

**West Fraser Timber Co. Ltd.**  
**Condensed Consolidated Balance Sheets**

*(in millions of United States dollars, except where indicated - unaudited)*

	Note	June 28, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,004	\$ 900
Receivables		392	311
Income taxes receivable		57	93
Inventories	5	846	851
Prepaid expenses		59	40
Assets held for sale	6	—	182
		2,358	2,377
<b>Property, plant and equipment</b>		3,806	3,835
<b>Timber licences</b>		367	376
<b>Goodwill and other intangible assets</b>		2,278	2,307
<b>Export duty deposits</b>	17	390	377
<b>Other assets</b>		140	137
<b>Deferred income tax assets</b>		8	6
		\$ 9,347	\$ 9,415
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accrued liabilities		\$ 596	\$ 620
Current portion of long-term debt	7	300	300
Current portion of reforestation and decommissioning obligations		59	60
Income taxes payable		59	7
Liabilities associated with assets held for sale	6	—	63
		1,014	1,050
<b>Long-term debt</b>	7	200	199
<b>Other liabilities</b>	8	232	260
<b>Deferred income tax liabilities</b>		658	683
		2,104	2,193
<b>Shareholders' Equity</b>			
Share capital	10	2,573	2,607
Retained earnings		4,978	4,913
Accumulated other comprehensive loss		(308)	(297)
		7,244	7,223
		\$ 9,347	\$ 9,415

The number of Common shares and Class B Common shares outstanding at July 23, 2024 was 80,373,875.

## West Fraser Timber Co. Ltd.

### Condensed Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss)

(in millions of United States dollars, except where indicated - unaudited)

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<b>Sales</b>	\$ 1,705	\$ 1,608	\$ 3,332	\$ 3,235
<b>Costs and expenses</b>				
Cost of products sold	1,133	1,194	2,250	2,439
Freight and other distribution costs	215	230	435	464
Export duties, net	17	15	30	38
Amortization	138	135	276	273
Selling, general and administration	70	78	146	154
Equity-based compensation	(4)	12	—	14
Restructuring and impairment charges	11	129	16	132
	1,573	1,804	3,152	3,515
<b>Operating earnings (loss)</b>	132	(196)	180	(281)
Finance income, net	12	6	15	16
Other income (expense)	13	1	(5)	24
<b>Earnings (loss) before tax</b>	139	(177)	189	(240)
Tax recovery (provision)	14	(34)	(50)	67
<b>Earnings (loss)</b>	\$ 105	\$ (131)	\$ 139	\$ (173)
<b>Earnings (loss) per share (dollars)</b>				
Basic	15	\$ 1.29	\$ (1.57)	\$ 1.71
Diluted	15	\$ 1.20	\$ (1.57)	\$ 1.63
<b>Comprehensive earnings (loss)</b>				
Earnings (loss)	\$ 105	\$ (131)	\$ 139	\$ (173)
<b>Other comprehensive earnings</b>				
Items that may be reclassified to earnings				
Translation gain (loss) on operations with different functional currencies	(2)	15	(11)	28
Items that will not be reclassified to earnings				
Actuarial gain (loss) on retirement benefits, net of tax	9	8	26	(8)
	6	(1)	15	21
<b>Comprehensive earnings (loss)</b>	\$ 111	\$ (131)	\$ 155	\$ (152)

## West Fraser Timber Co. Ltd.

### Condensed Consolidated Statements of Changes in Shareholders' Equity

(in millions of United States dollars, except where indicated - unaudited)

	Note	Three Months Ended		Six Months Ended	
		June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<b>Share capital</b>					
Balance - beginning of period		\$ 2,604	\$ 2,667	\$ 2,607	\$ 2,667
Repurchase of Common shares for cancellation	10	(31)	—	(34)	—
Balance - end of period		\$ 2,573	\$ 2,667	\$ 2,573	\$ 2,667
<b>Retained earnings</b>					
Balance - beginning of period		\$ 4,936	\$ 5,224	\$ 4,913	\$ 5,283
Actuarial gain (loss) on retirement benefits, net of tax	9	8	(15)	26	(8)
Repurchase of Common shares for cancellation	10	(45)	—	(50)	—
Earnings (loss) for the period		105	(131)	139	(173)
Dividends declared		(26)	(25)	(50)	(50)
Balance - end of period		\$ 4,978	\$ 5,053	\$ 4,978	\$ 5,053
<b>Accumulated other comprehensive loss</b>					
Balance - beginning of period		\$ (306)	\$ (318)	\$ (297)	\$ (332)
Translation gain (loss) on operations with different functional currencies		(2)	15	(11)	28
Balance - end of period		\$ (308)	\$ (304)	\$ (308)	\$ (304)
<b>Shareholders' Equity</b>		\$ 7,244	\$ 7,417	\$ 7,244	\$ 7,417

**West Fraser Timber Co. Ltd.**  
**Condensed Consolidated Statements of Cash Flows**  
*(in millions of United States dollars, except where indicated - unaudited)*

	Note	Three Months Ended		Six Months Ended	
		June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<b>Cash provided by operating activities</b>					
Earnings (loss)		\$ 105	\$ (131)	\$ 139	\$ (173)
Adjustments					
Amortization		138	135	276	273
Restructuring and impairment charges	11	5	129	16	132
Finance income, net	12	(6)	(9)	(15)	(16)
Foreign exchange gain		—	(2)	(3)	(2)
Export duty	17	—	12	—	12
Retirement benefit expense		19	16	34	35
Net contributions to retirement benefit plans		(15)	(17)	(28)	(32)
Tax provision (recovery)	14	34	(46)	50	(67)
Income taxes paid		—	(10)	(3)	(15)
Unrealized loss (gain) on electricity swaps		(5)	(5)	6	(20)
Other		(19)	(11)	(4)	10
Changes in non-cash working capital					
Receivables		3	65	(90)	(42)
Inventories		165	226	17	121
Prepaid expenses		(24)	(30)	(19)	(24)
Payables and accrued liabilities		(22)	(51)	(38)	(118)
		378	272	338	73
<b>Cash used for financing activities</b>					
Repayment of lease obligations		(3)	(5)	(6)	(8)
Finance expense paid		(11)	(9)	(15)	(12)
Repurchase of Common shares for cancellation	10	(71)	—	(79)	—
Dividends paid		(24)	(25)	(49)	(50)
		(110)	(39)	(148)	(70)
<b>Cash provided by (used for) investing activities</b>					
Proceeds from sale of pulp mills		119	—	124	—
Additions to capital assets		(102)	(106)	(224)	(205)
Interest received		11	11	22	20
		28	(95)	(78)	(184)
<b>Change in cash and cash equivalents</b>		296	138	112	(181)
<b>Foreign exchange effect on cash and cash equivalents</b>		(3)	9	(7)	12
<b>Cash and cash equivalents - beginning of period</b>		711	847	900	1,162
<b>Cash and cash equivalents - end of period</b>		\$ 1,004	\$ 994	\$ 1,004	\$ 994

## **West Fraser Timber Co. Ltd.**

### **Notes to Condensed Consolidated Financial Statements**

For the three and six months ended June 28, 2024 and June 30, 2023

*(figures are in millions of United States dollars, except where indicated - unaudited)*

#### **1. Nature of operations**

West Fraser Timber Co. Ltd. ("West Fraser", the "Company", "we", "us" or "our") is a diversified wood products company with more than 60 facilities in Canada, the United States, the United Kingdom, and Europe, which promotes sustainable forest practices in its operations. The Company produces lumber, engineered wood products (OSB, LVL, MDF, plywood, and particleboard), pulp, newsprint, wood chips, other residuals, and renewable energy. West Fraser's products are used in home construction, repair and remodelling, industrial applications, papers, tissue, and box materials. Our executive office is located at 885 West Georgia Street, Suite 1500, Vancouver, British Columbia. West Fraser was formed by articles of amalgamation under the *Business Corporations Act* (British Columbia) and is registered in British Columbia, Canada. Our Common shares are listed for trading on the Toronto Stock Exchange ("TSX") and on the New York Stock Exchange ("NYSE") under the symbol WFG.

#### **2. Basis of presentation**

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, under International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed consolidated financial statements use the same accounting policies as the most recent audited annual consolidated financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Audit Committee of the Company's Board of Directors on July 24, 2024. These condensed consolidated interim financial statements should be read in conjunction with our audited annual consolidated financial statements for the year ended December 31, 2023.

Our fiscal year is the calendar year ending December 31. Effective January 1, 2023, our fiscal quarters are the 13-week periods ending on the last Friday of March, June, and September with the fourth quarter ending December 31. References to the three months ended June 28, 2024 and the second quarter of 2024 relate to the 13-week period ended June 28, 2024 and references to the six months ended June 28, 2024 relate to the 26-week period ended June 28, 2024.

Figures have been rounded to millions of dollars to reflect the accuracy of the underlying balances and as a result certain tables may not add due to rounding impacts.

Assets and liabilities transferred as a result of the sales of the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill were presented as part of assets held for sale and liabilities held for sale respectively as at December 31, 2023 (see note 6) and are not included in the other balance sheet amounts presented.

#### **Application of new and revised accounting standards**

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations that would be considered as a settlement of a liability. In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. These further amendments clarify how to address the effects on classification and disclosure of covenants that an entity is required to comply with on or before the reporting date and covenants that an entity must comply with only after the reporting date. We have adopted these amendments effective January 1, 2024. These amendments did not have a material impact on our consolidated financial statements.

#### **Accounting standards issued but not yet applied**

##### ***IFRS 18, Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements to improve comparability in the reporting of financial performance to give investors a better basis for analyzing and comparing entities. The standard impacts the presentation of the financial statements and notes, in particular the income statement where entities will be required to

present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the financial statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. We are currently assessing the impact of this amendment on our consolidated financial statements.

### 3. Business combinations

#### *Cariboo Pulp & Paper*

We attained sole control of Cariboo Pulp & Paper (“CPP”) during Q1-24 in relation to an agreement (“the CPP agreement”) with Mercer International Inc. (“Mercer”) to dissolve our 50/50 joint venture in Cariboo Pulp & Paper (“CPP JV”). No termination or other amounts are payable by either company in connection with the CPP agreement.

CPP produces northern bleached softwood kraft (“NBSK”) pulp, related by-products, and energy. Prior to the CPP agreement, we accounted for the CPP JV under IFRS Accounting Standards by recognizing our share of the assets, liabilities, revenues, and expenses related to this joint operation.

Prior to the CPP agreement, the CPP JV was a joint operation under IFRS Accounting Standards that met the definition of a business. Accordingly, we applied the requirements for a business combination achieved in stages in accordance with IFRS 3, *Business Combinations*.

This required us to first remeasure the carrying value of our 50% interest in the CPP JV to fair value and then recognize an additional 50% interest in CPP at fair value in accordance with the requirements of IFRS 3.

The determination of the fair value of identifiable assets and liabilities required management to use estimates that contain uncertainty and critical judgments. We applied the income approach in determining the fair value of property, plant, and equipment. Cash flow forecasts were based on internal estimates for 2024 through 2027 and estimated mid-cycle earnings for subsequent years. Assumptions included production volume, product pricing, raw material input cost, production cost, terminal multiple, and discount rate. Key assumptions were determined using external sources and historical data from internal sources.

We recognized a net gain on the business combination as the estimated fair value of 100% of CPP’s identifiable assets and liabilities exceeded the carrying value of our 50% interest in the CPP JV prior to the CPP agreement.

<b>Fair value of identifiable assets and liabilities (100% interest in CPP):</b>	
Cash	\$ 2
Accounts receivable	3
Inventories	35
Prepaid expenses	1
Property, plant and equipment	59
Payables and accrued liabilities	(39)
Other liabilities	(14)
Deferred income tax liabilities	(1)
	44
Less: Carrying value of our previously held 50% interest in the CPP JV	(43)
Net gain resulting from the CPP agreement	\$ 1

The net gain resulting from the CPP agreement was recognized as other income.

#### *Spray Lake Acquisition*

On November 17, 2023, we acquired 100 percent of the shares in Spray Lake Sawmills (1980) Ltd., which operates a lumber mill located in Cochrane, Alberta, and the associated timber licenses (“Spray Lake Acquisition”) for cash consideration of \$101 million (CAD\$139 million). This acquisition has been accounted for as an acquisition of a business in accordance with IFRS 3 *Business Combinations*. We have allocated the purchase price based on our estimated fair value of the assets acquired and the liabilities assumed as follows:

<b>West Fraser purchase consideration:</b>		
Cash consideration	\$	101
<b>Fair value of net assets acquired:</b>		
Cash	\$	1
Accounts receivable		3
Inventories		24
Prepaid expenses		1
Income taxes receivable		1
Property, plant and equipment		58
Timber licenses		41
Payables and accrued liabilities		(8)
Other liabilities		(3)
Deferred income tax liabilities		(18)
	\$	101

#### **4. Seasonality of operations**

Our operating results are subject to seasonal fluctuations that may impact quarter-to-quarter comparisons. Consequently, interim operating results may not proportionately reflect operating results for a full year.

Market demand varies seasonally, as home building activity and repair-and-remodelling work are generally stronger in the spring and summer months. Extreme weather conditions, including wildfires in Western Canada and hurricanes in the U.S. South, may periodically affect operations, including logging, manufacturing and transportation. Log inventory is typically built up in the northern regions of North America and Europe during the winter to sustain our lumber and EWP production during the second quarter when logging is curtailed due to wet and inaccessible land conditions. This inventory is generally consumed in the spring and summer months.

#### **5. Inventories**

As at	<b>June 28,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
Manufactured products	\$ 371	\$ 363
Logs and other raw materials	231	257
Materials and supplies	245	231
	\$ 846	\$ 851

Inventories at June 28, 2024 were subject to a valuation reserve of \$38 million (December 31, 2023 - \$31 million) to reflect net realizable value being lower than cost.

## **6. Disposal of pulp mills**

### ***Sale of Hinton pulp mill***

On July 10, 2023, we announced an agreement to sell our unbleached softwood kraft pulp mill in Hinton, Alberta to Mondi Group plc (“Mondi”). The transaction closed on February 3, 2024 following the completion of regulatory reviews and satisfaction of customary closing conditions.

Under the terms of the agreement, Mondi purchased specified assets, including property, plant and equipment and working capital, and assumed certain liabilities related to the Hinton pulp mill in exchange for a base purchase price of \$5 million prior to working capital and other adjustments specified in the asset purchase agreement. Pursuant to the transaction, we will continue to supply fibre to the Hinton pulp mill under long-term contract, via residuals from our Alberta lumber mills.

An impairment reversal of \$1 million in relation to the sale of the Hinton pulp mill is included in Restructuring and impairment charges for the six months ended June 28, 2024 (see note 11). The impairment reversal relates to the remeasurement of working capital adjustments specified in the asset purchase agreement.

### ***Sale of Quesnel River Pulp mill and Slave Lake Pulp mill***

On September 22, 2023, we announced an agreement to sell our two bleached chemithermomechanical pulp (“BCTMP”) mills, Quesnel River Pulp mill in Quesnel, B.C. and Slave Lake Pulp mill in Slave Lake, Alberta to an affiliate of a fund managed by Atlas Holdings (“Atlas”). The transaction closed on April 20, 2024 following the completion of regulatory reviews and satisfaction of customary closing conditions.

Under the terms of the agreement, Atlas purchased specified assets, including property, plant and equipment, working capital, and certain timber licenses in Alberta, and assumed certain liabilities related to the mills and timber licenses in exchange for a base purchase price of \$120 million prior to working capital adjustments specified in the asset purchase agreement. Pursuant to the transaction, we will continue to supply fibre to the Quesnel River Pulp mill under long-term contract.

An impairment loss of \$4 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill is included in Restructuring and impairment charges for the six months ended June 28, 2024 (see note 11). The impairment loss relates to the remeasurement of estimated working capital adjustments specified in the asset purchase agreement.

## **7. Operating loans and long-term debt**

### ***Operating loans***

As at June 28, 2024, our credit facilities consisted of a \$1 billion committed revolving credit facility which matures July 2028, \$25 million of uncommitted revolving credit facilities available to our U.S. subsidiaries, a \$19 million (£15 million) credit facility dedicated to our European operations, and a \$11 million (CAD\$15 million) demand line of credit dedicated to our jointly-owned newsprint operation.

As at June 28, 2024, our revolving credit facilities were undrawn (December 31, 2023 - undrawn) and the associated deferred financing costs of \$2 million (December 31, 2023 - \$2 million) were recorded in other assets. Interest on the facilities is payable at floating rates based on Prime Rate Advances, Base Rate Advances, Bankers’ Acceptances, or Secured Overnight Financing Rate (“SOFR”) Advances at our option.

In addition, we have credit facilities totalling \$130 million (December 31, 2023 - \$133 million) dedicated to letters of credit. Letters of credit in the amount of \$39 million (December 31, 2023 - \$43 million) were supported by these facilities.

All debt is unsecured except the \$11 million (CAD\$15 million) jointly-owned newsprint operation demand line of credit, which is secured by that joint operation’s current assets.

### Long-term debt

As at		June 28, 2024	December 31, 2023
Senior notes due October 2024; interest at 4.35%	\$	300	\$ 300
Term loan due July 2025; floating interest rate		200	200
		500	500
Less: deferred financing costs		—	(1)
Less: current portion		(300)	(300)
	\$	200	\$ 199

The fair value of the long-term debt at June 28, 2024 was \$498 million (December 31, 2023 - \$494 million) based on rates available to us at the balance sheet date for long-term debt with similar terms and remaining maturities.

### Interest rate swap contracts

We have interest rate swap contracts that have the effect of fixing the interest rate on the \$200 million term loan disclosed in the long-term debt table above. In January 2024, these interest rate swaps were amended to extend their maturity from August 2024 to July 2025. Following this amendment, the weighted average fixed interest rate payable under the contract was 2.61% (previously 0.91%).

The interest rate swap contracts are accounted for as a derivative, with the changes in their fair value included in other income or expense in our consolidated statements of earnings. For the three and six months ended June 28, 2024, a loss of \$1 million and a loss of \$1 million (three and six months ended June 30, 2023 - a nominal gain and a loss of \$2 million) were recognized in relation to the interest rate swap contracts. The fair value of the interest rate swap contracts at June 28, 2024 was an asset of \$5 million (December 31, 2023 - asset of \$6 million).

## 8. Other liabilities

As at	Note	June 28, 2024	December 31, 2023
Retirement liabilities	9	\$ 79	\$ 106
Non-current portion of reforestation obligations		50	53
Non-current portion of decommissioning obligations		21	16
Non-current portion of lease obligations		23	26
Export duties	17	25	24
Electricity swaps		12	12
Other		22	22
		\$ 232	\$ 260

## 9. Retirement benefits

We maintain defined benefit and defined contribution pension plans covering most of our employees. The defined benefit plans generally do not require employee contributions and provide a guaranteed level of pension payable for life based either on length of service or on earnings and length of service, and in most cases do not increase after

commencement of retirement. We also provide group life insurance, medical and extended health benefits to certain employee groups.

We used a discount rate assumption of 5.11% at June 28, 2024 (4.69% at December 31, 2023).

The actuarial gain (loss) on retirement benefits, included in other comprehensive earnings, is as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Actuarial gain (loss)	\$ 11	\$ (20)	\$ 35	\$ (10)
Tax recovery (provision)	(3)	5	(9)	3
	\$ 8	\$ (15)	\$ 26	\$ (8)

## 10. Share capital

### Authorized

400,000,000 Common shares, without par value  
 20,000,000 Class B Common shares, without par value  
 10,000,000 Preferred shares, issuable in series, without par value

### Issued

As at	June 28, 2024		December 31, 2023	
	Number	Amount	Number	Amount
Common	78,518,053	\$ 2,573	79,439,518	\$ 2,607
Class B Common	2,281,478	—	2,281,478	—
Total Common	80,799,531	\$ 2,573	81,720,996	\$ 2,607

As of June 28, 2024, we held 112,459 Common shares as treasury shares for cancellation.

For the three and six months ended June 28, 2024, we issued 310 and 7,310 Common shares under our share option plans (three and six months ended June 30, 2023 - 383 Common shares) and no Common shares under our employee share purchase plan (three and six months ended June 30, 2023 - no Common shares).

### Rights and restrictions of Common shares

The Common shares and Class B Common shares are equal in all respects, including the right to dividends, rights upon dissolution or winding up and the right to vote, except that each Class B Common share may at any time be exchanged for one Common share. Our Common shares are listed for trading on the TSX and NYSE under the symbol WFG, while our Class B Common shares are not. Certain circumstances or corporate transactions may require the approval of the holders of our Common shares and Class B Common shares on a separate class by class basis.

### Share repurchases

On February 27, 2024, we renewed our normal course issuer bid ("2024 NCIB") allowing us to acquire up to 3,971,380 Common shares for cancellation from March 1, 2024 until the expiry of the bid on February 28, 2025.

For the three and six months ended June 28, 2024, we repurchased for cancellation 935,568 and 1,041,234 Common shares (three and six months ended June 30, 2023 - no Common shares) at an average price of \$78.85 and \$78.90 per share under our 2023 NCIB and 2024 NCIB program.

## 11. Restructuring and impairment charges

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Impairment loss (reversal) related to Hinton pulp mill	\$ —	\$ 122	\$ (1)	\$ 122
Impairment loss related to Quesnel River Pulp mill and Slave Lake Pulp mill	5	—	4	—
Restructuring related to Canadian and U.S. lumber operations	(1)	—	12	—
Other restructuring charges	1	—	1	3
Impairment related to equity accounted investment	—	7	—	7
	\$ 5	\$ 129	\$ 16	\$ 132

In the three and six months ended June 28, 2024, we recorded restructuring and impairment charges of \$5 million and \$16 million.

In the six months ended June 28, 2024, we recorded an impairment reversal of \$1 million in relation to the sale of the Hinton pulp mill (see note 6). In addition, we recorded an impairment loss of \$4 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill (see note 6).

In the six months ended June 28, 2024, we recorded restructuring and impairment charges of \$12 million associated with the announcement of the permanent closure of our Fraser Lake lumber mill and the permanent closure of our lumber mill in Maxville, Florida and the indefinite curtailment of operations at our lumber mill in Huttig, Arkansas.

## 12. Finance income, net

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Interest expense	\$ (7)	\$ (6)	\$ (15)	\$ (13)
Interest income on cash and cash equivalents	10	11	21	20
Net interest income on export duty deposits	6	3	12	7
Finance income (expense) on employee future benefits	(1)	—	(1)	1
Other	(2)	1	(2)	1
	\$ 6	\$ 9	\$ 15	\$ 16

## 13. Other income (expense)

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Foreign exchange gain	\$ —	\$ 2	\$ 3	\$ 2
Settlement gain on defined benefit pension plans	—	4	2	4
Gain resulting from the CPP agreement	—	—	1	—
Gain (loss) on electricity swaps	4	6	(7)	21
Loss on interest rate swap contracts	(1)	—	(1)	(2)
Other	(2)	(2)	(3)	(1)
	\$ 1	\$ 10	\$ (5)	\$ 24

#### 14. Tax recovery (provision)

The tax recovery (provision) differs from the amount that would have resulted from applying the B.C. statutory income tax rate to earnings (loss) before tax as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Income tax recovery (provision) at statutory rate of 27%	\$ (38)	\$ 48	\$ (51)	\$ 65
Rate differentials between jurisdictions and on specified activities	3	(1)	2	(1)
Non-taxable amounts	—	(2)	1	(1)
Other	1	1	(2)	4
Tax recovery (provision)	\$ (34)	\$ 46	\$ (50)	\$ 67

#### 15. Earnings (loss) per share

Basic earnings (loss) per share is calculated based on earnings (loss) available to Common shareholders, as set out below, using the weighted average number of Common shares and Class B Common shares outstanding.

Certain of our equity-based compensation plans may be settled in cash or Common shares at the holder's option and for the purposes of calculating diluted earnings (loss) per share, the more dilutive of the cash-settled and equity-settled method is used, regardless of how the plan is accounted for. Plans that are accounted for using the cash-settled method will require adjustments to the numerator and denominator if the equity-settled method is determined to have a dilutive effect as compared to the cash-settled method.

The numerator under the equity-settled method is calculated based on earnings (loss) available to Common shareholders adjusted to remove the cash-settled equity-based compensation expense or recovery that has been charged or credited to earnings (loss) and deducting a notional charge using the equity-settled method, as set out below. Adjustments to earnings (loss) are tax-effected as applicable. The denominator under the equity-settled method is calculated using the treasury stock method. Share options under the equity-settled method are considered dilutive when the average market price of our Common shares for the period exceeds the exercise price of the share option.

The equity-settled method was more dilutive for the three and six months ended June 28, 2024 and an adjustment was required for the numerator and denominator. The cash-settled method was more dilutive for the three and six months ended June 30, 2023 and therefore no adjustment was required for the numerator and denominator.

A reconciliation of the numerator and denominator used for the purposes of calculating diluted earnings per share is as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<b>Earnings (loss)</b>				
Numerator for basic EPS	\$ 105	\$ (131)	\$ 139	\$ (173)
Cash-settled recovery included in earnings	(5)	—	(2)	—
Equity-settled expense adjustment	(2)	—	(4)	—
Numerator for diluted EPS	\$ 98	\$ (131)	\$ 134	\$ (173)
<b>Weighted average number of shares (thousands)</b>				
Denominator for basic EPS	81,209	83,556	81,444	83,556
Effect of dilutive equity-based compensation	249	—	266	—
Denominator for diluted EPS	81,457	83,556	81,710	83,556
<b>Earnings (loss) per share (dollars)</b>				
Basic	\$ 1.29	\$ (1.57)	\$ 1.71	\$ (2.07)
Diluted	\$ 1.20	\$ (1.57)	\$ 1.63	\$ (2.07)

## 16. Segment and geographical information

<b>Three Months Ended</b>							
<b>June 28, 2024</b>	<b>Lumber</b>	<b>NA EWP</b>	<b>Pulp &amp; Paper</b>	<b>Europe EWP</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
Sales							
To external customers	\$ 686	\$ 809	\$ 91	\$ 119	\$ —	\$	1,705
To other segments	11	2	1	—	(14)		—
	\$ 697	\$ 811	\$ 92	\$ 119	\$ (14)	\$	1,705
Cost of products sold	(590)	(397)	(66)	(94)	14		(1,133)
Freight and other distribution costs	(106)	(83)	(15)	(11)	—		(215)
Export duties, net	(15)	—	—	—	—		(15)
Amortization	(49)	(71)	(4)	(12)	(3)		(138)
Selling, general and administration	(37)	(23)	(2)	(8)	—		(70)
Equity-based compensation	—	—	—	—	4		4
Restructuring and impairment reversal (charges)	1	(1)	(5)	—	—		(5)
Operating earnings (loss)	\$ (100)	\$ 236	\$ —	\$ (6)	\$ 2	\$	132

<b>Three Months Ended</b>							
<b>June 30, 2023</b>	<b>Lumber</b>	<b>NA EWP</b>	<b>Pulp &amp; Paper</b>	<b>Europe EWP</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
Sales							
To external customers	\$ 708	\$ 627	\$ 138	\$ 136	\$ —	\$	1,608
To other segments	20	2	—	—	(22)		—
	\$ 728	\$ 629	\$ 138	\$ 136	\$ (22)	\$	1,608
Cost of products sold	(547)	(394)	(177)	(99)	23		(1,194)
Freight and other distribution costs	(105)	(87)	(28)	(11)	—		(230)
Export duties, net	(25)	—	—	—	—		(25)
Amortization	(44)	(68)	(8)	(12)	(3)		(135)
Selling, general and administration	(41)	(22)	(7)	(7)	(1)		(78)
Equity-based compensation	—	—	—	—	(12)		(12)
Restructuring and impairment charges	(7)	—	(122)	—	—		(129)
Operating earnings (loss)	\$ (41)	\$ 58	\$ (204)	\$ 7	\$ (16)	\$	(196)

<b>Six Months Ended</b>							
<b>June 28, 2024</b>	<b>Lumber</b>	<b>NA EWP</b>	<b>Pulp &amp; Paper</b>	<b>Europe EWP</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
Sales							
To external customers	\$ 1,359	\$ 1,504	\$ 242	\$ 227	\$ —	\$	3,332
To other segments	23	4	5	—	(31)		—
	\$ 1,382	\$ 1,508	\$ 247	\$ 227	\$ (31)	\$	3,332
Cost of products sold	(1,115)	(798)	(183)	(186)	33		(2,250)
Freight and other distribution costs	(204)	(164)	(45)	(21)	—		(435)
Export duties, net	(30)	—	—	—	—		(30)
Amortization	(99)	(141)	(6)	(24)	(6)		(276)
Selling, general and administration	(74)	(50)	(7)	(15)	—		(146)
Equity-based compensation	—	—	—	—	—		—
Restructuring and impairment charges	(12)	(1)	(3)	—	—		(16)
Operating earnings (loss)	\$ (152)	\$ 353	\$ 3	\$ (20)	\$ (5)	\$	180

<b>Six Months Ended</b>							
<b>June 30, 2023</b>	<b>Lumber</b>	<b>NA EWP</b>	<b>Pulp &amp; Paper</b>	<b>Europe EWP</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
<b>Sales</b>							
To external customers	\$ 1,442	\$ 1,167	\$ 330	\$ 296	\$ —	\$ 3,235	
To other segments	41	4	6	—	(51)	—	
	\$ 1,483	\$ 1,171	\$ 336	\$ 296	\$ (51)	\$ 3,235	
Cost of products sold	(1,143)	(798)	(328)	(221)	51	(2,439)	
Freight and other distribution costs	(211)	(169)	(61)	(23)	—	(464)	
Export duties, net	(38)	—	—	—	—	(38)	
Amortization	(91)	(137)	(17)	(24)	(5)	(273)	
Selling, general and administration	(80)	(47)	(13)	(13)	(2)	(154)	
Equity-based compensation	—	—	—	—	(14)	(14)	
Restructuring and impairment charges	(9)	—	(123)	—	—	(132)	
Operating earnings (loss)	\$ (89)	\$ 20	\$ (207)	\$ 15	\$ (20)	\$ (281)	

The geographic distribution of external sales based on the location of product delivery is as follows:

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 28, 2024</b>	<b>June 30, 2023</b>	<b>June 28, 2024</b>	<b>June 30, 2023</b>
United States	\$ 1,176	\$ 1,071	\$ 2,238	\$ 2,081
Canada	323	272	631	557
U.K. and Europe	120	137	229	300
Asia	75	127	220	294
Other	11	1	14	3
	\$ 1,705	\$ 1,608	\$ 3,332	\$ 3,235

## 17. Countervailing (“CVD”) and antidumping (“ADD”) duty dispute

Additional details, including our accounting policy, can be found in note 26 - Countervailing (“CVD”) and antidumping (“ADD”) duty dispute of our audited annual consolidated financial statements for the year ended December 31, 2023.

### Developments in CVD and ADD rates

We began paying CVD and ADD duties in 2017 based on the determination of duties payable by the United States Department of Commerce (“USDOC”). The CVD and ADD cash deposit rates are updated upon the finalization of the USDOC’s Administrative Review (“AR”) process for each Period of Inquiry (“POI”), as summarized in the tables below. On March 5, 2024, the USDOC initiated AR6 POI covering the 2023 calendar year. West Fraser was selected as a mandatory respondent, which will result in West Fraser continuing to be subject to a company-specific rate.

On February 1, 2024, the USDOC released the preliminary results from AR5 POI covering the 2022 calendar year, which indicated a rate of 6.74% for CVD and 5.33% for ADD for West Fraser. The duty rates are subject to an appeal process, and we will record an adjustment once the rates are finalized. If the AR5 rates were to be confirmed, it would result in an expense of \$35 million before the impact of interest for the POI covered by AR5. This adjustment would reduce the export duties receivable recorded on our balance sheet. If these rates were finalized, our combined cash deposit rate would be 12.07%.

The Cash Deposit Rates and the West Fraser Estimated ADD Rate for the periods presented are as follows:

Effective dates for CVD	Cash Deposit Rate
<b>AR6 POI<sup>1</sup></b>	
January 1, 2023 - June 30, 2023	3.62 %
<b>AR7 POI<sup>2</sup></b>	
January 1, 2024 - June 28, 2024	2.19 %

1. The CVD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.
2. The CVD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026.

Effective dates for ADD	Cash Deposit Rate	West Fraser Estimated Rate
<b>AR6 POI<sup>1</sup></b>		
January 1, 2023 - June 30, 2023	4.63 %	9.27 %
<b>AR7 POI<sup>2</sup></b>		
January 1, 2024 - June 28, 2024	7.06 %	7.06 %

1. The ADD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.
2. The ADD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026.

### Impact on results

The following table reconciles our cash deposits paid during the period to export duties, net:

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Cash deposits <sup>1</sup>	\$ (15)	\$ (13)	\$ (30)	\$ (26)
Adjust to West Fraser Estimated ADD rate <sup>2</sup>	—	(12)	—	(12)
Export duties, net	\$ (15)	\$ (25)	\$ (30)	\$ (38)

1. Represents combined CVD and ADD cash deposit rate of 9.25% for January 1, 2024 to June 28, 2024 and 8.25% for January 1, 2023 to June 30, 2023.
2. Represents adjustment to the annualized West Fraser Estimated ADD rate of 7.06% for Q2-24 and YTD-24 and 9.27% for Q2-23 and YTD-23.

As of June 28, 2024, our export duties paid and payable on deposit with the USDOC were \$865 million.

### ***Impact on balance sheet***

Each POI is subject to independent administrative review by the USDOC, and the results of each POI may not be offset but the results within a POI in respect of ADD and CVD may be offset.

Export duty deposits receivable is represented by:

	<b>Six Months Ended</b>	
	<b>June 28,</b>	
<b>Export duties receivable</b>	<b>2024</b>	
Beginning of period	\$	377
Interest income recognized on duty deposits receivable		13
End of period	\$	390

Export duties payable is represented by:

	<b>Six Months Ended</b>	
	<b>June 28,</b>	
<b>Export duties payable</b>	<b>2024</b>	
Beginning of period	\$	24
Interest expense recognized on export duties payable		1
End of period	\$	25

### ***Appeals***

Notwithstanding the deposit rates assigned under the investigations, our final liability for CVD and ADD will not be determined until each annual administration review process is complete and the related appeal processes are concluded.

## **18. Contingencies**

We are subject to various investigations, claims and legal, regulatory and tax proceedings covering matters that arise in the ordinary course of business activities, including civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by governmental regulatory agencies and law enforcement authorities in various jurisdictions. Each of these matters is subject to uncertainties and it is possible that some of these matters may be resolved unfavourably. Certain conditions may exist as of the date the financial statements are issued, which may result in an additional loss. In the opinion of management none of these matters are expected to have a material effect on our results of operations or financial condition.