Management's Discussion and Analysis

August 5, 2026

This management's discussion and analysis ("MD&A") has been prepared by ADENTRA Inc., hereby referred to as "ADENTRA" or the "Company", as of August 5, 2026. This MD&A covers our unaudited condensed consolidated interim financial statements as at and for the three and six month periods ended June 30, 2026 and 2025 ("Interim Financial Statements"). As well, it provides an update to the MD&A section contained in our 2025 Annual Report. The information below should be read in conjunction with our Interim Financial Statements and the audited consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 2024 ("Audited Financial Statements"). Results are reported in U.S. dollars unless otherwise stated. The Interim Financial Statements contained herein have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* as permitted by IFRS Accounting Standards ("IFRS"). For additional information, readers should also refer to our Annual Information Form and other information filed on www.sedarplus.ca.

Non-GAAP and Other Financial Measures

In this MD&A, reference is made to the following non-GAAP financial measures:

- "Adjusted EBITDA" is EBITDA before share based compensation expense, and net recovery of trade duties and tariffs. We believe Adjusted EBITDA is a useful supplemental measure for investors, and is used by management, for evaluating our ability to meet debt service requirements and fund organic and inorganic growth, and as an indicator of relative operating performance.

- "Adjusted net income" is net income excluding the after-tax impact of share based compensation expense, net recovery of trade duties and tariffs, foreign exchange gain (loss), and amortization of intangible assets acquired in connection with an acquisition. We believe adjusted net income is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.

- "EBITDA" is earnings before interest, income taxes, depreciation and amortization, where interest is defined as net finance income (expense) as per the consolidated statement of comprehensive income. We believe EBITDA is a useful supplemental measure for investors, and is used by management to assist in evaluating our ability to meet debt service requirements and fund organic and inorganic growth, and as an indicator of relative operating performance.

- "Working capital" is receivables and investments, inventories, and prepaid expenses, partially offset by short-term credit provided by suppliers in the form of accounts payable and accrued liabilities. We believe working capital is a useful indicator for investors, and is used by management to evaluate the operating liquidity available to us.

In this MD&A, reference is also made to the following non-GAAP ratios:

- "Adjusted basic earnings per share" and "Adjusted diluted earnings per share" refer to basic earnings per share and diluted earnings per share, respectively to exclude the after-tax impact of share based compensation expense, net recovery of trade duties and tariffs, foreign exchange gain (losses), and amortization of intangible assets acquired in connection with an acquisition. We believe "Adjusted basic earnings per share" and "Adjusted diluted earnings per share" are useful supplemental measures for investors, and are used by management to assist with evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.

- "Adjusted EBITDA margin" is Adjusted EBITDA as a percentage of sales. We believe Adjusted EBITDA margin is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.

- "Leverage Ratio" is net debt as compared to Previous 12-months Adjusted EBITDA after rent payments related to warehousing and trucks. We believe Leverage Ratio is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service requirements, assessing our capital structure and how to finance organic and inorganic growth, our ability to generate cash flow from operations, and as an indicator of relative operating performance.

Such non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. For a reconciliation between non-GAAP measures and non-GAAP ratios and the most directly comparable financial measure in our financial statements, please refer to the discussion of Results of Operations described in section 2.0, Working Capital in section 4.2, and Revolving Credit Facilities and Debt Management Strategy in section 4.3 of this report.

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This MD&A includes the following sections:

1.0 Executive Summary

1.1 Highlights

Our strong operational execution contributed to another positive, profitable quarter for ADENTRA, despite a continued softer demand environment.

Q2 2026 Financial Highlights

(Unless otherwise noted, all comparisons are to Q2 2025

- **Sales increased 1.7% to $607.1 million**, reflecting **organic sales growth** despite soft market conditions
- **Year-to-date sales increased 2.6% to $1.17 billion** as compared to the same period in the prior year, including 0.6% volume growth
- **Gross margin expanded to 22.0%**, up 20 basis points from 21.8% in Q2 2025
- **Adjusted EBITDA increased 6.2% to $57.7 million**, and Adjusted EBITDA margin improved 40 basis points to 9.5%
- **Net income increased 6.5% to $23.5 million**, and basic EPS increased 9.0% to $0.97
- **Adjusted basic EPS increased 11.4% to $0.98**, supported by operating leverage, lower finance expense, and share repurchases
- **Normalized operating expenses increased only** 0.1%, demonstrating disciplined cost control
- **Recognized a $7.5 million net recovery of trade duties and tariffs**, including recoveries related to IEEPA tariffs received during the quarter
- **Reduced leverage ratio to 2.5x**, from 3.0x at Q2 2025, creating capacity to continue pursuing accretive M&A opportunities
- **Returned $5.6 million to shareholders**, including dividends and share repurchases; repurchased **2.1%** of the shares outstanding over the last twelve months
- **Declared a dividend** on August 5, 2026 of C$0.16 per share, payable on October 30, 2026 to shareholders of record as at October 19, 2026
- **Completed the Mount Storm tuck-in acquisition subsequent to quarter end**, expected to add approximately $20 million of annualized sales

Second quarter revenue increased 1.7% year-over-year to $607.1 million, with improved product pricing offsetting slightly lower sales volumes, reflecting a soft demand environment. Our proven price pass-through model helped support a strong gross margin of 22.0% on these sales.

We also maintained tight control over operating expenses, holding normalized second quarter costs steady year-over-year even in an inflationary environment. Our disciplined control of expenses is an important contributor to ADENTRA's stable performance through market cycles.

We grew second quarter Adjusted EBITDA to $57.7 million, a significant 6.2% increase from Q2 last year, with Adjusted net income growing 7.8% to $23.6 million. The gains in our bottom-line performance highlight the strength of our business model with profitability growth exceeding revenue growth due to positive operating leverage.

Adjusted basic earnings per share grew an even stronger 11.4% year-over-year to $0.98. Since July 1, 2025, we have repurchased 2.1% of ADENTRA's shares, which contributed to per share growth.

Our strong bottom-line results translated into $55.7 million in cash flow from operations before changes in working capital. Seasonal working capital needs, which are typical at this time of year, resulted in $52.7 million of cash used for non-cash working capital, leading to net cash provided by operating activities of $3.0 million.

Our capital deployment in the second quarter included the return of $5.6 million to shareholders, including dividends and share repurchases. We anticipate cash flow generation through the balance of 2026, supporting the execution of our strategic priorities. Our strong financial foundation, including a leverage ratio of 2.5x this quarter compared to 3.0x in Q2 2025, positions us to pursue our robust pipeline of acquisition opportunities. In line with this strategy, we completed a tuck-in acquisition in Northern California in August 2026 (discussed in more detail below) and we continue to pursue other attractive opportunities. Our balanced capital allocation strategy will also include continued debt reduction, shareholder dividends and further opportunistic share repurchases. We remain committed to creating long-term value for stakeholders as we execute our business plan and operate effectively, while positioning ADENTRA to capitalize on eventual shifts in the market cycle.

On August 5, 2026, ADENTRA's Board of Directors approved a quarterly dividend of C$0.16 per common share, payable on October 30, 2026 to shareholders of record as at October 19, 2026.

1.2 Recent Acquisition

On August 3, 2026, we completed the acquisition of Mount Storm Forest Products, Inc. ("Mount Storm"), 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 approximately $20 million, and it complements our existing platform through its value-added milling capabilities, broad product offering and established customer relationships, while further strengthening our presence and service capabilities in Northern California. The transaction is expected to be immediately accretive to Adjusted basic earnings per share.

1.3 Tariffs

We are well prepared to manage tariff impacts. Our price pass-through model allows us to offset increased product costs, including those related to tariffs, by adjusting selling prices. This approach has helped us maintain consistent gross margins over time and generate additional gross profit during periods of rising product costs. Our global sourcing network spans over 30 countries, providing diverse product options and different price points for our customers. As a key partner for our U.S. vendors, which represents the majority of our sourcing, we also have a strong domestic supply if customers prefer U.S. products over imported products. In the event that tariff-related price increases reduce consumer demand, we can adjust inventories and preserve cash flow. During economic slowdowns, we release working capital and pay down debt. We believe that any short-term reduction in home building will only worsen the existing housing shortage in the U.S., ultimately boosting future demand for our products.

Country Tariffs

On February 20, 2026, the Supreme Court of the United States ("SCOTUS") ruled that the International Emergency Economic Powers Act ("IEEPA") does not provide authority for the President to impose the applicable tariffs. In response, on February 21, 2026, the President issued a proclamation imposing a 10% duty on U.S. imports pursuant to Section 122 of the Trade Act of 1974 ("S122 Tariffs"), effective February 24, 2026. The S122 Tariffs expired on July 24, 2026.

Prior to expiry of the S122 Tariffs, the United States Trade Representative completed Section 301 investigations and announced replacement tariff measures applicable to imports from a broad range of countries. Depending on country of origin and product classification, these measures generally impose additional duties of 10% to 12.5%. We estimate that 30% of our product mix could be subject to these tariffs.

In July 2026, the United States announced additional Section 301 duties on certain imports from Brazil of 25%, effective July 22, 2026, with certain product-specific exemptions and a limited in-transit exception. We estimate that the impact on our product mix subject to these tariffs is not significant.

During the second quarter of 2026, the Company recognized $8.4 million in refunds relating to tariffs previously paid under IEEPA. These refunds arise from legal and administrative developments following the February 2026 SCOTUS decision.

Countervailing Duties ("CVD") and Anti-Dumping ("AD")

In April 2026, the Canada Border Services Agency initiated anti-dumping and countervailing duty investigations with respect to certain decorative and other non-structural hardwood plywood originating in or exported from China. During July 2026, the CBSA extended the preliminary phase of the investigations and indicated that preliminary determinations are expected on or before August 24, 2026. We do not expect the outcome of the investigation to have a material effect on our supply chain or result in material duty liabilities.

1.4 Outlook

ADENTRA entered the third quarter with continued positive momentum. July 2026 sales were approximately 3% higher year-over-year. We continue to bring a measured and disciplined focus on execution to the current environment of macroeconomic uncertainty. Higher energy costs continue to create inflationary pressure, which in turn may contribute to the potential for mortgage rates to remain higher for longer. Additionally, limited housing inventory, trade uncertainty, and geopolitical tensions continue to weigh on consumer confidence and demand.

We remain focused on capturing market share while maintaining strict pricing and cost discipline, as well as tight control over inventory and purchasing. We expect our price pass-through model will continue to help mitigate inflationary pressure as we move through the coming quarters. Our broad product portfolio, national footprint, and strong supplier partnerships also position us well to adapt and perform in a dynamic environment.

Going forward, we will continue to advance strategic priorities that we believe will strengthen the business structurally and drive long-term value creation. Our initiatives focus on areas that are largely within our control and not dependent on near-term macro improvement.

- In AI and digital optimization, we are utilizing and developing further tools that we believe will enhance decision-making, improve consistency across the network, and drive structurally higher margins and organic growth over time. Certain of these tools are now in the pilot phase.

- In supply chain, we are increasing flexibility, reducing risk, and expanding access to differentiated and high-margin products through a more diversified global sourcing strategy. Our global sourcing includes supply options from over 30 countries.

- And through disciplined M&A, we are maintaining a robust pipeline and the financial flexibility to execute on opportunities that are strategically aligned and accretive. Mount Storm is an attractive tuck-in acquisition, and we continue to pursue additional targets.

These initiatives are designed to deliver continuous, compounding improvements in performance and position ADENTRA to generate attractive returns across cycles.

While we remain cautious about the near-term demand environment, we are also focused on being prudent stewards of capital, maintaining balance sheet strength, applying discipline to investment decisions, and aligning capital allocation with our long-term value creation framework.

Over the longer-term, we remain optimistic about the residential housing sector, with strong fundamentals including structural undersupply, favorable demographic trends, and an aging housing stock supporting a positive future. Within this context, we will continue to advance our full-cycle value creation framework targeting double-digit returns on capital and accretive growth through a combination of platform efficiency, organic initiatives and disciplined acquisitions.

2.0 Results of Operations

2.1 Three-Month Periods Ended June 30, 2026 and 2025

Selected Consolidated Financial Information (in thousands of U.S. dollars, except otherwise noted, per share amounts and percentages)

		Three months ended June 30 2026		Three months ended June 30 2025		$ Increase (Decrease)	% Increase (Decrease)
Total sales	$	**607,128**	$	597,133	$	9,995	1.7 %
Sales in the U.S.		**560,956**		551,597		9,359	1.7 %
Sales in Canada (C$)		**63,936**		63,078		858	1.3 %
Gross margin		**133,373**		130,090		3,283	2.5 %
Gross margin %		***22.0%***		*21.8%*			20 bps
Operating expenses		**(90,955)**		(88,585)		2,370	2.7 %
Income from operations	$	**42,418**	$	41,505	$	913	2.2 %
Add: Depreciation and amortization		**21,891**		21,290		601	2.8 %
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	$	**64,309**	$	62,795	$	1,514	2.4 %
EBITDA as a % of revenue		***10.6%***		*10.5%*			
Add (deduct):							
Depreciation and amortization		**(21,891)**		(21,290)		601	
Net finance expense		**(10,240)**		(13,941)		(3,701)	
Income tax expense		**(8,636)**		(5,457)		3,179	
Net income for the period	$	**23,542**	$	22,107	$	1,435	6.5 %
Basic earnings per share	$	**0.97**	$	0.89	$	0.08	
Diluted earnings per share	$	**0.96**	$	0.88	$	0.08	
Average U.S. dollar exchange rate for one Canadian dollar	$	**0.722**	$	0.722			

Analysis of Specific Items Affecting Comparability (in thousands of U.S. dollars, except per share amounts and percentages)

		Three months ended June 30 2026		Three months ended June 30 2025		$ Increase (Decrease)	% Increase (Decrease)
EBITDA, per table above	$	**64,309**	$	62,795	$	1,514	2.4 %
Share based compensation expense		**851**		1,232		(381)	
Trade duties and tariffs, net recovery		**(7,482)**		(9,732)		2,250	
Adjusted EBITDA	$	**57,678**	$	54,295		3,383	6.2 %
Adjusted EBITDA as a % of revenue		**9.5%**		9.1%			
Net income for the period, as reported	$	**23,542**	$	22,107	$	1,435	6.5 %
Adjustments:							
Share based compensation expense		**851**		1,232		(381)	
Amortization of acquired intangible assets		**6,736**		6,731		5	
Trade duties and tariffs, net recovery		**(7,482)**		(9,732)		2,250	
' Foreign exchange loss		**—**		1,505		(1,505)	
Tax impact of above adjustments		**(29)**		72		(101)	
Adjusted net income for the period	$	**23,618**	$	21,915	$	1,703	7.8 %
Basic earnings per share, as reported	$	**0.97**	$	0.89	$	0.08	9.0 %
Net impact of above items per share		**0.01**		(0.01)		0.02	
Adjusted basic earnings per share	$	**0.98**	$	0.88	$	0.10	11.4 %
Diluted earnings per share, as reported	$	**0.96**	$	0.88	$	0.08	9.1 %
Net impact of above items per share		**—**		(0.01)		0.01	
Adjusted diluted earnings per share	$	**0.96**	$	0.87	$	0.09	10.3 %

Sales

For the three months ended June 30, 2026, total sales increased to $607.1 million, up $10.0 million, or 1.7%, from Q2 2025. The year-over-year gain was primarily attributable to a 2.9% increase in product prices, partially offset by a 1.2% decrease in sales volumes.

Sales in the U.S.

In our U.S. operations, second quarter sales grew to $561.0 million, up $9.4 million, or 1.7%, from $551.6 million in Q2 2025. The year-over-year sales growth reflects a 3.3% increase in product pricing, partially offset by a 1.6% decline in sales volumes.

Sales in Canada

In Canada, second quarter sales increased to C$63.9 million, up C$0.9 million, or 1.3%, from $63.1 million in Q2 2025. A 4.0% increase in sales volumes, partially offset by a 2.7% decrease in product pricing, were the key factors in this improvement.

Gross Margin

Gross margin increased to $133.4 million for the quarter, up $3.3 million, or 2.5%, from Q2 2025, primarily reflecting higher sales. Year-over-year gross margin percentage improved slightly to 22.0% from 21.8% in Q2 2025.

Operating Expenses

Operating expenses were $91.0 million, up $2.4 million, or 2.7%, from $88.6 million in Q2 2025. Operating expenses in Q2 2026 included a $7.5 million net recovery of tariffs, while the prior-year period included a $9.7 million net recovery of trade duties. Excluding these items, operating expenses increased by just $0.1 million or 0.1%, demonstrating disciplined cost management.

Depreciation and Amortization

Depreciation and amortization totaled $21.9 million, increasing modestly from $21.3 million in Q2 2025. In both periods, $6.7 million of the total depreciation and amortization expense was related to acquired intangible assets.

Net Finance Expense

Net finance expense decreased by $3.7 million to $10.2 million, from $13.9 million in Q2 2025. The decrease was primarily attributable to lower interest expense resulting from a reduced average debt balance and lower interest rates. In addition, the prior-year net finance expense included a $1.8 million unrealized foreign exchange loss on intercompany loans denominated in foreign currencies that did not recur in Q2 2026.

Income Tax Expense

Income tax expense totaled $8.6 million, compared to $5.5 million in Q2 2025. The year-over-year increase reflects a higher effective tax rate of 26.8% in Q2 2026, compared to 19.8% in Q2 2025. The prior-year income tax expense also benefited from tax return true-ups associated with the finalization of our 2024 Canadian tax returns.

Adjusted EBITDA

We increased Adjusted EBITDA to $57.7 million in the second quarter of 2026, up $3.4 million, or 6.2%, from $54.3 million in Q2 2025. The year-over-year improvement reflects the $3.3 million increase in gross margin, and a $0.1 million reduction in operating expenses (before changes in share based compensation expense, depreciation and amortization, and net recovery of trade duties and tariffs).

Net Income for the Period

In the second quarter of 2026, net income grew to $23.5 million (basic earnings per share of $0.97), from $22.1 million (basic earnings per share of $0.89) in Q2 2025. The year-over-year improvement reflects the $1.5 million increase in EBITDA and the $3.7 million decrease in net finance expense, partially offset by the $3.2 million increase in income tax expense and the $0.6 million increase in depreciation and amortization.

Adjusted net income increased to $23.6 million, 7.8% or $1.7 million higher than the $21.9 million generated in the same period of 2025. Adjusted basic earnings per share of $0.98 increased $0.10 from $0.88 in Q2 2025.

2.2 Six-Month Periods Ended June 30, 2026 and 2025

Selected Consolidated Financial Information (in thousands of U.S. dollars, except otherwise noted, per share amounts and percentages)

		Six months ended June 30 2026		Six months ended June 30 2025		$ Increase (Decrease)	% Increase (Decrease)
Total sales	$	**1,169,780**	$	1,139,638	$	30,142	2.6 %
Sales in the U.S.		**1,081,710**		1,052,795		28,915	2.7 %
Sales in Canada (CAD$)		**121,458**		122,360		(902)	(0.7)%
Gross margin		**247,059**		247,067		(8)	— %
Gross margin %		***21.1%***		*21.7%*			*-60 bps*
Operating expenses		**(191,372)**		(188,530)		2,842	1.5 %
Income from operations	$	**55,687**	$	58,537	$	(2,850)	(4.9)%
Add: Depreciation and amortization		**43,634**		41,755		1,879	4.5 %
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	$	**99,321**	$	100,292	$	(971)	(1.0)%
EBITDA as a % of revenue		***8.5%***		*8.8%*			
Deduct:							
Depreciation and amortization		**(43,634)**		(41,755)		1,879	
Net finance expense		**(20,602)**		(25,209)		(4,607)	
Income tax expense		**(9,499)**		(7,101)		2,398	
Net income for the period	$	**25,586**	$	26,227	$	(641)	(2.4)%
Basic earnings per share	$	**1.06**	$	1.05	$	0.01	
Diluted earnings per share	$	**1.04**	$	1.04	$	—	
Average U.S. dollar exchange rate for one Canadian dollar	$	**0.726**	$	0.710			

Analysis of Specific Items Affecting Comparability (in thousands of U.S. dollars, except per share amounts and percentages)

		Six months ended June 30 2026		Six months ended June 30 2025		$ Increase (Decrease)	% Increase (Decrease)
EBITDA, per table above	$	**99,321**	$	100,292	$	(971)	(1.0)%
Share based compensation expense		**4,165**		3,702		463	
Trade duties and tariffs, net recovery		**(7,482)**		(9,732)		2,250	
Adjusted EBITDA	$	**96,004**	$	94,262	$	1,742	1.8 %
Adjusted EBITDA as a % of revenue		**8.2%**		8.3%			
Net income for the period, as reported	$	**25,586**	$	26,227	$	(641)	(2.4)%
Adjustments:							
Share based compensation expense		**4,165**		3,702		463	
Amortization of acquired intangible assets		**13,471**		13,462		9	
Trade duties and tariffs, net recovery		**(7,482)**		(9,732)		2,250	
Foreign exchange loss		**—**		1,462		(1,462)	
Tax impact of above adjustments		**(2,792)**		(2,446)		(346)	
Adjusted net income for the period	$	**32,948**	$	32,675	$	273	0.8 %
Basic earnings per share, as reported	$	**1.06**	$	1.05	$	0.01	1.0 %
Net impact of above items per share		**0.30**		0.26		0.04	
Adjusted basic earnings per share	$	**1.36**	$	1.31	$	0.05	3.8 %
Diluted earnings per share, as reported	$	**1.04**	$	1.04	$	—	— %
Net impact of above items per share		**0.30**		0.25		0.05	
Adjusted diluted earnings per share	$	**1.34**	$	1.29	$	0.05	3.9 %

Sales

For the six months ended June 30, 2026, sales increased to $1.17 billion, up $30.1 million, or 2.6%, from $1.14 billion in the prior-year period. This increase was primarily driven by a 1.8% increase in product pricing and 0.6% growth in sales volumes. Favorable foreign exchange fluctuations in the Canadian dollar positively impacted sales by $2.0 million.

Sales in the U.S.

During the first half of 2026, sales in our U.S. operations increased 2.7% to $1.08 billion, from $1.05 billion in the prior-year period. This gain primarily reflects a 2.1% increase in product prices and a 0.6% improvement in sales volumes year-over-year.

Sales in Canada

In Canada, sales were C$121.5 million for the six months ended June 30, 2026, a decrease of C$0.9 million, or 0.7%, from the prior-year period. This reflects a 1.1% decrease in product prices, partially offset by a 0.4% increase in sales volumes.

Gross Margin

Gross margin for the six months ended June 30, 2026 was consistent with the prior-year period at $247.1 million. Gross margin percentage was 21.1%, as compared to 21.7% in the same period last year.

Operating Expenses

For the six months ended June 30, 2026, operating expenses were $191.4 million, an increase of $2.8 million, or 1.5%, from $188.5 million in the prior-year period. Operating expenses in the first half of 2026 included a $7.5 million net recovery of tariffs, compared to a $9.7 million net recovery of trade duties in the prior-year period. Excluding these items, operating expenses increased by approximately $0.6 million, or just 0.3%, reflecting disciplined cost management.

Depreciation and Amortization

Depreciation and amortization for the six months ended June 30, 2026 increased to $43.6 million, from $41.8 million in 2025. The $1.9 million increase primarily reflects higher depreciation related to leased premises.

First half depreciation and amortization included $13.5 million related to acquired intangible assets, consistent with the prior-year period.

Net Finance Expense

For the six months ended June 30, 2026, net finance expense decreased by $4.6 million to $20.6 million from $25.2 million in the same period last year. The decrease was primarily attributable to $3.7 million of lower interest expense driven by a reduction in average debt balance interest rates, as well as an unrealized $1.8 million foreign exchange loss on foreign currency-denominated intercompany loans recorded in the prior-year period. These decreases were partially offset by higher accretion of lease obligations related to leased premises.

Income Tax Expense

For the six months ended June 30, 2026, we recognized an income tax expense of $9.5 million, compared to $7.1 million in 2025. This resulted in an effective tax rate of 27.1% for the current period, consistent with our statutory rate.

Adjusted EBITDA

For the six months ended June 30, 2026, Adjusted EBITDA increased to $96.0 million, up $1.7 million or 1.8%, from $94.3 million in the same period in 2025. The year-over-year improvement was primarily driven by the $1.8 million decrease in operating expenses (before changes in depreciation and amortization, share based compensation expense, and net recovery of trade duties and tariffs) and reflects lower people and marketing costs.

Net Income for the Period

Net income for the first six months was $25.6 million, a decrease of 2.4% from $26.2 million in the prior-year period. Basic earnings per share rose to $1.06, up from $1.05 in 2025. The $0.6 million decrease in net income was primarily attributable to the $1.0 million decline in EBITDA, the $2.4 million increase in income tax expense, and the $1.9 million increase in depreciation and amortization expense, partially offset by the $4.6 million decrease in net finance expense.

Adjusted net income for the six months ended June 30, 2026 was $32.9 million, up 0.8% from $32.7 million in the same period of 2025. First half adjusted basic earnings per share grew to $1.36, from $1.31, an increase of 3.8%.

3.0 Selected Financial Information and Seasonality

3.1 Quarterly Financial Information

(in thousands of U.S. dollars, except per share amounts)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
	2026	**2026**	**2025**	**2025**	**2025**	**2025**	**2024**	**2024**
Total sales	**$607,128**	$562,652	$517,537	$592,091	$597,133	$542,506	$530,809	$568,819
Net income	**23,542**	2,044	32,055	10,146	22,107	4,120	8,388	10,403
Basic earnings per share	**0.97**	0.08	1.32	0.42	0.89	0.16	0.34	0.42
Fully diluted earnings per share	**0.96**	0.08	1.29	0.41	0.88	0.16	0.33	0.41
EBITDA	**64,309**	35,013	41,437	46,383	62,795	37,497	41,331	43,984
Adjusted net income	**23,618**	9,330	16,239	17,211	21,915	10,760	12,715	18,611
Adjusted basic earnings per share	**0.98**	0.38	0.67	0.70	0.88	0.42	0.51	0.74
Adjusted diluted earnings per share	**0.96**	0.38	0.65	0.69	0.87	0.42	0.50	0.73
Adjusted EBITDA	**57,678**	38,327	43,733	49,926	54,295	39,967	42,184	48,034

The preceding table provides selected quarterly financial information for our eight most recently completed fiscal quarters. This information is unaudited, but reflects all adjustments of a normal, recurring nature which are, in our opinion, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. Historically, the first and fourth quarters can be seasonally slower periods for our business. In addition, net earnings reported in each quarter may be impacted by acquisitions, foreign currency fluctuations, and changes in customer buying patterns, sales force, competition, pricing inputs, and supply constraints.

4.0 Liquidity and Capital Resources

4.1 Cash Flows from Operating, Investing and Financing Activities

Selected Unaudited Consolidated Financial Information (in thousands of U.S. dollars, except per share amounts)

	Three months ended June 30			Six months ended June 30		
	2026	**2025**	**$ change**	**2026**	**2025**	**$ change**
Cash provided by operating activities before changes in non-cash working capital	**$ 55,739**	$ 55,111	$ 628	**$ 87,333**	$ 86,517	$ 816
Changes in non-cash working capital	**(52,707)**	(21,215)	(31,492)	**(90,468)**	(86,085)	(4,383)
Net cash provided by (used in) operating activities	**3,032**	33,896	(30,864)	**(3,135)**	432	(3,567)
Net cash (used in) provided by investing activities	**(439)**	5,031	(5,470)	**(3,442)**	(7,614)	4,172
Net cash (used in) provided by financing activities	**(2,208)**	(45,041)	42,833	**6,760**	(17,108)	23,868
Increase (decrease) in cash and cash equivalents	**385**	(6,114)	6,499	**183**	(24,290)	24,473
Cash and cash equivalents, beginning of period	**1,656**	9,963	(8,307)	**1,815**	28,111	(26,296)
Effect of exchange rate changes	**226**	511	(285)	**269**	539	(270)
Cash and cash equivalents, end of the period	**$ 2,267**	$ 4,360	$ (2,093)	**$ 2,267**	$ 4,360	$ (2,093)

Net cash provided by (used in) operating activities

For the three months ended June 30, 2026, net cash provided by operating activities was $3.0 million, compared to $33.9 million in the second quarter of 2025. The decrease was primarily attributable to higher working capital investment during the quarter.

For the six months ended June 30, 2026, net cash used in operating activities was $3.1 million, compared to net cash provided by operating activities of $0.4 million in the prior-year period. Cash flow generated before changes in non-cash working capital was $87.3 million, compared to $86.5 million in 2025. This was offset by a $90.5 million investment in working capital, primarily reflecting seasonal inventory needs.

Net cash (used in) provided by investing activities

For the three months ended June 30, 2026, net cash used in investing activities was $0.4 million, compared to net cash provided by investing activities of $5.0 million in Q2 2025. This decrease primarily reflects changes in investments between the two periods.

For the six months ended June 30, 2026, net cash used in investing activities was $3.4 million, compared to $7.6 million in the prior-year period. The decrease was primarily attributable to lower capital expenditures and changes in investments.

Net cash (used in) provided by financing activities

For the three months ended June 30, 2026, net cash used in financing activities was $2.2 million, compared to $45.0 million in the prior-year period. The decrease was primarily attributable to increased borrowings under our revolving credit facility to fund working capital investments, coupled with lower share repurchases in Q2 2026 as compared to the same quarter in the prior year.

For the six months ended June 30, 2026, net cash provided by financing activities was $6.8 million, compared to net cash used in financing activities of $17.1 million for the first six months ended June 30, 2025. Higher net borrowings driven by additional working capital needs and lower share repurchases in Q2 2026 were the key factors in the year-over-year change.

4.2 Working Capital

(in thousands of U.S. dollars)								
		Three months ended June 30				Six months ended June 30		
Source (use) of funds		**2026**		2025		**2026**		2025
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
Change in non-cash operating working capital	**$**	**(52,707)**	$	(21,215)	**$**	**(90,468)**	$	(86,085)

Our business requires an ongoing investment in working capital which we consider to be comprised of accounts receivable, inventory, and prepaid expenses, partially offset by short-term credit provided by suppliers in the form of accounts payable and accrued liabilities.

Our investment in working capital may fluctuate from quarter-to-quarter based on factors such as sales demand, strategic purchasing decisions taken by management, and the timing of collections from customers. Our investment in working capital in the first half of 2026 was similar to the same period of the prior year, with an increase in accounts receivable reflecting higher sales, which were partially offset by a decrease in inventory investments and an increase in accounts payable.

Continued compliance with financial covenants under our credit facility is important to ensure that we have adequate financing available to meet our working capital requirements. The terms of our credit facility are addressed in section 4.3 of this MD&A.

4.3 Revolving Credit Facilities and Debt Management Strategy

Selected Unaudited Consolidated Financial Information (in thousands of U.S. dollars, except percentages and ratios)				
		As at June 30, 2026		**As at December 31, 2025**
Cash	**$**	**(2,267)**	$	(1,815)
Bank indebtedness		**365,970**		320,651
Net bank debt		**363,703**		318,836
Shareholders' equity		**688,107**		670,021
Capitalization	**$**	**1,051,810**	$	988,857
Net debt to capitalization		**35%**		**32%**
Previous 12 months Adjusted EBITDA ("Adjusted EBITDA")	**$**	**189,664**	$	187,921
Rental payments related to premises		**(44,351)**		(41,690)
Previous 12 months Adjusted EBITDA after rent		**145,313**		146,231
Net debt to previous 12 months Adjusted EBITDA after rent ("Leverage Ratio")		**2.5**		**2.2**

We consider our capital to be debt (net of cash) and shareholders' equity. As at June 30, 2026, our overall net debt compared to total capitalization was 35%, compared to 32% at December 31, 2025. As at June 30, 2026, our Leverage Ratio was 2.5 times.

On January 27, 2025, we amended certain terms of our 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 a maturity date of January 27, 2030. The terms related to interest rate pricing remain unchanged.

A summary of the Credit Facility as at June 30, 2026 is provided in the following table.

Selected unaudited consolidated financial information (in millions of U.S. dollars)				
		Committed		**Drawn**
Revolving credit loan	$	600.0	$	161.5
Term A-1 loan	$	208.1	$	208.1
Total	**$**	**808.1**	**$**	**369.6**
Financial covenants include:				
Consolidated interest coverage ratio		*2.75:1*		
Consolidated leverage ratio		*4.00:1*		

The financial covenants under the Credit Facility include, among others: (i) a consolidated interest coverage ratio (a ratio of Adjusted EBITDA to total interest expense), and (ii) a consolidated leverage ratio (a ratio of total funded debt to Adjusted EBITDA). In determining the consolidated leverage ratio for financial covenant purposes, total funded debt is the aggregate of bank indebtedness, outstanding letters of credit, and certain lease obligations. Adjusted EBITDA is reduced for rental payments for premises, cash payments for share based compensation vesting and interest charges related to certain factoring arrangements.

Our debt management strategy is to maintain financial flexibility to continue executing our strategic initiatives. We intend to maintain a base level of debt as part of our capital structure. Our intent is to roll and renew our credit facilities at or before the expiry date. We do not intend to restrict future dividends in order to fully extinguish our debt obligations upon their maturity. The amount of debt that will actually be drawn on our available revolving credit facilities will depend upon the needs of the business and our cash generating capacity going forward. When making future dividend and share repurchase decisions, we will consider the amount of financial leverage, and therefore debt, we believe is appropriate given existing and expected market conditions and available business opportunities. We do not target a specific financial leverage amount. We believe our current credit facilities are sufficient to finance our working capital needs and provide us with the financial flexibility required to advance our strategic initiatives.

4.4 Contractual Obligations

There were no significant changes in our contractual commitments outside the normal course of business.

4.5 Off-Balance Sheet Arrangements

On July 11, 2023, we entered into an interest rate swap with a notional value of $200 million to partially offset the variability in the expected interest cash flows related to the Term A-1 Loan. The effective portion of any gains or losses related to the mark to market of the interest rate swap are recorded in other comprehensive income and the ineffective portion of any gains or losses are recorded in net income. Our interest rate swap was deemed effective as at June 30, 2026.

4.6 Financial Instruments

Financial instrument assets include cash and cash equivalents and current and non-current receivables which are designated as subsequently measured at amortized cost, and investments which are designated as fair value through profit or loss ("FVTPL"). Non-derivative financial instrument liabilities include bank indebtedness, accounts payable and accrued liabilities, income taxes payable, dividend payable, lease obligations and other liabilities. All financial liabilities, except for interest rate swaps, are designated as subsequently measured at amortized cost. Interest rate swaps are measured at fair value.

The carrying values of our cash and cash equivalents, accounts and other receivables, accounts payable and accrued liabilities, and dividends payable approximate their fair values due to the relatively short period to maturity of the instruments. The fair value of non-current receivables and investments, other liabilities and lease obligations are not expected to differ materially from their respective carrying value given the interest rates being charged and term to maturity. The carrying values of the credit facilities approximate their fair values due to the existence of floating market-based interest rates. In determining the fair value of our interest rate swap, we use the present value of expected cash flows based on the mark to market observable interest rate yield curves commensurate with the terms of the financial instrument.

4.7 Share Data

As at August 5, 2026, we had 24,245,497 common shares issued and outstanding.

On December 30, 2025, we renewed our NCIB 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 our public float as of December 19, 2025. During the six months ended June 30, 2026, we purchased 154,100 shares for a total purchase price of $3.8 million net of tax, under this renewed NCIB.

As of August 5, 2026, we had 129,868 performance shares units and 371,559 restricted share units outstanding under our long-term incentive plan. These units can be settled in common shares issued from treasury or purchased from the market, or in cash equal to the fair value of our common shares, or any combination of the foregoing. Each restricted share unit is settled for one common share and each performance share unit is settled for up to two common shares, based on the payout multiplier. The units vest over up to three years and employees can choose to receive up to half the fair value in cash and the remainder in common shares. We intend to issue common shares from treasury to settle the portion not paid in cash.

As of August 5, 2026, we also had 43,741 deferred share units ("DSU") outstanding under our deferred share unit plan. These units are settled in cash equal to the fair value of our common shares. Each DSU is settled based on the value of one common share.

In the second quarter of 2026, we declared a quarterly dividend of C$0.16 per common share, which was paid on July 31, 2026 to shareholders of record as of July 20, 2026. On August 5, 2026, we declared a quarterly dividend of C$0.16 per common share, payable on October 30, 2026 to shareholders of record as at October 19, 2026.

5.0 Related-Party Transactions

Other than transactions in the normal course of business with key management personnel and directors, we had no related-party transactions during the three and six-month periods ended June 30, 2026 and 2025.

6.0 Critical Accounting Estimates & Adoption of Changes in Accounting Policies

The preparation of financial statements in accordance with IFRS requires that we make estimates and assumptions that can have a material impact on our results of operations as reported on a periodic basis. We base our estimates and assumptions on past experience and other factors that are deemed reasonable under the circumstances. Actual results could differ from these estimates. The critical estimates used in preparing our financial statements are:

Leases: We estimate and make assumptions related to leases, including the discount rates, lease terms and renewal options.

Goodwill impairment testing: We estimate factors such as determining the cash generating unit ("CGU") to which goodwill relates, the recoverable amount of a CGU, gross margin percentage, and the discount rates. The value assigned to these factors is based on management's estimate of future trends and is based on historical data from both internal and external sources.

Accounts receivable provision: Due to the nature of our business and the credit terms we provide to our customers, we anticipate that a certain portion of required customer payments will not be made, and we maintain an allowance for these doubtful accounts. The allowance is based on our estimate of the potential of recovering our accounts receivable, and incorporates current and expected collection trends.

Valuation of inventory: We estimate the net realizable value of our inventory, which can materially impact recognized inventory values.

Interest rate swap: We estimate the valuation and effectiveness of our interest rate swap, which may impact the values recognized in other comprehensive income for the effective portion, net income for the ineffective portion, and the carrying amount of the financial instrument.

Business acquisitions: We estimate the fair value of the contingent consideration, assets acquired and liabilities assumed in business acquisitions.

Adoption of Changes in Accounting Policies

In addition to the standards currently in effect, we are monitoring forthcoming amendments that may materially affect our financial statements and MD&A:

IFRS 18, *Presentation and Disclosure in the Financial Statements* ("IFRS 18"), will be effective for annual periods beginning on or after January 1, 2027. IFRS 18 replaces IAS 1 and introduces new presentation and disclosure requirements. We are currently assessing the potential impact of IFRS 18 on our consolidated financial statements and related disclosures. Based on management analysis to date, we expect the impact to be primarily related to presentation and disclosure. We expect to adopt IFRS 18 retrospectively in our financial statements for the year ending December 31, 2027, including restated comparative figures for 2026, as required. We are continuing to assess the impact of this new standard.

7.0 Risks and Uncertainties

The estimates relating to the impact of tariffs on the Company could change depending on further tariff actions, announcements regarding changes in previously announced tariff actions, or additional detail released regarding these tariff actions, or other factors. During the second quarter of 2025, Commerce initiated new CVD and AD investigations relating to hardwood and decorative plywood imports from China, Indonesia, and Vietnam into the U.S. In July 2026, Commerce announced final affirmative determinations.

Final CVD rates, depending on the exporter, range from approximately 2% to 129%, and final AD rates range from approximately 20% to 196%. We do not expect these determinations to have a material adverse effect on its supply chain or result in duty liabilities.

In February 2026, the SCOTUS ruled that the IEEPA does not give the President the authority to impose tariffs. As a result, we received tariff recovery of $4.2 million in the second quarter of 2026 and $4.2 million in July 2026, plus accrued interest. For the six months ended June 30, 2026, we recognized $8.4 million of tariff recovery included as a reduction of selling, distribution and administrative expenses.

In April 2026, the 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. We do not currently expect the outcome of these investigations to have a material effect on our supply chain or result in material duty liabilities.

We are exposed to a number of risks and uncertainties in the normal course of business that could have a negative effect on our financial condition or results of operations. We identify significant risks that we were aware of in our Annual Information Form, which is available to readers along with other disclosure documents at www.sedarplus.ca.

8.0 Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”). Any systems of DC&P and ICFR, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to information required to be disclosed and financial statement preparation and presentation. During the three and six month periods ended June 30, 2026, there were no changes in our ICFR that materially affected, or are reasonably likely to materially affect, our ICFR.

9.0 Note Regarding Forward Looking Information

Certain statements in this MD&A contain forward-looking information within the meaning of applicable securities laws in Canada (“forward-looking information”). The words “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

Forward-looking information is included, but not limited to: Completed the Mount Storm tuck-in acquisition subsequent to quarter end, expected to add approximately $20 million of annualized sales; Our balanced capital allocation strategy will also include continued debt reduction, shareholder dividends and further opportunistic share repurchases; We remain committed to creating long-term value for stakeholders as we execute our business plan and operate effectively, while positioning ADENTRA to capitalize on eventual shifts in the market cycle; Mount Storm's annual revenues are approximately $20 million, and it complements our existing platform through its value-added milling capabilities, broad product offering and established customer relationships, while further strengthening our presence and service capabilities in Northern California; The transaction is expected to be immediately accretive to Adjusted basic earnings per share; We are well prepared to manage tariff impacts; Our price pass-through model allows us to offset increased product costs, including those related to tariffs, by adjusting selling prices; In the event that tariff-related price increases reduce consumer demand, we can adjust inventories and preserve cash flow; We believe that any short-term reduction in home building will only worsen the existing housing shortage in the U.S., ultimately boosting future demand for our products; We estimate that 30% of our product mix could be subject to these tariffs; We estimate that the impact on our product mix subject to these tariffs is not significant; We do not expect the outcome of the investigation to have a material effect on our supply chain or result in material duty liabilities; ADENTRA entered the third quarter with continued positive momentum; July 2026 sales were approximately 3% higher year-over-year; We continue to bring a measured and disciplined focus on execution to the current environment of macroeconomic uncertainty; Higher energy costs continue to create inflationary pressure, which in turn may contribute to the potential for mortgage rates to remain higher for longer; Additionally, limited housing inventory, trade uncertainty, and geopolitical tensions continue to weigh on consumer confidence and demand; We remain focused on capturing market share while maintaining strict pricing and cost discipline, as well as tight control over inventory and purchasing; We expect our price pass-through model will continue to help mitigate inflationary pressure as we move through the coming quarters; Our broad product portfolio, national footprint, and strong supplier partnerships also position us well to adapt and perform in a dynamic environment; Going forward, we will continue to advance strategic priorities that we believe will strengthen the business structurally and drive long-term value creation; In AI and digital optimization, we are utilizing and developing further tools that we believe will enhance decision-making, improve consistency across the network, and drive structurally higher margins and organic growth over time; In supply chain, we are increasing flexibility, reducing risk, and expanding access to differentiated and high-margin products through a more diversified global sourcing strategy; And through disciplined M&A, we are maintaining a robust pipeline and the financial flexibility to execute on opportunities that are strategically aligned and accretive; Mount Storm is an attractive tuck-in acquisition, and we continue to pursue additional targets; These initiatives are designed to deliver continuous, compounding improvements in performance and position ADENTRA to generate attractive returns across cycles; While we remain cautious about the near-term demand environment, we are also focused on being prudent stewards of capital, maintaining balance sheet strength, applying discipline to investment decisions, and aligning capital allocation with our long-term value creation framework; Over the longer-term, we remain optimistic about the residential housing sector, with strong fundamentals including structural undersupply, favorable demographic trends, and an aging housing stock supporting a positive future; Within this context, we will continue to advance our full-cycle value creation framework targeting double-digit returns on capital and accretive growth through a combination of platform efficiency, organic initiatives and disciplined acquisitions; Historically, the first and fourth quarters can be seasonally slower periods for our business; Our investment in working capital may fluctuate from quarter-to-quarter based on factors such as sales demand, strategic purchasing decisions taken by management, and the timing of collections from customers; Our debt management strategy is to maintain financial flexibility to continue executing our strategic initiatives; We intend to maintain a base level of debt as part of our capital structure; Our intent is to roll and renew our credit facilities at or before the expiry date; We do not intend to restrict future dividends in order to fully extinguish our debt obligations upon their maturity; The amount of debt that will actually be drawn on our available revolving credit facilities will depend upon the seasonal and cyclical needs of the business and our cash generating capacity going forward; When making future dividend and share repurchase decisions, we will consider the amount of financial leverage, and therefore debt, we believe is appropriate given existing and expected market conditions and available business opportunities; We do not target a specific financial leverage amount; We believe our current credit facilities are sufficient to finance our working capital needs and provide us with the financial flexibility required to advance our strategic initiatives; The fair value of non-current receivables, notes payable, other liabilities and finance lease obligations are not expected to differ materially from carrying value given the interest rates being charged and term to maturity; We intend to issue common shares from treasury to settle the portion not paid in cash; The results of these investigations are uncertain; The estimates relating to the impact of tariffs on the Company could change depending on further tariff actions, announcements regarding changes in previously announced tariff actions, or additional detail released regarding these tariff actions, or other factors; Final CVD rates, depending on the exporter, range from approximately 2% to 129%, and final AD rates range from approximately 20% to 196%; We do not expect these determinations to have a material adverse effect on our supply chain or result in duty liabilities; 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; We do not currently expect the outcome of these investigations to have a material effect on its supply chain or result in material duty liabilities.

The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: there are no material exchange rate fluctuations between the Canadian and U.S. dollar that affect our performance; the general state of the economy does not worsen; we do not lose any key personnel; there is no labor shortage across multiple geographic locations; there are no circumstances, of which we are aware that could lead to the Company incurring costs for environmental remediation; there are no decreases in the supply of, demand for, or market values of our products that harm our business; we do not incur material losses related to credit provided to our customers; our products are not subjected to negative trade outcomes; we are able to sustain our level of sales and earnings margins; we are able to grow our business long term and to manage our growth; we are able to integrate acquired businesses; there is no new competition in our markets that leads to reduced revenues and profitability; we can comply with existing regulations and will not become subject to more stringent regulations; geopolitical and trade tensions to not materially impact our business, no material product liability claims; importation of components or other innovative products does not increase and replace products manufactured in North America; our management information systems upon which we are dependent are not impaired; we are not adversely impacted by disruptive technologies; an outbreak or escalation of a contagious disease does not adversely affect our business; and, our insurance is sufficient to cover losses that may occur as a result of our operations.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results to differ from current expectations include, but are not limited to: exchange rate fluctuations between the Canadian and U.S. dollar could affect our performance; tariff policies extending to regions not currently under discussion; our results are dependent upon the general state of the economy; the impacts of pandemics, further mutations thereof or other outbreaks of disease, could have significant impacts on our business; we depend on key personnel, the loss of which could harm our business; a labour shortage across multiple geographic locations could harm our business; decreases in the supply of, demand for, or market values of hardwood lumber or sheet goods could harm our business; we may incur losses related to credit provided to our customers; our products may be subject to negative trade outcomes; we may not be able to sustain our level of sales or earnings margins; we may be unable to grow our business long term or to manage any growth; we are unable to integrate acquired businesses; competition in our markets may lead to reduced revenues and profitability; we may fail to comply with existing regulations or become subject to more stringent regulations; product liability claims could affect our revenues, profitability and reputation; importation of components or other innovative products may increase, and replace products manufactured in North America; disruptive technologies could lead to reduced revenues or a change in our business model; we are dependent upon our management information systems; disruptive technologies could lead to reduced revenues or a change in our business model; our information systems are subject to cyber securities risks; our insurance may be insufficient to cover losses that may occur as a result of our operations; an outbreak or escalation of a contagious disease may adversely affect our business; our credit facility affects our liquidity, contains restrictions on our ability to borrow funds, and impose restrictions on distributions that can be made by us and certain of our subsidiaries; the market price of our Shares will fluctuate; there is a possibility of dilution of existing Shareholders; and, other risks described in our Annual Information Form, our Information Circular and in this MD&A.

This MD&A contains information that may constitute a “financial outlook” within the meaning of applicable securities laws. The financial outlook has been approved by our management as of the date of this MD&A. The financial outlook is provided for the purpose of providing readers with an understanding of our anticipated financial performance. Readers are cautioned that the information contained in the financial outlook may not be appropriate for other purposes.

All forward-looking information in this MD&A is qualified in its entirety by this cautionary statement and, except as may be required by law, we undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

10.0 Third-Party Information

Certain information contained in this MD&A includes market and industry data that has been obtained from or is based upon estimates derived from third-party sources, including industry publications, reports and websites. Although the data is believed to be reliable, we have not independently verified the accuracy, currency or completeness of any of the information from third-party sources referred to in this MD&A or ascertained from the underlying economic assumptions relied upon by such sources. We hereby disclaim any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.