



NEWS RELEASE

ADENTRA Reports Strong Q2 2026 Results

2026-08-05

22.0% Gross Margin, 6.2% Adjusted EBITDA Growth and 11.4% Adjusted EPS Growth

Q2 2026 Financial Highlights

(Unless otherwise noted, all comparisons are to Q2 2025)

(All amounts shown are in United States dollars ("U.S. \$" or "\$"), unless otherwise noted)

- Sales increased 1.7% to \$607.1 million (C\$840.4 million), reflecting organic sales growth despite soft market conditions
- Year-to-date sales increased 2.6% to \$1.17 billion (C\$1.61 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 (C\$79.8 million), and Adjusted EBITDA margin improved 40 basis points to 9.5%
- Net income increased 6.5% to \$23.5 million (C\$32.6 million), and basic EPS increased 9.0% to \$0.97 (C\$1.34)
- Adjusted basic EPS increased 11.4% to \$0.98 (C\$1.36), 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

Outlook Highlights

- Q3 started positively, with July 2026 sales approximately 3% higher year-over-year
- The Company remains focused on pricing discipline, cost recovery, inventory management, and market share opportunities
- Long-term demand supported by structural housing undersupply, demographics, and aged housing stock
- The Company reiterates its mid-cycle margin framework and remains positioned to generate double-digit returns on invested capital across the cycle
- Capital allocation remains disciplined, closed an accretive tuck-in acquisition in August and the pipeline of opportunities remains active

LANGLEY, BC, Aug. 5, 2026 /CNW/ -- ADENTRA Inc. ("ADENTRA" or the "Company") today announced financial results for the three and six months ended June 30, 2026. ADENTRA is one of North America's largest distributors of architectural building products to the residential, repair and remodel, and commercial construction markets. We currently operate a network of 81 facilities in the United States and Canada. All amounts are shown in United States dollars ("U.S. \$" or "\$"), unless otherwise noted.

"ADENTRA delivered a strong second quarter, with organic sales growth, meaningful gross margin recovery, tight cost control, and double-digit growth in Adjusted basic EPS despite continued soft market conditions," said Rob Brown, President and CEO of ADENTRA. "These results demonstrate the strength of our operating model and the benefits of disciplined execution across the business."

"During the quarter, reported EBITDA included a \$7.5 million net recovery of trade duties and tariffs, including recoveries related to IEEPA tariffs received during Q2. Adjusted EBITDA excludes the impact of these recoveries. While this benefit was non-recurring in nature, it contributed further to the Company's reported EBITDA and earnings performance for the period."

"With leverage improved to 2.5x, continued returns to shareholders through dividends and share repurchases, and the completion of an accretive tuck-in acquisition subsequent to quarter end, we remain well positioned to advance our full-cycle value creation framework. Q3 has also started positively, with July sales approximately 3% higher year-over-year. While we remain cautious about near-term market conditions, our focus remains on organic growth,

margin discipline, cost control, and disciplined M&A," said Mr. Brown.

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.

Q2 2026 Investor Call

ADENTRA will hold an investor call on Thursday, August 6, 2026 at 8:00 am Pacific (11:00 am Eastern). Participants should dial 1-888-510-2154 or (437) 900-0527 (GTA) at least five minutes before the call begins. A replay will be available through August 18, 2026 by calling toll free 1-888-660-6345 or (289) 819-1450 (GTA), followed by passcode 88720 #.

Summary of Results

	Three months ended June 30 2026	Three months ended June 30 2025	Six months ended June 30 2026	Six months ended June 30 2025
Total sales	\$ 607,128	\$ 597,133	\$ 1,169,780	\$ 1,139,638
Sales in the U.S.	560,956	551,597	1,081,710	1,052,795
Sales in Canada (C\$)	63,936	63,078	121,458	122,360
Gross margin	133,373	130,090	247,059	247,067
Gross margin %	22.0 %	21.8 %	21.1 %	21.7 %
Operating expenses	(90,955)	(88,585)	(191,372)	(188,530)
Income from operations	\$ 42,418	\$ 41,505	\$ 55,687	\$ 58,537
Add: Depreciation and amortization	21,891	21,290	43,634	41,755
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	\$ 64,309	\$ 62,795	\$ 99,321	\$ 100,292
EBITDA as a % of revenue	10.6 %	10.5 %	8.5 %	8.8 %
Add (deduct):				
Depreciation and amortization	(21,891)	(21,290)	(43,634)	(41,755)
Net finance expense	(10,240)	(13,941)	(20,602)	(25,209)
Income tax expense	(8,636)	(5,457)	(9,499)	(7,101)
Net income for the period	\$ 23,542	\$ 22,107	\$ 25,586	\$ 26,227
Basic earnings per share	\$ 0.97	\$ 0.89	\$ 1.06	\$ 1.05
Diluted earnings per share	\$ 0.96	\$ 0.88	\$ 1.04	\$ 1.04
Average U.S. dollar exchange rate for one Canadian dollar	\$ 0.722	\$ 0.722	\$ 0.726	\$ 0.710

	Three months ended June 30 2026	Three months ended June 30 2025	Six months ended June 30 2026	Six months ended June 30 2025

EBITDA, per table above	\$ 64,309	\$ 62,795	\$ 99,321	\$ 100,292
Share based compensation expense	851	1,232	4,165	3,702
Trade duties and tariffs, net recovery	(7,482)	(9,732)	(7,482)	(9,732)
Adjusted EBITDA	\$ 57,678	\$ 54,295	\$ 96,004	\$ 94,262
Adjusted EBITDA as a % of revenue	9.5 %	9.1 %	8.2 %	8.3 %
Net income for the period, as reported	\$ 23,542	\$ 22,107	\$ 25,586	\$ 26,227
Adjustments:				
Share based compensation expense	851	1,232	4,165	3,702
Amortization of acquired intangible assets	6,736	6,731	13,471	13,462
Trade duties and tariffs, net recovery	(7,482)	(9,732)	(7,482)	(9,732)
Foreign exchange loss	--	1,505	--	1,462
Tax impact of above adjustments	(29)	72	(2,792)	(2,446)
Adjusted net income for the period	\$ 23,618	\$ 21,915	\$ 32,948	\$ 32,675
Basic earnings per share, as reported	\$ 0.97	\$ 0.89	\$ 1.06	\$ 1.05
Net impact of above items per share	0.01	(0.01)	0.30	0.26
Adjusted basic earnings per share	\$ 0.98	\$ 0.88	\$ 1.36	\$ 1.31
Diluted earnings per share, as reported	\$ 0.96	\$ 0.88	\$ 1.04	\$ 1.04
Net impact of above items per share	--	(0.01)	0.30	0.25
Adjusted diluted earnings per share	\$ 0.96	\$ 0.87	\$ 1.34	\$ 1.29

Results from Operations - Three Months Ended June 30, 2026

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.

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.

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 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 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 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 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 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.

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).

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.

Results from Operations - Six Months Ended June 30, 2026

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.

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.

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 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.

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 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.

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.

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.

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 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%.

About ADENTRA

ADENTRA is one of North America's largest distributors of architectural building products to the residential, repair and remodel, and commercial construction markets. The Company operates a network of 81 facilities in the United States and Canada. ADENTRA's common shares are listed on the Toronto Stock Exchange under the symbol ADEN.

Non-GAAP and other Financial Measures

In this news release, 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 news release, 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 the MD&A.

Forward-Looking Statements

Certain statements in this press release 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; Q3 started positively, with July 2026 sales approximately 3% higher year-over-year; Long-term demand supported by structural housing undersupply, demographics, and aged housing stock; The Company reiterates its mid-cycle margin framework and remains positioned to generate double-digit returns on invested capital across the cycle; Capital allocation remains disciplined, closed an accretive tuck-in acquisition in August and the pipeline of opportunities remains active; With leverage improved to 2.5x, continued returns to shareholders through dividends and share repurchases, and the completion of an accretive tuck-in acquisition subsequent to quarter end, we remain well positioned to advance our full-cycle value creation framework; Q3 has also started positively, with July sales approximately 3% higher year-over-year; While we remain cautious about near-term market conditions, our focus remains on organic growth,

margin discipline, cost control, and disciplined M&A; 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; 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; 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.

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, our MD&A and in this news release.

This news release 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 press release. 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 news release 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.

Third-Party Information

Certain information contained in this news release 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 press release 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.

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