



NEWS RELEASE

ADENTRA Announces Trade Case Update

7/19/2023

LANGLEY, BC, July 19, 2023 /CNW/ - ADENTRA Inc. ("ADENTRA" or the "Company") (TSX: ADEN) today announced that the United States Department of Commerce ("Commerce") issued its final determination ("Final Determination") with respect to a trade case against hardwood plywood products produced in Vietnam. The trade action alleges product of the type imported by the Company from Vietnam circumvents a previously established anti-dumping and countervailing duty order against hardwood plywood from China (the "Circumventing Products").

In rendering its Final Determination, Commerce made several changes to the preliminary determination it issued on July 25, 2022. As a result, the Company's estimate of the value of products it imported from Vietnam subject to potential duties has been reduced from US\$25-US\$30 million to US\$7.6 million.

The duty rate in this trade case is 206%, which will be applied against the US\$7.6 million of imports from Vietnam. With the issuance of this Final Determination, the Company expects to accrue duties of US\$15.7 million and record its impact on financial results in the third quarter of 2023.

"While we welcome a decision being rendered in this matter, we disagree with Commerce's Final Determination and believe that the duty is unwarranted," said Rob Brown, President and CEO. "We believe the products we imported from Vietnam are clearly outside the scope of Commerce's own definition of Circumventing Products, and therefore should not be subject to duty. We have comprehensive documentary evidence regarding material sourcing in our supply chain which Commerce failed to consider. There are well-established legal avenues to appeal this decision by Commerce and we intend 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 our efforts is not estimable at this time."

About ADENTRA

ADENTRA is one of North America's largest distributors of architectural products to fabricators, home centers, and professional dealers servicing the new residential, repair and remodel, and commercial construction end markets. The Company currently operates a network in North America of 86 facilities in the United States and Canada. ADENTRA's common shares are listed on the Toronto Stock Exchange under the symbol "ADEN".

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking information" or "financial outlook" within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information and financial outlook. Forward-looking information and financial outlook are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking information in this news release includes, without limitation, statements with respect to: the Company's estimate of the value of products it imported from Vietnam subject to potential duties has been reduced from US\$25-US\$30 million to US\$7.6 million; the duty rate in this trade case is 206%, which will be applied against the US\$7.6 million of imports from Vietnam; with the issuance of this Final Determination, the Company expects to accrue duties of US\$15.7 million and record its impact on financial results in the third quarter of 2023; we believe the products we imported from Vietnam are clearly outside the scope of Commerce's own definition of Circumventing Products, and therefore should not be subject to duty; there are well-established legal avenues to appeal this decision by Commerce and we intend to vigorously pursue recovery of any duties paid; and the appeal process is typically a multi-year procedure however and the timing and ultimate outcome of our efforts is not estimable at this time.

The forward-looking information and financial outlook in this news release 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. More information about the risks and uncertainties affecting ADENTRA's business can be found in the "Risk Factors" section of its Annual Information Form dated March 13, 2023 which is available under the ADENTRA's profile on SEDAR at www.sedar.com.

Although ADENTRA has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements, there may be other factors that cause actions,

events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of ADENTRA. Accordingly, readers should not place undue reliance on forward-looking statements or information in this news release. The forward looking information is made as of the date of this news release, and ADENTRA assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities law. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

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