



PRODUITS FORESTIERS

**GREENFIRST**

FOREST PRODUCTS

Committed to  
Sustainable Forestry

Investor Presentation

December 2, 2021

# Strong Team with Forestry Expertise



**Paul Rivett**

Chairman of the Board



**Rick Doman**

CEO & Director



**Michel Lessard**

President



**Mike Liggett**

Chief Financial Officer

Mathieu Brière Vice President, Sales and Marketing

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André Ouimette Vice President, Operations West

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Alain Peron Vice President, Operations East

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Mel Lemky Vice President, Capital Projects, Sawmills

Darren Ethier Vice President, Forestry Operations

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Beckie Gallardi Vice President, Human Resources

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Peter Bishop Vice President, Finance

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John Shelley Chief Information Officer  
(Starting December 13)

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### Use of Non-GAAP Measures

This Presentation refers to adjusted earnings before interest, tax, depreciation and amortization (“**Adjusted EBITDA**”) and adjusted earnings per share (“**Adjusted EPS**”), which do not have standardized meanings under GAAP. Management uses Adjusted EBITDA to assess the Company’s operational and financial results (including the Company’s ability to generate cash flows and service debt) and to forecast results. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way the Company calculates such measures and, accordingly, the Company’s calculation of Adjusted EBITDA may not be comparable to such similarly titled non-GAAP measures. Management defines Adjusted EPS as adjusted net earnings per common share in the capital of the Company. Management believes that certain investors and analysts use this measure, among others, to assess the performance of the Company’s businesses without the effects of severance, acquisition and other costs, net losses (gains) on investments, debt redemption costs, impairment of assets and discontinued operations, net of tax and other items. Management excludes these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in the Company’s business performance. Excluding these items does not imply they are non-recurring. These non-GAAP measures are furnished to provide additional information with respect to the Company only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

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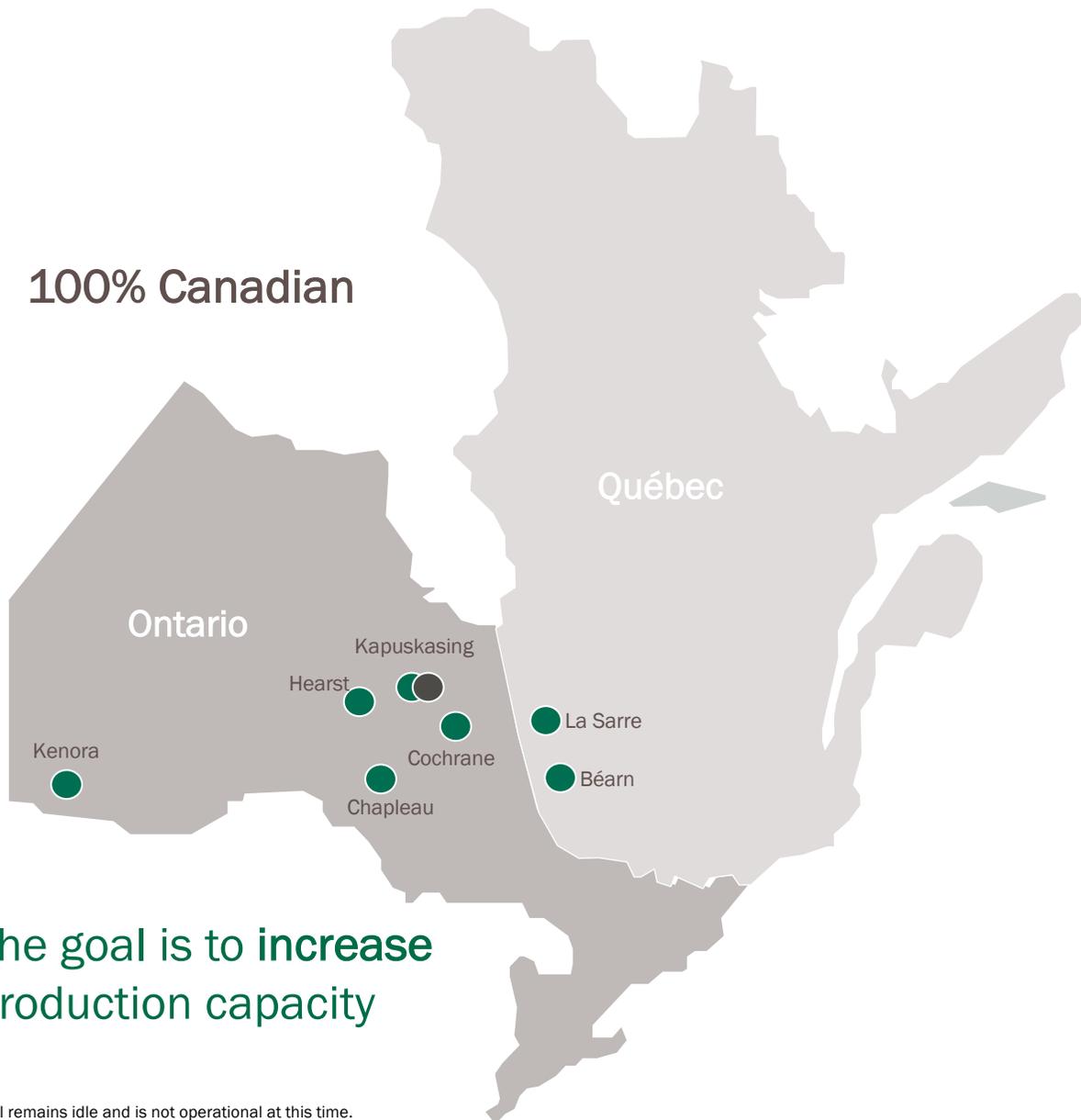
# One of the Top Lumber Producers in Canada<sup>1</sup>

- GreenFirst began operating as a forest products business on August 28, 2021, with the acquisition of assets (“the Assets”) from certain Canadian subsidiaries of Rayonier Advanced Materials Inc (“the Acquisition”)
- With a renewed focus and incremental investment, the lumber assets are expected to offer significant upside potential
- GreenFirst employs ~1,500 people and serves a highly diversified customer base. In addition, we also work with many contractors



<sup>1</sup>FEA Canada, Top 10 Softwood Lumber Producers 2019

# Annual Lumber Production Capacity of 905MMfbm



The goal is to increase production capacity

Sawmills	Annual Production Capacity (Mfbm)
<b>Ontario</b>	
Chapleau	135,000
Cochrane	160,000
Hearst	110,000
Kapuskasing	105,000
Kenora <sup>1</sup>	150,000
<b>Total - Ontario</b>	<b>660,000</b>
<b>Québec</b>	
La Sarre	135,000
Béarn	110,000
<b>Total - Québec</b>	<b>245,000</b>
<b>Total Sawmills</b>	<b>905,000</b>

Paper Mill	Annual Production Capacity (MT)
Kapuskasing, ON	205,000

1. Kenora Sawmill remains idle and is not operational at this time.

# Positive Changes For a Bright Future

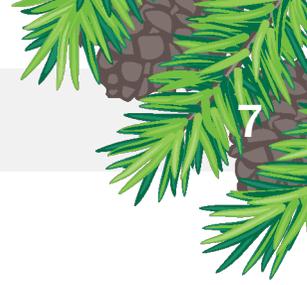


The history of the Assets purchased spans over a 100 years.  
The recent Acquisition brings positive monumental changes.

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- Welcomed change
- Long-term wood chip agreement
- Making forest products the core business
- Incorporate ESG into every aspect of the business
- Secured wood supply

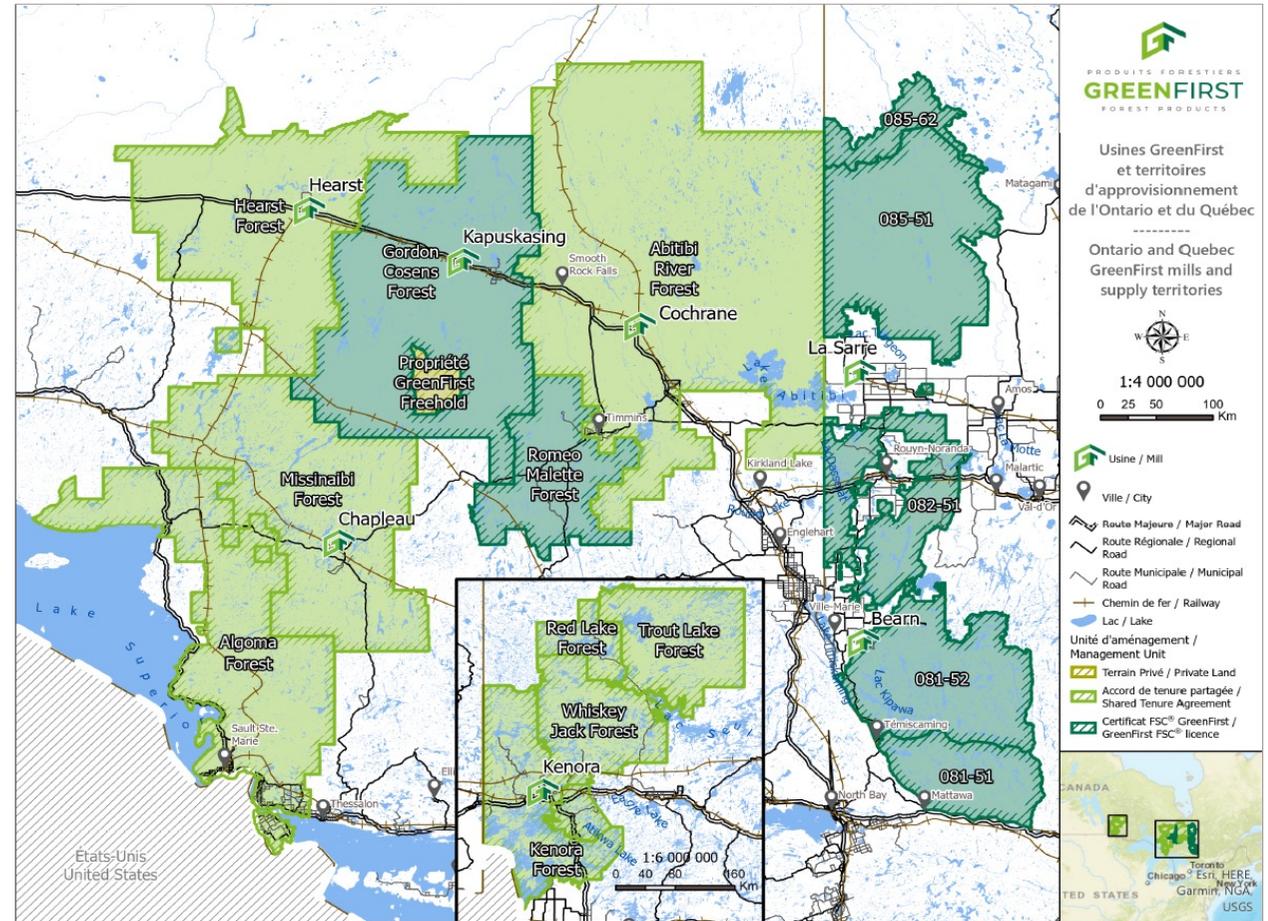
# Access to Large Wood Baskets in ON and QC



The mills are located in rich wood baskets and have licenses that provide long-term access to ~3.7M m3 of fiber from Ontario SFLs and Quebec Wood Supply Guaranties. Fiber supply licenses support our business plan to increase nameplate capacity over time.

**All forests we manage are FSC®1 certified, which is amongst the most stringent in the industry**

## Forest Management Regions



# Fully Integrating ESG



## PURPOSE

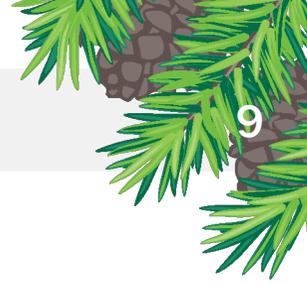
GreenFirst Forest Products is committed to maintaining and implementing ever-higher standards of sustainability across its business. GreenFirst produces quality lumber and paper products in a safe and responsible manner to protect our employees and environment, create long-term value for our stakeholders, and contribute positively towards our collective future. The foundation of GreenFirst is built on our value system which upholds our principles, people, planet, and progress.

## Px4 VALUES

### Principles, People, Planet and Progress

GreenFirst promotes business practices that are aligned with principles of good governance, transparency, inclusivity, and shared prosperity for our workers, stakeholders, and communities through a positive safety culture, sustainable consumption and production, and beneficial social initiatives.

# Building on GreenFirst's Px4 Values



## PEOPLE

Welcome people from all backgrounds and endeavour to have a positive impact on our employees and stakeholders.



## PRINCIPLES

Be a company run by proper governance, driven by quality reputation and reflective value.



## PLANET

Have a minimal footprint on our environment allowing future generations to enjoy the natural ecosystems that humanity depends on.



## PROGRESS

Being an innovative economic partner through forest management certification, maximizing efficiency, collaborating and minimizing environmental and social impacts.

# Drivers of Profitability and Cash Flow



Lowering Sawmill  
Operating Costs  
and Efficiencies



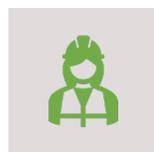
Lumber Prices



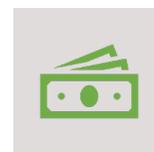
Softwood  
Lumber Duties



Start Up Second  
Machine at  
Paper Mill



Safety

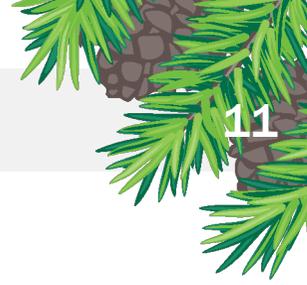


Foreign  
Exchange/  
Energy Costs

## LUMBER PRICES

- Looking forward, we expect North American lumber prices to continue to be volatile over the short-term but expect prices to remain above historical trends.
- The repair and remodelling demand began to pick up in September after dropping off in August.
- We expect the demand from the residential and construction sector to remain strong.
- Lumber prices have a material impact on the earnings of the Company.

# Significant Growth Opportunities



	Short-Term Within 18 months	Long-Term Between 18 and 36 months
Expected Timeframe	<b>Mill Optimization</b>	<b>Capacity Expansion and Prudent Acquisitions</b>
Expected Capital Requirements	Non-capital and/or capital-light projects with quick payback profiles	Capital-intensive projects with longer time horizons
Anticipated Key Metrics	Cash Costs Unit Realizations	Production Capacity

Combination of elevated SPF prices and expectations to reduce cash costs will support free cash flow generation, which will be used to reduce leverage and fund capital expenditure plan

# FINANCIALS



The Company  
operated its newly  
acquired assets for  
**four weeks**

# Rayonier Asset Acquisition

<b>Purchase price consideration</b> (prices in \$'000's)	
Cash	\$245,062
Common Shares of the Company	54,214
Indebtedness and estimated final adjustment balances	2,563
<b>Total Consideration</b>	<b>\$301,839</b>

<b>Preliminary fair value of net assets acquired:</b>	August 28, 2021
Inventory	\$98,935
Property, plant and equipment	173,433
Pension plans in asset positions	30,186
Timber licenses	11,814
Other assets	9,088
Other liabilities	(5,598)
Post retirement pension obligations	(11,365)
Other non-current liabilities	(4,654)
<b>Total fair value</b>	<b>\$301,839</b>

- Revenue since closing is \$28.9 million. If the acquisition had occurred on January 1, 2021, proforma revenue would have been \$472.2 million. Business is operating as normal
- Rayonier is providing transition support until February 28, 2022 as GreenFirst sets up its Finance, Information Technology and Human Resources back office

# Recent Financing Transactions

## Rights Offering

- On July 9, 2021, GreenFirst initiated a Rights Offering
- On July 30, 2021, the Rights Offering was fully subscribed and on closing, GreenFirst issued 111,665,880 subscription receipts for gross proceeds of \$167.5 million

## Senior Secured Term Credit Facility

- On August 30, 2021, the Company closed a USD \$100 million senior secured term credit facility with a term of four years
- As of September 25, 2021, the Company was in compliance with all covenants under this facility

## Asset Backed Revolving Loan

- On August 28, 2021, the Company closed a \$65 million asset-backed, revolving loan with a term of three years

New Credit Facilities  
**\$180M**

# Strong Balance Sheet



The Company's objectives when managing capital are to maintain a strong financial position and to continuously improve its cost structure to maintain liquidity throughout commodity price cycles and to support access to additional capital for expansion.

The Company defines capital as the sum of net debt and shareholders equity.

(prices in \$'000's)	<b>September 25, 2021</b>
Total debt outstanding <sup>1</sup>	\$115,487
Less cash and cash equivalents	(33,778)
Net debt	81,709
Shareholders' equity	218,900
<b>Total capital</b>	<b>\$300,609</b>

## Share Capital Increased by \$216M

<b>December 31, 2020</b> (prices in \$'000's)	<b>\$38,362</b>
<b>Shares issued:</b>	
Conversion of debentures	4,075
Exercise of options	1,449
Rights offering	167,499
Conversion of warrants	1,923
Rayonier Asset Acquisition consideration	54,214
<b>Share issuance costs</b>	<b>(3,662)</b>
<b>Allocation of proceeds to backstop warrants</b>	<b>(9,132)</b>
<b>September 25, 2021</b>	<b>\$254,728</b>

<sup>1</sup> Total debt outstanding consists of the carrying amounts of the Company's credit facilities.

# 4 Weeks of Operating the Rayonier Assets

(prices in \$'000's)	Three months ended		Nine months ended	
	September 25, 2021	September 30, 2020	September 25, 2021	September 30, 2020
	\$	\$	\$	\$
<b>Net sales</b>	\$28,928	\$-	\$28,928	\$-
<b>Expenses</b>				
Manufacturing and production	(31,082)	-	(31,082)	
Selling, general and administrative	(1,772)	(776)	(3,476)	(1,168)
Duties	(1,790)	-	(1,790)	
Other operating expenses, net	(694)	(28)	(715)	20
<b>Operating loss<sup>1</sup></b>	<b>(6,410)</b>	<b>(804)</b>	<b>(8,135)</b>	<b>(1,148)</b>
Transaction costs	(5,606)	-	(7,668)	-
Interest expenses	(1,480)	-	(1,658)	-
Other income (expense)	10	450	(111)	426
<b>Net loss for the period</b>	<b>(13,486)</b>	<b>(354)</b>	<b>(17,572)</b>	<b>(722)</b>
<b>Other comprehensive (loss) income</b>	<b>(784)</b>	<b>(287)</b>	<b>(899)</b>	<b>305</b>
<b>Total comprehensive loss for the period</b>	<b>(\$14,270)</b>	<b>(\$641)</b>	<b>(\$18,471)</b>	<b>(\$417)</b>
<b>Basic and diluted loss per share</b>	<b>(\$0.16)</b>	<b>(\$0.02)</b>	<b>(\$0.41)</b>	<b>(\$0.03)</b>
<b>Adjusted EBITDA<sup>1</sup></b>				
<b>Net loss for the period</b>	<b>(13,486)</b>			
<b>Add back</b>				
Interest expenses	1,480			
Depreciation and amortization	1,666			
<b>EBITDA<sup>1</sup></b>	<b>(10,340)</b>			
Transaction costs	5,606			
<b>Adjusted EBITDA<sup>1</sup></b>	<b>(\$4,736)</b>			

<sup>1</sup> These Non-GAAP Measures do not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. (See section on Non-GAAP Measures)



## COMMITMENT TO INVEST IN GREENFIRST

### Common Shares currently owned:

Paul Rivett, Chairman	5,682,667	
Rick Doman, CEO & Director	6,682,667	
Larry Swets, Director	5,360,281	
	<b>17,725,615</b>	<b>(9.98%)</b>

Commitment to continue to invest in GreenFirst Common Shares with majority of after-tax dollars earned.