

Canfor Pulp Products Inc.

Annual General Meeting, April 29, 2021 11:30 a.m. Pacific



CEO Report



The Canfor Pulp Team

Our employees not only **persevere through tough times**, but also excel

Protecting our people, our operations and our operating communities has always been our key priority



2020 Canfor Pulp Financial Overview

COVID-19 related disruptions and capital-related downtime impacted the company's financial results

Operating Loss

-\$56 million



2020 Pulp Markets

The onset of the pandemic accelerated the decline of printing and writing papers, as well as reduced residual fibre supply and increased fibre costs



Pulp Mill Curtailments

Phased curtailments were largely due to a shortage of economically viable fibre in the region as a result of pandemic-induced sawmill downtime

These production curtailments were followed by **regularly scheduled maintenance** downtime at our pulp mills





Update on Major Projects

Completed a new \$42 million water treatment plant for our Prince George and Intercontinental pulp mills to reduce our water, chemical and energy use

Invested \$27 million to replace Northwood pulp mill's recovery boiler number five (RB5) to extend its life

Balance Sheet and Liquidity

Despite many challenges, Canfor Pulp **ended the year with a strong balance sheet**



Q1 2021 Financial Results

| Canfor Pulp | Q1 2021 | Q1 2020 |
|-------------|----------------|----------------|
| Total | \$5 Million | \$6 Million |

Our 2021 Q1 results **reflect improving global pulp market conditions** combined with a 25% increase in pulp production over last quarter



2021 Pulp & Paper Outlook

We are well positioned to capitalize on the upward momentum in pulp prices and improving demand going forward



Looking Forward

We're looking at **organic growth** and **pursuing new opportunities** in specialty pulp segments and the **growing bioeconomy**



Sustainability

Advancing our sustainability culture to the next level includes **developing a more comprehensive sustainability strategy** aligned with best-in-class ESG standards

Our People

We continue to make significant progress on our commitment to **build a diverse workforce that represents the communities in which we live and work by 2030**





Thank You

Shareholder Questions
