne, President and Chief Executive Officer of Canfor.

The three mills, which are located in Vimmerby, Mörlunda and Orrefors, Sweden, will add approximately 215 million board feet to Vida’s annual capacity. With additional investment, Vida anticipates the production capacity of the mills can be increased to 300 million board feet.

After taking into account this additional production capacity, Sweden represents 22% of Canfor’s globally diversified operating platforms, plus 43% in British Columbia, 31% in the Southern United States and 4% in Alberta.

The transaction is expected to close in the third quarter of 2020 and is subject to due diligence, completion of certain transaction documents and other customary closing conditions, including any required regulatory approvals.

Following downtime related to the impacts of the COVID-19 pandemic, Vida is operating at full capacity and Canfor continues to employ variable operating schedules in North America with sawmills in the United States operating at almost full capacity and Canadian sawmills operating at approximately 90% effective June 18, 2020.

### **Forward Looking Statements**

Certain statements in this press release constitute “forward-looking statements” which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Words such as “expects”, “anticipates”, “projects”, “intends”, “plans”, “will”, “believes”, “seeks”, “estimates”, “should”, “may”, “could”, and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on management’s current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and Canfor assumes no obligation to update such information to reflect later events or developments, except as required by law.

*Canfor is a leading integrated forest products company based in Vancouver, British Columbia (“BC”) with interests in BC, Alberta, North and South Carolina, Alabama, Georgia, Mississippi and Arkansas, as well as in Sweden with its majority acquisition of Vida Group. Canfor produces primarily softwood lumber and also owns a 54.8% interest in Canfor Pulp Products Inc., which is one of the largest global producers of market Northern Bleached Softwood Kraft Pulp and a leading producer of high performance kraft paper. Canfor shares are traded on The Toronto Stock Exchange under the symbol CFP. For more information visit [canfor.com](http://canfor.com).*

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