FOR IMMEDIATE RELEASE TSX: WEF

Western Announces Third Quarter 2023 Results

November 7, 2023 – Vancouver, British Columbia – Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") reported a net loss of $17.4 million in the third quarter of 2023, as compared to a net loss of $20.7 million in the second quarter of 2023, and net income of $6.6 million in the third quarter of 2022. Results in the third quarter of 2023 reflect more challenging macroeconomic conditions, resulting in lower product prices and reduced demand compared to the same period last year. We curtailed certain sawmill operations during the third quarter of 2023, to manage inventories and match production to product demand.

Adjusted EBITDA was negative $11.6 million in the third quarter of 2023, as compared to Adjusted EBITDA of negative $12.0 million in the second quarter of 2023, and adjusted EBITDA of $17.3 million in the third quarter of 2022.

Operating loss prior to restructuring and other items was $25.8 million in third quarter of 2023, as compared to income of $4.7 million in the third quarter of 2022.

Highlights:

- Announced a $35.9 million agreement to sell a 34% interest in a newly formed forestry Limited Partnership to four Vancouver Island First Nations
- Celebrated one year anniversary of glulam business asset acquisition from Calvert Company, Inc. with operations accretive to EBITDA in that year
- Completed installation of machine stress rated lumber grader to support increased product value and mass timber market growth
- Recognized an export tax recovery of $4.3 million on finalization of the softwood lumber duty rate

(millions of Canadian dollars except per share amounts and where otherwise noted)	Q3 2023	Q3 2022	Q2 2023	YTD 2023	YTD 2022
Revenue	$ 231.1	$ 356.0	$ 276.0	$ 770.9	$ 1,153.0
Export tax expense	5.2	8.0	6.2	16.1	34.2
Export tax recovery	(4.3)	(18.0)	-	(4.3)	(18.0)
Stumpage expense	5.9	36.4	14.3	35.7	90.1
Adjusted EBITDA (1)	(11.6)	17.3	(12.0)	(28.7)	148.9
Adjusted EBITDA margin (1)	(5%)	5%	(4%)	(4%)	13%
Operating income (loss) prior to restructuring and other items	$ (25.8)	$ 4.7	$ (25.1)	$ (69.0)	$ 110.3
Net income (loss)	(17.4)	6.6	(20.7)	(55.8)	83.2
Earnings (loss) per share, diluted	(0.05)	0.02	(0.07)	(0.17)	0.25
Net debt (cash) (2), end of period	59.5	(35.4)	34.6		
Liquidity (1), end of period	170.2	269.1	195.5		

Commenting on the quarter, Western's President and CEO Steven Hofer said, "While our results in the quarter reflect the continued challenging operating environment and cost structure in our British Columbia operations, we are encouraged by the progress we've made in repositioning our business for the future. The agreement announced with the Tlowitsis, We Wai Kai, Wei Wai Kum and K'ómoks First Nations is a significant step forward. This partnership will provide a collaborative forest stewardship and business model that is key to the operational stability in Coastal BC that we need to support reinvestment, and we are excited to move it forward."

(1) Refer to Adjusted EBITDA, Liquidity, Adjusted EBITDA margin in the Non-GAAP Financial Measures section.
(2) Net debt (cash), a supplemental measure, is defined as cash and cash equivalents less long-term debt and bank indebtedness.

Summary of Third Quarter 2023 Results

We reported Adjusted EBITDA of negative $11.6 million in the third quarter of 2023, which included $4.3 million in export tax recovery, as compared to positive $17.3 million in the same period last year, which included $18.0 million in export tax recovery. Results in the third quarter of 2023 continue to reflect more challenging macroeconomic and lumber market conditions, as compared to the same period last year.

Net loss was $17.4 million in the third quarter of 2023, as compared to net income of $6.6 million in the same period last year. Operating loss prior to restructuring and other items was $25.8 million in the third quarter of 2023, as compared to income of $4.7 million in the same period last year.

Sales

Lumber revenue was $179.9 million in the third quarter of 2023 as compared to $267.1 million in the same period last year. The decrease of 33% was due to lower lumber shipment volumes and lower average lumber prices, partially offset by a stronger sales mix and stronger US Dollar ("USD") to Canadian Dollar ("CAD") average exchange rate. Our average realized lumber price decreased by 7% to $1,388 per thousand board feet in the third quarter of 2023, as compared to $1,495 per thousand board feet in the same period last year.

Specialty lumber shipments represented 55% of total lumber shipment volumes in the third quarter of 2023, as compared to 39% in the same period last year, yielding a stronger sales mix. Industrial lumber shipment volumes remained flat compared to the same period last year with incremental volume from the acquisition of our Calvert engineered wood products division offset by lower volumes in certain other product lines. Cedar lumber shipment volumes increased 21% compared to the same period last year due to improved take-away through the home centre segment. Japan lumber shipment volumes decreased 17% compared to the same period last year due to increased levels of supply from domestic manufacturing, Europe and Russia. Commodity lumber shipment volumes decreased 47% compared to the same period last year due to weaker market demand.

Log revenue was $38.4 million in the third quarter of 2023, as compared to $72.5 million in the same period last year. The decrease of 47% was due to lower log sales volumes and lower domestic log prices.

By-products and other revenue were $12.8 million, as compared to $16.4 million in the same period last year. The decrease of 22% was due to lower chip prices and lower volumes as the result of reduced sawmill production, partially offset by higher revenue from harvesting services provided to third parties.

Operations

Lumber production was 126 million board feet in the third quarter of 2023, as compared to 169 million board feet in the same period last year. During the third quarter of 2023 we curtailed certain sawmill operations to match production to market demand and manage inventory levels. A higher specialty mix of production led to increased secondary processing volumes and costs as compared to the third quarter of 2022.

We harvested 678,000 cubic metres of logs from our BC coastal operations in the third quarter of 2023, as compared to 800,000 cubic metres in the same period last year, due to an extended fire-risk season and reduced heli-logging contractor availability.

Despite lower harvest volumes, Timberlands operating cash costs per cubic metre declined 26% in the third quarter of 2023, compared to the same period last year, primarily as a result of lower stumpage per cubic metre. A reduction in more costly heli-logging harvest and management of road building activity also contributed to the lower unit costs.

BC Coastal sawlog purchases were 116,000 cubic metres in the third quarter of 2023, as compared to 302,000 cubic metres in the same period last year. We managed sawlog purchases to match fibre requirements at our BC manufacturing facilities.

Freight expense was $15.7 million in the third quarter of 2023 as compared to $25.6 million in the same period last year. The decrease of 39% was due to lower lumber and export shipments and lower container, rail and trucking rates. In addition, lack of container availability in the third quarter of 2022 necessitated the use of higher cost breakbulk vessels.

Adjusted EBITDA and operating income included $5.2 million of countervailing duty ("CV") and anti-dumping duty ("AD") expense in the third quarter of 2023, as compared to $8.0 million in the same period of 2022. Export tax expense declined due to lower duty rates, lumber prices and US-destined lumber shipment volumes, partially offset by a stronger USD.

During the third quarter of 2023, we recognized a recovery of $4.3 million on the finalization of duty rates from 8.99% to 8.05% for shipments made in 2021. The comparative quarter of 2022 included a recovery of $18.0 million on the finalization of duty rates from 20.23% to 8.59% or shipments made in 2020.

Corporate and Other

Selling and administration expense was $9.6 million in the third quarter of 2023 as compared to $11.1 million in the same period last year, primarily as a result of reduced incentive compensation expense.

Other income was $2.2 million in the third quarter of 2023 as compared to $4.0 million in the same period last year, resulting primarily from lower unrealized foreign exchange gains on export tax receivables.

Finance costs were $0.5 million in the third quarter of 2023 as compared to finance income of $0.7 million in the same period last year. Interest expense on higher average borrowings were partially offset by interest revenue from the export duty receivable.

Income Taxes

Income tax recovery was $6.5 million on a net loss before tax of $23.9 million in the third quarter of 2023, as compared to an expense of $3.0 million on income before tax of $9.6 million in the same period last year. The effective tax rate was 27% as compared to 31% in the same period last year.

Net Income (Loss)

Net loss was $17.4 million in the third quarter of 2023, as compared to net income of $6.6 million for the same period last year. More challenging macroeconomic conditions resulted in lower lumber demand and prices and impacted results quarter over quarter.

Summary of Year to Date 2023 Results

We reported Adjusted EBITDA of negative $28.7 million for the first nine months of 2023, as compared to $148.9 million for the same period last year. Results in the nine months of 2023 continue to reflect more challenging macroeconomic and lumber market conditions, as compared to the same period last year.

Net loss was $55.8 million for the first nine months of 2023, as compared to net income of $83.2 million for the same period last year. Operating loss prior to restructuring and other items was $69.0 million in the first nine months of 2023, as compared to income of $110.3 million in the same period last year.

Sales

Lumber revenue was $603.3 million in the first nine months of 2023 as compared to $932.8 million in the same period last year. The decrease of 35% was due to lower lumber shipment volumes and average lumber prices, partially offset by a slightly stronger sales mix and stronger USD to CAD average exchange rate. Our average realized lumber price was $1,334 per thousand board feet in the first nine months of 2023, as compared to $1,661 per thousand board feet in the same period last year, a decrease of 20%.

Speciality lumber shipments represented 49% of total lumber shipment volumes in the first nine months of 2023, as compared to 45% in the same period last year, yielding a slightly stronger sales mix. Industrial lumber shipment volumes increased 22% compared to the same period last year with incremental volume from the acquisition of our Calvert engineered wood products division and growth primarily in Douglas fir timbers. Cedar lumber shipments decreased 13% compared to the same period last year as buyers managed inventory levels to market conditions. Japan lumber shipment volumes decreased 35% compared to the same period last year due to increased levels of supply from domestic manufacturing, Europe and Russia.

Commodity lumber shipments decreased 25% compared to the same period last year due to weaker market demand.

Log revenue was $129.8 million in the first nine months of 2023, as compared to $176.0 million in the same period last year. The decrease of 26% was due to lower average domestic log prices, partially offset by higher log sales volume, as we balanced log inventories to lumber market conditions and fibre requirements of our manufacturing facilities.

By-product and other revenue were $37.8 million in the first nine months of 2023 as compared to $44.2 million in the same period last year. The decrease of 14% was due to lower chip prices and lower volumes as the result of reduced sawmill production, partially offset by higher revenue from harvesting services provided to third parties.

Operations

Lumber production was 436 million board feet in the first nine months of 2023, as compared to 517 million board feet in the same period last year. During the first nine months of 2023 we took operating curtailments at certain sawmills to match production to market demand and manage inventory.

We harvested 2,234,000 cubic metres of logs from our BC coastal operations in the first nine months of 2023, as compared to 2,451,000 cubic metres in the same period last year, due to an extended fire-risk season, reduced heli-logging contractor availability in the third quarter of 2023 and matching harvest volumes to market conditions.

Despite lower harvest volumes, Timberlands operating cash costs per cubic metre declined 22% in the first nine months of 2023, compared to the same period last year, primarily as a result of lower stumpage per cubic metre and management of road building activity.

BC Coastal sawlog purchases were 475,000 cubic metres in the first nine months of 2023, as compared to 920,000 cubic metres in the same period last year. We managed sawlog purchases to match fibre requirements at our BC manufacturing facilities.

Freight expense was $59.3 million in the first nine months of 2023 as compared to $82.7 million in the same period last year. The decrease of 28% was due to lower lumber and export shipments and lower container, rail and trucking rates. In addition, lack of container availability in the first nine months of 2022 necessitated the use of higher cost breakbulk vessels.

Adjusted EBITDA and operating income included $16.1 million of CV and AD expense in the first nine months of 2023, as compared to $34.2 million in the same period of 2022. In the first nine months of 2023, we recognized a recovery of $4.3 million on the finalization of duty rates from 8.99% to 8.05% for shipments made in 2021. The comparative period of 2022 included a recovery of $18.0 million on the finalization of duty rates from 20.23% to 8.59% for shipments made in 2020.

Export tax expense declined due to lower average duty rates, lumber prices and US-destined lumber shipment volumes.

Corporate and Other

Selling and administration expense was $32.0 million for the first nine months of 2023 as compared to $34.0 million in the same period last year, primarily as a result of reduced incentive compensation expense.

Restructuring costs were $6.6 million in the first nine months of 2023 as compared to $0.6 million in the same period last year. The increase was primarily due to retirement and other benefits related to our Alberni Pacific Division ("APD") facility and rightsizing of various operational functions within our business.

Other income was $1.3 million in the first nine months of 2023 as compared to income of $4.1 million in the same period last year, resulting primarily from lower unrealized foreign exchange gains on export tax receivables partially offset by gains on the sale of equipment and other assets.

Finance costs were $1.2 million in the first nine months of 2023 as compared to a negligible amount in the same period last year. Interest expense on higher average borrowings were partly offset by revenue from the export duty receivable.

Income Taxes

Income tax recovery was $19.7 million on a net loss before tax of $75.5 million in the first nine months of 2023, as compared to an expense of $30.6 million on income before tax of $113.8 million in the same period last year. The effective tax rate was 26% as compared to 27% in the same period last year.

Net Income (Loss)

Net loss was $55.8 million in the first nine months of 2023 as compared to net income of $83.2 million for the same period of last year. More challenging macroeconomic conditions during the first nine months of 2023 resulted in lower lumber demand and prices and impacted results year over year.

Alberni Pacific Division

The Company previously announced we would not restart our APD facility in its current configuration and had established a multi-party working group to explore viable industrial manufacturing solutions for the site over a 90-day period. On April 27, 2023, we announced we had commenced negotiations and due diligence processes related to the proposals we received, which are ongoing. Operations at the APD facility have been curtailed since fall 2022 and will remain curtailed through the negotiations.

Indigenous Relationships

We respect the treaty and Aboriginal rights of Indigenous groups, and we are committed to open dialogue and meaningful actions in support of reconciliation. We are actively investing time and resources in capacity building and fostering positive working relationships with Indigenous groups with traditional territories within which Western operates. For details of our progress in 2022, please see *"Indigenous Relationships"* in our Management's Discussion and Analysis for the year ended December 31, 2022. Work continues on several Nation-led, integrated resource management planning initiatives across five of the Tree Farm Licence ("TFL") areas where Western operates.

TFL 39 Block 2 Transaction

On October 23, 2023, Western and four Vancouver Island First Nations (Tlowitsis, We Wai Kai, Wei Wai Kum, and K'ómoks) (collectively, "Nations") announced an agreement for the Nations to acquire a 34% interest from Western in a newly formed Limited Partnership ("Partnership") for $35.9 million. The Partnership will consist of certain assts and liabilities of Western's Mid Island Forest Operation, including Block 2 of TFL 39. The operations of the new Partnership will cover approximately 157,000 hectares of forest land in the traditional territories of the Nations near the communities of Campbell River and Sayward on eastern Vancouver Island. The Partnership will manage an allowable annual cut ("AAC") of 904,540 cubic metres of timber, and includes a long-term fibre agreement to support Western's BC coastal manufacturing operations. The formation of the Partnership and acquisition by the Nations is subject to various closing conditions, including subdivision and tenure transfer approvals from the BC Ministry of Forests. Western and the Nations are working towards closing the acquisition in the first quarter of 2024.

Regulatory Environment

Since 2020, the Province of BC ("the Province") has introduced various policy initiatives and regulatory changes that impact the BC forest sector, including: fibre recovery, lumber remanufacturing, old growth forest management, forest stewardship and the exportation of logs.

Tripartite Framework Agreement on Nature Conservation ("Nature Agreement")

On November 3, 2023, the Government of Canada, the Province and the First Nations Leadership Council announced the signing of the Nature Agreement, extending through March 2030, and intended to further conserve and protect land and water, species and biodiversity in BC. The Nature Agreement includes up to $1 billion in government funding in support of the Government of Canada's goal to protect 30% of Canada's terrestrial and aquatic ecosystems by 2030. The Company is unable to assess the potential impact of the Nature Agreement on the Company's business at this time.

TFL 44

In June 2023, the Province set a new AAC for TFL 44, reducing the allowable annual log harvest from 793,600 cubic metres to 642,800 cubic metres. The new AAC was effective immediately and reflects harvest reductions associated with forest resources and socio-economic objectives of the Province, including the reallocation of previously unharvested volume to new forest licences.

The TFL 44 licence is held by the Tsawak-qin Forestry Limited Partnership, a partnership between Western and Huumiis Ventures Limited Partnership, a limited partnership beneficially owned by the Huu-ay-aht First Nations. The Company strongly opposes the AAC determination and the allocation of unharvested volume to new forest licences in light of their serious concerns that the allocation significantly affected the AAC determination and are continuing to pursue this matter with the Province. Given the foregoing, the Company is unable to assess the potential impact of this AAC determination on the Company's business at this time.

TFL 19

We expect the Provincial Chief Forester to determine a new AAC for TFL 19 before the end of 2023. While we cannot predict the outcome of the determination, the Management Plan that we submitted in 2020, recommended an 18% lower AAC (approximately 130,000 cubic metres), consistent with the timber supply forecasts from previous Management Plans.

Dividend and Capital Allocation

We remain committed to a balanced approach to capital allocation. We will continue to evaluate opportunities to invest strategic and discretionary capital in jurisdictions that create the opportunity to grow long-term shareholder value.

Quarterly Dividend

In response to the weaker lumber market conditions and corresponding financial results, Western is suspending its quarterly dividend until further notice, effective November 7, 2023. The Board of Directors ("Board") will continue to review the Company's dividend on a quarterly basis. Any decision to declare and pay dividends in the future will be made at the discretion of our Board, after considering our operating results, financial condition, cash requirements, financing agreement restrictions and other factors our Board may deem relevant.

Dividends of $4.0 million and $11.9 million were paid in the three and nine months ending September 30, 2023, respectively, as compared to $4.1 million and $11.4 million in the same period last year.

Normal Course Issuer Bid ("NCIB")

On August 3, 2023, the Company renewed its NCIB permitting the purchase and cancellation of up to 15,837,277 common shares, representing 5% of the Company's common shares outstanding as of August 2, 2023. The renewed NCIB commenced on August 11, 2023 and will end no later than August 10, 2024. The Company also entered into an automatic share purchase plan with a designated broker to facilitate purchases of its common shares under the renewed NCIB at times when the Company would ordinarily not be permitted to purchase its common shares due to regulatory restrictions or self-imposed blackout periods.

During the first nine months ended September 30, 2023, no common shares were repurchased under our current NCIB.

Strategy and Outlook

Western's long-term business objective is to create and grow shareholder value by building a sustainable, margin-focused specialty products business of scale to compete successfully in global markets. For more detail on our strategic initiatives and actions, refer to "*Strategy and Outlook*" in our Management's Discussion and Analysis for the year ended December 31, 2022.

Market Outlook

Near-term we expect lumber markets to remain volatile as we head into the typically slower fall and winter seasons. Consumers continue to adjust to higher interest rates and macroeconomic conditions which is driving a rebalancing of lumber supply and demand.

Demand and prices for Cedar timber and premium appearance products are expected to remain stable, while Cedar decking, trim and fencing products are expected to remain weaker. In Japan, we see near-term opportunities to increase volumes as domestic production has been impacted by a fire at a large Japanese sawmill. We anticipate prices to modestly improve in the near-term. Demand for our Industrial lumber products will be product line specific but are expected to remain stable over the near-term. North American demand and prices for our commodity products are expected to remain volatile, while lumber demand and prices in China are expected to remain weak.

We expect sawlog markets to follow conditions in the lumber markets, while residual chip pricing is expected to modestly improve in the fourth quarter of 2023 due to stronger northern bleached softwood kraft prices to China.

We remain excited about the long-term growth opportunity for wood products and the positive impacts they have in a low carbon world.

Non-GAAP Financial Measures

Reference is made in this news release to the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, Net debt to capitalization and total Liquidity are used as benchmark measurements of our operating results and as benchmarks relative to our competitors. These non-GAAP measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. The following table provides a reconciliation of these non-GAAP measures to figures as reported in our unaudited condensed consolidated financial statements:

(millions of Canadian dollars except where otherwise noted)

Adjusted EBITDA	**Q3 2023**	**Q3 2022**	**Q2 2023**	**YTD 2023**	**YTD 2022**
Net income (loss)	$ (17.4)	$ 6.6	$ (20.7)	$ (55.8)	$ 83.2
Add:					
Amortization	14.1	12.7	13.2	40.4	38.2
Changes in fair value of biological assets	-	(0.2)	(0.1)	(0.2)	0.3
Operating restructuring items	(0.2)	(0.2)	1.6	6.6	0.6
Other expense (income)	(2.2)	(4.0)	0.8	(1.3)	(4.1)
Finance costs	0.5	(0.7)	0.5	1.2	-
Income tax expense (recovery)	(6.5)	3.0	(7.3)	(19.7)	30.6
Adjusted EBITDA	$ (11.6)	$ 17.3	$ (12.0)	$ (28.7)	$ 148.9
Adjusted EBITDA margin					
Total revenue	$ 231.1	$ 356.0	$ 276.0	$ 770.9	$1,153.0
Adjusted EBITDA	(11.6)	17.3	(12.0)	(28.7)	148.9
Adjusted EBITDA margin	(5%)	5%	(4%)	(4%)	13%

Net debt to capitalization	**Sept. 30 2023**	**Sept. 30 2022**	**Jun. 30 2023**
Net debt (cash)			
Total debt	$ 62.0	$ -	$ 36.8
Bank indebtedness	0.5	-	1.0
Cash and cash equivalents	(3.0)	(35.4)	(3.2)
	$ 59.5	$ (35.4)	$ 34.6
Capitalization			
Net debt (cash)	$ 59.5	$ (35.4)	$ 34.6
Total equity attributable to equity shareholders of the Company	580.3	676.0	599.5
	$ 639.8	$ 640.6	$ 634.1
Net debt to capitalization	9%	0%	5%

Total liquidity	**Sept. 30 2023**	**Sept. 30 2022**	**Jun. 30 2023**
Cash and cash equivalents	$ 3.0	$ 35.4	$ 3.2
Available credit facility	250.0	250.0	250.0
Bank indebtedness	(0.5)	-	(1.0)
Credit facility drawings	(62.2)	-	(37.0)
Outstanding letters of credit	(20.1)	(16.3)	(19.7)
	$ 170.2	$ 269.1	$ 195.5

Figures in the table above may not equal or sum to figures presented elsewhere due to rounding.

Forward Looking Statements and Information

This press release contains statements that may constitute forward-looking statements under the applicable securities laws. Readers are cautioned against placing undue reliance on forward-looking statements. All statements herein, other than statements of historical fact, may be forward-looking statements and can be identified by the use of words such as "will", "commit", "project", "estimate", "expect", "anticipate", "plan", "target", "forecast", "intend", "believe", "seek", "could", "should", "may", "likely", "continue", "pursue" and similar references to future periods. Forward-looking statements in this press release include, but are not limited to, statements relating to our current intent, belief or expectations with respect to: domestic and international market conditions, demands and growth; economic conditions; our growth, marketing, production, wholesale, operational and capital allocation plans, investments and strategies, including but not limited to payment of a dividend or repurchase of shares; fibre availability and regulatory developments; changes to stumpage rates and the expected timing thereof; the impact of COVID-19; the execution of our sales and marketing strategy; the development and completion of integrated resource management plans or forest landscape plan pilots by First Nations; the impact of the Nature Agreement on the Company's operations; the impact of the determination of a new AAC for TFL 19; the Company's pursuit of the TFL 44 AAC determination with government; the potential for viable industrial manufacturing solutions for the APD facility; the timing and outcome of the negotiation processes for the APD facility; the completion of and expected timing of the acquisition by the Nations; and the expected timing and cost of completion of the Company's announced strategic investments. Although such statements reflect management's current reasonable beliefs, expectations and assumptions as to, amongst other things, the future supply and demand of forest products, global and regional economic activity and the consistency of the regulatory framework within which the Company currently operates, there can be no assurance that forward-looking statements are accurate, and actual results and performance may materially vary.

Many factors could cause our actual results or performance to be materially different including: economic and financial conditions including inflation, international demand for forest products, the Company's ability to export its products, cost and availability of shipping carrier capacity, competition and selling prices, international trade disputes and sanctions, changes in foreign currency exchange rates, labour disputes and disruptions, ability to recruit workers, natural disasters, the impact of climate change, relations with First Nations groups, First Nations' claims and settlements, the availability of fibre and allowable annual cut, the ability to obtain operational permits, development and changes in laws and regulations affecting the forest industry including as related to old growth timber management and the Manufactured Forest Products Regulation, changes in the price of key materials for our products, changes in opportunities, information systems security, future developments relating to COVID-19 and other factors referenced under the "Risks and Uncertainties" section of our MD&A in our 2022 Annual Report dated February 16, 2023. The foregoing list is not exhaustive, as other factors could adversely affect our actual results and performance. Forward-looking statements are based only on information currently available to us and refer only as of the date hereof. Except as required by law, we undertake no obligation to update forward-looking statements.

Reference is made in this press release to Adjusted Earnings Before Interest, Tax, Depreciation and Amortization ("Adjusted EBITDA"). Adjusted EBITDA is defined as operating income prior to operating restructuring items and other income (expense) plus amortization of plant, equipment, right of use and timber licence assets, impairment adjustments, and changes in fair value of biological assets. Adjusted EBITDA margin is Adjusted EBITDA as a proportion of revenue. Western uses Adjusted EBITDA and Adjusted EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider Adjusted EBITDA to be a meaningful supplement to operating income as a performance measure primarily because amortization expense, impairment adjustments and changes in the fair value of biological assets are non-cash costs and vary widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of their operating facilities. Further, the inclusion of operating restructuring items which are unpredictable in nature and timing may make comparisons of our operating results between periods more difficult. We also believe Adjusted EBITDA and Adjusted EBITDA margin are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Adjusted EBITDA does not represent cash generated from operations as defined by IFRS and it is not necessarily indicative of cash available to fund cash needs. Furthermore, Adjusted EBITDA does not reflect the impact of certain items that affect our net income. Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under IFRS, and should not be considered as alternatives to measures of performance under IFRS. Moreover, because all companies do not calculate Adjusted EBITDA in the same manner, Adjusted EBITDA and Adjusted EBITDA margin calculated by Western may differ from similar measures calculated by other companies. A reconciliation between the Company's net income as reported in accordance with IFRS and Adjusted EBITDA is included in this press release.

Also in this press release management may use key performance indicators such as net debt, and net debt to capitalization. Net debt is defined as long-term debt and bank indebtedness less cash and cash equivalents. Net debt to capitalization is a ratio defined as net debt divided by capitalization, with capitalization being the sum of net debt and equity. These key performance indicators are non-GAAP financial measures that do not have a standardized meaning and may not be comparable to similar measures used by other issuers. They are not recognized by IFRS, but are meaningful in that they indicate the Company's ability to meet its obligations on an ongoing basis, and indicate whether the Company is more or less leveraged than in the past.

Western is an integrated forest products company building a margin-focused log and lumber business to compete successfully in global softwood markets. With operations and employees located primarily on the coast of British Columbia and Washington State, Western is a premier supplier of high-value, specialty forest products to worldwide markets. Western has a lumber capacity in excess of 1.0 billion board feet from seven sawmills, as well as operates four remanufacturing facilities and two glulam manufacturing facilities. The Company sources timber from its private lands, long-term licenses, First Nations arrangements, and market purchases. Western supplements its production through a wholesale program providing customers with a comprehensive range of specialty products.

TELECONFERENCE CALL NOTIFICATION:

Wednesday, November 8, 2023 at 9:00 a.m. PST (12:00 p.m. EST)

To participate in the teleconference please dial 416-340-2217 or 1-800-952-5114 (passcode: 9879996#). This call will be taped, available one hour after the teleconference, and on replay until December 9, 2023 at 8:59 p.m. PST (11:59 p.m. EST). To hear a complete replay, please call 905-694-9451 / 1-800-408-3053 (passcode: 7251741#).

For further information, please contact:
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