



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Third Quarter 2025 Results

November 14, 2025, Vancouver, B.C. - Conifex Timber Inc. ("Conifex", "we" or "us") (TSX: CFF) today reported results for the third quarter ended September 30, 2025. EBITDA* was negative \$16.6 million for the quarter compared to EBITDA of negative \$3.2 million in the second quarter of 2025 and negative \$3.9 million in the third quarter of 2024. Net loss was \$16.6 million or (\$0.41) per share for the quarter versus a net loss of \$8.3 million or (\$0.20) per share in the previous quarter and a net loss of \$3.8 million or (\$0.09) per share in the third quarter of 2024.

Selected Financial Highlights

The following table summarizes our selected financial information for the comparative periods. The financial information reflects results of operations from our Mackenzie sawmill and power plant.

Selected Financial Information

(unaudited, in millions of dollars, except share and exchange rate information)

	Q3 2025	Q2 2025	YTD 2025	Q3 2024	YTD 2024
Sales					
Lumber – Conifex produced	26.4	27.4	85.1	19.1	73.6
By-products and other	4.9	2.9	13.9	2.9	8.3
Bioenergy	6.8	3.6	17.6	3.2	15.9
	38.2	33.9	116.7	25.2	97.7
Operating income (loss)	(19.5)	(4.5)	(21.7)	(6.1)	(22.9)
EBITDA ⁽¹⁾	(16.6)	(3.2)	(14.8)	(3.9)	(11.5)
Net income (loss)	(16.6)	(8.3)	(24.3)	(3.8)	(18.1)
Basic earnings (loss) per share	(0.41)	(0.20)	(0.60)	(0.09)	(0.45)
Diluted earnings (loss) per share	(0.37)	(0.18)	(0.54)	(0.09)	(0.41)
Shares outstanding – weighted average (millions)	40.8	40.8	40.8	40.5	40.5
Diluted Shares (millions)	45.1	45.1	45.1	44.1	44.1

Reconciliation of EBITDA to net income (loss)

Net income (loss)	(16.6)	(8.3)	(24.3)	(3.8)	(18.1)
Add: Finance costs	4.4	2.4	9.1	1.8	6.1
Amortization	3.1	1.9	7.9	2.4	8.1
Deferred income tax expense (recovery)	(7.5)	0.8	(7.5)	(4.3)	(7.5)
EBITDA⁽¹⁾	(16.6)	(3.2)	(14.8)	(3.9)	(11.5)

* In this release, reference is made to "EBITDA". EBITDA represents earnings before finance costs, taxes, depreciation and amortization. We disclose EBITDA as it is a measure used by analysts and by our management to evaluate our performance. As EBITDA is not a generally accepted earnings measure under IFRS and does not have a standardized meaning prescribed by IFRS, it may not be comparable to EBITDA calculated by other companies. In addition, EBITDA is not a substitute for net earnings or cash flow, as determined in accordance with IFRS, and therefore readers should consider those measures in evaluating our performance.

Selected Operating Information

	Q3 2025	Q2 2025	YTD 2025	Q3 2024	YTD 2024
Production – WSPF lumber (MMfbm) ⁽²⁾	38.5	35.3	120.2	31.5	110.0
Shipments – WSPF lumber (MMfbm) ⁽²⁾	40.1	38.9	116.9	29.3	112.4
Electricity production (GWh)	47.6	29.6	124.9	25.9	120.0
Average exchange rate – \$/US\$ ⁽³⁾	0.726	0.723	0.715	0.733	0.735
Average WSPF 2x4 #2 & Btr lumber price (US\$) ⁽⁴⁾	\$477	\$471	\$480	\$367	\$398
Average WSPF 2x4 #2 & Btr lumber price (CDN\$) ⁽⁵⁾	\$657	\$651	\$671	\$500	\$542

(1) Conifex's EBITDA calculation represents earnings before finance costs, taxes, depreciation and amortization.

(2) MMfbm represents million board feet.

(3) Bank of Canada, www.bankofcanada.ca.

(4) Random Lengths Publications Inc.

(5) Average SPF 2x4 #2 & Btr lumber prices (US\$) divided by average exchange rate.

Summary of Third Quarter 2025 Results

Consolidated Net Earnings

During the third quarter of 2025, we incurred a net loss of \$16.6 million or \$0.41 per share compared to a net loss of \$8.3 million or \$0.20 per share in the previous quarter, and net loss of \$3.8 million or \$0.09 per share in the third quarter of 2024.

Our lumber production in the third quarter of 2025 totalled approximately 38.5 million board feet, representing operating rates of approximately 64% of annualized capacity. Third quarter production was negatively impacted by challenges related to log profile and delivery delays caused by the use of water-based deliveries in our supply chain which is in the normal course of business for the summer delivery season.

Our third quarter production represented an increase of 9% from the 35.3 million board feet produced in the previous quarter, primarily due to our ability to operate our planer on a five-day, two shift operating configuration as a result of increased log availability, and an increase of 22% from the 31.5 million board feet produced in the third quarter of 2024, during which quarter we were negatively impacted by market-related curtailments.

Shipments of Conifex-produced lumber totaled 40.1 million board feet in the third quarter of 2025, representing an increase of 3% from the 38.9 million board feet shipped in the previous quarter, primarily due to the increased operating configuration of our planer and a draw-down in lumber inventory in the current quarter, and an increase of 37% from the 29.3 million board feet of lumber shipped in the third quarter of 2024, during which quarter we were negatively impacted by market-related curtailments.

Revenues from lumber products were \$26.4 million in the third quarter of 2025, representing a decrease of 4% from the previous quarter and an increase of 38% from the third quarter of 2024. Compared to the previous quarter, lower sales realizations on flat lumber market prices with higher duty rates, combined with a lower exchange rate on US dollar denominated lumber sales, contributed to decreased revenue. The revenue increase in the current quarter over the same period in the prior year was due to higher sales realizations as a result of higher print prices and higher exchange rates on US denominated lumber sales in the current quarter.

Cost of goods sold in the third quarter of 2025 increased by 19% from the previous quarter and decreased by 36% from the third quarter of 2024. The increase in cost of goods sold from the prior quarter was primarily driven by higher production volume and higher inventoried costs resulting in a non-cash inventory write down of approximately \$1.2 million in the current quarter. Log costs were also higher in the third quarter of 2025 than in the previous quarter due to the use of water-based deliveries in our supply chain, which are more complex than direct-from-bush haul and are in the normal course of business for the summer delivery

season. Unit manufacturing costs in the third quarter of 2025 were materially higher than the previous quarter and generally on par with the third quarter of 2024. The increase from the previous quarter was primarily the result of higher raw material costs due to an increase in consumed log cost and decrease in lumber recovery, which was primarily driven by a smaller overall log profile.

We recorded inventory valuation reserves of \$1.2 million in the third quarter of 2025, nil in the second quarter of 2025, and \$0.7 million in the third quarter of 2024. The increased in inventory reserves relative to the previous quarter of 2025 and the third quarter of 2024 can be attributed to slightly higher inventoried unit costs, more inventory, and slightly less favourable projected sales prices based on inventory distribution.

We expensed countervailing ("**CV**") and anti-dumping ("**AD**") duty deposits of \$15.3 million in the third quarter of 2025, \$2.0 million in the previous quarter and \$0.2 million in the third quarter of 2024. In September of 2024, the duty deposit rate increased from a combined rate of 8.05% to a combined rate of 14.4%, and in September of 2025 duty deposit rates increased again from a combined rate of 14.4% to a combined rate of 35.16% as a result of the finalization of the sixth administrative review ("**AR6**"). Export taxes during the third quarter of 2025 were materially higher than the previous quarter due to the aforementioned duty rate increase, combined with a non-cash duty export expense of \$12 million booked in the third quarter of 2025 to reflect the finalization of duty rates under AR6, and were materially higher than the third quarter of 2025 due to higher duty rates and the non-cash duty export expense, together with higher shipped volume and selling prices in the current quarter. In total we have deposited US\$44.1 million net of duty sales.

Bioenergy Operations

Our power plant sold 47.6 GWh of electricity under our electricity purchase agreement with British Columbia Hydro and Power Authority in the third quarter of 2025 representing approximately 88% of targeted operating rates. Our power plant sold 29.6 GWh in the second quarter of 2025 and 25.9 GWh of electricity in the third quarter of 2024. Production at our power plant in the third quarter of 2025 increased relative to the previous quarter due to undertaking the bulk of our six-week annual maintenance shutdown, which ended in early July, in the second quarter of 2025. Production increased relative to the third quarter of 2024 due to the occurrence in the third quarter of 2024 of a five-week curtailment relating to the threat of a transportation disruption arising from the CN labour strike and the corresponding impact to the sawmill side of our business.

Electricity production contributed revenues of \$7.0 million in the third quarter of 2025, \$3.6 million in the previous quarter and \$3.2 million in the third quarter of 2024. The reduced operating days in the two comparative quarters were the primary reason for the lower revenues in such quarters, with the time of delivery factor also negatively impacting the second quarter of 2025.

Selling, General and Administrative Costs

Selling, general and administrative ("**SG&A**") costs slightly decreased between the third quarter of 2025 and the previous quarter and increased from the third quarter of 2024. SG&A costs were \$1.4 million in the third quarter of 2025, \$1.5 million in the previous quarter and \$1.3 million in the third quarter of 2024. Overall SG&A costs remained largely unchanged, and the small variances were immaterial in nature over any specific area of the SG&A segment.

Finance Costs and Accretion

Finance costs and accretion totaled \$4.4 million in the third quarter of 2025, \$2.4 million in the previous quarter and \$1.8 million in the third quarter of 2024. The increase in finance costs relative to the previous quarter primarily relates to the non-cash adjustment of \$1.9 million in interest related to the finalization of the duty rates under AR6 in the current quarter. The increase in finance costs compared to the third quarter of 2024 primarily relates to the non-cash interest adjustment of \$1.9 million in the current quarter, combined with additional draws on the secured term loan supporting our lumber operations (the "**Pender Term Loan**")

taken at the end of the first quarter and near the end of the third quarter which increased our interest expense, partially offset by principal repayments against the secured term loan supporting our power operations (the "**Power Term Loan**") and repayments against the Pender Term Loan.

Gain or Loss on Derivative Financial Instruments

From time to time, we may enter into lumber future contracts to manage our commodity lumber price or foreign exchange exposures. Gains or losses on derivative instruments are recognized as they are settled or as they are marked to market for each reporting period.

There were no outstanding futures contracts in place as at September 30, 2025.

Other Income

We recognized minimal other income in each of the third quarter of 2025, the previous quarter, and the third quarter of 2024.

Foreign Exchange Translation Gain or Loss

The foreign exchange translation gain or loss recorded for each period on our statement of net income results from the revaluation of US dollar-denominated cash and working capital balances to reflect the change in the value of the Canadian dollar relative to the value of the US dollar. US dollar-denominated monetary assets and liabilities are translated using the period end rate.

The US dollar averaged US\$0.726 for each Canadian dollar during the third quarter of 2025, a level which represented a strengthening of the Canadian dollar over the previous quarter¹.

The foreign exchange translation impacts arising from the variability in exchange rates at each measurement period on cash, working capital balances, and the carrying value of softwood lumber duties on our balance sheet resulted in a foreign exchange translation loss of \$0.2 million in the third quarter of 2025, compared to a foreign exchange translation loss in the previous quarter of \$0.8 million and foreign exchange gain of \$0.2 million in the third quarter of 2024. The decrease in loss relative to the previous quarter is due to a weakening of the Canadian dollar to the US dollar quarter over quarter and a strengthening of the Canadian dollar to the US dollar relative to the third quarter of 2024.

Income Tax

We recorded an income tax recovery of \$7.5 million in the third quarter of 2025, a \$0.8 million expense in the previous quarter and a \$4.3 million recovery in the third quarter of 2024. The increase in tax recovery in the current quarter compared to the previous quarter and the third quarter of 2024 was primarily due to a non-cash adjustment of \$12 million plus interest relating to the finalization of duty rates under AR6, which was booked during the current quarter.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities on our balance sheet and the amounts used for income tax purposes. As at September 30, 2025, we have recognized deferred income tax assets of \$13.1 million, compared to \$5.9 million in the previous quarter and \$10.5 million in the third quarter of 2024.

Financial Position and Liquidity

Overall debt was \$82.6 million at September 30, 2025, compared to \$81.6 million at June 30, 2025, and \$77.6 million at September 30, 2024. The increase in overall debt between the third quarter of 2025 and the previous quarter was driven by an additional draw of \$2 million against the Pender Term Loan, partially offset by repayments against the Pender Term Loan and operating leases in the current quarter. At

¹ Source: Bank of Canada, www.bankofcanada.ca

September 30, 2025, we had \$47.2 million outstanding on our Power Term Loan, \$32.7 million outstanding on the Pender Term Loan, and \$2.7 million in leases.

At September 30, 2025, we had available liquidity of \$1.7 million, comprised of unrestricted cash. This is a decrease from our available liquidity of \$3.0 million as at June 30, 2025 and a decrease from our available liquidity of \$2.4 million as at September 30, 2024. The change in liquidity in the third quarter of 2025 compared to the second quarter of 2025 and the third quarter of 2024 was primarily due to the imposition of materially higher softwood lumber duty rates in the current quarter.

Like other Canadian lumber producers, we were required to begin depositing cash on account of softwood lumber duties imposed by the US government in April 2017. Cumulative duties of US\$44.1 million paid by us, net of certain prior sales of such deposits, since the inception of the current softwood lumber trade dispute remain held in trust by the US pending administrative reviews and the conclusion of all appeals of US decisions. We expect future cash flows could be adversely impacted by the CV and AD duty deposits to the extent additional costs on US destined shipments are not mitigated by higher lumber prices.

The Company recognizes there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business.

During the current year, Conifex's financial results have been adversely impacted by duty and tariff increases imposed by the United States of America on softwood lumber imports. The uncertainty and impact of duties and tariffs related to generating positive cash flows from operations are unknown and indeterminable at this time. This has resulted in higher costs and reduced margins, creating uncertainty regarding future operating cash flows and profitability. After adjustments for working capital items, net cash outflow from operations was \$0.3 million for the three months ended and cash generated \$0.5 million for the nine months ended September 30, 2025. Conifex funded duty deposits of \$3.2 million and \$8.0 million over the respective three- and nine-month periods. Consequently, net working capital at September 30, 2025, was \$4.0 million as compared to \$15.5 million as at December 31, 2024.

Conifex is working collaboratively with its lenders to provide additional accommodations under its existing facilities, including amending payment terms and amortization periods. In September 2025, Pender agreed to increase the aggregate principal amount available under the Pender Term Loan to approximately \$35 million, subject to certain conditions. Conifex continues to work on additional amendments that would allow it to comply with its obligations under the Power Term Loan. There can be no assurance that any such amendments will be agreed to on terms acceptable to Conifex or at all. If Conifex is unsuccessful in negotiating such amendments or is unable to obtain a permanent or temporary waiver in lieu thereof, the lenders thereunder may seek remedies for any uncured defaults by Conifex of its contractual obligations under the Power Term Loan.

Conifex is also pursuing financing opportunities available through the federal government's \$700 million Softwood Lumber Guarantee Program. The program is aimed at providing liquidity support to Canadian softwood lumber businesses impacted by current economic conditions. While details on eligibility and funding timelines continue to be refined, and no guarantee of funding through the program is assured, Conifex believes that the program is designed to help companies like Conifex fund their operational cash flow and to support continuity of operations. Conifex may also explore the sale of certain non-core assets to provide additional liquidity.

Management has implemented cost saving measures and is deferring non-essential capital expenditures and will continue to evaluate the implementation of such measures on an ongoing basis. Although we believe that the steps we have taken, and that we will continue to take, will result in sufficient liquidity, there can be no assurance that we will be successful or that market conditions will not work to offset our actions. In the near term, we may reevaluate the current scale of our operations at our Mackenzie Mill in response to liquidity challenges in order to increase our prospects of maintaining sufficient liquidity to sustain a two-shift operation in the event that lumber prices normalize in the year ahead.

Subsequent to the end of the third quarter, our lumber lender increased the aggregate principal amount available to Conifex under the Pender Term Loan by \$1.0 million, which is scheduled for repayment on or before January 26, 2026. Following the increase, the aggregate principal amount available under the Pender Term Loan is approximately \$36.0 million.

Outlook

North American lumber markets are anticipated to experience continued demand and lumber price volatility and uncertainty throughout the remainder of 2025. Duty deposit rate increases, and the imposition of additional tariffs represent significant challenges to operators. We will continue to monitor market conditions and other economic factors and may adjust our operations as we deem necessary considering such conditions and factors.

Conference Call

We have scheduled a conference call on Friday, November 14, 2025, at 8:00 AM Pacific time / 11:00 AM Eastern time to discuss the third quarter 2025 financial and operating results. To participate in the call, please dial toll free 1-877-704-4453 and enter the participant passcode 13755952#.

Our management's discussion and analysis and financial statements for the quarter ended June 30, 2025, are available under our profile on SEDAR+.

For further information, please contact:

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About Conifex Timber Inc.

Conifex and its subsidiaries' primary business currently includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing and distribution. Conifex's lumber products are sold in the United States, Canadian and Japanese markets. Conifex also produces bioenergy at its power generation facility at Mackenzie, B.C.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements." Forward-looking statements are statements that address or discuss activities, events or developments that Conifex expects or anticipates may occur in the future. When used in this news release, words such as "estimates," "expects," "plans," "anticipates," "projects," "will," "believes," "intends," "should," "could," "may," and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements reflect the current expectations and beliefs of Conifex's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of Conifex or the industry may be materially different from those implied by such forward-looking statements. Examples of such forward-looking information that may be contained in this news release include statements regarding: the availability and use of credit facilities or proceeds therefrom; our level of liquidity, our ability to service our debt, and our ability to amend our debt repayment terms and timing, as necessary; our ability to access financing opportunities through the federal government's \$700 million Softwood Lumber Guarantee Program; the realization of expected benefits of completed, current and any contemplated capital projects and the expected timing and budgets for such projects, including the build-out of any high-performance computing or data center operations; the growth and future prospects of our business; our expectations regarding our results of operations and performance; our planned operating format and expected operating rates; our perception of the industries or markets in which we operate and anticipated trends in such markets and in the countries in which we do business; our ability to supply our manufacturing operations with wood fibre and our expected cost of wood fibre; our expectation for market volatility associated with, among other things, the softwood lumber dispute with the US; potential negative impacts of duties or other protective measures on our products, such as antidumping duties or countervailing duties on softwood lumber, or tariffs, duties or other protective measures on the Canadian economy in general; the expected rates of such antidumping duties, countervailing duties, tariffs, and other duties imposed by the US government, and any accounting entries required in respect thereof; the outcome and/or effects of the US government's investigation into the national security implications of importing timber, lumber, and related products; continued positive relations with Indigenous groups; the development of a longer-term capital plan and the

expected benefits therefrom; demand and prices for our products; our ability to develop new revenue streams; the outcome of any actual or potential litigation; future capital expenditures; changes in stumpage fees and the uncertainty regarding future timber availability and costs resulting therefrom; and our expectations regarding interest rates and US dollar benchmark prices. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, our future debt levels; that we will complete our projects in the expected timeframes and as budgeted; that we will effectively market our products; that capital expenditure levels will be consistent with those estimated by our management; our ability to obtain and maintain required governmental and community approvals; the impact of changing government regulations and shifting political climates; that current demand for lumber will continue to be in balance with supply; that transportation services by third party providers will continue uninterrupted; our ability to ship our products in a timely manner; that there will be no unforeseen disruptions affecting the operation of our Mackenzie power plant and that we will be able to continue to deliver power therefrom; our ability to obtain financing on acceptable terms, or at all; that interest and foreign exchange rates will not vary materially from current levels; the general health of the capital markets and the lumber industry; and the general stability of the economic environments within the countries in which we operate or do business. Forward-looking statements involve significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation: those relating to potential disruptions to production and delivery, including as a result of equipment failures, labour issues, the complex integration of processes and equipment and other similar factors; labour relations; failure to meet regulatory requirements; changes in the market; potential downturns in economic conditions; fluctuations in the price and supply of required materials, including log costs; fluctuations in the market price for products sold; foreign exchange fluctuations; trade restrictions or import duties, tariffs or other protective measures imposed by foreign governments; availability of financing (as necessary); and other risk factors detailed in our 2024 annual information form dated March 12, 2025 and our 2024 annual MD&A dated March 12, 2025 available under Conifex's profile on SEDAR+ at www.sedarplus.ca and other filings with the Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and Conifex does not undertake any obligation to publicly revise them to reflect subsequent events or circumstances, except as required by applicable securities laws.