

October 12, 2022

On August 1, 2022, Pacific Woodtech (PWT) closed on the sale of Louisiana-Pacific's (LP) Engineered Wood Products (EWP) business. This included the Laminated Veneer Lumber (LVL) and Plywood factory in Golden, British Columbia along with facilities in Red Bluff, California and Wilmington, North Carolina.

The purchase includes all the related Forest Management functions affiliated with the Golden facility. Also included are Tree Farm Licence 55 (TFL) and three forest licences in the Okanagan and Golden Timber Supply Areas (TSAs), representing a total allowable cut (AAC) of 487,710 m<sup>3</sup> – all of which provide an important log supply for sustaining manufacturing in Golden.

License	Location	License Type	Effective Date	Term	AAC m <sup>3</sup> /yr
TFL 55	Malakwa	Tree Farm Licence	1/1/2017	25 yr	65,325
A18669	Malakwa	Replaceable Forest Licence	11/15/2016	15 yr	118,919
A17645	Golden	Replaceable Forest Licence	11/30/2014	15 yr	263,466
A82664	Golden	Replaceable Forest Licence	11/30/2014	15 yr	40,000
				<b>Total</b>	<b>487,710</b>

We are excited to bring our down-to-earth management style to these newly acquired operations. We are also looking forward to continually investing in these facilities to keep them safe, modern, and efficient for the long-term. At PWT, we believe in quality over quantity. This is why our Company's sole focus has been EWP since our beginning in 1998. We've been future focused since day one, a philosophy that guides our not only our innovation, product development, and customer care, but also our steadfast commitment to environmental responsibility and sustainability. Wood products, including EWP, are the most environmentally friendly and sustainable structural building material available. Our employees feel good knowing the products we make help reduce our carbon footprint and contribute to longer-lasting building construction that requires less material. The Golden plant's primary product is Laminated Veneer Lumber (LVL), which is a value-added mass-timber product used as structural members in wood-based construction for residential and light commercial applications. Additionally, the plant produces top quality plywood panels that help utilize all fiber from the tree.

The Golden operation and associated forest tenures provide employment for approximately 435 workers from the local area and supports another 200 workers through contracting and supplier businesses involved with management of forest roads, harvesting, hauling, and silviculture activities. While PWT is new to the Kootenay region, we plan to continue with the existing LP woodlands operating team to strengthen relationships with local First Nations and neighboring communities. PWT understands that there are evolving considerations for forest management in British Columbia, including First Nations collaboration, caribou habitat considerations, and old growth timber harvesting deferrals. We are committed to innovative and collaborative ways to manage these forests for win-win outcomes while maintaining economically viable fibre supply to the Golden facility.

**Corporate Background:** Pacific Woodtech is based in Burlington, Washington and was founded in 1998 by ITOCHU Corporation, a global trading company based in Tokyo, Japan. ITOCHU is a long-term owner that supports PWT in its growth as a best-in-class producer of EWP (LVL and I-Joist). Our leadership commitment is to: (a) do what is best for our employees and the communities where we operate; (b) be proactive in managing resources in an environmentally responsible manner that reflects the interests and values of the communities where we operate; and (c) do what is best for our customers and shareholders. This includes acknowledging the importance of indigenous values. PWT is committed to maintaining a sustainable supply of top-quality EWP to our valued customer base. Sustainability includes not only forest management and wood sourcing considerations, but also air, water, and habitat quality considerations in all areas of our operations.

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