



Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2021 Third Quarter Results via conference call or webcast on Thursday, October 28, 2021 at 1:00 PM ET. Please dial 1-866-795-3013 toll free in North America (Canada and the USA) or, for overseas calls, please dial 1-409-937-8907 (Conference ID 1675396) at approximately 12:50 PM ET. For those unable to participate, a recorded rebroadcast will be available until 3:00 PM (Eastern Time) November 27, 2021. To access this rebroadcast, please dial 1-855-859-2056 or 1-404-537-3406 (Conference ID 1675396).

### ACADIAN TIMBER CORP. REPORTS THIRD QUARTER RESULTS

**Edmundston, NEW BRUNSWICK – October 27, 2021** – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results<sup>1</sup> for the three months ended September 25, 2021 (the “third quarter”).

“Steady prices and strong demand for our sawlogs have enabled us to generate solid operating and financial performance for the third quarter. Acadian expects continued steady demand for its key products for the remainder of the year,” commented Adam Sheparski, President and CEO. “We are also very proud to report no recordable safety incidents among employees or contractors for three straight quarters. Health and safety remain a key focus for Acadian.”

During the quarter, both the New Brunswick and Maine operations completed a surveillance audit under the 2015-2019 standard of the Sustainable Forest Initiative® with no non-conformances.

Acadian generated \$3.6 million of Free Cash Flow and declared dividends of \$4.8 million to its shareholders during the third quarter. Acadian’s balance sheet remains solid with \$23.0 million of net liquidity as at September 25, 2021, which includes funds available under our credit facilities.

<sup>1</sup> This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio which are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of Acadian’s operating performance. Adjusted EBITDA and Adjusted EBITDA margin are used to evaluate operational performance. Free Cash Flow is used to evaluate Acadian’s ability to generate sustainable cash flows from its operations while the Payout Ratio is used to evaluate Acadian’s ability to fund its distribution using Free Cash Flow. Acadian’s management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, realized gain/loss on sale of other fixed assets, unrealized exchange gain/loss on debt, depreciation and amortization and Adjusted EBITDA margin as Adjusted EBITDA as a percentage of its total revenue. Free Cash Flow is defined as Adjusted EBITDA less interest paid, current income tax expense, and capital expenditures plus net proceeds from the sale of fixed assets (selling price less gains or losses included in Adjusted EBITDA). Payout Ratio is defined as dividends declared divided by Free Cash Flow. As these performance measures do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”), they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow.

## Review of Operations

### Operating and Financial Highlights

<i>(CAD thousands, except per share information)</i>	Three Months Ended		Nine Months Ended	
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020
Sales volume (000s m <sup>3</sup> )	<b>270.9</b>	302.3	<b>772.2</b>	816.9
Sales	\$ <b>22,657</b>	\$ 23,236	\$ <b>66,963</b>	\$ 66,102
Operating earnings	<b>4,754</b>	4,445	<b>15,257</b>	13,991
Net income	<b>87</b>	5,248	<b>11,809</b>	6,766
Adjusted EBITDA	<b>5,137</b>	\$ 4,514	\$ <b>15,838</b>	\$ 14,197
Adjusted EBITDA margin	<b>23%</b>	19%	<b>24%</b>	21%
Free Cash Flow	\$ <b>3,596</b>	\$ 3,149	\$ <b>11,450</b>	\$ 9,506
Dividends declared	<b>4,840</b>	4,840	<b>14,518</b>	14,518
Payout Ratio	<b>135%</b>	154%	<b>127%</b>	153%
Per share – basic and diluted				
Net income	\$ <b>0.01</b>	\$ 0.31	\$ <b>0.71</b>	\$ 0.41
Free Cash Flow	<b>0.22</b>	0.19	<b>0.69</b>	0.57
Dividends declared	<b>0.29</b>	0.29	<b>0.87</b>	0.87

During the third quarter, Acadian generated sales of \$22.7 million, compared to \$23.2 million in the prior year period. The weighted average selling price, excluding biomass, increased 8% year-over-year benefiting from increased sawlog pricing driven by favourable market dynamics. Sales volume, excluding biomass, decreased 9% due to lower softwood pulpwood sales. Biomass sales volume decreased 22% due to lower domestic sales.

Operating costs and expenses were \$17.9 million during the third quarter, compared to \$18.8 million during the prior year period. This year-over-year decrease reflects lower harvesting and timber services activity. Weighted average variable costs, excluding biomass, increased 1% reflecting higher fuel costs, partially offset by a stronger Canadian dollar.

Adjusted EBITDA was \$5.1 million during the third quarter, compared to \$4.5 million in the prior year period and Adjusted EBITDA margin for the quarter was 23% compared to 19% in the prior year period. Free Cash Flow was \$3.6 million compared to \$3.1 million in the same period of 2020.

Net income for the third quarter totaled \$0.1 million, or \$0.01 per share, compared to \$5.2 million, or \$0.31 per share in the same period of 2020. The decrease in net income from the prior year period is mainly due to a non-cash unrealized foreign exchange loss on long-term debt of \$3.1 million compared to a gain of \$2.2 million in the prior year period.

During the first nine months of 2021, Acadian generated sales of \$67.0 million compared to \$66.1 million in the prior year period. A decrease in sales volume of 3% compared to the prior year period was more than offset by an increase of 2% in the weighted average selling price, excluding biomass. Operating costs and expenses of \$51.7 million were \$0.4 million lower than the prior year period. Lower softwood pulpwood volumes were offset by strong sawlog prices, increased timber services, and a \$0.4 million gain on timberlands sales resulting in Adjusted EBITDA of \$15.8 million compared to \$14.2 million during the first nine months of 2020. Adjusted EBITDA margin improved to 24% from 21%.

For the nine months ended September 25, 2021, net income was \$11.8 million, or \$0.71 per share, which represents an increase of \$5.0 million compared to the prior period, primarily as a result of a non-cash unrealized foreign exchange gain on long-term debt of \$0.4 million this year compared to a loss of \$2.9 million in 2020 combined with lower administrative costs and interest expense.

## Segment Performance

### New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended September 25, 2021				Three Months Ended September 26, 2020			
	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)
Softwood	98.6	99.3	47%	\$ 6,420	123.7	122.5	52%	\$ 7,050
Hardwood	80.3	78.2	37%	5,718	75.7	73.7	31%	5,249
Biomass	31.7	31.7	16%	1,162	40.7	40.7	17%	1,156
	<b>210.6</b>	<b>209.2</b>	<b>100%</b>	<b>13,300</b>	240.1	236.9	100%	13,455
Timber services and other				4,206				4,570
Sales				\$ 17,506				\$ 18,025
Adjusted EBITDA				\$ 4,166				\$ 4,240
Adjusted EBITDA margin				24%				24%

	Nine Months Ended September 25, 2021				Nine Months Ended September 26, 2020			
	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)
Softwood	237.8	240.7	43%	\$ 15,451	282.5	284.2	47%	\$ 16,188
Hardwood	240.1	241.2	43%	18,005	211.5	223.3	37%	17,262
Biomass	82.7	82.7	14%	3,249	103.2	103.2	16%	3,280
	<b>560.6</b>	<b>564.6</b>	<b>100%</b>	<b>36,705</b>	597.2	610.7	100%	36,730
Timber services and other				13,996				12,474
Sales				\$ 50,701				\$ 49,204
Adjusted EBITDA				\$ 13,084				\$ 11,900
Adjusted EBITDA margin				26%				24%

Sales for New Brunswick Timberlands were \$17.5 million compared to \$18.0 million during the prior year period. Sales volume, excluding biomass, decreased by 10% primarily due to lower softwood pulpwood sales. Softwood pulpwood demand remained weak due to high inventories and competition from sawmill residuals. The overall volume decrease was partially offset by a 15% increase in sales volume of hardwood sawlogs, driven by very strong demand. Biomass sales volume decreased 22% during the quarter due to lower domestic sales. The weighted average selling price, excluding biomass, for the third quarter was \$68.40 per m<sup>3</sup>, or 9% higher than the prior year period, as a result of strong sawlog prices and a lower proportion of softwood pulpwood in the mix.

Operating costs and expenses were \$13.4 million during the third quarter, compared to \$13.8 million in the prior year period due to reduced harvesting and timber services activity combined with lower land management costs. Weighted average variable costs, excluding biomass, increased 8% reflecting higher fuel costs compared to the prior year period.

Adjusted EBITDA of \$4.2 million during the third quarter was consistent with the prior year period and Adjusted EBITDA margin was flat year-over-year at 24%.

During the first nine months of 2021, New Brunswick Timberlands' sales of \$50.7 million was 3% higher than the prior year period. Sales volume, excluding biomass, decreased 5% due to a weak demand for softwood pulpwood relative to the first nine months of 2020. The weighted average selling price, excluding biomass, increased 5% due to strong sawlog prices and a favourable product mix. Operating costs and expenses of \$37.7 million during the first nine months of 2021 were \$0.3 million higher than the prior year period due to additional timber services activity. Adjusted EBITDA was \$13.1 million compared to \$11.9 million during the first nine months of 2020 and Adjusted EBITDA margin increased by 2%.

There were no recordable safety incidents amongst employees or contractors during the third quarter of 2021.

## Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	Three Months Ended September 25, 2021				Three Months Ended September 26, 2020			
	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)
Softwood	44.6	44.7	72%	\$ 3,518	38.5	38.6	59%	\$ 2,741
Hardwood	18.9	17.0	28%	1,460	31.8	26.8	41%	2,305
Biomass	—	—	0%	2	—	—	0%	2
	<b>63.5</b>	<b>61.7</b>	<b>100%</b>	<b>4,980</b>	<b>70.3</b>	<b>65.4</b>	<b>100%</b>	<b>5,048</b>
Timber services and other				171				163
Sales				\$ 5,151				\$ 5,211
Adjusted EBITDA				\$ 1,337				\$ 793
Adjusted EBITDA margin				26%				15%

	Nine Months Ended September 25, 2021				Nine Months Ended September 26, 2020			
	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Sales Mix	Results (\$000s)
Softwood	148.2	148.2	71%	\$ 11,091	140.9	141.0	68%	\$ 10,806
Hardwood	55.8	58.8	28%	4,765	69.5	65.0	32%	5,665
Biomass	0.6	0.6	1%	10	0.2	0.2	0%	4
	<b>204.6</b>	<b>207.6</b>	<b>100%</b>	<b>15,866</b>	<b>210.6</b>	<b>206.2</b>	<b>100%</b>	<b>16,475</b>
Timber services and other				396				423
Sales				\$ 16,262				\$ 16,898
Adjusted EBITDA				\$ 3,789				\$ 3,959
Adjusted EBITDA margin				23%				23%

Sales for Maine Timberlands during the third quarter totaled \$5.2 million, flat with the prior year period. Sales volume, excluding biomass, decreased by 6% due to lower hardwood pulpwood deliveries partially offset by stronger softwood sawlog sales.

The weighted average selling price, excluding biomass, in Canadian dollar terms was \$80.87 per m<sup>3</sup>, compared to \$77.27 per m<sup>3</sup> during the same period of 2020. In U.S dollar terms, the weighted average selling price, excluding biomass, was \$64.30 per m<sup>3</sup>, compared to \$57.95 per m<sup>3</sup> in 2020 with higher sawlog prices benefiting from favourable market dynamics. The 11 % price increase in U.S. dollar terms was partially offset by a stronger Canadian dollar.

Operating costs and expenses for the third quarter were \$4.2 million, compared to \$4.4 million during the same period in 2020, primarily due to lower harvest activity and a lower cost product mix. Weighted average variable costs, excluding biomass, decreased 11% as a result of a higher proportion of softwood with lower average costing compared to hardwood, combined with a stronger Canadian dollar.

Adjusted EBITDA for the quarter was \$1.3 million compared to \$0.8 million during the prior year period and Adjusted EBITDA margin was 26% compared to 15% in the prior year period. The third quarter results include \$0.3 million of gains recorded on timberlands sales compared to no timberland sales during the same quarter in 2020.

During the first nine months of 2021, Maine Timberlands' sales were \$16.3 million compared to \$16.9 million in the prior year period. Maine Timberlands' weighted average selling price, excluding biomass, decreased 4%, reflecting lower pulpwood prices and a stronger Canadian dollar, while sales volumes, excluding biomass, remained stable year-over-year. Operating costs and expenses of \$12.9 million during the nine-month period were \$0.1 million lower than the prior year period. Adjusted EBITDA was \$3.8 million compared to \$4.0 million during the first nine months of 2020, with the first nine months of 2021 including a \$0.4 million gain related to timberlands sales. Adjusted EBITDA margin was 23%, consistent with the same period of 2020.

There were no recordable safety incidents amongst employees or contractors during the third quarter of 2021.

## Market Outlook

*The following contains forward-looking information about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2021. Reference should be made to the section entitled "Cautionary Statement Regarding Forward-Looking Information and Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our Management's Discussion and Analysis of Acadian's most recent Annual Report and Annual Information Form available on our website at [www.acadiantimber.com](http://www.acadiantimber.com) or filed with SEDAR at [www.sedar.com](http://www.sedar.com).*

Acadian expects North American softwood lumber demand to remain steady as we progress through the remainder of 2021 supported by the sustained positive outlooks for US home construction and improvements. Housing fundamentals continue to be supported by low interest rates, income and job growth, ageing and underbuilt housing stock, and favorable home buyer demographics. Consensus forecast for U.S. housing starts is 1.57 million for 2021 and 1.53 million for 2022.

The dynamics of the softwood lumber market are expected to support steady demand for our softwood sawlogs as our sawmill customers are investing in their facilities and operating at steady levels. However, the strong regional production of lumber is expected to challenge the softwood pulpwood market, as residuals will continue to be abundant in the region.

Demand for hardwood sawlogs continues to be strong as both appearance grade and industrial grade lumber is in high demand and roundwood inventories at hardwood sawmills are low. Acadian expects strong demand and pricing for its hardwood sawlogs for the remainder of this year and into 2022. Regional hardwood pulpwood demand is expected to remain stable as the economy improves.

Demand for biomass from Acadian's New Brunswick operation is expected to remain stable through the remainder of the year and into 2022, with steady demand from the regional market supplemented by the return of export markets.

## Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.29 per share, payable on January 14, 2022 to shareholders of record on December 31, 2021.

\* \* \* \* \*

**Acadian Timber Corp.** (“Acadian”, the “Company” or “we”) is one of the largest timberland owners in Eastern Canada and the Northeastern U.S. and has a total of approximately 2.4 million acres of land under management. Acadian owns and manages approximately 761,000 acres of freehold timberlands in New Brunswick (“New Brunswick Timberlands” or “NB Timberlands”), approximately 300,000 acres of freehold timberlands in Maine (“Maine Timberlands”) and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian’s products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 90 regional customers.

Acadian’s business strategy is to maximize cash flows from its existing timberland assets through sustainable forest management and other land use activities while growing its business by acquiring assets and actively managing these assets to drive improved performance.

Acadian’s shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

For further information, please visit our website at [www.acadiantimber.com](http://www.acadiantimber.com) or contact:

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## Cautionary Statement Regarding Forward-Looking Information and Statements

*This News Release contains forward-looking information and statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such forward-looking statements may contain such words as "may," "will," "intend," "should," "suggest," "expect," "believe," "outlook," "forecast," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information is included in this News Release and includes statements made in this News Release in sections entitled "Dividend Policy of the Company," "Liquidity and Capital Resources," and "Market Outlook" and without limitation other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; changes in U.S. housing starts; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian or U.S. income tax law; the economic situation of key customers; disease outbreak; Acadian's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in the Annual Report dated February 10, 2021, the Annual Information Form dated March 26, 2021, and other filings of Acadian made with securities regulatory authorities, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking information is based on various material factors or assumptions, which are based on information currently available to Acadian. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: forecasts in the housing market; anticipated financial performance; anticipated market conditions; business prospects; the economic situation of key customers; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the ability to obtain financing on acceptable terms. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this News Release are made as of the date of this News Release and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.*

**Acadian Timber Corp.**  
**Interim Condensed Consolidated Statements of Net Income**  
**(unaudited)**

	Three Months Ended		Nine Months Ended	
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020
<i>(CAD thousands, except per share data)</i>				
Sales	\$ 22,657	\$ 23,236	\$ 66,963	\$ 66,102
Operating costs and expenses				
Cost of sales	15,204	16,075	44,920	44,704
Selling, administration and other	1,867	1,971	5,565	6,274
Silviculture	766	676	1,029	927
Depreciation and amortization	66	69	192	206
	17,903	18,791	51,706	52,111
Operating earnings	4,754	4,445	15,257	13,991
Interest expense, net	(748)	(1,142)	(2,230)	(3,605)
Other items				
Fair value adjustments and other	111	643	2,591	3,861
Unrealized exchange (loss) / gain on long-term debt	(3,088)	2,240	416	(2,940)
Gain on sale of timberlands	317	—	389	—
Earnings before income taxes	1,346	6,186	16,423	11,307
Current income tax expense	(698)	(312)	(1,983)	(1,870)
Deferred income tax expense	(561)	(626)	(2,631)	(2,671)
Net income	\$ 87	\$ 5,248	\$ 11,809	\$ 6,766
Net income per share – basic and diluted	\$ 0.01	\$ 0.31	\$ 0.71	\$ 0.41



**Acadian Timber Corp.**  
**Interim Condensed Consolidated Statements of Comprehensive Income**  
**(unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September</b>	September	<b>September</b>	September
<i>(CAD thousands)</i>	<b>25, 2021</b>	26, 2020	<b>25, 2021</b>	26, 2020
Net income	\$ <b>87</b>	\$ 5,248	\$ <b>11,809</b>	\$ 6,766
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation gain / (loss)	<b>4,315</b>	(3,073)	<b>(303)</b>	4,382
Comprehensive income	\$ <b>4,402</b>	\$ 2,175	\$ <b>11,506</b>	\$ 11,148

**Acadian Timber Corp.**  
**Interim Condensed Consolidated Balance Sheets**  
**(unaudited)**

<i>As at</i> <i>(CAD thousands)</i>	<b>September 25, 2021</b>	December 31, 2020
<b>Assets</b>		
Current assets		
Cash	\$ 10,454	\$ 10,258
Accounts receivable and other assets	7,351	7,731
Current income taxes receivable	74	415
Inventory	853	957
	<b>18,732</b>	19,361
Timber	<b>390,145</b>	388,005
Land, roads, and other fixed assets	<b>99,791</b>	99,892
Intangible asset	<b>6,140</b>	6,140
<b>Total assets</b>	<b>\$ 514,808</b>	\$ 513,398
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,132	\$ 8,640
Dividends payable to shareholders	4,839	4,839
	<b>15,971</b>	13,479
Long-term debt	<b>100,873</b>	101,185
Deferred income tax liabilities, net	<b>107,735</b>	105,493
Shareholders' equity	<b>290,229</b>	293,241
<b>Total liabilities and shareholders' equity</b>	<b>\$ 514,808</b>	\$ 513,398

**Acadian Timber Corp.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**

	Three Months Ended		Nine Months Ended	
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020
<i>(CAD thousands)</i>				
Cash provided by (used for):				
<b>Operating activities</b>				
Net income	\$ 87	\$ 5,248	\$ 11,809	\$ 6,766
Adjustments to net income:				
Income tax expense	1,259	938	4,614	4,541
Depreciation and amortization	66	69	192	206
Fair value adjustments and other	(111)	(643)	(2,591)	(3,861)
Unrealized exchange loss / (gain) on long-term debt	3,088	(2,240)	(416)	2,940
Gain on sale of timberlands	(317)	—	(389)	—
Income taxes paid	(1,110)	—	(1,642)	—
Net change in non-cash working capital balances and other	4,288	(645)	3,028	2,713
	<b>7,250</b>	<b>2,727</b>	<b>14,605</b>	<b>13,305</b>
<b>Financing activities</b>				
Repayment of short-term debt	—	—	—	(8,169)
Issuance of long-term debt	—	—	—	19,795
Repayment of long-term debt	—	—	—	(9,729)
Deferred financing costs	—	—	—	(527)
Dividends paid to shareholders	(4,840)	(4,840)	(14,518)	(14,518)
	<b>(4,840)</b>	<b>(4,840)</b>	<b>(14,518)</b>	<b>(13,148)</b>
<b>Investing activities</b>				
Additions to timber, land, roads, and other fixed assets	(148)	(257)	(305)	(352)
Proceeds from sale of timberlands	339	—	414	—
	<b>191</b>	<b>(257)</b>	<b>109</b>	<b>(352)</b>
Increase (decrease) in cash during the period	2,601	(2,370)	196	(195)
Cash, beginning of period	7,853	9,776	10,258	7,601
<b>Cash, end of period</b>	<b>\$ 10,454</b>	<b>\$ 7,406</b>	<b>\$ 10,454</b>	<b>\$ 7,406</b>

**Acadian Timber Corp.**  
**Reconciliations to Adjusted EBITDA and Free Cash Flow**

<i>(CAD thousands)</i>	Three Months Ended		Nine Months Ended	
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020
Net income	\$ 87	\$ 5,248	\$ 11,809	\$ 6,766
Add (deduct):				
Interest expense, net	748	1,142	2,230	3,605
Current income tax expense	698	312	1,983	1,870
Deferred income tax expense	561	626	2,631	2,671
Depreciation and amortization	66	69	192	206
Fair value adjustments and other	(111)	(643)	(2,591)	(3,861)
Unrealized exchange loss / (gain) on long-term debt	3,088	(2,240)	(416)	2,940
Adjusted EBITDA	\$ 5,137	\$ 4,514	\$ 15,838	\$ 14,197
Add (deduct):				
Interest paid on debt, net	(717)	(796)	(2,125)	(2,470)
Additions to timber, land, roads, and other fixed assets	(148)	(257)	(305)	(352)
Gain on sale of timberlands	(317)	—	(389)	—
Proceeds from sale of timberlands	339	—	414	—
Current income tax expense	(698)	(312)	(1,983)	(1,870)
Free Cash Flow	\$ 3,596	\$ 3,149	\$ 11,450	\$ 9,506
Dividends declared	\$ 4,840	\$ 4,840	\$ 14,518	\$ 14,518
Payout Ratio	135%	154%	127%	153%