FOR IMMEDIATE RELEASE **TSX: WEF**

Western Announces Second Quarter 2026 Results

August 12, 2026 – Vancouver, British Columbia – Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") reported Adjusted EBITDA of $0.4 million in the second quarter of 2026, as compared to $0.5 million in the same period last year. Adjusted EBITDA in the second quarter of 2026 included a $2.3 million expense related to share-based compensation due to a 20% increase in the Company's share price, compared to a $0.3 million expense in the same period last year.

Net income was $10.5 million in the second quarter of 2026, as compared to a net loss of $17.4 million for the same period last year. Results in the second quarter of 2026 included a $31.3 million property insurance recovery from our Columbia Vista sawmill.

(millions of Canadian dollars except per share amounts and where otherwise noted)	**Q2 2026**	**Q2 2025**	**Q1 2026**	**YTD 2026**	**YTD 2025**
Revenue	$ 239.6	$ 289.1	$ 201.5	$ 441.1	$ 551.6
Adjusted EBITDA [1]	0.4	0.5	(13.6)	(13.2)	4.0
Adjusted EBITDA margin [1]	0%	0%	(7%)	(3%)	1%
Operating loss prior to restructuring and other items	$ (11.9)	$ (12.3)	$ (25.5)	$ (37.4)	$ (21.5)
Net income (loss)	10.5	(17.4)	(19.9)	(9.4)	(3.6)
Earnings (loss) per share, diluted	1.10	(1.62)	(1.83)	(0.73)	(0.29)
Net debt [1], end of period	32.2	27.3	46.6		
Liquidity [1], end of period	243.6	189.7	229.4		
Net debt to capitalization [1]	6%	5%	9%		

(1) Refer to Adjusted EBITDA, Adjusted EBITDA margin, Liquidity and Net debt to capitalization in the Non-GAAP Financial Measures section.

Second Quarter 2026 Financial and Operational Summary

- Lumber production of 130 million board feet (versus 172 million board feet in Q2 2025).
- Lumber shipments of 132 million board feet (versus 176 million board feet in Q2 2025).
- Cedar lumber shipments of 28 million board feet (versus 32 million board feet in Q2 2025).
- Specialty lumber mix of 57% (versus 52% in Q2 2025).
- Average lumber selling price of $1,390 per mfbm (versus $1,243 per mfbm in Q2 2025).
- Average BC log sales price of $148 per m^3 (versus $139 per m^3 in Q2 2025).

Accelerating the Transition to Higher Value Products

- Strategic investments in kiln drying completed with commissioning of the second of our two continuous dry kilns at our Value-Added Division in June 2026 and commissioning of a new thermal kiln at our Value-Added Division in July 2026.
- Received $1.5 million from Fortis BC under the Efficiency Incentive Program related to our previously commissioned first continuous dry kiln at our Value-Added Division.
- Upgrading of an autograder with AI technology at Duke Point is underway, with anticipated completion in early 2027.

Columbia Vista Property Sale and Insurance

- In April 2026, we finalized the property insurance claim related to the Columbia Vista Division ("CVD") sawmill fire for USD$28.8 million ($40.1 million). After considering the insurance deductible and USD$5.0 million ($6.9 million) that was received in 2025, the Company received proceeds of USD$22.8 million ($31.3 million) in the second quarter of 2026.
- On June 15, 2026, the Company reached an agreement with a third party to sell the CVD sawmill site and certain assets for USD$14.7 million ($20.8 million). The sale was completed on July 31, 2026.
- The Company is working with its insurance adjuster to finalize its claim for business interruption related to the fire, which has a maximum coverage of USD$7.9 million ($11.2 million).

Balance Sheet and Cash Flow

- Net debt decreased $14.4 million from the end of the first quarter of 2026.
- Ended the quarter with liquidity of $243.6 million and a net debt to capitalization ratio of 6%, compared to $229.4 million of liquidity and a net debt to capitalization ratio of 9% as at March 31, 2026.
- Sale of Stillwater Forest Operations for $80.0 million anticipated to close in the second half of 2026.
- Income tax refund of $8.9 million anticipated to be received in the second half of 2026.
- 2026 capital expenditure spending is anticipated to be between $45 and $50 million, which includes approximately $20 million of planned spending on the two continuous dry kilns and one thermal kiln at our Value-Added Division and the autograder at Duke Point.

Operating Curtailments

In the second quarter of 2026, we took operating curtailments at our Duke Point sawmill for two weeks, our Ladysmith sawmill for one week, and our Cowichan Bay sawmill for seven weeks. Curtailments are in response to persistently weak market conditions, high softwood lumber duties and tariffs and factors relating to the BC operating environment. As management expects these conditions to persist, Cowichan Bay employees were notified that the mill will remain curtailed for the remainder of the year.

Softwood Lumber Dispute

On April 9, 2026, the DoC announced its preliminary determination for AD and countervailing duty ("CV") rates resulting from its seventh AR for shipments in 2024, which was subsequently amended on June 30, 2026, indicating an AD rate of 10.66% and a CV rate of 14.52%, compared to the current rates of 20.53% and 14.63%, respectively, applicable to the Company. Shipments in 2024 were subject to weighted average rates of 3.62% and 6.78% for CV and AD, respectively. The DoC may revise these rates between the preliminary and the final determination, which is expected to be released in the second half of 2026.

If the final seventh AR rates are unchanged from the preliminary seventh AR rates, Western will record a non-cash export tax expense of USD$26.6 million ($37.8 million), plus accrued interest of approximately USD$5.5 million ($7.8 million), when the final seventh AR rates are published. Cash deposits continue at the combined duty rate of 35.16% until the final determinations are published, after which the final AR7 rate will apply.

Market Outlook

North American lumber markets are expected to be relatively stable through most of the third quarter of 2026. Housing affordability continues to be the most significant issue leading to reduced housing demand. Elevated interest rates, higher fuel costs, and broader economic uncertainty are contributing to subdued consumer confidence. Despite these headwinds, reduced lumber supply across North America has helped to offset weaker demand and support price stability across key product categories and market segments.

Lumber demand in Japan has improved as housing starts gained momentum through the second quarter of 2026 while lumber inventories at the ports decreased. The Japanese lumber market is expected to be stable through the third quarter of 2026. Demand for softwood lumber in China is anticipated to soften in the third quarter of 2026, as seasonal weather and high temperatures reduce construction activities.

Management Discussion & Analysis ("MD&A")

Readers are encouraged to read our Q2 2026 MD&A and interim consolidated financial statements and accompanying notes which are available on our website at www.westernforest.com and "SEDAR+" at www.sedarplus.ca.

Risks and Uncertainties

Risk and uncertainty disclosures are included in our 2025 Annual MD&A, as updated in the disclosures in our Q2 2026 MD&A, as well as in our public filings with securities regulatory authorities. See also the discussion of "Forward-Looking Statements" below.

Non-GAAP Financial Measures

Reference is made in this press 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 consolidated interim financial statements:

(millions of Canadian dollars except where otherwise noted)

Adjusted EBITDA	**Q2 2026**	**Q2 2025**	**Q1 2026**	**YTD 2026**	**YTD 2025**
Net income (loss)	$ 10.5	$ (17.4)	$ (19.9)	$ (9.4)	$ (3.6)
Add:					
Amortization	12.7	12.8	11.8	24.5	25.5
Changes in fair value of biological assets	(0.1)	-	-	(0.1)	(0.1)
Operating restructuring items	2.1	0.5	1.0	3.1	0.8
Other (income) expense	(29.4)	9.0	(1.2)	(30.6)	(15.3)
Finance costs	2.1	0.7	2.1	4.2	1.8
Income tax expense (recovery)	2.8	(5.1)	(7.5)	(4.7)	(5.2)
Adjusted EBITDA	$ 0.4	$ 0.5	$ (13.6)	$ (13.2)	$ 4.0
Adjusted EBITDA margin					
Total revenue	$ 239.6	$ 289.1	$ 201.5	$ 441.1	$ 551.6
Adjusted EBITDA	0.4	0.5	(13.6)	(13.2)	4.0
Adjusted EBITDA margin	0%	0%	(7%)	(3%)	1%

Net debt to capitalization	**Jun. 30 2026**	**Jun. 30 2025**	**Mar. 31 2026**
Net debt			
Total debt	$ 36.1	$ 30.7	$ 48.6
Bank indebtedness	0.4	0.8	0.4
Cash and cash equivalents	(4.3)	(4.2)	(2.4)
	$ 32.2	$ 27.3	$ 46.6
Capitalization			
Net debt	$ 32.2	$ 27.3	$ 46.6
Total equity attributable to equity shareholders of the Company	471.9	574.5	458.3
	$ 504.1	$ 578.0	$ 504.9
Net debt to capitalization	6%	5%	9%
Total liquidity			
Cash and cash equivalents	$ 4.3	$ 4.2	$ 2.4
Available credit facility (1)	250.0	250.0	250.0
Bank indebtedness	(0.4)	(0.8)	(0.4)
Credit facility drawings	(6.8)	(31.8)	(19.3)
Outstanding letters of credit included in line utilization	(3.5)	(31.9)	(3.3)
	$ 243.6	$ 189.7	$ 229.4

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

(1) Maximum borrowing amount, with advances in excess of $215 million subject to a leverage metric. Borrowings are also subject to certain financial covenants, including a maximum debt to total capitalization ratio and a minimum consolidated net worth test.

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”, “forecast”, “intend”, “believe”, “seek”, “could”, “should”, “may”, “likely”, “continue”, “maintain”, “pursue”. “potential” 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; the softwood lumber dispute; the applicability and scope of tariffs and the expected timing thereof; the receipt of business interruption insurance proceeds for the CVD sawmill fire; the duration of curtailments at the Company’s facilities, including the Cowichan Bay sawmill; the completion of the Company’s capital projects and the expected timing thereof and the Company’s balance sheet and financial flexibility. 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, changes in the price of key materials for our products, changes in opportunities, information systems security and other factors referenced under the “Risks and Uncertainties” section of our MD&A in our 2025 Annual Report dated February 10, 2026. 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 EBITDA which is defined as operating income prior to operating restructuring items and other income (expense) plus amortization of plant, equipment and intangible 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 and adjusted EBITDA margin in the same manner, these measures as 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, net debt to capitalization, and current assets to current liabilities. Net debt is defined as long-term debt 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. Current assets to current liabilities is defined as total current assets divided by total current liabilities. 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, however, they are meaningful in that they indicate the Company’s ability to meet their obligations on an ongoing basis, and indicate whether the Company is more or less leveraged than the prior year.

Conference Call

Thursday, August 13, 2026 at 9:00 a.m. PDT (12:00 p.m. EDT)

To participate in the teleconference please dial 1-647-846-2809 or 1-877-883-0383 (passcode: 8747341#). This call will be taped, available one hour after the teleconference, and on replay until September 13, 2026 at 8:59 p.m. PDT (11:59 p.m. EDT). To hear a complete replay, please call 1-412-317-0088 / 1-855-669-9658 (passcode: 6636395#).

About Western Forest Products Inc.

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 of 785 million board feet from five sawmills, as well as operates four remanufacturing facilities and two glulam manufacturing facilities. The Company sources timber from its long-term licences, First Nations arrangements, and market purchases. Western supplements its production through a wholesale program providing customers with a comprehensive range of specialty products.

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