



San Group to Acquire Interfor's, Acorn Forest Products Sawmill

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Langley, British Columbia April 12, 2022 – San Group and Interfor Corporation (TSX: IFP) today announced that they have entered into a definitive agreement (the “Agreement”) pursuant to which San Group will acquire Interfor’s Acorn sawmill assets located in Delta, BC (the “Mill”) through its wholly owned subsidiary, Acorn Forest Products Ltd. The Mill is a focal point and leader in BC Coastal lumber products production. Pursuant to the Agreement, San Group will acquire all the assets and inventory of the Mill and hire all employees currently employed at the Mill.

The acquisition builds on San Group’s fully integrated value-added wood products processing methodology and positions the company’s Innovative Lumber Manufacturing Systems (“ILMS”) with the Mill’s production capabilities. The acquisition expands San Group’s business by increasing its global customer base and providing access to new regions. San Group initially expects to operate the Mill’s primary and secondary processing lines as an independent business unit, consistent with Interfor’s current practice. San will also inherit the Mill’s long-standing position as a specialty wood products provider for the Japanese market.

- **New Future for the BC Forest Industry:** This acquisition will integrate Acorn’s production into San Group’s value-added manufacturing model which uses downstream processes to create wood products ready for distribution.
- **Creation of Forestry Jobs:** San Group will continue the employment of all employees of Acorn and through the acquisition will create new value-added forestry jobs within San Group’s vertically and horizontally integrated business units, which include harvesting, primary manufacturing, re-manufacturing, value-added manufacturing, retail sales and global distribution.
- **Positive Environmental Impact:** Acorn assets will complement San Group’s production ethos designed to maximize the utilization of each log harvested thereby reducing the impact on our forests and the environment.
- **Growth:** After the acquisition, San Group’s production capacity will exceed over five hundred million board feet making San Group the second largest sawmilling company in the Coastal Region of British Columbia and one of the largest privately held forestry companies in Western Canada.

“Acorn’s complementary sawmilling technology, customer base, and geographic footprint make it an excellent fit with our value-added business model, and the transaction strengthens our global wood products export base,” said San Group’s Co-Owner, Kamal Sanghera. “We expect Acorn Forest Products Ltd. to be an industry leader in wood products manufacturing, enhancing our position of producing some of the world’s the most carbon conscious environmentally friendly wood products, and to be well-positioned for the transition towards higher levels of autonomy. The acquisition is also consistent with our go-forward strategy to diversify and accelerate investment in high-growth areas.”

Global Exporters of Canadian-Made Lumber Products



Suki Sanghera, San Group's, Co-Owner said: "This is a compelling transaction for all stakeholders. It will deliver significant and immediate value to San Group by connecting Acorn's production capacity with our current facilities, and to provide current and new employees an opportunity to join a company whose philosophy is centered on increasing the longevity of our forests through value added manufacturing. We have invested a great deal into the BC forestry sector, including the construction of a new mill and world leading 300,000 sq. ft. value-added plant in Port Alberni, and Acorn will seamlessly integrate within our ecosystem creating at scale one of Canada's most efficient and largest value-added wood products companies.

Mr. Sanghera added, "We have a great deal of respect for Interfor's team and their culture of innovation and creativity. One of our first major deals in the lumber industry was with Mr. Sauder in the early 1990's to acquire a remanufacturing plant. We are humbled to now have the opportunity to purchase Acorn, one of the BC Coastal Region's premier sawmilling facilities. We will strive to live up to his family's name and their contribution to the BC forest industry by emulating his entrepreneurial spirit which allowed Interfor to become one of the world's largest and environmentally conscious forestry companies. We are excited to welcome Acorn's employees into our global San Group family and are confident that together we will be able to achieve improved results and move product faster thought to the value-added wood products market."

About San Group:

San Group Inc. is a vertically integrated forest products company, operating in the coastal region of British Columbia. San Group's operations includes timber harvesting, sawmilling, lumber remanufacturing, value added lumber manufacturing, global distribution sales and consumer retail sales via their San Cedar Direct stores. San Group is proud to manufacture and export 100% Canadian-Made wood products to over 27 Countries. Awarded as 2018 Business in Vancouver, BC Wood Products Exporter of the Year in the Natural Resources Division and Overall, 2019 Ernst & Young, Entrepreneur of the Year, 2020 Business Examiner Manufacturer of the Year and 2022 Business of the Year, Vancouver Island. From Harvest to Home, San Group a Global leader in Value Added Canadian-Made lumber products

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 4.9 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.

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