Unaudited Condensed Consolidated Interim Financial Statements
(Expressed in thousands of US dollars, unless stated otherwise)

ADENTRA Inc.

Three month periods ended March 31, 2025 and 2024

ADENTRA Inc.

Unaudited Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of US dollars, unless stated otherwise)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		$ 9,963	$ 28,111
Receivables and investments	7	228,021	184,993
Income taxes receivable		2,775	3,980
Inventories	8	431,051	375,718
Prepaid expenses		26,891	27,840
Total current assets		698,701	620,642
Non-current assets			
Receivables and investments	7	29,376	28,309
Property, plant and equipment		41,507	41,188
Right of use assets		200,001	196,101
Intangible assets		298,618	305,459
Deferred income taxes		4,966	5,456
Goodwill		200,496	200,496
Total non-current assets		774,964	777,009
Total assets		$ 1,473,665	$ 1,397,651
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	9	$ 249,553	$ 115,347
Accounts payable and accrued liabilities		154,439	121,080
Lease obligations		39,870	39,305
Dividend payable	5	2,599	2,608
Total current liabilities		446,461	278,340
Non-current liabilities			
Bank indebtedness	9	206,520	295,189
Lease obligations		177,586	173,225
Deferred income taxes		5,759	6,302
Other liabilities	6	3,561	10,023
Total non-current liabilities		393,426	484,739
Total liabilities		839,887	763,079
Shareholders' equity			
Share capital	10(a)	237,478	238,076
Contributed surplus		85,589	85,762
Retained earnings		330,538	329,025
Accumulated other comprehensive loss		(19,827)	(18,291)
Shareholders’ equity		633,778	634,572
Total liabilities and shareholders’ equity		$ 1,473,665	$ 1,397,651

The accompanying notes are an integral part of these condensed consolidated interim financial statements.
Approved on behalf of the Board of Directors:

(Signed) JIM C. MACAULAY Director **(Signed) QI TANG** Director

ADENTRA Inc.

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income
(Expressed in thousands of US dollars, unless stated otherwise)

Three month periods ended March 31, 2025 and 2024

	Notes		2025		2024
Sales	12	$	542,506	$	535,138
Cost of goods sold	8		(425,528)		(416,904)
Gross profit			116,978		118,234
Operating expenses					
Selling, distribution, and administration			(81,414)		(77,388)
Depreciation			(11,440)		(10,578)
Amortization of intangible assets			(7,092)		(5,869)
			(99,946)		(93,835)
Income from operations			17,032		24,399
Net finance expense	11		(11,268)		(11,078)
Income before income taxes			5,764		13,321
Income tax expense					
Current			(1,113)		(2,053)
Deferred			(531)		(597)
			(1,644)		(2,650)
Net income			4,120		10,671
Other comprehensive income (loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences translating foreign operations			68		(66)
(Loss) gain on interest rate swap, net of tax	6		(1,604)		2,841
Other comprehensive (loss) income, net of tax			(1,536)		2,775
Total comprehensive income		$	2,584	$	13,446
Basic earnings per share	14(c)	$	0.16	$	0.48
Diluted earnings per share	14(c)	$	0.16	$	0.47

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ADENTRA Inc.

Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in thousands of US dollars, unless stated otherwise)

Three month periods ended March 31, 2025 and 2024

	Notes	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total
Balance at January 1, 2025		$ 238,076	$ 85,762	$ (18,291)	$ 329,025	$ 634,572
Share based compensation expense	10(b)	—	1,172	—	—	1,172
Shares issued pursuant to LTIP	10(a)	255	(255)	—	—	—
Shares repurchased	10(a)	(853)	(1,090)	—	—	(1,943)
Net income for the period		—	—	—	4,120	4,120
Dividends declared	5	—	—	—	(2,607)	(2,607)
Loss on interest rate swap, net of tax	6	—	—	(1,604)	—	(1,604)
Translation of foreign operations		—	—	68	—	68
Balance at March 31, 2025		$ 237,478	$ 85,589	$ (19,827)	$ 330,538	$ 633,778
Balance at January 1, 2024		$ 167,960	$ 83,401	$ (17,169)	$ 292,675	$ 526,867
Share based compensation expense	10(b)	—	722	—	—	722
Shares issued pursuant to LTIP	10(a)	101	(101)	—	—	—
Shares repurchased	10(a)	—	—	—	—	—
Net income for the period		—	—	—	10,671	10,671
Dividends declared	5	—	—	—	(2,321)	(2,321)
Gain on interest rate swap, net of tax	6	—	—	2,841	—	2,841
Translation of foreign operations		—	—	(66)	—	(66)
Balance at March 31, 2024		$ 168,061	$ 84,022	$ (14,394)	$ 301,025	$ 538,714

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ADENTRA Inc.

Unaudited Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of US dollars, unless stated otherwise)

Three month periods ended March 31, 2025 and 2024

	Notes	2025	2024
Cash flow from operating activities:			
Net income for the period		$ 4,120	$ 10,671
Adjustments for:			
Depreciation and amortization		20,465	18,329
Loss (gain) on sale of property, plant and equipment		18	(177)
Share-based compensation expense	10(b)	2,470	2,824
Income tax expense		1,644	2,650
Net finance expense		11,268	11,078
Interest received		156	215
Interest paid		(8,484)	(9,232)
Income taxes (paid) refunded		(251)	498
		31,406	36,856
Changes in non-cash working capital:			
Accounts receivable		(34,159)	(28,004)
Inventories		(55,313)	(5,245)
Prepaid expenses		949	(4,340)
Accounts payable and accrued liabilities		23,653	11,045
		(64,870)	(26,544)
Net cash (used in) from operating activities		(33,464)	10,312
Cash flow from financing activities:			
Repayment of term loan	9	(94,063)	(5,000)
Proceeds from revolving credit loan	9	139,305	17,256
Principal payments on lease obligations		(12,784)	(11,805)
Repurchase of common shares	10(a)	(1,906)	—
Dividends paid to shareholders	5	(2,619)	(2,321)
Net cash from (used in) financing activities		27,933	(1,870)
Cash flow from investing activities:			
Additions to property, plant and equipment		(2,566)	(1,610)
Proceeds on disposal of property, plant and equipment		98	88
Additions to internally generated software		(278)	(296)
Decrease (increase) in non-current receivables		276	(2,347)
Increase in investments		(10,175)	(1,171)
Net cash used in investing activities		(12,645)	(5,336)
(Decrease) increase in cash and cash equivalents		(18,176)	3,106
Cash and cash equivalents, beginning of period		28,111	3,643
Foreign exchange gain on cash held in foreign currency		28	178
Cash and cash equivalents, end of period		$ 9,963	$ 6,927
Supplementary information:			
Right of use assets acquired, net of disposals		$ 15,100	$ 7,201

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature of operations

ADENTRA Inc. (the "Company") is incorporated under the Canada Business Corporations Act and trades on the Toronto Stock Exchange under the symbol "ADEN". The Company operates a network of 85 regional customer service centers in Canada and the US engaged in the wholesale distribution of architectural building products. The Company's principal office is located at #340, 20161 86th Avenue, Langley, British Columbia V2Y 2C1.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34 ("IAS 34") "Interim Financial Reporting". The disclosures contained in these condensed consolidated interim financial statements do not include all of the requirements of IFRS Accounting Standards ("IFRS") for annual financial statements, and accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 6, 2025.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis. Prior period amounts for cash flow change in investments on the Consolidated Interim Statements of Cash Flows have been reclassified to conform to current period's presentation.

(c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts may differ from the estimates applied in the preparation of these condensed consolidated interim financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in the Company's annual audited consolidated financial statements for the year ended December 31, 2024.

3. Material accounting policies

The material accounting policies that have been used in the preparation of these condensed consolidated interim financial statements are summarized in the Company's annual audited financial statements for the year ended December 31, 2024.

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

4. Acquisition

Acquisition of Woolf Distributing Co. Inc. ("Woolf")

On July 29, 2024 the Company, through one of its wholly owned subsidiaries, acquired substantially all of the assets and assumed certain working capital liabilities of Woolf. Woolf is a value-added distributor of architectural building and millwork products to customers in the residential and commercial markets. Woolf operates four facilities located in Northern and Central Illinois, and Northern Wisconsin. At the Acquisition Date, the Company entered into leases of the facilities through which Woolf operates.

The total purchase price of $131.8 million consisted of $118.7 million of cash paid at closing, $11.3 million in deferred consideration and $1.8 million as the fair value of contingent consideration. The acquisition was financed by the Company's existing credit facilities. The contingent consideration relates to an earn-out of $5.0 million per annum that may be payable related to each of the calendar years ending 2024, 2025, and 2026, contingent upon achieving certain earnings performance targets. The contingent consideration was measured at fair value using the Black-Scholes option pricing model and is recorded in non-current other liabilities. As of March 31, 2025, the fair value of the contingent consideration has been remeasured to $1.5 million (December 31, 2024 - $1.5 million).

The acquisition was accounted for as a business combination using the acquisition method, with the Company being the acquirer and Woolf being the acquiree, and where the assets acquired and liabilities assumed were recorded at their fair values at the acquisition date.

In connection with the acquisition, the Company incurred $1.9 million in transaction costs for the year ended December 31, 2024.

Preliminary fair value of assets acquired and liabilities assumed

		US$
Cash consideration	$	118,750
Deferred consideration		11,250
Fair value of contingent consideration		1,780
Total purchase consideration		131,780
Assets acquired and liabilities assumed:		
Accounts and other receivables		18,467
Inventories		23,194
Prepaid and other assets		30
Property, plant and equipment		3,782
Right-of-use assets		9,101
Accounts payable and accrued liabilities		(2,891)
Lease obligation		(9,101)
Identifiable net assets acquired		42,582
Goodwill		19,368
Customer relationships		60,570
Trademarks		9,350
Net assets acquired	$	131,870

The above is a preliminary estimate of the fair value of the assets acquired and liabilities assumed of Woolf as of the Acquisition Date. The estimate will remain preliminary until the Company is able to (i) complete a valuation of the significant intangible assets acquired, (ii) evaluate the fair value of the other assets acquired and liabilities assumed, and (iii) finalize working capital adjustments. The final determination of the fair value of the assets acquired and liabilities assumed, which is expected to be no later than one year from the Acquisition Date, could differ significantly from the amounts presented above.

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

4. Acquisition (continued)

Acquisition of Woolf Distributing Co. Inc. ("Woolf") (continued)

The goodwill of $19.4 million represents the excess of purchase price compared to the estimate of fair values of the identifiable assets and liabilities assumed. The goodwill recognized is primarily attributed to expected synergies arising from the Woolf acquisition, including the expertise and reputation of the assembled management and workforce and product cross selling opportunities.

The goodwill and intangible assets are deductible for US income tax purposes.

5. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future growth of the business. The Company considers its capital to be bank indebtedness (net of cash) and shareholders' equity.

The Company's capitalization is as follows:

	March 31, 2025	December 31, 2024
Cash	$ (9,963)	$ (28,111)
Bank indebtedness	456,073	410,536
Shareholder's equity	633,778	634,572
Total capitalization	$ 1,079,888	$ 1,016,997

The terms of the Company's credit facilities are described in note 9. The terms of the agreements with the Company's lenders provide that distributions cannot be paid by its subsidiaries in the event that its subsidiaries do not meet certain credit ratios. The Company's operating subsidiaries were compliant with all required credit ratios under their credit facilities as at March 31, 2025 and December 31, 2024. Accordingly, there were no restrictions on distributions arising from non-compliance with financial covenants.

Dividends and share repurchases are some of the ways the Company manages its capital. Dividends are declared and shares are repurchased after consideration of a variety of factors including the outlook for the business and financial leverage.

The Company declared the following common share dividends during the three months ended March 31, 2025:

Declaration date	Record date	Payment date	Cash dividend per common share	Total common dividend amount
March 13, 2025	April 14, 2025	April 25, 2025	C$ 0.15	$ 2,607

On May 6, 2025, the Company declared a cash dividend of CAD$0.15 per common share to shareholders of record as of July 14, 2025, to be paid on July 25, 2025.

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

6. Financial instruments

Interest rate swap

On July 11, 2023, the Company entered into an interest rate swap with a notional value of $200 million to offset the variability in the expected interest cash flows related to the Term A-1 loan (note 9). The fixed rate provided to the Company by the interest rate swap is approximately 25 basis points less than the variable borrowing rate as at March 31, 2025. The following table summarizes the changes in fair value of the interest rate swap relating to the effective portion for the three months ended March 31, 2025 recorded in accumulated other comprehensive income. The Company recognized a $2.2 million interest rate swap liability which is included in other non-current liabilities on the consolidated interim statements of financial position. The interest rate swap was determined to be effective as a cash flow hedge against the designated interest rate exposure.

		Accumulated change in fair value
Balance at December 31, 2024	$	30
Loss on interest rate swap recognized in other comprehensive income, net of $597 tax recovery		(1,604)
Balance as at March 31, 2025	$	(1,574)

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

7. Receivables and investments

The following is a breakdown of the Company's current and non-current receivables and investments and represents the Company's principal exposure to credit risk.

	Notes	March 31, 2025	December 31, 2024
Current receivables and investments:			
Trade receivables		$ 200,722	$ 159,655
Short-term investments		14,466	5,634
Sundry receivables		12,833	19,704
		$ 228,021	$ 184,993
Non-current receivables and investments:			
Non-current investments		11,501	10,158
Deposits		17,811	17,796
Interest rate swap	6	—	274
Other non-current receivables		64	81
		$ 29,376	$ 28,309

The aging of trade accounts receivables is as follows:

	March 31, 2025	December 31, 2024
Current	$ 171,919	$ 128,445
1 - 30 days past due	22,037	22,611
31 - 60 days past due	4,403	5,598
60+ days past due	4,436	4,937
Gross trade account receivables	202,795	161,591
Less: allowance for credit loss	(2,073)	(1,936)
	$ 200,722	$ 159,655

The Company determines its allowance for credit loss using both specific identification of customer accounts and the expected credit loss model. For the three months ended March 31, 2025, net bad debt expense was $0.3 million (for the three months ended March 31, 2024 - $0.6 million)

8. Inventories

	March 31, 2025	December 31, 2024
Raw materials	$ 6,555	$ 6,174
Work in process	318	691
Goods in-transit	14,035	15,733
Finished goods	410,143	353,120
	$ 431,051	$ 375,718

The Company regularly reviews and assesses the condition and value of its inventories and records write-downs to net realizable value as necessary. Inventory related expenses are included in the condensed consolidated interim statements of comprehensive income. Inventory write-downs, net of recoveries, included in the cost of goods sold for the three months ended March 31, 2025 were $0.9 million (for the three months ended March 31, 2024 - $1.8 million)

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

9. Bank indebtedness

		March 31, 2025		December 31, 2024
Credit Facility				
Revolving credit loan	$	236,504	$	91,691
Term A-1 loan		222,188		316,250
Deferred financing fees		(5,595)		(2,879)
Checks issued in excess of funds on deposit		2,976		5,474
	$	456,073	$	410,536
Less: Current portion of bank indebtedness	$	249,553	$	115,347
Total long-term bank indebtedness	$	206,520	$	295,189

Credit Facility (the "Credit Facility")

On January 27, 2025 certain subsidiaries of the Company amended certain terms of its existing credit arrangement with Bank of America, N.A. and a syndicate of lenders. The amendment included extending the maturity date to January 27, 2030, a $91.3 million repayment of the Term A-1 loan followed by a $91.3 million draw from the revolving credit loan, and updates to the financial covenants. Consequently, the extended Credit Facility is comprised of: (i) a revolving credit facility of up to $600 million, and (ii) a term loan of $225 million with an amortizing balance and maturity date of January 27, 2030. The terms related to interest rate pricing remain unchanged.

The amendment was accounted for as a non-substantial modification under IFRS 9 *Financial Instruments*, as the revised terms were not materially different from the original terms. The Company did not derecognize the original financial liability or the related unamortized deferred financing fees, and accounted for the amendment as a modification. Financing fees incurred to amend the existing Credit Facility were recorded against the debt's carrying amount and will be amortized over the remaining term of the Credit Facility.

The Credit Facility bears interest at a rate equal to the Secured Overnight Financing Rate ("SOFR") plus up to 2.25% or the lender's base rate plus up to 1.25%. The Company entered into a $200 million interest rate swap (note 6) to manage interest rate variability.

As at March 31, 2025, the financial covenants under the Credit Facility include, among others: (i) a minimum consolidated interest coverage ratio (a ratio of adjusted EBITDA to total interest expense, determined on a consolidated basis of the Company) of 2.75:1, and (ii) a maximum consolidated leverage ratio (a ratio of total funded debt to adjusted EBITDA, determined on a consolidated basis of the Company) of 4.25:1. As at March 31, 2025, the Company is in compliance with these financial covenants.

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

10. Share capital

(a) Share capital

At March 31, 2025, the authorized share capital of the Company comprised an unlimited number of common shares without par value.

A continuity of share capital is as follows:

	Shares		Total
Balance at December 31, 2023	22,430,584	$	167,960
Issued pursuant to long term incentive plan	50,852		658
Equity offering, net of share issuance costs of $3,561	2,582,900		69,458
Balance at December 31, 2024	25,064,336	$	238,076
Issued pursuant to long term incentive plan	11,662		255
Shares repurchased, net of tax	(96,900)		(853)
Balance at March 31, 2025	24,979,098	$	237,478

In June 2024, the Company issued 2,582,900 common shares at a price of $28.27 (C$38.75) per common share through a public offering resulting in proceeds of $73.1 million (C$100.1 million) after transaction costs of $3.6 million (C$4.9 million).

Normal Course Issuer Bid ("NCIB")

On December 30, 2024, the Company renewed its normal course issuer bid (NCIB) to buy back up to 2,391,609 common shares from January 2, 2025, to December 31, 2025, through the TSX and alternative trading systems. This approximates 10% of the Company's public float as of December 19, 2024. During the three month period ended March 31, 2025, the Company purchased 96,900 shares for a total purchase price of $1.9 million under this renewed NCIB (March 31, 2024 - nil).

(b) Long Term Incentive Plan (“LTIP”)

A continuity of the LTIP awards outstanding is as follows:

	Performance Shares	Restricted Shares
Balance at December 31, 2023	228,045	243,633
LTIP awards issued during the period	101,737	151,698
LTIP shares settled during the period	(82,716)	(121,007)
Balance at December 31, 2024	247,066	274,324
LTIP awards issued during the period	—	—
LTIP shares settled during the period	(78,478)	—
Balance at March 31, 2025	168,588	274,324

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

10. Share capital (continued)

(b) Long Term Incentive Plan ("LTIP") (continued)

LTIP compensation expense of $2.5 million was recognized in the consolidated interim statements of comprehensive income for the three months ended March 31, 2025 (March 31, 2024 - $2.8 million). The equity classified portion of the LTIP compensation expense was $1.2 million for the three months ended March 31, 2025 (March 31, 2024 - $0.7 million) and the liability classified expense was $1.3 million (March 31, 2024 - $2.1 million).

The key estimate in determining the compensation in any period is whether or not the performance criteria were met and the resulting amount of the payout multiplier on the Performance Shares. The payout multiplier is reviewed and approved by the Company's compensation committee on an annual basis. The liability associated with the cash-settled awards is recorded in accounts payable and accrued liabilities for amounts expected to be settled within one year, and in other liabilities for amounts to be settled after one year.

(c) Weighted average shares

Basic net earnings per share is calculated by dividing the net income for the three months ended March 31, 2025 of $4.1 million (March 31, 2024 - $10.7 million) over the weighted average number of common shares outstanding in each of the reporting periods. Basic and diluted weighted average common shares in each of the reporting periods were as follows:

	March 31, 2025	March 31, 2024
Issued ordinary shares at beginning of period	25,064,336	22,430,584
Effect of shares repurchased	(1,077)	—
Effect of shares issued during the period:		
Pursuant to long-term incentive plan	3,162	12
Weighted average common shares - basic	25,066,421	22,430,596
Effect of dilutive securities:		
Long-term incentive plan	247,144	219,443
Weighted average common shares - diluted	25,313,565	22,650,039

11. Finance income and expense

	2025	2024
Finance income (expense):		
Interest expense on bank indebtedness	$ (7,825)	$ (7,956)
Receivables financing expense	(1,047)	(1,276)
Accretion of lease obligation	(2,595)	(1,786)
Foreign exchange income (loss)	43	(285)
Other finance income	156	225
Net finance expense	$ (11,268)	$ (11,078)

(Tabular amounts expressed in thousands of US dollars, unless stated otherwise)

12. Segment reporting

Information about geographic areas is as follows:

	2025	2024
Revenue from external customers:		
Canada	$ 41,307	$ 42,668
United States	501,199	492,470
	$ 542,506	$ 535,138

	March 31, 2025	December 31, 2024
Non-current assets[1]:		
Canada	$ 14,561	$ 15,355
United States	726,061	727,889
	$ 740,622	$ 743,244

[1] Excludes financial instruments and deferred income taxes.

13. Provisions

Legal

The Company and its subsidiaries are subject to legal proceedings from time to time that arise in the ordinary course of its business. Management is of the opinion, based upon information presently available, that it is unlikely that any liability, to the extent not provided for or insured, would be material in relation to the Company’s consolidated financial statements as at March 31, 2025.

Trade

On July 14, 2023, the US Department of Commerce ("Commerce") issued its final determination ("Final Determination") with respect to certain hardwood plywood products produced in Vietnam that they believe are circumventing a previously established anti-dumping and countervailing duty order against hardwood plywood from China (the "Circumventing Products").

As a result of the Final Determination, the Company estimates the value of products it imported from Vietnam subject to potential duties is approximately $7.6 million. The duty rate in this trade case is 206%, which will be applied against the $7.6 million of products the Company imported from Vietnam. With the issuance of this Final Determination, the Company accrued duties of $15.6 million and recorded the related impact in selling, distribution and administration expense during the year ended December 31, 2023.

The Circumventing Products are specifically defined by Commerce and the Company believes that the products it imports from Vietnam do not meet Commerce's definition of Circumventing Products, and should therefore not be subject to duties. There are well established legal avenues to appeal Commerce's Final Determination and the Company intends to vigorously pursue recovery of any duties paid. The appeal process is typically a multi-year procedure however and the timing and ultimate outcome of the Company's efforts is not estimable at this time.

In total the Company has received notices to pay duties of $25.7 million. This includes certain notices related to imports that the Company believes are outside the scope of the Final Determination. The Company is challenging these out of scope notices. While the challenge is pending, the Company has elected to pay the out of scope notices to avoid interest and penalties. The Company paid $10.4 million related to the out of scope notices, which are included as an asset in the consolidated statement of financial position.

13. Provisions (continued)

Trade (continued)

On August 7, 2024, Commerce announced the preliminary results of a further administrative review regarding the Circumventing Products. Based on these results, some of the products the Company imports that were previously categorized as Circumventing Products may no longer fall under that classification, and the Company may be eligible for a refund on a significant portion of the duties paid. In issuing its preliminary results, Commerce noted that their findings are provisional and subject to change. The Company expects Commerce to issue a final decision on the results of their administrative review in 2025.