

Acquisition Opportunity • Project Bonsai

OPPORTUNITY OVERVIEW

- San Group is a vertically integrated primary and value-added manufacturer of lumber products across seven distinct wood species serving a broad customer base in both domestic and international markets.
- San Group has experienced a series of events that have impacted its profitability, however, has a long tenure of operations, critical equipment and strategically located facilities.



39,000+ MFBM
Throughput Capacity¹



~200
Employees At Peak



2 Large Scale
Value-Add Facilities

KEY INVESTMENT HIGHLIGHTS

0 1

Integrated forest products business with log storage / sorting, sawmilling and value-added capabilities

0 2

Operated at a competitive cost structure prior to supply issues and unexpected events

0 3

Key equipment and facilities all in place and ready to resume operations

FACILITY OVERVIEW

0 1

Coulson Manufacturing Sawmill Facility

Port Alberni, BC | Site 21.8 acres | Building 58k sq. ft.



Two adjacent sawmills capable of processing coastal log species and a wide-array of dimensions

0 2

San Forest Value-Add Facility

Port Alberni, BC | Site 25.6 acres | Building 300k+ sq. ft.



Value-add facilities specializing in value added lumber processing and solid wood products manufacturing

0 3

Langley Value-Add Facility

Langley, BC | Site 9.26 acres | Building 95k sq. ft.



Value-add facilities specializing in value added lumber processing and solid wood products manufacturing

0 4

Langley Agriculture Land

Langley, BC | Site 36.1 acres | Building 9k sq. ft.

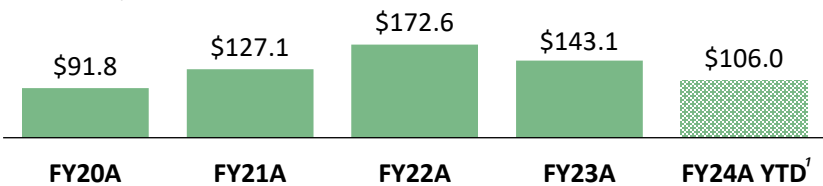


Agricultural land adjacent to Langley re-manufacturing facility with additional river access

REVENUE AND CUSTOMERS

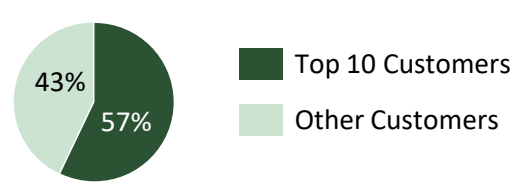
Historical Revenue (years ending October 31st)

(C\$ in millions)²



Diversified Customer Base - % Revenue

FY24 YTD²



(1) Figures calculated on a one-shift basis for Coulson Manufacturing Sawmill Facility, (2) For the period 11 months ending September 2024.

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PRODUCTS

- **Diverse Portfolio:** San Group offers a broad range of premium wood products catering to both modern and high-end architectural styles.
- **High-Quality Materials:** Crafted from durable, eco-friendly wood across a variety of species such as Western Red Cedar, Yellow Cedar and Douglas Fir.
- **Versatile Applications:** Designed for easy installation across residential, commercial, and outdoor uses.
- **Expert Craftsmanship:** Precision-engineered to ensure durability, and refined aesthetics, ideal for construction and design.
- **Sustainability Focus:** Products are eco-conscious, offering long-lasting solutions that align with sustainable construction practices.
- **Sizes and Dimensions:** Large and small diameter logs ranging from 3" to 60" across all species.



Signature
Engineered

Decking and V-
Joint Paneling

Shadow Gap
Siding

Bevel Siding

Various
Dimensions
including Full
Timber Deck
Profile

Channel / Lap
Siding

KEY EQUIPMENT

Sawmill A Edger



Coulson
Manufacturing Facility

Sawmill B Merchandising Line



Coulson
Manufacturing Facility

Slicer & Oven Drier



San Forest
Value-Add Facility

White and Green Molder



San Forest
Value-Add Facility

Planer Line Trimmer



Langley
Value-Add Facility

Product Resaw Line



Langley
Value-Add Facility

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Transaction Process

Non-binding letter of intent submissions deadline is 5:00 p.m. PT on Friday, February 28, 2025

- On November 29, 2024, San Industries Ltd. and certain related entities (“San Group”) filed for protection under the *Companies’ Creditors Arrangement Act* (“CCAA”). Deloitte Restructuring Inc. (“Deloitte”) has been appointed as monitor with enhanced powers of the business and financial affairs of San Group (“Monitor”) and a Sale and Investment Solicitation Process (“SISP”) has been initiated.
- On January 16, 2025, the Court granted a SISP Order authorizing the Monitor to undertake a SISP in respect of San Groups assets, undertakings and property. The material San Group entities that are included in the SISP are as follows: San Industries Ltd., Axon Lumber Ltd., Coulson Manufacturing 2017 Ltd., San Forest Products Ltd., San Cedar Direct Sales Ltd., San Farming Ltd., San Forest Specialty Ltd., and San Terminals Inc.
- Upon execution and receipt of a non-disclosure agreement, Deloitte will deliver a Confidential Information Summary and the associated Terms and Conditions to qualified interested parties, which will provide additional information on the San Group and this acquisition and investment opportunity.
- Interested parties are invited to submit offers either *en bloc* or for any one or more of the Offering Parcels (as defined in the SISP Order). The sale of any of the Property and/or any Offering Parcels will be on an “as-is, where is” basis.
- A copy of the SISP Order, including details of the Offering Parcels and further information pertaining to the San Group CCAA proceedings can be found on the Monitor’s website at: www.insolvencies.deloitte.ca/sangroup

Inquiries & Contact Information

- All inquiries and requests for additional information regarding San Group and this sale and investment opportunity should be directed to the Deloitte personnel listed below. Unless otherwise approved in advance by Deloitte, prospective interested parties should under no circumstances communicate directly with San Group or its management, board of directors, shareholders, creditors, employees, suppliers, and other constituents as described more fully in the non-disclosure agreement.

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