



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces 2025 Year-End and Fourth Quarter Results

March 23, 2026, Vancouver, B.C. - Conifex Timber Inc. ("**Conifex**", "**we**" or "**us**") (TSX: CFF) today reported results for the fourth quarter and year ended December 31, 2025. EBITDA* from continuing operations was negative \$12.6 million for the quarter and negative \$27.5 million for the year, compared to EBITDA of negative \$2.1 million in the fourth quarter of 2024 and negative \$13.6 million for the year. Net loss was \$35.7 million or negative \$0.87 per share for the year versus net loss in the preceding year of \$29.8 million or \$0.73 per share.

Selected Financial Highlights

The following table summarizes our selected financial information for the comparative periods. Unless otherwise noted, financial information reflects results of continuing operations from our Mackenzie sawmill (the "**Mackenzie Mill**") and power plant (the "**Power Plant**").

Selected Financial Information⁽¹⁾

(unaudited, in millions of dollars, except share and exchange rate information)	Q4 2025	Q3 2025	2025	Q4 2024	2024
Revenue					
Lumber – Conifex produced	15.8	26.4	101.0	21.2	93.5
Lumber – wholesale	0.0	0.0	0.0	0.0	0.0
By-products and other	1.7	4.9	16.2	2.3	10.6
Bioenergy	8.6	7.0	25.6	7.6	23.7
	26.1	38.2	142.7	31.0	127.7
Operating income (loss)	(15.9)	(19.5)	(37.6)	(3.0)	(25.9)
EBITDA ⁽²⁾	(12.6)	(16.6)	(27.5)	(2.1)	(13.6)
Net income (loss)	(11.4)	(16.6)	(35.7)	(11.8)	(29.8)
Basic earnings (loss) per share	(0.28)	(0.41)	(0.87)	(0.29)	(0.73)
Diluted earnings (loss) per share	(0.28)	(0.41)	(0.87)	(0.29)	(0.73)
Shares outstanding – weighted average (millions)	40.8	40.8	40.8	40.6	40.6
Diluted shares outstanding (millions)	40.8	40.8	40.8	40.6	40.6

Reconciliation of EBITDA to net income (loss)

* Conifex's EBITDA calculation 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 a non-GAAP measure that does not have any standardized meaning prescribed by International Financial Reporting Standards, it may not be comparable to EBITDA calculated by others and is not a substitute for net earnings or cash flows, and therefore readers should consider those measures in evaluating our performance.

Net income (loss) from continuing operations	(11.4)	(16.6)	(35.7)	(11.8)	(29.8)
Add: Finance costs	3.6	4.4	12.7	1.9	8.0
Amortization	3.0	3.1	10.8	3.1	11.2
Deferred income tax expense (recovery)	(7.8)	(7.5)	(15.3)	4.6	(3.0)
EBITDA⁽²⁾	(12.6)	(16.6)	(27.5)	(2.1)	(13.6)

Selected Operating Information

	Q4 2025	Q3 2025	2025	Q4 2024	2024
Production – WSPF lumber (MMfbm) ⁽³⁾	27.8	38.5	147.9	24.8	134.8
Shipments – WSPF lumber (MMfbm) ⁽³⁾	24.2	40.1	141.1	24.8	137.2
Shipments – wholesale lumber (MMfbm) ⁽³⁾	0.0	0.0	0	0.0	0.0
Electricity production (GWh)	55.3	47.6	179.0	54.2	174.1
Average exchange rate – \$/US\$ ⁽⁴⁾	0.717	0.726	0.716	0.715	0.730
Average WSPF 2x4 #2 & Btr lumber price (US\$) ⁽⁵⁾	\$422	\$477	\$466	\$435	\$408
Average WSPF 2x4 #2 & Btr lumber price (\$) ⁽⁶⁾	\$589	\$657	\$651	\$608	\$559

(1) Reflects results of continuing operations.

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

(3) MMfbm represents million board feet.

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

(5) Random Lengths Publications Inc.

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

Summary of 2025 Results

Lumber Operations

Our lumber production was 147.9 million board feet in 2025 reflecting an annualized operating rate of 62%. Lumber production in 2025 benefited from higher operating rates in the first half of the year but was impacted by curtailments and modified operating configurations in the second half of 2025 in response to lower lumber prices and higher duty deposit rates and tariff impositions. Lumber production in 2024 was 134.8 million board feet, reflecting an annualized operating rate of 56%.

Shipments of Conifex produced lumber totaled 141.1 million board feet in 2025. Shipments of Conifex produced lumber increased by 3% from 2024, primarily due to higher production output earlier in the year amidst stronger US and Canadian customer demand.

Revenues from lumber products were \$101.0 million in 2025 and represented an increase of 7% from 2024. Higher revenues were driven by a combination of higher average benchmark lumber prices in 2025 and increased shipment volumes compared to 2024, particularly in the first half of the year prior to the imposition of materially higher duty rates following the finalization of the sixth administrative review ("**ARG**") and the application, effective October 14, 2025, of a 10% tariff on all softwood lumber imported into the United States under Section 232 of the *Trade Expansion Act of 1962* (the "**Section 232 Tariff**").

In 2025, the North American lumber market was characterized by improving benchmark prices earlier in the year followed by increased volatility resulting from elevated duty deposit rates and tariff uncertainty. In 2025, US housing starts on a seasonally adjusted annual basis averaged approximately 1.37 million starts, broadly flat with 2024 levels. The decreased overall lumber production capacity of Western Spruce/Pine/Fir ("**WSPF**") resulted in a 16% increase in the average Canadian dollar-denominated WSPF lumber price, from \$559 in 2024 to \$651 in 2025. While benchmark prices improved, mill level sales realizations did not necessarily demonstrate the same strengthening due to the imposition of higher duty and tariff rates.

Cost of goods sold in 2025 increased by 6% from 2024, primarily driven by higher production volumes and a \$3.0 million non-cash inventory write-down recorded in the fourth quarter. Overall production costs in 2025 were substantially lower than 2024 on a per-unit basis in the first half of the year due to both reduced log costs and lower cash conversion cost but materially increased in the fourth quarter as log costs increased and operating rates declined, which lead to less volume over which to spread fixed costs. We recorded an inventory valuation adjustment of \$3.0 million at December 31, 2025, reflecting inventoried costs in excess of projected net realizable value. There was no inventory valuation adjustment at December 31, 2024.

We expensed countervailing duties ("**CVD**") and anti-dumping duties ("**ADD**") deposits and tariffs of \$26.1 million in 2025, an increase of 493% from 2024. The duty deposit rate was 14.40% until July 28, 2025. Following finalization of AR6 in September 2025, the combined CVD and ADD rate increased to 35.16%. Effective October 14, 2025, an additional 10% Section 232 Tariff was imposed, bringing the combined duty and tariff rate to 45.16%. In connection with the AR6 finalization, we recorded a non-cash additional duty expense, exclusive of interest, of \$15.3 million in 2025.

The following table reconciles cash deposits paid during the year to the amount recognized in our statement of net income and comprehensive income.

(in millions of dollars)	Q4 2025	Q3 2025	2025	Q4 2024	2024
Softwood lumber duty impact					
Cash deposits paid	2.8	3.3	10.8	1.7	5.6
Adjustment to final published rates	3.2	12.0	15.3	-	(1.2)
Softwood lumber duties, net	6.0	15.3	26.1	1.7	4.4

Cash deposits paid during 2025 increased significantly compared to the previous year due to the effect of materially higher cash deposit rates following the finalization of AR6 in September 2025 and the imposition of the Section 232 Tariff effective October 14, 2025.

Since the commencement of the imposition of CVD and ADD deposits, we have recognized an aggregate net payable of \$7.2 million, including the prescribed interest rates to the overpayments, pertaining to the difference between the cash deposit rates in effect at the time of applicable shipments made to the US market and the final published rates for such shipments. This net duty payable has been recorded as the associated long-term receivable and corresponding long-term payable on our balance sheet.

Cumulative duties of US\$46.0 million paid by Conifex, net of sales, since inception of the current trade dispute remain held in trust by the US pending the conclusion of all appeals of US decisions. We have recorded the duty deposits as an expense, except for US\$8.1 million, which are recorded as a long-term receivable as noted above.

Bioenergy Operations

Our Power Plant sold 179.0 gigawatt hours ("**GWh**") of electricity under our electricity purchase agreement (the "**EPA**") with BC Hydro in 2025, representing approximately 80% of targeted operating rates. In 2024, our Power Plant sold 174.1 GWh of electricity, representing approximately 78% of targeted operating rates. The increase in 2025 production was primarily driven by improved operational availability which was a second derivative of increased fibre availability from increased operating time for our Mackenzie Mill.

Electricity production contributed revenues of \$25.6 million in 2025, an increase of \$1.9 million, or 8% over 2024. Total revenue for 2024 was \$23.7 million.

Selling, General and Administrative Costs

Selling, general and administrative (“SG&A”) costs of \$5.8 million in 2025 reflected a decrease of 19% from \$7.2 million in 2024. The year-over-year decrease is primarily attributable to lower salaries and benefits costs from a reduction in full-time equivalents and lower legal and professional fees.

Finance Costs and Accretion

Finance costs and accretion relate primarily to our Pender Term Loan supporting our sawmill operations and the term loan supporting our bioenergy operations (the “Power Term Loan”). Finance costs and accretion of \$12.7 million in 2025 were 59% higher than finance costs of \$8.0 million in 2024, primarily a result of higher interest expense due to the additional draws under the Pender Term Loan throughout 2025 and non-cash interest accrued in connection with the finalization of AR6 duty rates.

Gain or Loss on Derivative Financial Instruments

From time to time, we may enter into lumber future contracts to manage our commodity lumber price exposures. We do not use derivatives for trading or speculative purposes. Gains or losses on lumber derivative instruments are recognized as they are settled or as they are marked to market for each reporting period.

During 2025, we did not enter into any lumber futures contracts, and we had no outstanding futures contracts in place as at December 31, 2025.

Other Income

We recognized other income of \$0.5 million in 2025, primarily from a one-off transaction related to the closure of a legacy account. We recognized other income of \$3.1 million in 2024, which was primarily comprised of insurance proceeds from the loss of a logging camp.

Foreign Exchange Translation Gain or Loss

Foreign exchange translation gain or loss 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\$0.716 for each Canadian dollar during 2025, a level which represented a further weakening of the Canadian dollar over the previous year.⁽¹⁾

The foreign exchange translation impacts arising from the variability in exchange rates at each measurement period on cash, duties on deposit, and working capital balances resulted in a foreign exchange translation loss of \$1.2 million in 2025, compared to a foreign exchange translation gain of \$1.2 million in 2024.

Income Tax

We recorded income tax recovery in 2025 of \$15.3 million, compared to income tax recovery of \$3.0 million in 2024. Our effective tax rate was 27% in the current year and 27% in 2024. See note 19 of our consolidated financial statements for the years ended December 31, 2025 and 2024 for a reconciliation of income taxes calculated at the statutory rate to the income tax expense.

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

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 December 31, 2025, we have recognized a deferred income tax liability of nil and a deferred tax asset of \$21.3 million.

Summary of Fourth Quarter 2025 Results

Consolidated Net Earnings

During the fourth quarter of 2025, we incurred a net loss from continuing operations of \$11.4 million or \$0.28 per share compared to a net loss of \$16.6 million or \$0.41 per share in the previous quarter and a net loss of \$11.8 million or \$0.29 per share in the fourth quarter of 2024. The net loss in the fourth quarter of 2025 was primarily driven by lower lumber shipment volumes and higher unit manufacturing costs at reduced operating rates, combined with a \$1.8 million non-cash inventory write-down, partially offset by a significant deferred income tax recovery of \$7.8 million.

Lumber Operations

We produced 27.8 million board feet of lumber in the fourth quarter of 2025, representing approximately 46% of capacity on an annualized basis. Lumber production was negatively affected by a reduced operating configuration in response to unfavourable market conditions and the impact of higher duty deposit rates on operating economics, including a period of single shift operations and nearly a month-long curtailment to end the year. In the previous quarter, lumber production totaled 38.5 million board feet. Lumber production of 24.8 million board feet or approximately 40% of operating capacity in the fourth quarter of 2024 was impacted by single shift operations for the entirety of the quarter.

Shipments of Conifex produced lumber totaled 24.2 million board feet in the fourth quarter of 2025, representing a decrease of 40% from the 40.1 million board feet of lumber shipped in the previous quarter. Shipments in the fourth quarter of 2024 totalled 24.8 million board feet. Lumber shipments in the current quarter were constrained by lower lumber production due to curtailments and reduced operating rates in response to unfavourable market conditions and elevated duty and tariff rates.

Revenues from lumber products were \$15.8 million in the fourth quarter of 2025, compared to \$26.4 million in the previous quarter and \$21.2 million in the fourth quarter of 2024, representing a decrease of 40% from the previous quarter and a 25% decrease from the fourth quarter of 2024. Compared to the previous quarter, decreased revenues in the current quarter were driven by lower shipment volumes resulting from production curtailments and the impact of higher duty deposit rates on operating economics. The revenue decrease relative to the fourth quarter of 2024 was primarily due to lower shipment volumes combined with lower average mill net realizations net of duties.

Cost of goods sold in the fourth quarter of 2025 declined relative to the previous quarter, primarily due to materially lower production volume and higher unit costs. Both log cost and cash conversion costs increased materially quarter over quarter, representing a lack of scalability on fixed costs from materially lower production and log deliveries. The elevated levels of unit cost in the fourth quarter of 2025 are not indicative of steady state operations, rather a product of reducing volumes in response to the elevated duty and tariff rates creating considerable uncertainty in the markets.

Our investment in capital expenditures related to the maintenance of business of our lumber operations in the fourth quarter of 2025 was \$0.3 million compared to \$0.5 million in the third quarter of 2025 and \$0.2 million in the fourth quarter of 2024.

We expensed CVD and ADD deposits of \$6.0 million in the fourth quarter of 2025, \$15.3 million in the previous quarter and \$1.7 million in the fourth quarter of 2024. The significant decrease from the third quarter of 2025 reflects the non-cash AR6 adjustment to reflect the changes from deposit rate to final rate. Export duties in the fourth quarter of 2025 were higher than the fourth quarter of 2024 due to higher combined duty rates. In total we have deposited US\$46.0 million net of duty sales.

The following table reconciles cash deposits paid during the period to the amount recognized in our statement of net income and comprehensive income.

(in millions of dollars)	Q4 2025	Q3 2025	Q4 2024
Softwood lumber duty impact			
Cash deposits paid	2.8	3.3	1.7
Adjustment to final published rates	3.2	12.0	-
Softwood lumber duties, net	6.0	15.3	1.7

Bioenergy Operations

Our Power Plant sold 55.3 GWh of electricity in the fourth quarter of 2025 compared to 47.6 GWh in the previous quarter. The increase quarter over quarter reflects higher operating availability in the fourth quarter following the seasonal maintenance period concluded early in the third quarter. Electricity production in the fourth quarter of 2024 was comparable at 54.2 GWh.

Electricity production contributed revenues of \$8.6 million in the fourth quarter of 2025, an increase of 23% from the previous quarter and an increase of 13% from the fourth quarter of 2024. The increase from the previous quarter is due to a combination of slightly more operating days and increased contractual pricing due to the time of delivery factor in the colder quarters.

Selling, General and Administrative Costs

SG&A costs decreased by 7% between the fourth quarter and third quarter of 2025 and were also 7% lower between the fourth quarter of 2025 and the fourth quarter of 2024. SG&A costs were \$1.3 million in the fourth quarter of 2025, \$1.4 million in the previous quarter and \$1.4 million in the fourth quarter of 2024. The decrease in SG&A costs relative to the comparative quarters was largely due to the re-valuation of long-term incentives combined with a focus on cost reduction initiatives.

Finance Costs and Accretion

Finance costs and accretion totaled \$3.6 million in the fourth quarter of 2025, \$4.4 million in the previous quarter and \$1.9 million in the fourth quarter of 2024. Finance costs in the current quarter were lower than the previous quarter due to a \$1.9 million non-cash interest expense in the third quarter related to the finalization of the duty rates under AR6, partially offset by higher outstanding draws on the Pender Term Loan. In the current quarter we recognized a \$0.6 million interest expense related to a subsequent adjustment to the final AR6 rates made as a result of a change in valuation methodology from the previous quarter. The increase year over year primarily relates to the increase of the drawn portion on the Pender Term Loan.

Other Income

We recognized minimal other income in the fourth and third quarters of 2025 and the fourth 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\$0.717 for each Canadian dollar during the fourth quarter of 2025, a level which represented a weakening of the Canadian dollar over the previous quarter and relatively flat in comparison to the fourth quarter of 2024 (US\$0.726 and US\$0.715 respectively).⁽²⁾

The foreign exchange translation impacts arising from the variability in exchange rates at each measurement period on cash and working capital balances resulted in a foreign exchange translation loss of \$0.2 million in the fourth quarter of 2025, compared to a nominal loss on foreign exchange translation in the previous quarter and a gain of \$1.0 million in the fourth quarter of 2024.

Income Tax

We recorded income tax recoveries of \$7.8 million in the fourth quarter of 2025 and \$7.5 million in the previous quarter, and an income tax expense of \$4.6 million in the fourth quarter of 2024. The decreased tax expense in the fourth quarter relative to the previous quarter was due to lower operating losses, primarily from the non-cash duty adjustment in the third quarter, combined with a partial offset from prior period adjustments. The decrease in tax expense from the fourth quarter of 2025 relative to the fourth quarter of 2024 was largely due to a reduction in operating losses and a prior quarter adjustment that impacted the fourth quarter of 2024.

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 December 31, 2025, we have recognized deferred income tax assets of \$21.3 million, compared to \$13.1 million in the previous quarter and \$5.9 million in the fourth quarter of 2024. Our deferred income tax asset increased relative to the previous quarter and relative to the fourth quarter of 2024 due to the larger net losses before tax accumulated in 2025.

Financial Position and Liquidity

Our principal sources of funds are cash on hand and cash flows from operations. Our principal uses of funds in the current year consisted of operating expenditures, capital expenditures, interest payments and repayment of principal on our Power Term Loan.

Overall debt was \$87.7 million at December 31, 2025, compared to \$82.6 million at September 30, 2025, and \$77.3 million at December 31, 2024. The increase in overall debt reflects additional draws under our secured term loan (the "**Pender Term Loan**") with Pender Corporate Bond Fund ("**Pender**"), throughout 2025, partially offset by principal repayments on the Power Term Loan. At December 31, 2025, we had \$47.3 million outstanding on our Power Term Loan, while our remaining long-term debt, consisting of the Pender Term Loan and leases, was \$40.4 million.

At December 31, 2025, we had available liquidity, comprised of unrestricted cash on hand, of \$4.4 million. This is a modest increase from our available liquidity of \$4.0 million as at September 30, 2025 and \$3.6 million as at December 31, 2024. The improvement in available liquidity was primarily driven by higher draws on the Pender Term Loan, partially offset by the impact of significantly higher duty deposit rates following the finalization of AR6 in September 2025 and the imposition of the Section 232 Tariff in October 2025, which resulted in a material increase in cash duty outlays on US-bound lumber shipments.

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\$46.0 million paid by us, net of certain prior sales of such refunds, 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 CVD and ADD deposits and the Section 232 Tariff to the extent additional costs on US-bound shipments are not mitigated by higher lumber prices. The combined duty and tariff rate of 45.16% on our US-bound shipments significantly

² Source: Bank of Canada, www.bankofcanada.ca.

constrains operating margins and cash generation. However, we expect a material reduction in duty rates in the fourth quarter of 2026 in connection with the finalization of the seventh administrative review covering the 2024 period, and we anticipate a continued recovery in softwood lumber pricing and demand over the medium-term supported by favourable housing market fundamentals.

Conifex continues to review its options to improve liquidity. In the event of a sustained market downturn, Conifex maintains flexibility to significantly reduce expenditures and working capital levels and to proactively adjust its lumber production to match demand. Subsequent to December 31, 2025, we have taken additional steps to strengthen our liquidity position, including: (i) securing a \$5 million bridge advance under the Pender Term Loan in February 2026; and (ii) entering into a \$19 million secured term loan with the Business Development Bank of Canada ("**BDC**") under the Softwood Lumber Guarantee Program (the "**BDC Loan**") in March 2026. The BDC Loan has a maturity date of July 15, 2033, bears interest at BDC's floating base rate minus 0.60% per year and is secured by Conifex's lumber business assets. A portion of the BDC Loan was used to repay certain bridge advances under the Pender Term Loan. The total aggregate principal amount outstanding under the Pender Term Loan as at the date hereof is approximately \$34.8 million.

In connection with the BDC Loan, Conifex, together with certain of its wholly-owned subsidiaries, BDC, and Pender, entered into a priority agreement pursuant to which, among other things, Pender agreed that for a period of twelve months it would not, without BDC's prior written consent, cancel or restrict the availability of the Pender Term Loan or accelerate or take any enforcement measures with respect to any amounts owing to Pender, except in the case of certain material defaults.

Additionally, we continue to maintain compliance with our facilities or seek appropriate remedies, amendments and waivers when required. We also continue to work collaboratively with our existing lenders and are evaluating additional financing opportunities to help ensure that we retain sufficient liquidity to fund log and lumber inventories and receivables from the sale of lumber and residual chips.

Conifex recognizes there is material uncertainty that may cast significant doubt on its 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.

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.

Conifex's ability to continue as a going concern is dependent on its ability to realize positive cash flows from operations, as well as its ability to obtain additional financing from lenders and, as may be necessary, to amend the terms and timing of its debt repayment obligations or seek appropriate remedies or waivers from its lenders, none of which can be guaranteed. During discussion with our Power Term Loan lenders, the September 2025 principal payment for our Power Term Loan was waived, and the December 2025 principal payment for our Power Term Loan has been deferred. We continue to work on additional amendments that would allow us to remain in compliance with our 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. The outcome of the foregoing, as well as ongoing trade negotiations and tariff policies, remains uncertain, and our ability to generate positive cash flows from operations is dependent on market prices for lumber, demand for Conifex's products and/or increases in productivity resulting in higher volumes produced and lower costs, none of which can be assured. Our financial statements for the years ended December 31, 2025 do not include any adjustments to the carrying

values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should Conifex be unable to continue as a going concern, which could be material.

Outlook

Over the medium-term, North American lumber demand is expected to benefit from favourable underlying fundamentals, including the advanced age of the US housing stock, a shortage of available housing, favourable demographic factors, the growing role of mass timber construction, and the potential for further moderation in interest rates. However, near-term uncertainty persists related to the duration and magnitude of trade measures, housing affordability challenges, and the pace of any recovery in housing activity. We continue to work collaboratively with our lenders to help maintain adequate liquidity for ongoing operations and, most recently, have successfully secured additional financing through the Government of Canada's Softwood Lumber Guarantee Program. We are actively monitoring lumber market conditions and may adjust our operating format in response to market and trade conditions. Management remains focused on cost discipline, liquidity management, and positioning Conifex for improved financial performance as market conditions evolve.

Conference Call

We have scheduled a conference call on Monday, March 23, 2026, at 8:00 AM Pacific time / 11:00 AM Eastern time to discuss the fourth quarter and 2025 financial and operating results. To participate in the call, please dial toll free 1-877-704-4453 and enter the participant passcode 1625539#. The call will also be available on instant replay upon request.

Our management's discussion and analysis and financial statements for the year ended December 31, 2025, are available under Conifex's profile on SEDAR+ at www.sedarplus.ca.

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, BC.

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; reclassification of our long-term debt; 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 belief that the mountain pine beetle and spruce beetle infestations have largely run their course; our ability to supply our manufacturing operations with wood fibre and our expected cost of wood fibre;

changes in stumpage fees and the uncertainty regarding future timber availability and costs resulting therefrom; our potential to modernize and expand our sawmill complex; the realization of expected benefits of completed, current and any contemplated capital projects and agreements, and the expected timing and budgets for such projects; the status and outcome of any ongoing litigation; the development of a longer-term capital plan and the expected benefits therefrom; future capital expenditures; continued positive relations with Indigenous groups; demand and prices for our products; our ability to develop new revenue streams; 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 expectation for market volatility associated with, among other things, the softwood lumber dispute with the United States of America; 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; and our expectations for 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 ability to obtain financing on acceptable terms, or at all; our future debt levels; that we will complete our projects in the expected timeframes and as budgeted; that capital expenditure levels will be consistent with those estimated by our management; that we will effectively market our products; that transportation services by third party providers will continue uninterrupted; our ability to ship our products in a timely manner; our ability to obtain and maintain required governmental and community approvals; the impact of changing government regulations and shifting political climates; the impact of environmental factors; that current demand for lumber will continue to be in balance with supply; 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; 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 imposed by foreign governments; availability of financing (as necessary); and other risk factors detailed in our filings with the Canadian Securities Regulatory Authorities available on SEDAR+ at www.sedarplus.ca. 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 undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.