CONIFEX TIMBER INC.

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Conifex Announces Third Quarter 2026 Results

November 11, 2026, Vancouver, B.C. - Conifex Timber Inc. (“Conifex”, “we” or “us”) (TSX: CFF) today reported results for the third quarter ended September 30, 2026. EBITDA* was negative $5.7 million for the quarter compared to EBITDA of negative $6.3 million in the second quarter of 2026 and negative EBITDA of $16.6 million in the third quarter of 2025. Net loss was $7.9 million or ($0.19) per share for the quarter versus a net loss of $9.5 million or ($0.23) per share in the previous quarter and a net loss of $16.6 million or ($0.41) per share in the third quarter of 2025.

Selected Financial Highlights

The following table summarizes our selected financial information for the comparative periods. The financial information reflects results of operations from our two-line sawmill in Mackenzie, British Columbia (the "Mackenzie Mill") and 36-megawatt biomass power generation plant in Mackenzie, British Columbia (the "Power Plant").

Selected Financial Information

(unaudited, in millions of dollars, except share and exchange rate information)	Q3 2026	Q2 2026	Q3 2025
Sales			
Lumber – Conifex produced	0.0	19.0	26.4
By-products and other	0.6	1.2	4.9
Bioenergy	0.0	2.8	6.8
	0.7	23.0	38.2
Operating income (loss)	(6.3)	(7.8)	(19.5)
EBITDA[1]	(5.7)	(6.3)	(16.6)
Net income (loss)	**(7.9)**	**(9.5)**	**(16.6)**
Basic earnings (loss) per share[2]	**(0.19)**	**(0.23)**	**(0.41)**
Diluted earnings (loss) per share[2]	**(0.19)**	**(0.23)**	**(0.41)**
Shares outstanding – weighted average (millions)	40.8	40.8	40.8
Diluted Shares (millions)	40.8	40.8	40.8

Selected Financial Information

Reconciliation of EBITDA to net income (loss)

Net income (loss)	(7.9)	(9.5)	(16.6)
Add: Finance costs	3.3	3.1	4.4
Amortization	0.5	1.5	3.1
Deferred income tax expense (recovery)	(1.6)	(1.4)	(7.5)
EBITDA[1]	(5.7)	(6.3)	(16.6)

* 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 2026	Q2 2026	Q3 2025
Production – WSPF lumber (MMfbm)[2]	0.0	14.1	38.5
Shipments – WSPF lumber (MMfbm)[2]	0.0	23.6	40.1
Electricity production (GWh)	0.0	19.8	47.6
Average exchange rate – $/US$[3]	0.715	0.723	0.726
Average WSPF 2x4 #2 & Btr lumber price (US$)[4]	$487	$488	$477
Average WSPF 2x4 #2 & Btr lumber price (CDN$)[5]	$681	$675	$657

(1) Conifex's EBITDA calculation represents earnings before finance costs, taxes, depreciation and amortization.
(2) Based on 40,767,710 common shares assumed to be outstanding as at September 30, 2026.
(3) MMfbm represents million board feet.
(4) Bank of Canada, www.bankofcanada.ca.
(5) Random Lengths Publications Inc.
(6) Average western spruce-pine-fir ("WSPF") 2x4 #2 & Btr lumber prices (US$) divided by average exchange rate.

Recent Developments

Mackenzie Mill and Power Plant Operations

We are advancing restart planning and expect to resume sawmill operations once the conditions necessary for a successful startup have been satisfied, including the availability of financing to fund such restart (including the remaining funding available under the LETL Loan (as defined herein)) and sufficient sawlog inventory. Power Plant operations resumed on November 10, 2026, and Mackenzie Mill operations are currently expected to resume in or about December 2026.

Summary of Third Quarter 2026 Results

Consolidated Net Earnings

During the third quarter of 2026, we incurred a net loss of $7.9 million or $0.19 per share compared to a net loss of $9.5 million or $0.23 per share in the previous quarter, and a net loss of $16.6 million or $0.41 per share in the third quarter of 2025. Our results for the current quarter reflect the curtailment of our Mackenzie Mill and Power Plant operations for the quarter.

The Mackenzie Mill remained curtailed throughout the third quarter of 2026 and, as a result, we did not produce any lumber in the quarter, compared to 14.1 million board feet produced in the previous quarter and 38.5 million board feet produced in the third quarter of 2025. Our planer mill was also idle during the quarter.

We shipped a nominal volume of Conifex-produced lumber in the third quarter of 2026, compared to 23.6 million board feet shipped in the previous quarter and 40.1 million board feet shipped in the third quarter of 2025, as finished lumber inventories were largely drawn down in the previous quarter. Finished lumber inventory at the Mackenzie Mill was approximately 0.3 million board feet at September 30, 2026.

Revenues from lumber products were nominal in the third quarter of 2026, compared to $19.0 million in the previous quarter and $26.4 million in the third quarter of 2025, reflecting minimal lumber shipments during the curtailment. By-product and other revenues were $0.6 million in the third quarter of 2026, consisting primarily of sawlog sales, compared to $1.2 million in the previous quarter and $4.9 million in the third quarter of 2025.

Cost of goods sold was $6.0 million in the third quarter of 2026, compared to $21.4 million in the previous quarter and $35.4 million in the third quarter of 2025. With no production in the quarter, cost of goods sold in the current quarter primarily reflects costs incurred while our operations were curtailed, including approximately $3.6 million at the Mackenzie Mill for fixed site costs, overhead, staffing and care and

maintenance and approximately $2.4 million at our Power Plant, which conducted annual maintenance shutdown activities through the end of the quarter.

We did not expense any anti-dumping (“AD”) and countervailing duty (“CVD”) deposits in the third quarter of 2026 as we made no lumber shipments into the US, compared to $3.7 million in the previous quarter and $15.3 million in the third quarter of 2025, which included a non-cash export duty expense of $12.0 million related to the finalization of the sixth administrative review. In total, we have deposited US$49.4 million net of duty sales.

Bioenergy Operations

Our Power Plant did not generate electricity in the third quarter of 2026. The Power Plant entered its scheduled annual maintenance shutdown in May 2026 which was completed by the end of the quarter. Our Power Plant sold 19.8 GWh of electricity under our electricity purchase agreement with the British Columbia Hydro and Power Authority in the previous quarter and 47.6 GWh in the third quarter of 2025.

As we did not generate electricity in the third quarter of 2026, revenues from our bioenergy operations were nil in the quarter, compared to $2.8 million in the previous quarter and $6.8 million in the third quarter of 2025. The absence of electricity sales was the primary driver of the lower revenues in the current quarter.

Selling, General and Administrative Costs

Selling, general and administrative costs were $0.9 million in the third quarter of 2026, compared to $1.4 million in the previous quarter and $1.4 million in the third quarter of 2025. The decrease relative to both comparative periods primarily reflects cost-saving measures implemented during the curtailment. Selling, general and administrative costs in the third quarter are shown net of a refund of US$0.2 million ($0.3 million) of softwood lumber duties paid on a portion of 2017 shipments from Lignum Forest Products LLP (“Lignum”). Lignum was a wholly-owned subsidiary of Conifex during the 2017 period in which the duties were paid.

Finance Costs and Accretion

Finance costs and accretion totalled $3.3 million in the third quarter of 2026, compared to $3.1 million in the previous quarter and $4.4 million in the third quarter of 2025. The increase relative to the previous quarter primarily reflects higher borrowings, including advances under a second amended and restated credit agreement with Pender Corporate Bond Fund ("PenderFund") in respect of its secured term loan supporting the lumber operations (the "PenderFund Term Loan") and the secured term loan of up to $30 million under the Large Enterprise Tariff Loan program provided under a credit agreement entered into by Conifex with the Canada Enterprise Emergency Funding Corporation (“CEEFC”) (the “LETL Loan”) advanced in September 2026, together with the amortization of deferred financing costs. The decrease relative to the third quarter of 2025 reflects a non-cash interest adjustment of $1.9 million recorded in that quarter related to the finalization of duty rates under the sixth administrative review, partially offset by higher overall debt levels, including the $19.0 million secured term loan between Conifex Mackenzie Forest Products Inc., a wholly-owned subsidiary of Conifex, and the Business Development Bank of Canada under the Softwood Lumber Guarantee Program (the “BDC Loan”) drawn in March 2026.

Gain or Loss on Derivative Financial Instruments

From time to time, we may enter into lumber futures 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, 2026.

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 Canadian dollar averaged US$0.715 during the third quarter of 2026, representing a weakening relative to both the previous quarter and the third quarter of 2025.

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 minimal foreign exchange translation gain in the third quarter of 2026, compared to a translation loss of $0.1 million in the previous quarter and a translation loss of $0.2 million in the third quarter of 2025.

Income Tax

We recorded an income tax recovery of $1.6 million in the third quarter of 2026, compared to a recovery of $1.4 million in the previous quarter and a recovery of $7.5 million in the third quarter of 2025. The recovery in the current quarter reflects continued operating losses, while the recovery in the third quarter of 2025 primarily reflected the non-cash export duty expense related to the finalization of the sixth administrative review.

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, 2026, we have recognized deferred income tax assets of $27.4 million, compared to $25.9 million in the previous quarter and $13.1 million in the third quarter of 2025. Our deferred income tax asset increased relative to both comparative periods due to continued net losses in a challenging operating environment with elevated duties and tariffs and the curtailment of our operations.

Financial Position and Liquidity

Overall debt was approximately $122.5 million at September 30, 2026, compared to approximately $101.8 million at June 30, 2026, and $82.6 million at September 30, 2025. The increase in overall debt from the previous quarter was driven by the $19.8 million outstanding under the LETL Loan and net advances under the PenderFund Term Loan of approximately $1.0 million, partially offset by principal repayments on the secured term loan entered into in October 2018 among Conifex Power Limited Partnership, a wholly-owned subsidiary of Conifex, and a syndicate of private lenders (the "CPLP Term Loan") and payments against leases. At September 30, 2026, we had $46.0 million outstanding on the CPLP Term Loan, $35.4 million outstanding on the PenderFund Term Loan, $19.8 million outstanding under the LETL Loan, $19.0 million outstanding under the BDC Loan, and $2.2 million in leases and other borrowings. The CPLP Term Loan is largely non-recourse to our lumber operations.

At September 30, 2026, we had available liquidity of $7.4 million, comprised of unrestricted cash. This is an increase from our available liquidity of $1.3 million as at June 30, 2026 and $1.7 million as at September 30, 2025. In addition, $10.2 million remained undrawn under the LETL Loan at September 30, 2026, the availability of which remains subject to the completion by Conifex of certain conditions, including evidence satisfactory to CEEFC that certain Mackenzie Mill restart milestones have been or will be met by specified dates. The increase in liquidity relative to the previous quarter primarily reflects the proceeds of the LETL Loan, partially offset by operating cash outflows during the curtailment, interest payments and financing costs.

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$49.4 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 AD and CVD duty deposits to the extent additional costs on US destined shipments are not mitigated by higher lumber prices.

Conifex recognizes there is material uncertainty that may cast significant doubt on Conifex'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 $8.8 million for the three months ended September 30, 2026. Conifex did not expense any duty deposits over the three-month period as no lumber was shipped into the US. Net working capital at September 30, 2026 was $3.6 million as compared to negative $13.5 million as at June 30, 2026.

In September 2026, Conifex entered into the LETL Loan and completed amendments to each of the PenderFund Term Loan, the CPLP Term Loan and the BDC Loan, including the deferral of scheduled principal repayments until September 2028 (collectively, the "Lender Amendments"). These financings improved Conifex's liquidity and financial flexibility. Conifex continues to work collaboratively with its lenders; however, there can be no assurance that any additional accommodations under its existing facilities or additional financing will be available on acceptable terms or at all.

At September 30, 2026, $10.2 million remained available under the LETL Loan, subject to the completion by Conifex of certain conditions, including evidence satisfactory to CEEFC that certain Mackenzie Mill restart milestones have been or will be met by specified dates. Conifex's cash flow forecast indicates that, without access to these funds or other financing, Conifex would not have sufficient liquidity to fund its operations beyond December 2026. As at the date of this news release, Power Plant operations have resumed and Mackenzie Mill operations are currently expected to resume in or about December 2026. If the remaining funds under the LETL Loan are not available when required, Conifex would need to seek additional accommodations from its existing lenders or obtain alternative sources of financing, delay the restart of the Mackenzie Mill and/or implement further measures to reduce costs and preserve liquidity. There can be no assurance that the conditions to the remaining advance under the LETL Loan will be satisfied or that any such measures would be successful.

Conifex's ability to continue as a going concern is dependent on the successful restart of the Mackenzie Mill, its ability to realize positive cash flows from operations, obtain additional financing from lenders (including accessing the remaining $10.2 million available under the LETL Loan) and maintain compliance with the terms, restart milestones and financial covenants of its loan agreements. 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.

Outlook

Market conditions for Canadian softwood lumber producers are expected to remain challenging through the remainder of 2026 and into 2027, shaped by a combination of macroeconomic uncertainty, evolving US housing demand, and ongoing trade dynamics.

Lumber prices softened through the third quarter of 2026, and volatility is likely to persist as supply adjusts to market conditions. Several producers have announced curtailments or reduced operating schedules, and further supply rationalization may be required to balance markets if demand recovery is slower than anticipated.

The final results of the seventh administrative review of the softwood lumber AD and CVD orders (“AR7”), published by the US administration in October 2026, reduced the combined AD and CVD cash deposit rate applicable to Conifex to 24.75% from 35.16% for shipments entered on or after October 19, 2026. The 10% tariff on Canadian lumber exported to the US, imposed under Section 232 of the Trade Expansion Act of 1962 (United States) since October 2025, continues to apply. During 2024, Conifex's shipments were assessed cash deposits at weighted average rates of 6.79% (AD) and 3.60% (CVD). Because the final AR7 rates exceed the rates at which deposits were made on 2024 shipments, we estimate that we will recognize a non-cash export duty expense of approximately US$5.7 million ($8.1 million), together with accrued interest of approximately US$0.9 million ($1.3 million), in the fourth quarter of 2026. Trade uncertainty remains a significant factor for Conifex and we continue to monitor developments closely.

Following the entering into of the LETL Loan and the Lender Amendments, Conifex is advancing restart planning for the Mackenzie Mill. Mackenzie Mill operations are currently expected to resume in or about December 2026, once the conditions necessary for a successful startup, including sufficient sawlog inventory, have been satisfied. Power Plant operations resumed on November 10, 2026. Conifex remains focused on operational efficiency, disciplined capital allocation, and cost management to navigate current market conditions while positioning for potential improved pricing and demand as broader economic conditions normalize. Conifex's near-term liquidity will depend on, among other things, the timing of the Mackenzie Mill restart and access to the remaining $10.2 million available under the LETL Loan, which is subject to certain conditions, including evidence satisfactory to CEEFC that certain Mackenzie Mill restart milestones have been or will be met.

Conference Call

We have scheduled a conference call on Wednesday, November 11, 2026, at 9:00 AM Pacific time / 12:00 PM Eastern time to discuss the third quarter 2026 financial and operating results. To participate in the call, please dial toll free 1-877-883-0383 and enter the participant Access ID: 2895745.

A transcript will be available upon request at investorrelations@conifex.com.

Our management's discussion and analysis and financial statements for the quarter ended September 30, 2026, are available under our profile on SEDAR+.

For further information, please contact:

Spencer Bell
Chief Financial Officer
(604) 216-2949

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, including whether additional financing will be obtained on acceptable terms or at all; short-term and longer-term cash sufficiency; our level of liquidity and our ability to service our debt; 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; the timing of, and satisfaction of conditions to, the restart of operations at our Mackenzie Mill and Power Plant; 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 U.S.; 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 potential for further escalating trade measures between Canada, the U.S. and other jurisdictions (including the applicability, timing and scope of any such measures); expected rates of such antidumping duties, countervailing duties, tariffs, and other duties imposed by the U.S. government, and any accounting entries required in respect thereof, including the expected financial impact of the final results of AR7; the outcome and/or effects of the U.S. 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; our expectations regarding interest rates and U.S. dollar benchmark prices; and weather conditions, natural and manmade disasters and climate change. 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 demand for lumber and lumber prices will be consistent with our expectations; 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 Power Plant, that our Power Plant will continue to operate following its restart and that we will be able to continue to deliver power therefrom; that sufficient sawlog inventory will be available for the restart of our Mackenzie Mill and that sawmill operations will resume as expected; that the conditions to further advances under the LETL Loan, including the absence of any default and applicable Mackenzie Mill restart milestones, will be satisfied; that the export duty expense and accrued interest resulting from the final results of AR7 will not differ materially from our estimates; 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 2025 annual information form dated March 31, 2026 and our 2025 annual MD&A dated March 21, 2026 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.