



Press Release

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CanWel Announces Strong Preliminary Financial Results for the Three Months Ended March 31, 2021

VANCOUVER, April 19, 2021 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX, CWX.NT.A) is pleased to announce its preliminary financial results for the fiscal quarter ending March 31, 2021 (“Q1 2021”).

Given the ongoing strength in both the operating environment and pricing for its underlying products, the Company’s financial performance in Q1 2021 was significantly stronger than the comparable quarterly period in 2020. The preliminary financial results include:

- Q1 2021 revenue of approximately \$520 million, versus \$327 million in the same period in 2020, representing growth of approximately 59%;
- Q1 2021 EBITDA⁽¹⁾ of approximately \$60 million, versus \$17 million in the same period in 2020, representing growth of approximately 253%;
- Q1 2021 gross margin percentage of approximately 17%, versus 13% in the same period in 2020; and
- Total loans and borrowings were approximately \$385 million as at March 31, 2021 versus \$387 million as at March 31, 2020. Given the Company’s typical business seasonality, recent strength in pricing for construction and building materials, and higher activity levels in Q1 2021 vs. Q1 2020, this slight decrease in loans and borrowings reflects very strong financial discipline and inventory management through a dynamic operating environment.

“The volume and pricing momentum we experienced into the end of fiscal 2020 continued into the first quarter, resulting in significantly higher and stronger financial performance which was at the higher end of our internal models,” said Amar Doman, Chairman and Chief Executive Officer of CanWel. “Demand continues to be robust across the business and the supply chains remain very tight. We are therefore confident in our ability to continue delivering strong results, which will further strengthen our financial position and allow us to continue to pursue strategic acquisitions and investment opportunities as they arise.”

The preliminary results set forth above are based on an initial review of the Company's operating and financial results for Q1 2021 and are subject to change. Final reported results could differ from these preliminary results following the completion of quarter-end accounting procedures, final adjustments and other developments arising between now and the time that the Company's financial results are finalized, and such changes could be material. The Company's independent auditor, KPMG LLP, has not audited, reviewed or performed any procedures with respect to the accompanying preliminary financial results and other data, and accordingly does not express an opinion or any other form of assurance with respect thereto. The preliminary results have been

prepared by, and are the responsibility of, and were approved by, the Company's management. In addition, these preliminary results are not a comprehensive statement of the Company's financial results for Q1 2021. They should not be viewed as a substitute for financial statements prepared in accordance with International Financial Reporting Standards and are not necessarily indicative of the Company's results for any future period.

The preliminary results provided in this press release constitute forward-looking statements within the meaning of applicable securities laws, are based on a number of assumptions and are subject to a number of risks and uncertainties. Please see the section below entitled "Forward-Looking Statements".

Q1 2021 Results and Conference Call Notification

CanWel will report full details of its first quarter 2021 financial results for the period ended March 31, 2021, on May 7, 2021. The Company will host an analyst call Monday, May 10, 2021 at 1:00 pm ET. Amar Doman, Chairman of the Board and Chief Executive Officer, and James Code, Chief Financial Officer, will discuss the Company's financial performance for the period ended March 31, 2021.

To access the call, please dial 1-800-289-0438 or 1-323-794-2423. A replay of the conference call will be available from 4:00 pm ET on May 10, 2021, until 11:59 pm ET, May 24, 2021. To access the replay, call 1-844-512-2921 or 1-412-317-6671, followed by passcode 1559352.

About CanWel

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and trades on the Toronto Stock Exchange under the symbol CWX and is Canada's only fully integrated national distributor in the building materials and related products sector. CanWel operates: multiple treating plant and planing facilities in Canada and the United States; distribution centres coast-to-coast in all major cities and strategic locations across Canada; in the United States near Portland, Oregon San Francisco and Los Angeles, California and in 14 locations in the State of Hawaii through its wholly owned Honsador Building Products Group. CanWel distributes a wide range of building materials, lumber, renovation and electrical products. In addition, through its CanWel Fibre division, CanWel operates a vertically integrated forest products company based in Western Canada, operating from British Columbia to Saskatchewan, also servicing the US Pacific Northwest. CanWel owns approximately 117,000 acres of private timberlands, strategic licenses and tenures, log harvesting and trucking operations, several post and pole peeling facilities and two pressure-treated specialty wood production plants and a specialty saw mill.

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Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking" statements. When used in this press release, forward-looking statements often but not always, can be identified by the use of forward-looking words such as, including but not limited to, "may", "will", "would", "should", "expect", "believe", "plan", "intend", "anticipate", "predict", "remain", "estimate", "potential", "forecast", "budget", "schedule", "continue", "could", "might", "project", "targeting", "future" and other similar terminology or the negative or inverse of such words or terminology. Forward-looking information in this news release includes, without limitation, statements with respect to CanWel's anticipated first quarter 2021 results. These forward-looking statements reflect the current expectations of CanWel's management, but are subject to the risk that the pre-released financial information is revised as a result of the completion of normal quarter end accounting procedures and adjustments, the global economy, industry or the Company's businesses and investments do

not perform as anticipated, that revenue or expenses estimates may not be met or may be materially less or more than those anticipated. Factors that could cause actual results of CanWel and its businesses to differ materially from those described in such forward-looking statements include, but are not limited to include the risks described in the Company's annual information form, audited financial statements and management's discussion and analysis for the year ended December 31, 2020. Although CanWel believes that the expectations and the conditions reflected in such forward-looking statements are reasonable, CanWel can give no assurance that each of these conditions will be satisfied to the satisfaction of CanWel or that expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements speak only as of the date of this press release. We caution that the foregoing factors that may affect future results are not exhaustive. When relying on our forward-looking statements to make decisions with respect to CanWel, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Neither CanWel nor any of its associates or directors, officers, partners, affiliates, or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in these communications will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Except as required by applicable securities laws and legal or regulatory obligations, CanWel is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

(1) In the press release, reference is made to EBITDA, which is earnings from continuing operations before interest, including amortization of deferred financing costs, provision for income taxes, depreciation and amortization before certain non-recurring or unusual items. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS. The measure as calculated by CanWel may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as we believe it is a useful indicator of CanWel's ability to meet debt service and capital expenditure requirements from its regular business, before non-recurring items. EBITDA should not be considered by an investor as an alternative to net earnings or cash flows as determined in accordance with IFRS.