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

ADENTRA Inc.

Three and six month periods ended June 30, 2026 and 2025

ADENTRA Inc.

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

	Notes	June 30, 2026	December 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents		$ 2,267	$ 1,815
Receivables and investments	6, 12	242,930	181,289
Income taxes receivable		—	5,147
Inventories	7	432,412	378,543
Prepaid expenses		20,235	14,080
Total current assets		697,844	580,874
Non-current assets			
Receivables and investments	6	22,618	15,138
Property, plant and equipment		45,376	45,504
Right of use assets		223,225	231,298
Intangible assets		263,932	277,846
Deferred income taxes		18,610	21,825
Goodwill		200,496	200,496
Total non-current assets		774,257	792,107
Total assets		$ 1,472,101	$ 1,372,981
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	8	$ 172,506	$ 122,250
Accounts payable and accrued liabilities		153,792	107,808
Income taxes payable		4,154	4,654
Lease obligations		45,554	45,347
Dividend payable	4	2,715	2,831
Total current liabilities		378,721	282,890
Non-current liabilities			
Bank indebtedness	8	193,464	198,401
Lease obligations		203,022	208,935
Deferred income taxes		7,077	6,966
Other liabilities		1,710	5,768
Total non-current liabilities		405,273	420,070
Total liabilities		783,994	702,960
Shareholders' equity			
Share capital	9(a)	229,657	230,924
Contributed surplus		76,995	78,470
Retained earnings		406,745	386,796
Accumulated other comprehensive loss		(25,290)	(26,169)
Shareholders' equity		688,107	670,021
Total liabilities and shareholders' equity		$ 1,472,101	$ 1,372,981

Subsequent event (note 13)

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 U.S. dollars, unless stated otherwise)

Three and six month periods ended June 30, 2026 and 2025

		Three months ended		Six months ended	
	Notes	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Sales	11	$ 607,128	$ 597,133	$ 1,169,780	$ 1,139,638
Cost of goods sold	7	(473,755)	(467,043)	(922,721)	(892,571)
Gross profit		133,373	130,090	247,059	247,067
Operating expenses					
Selling, distribution, and administration	12	(71,496)	(69,707)	(152,546)	(151,121)
Depreciation		(12,319)	(11,785)	(24,549)	(23,225)
Amortization of intangible assets		(7,140)	(7,093)	(14,277)	(14,184)
		(90,955)	(88,585)	(191,372)	(188,530)
Income from operations		42,418	41,505	55,687	58,537
Net finance expense	10	(10,240)	(13,941)	(20,602)	(25,209)
Income before income taxes		32,178	27,564	35,085	33,328
Income tax (expense)/recovery					
Current		(7,844)	(6,769)	(7,775)	(7,882)
Deferred		(792)	1,312	(1,724)	781
		(8,636)	(5,457)	(9,499)	(7,101)
Net income		23,542	22,107	25,586	26,227
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences translating foreign operations		(744)	3,787	(1,435)	3,855
Gain/(loss) on interest rate swap, net of tax recovery	5	1,259	(835)	2,314	(2,439)
Other comprehensive income, net of tax		515	2,952	879	1,416
Total comprehensive income		$ 24,057	$ 25,059	$ 26,465	$ 27,643
Basic earnings per share	9(d)	$ 0.97	$ 0.89	$ 1.06	$ 1.05
Diluted earnings per share	9(d)	$ 0.96	$ 0.88	$ 1.04	$ 1.04

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 U.S. dollars, unless stated otherwise)

Six month periods ended June 30, 2026 and 2025

	Notes	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total
Balance at January 1, 2026		$ 230,924	$ 78,470	$ (26,169)	$ 386,796	$ 670,021
Share based compensation expense	9(b)	—	1,107	—	—	1,107
Shares issued pursuant to LTIP	9(a)	157	(157)	—	—	—
Shares repurchased	9(a)	(1,424)	(2,425)	—	—	(3,849)
Net income for the period		—	—	—	25,586	25,586
Dividends declared	4	—	—	—	(5,637)	(5,637)
Gain on interest rate swap, net of tax	5	—	—	2,314	—	2,314
Translation of foreign operations		—	—	(1,435)	—	(1,435)
Balance at June 30, 2026		$ 229,657	$ 76,995	$ (25,290)	$ 406,745	$ 688,107
Balance at January 1, 2025		$ 238,076	$ 85,762	$ (18,291)	$ 329,025	$ 634,572
Share based compensation expense	9(b)	—	1,863	—	—	1,863
Shares issued pursuant to LTIP	9(a)	282	(282)	—	—	—
Shares repurchased	9(a)	(4,860)	(5,742)	—	—	(10,602)
Net income for the period		—	—	—	26,227	26,227
Dividends declared	4	—	—	—	(5,256)	(5,256)
Loss on interest rate swap, net of tax	5	—	—	(2,439)	—	(2,439)
Translation of foreign operations		—	—	3,855	—	3,855
Balance at June 30, 2025		$ 233,498	$ 81,601	$ (16,875)	$ 349,996	$ 648,220

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 U.S. dollars, unless stated otherwise)

Three and six month periods ended June 30, 2026 and 2025

		Three months ended		Six months ended	
	Notes	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Cash flow from operating activities:					
Net income for the period		$ 23,542	$ 22,107	$ 25,586	$ 26,227
Adjustments for:					
Depreciation and amortization		21,891	21,290	43,634	41,755
Gain on sale of property, plant and equipment		(89)	(240)	(155)	(222)
Share based compensation expense	9(b)	851	1,232	4,165	3,702
Income tax expense		8,636	5,457	9,499	7,101
Net finance expense		10,240	13,941	20,602	25,209
Interest received		177	174	396	330
Interest paid		(6,619)	(9,112)	(13,312)	(17,596)
Income taxes paid		(2,890)	262	(3,082)	11
		55,739	55,111	87,333	86,517
Changes in non-cash working capital:					
Accounts receivable		(341)	(11,493)	(71,135)	(45,652)
Inventories		(12,704)	(8,189)	(54,977)	(63,502)
Prepaid expenses		(4,318)	1,477	(6,155)	2,426
Accounts payable and accrued liabilities		(35,344)	(3,010)	41,799	20,643
		(52,707)	(21,215)	(90,468)	(86,085)
Net cash provided by (used in) operating activities		3,032	33,896	(3,135)	432
Cash flow from financing activities:					
Repayment of term loan	8	(2,812)	(2,528)	(5,625)	(96,591)
Proceeds from revolving credit loan	8	20,862	(17,462)	50,808	121,843
Principal payments on lease obligations		(14,624)	(13,870)	(28,991)	(26,654)
Repurchase of common shares	9(a)	(2,874)	(8,487)	(3,849)	(10,393)
Dividends paid to shareholders	4	(2,760)	(2,694)	(5,583)	(5,313)
Net cash (used in) provided by financing activities		(2,208)	(45,041)	6,760	(17,108)
Cash flow from investing activities:					
Additions to property, plant and equipment		(1,240)	(3,324)	(4,607)	(5,890)
Proceeds on disposal of property, plant and equipment		70	152	114	250
Additions to intangible assets		(278)	(157)	(366)	(435)
Decrease (increase) in non-current receivables		128	(240)	197	36
Decrease (increase) in investments		881	8,600	1,220	(1,575)
Net cash (used in) provided by investing activities		(439)	5,031	(3,442)	(7,614)
Increase (decrease) in cash and cash equivalents		385	(6,114)	183	(24,290)
Cash and cash equivalents, beginning of period		1,656	9,963	1,815	28,111
Effect of exchange rate changes		226	511	269	539
Cash and cash equivalents, end of period		$ 2,267	$ 4,360	$ 2,267	$ 4,360
Supplementary information:					
Right of use assets acquired, net of disposals		$ 5,380	$ 36,636	$ 17,223	$ 51,736

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 81 regional customer service centers in Canada and the United States 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, 2025.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 5, 2026.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis. These consolidated statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period.

(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, 2025.

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, 2025.

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces a new income statement structure, new defined totals and subtotals, and disclosure requirements for management-defined performance measures. It also provides guidance on aggregation and disaggregation in financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with retrospective application. Based on analysis completed to date, the Company expects the impact to be primarily related to presentation and disclosure. The Company continues to assess the impact of this new standard.

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

4. 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:

	June 30, 2026	December 31, 2025
Cash	$ (2,267)	$ (1,815)
Bank indebtedness	365,970	320,651
Shareholders' equity	688,107	670,021
Total capitalization	$ 1,051,810	$ 988,857

The terms of the Company's credit facilities are described in note 8. 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 June 30, 2026 and December 31, 2025.

Dividends and share repurchases (note 9(a)) 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 six months ended June 30, 2026:

Declaration date	Record date	Payment date	Cash dividend per common share	Total common dividend amount
March 11, 2026	April 13, 2026	April 24, 2026	C$ 0.16	$ 2,823
May 5, 2026	July 20, 2026	July 31, 2026	C$ 0.16	$ 2,814

On August 5, 2026, the Company declared a cash dividend of C$0.16 per common share to shareholders of record as of October 19, 2026, to be paid on October 30, 2026.

5. 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 8). The following table summarizes the changes in fair value of the interest rate swap relating to the effective portion for the six months ended June 30, 2026, recorded in accumulated other comprehensive income. The Company recognized a negligible interest rate swap liability 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, 2025	$ (2,316)
Gain on interest rate swap recognized in other comprehensive income, net of $878 tax recovery	2,314
Balance as at June 30, 2026	$ (2)

The interest rate swap is measured at fair value through other comprehensive income and classified as Level 2 in the fair value hierarchy, based on observable market inputs. The carrying amount approximates fair value.

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

6. 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	June 30, 2026	December 31, 2025
Current receivables and investments:			
Trade receivables		$ 222,364	$ 151,742
Short-term investments		2,290	11,195
Sundry receivables		14,003	17,479
Tariff and duty recovery	12	4,273	873
		$ 242,930	$ 181,289
Non-current receivables and investments:			
Non-current investments		19,760	12,072
Deposits and other		2,858	3,066
		$ 22,618	$ 15,138

The aging of trade accounts receivables is as follows:

	June 30, 2026	December 31, 2025
Current	$ 191,726	$ 121,485
1 - 30 days past due	23,812	19,503
31 - 60 days past due	4,488	7,975
60+ days past due	4,470	4,974
Gross trade account receivables	224,496	153,937
Less: allowance for credit loss	(2,132)	(2,195)
	$ 222,364	$ 151,742

The Company determines its allowance for credit loss using both specific identification of customer accounts and the expected credit loss model. Bad debt expense, net of recoveries, for the three months ended June 30, 2026, was $0.2 million (for the three months ended June 30, 2025 - $0.8 million). For the six months ended June 30, 2026, net bad debt expense was $0.7 million (for the six months ended June 30, 2025 - $1.1 million).

Investments are designated as fair value through profit or loss and classified as Level 1 in the fair value hierarchy. The carrying amount approximates fair value.

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

7. Inventories

	June 30, 2026	December 31, 2025
Raw materials	$ 6,985	$ 7,973
Work in process	437	438
Goods in-transit	24,437	15,876
Finished goods	400,553	354,256
	$ 432,412	$ 378,543

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 consolidated statements of comprehensive income. Inventory write-downs, net of recoveries, included in the cost of goods sold for the three months ended June 30, 2026, were $2.0 million (for the three months ended June 30, 2025 - $1.6 million). For the six months ended June 30, 2026, net inventory write-downs were $3.6 million (for the six months ended June 30, 2025 - $2.5 million).

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

8. Bank indebtedness

	June 30, 2026	December 31, 2025
Credit Facility		
Revolving credit loan	$ 161,532	$ 109,103
Term A-1 loan	208,125	213,750
Deferred financing fees	(4,775)	(5,465)
Checks issued in excess of funds on deposit	1,088	3,263
	$ 365,970	$ 320,651
Less: Current portion of bank indebtedness	$ 172,506	$ 122,250
Total long-term bank indebtedness	$ 193,464	$ 198,401

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 are 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 has entered into a $200 million interest rate swap (note 5) to manage interest rate variability.

As at June 30, 2026, 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 4.00:1. As at June 30, 2026, the Company is in compliance with these financial covenants.

Bank indebtedness is measured at amortized cost and the carrying value approximates fair value given floating market-based interest rates.

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

9. Share capital

(a) Share capital

At June 30, 2026, 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, 2024	25,064,336	$	238,076
Issued pursuant to long term incentive plan	77,542		903
Shares repurchased	(882,881)		(8,055)
Balance at December 31, 2025	24,258,997	$	230,924
Issued pursuant to long term incentive plan	6,149		157
Shares repurchased	(154,100)		(1,424)
Balance at June 30, 2026	24,111,046	$	229,657

Normal Course Issuer Bid ("NCIB")

On December 30, 2025, the Company renewed its normal course issuer bid to buy back up to 2,314,014 common shares from January 2, 2026, to December 31, 2026, through the TSX and alternative trading systems. This approximates 10% of the Company's public float as of December 19, 2025. During the six month period ended June 30, 2026, the Company purchased 154,100 shares for a total purchase price of $3.8 million net of tax, under this renewed NCIB (June 30, 2025 - $10.6 million).

(b) Long Term Incentive Plan

A continuity of the LTIP awards outstanding is as follows:

	Performance Shares	Restricted Shares
Balance at December 31, 2024	247,066	274,324
LTIP awards issued during the period	81,648	358,264
LTIP shares settled during the period	(78,478)	(261,029)
Balance at December 31, 2025	250,236	371,559
LTIP awards issued during the period	161,236	66,611
LTIP shares settled during the period	(120,368)	—
Balance at June 30, 2026	291,104	438,170

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

9. Share capital (continued)

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

LTIP compensation expense of $0.9 million was recognized in the consolidated statements of comprehensive income for the three months ended June 30, 2026 (June 30, 2025 - $1.2 million). The equity classified portion of the LTIP compensation expense was $0.4 million for the three months ended June 30, 2026 (June 30, 2025 - $0.7 million) and the liability classified expense was $0.5 million (June 30, 2025 - $0.5 million). For the six month period ended June 30, 2026, LTIP compensation expense of $4.2 million (June 30, 2025 - $3.7 million) was recognized. The equity classified portion of the LTIP compensation expense was $1.1 million for the six months ended June 30, 2026 (June 30, 2025 - $1.9 million) and the liability classified expense was $3.1 million (June 30, 2025 - $1.8 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) Deferred Shared Unit Plan ("DSU")

Effective January 1, 2026, the Company established a Deferred Share Unit Plan for non-executive directors. The plan is accounted for as a cash-settled share-based payment arrangement, with the related liability remeasured at fair value based on the Company's share price at each reporting date and changes in fair value recognized in earnings. During the six months ended June 30, 2026, 43,741 DSUs were granted under the plan.

(d) Weighted average shares

Basic net earnings per share is calculated by dividing the net income 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:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Issued common shares at beginning of period	24,226,946	24,979,098	24,258,997	25,064,336
Effect of shares repurchased	(38,958)	(163,116)	(42,589)	(131,262)
Effect of shares issued during the period:				
Pursuant to LTIP	—	7	3,125	7,439
Weighted average common shares - basic	24,187,988	24,815,989	24,219,533	24,940,513
Effect of dilutive securities	326,536	296,249	344,222	360,771
Weighted average common shares - diluted	24,514,524	25,112,238	24,563,755	25,301,284

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

10. Finance income and expense

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Finance income (expense):				
Interest expense on bank indebtedness	$ (6,132)	$ (8,282)	$ (12,420)	$ (16,107)
Receivables financing expense	(1,037)	(1,125)	(1,925)	(2,172)
Accretion of lease obligation	(3,400)	(3,203)	(6,807)	(5,798)
Other finance income (expense)	329	(1,331)	550	(1,132)
Net finance expense	$ (10,240)	$ (13,941)	$ (20,602)	$ (25,209)

11. Segment reporting

Information about geographic areas is as follows:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenue from external customers:				
Canada	$ 46,172	$ 45,536	$ 88,070	$ 86,843
United States	560,956	551,597	1,081,710	1,052,795
	$ 607,128	$ 597,133	$ 1,169,780	$ 1,139,638

	June 30, 2026	December 31, 2025
Non-current assets[1]:		
Canada	$ 19,457	19,960
United States	713,572	735,184
	733,029	755,144

[1] Excludes financial instruments and deferred income taxes.

12. 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 condensed consolidated interim financial statements as at June 30, 2026.

Trade

In February 2026, the Supreme Court of the U.S. ("SCOTUS") ruled that the International Emergency Economic Powers Act ("IEEPA") does not give the President the authority to impose tariffs. As a result, the Company received a tariff refund of $4.2 million in the second quarter of 2026 and an additional $4.2 million in July 2026, plus accrued interest. The July refund was accrued in these condensed interim consolidated financial statements (Note 6). The total recovery of $8.4 million was recognized as a reduction of selling, distribution and administrative expenses for the interim periods ending June 30, 2026.

12. Provisions (continued)

As it relates to the comparative period, in the second quarter of 2025, the Company recognized a recovery of trade duties previously paid and expensed of $9.7 million, net of related costs, within selling, distribution and administrative expenses.

In April 2026, the Canada Border Services Agency ("CBSA") initiated anti-dumping and countervailing duty investigations respecting certain decorative and other non-structural hardwood plywood originating in or exported from China. On July 2, 2026, the CBSA extended the preliminary phase of its investigations and is expected to issue preliminary determinations, or terminate the investigations in whole or in part, on or before August 24, 2026. The Company does not currently expect the outcome of these investigations to have a material effect on its supply chain or result in material duty liabilities.

13. Subsequent Event

On August 3, 2026, the Company completed the acquisition of Mount Storm Forest Products, Inc., a distributor of architectural building products serving the Northern California market. The purchase price was $6.0 million, subject to customary working capital adjustments. Mount Storm's annual revenues are $20 million, and the acquisition strengthens the Company's presence in Northern California and complements its existing platform through additional product offerings and customer relationships. This acquisition will be accounted for as a business combination in accordance with IFRS 3 *Business Combinations*.