



Western Forest Products Inc.
DEFINING A HIGHER STANDARD™

Western Forest Products Inc.

Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

Western Forest Products Inc.
Condensed Consolidated Statements of Financial Position
(Expressed in millions of Canadian dollars) (unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 35.4	\$ 130.0
Trade and other receivables	75.7	57.4
Inventory ^(Note 6)	265.2	207.2
Prepaid expenses and other assets	17.1	16.4
Income taxes receivable	2.0	-
	<u>395.4</u>	<u>411.0</u>
Non-current assets:		
Property, plant and equipment ^(Note 7)	356.9	343.2
Timber licenses	97.3	100.3
Biological assets ^(Note 8)	48.8	49.1
Other assets ^(Note 9)	77.0	55.2
Goodwill ^(Note 5)	7.2	-
Deferred income tax assets	0.2	0.2
	<u>\$ 982.8</u>	<u>\$ 959.0</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 136.4	\$ 112.8
Income taxes payable	1.3	64.1
Lease liabilities	6.4	5.5
Reforestation obligation ^(Note 11)	8.5	9.9
Deferred revenue ^{(Notes 16, 20(c))}	2.0	2.0
	<u>154.6</u>	<u>194.3</u>
Non-current liabilities:		
Lease liabilities	15.5	12.8
Reforestation obligation ^(Note 11)	13.2	12.5
Other liabilities ^(Note 13)	15.2	22.0
Deferred revenue ^{(Notes 16, 20(c))}	45.0	46.5
Deferred income tax liabilities	58.4	53.7
	<u>301.9</u>	<u>341.8</u>
Equity:		
Share capital ^(Note 14)	408.3	420.8
Contributed surplus	9.1	9.0
Translation reserve	5.4	(2.2)
Retained earnings	253.2	184.5
Total equity attributable to equity shareholders of the Company	<u>676.0</u>	<u>612.1</u>
Non-controlling interest	4.9	5.1
	<u>680.9</u>	<u>617.2</u>
	<u>\$ 982.8</u>	<u>\$ 959.0</u>

Commitments and contingencies ^(Note 20)
Subsequent event ^(Note 22)

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Michael T. Waites"
Chair

"Steven Hofer"
President & Chief Executive Officer

Western Forest Products Inc.
Condensed Consolidated Statements of Comprehensive Income

(Expressed in millions of Canadian dollars except for share and per share amounts) (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenue ^(Note 16)	\$ 356.0	\$ 352.9	\$ 1,153.0	\$ 1,089.8
Cost of expenses:				
Cost of goods sold	324.6	257.0	909.8	739.8
Freight	25.6	22.6	82.7	72.2
Export tax (recovery) ^(Note 20)	(10.0)	6.2	16.2	25.2
Selling and administration	11.1	13.6	34.0	44.6
	<u>351.3</u>	<u>299.4</u>	<u>1,042.7</u>	<u>881.8</u>
Operating income prior to restructuring and other items	4.7	53.5	110.3	208.0
Operating restructuring items	0.2	(0.9)	(0.6)	(1.9)
Other income ^(Note 17)	4.0	4.0	4.1	22.1
	<u>8.9</u>	<u>56.6</u>	<u>113.8</u>	<u>228.2</u>
Operating income	8.9	56.6	113.8	228.2
Finance income (costs)	0.7	(0.4)	-	(1.7)
	<u>9.6</u>	<u>56.2</u>	<u>113.8</u>	<u>226.5</u>
Income before income taxes	9.6	56.2	113.8	226.5
Income tax expense (recovery) ^(Note 18)				
Current	(3.4)	13.6	26.9	53.6
Deferred	6.4	0.4	3.7	(1.4)
	<u>3.0</u>	<u>14.0</u>	<u>30.6</u>	<u>52.2</u>
Net income	6.6	42.2	83.2	174.3
Net income attributable to equity shareholders of the Company	6.8	41.3	82.7	172.9
Net income (loss) attributable to non-controlling interest	(0.2)	0.9	0.5	1.4
	<u>6.6</u>	<u>42.2</u>	<u>83.2</u>	<u>174.3</u>
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss:				
Employee future benefits actuarial gain (loss)	(0.8)	0.9	2.8	3.8
Income tax (expense) recovery ^(Note 18)	0.3	(0.2)	(0.7)	(1.1)
Total items that will not be reclassified to profit or loss	<u>(0.5)</u>	<u>0.7</u>	<u>2.1</u>	<u>2.7</u>
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	6.2	1.6	7.6	(0.2)
Total comprehensive income	<u>\$ 12.3</u>	<u>\$ 44.5</u>	<u>\$ 92.9</u>	<u>\$ 176.8</u>
Earnings per share (in dollars) ^(Note 19)				
Basic and diluted	\$ 0.02	\$ 0.12	\$ 0.25	\$ 0.47

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Western Forest Products Inc.
Condensed Consolidated Statements of Changes in Equity

(Expressed in millions of Canadian dollars) (unaudited)

	Share Capital	Contributed Surplus	Translation Reserve	Retained Earnings	Non- controlling Interest	Total Equity
Balance at December 31, 2020	\$ 479.9	\$ 10.4	\$ (1.9)	\$ 16.1	\$ 1.1	\$ 505.6
Net income	-	-	-	172.9	1.4	174.3
Other comprehensive income (loss):						
Employee future benefits actuarial gain	-	-	-	3.8	-	3.8
Income tax expense on actuarial gain ^(Note 18)	-	-	-	(1.1)	-	(1.1)
Foreign currency translation differences for foreign operations	-	-	(0.2)	-	-	(0.2)
Total comprehensive income (loss)	-	-	(0.2)	175.6	1.4	176.8
Stock options recognized in equity ^{(Note 15(a))}	-	0.3	-	-	-	0.3
Exercise of stock options ^{(Notes 14, 15(a))}	1.7	(1.6)	-	-	-	0.1
Repurchase of shares ^(Note 14)	(38.8)	-	-	(24.4)	-	(63.2)
Dividends	-	-	-	(11.0)	-	(11.0)
Non-controlling interest	-	-	-	14.5	5.2	19.7
Distribution to a non-controlling interest	-	-	-	-	(1.1)	(1.1)
Total transactions with owners, recorded directly in equity	(37.1)	(1.3)	-	(20.9)	4.1	(55.2)
Balance at September 30, 2021	\$ 442.8	\$ 9.1	\$ (2.1)	\$ 170.8	\$ 6.6	\$ 627.2
Balance at December 31, 2021	\$ 420.8	\$ 9.0	\$ (2.2)	\$ 184.5	\$ 5.1	\$ 617.2
Net income	-	-	-	82.7	0.5	83.2
Other comprehensive income (loss):						
Employee future benefits actuarial gain	-	-	-	2.8	-	2.8
Income tax expense on actuarial gain ^(Note 18)	-	-	-	(0.7)	-	(0.7)
Foreign currency translation differences for foreign operations	-	-	7.6	-	-	7.6
Total comprehensive income (loss)	-	-	7.6	84.8	0.5	92.9
Stock options recognized in equity ^{(Note 15(a))}	-	0.2	-	-	-	0.2
Exercise of stock options ^{(Notes 14, 15(a))}	0.2	(0.1)	-	(0.1)	-	-
Repurchase of shares ^(Note 14)	(12.7)	-	-	(4.6)	-	(17.3)
Dividends	-	-	-	(11.4)	-	(11.4)
Distributions to a non-controlling interest	-	-	-	-	(0.7)	(0.7)
Total transactions with owners, recorded directly in equity	(12.5)	0.1	-	(16.1)	(0.7)	(29.2)
Balance at September 30, 2022	\$ 408.3	\$ 9.1	\$ 5.4	\$ 253.2	\$ 4.9	\$ 680.9

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Western Forest Products Inc.
Condensed Consolidated Statements of Cash Flows
(Expressed in millions of Canadian dollars) (unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Cash provided by (used in):				
Operating activities:				
Net income	\$ 6.6	\$ 42.2	\$ 83.2	\$ 174.3
Items not involving cash:				
Amortization of property, plant and equipment ^(Note 7)	11.7	11.0	35.2	35.2
Amortization of timber licenses	1.0	1.0	3.0	3.0
Gain on disposal of property, plant, equipment and other assets ^(Notes 7, 8)	-	(3.3)	(1.3)	(22.6)
Amortization of deferred revenue ^(Note 16)	(0.5)	(0.4)	(1.5)	(1.4)
Finance costs (income)	(0.7)	0.4	-	1.7
Income tax expense ^(Note 18)	3.0	14.0	30.6	52.2
Change in fair value of biological assets ^(Note 8)	(0.2)	0.8	0.3	3.5
Change in reforestation obligation ^(Note 11)	(1.7)	(0.2)	(1.0)	0.2
Share-based compensation, including mark-to-market adjustment ^(Note 15)	0.2	2.2	(1.2)	10.8
Change in employee future benefits obligation ^(Note 12)	(0.4)	(0.8)	(1.4)	(1.4)
Export tax receivable	(18.0)	-	(18.0)	-
Foreign exchange and other	(3.6)	(3.6)	(3.4)	1.5
Income taxes (paid) refunded	(3.8)	0.1	(91.8)	(0.1)
	(6.4)	63.4	32.7	256.9
Changes in non-cash working capital items:				
Trade and other receivables	(6.6)	13.1	(17.0)	(3.7)
Inventory	5.3	6.4	(53.3)	(10.5)
Prepaid expenses and other assets	6.8	(4.2)	(0.1)	(2.6)
Accounts payable and accrued liabilities	(3.3)	3.8	19.7	1.4
	2.2	19.1	(50.7)	(15.4)
	(4.2)	82.5	(18.0)	241.5
Investing activities:				
Acquisition of Calvert assets ^(Note 5)	(16.1)	-	(16.1)	-
Additions to property, plant and equipment ^(Note 7)	(13.3)	(6.6)	(26.2)	(18.2)
Proceeds of property, equipment and other disposals	0.5	5.5	2.4	50.1
Deposits on purchase of equipment	-	-	(2.0)	-
Proceeds on disposition of minority interest in subsidiary	-	-	-	19.8
	(28.9)	(1.1)	(41.9)	51.7
Financing activities:				
Interest paid	(0.1)	(0.1)	(0.2)	(0.7)
Repayment of credit facility ^(Note 10)	-	-	-	(70.2)
Repayment of bank indebtedness	-	-	-	(0.2)
Repayment of long-term equipment loan ^(Note 10)	-	(1.9)	-	(2.2)
Lease payments	(1.6)	(1.5)	(5.4)	(5.3)
Repurchase of shares ^(Note 14)	(10.0)	(30.2)	(17.3)	(62.4)
Proceeds from exercise of stock options ^{(Notes 14, 15(a))}	-	-	-	0.1
Dividends	(4.1)	(3.6)	(11.4)	(11.0)
Distributions to a non-controlling interest	-	(0.6)	(0.4)	(1.1)
	(15.8)	(37.9)	(34.7)	(153.0)
Increase (decrease) in cash and cash equivalents	(48.9)	43.5	(94.6)	140.2
Cash and cash equivalents, beginning of period	84.3	99.6	130.0	2.9
Cash and cash equivalents, September 30	\$ 35.4	\$ 143.1	\$ 35.4	\$ 143.1

Supplementary information on non-cash transactions:

In addition to cash distributions paid to a non-controlling interest, \$nil and \$0.3 million of distributions were declared and settled by way of an offset to a receivable for the three and nine months ended September 30, 2022, respectively (Q3 2021 and YTD 2021: \$nil).

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

1. Reporting entity

Western Forest Products Inc. (“Western” or the “Company”) is an integrated softwood forest products company, incorporated and domiciled in Canada, operating in the coastal region of British Columbia (“BC”) and Washington State. The address of the Company’s head office is Suite 800 – 1055 West Georgia Street, Vancouver, BC, Canada. The unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2022 and 2021 comprise the financial results of the Company and its subsidiaries. The Company’s primary business is the sale of lumber and logs, which includes timber harvesting, sawmilling logs into specialty lumber, value-added lumber remanufacturing and wholesaling purchased lumber. The Company is listed on the Toronto Stock Exchange (“TSX”), under the symbol WEF.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*. These interim financial statements do not include all of the disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2021, available at www.westernforest.com or www.sedar.com. Certain comparative prior period figures have been reclassified to conform to the current year’s presentation. References to the three and nine months ended September 30 may be referred to as Q3 and YTD, respectively.

The interim financial statements were authorized for issue by the Board of Directors on November 3, 2022.

(b) Basis of measurement

The interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Biological assets are measured at fair value less costs to sell;
- Liabilities for cash-settled share-based payment transactions are measured at fair value at each reporting date;
- Derivative financial instruments are measured at fair value at each reporting date;
- The defined benefit pension liability is recognized as the net of the fair value of the plan assets, less the present value of the defined benefit obligation; and
- Reforestation obligations and lease liabilities are measured at the discounted value of expected future cash flows.

(c) Functional and presentation currency

These interim financial statements are presented in Canadian dollars (“CAD”) which is the Company’s functional currency. Certain of the Company’s subsidiaries have a functional currency of the US Dollar (“USD”) and are translated to CAD. All amounts are presented in millions of CAD, unless otherwise indicated.

(d) Critical accounting estimates

Potential impacts of the novel Coronavirus pandemic on the Company’s critical accounting estimates are being monitored, with no significant changes for the three and nine months ended September 30, 2022. The Company’s critical accounting estimates are described in its annual consolidated financial statements for the year ended December 31, 2021.

3. Significant accounting policies

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended December 31, 2021, other than business combinations and goodwill, described as follows:

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

3. Significant accounting policies (continued)

(a) Business combinations

Business combinations are accounted for using the acquisition method. The identifiable net assets acquired are measured at their fair value at the date of acquisition. Transaction costs, other than those associated with the issuance of debt or equity securities, are expensed as incurred.

The determination of fair value is estimated based on information available at the date of acquisition and requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the acquired property, plant and equipment generally require the most judgment. Changes in any of these assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets and liabilities in the acquisition equation.

The Company measures goodwill in business acquisitions at the acquisition date as the fair value of the consideration transferred including any non-controlling interest less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in net income.

(b) Goodwill

Goodwill is measured at cost less accumulated impairment losses. See Note 3(a) for the policy on measurement of goodwill at initial recognition.

Goodwill is tested annually for impairment.

4. Seasonality of operations

In a normal operating year, there is some seasonality to the Company's operations, with higher lumber sales in the second and third quarters when construction activity in certain key markets has historically tended to be higher. Logging activity may also vary depending on weather conditions such as rain, snow and ice in the winter and the threat of forest fires in the summer.

5. Acquisition

On August 31, 2022, Western completed the acquisition of certain assets of Calvert Company, Inc. ("Calvert"), an engineered wood products business located in Washington State, for consideration of USD\$12.2 million, funded from cash on hand.

The acquisition has been accounted for as a business combination and the value of the consideration transferred is allocated on a preliminary basis as follows:

	USD	CAD
Cash purchase price	\$ 12.2	\$ 16.1
Assets acquired:		
Inventory	\$ 2.7	\$ 3.7
Equipment	4.3	5.6
Right of use assets	1.6	2.1
Goodwill	5.2	6.8
	13.8	18.2
Lease liabilities assumed	(1.6)	(2.1)
	\$ 12.2	\$ 16.1

The factors that contributed to the recognition of goodwill of \$6.8 million include Calvert's historical cash flows, income growth projections, management team and workforce strength, and proximity to the Company's other US assets to allow for synergies. Goodwill was revalued at the quarter-end exchange rate to \$7.2 million as at September 30, 2022 and the related foreign exchange gain of \$0.4 million was recognized in the translation reserve.

The Company incurred acquisition related transaction costs of \$0.3 million for the three and nine months ended September 30, 2022, which are included in selling and administration in the statement of comprehensive income.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

5. Acquisition (continued)

For the three and nine months ended September 30, 2022, the acquired operations contributed sales of \$1.8 million and net earnings before tax of \$0.5 million.

6. Inventory

	September 30, 2022			December 31, 2021		
	Gross carrying value	Provisions	Lower of cost and net realizable value	Gross carrying value	Provisions	Lower of cost and net realizable value
Logs	\$ 171.2	\$ (21.1)	\$ 150.1	\$ 90.0	\$ (2.7)	\$ 87.3
Lumber	112.5	(20.2)	92.3	108.2	(6.8)	101.4
Supplies and other	22.8	-	22.8	18.9	(0.4)	18.5
	<u>\$ 306.5</u>	<u>\$ (41.3)</u>	<u>\$ 265.2</u>	<u>\$ 217.1</u>	<u>\$ (9.9)</u>	<u>\$ 207.2</u>

The carrying amount of inventory recorded at net realizable value was \$104.5 million at September 30, 2022 (December 31, 2021: \$31.5 million), with the remaining inventory recorded at cost.

For the three months and nine months ended September 30, 2022, \$324.6 million and \$909.8 million (Q3 2021 and YTD 2021: \$257.0 million and \$739.8 million, respectively) of inventory was charged to cost of goods sold. This includes an increase in the provision for write-down to net realizable value of \$23.1 million and \$31.4 million for the three and nine months ended September 30, 2022, respectively (Q3 2021 and YTD 2021: increase of \$3.7 million and a decrease of \$0.7 million, respectively).

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

7. Property, plant and equipment

	Land	Buildings and equipment	Projects	Logging roads	Total, excluding right of use assets	Right of use assets	Total
Cost							
Balance at December 31, 2020	\$ 85.2	\$ 459.8	\$ 5.9	\$ 222.8	\$ 773.7	\$ 31.8	\$ 805.5
Additions	-	-	23.6	8.3	31.9	3.5	35.4
Disposals	(26.5)	(24.5)	-	-	(51.0)	(1.8)	(52.8)
Transfers	-	10.7	(13.9)	3.2	-	-	-
Effect of movements in exchange rates	(0.1)	(0.4)	(0.1)	-	(0.6)	-	(0.6)
Balance at December 31, 2021	58.6	445.6	15.5	234.3	754.0	33.5	787.5
Acquisition ^(Note 5)	-	5.6	-	-	5.6	2.1	7.7
Additions	-	-	25.1	4.3	29.4	6.1	35.5
Disposals	(0.1)	(1.6)	-	-	(1.7)	(1.8)	(3.5)
Transfers	-	19.7	(21.2)	1.5	-	-	-
Effect of movements in exchange rates	1.3	5.2	0.1	-	6.6	0.8	7.4
Balance at September 30, 2022	\$ 59.8	\$ 474.5	\$ 19.5	\$ 240.1	\$ 793.9	\$ 40.7	\$ 834.6
Accumulated amortization							
Balance at December 31, 2020		\$ 220.7		\$ 191.0	\$ 411.7	\$ 10.5	\$ 422.2
Amortization		29.3		11.1	40.4	6.5	46.9
Disposals		(23.4)		-	(23.4)	(1.4)	(24.8)
Effect of movements in exchange rates		-		-	-	-	-
Balance at December 31, 2021		226.6		202.1	428.7	15.6	444.3
Amortization		22.0		8.3	30.3	4.9	35.2
Disposals		(1.3)		-	(1.3)	(1.7)	(3.0)
Effect of movements in exchange rates		0.9		-	0.9	0.3	1.2
Balance at September 30, 2022		\$ 248.2		\$ 210.4	\$ 458.6	\$ 19.1	\$ 477.7
Carrying amounts							
At December 31, 2021	\$ 58.6	\$ 219.0	\$ 15.5	\$ 32.2	\$ 325.3	\$ 17.9	\$ 343.2
At September 30, 2022	\$ 59.8	\$ 226.3	\$ 19.5	\$ 29.7	\$ 335.3	\$ 21.6	\$ 356.9

The Company utilized \$3.2 million of cash deposits in the first nine months ended September 30, 2022 (YTD 2021: \$nil) as equipment was delivered.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

8. Biological assets

Reconciliation of carrying amount

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Carrying value, beginning	\$ 48.6	\$ 50.1	\$ 49.1	\$ 53.6
Disposals	-	-	-	(0.8)
Change in fair value due to growth and pricing	0.2	0.3	0.8	0.9
Harvested timber transferred to inventory	-	(1.1)	(1.1)	(4.4)
Carrying value, September 30	\$ 48.8	\$ 49.3	\$ 48.8	\$ 49.3

Under IAS 41, *Agriculture*, the Company's private timberlands are classified as a growing forest, with the standing timber recorded as a biological asset at fair value less costs to sell at each reporting date.

At September 30, 2022, private timberlands comprised an area of approximately 22,665 hectares (December 31, 2021: 22,665 hectares) of land owned by the Company. Standing timber on private timberlands range from newly planted areas to mature forest available for harvest.

During the three and nine months ended September 30, 2022, the Company harvested and scaled 13,531 cubic metres ("m³") and 124,045 m³ of logs, respectively (Q3 2021 and YTD 2021: 88,098 m³ and 332,515 m³, respectively, including volumes harvested in advance of the March 2021 disposal of property related to the Orca Quarry site), from its private timberlands, which had a fair value less costs to sell of \$184 per m³ at the date of harvest (2021: \$128 per m³).

9. Other assets

	Sept. 30, 2022	Dec. 31, 2021
Export tax receivable and related interest ^{(Note 20 (a))}	\$ 64.3	\$ 40.4
Investments, long-term loans and advances	12.0	10.0
Note receivable	2.6	2.6
Cash deposits on equipment	-	1.2
Other	0.7	1.0
	79.6	55.2
Current portion of note receivable	2.6	-
	\$ 77.0	\$ 55.2

10. Long-term debt

	Sept. 30, 2022	Dec. 31, 2021
Balance at December 31	\$ -	\$ 72.3
Interest on equipment loan	-	0.1
Equipment loan repayments	-	(2.2)
Net repayments on revolving term loan	-	(70.2)
Balance at end of period	\$ -	\$ -

The Company's syndicated Credit Facility (the "Credit Facility") provides for a maximum borrowing amount of \$250 million and includes an accordion feature which allows the Company to increase the aggregate amount available to \$350 million, subject to lender approval. The maturity date of the Credit Facility is July 21, 2025.

The Credit Facility is available in CAD by way of Prime Rate Advances, Bankers' Acceptances or Letters of Credit and in USD by way of US Base Rate Advances, US Prime Rate Advances, or Letters of Credit. Interest on the Credit Facility is indexed to benchmark rates and varies depending on the nature of each draw and certain financial benchmarks. The Credit Facility includes incentive pricing terms that can reduce or increase Western's borrowing costs by up to five basis points based on the achievement of sustainability-linked goals.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

10. Long-term debt (continued)

The Credit Facility is secured by a general security agreement, excluding specified properties and their related assets, and is subject to certain financial covenants, including a maximum debt to total capitalization ratio.

There were no drawings on the Company's Credit Facility as at September 30, 2022 (December 31, 2021: \$nil) and the Company was in compliance with its financial covenants.

11. Reforestation obligation

The Company's provision for reforestation results from a legal obligation to reforest timber harvested from Crown land and arises as timber is harvested. Changes in the reforestation obligation are as follows:

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Reforestation obligation, beginning	\$ 23.3	\$ 22.8	\$ 22.4	\$ 22.4
Provision charged	1.5	2.2	8.2	5.0
Expenditures	(3.2)	(2.4)	(9.2)	(4.9)
Unwind of discount	0.1	0.1	0.3	0.2
	21.7	22.7	21.7	22.7
Less current portion	8.5	10.7	8.5	10.7
Long term reforestation obligation, September 30	\$ 13.2	\$ 12.0	\$ 13.2	\$ 12.0

The reforestation expenditures are expected to occur over the next one to ten years and have been discounted at risk-free rates of 3.17% to 4.06% (2021: 0.25% to 1.40%). The total undiscounted amount of the estimated future expenditures required to settle the reforestation obligation at September 30, 2022 is \$23.9 million (December 31, 2021: \$23.2 million). Reforestation expense incurred on current production is included in cost of goods sold and the unwinding of discount, or accretion cost, is included in finance costs.

12. Employee future benefits

The Company has defined benefit plans that provide pension or other retirement benefits to certain of its salaried employees. The Company also provides other post-employment benefits and pension bridging benefits to eligible retired employees. The defined benefit pension plans were closed to new participants effective June 30, 2006. No further benefits accrue under these plans for years of service after December 31, 2010, and no further benefits accrue under these plans for compensation increases effective December 31, 2016.

The amounts recognized in the statement of financial position for the Company's employee future benefit obligations, consisting of both the defined benefit salaried pension plans and other non-pension benefits are as follows:

	Sept. 30, 2022	Dec. 31, 2021
Present value of obligations	\$ 95.7	\$ 120.4
Fair value of plan assets	(89.1)	(109.8)
Liability recognized in the statement of financial position ^(Note 13)	\$ 6.6	\$ 10.6

The change in the liability recognized in the statement of financial position at September 30, 2022 was due primarily to an increase in the discount rate used to value the defined benefit obligations, partially offset by lower returns on plan assets. The discount rate used as at September 30, 2022 was 5.02% per annum (December 31, 2021: 2.83% per annum).

The Company expects to make funding contributions to its defined benefit plans of \$1.1 million in 2022.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

13. Other liabilities

	Sept. 30, 2022	Dec. 31, 2021
Defined benefit employee future benefits obligation ^(Note 12)	\$ 6.6	\$ 10.6
Defined contribution employee future benefits obligation	2.4	1.0
Environmental accruals	1.7	1.6
Performance share unit plan liabilities, non-current ^{(Note 15(c))}	2.2	6.3
Restricted share unit plan liabilities, non-current ^{(Note 15(d))}	1.5	1.5
Other	0.8	1.0
	<u>\$ 15.2</u>	<u>\$ 22.0</u>

14. Share capital

	Number of Common Shares	Amount
Balance at December 31, 2020	375,232,166	\$ 479.9
Exercise of stock options	1,250,973	1.9
Repurchase of shares	(47,702,569)	(61.0)
Balance at December 31, 2021	328,780,570	420.8
Exercise of stock options	108,585	0.2
Repurchase of shares	(9,925,015)	(12.7)
Balance at September 30, 2022	<u>318,964,140</u>	<u>\$ 408.3</u>

On August 3, 2022, Western renewed its Normal Course Issuer Bid ("NCIB") whereby it can purchase for cancellation up to 27,420,905 of the Company's common shares, representing 10% of the public float outstanding as of August 3, 2022. The renewed NCIB expires August 10, 2023.

For the nine months ended September 30, 2022, the Company repurchased and cancelled 9,925,015 common shares for \$17.3 million at an average price of \$1.75 per share, of which \$12.7 million was charged to share capital and \$4.6 million to retained earnings (YTD 2021: 30,346,240 shares purchased for \$62.4 million at an average price of \$2.06 per share, with charges of \$38.8 million and \$23.6 million to share capital and retained earnings, respectively).

In addition, 250,000 stock options were exercised in the first nine months ended September 30, 2022 with 108,585 common shares issued on a cashless basis resulting in a negligible charge to retained earnings. (YTD 2021: 2,712,620 stock options exercised with 47,620 common shares issued for proceeds of \$0.1 million and 1,084,283 common shares issued on a cashless basis resulting in a \$0.8 million charge to retained earnings).

15. Share-based compensation plans

(a) Stock-option plan

The Company has an incentive stock option plan which permits the granting of options to eligible participants to purchase up to an aggregate of 30,000,000 common shares, of which 4,706,850 remain available for future issuance. Each option is exercisable, subject to vesting terms of 20% per year and immediately upon a change in control of the Company, into one common share, subject to adjustments, at a price of not less than the closing price of the common shares on the TSX on the day immediately preceding the grant date. Options granted under the Option Plan expire a maximum of ten years from the date of the grant.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

15. Share-based compensation plans (continued)

(a) Stock-option plan (continued)

The following table summarizes the change in options outstanding:

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at December 31	15,247,304	\$ 1.71	18,259,924	\$ 1.58
Granted	500,000	1.47	-	
Exercised	(250,000)	0.96	(2,712,620)	0.93
Outstanding at September 30	15,497,304	\$ 1.71	15,547,304	\$ 1.69

For the three and nine months ended September 30, 2022, the Company recorded equity-based compensation expense in respect of options of \$0.1 million and \$0.2 million, respectively (Q3 2021 and YTD 2021: \$0.1 million and \$0.3 million expense, respectively) with a corresponding increase to contributed surplus.

(b) Deferred share unit ("DSU") plan

The Company has a DSU Plan for non-executive directors who may elect to take a portion of their fees in the form of DSUs. Prior to January 1, 2015, DSUs were also granted to designated executive officers.

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021	
	Number of DSUs	Weighted average unit value ¹	Number of DSUs	Weighted average unit value ¹
Outstanding at December 31	2,288,822	\$ 1.43	2,471,200	\$ 1.19
Granted ¹	396,717	1.54	205,059	2.01
Redeemed	(97,500)	1.09	(450,000)	0.47
Outstanding at September 30	2,588,039	\$ 1.46	2,226,259	\$ 1.41

¹Fair value at the date of the grants. Grants include notional dividends.

For the three and nine months ended September 30, 2022, the Company recorded compensation recovery for DSUs of \$0.3 million and \$1.7 million, respectively (Q3 2021 and YTD 2021: \$0.3 million and \$2.4 million expense, respectively), with corresponding changes in accounts payable and accrued liabilities.

(c) Performance share unit ("PSU") plan

The Company has established a PSU Plan for designated officers and employees.

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021	
	Number of PSUs	Weighted average unit value ¹	Number of PSUs	Weighted average unit value ¹
Outstanding at December 31	3,538,407	\$ 1.40	2,838,304	\$ 1.54
Granted ¹	970,083	2.05	1,192,661	1.57
Redeemed	(718,165)	1.89	(512,649)	2.61
Forfeited	(112,919)	1.46	-	-
Outstanding at September 30	3,677,406	\$ 1.47	3,518,316	\$ 1.39

¹Fair value at the date of the grants. Grants include notional dividends.

For the three and nine months ended September 30, 2022, the Company recorded compensation expense for PSUs of \$0.2 million and compensation recovery of \$0.1 million, respectively (Q3 2021 and YTD 2021: \$1.5 million and \$7.0 million expense, respectively), with corresponding changes in other liabilities.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

15. Share-based compensation plans (continued)

(d) Restricted share unit ("RSU") plan

The Company has established an RSU Plan for designated officers and employees.

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021	
	Number of RSUs	Weighted average unit value ¹	Number of RSUs	Weighted average unit value ¹
Outstanding at December 31	2,201,462	\$ 1.52	357,060	\$ 1.05
Granted ¹	1,569,680	1.76	1,367,789	1.56
Forfeited	(89,095)	1.56	-	-
Outstanding at September 30	3,682,047	\$ 1.62	1,724,849	\$ 1.45

¹Fair value at the date of the grants. Grants include notional dividends.

For the three and nine months ended September 30, 2022, the Company recorded compensation expense for RSUs of \$0.2 million and \$0.4 million, respectively (Q3 2021 and YTD 2021: \$0.4 million and \$1.1 million expense, respectively) with corresponding changes in accounts payable and accrued liabilities and to other liabilities.

16. Revenue

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market based on the known origin of the customer, and by major products.

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Primary geographic markets				
Canada	\$ 170.1	\$ 106.2	\$ 440.7	\$ 350.1
United States	84.0	112.7	355.2	414.7
Japan	52.6	59.2	172.7	118.5
China	24.5	37.3	81.0	107.0
Other	24.8	37.5	103.4	99.5
	<u>\$ 356.0</u>	<u>\$ 352.9</u>	<u>\$ 1,153.0</u>	<u>\$ 1,089.8</u>
Major Products				
Lumber	\$ 267.1	\$ 299.8	\$ 932.8	\$ 929.5
Logs	72.5	41.0	176.0	120.4
By-products and other	16.4	12.1	44.2	39.9
	<u>\$ 356.0</u>	<u>\$ 352.9</u>	<u>\$ 1,153.0</u>	<u>\$ 1,089.8</u>

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Sept. 30, 2022	Dec. 31, 2021
Trade and other receivables	\$ 75.7	\$ 57.4
Other investments and advances	1.5	2.2
Contract liabilities	47.0	48.5

Contract liabilities relate to the consideration received from a customer for a long-term fibre supply contract and are recognized as deferred revenue, for which revenue is recognized straight-line over the term of the contract (see Note 20(c)). The Company recognized related revenue of \$0.5 million and \$1.5 million for the three and nine months ended September 30, 2022, respectively (Q3 2021 and YTD 2021: \$0.4 million and \$1.4 million, respectively).

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

17. Other income

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Gain on disposal of property, plant, equipment and other assets ^(Notes 7, 8)	\$ -	\$ 3.3	\$ 1.3	\$ 23.4
Foreign exchange gains (losses)	3.9	0.8	3.7	(0.1)
Other	0.1	(0.1)	(0.9)	(1.2)
	<u>\$ 4.0</u>	<u>\$ 4.0</u>	<u>\$ 4.1</u>	<u>\$ 22.1</u>

Western recognized a gain of \$1.3 million on disposal of property, plant, equipment and other assets in the nine months ended September 30, 2022, attributable primarily to the sale of remaining non-core assets of its Somass operation. The gain on disposal of property, plant, equipment and other assets in YTD 2021 was attributable primarily to gains from the sale of the Orca Quarry assets.

18. Income taxes

Income tax expense differs from the amount that would be computed by applying the Company's combined Federal, State and Provincial statutory rate as follows:

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Income before income taxes	\$ 9.6	\$ 56.2	\$ 113.8	\$ 226.5
Income tax expense at statutory rate of 27% (2021 – 27%)	\$ 2.6	\$ 15.2	\$ 30.7	\$ 61.2
Difference in tax rates	-	-	(0.8)	(0.4)
Other permanent differences	-	(0.9)	0.8	(3.8)
Change in unrecognized deductible temporary differences	-	(0.3)	-	(4.8)
Other	0.4	-	(0.1)	-
	<u>\$ 3.0</u>	<u>\$ 14.0</u>	<u>\$ 30.6</u>	<u>\$ 52.2</u>

In addition to the amounts recorded to net income, the statement of other comprehensive income includes a deferred tax recovery of \$0.3 million on actuarial losses and deferred tax expense of \$0.7 million on actuarial gains on employee future benefit obligations for the three and nine months ended September 30, 2022, respectively (Q3 2021 and YTD 2021: expense of \$0.2 million and \$1.1 million, respectively, in relation to actuarial gains on employee future benefit obligations).

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

19. Earnings per share

Net earnings per share is calculated utilizing the treasury stock method for determining the dilutive effect of options issued. The reconciliation of the numerator and denominator is determined as follows:

	Three months ended Sept. 30, 2022			Three months ended Sept. 30, 2021		
	Net income attributable to equity shareholders	Weighted average number of shares	Per share	Net income attributable to equity shareholders	Weighted average number of shares	Per share
Issued shares, beginning of period		325,510,128			359,743,005	
Effect of shares:						
Issued in the quarter		-			226,499	
Repurchased in the quarter		(1,977,134)			(7,200,357)	
Basic earnings per share	\$ 6.8	323,532,994	\$ 0.02	\$ 41.3	352,769,147	\$ 0.12
Effective of dilutive securities:						
Stock options		1,753,418			3,554,840	
Diluted earnings per share	\$ 6.8	325,286,412	\$ 0.02	\$ 41.3	356,323,987	\$ 0.12
	Nine months ended Sept. 30, 2022			Nine months ended Sept. 30, 2021		
	Net income attributable to equity shareholders	Weighted average number of shares	Per share	Net income attributable to equity shareholders	Weighted average number of shares	Per share
Issued shares at December 31		328,780,570			375,232,166	
Effect of shares:						
Issued in the first nine months		87,504			245,154	
Repurchased in the first nine months		(3,912,767)			(9,981,725)	
Basic earnings per share	\$ 82.7	324,955,307	\$ 0.25	\$ 172.9	365,495,595	\$ 0.47
Effective of dilutive securities:						
Stock options		2,704,135			3,069,472	
Diluted earnings per share	\$ 82.7	327,659,442	\$ 0.25	\$ 172.9	368,565,067	\$ 0.47

20. Commitments and contingencies

(a) Softwood lumber duty dispute

On October 12, 2015, the softwood lumber agreement between Canada and the US, under which Canadian softwood lumber shipments to the US ("shipments") were assessed an export tax by the Canadian government, expired.

From 2017 onward, as a result of petitions filed by the US Lumber Coalition, and others, and determinations made by the US International Trade Commission, the US Department of Commerce ("DoC") imposed Countervailing ("CV") and Anti-dumping duties ("AD") on shipments to the US from Canada. As a result of these actions, cash deposits for CV were required for Canadian lumber imports to the US effective April 28, 2017 through August 25, 2017, and from December 28, 2017 onwards; and cash deposits for AD were required for Canadian lumber imports to the US effective June 30, 2017 until December 26, 2017, and from December 28, 2017 onwards.

As each DoC Administrative Review ("AR") of a shipment year is completed, final rates are published in the federal register and a revised cash deposit rate is established until publication of final rates of the next AR.

The Company expenses export taxes at the cash duty deposit rate as lumber shipments are made. Where final duty rates differed from cash deposit rates, the Company recognized an export tax recovery of USD\$29.6 million (CAD\$38.4 million) in the Statement of financial position in prior years and a long-term duty receivable on which it accrues interest.

On March 9, 2022, the DoC initiated its fourth AR of CV and AD rates for shipments for 2021.

On August 3, 2022, the DoC released its final determination for CV and AD rates from its third AR resulting in the recognition of an export tax recovery of USD\$13.4 million (CAD\$18.0 million) in the Statement of financial position and a long-term interest-bearing duty receivable.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

20. Commitments and contingencies (continued)

(a) Softwood lumber duty dispute (continued)

The following table summarizes the cash deposit rates in effect, the rates applicable to Canadian lumber shipments to the US and the duty recoveries recorded:

Administrative review				AR4	AR3	AR2	AR1	AR1
	Aug. 4, 2022	Jan. 10, 2022	Dec. 1, 2021	Dec. 1, 2020	Jan. 1 2020			
Lumber shipment date	through Sept. 30 2022	through Aug. 3 2022	through Jan. 9, 2022	through Nov. 30, 2021	through Nov. 30 2020	Year		
	2022	2022	2022	2021	2020	2019	2018	2017
Cash deposit rate, CV	3.83%	6.32%	6.31%	7.42%	14.19%	14.19%	14.19%	14.19%
Cash deposit rate, AD	4.76%	11.59%	11.59%	1.57%	6.04%	6.04%	6.04%	6.04%
Cash deposit rate, combined	8.59%	17.91%	17.90%	8.99%	20.23%	20.23%	20.23%	20.23%
					2020	2019	2018	2017
					Final	Final	Final	Final
Duty rate, CV					3.83%	6.32%	7.42%	6.71%
Duty rate, AD					4.76%	11.59%	1.57%	1.66%
Duty rate, combined					8.59%	17.91%	8.99%	8.37%

Including interest of USD\$3.4 million (December 31, 2021: USD\$2.3 million), the duty receivable of USD\$46.5 million (December 31, 2021: USD\$31.9 million) was revalued at the quarter-end exchange rate to CAD\$64.3 million (December 31, 2021: CAD\$40.4 million).

Interest revenue of \$1.2 million and \$1.5 million for the three and nine months ended September 30, 2022, respectively was recorded in finance costs (Q3 2021 and YTD 2021: \$0.2 million and \$0.4 million, respectively). Related foreign exchange gains of \$3.8 million and \$4.5 million for the three and nine months ended September 30, 2022, respectively, were recorded in other income (Q3 2021 and YTD 2021: foreign exchange gains of \$0.8 million and loss of \$0.2 million, respectively).

As at September 30, 2022, the Company had paid \$202.9 million of duties, all of which remain held in trust by US Department of Treasury (December 31, 2021: \$151.8 million). With the exception of USD\$46.5 million (CAD\$64.3 million) of duty deposits recognized as a receivable, all duty deposits have been expensed at the cash deposit rates in effect at the date of payment.

(b) Litigation and claims

In the normal course of its business activities, the Company may be subject to a number of claims and legal actions that may be made by customers, unions, suppliers and others in respect of which either provision has been made or for which no material liability is expected. Where the Company is unable to determine the outcome of these disputes no amounts have been accrued in these interim financial statements.

(c) Long-term fibre supply agreements

Certain of the Company's long-term fibre supply agreements with third parties have minimum volume requirements and may, in the case of a failure to produce the minimum annual volume, require the Company to conduct whole log chipping or sell saw logs, which could reduce log availability for our sawmills, source the deficiency from third parties at additional cost or incur a penalty under the fibre supply agreements. If the Company takes any significant curtailments in its sawmills its chip production would decline, increasing the risk that the Company would not meet its contractual obligations where it is not possible to secure replacement chips on the open market. Based on chip and pulp log volumes supplied to date and the exercise of force majeure provisions in 2021, the Company believes it has satisfied fibre commitments as at September 30, 2022. The Company anticipates satisfying annual fibre commitments for the year ending December 31, 2022.

21. Financial instruments – fair values and risk management

The Company classifies its financial assets in the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit and loss ("FVTPL"), depending upon the business model in which a financial asset is managed and its contractual cash flow characteristics. The Company's non-derivative financial liabilities are measured at amortized cost using the effective interest method.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

21. Financial instruments – fair values and risk management (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets or liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly or indirectly; or
- Level 3: inputs for the asset or liability that are not based on observable market data.

	September 30, 2022			December 31, 2021			
	Mandatory Level	Amortized at FVTPL	Cost Total	Mandatory Level	Amortized at FVTPL	Cost Total	
Financial assets							
Market-based investments	2	\$ 4.5	\$ -	\$ 4.5	\$ 4.7	\$ -	\$ 4.7
Foreign currency forward contracts	2	-	-	-	1.1	-	1.1
Cash and cash equivalents		-	35.4	35.4	-	130.0	130.0
Trade and other receivables		-	75.7	75.7	-	56.3	56.3
Other investments and advances		-	1.5	1.5	-	4.8	4.8
Export tax and related interest receivable (Note 20(a))	3	64.3	-	64.3	40.4	-	40.4
Total financial assets		\$ 68.8	\$ 112.6	\$ 181.4	\$ 46.2	\$ 191.1	\$ 237.3

	Mandatory Level	Other Financial Liabilities		Total	Mandatory Level	Other Financial Liabilities		Total
		at FVTPL	Liabilities			at FVTPL	Liabilities	
Financial liabilities								
Foreign currency forward contracts	2	\$ 1.0	\$ -	\$ 1.0	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities		-	135.4	135.4	-	112.8	112.8	
Lease liabilities		-	21.9	21.9	-	18.3	18.3	
Total financial liabilities		\$ 1.0	\$ 157.3	\$ 158.3	\$ -	\$ 131.1	\$ 131.1	

The Company enters into forward contracts to sell USD and JPY in order to mitigate a portion of the foreign currency risk. At September 30, 2022, the Company had outstanding obligations to sell an aggregate USD\$16.0 million at an average exchange rate of CAD\$1.3204 per USD with maturities through October 14, 2022.

All foreign currency gains or losses related to currency forward contracts have been recognized in revenue for the period as described in the following table.

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	2021
Fair value of (asset) liability, beginning of period	\$ 0.1	\$ 3.2	\$ (1.1)	\$ (0.6)
Fair value of liability at September 30	1.0	-	1.0	-
Change in unrealized foreign currency gains (losses)	(0.9)	3.2	(2.1)	(0.6)
Realized foreign currency losses on settled contracts	(1.6)	(5.9)	(1.3)	(0.8)
Foreign currency losses recognized in revenue	\$ (2.5)	\$ (2.7)	\$ (3.4)	\$ (1.4)

Forward contracts in a liability position are included in accounts payable and accrued liabilities on the statement of financial position and assets are included in trade and other receivables.

Western Forest Products Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Tabular amounts expressed in millions of Canadian dollars except number of shares and per share amounts)

22. Subsequent event

Huumiis Ventures Limited Partnership (“HVLP”), a limited partnership beneficially owned by Huu-ay-aht First Nations (“HFN”), holds a 35% equity interest in Tsawak-qin Forestry Limited Partnership (“TFLP”; formerly TFL 44 Limited Partnership). In March 2020, HVLP agreed to acquire a further 16% equity interest in TFLP with an anticipated closing in the second quarter of 2023, subject to certain closing conditions. Also in March 2020, HVLP agreed to acquire a 7% equity interest in a newly formed limited partnership (“APD LP”), which would hold the Alberni Pacific Division (“APD”) sawmill, with an anticipated closing in the second quarter of 2023. Due to changing circumstances since these agreements were made in 2020, HVLP has confirmed on October 31, 2022 that it will not complete these incremental equity acquisitions at this time.

The March 2020 agreement also included an option for TFLP to sell an incremental equity interest of 26% to other area First Nations. This option has now expired; however, Western, alongside the HFN, are continuing to have discussions with interested area First Nations around acquiring an interest in TFLP.



Western Forest Products Inc.

DEFINING A HIGHER STANDARD™

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