ADENTRA

# A COMPANY TRANSFORMED

## 2022 Analyst Day and Site Tour

December 6, 2022




**Calgary Public Library:**
Ceilings, wall panels, and stairs by ADENTRA

# FORWARD-LOOKING STATEMENTS

## Forward Looking Statements

Certain statements in this presentation contain forward-looking information within the meaning of applicable securities laws in Canada. 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. The forward-looking information in this presentation includes but is not limited to: our platform is ideally positioned for continued growth and profitability; the Company's expected run-rate sales of $3.5 billion per year by the end of 2026 (including the expected impact of the market, organic growth and acquisitions); our significant potential to expand our market share; and, expected cost savings and increased gross margins.

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 US dollar that affect the Company's performance; the general state of the economy does not worsen; the Company does not lose any key personnel; there are no decreases in the supply of, demand for, or market values of hardwood lumber or sheet goods that harm the Company's business; the Company does not incur material losses related to credit provided to its customers; the Company's products are not subjected to negative trade outcomes; the Company is able to sustain its level of sales and earnings margins; the Company is able to grow its business long term and to manage its growth; the Company is able to integrate acquired businesses; there is no new competition in the Company's markets that leads to reduced revenues and profitability; the Company can comply with existing regulations and will not become subject to more stringent regulations; no material product liability claims; importation of components or other innovative products does not increase and replace products manufactured in North America; the Company's management information systems upon which the Company is dependent are not impaired; the Company is not adversely impacted by disruptive technologies; and, the Company's insurance is sufficient to cover losses that may occur as a result of its 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 US dollar could affect the Company's performance; the Company's results are dependent upon the general state of the economy; the Company depends on key personnel, the loss of which could harm the Company's business; decreases in the supply of, demand for, or market values of hardwood lumber or sheet goods could harm the Company's business; the Company may incur losses related to credit provided to the Company's customers; the Company's products may be subject to negative trade outcomes; the Company may not be able to sustain the Company's level of sales or earnings margins; the Company may be unable to grow the Company's business long term and to manage any growth; the Company is unable to integrate acquired businesses; competition in the Company's markets may lead to reduced revenues and profitability; the Company may fail to comply with existing regulations or become subject to more stringent regulations; product liability claims could affect the Company's revenues, profitability and reputation; importation of components or other innovative products may increase and replace products manufactured in North America; the Company is dependent upon its management information systems; disruptive technologies could lead to reduced revenues or a change in the Company's business model; the Company's insurance may be insufficient to cover losses that may occur as a result of its operations; the Company's credit facilities affect its liquidity, contain restrictions on its ability to borrow funds, and impose restrictions on distributions that can be made by certain of its operating subsidiaries; and, other risks described in the Company's Annual Information Form and Management's Discussion and Analysis for the quarter ended September 30, 2022.

This presentation contains information that may constitute a "financial outlook" within the meaning of applicable securities laws. The financial outlook has been approved by management of the Company as of the date of this presentation. The financial outlook is provided for the purpose of providing readers with an understanding of the Company's 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 presentation is qualified in its entirety by this cautionary statement and, except as may be required by law, the Company undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

## Non-IFRS and Other Financial Measures

This presentation makes reference to the following non-IFRS financial measures: "Adjusted EBITDA". The presentation also makes reference to the following non-IFRS ratios: "Net debt to Adjusted EBITDA after rents", and "Adjusted EBITDA margin". Such non-IFRS measures and non-IFRS ratios do not have a standardized meaning under IFRS and may not be comparable to a similar measure disclosed by other issuers. Please refer to the introductory section, 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 Company's Management's Discussion and Analysis for the quarter ended September 30, 2022 (available on SEDAR at www.sedar.com), which are incorporated by reference herein.

## Third Party Information

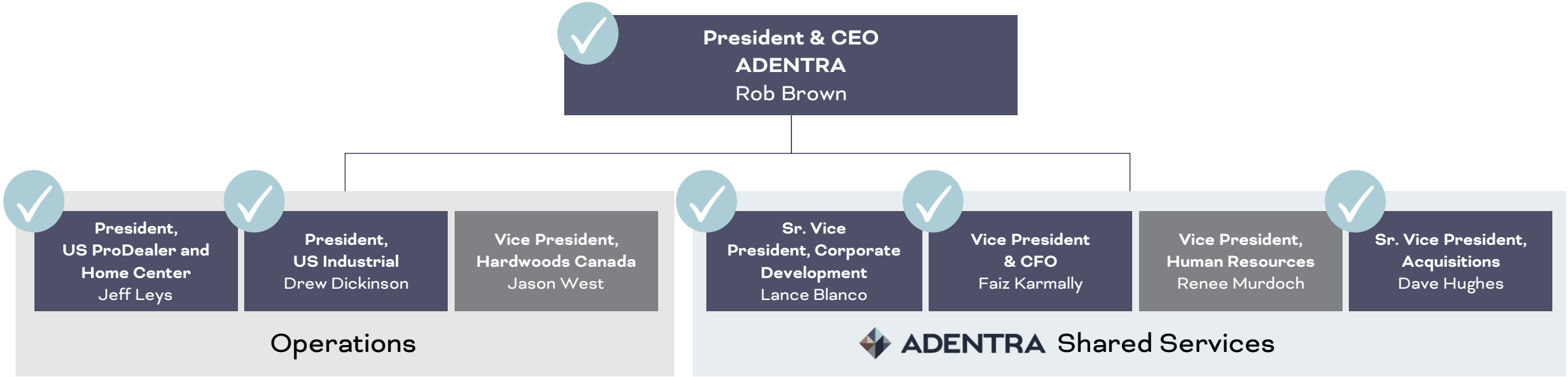
Certain information contained in this presentation includes market and industry data that has been obtained from or is based upon estimates derived from third party sources, including industry publications, reports and websites. Although the data is believed to be reliable, the Company has not independently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

All $ figures in this presentation are in USD unless otherwise indicated. Information provided herein includes the Company's reported financial results through the third quarter of 2022. All photos in this presentation feature ADENTRA products used in a variety of residential and commercial applications.

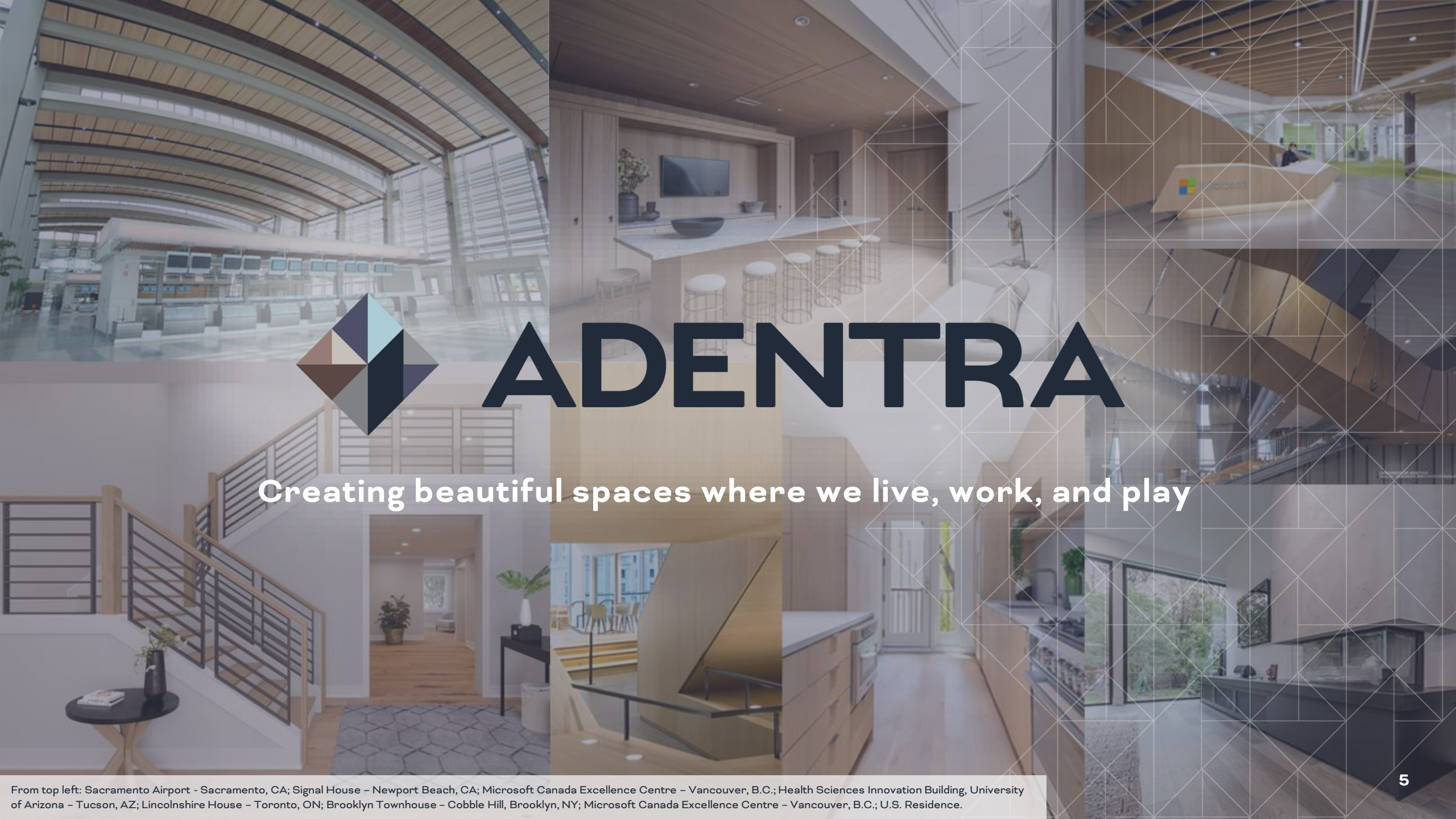
# Today's Agenda

| | | |
|---|---|---|
| **A Company Transformed** | **Rob Brown** - CEO | **8:30 am** |
| **Industry Outlook** | **Chris Fisher** - Managing Principal, Ducker Research and Consulting | **8:45 am** |
| **Seizing the Opportunity** | **Rob Brown** | **9:10 am** |
| | *Coffee break* | **9:25 am** |
| **Differentiating for Market Share** | **Lance Blanco** - Senior Vice President, Corporate Development | **9:40 am** |
| | **Drew Dickinson** - President, US Industrial | |
| | **Jeff Leys** - President, US ProDealer and Home Center | |
| **Accretive Growth Through M&A** | **Dave Hughes** - Senior Vice President, Acquisitions | **10:40 am** |
| **Creating Shareholder Value** | **Faiz Karmally** - Vice President and CFO | **11:00 am** |
| **Concluding Remarks** | **Rob Brown** | **11:15 am** |
| **Site Tour Overview** | **Drew Dickinson, Jeff Leys** | **11:20 am** |

# Today's Presenters




**Management team members present here today**



# ADENTRA

## Creating beautiful spaces where we live, work, and play

From top left: Sacramento Airport - Sacramento, CA; Signal House – Newport Beach, CA; Microsoft Canada Excellence Centre – Vancouver, B.C.; Health Sciences Innovation Building, University of Arizona – Tucson, AZ; Lincolnshire House – Toronto, ON; Brooklyn Townhouse – Cobble Hill, Brooklyn, NY; Microsoft Canada Excellence Centre – Vancouver, B.C.; U.S. Residence.

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# A COMPANY TRANSFORMED



**Rob Brown**

Chief Executive Officer

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# TRANSFORMED: BY THE NUMBERS

| $ Values except market capitalization in USD | 2017 | 2022 (TTM Q3) | Δ |
|---|---|---|---|
| Sales | $800M | $2.5B | 25% CAGR[1] |
| Adj. EBITDA[2] | $43M | $286M | +45% CAGR[1] |
| Profit per Share (basic) | $1.07 | $6.35 | +40% CAGR |
| Market Capitalization | $433M | $570M | 6% CAGR |
| Customers | 37,000 | 75,000 | |
| Employees | 1,100 | 3,000 | |

**Barajas Madrid Airport, Madrid, Spain**
**Ceiling panels by ADENTRA**

1. CAGRs are calculated for the period 2017 – TTM Q3 2022.
2. "Adjusted EBITDA" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two.

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## TRANSFORMED:

## INCREASED GEOGRAPHY




**62**
Locations

**85 / 15**
Revenue split

**400+**
Sales Team

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## TRANSFORMED:

## INCREASED GEOGRAPHY




**86**
Locations

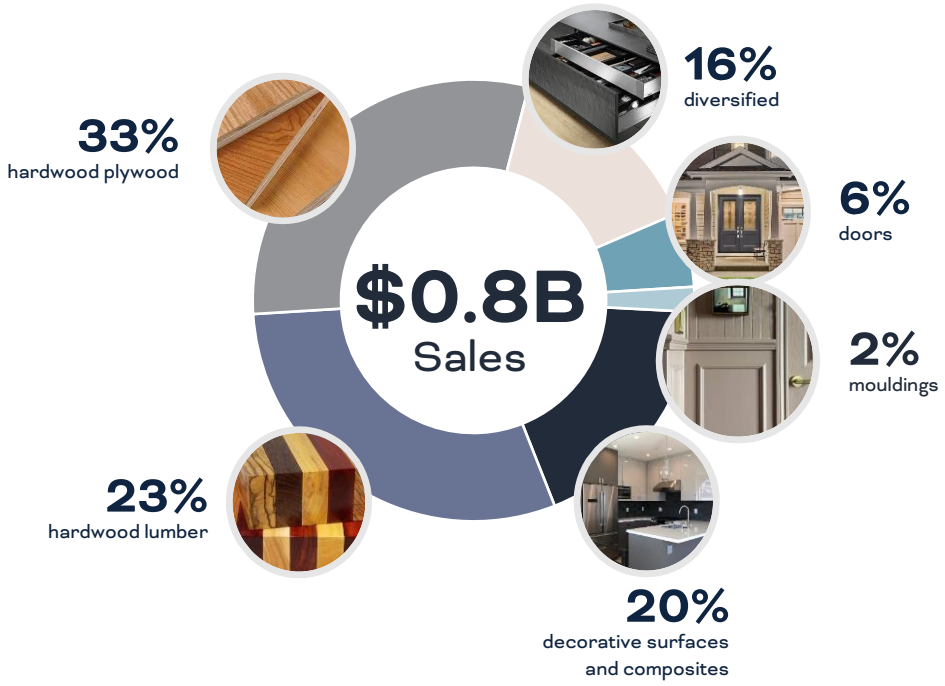
**90 / 10**
Revenue split

**800+**
Sales Team

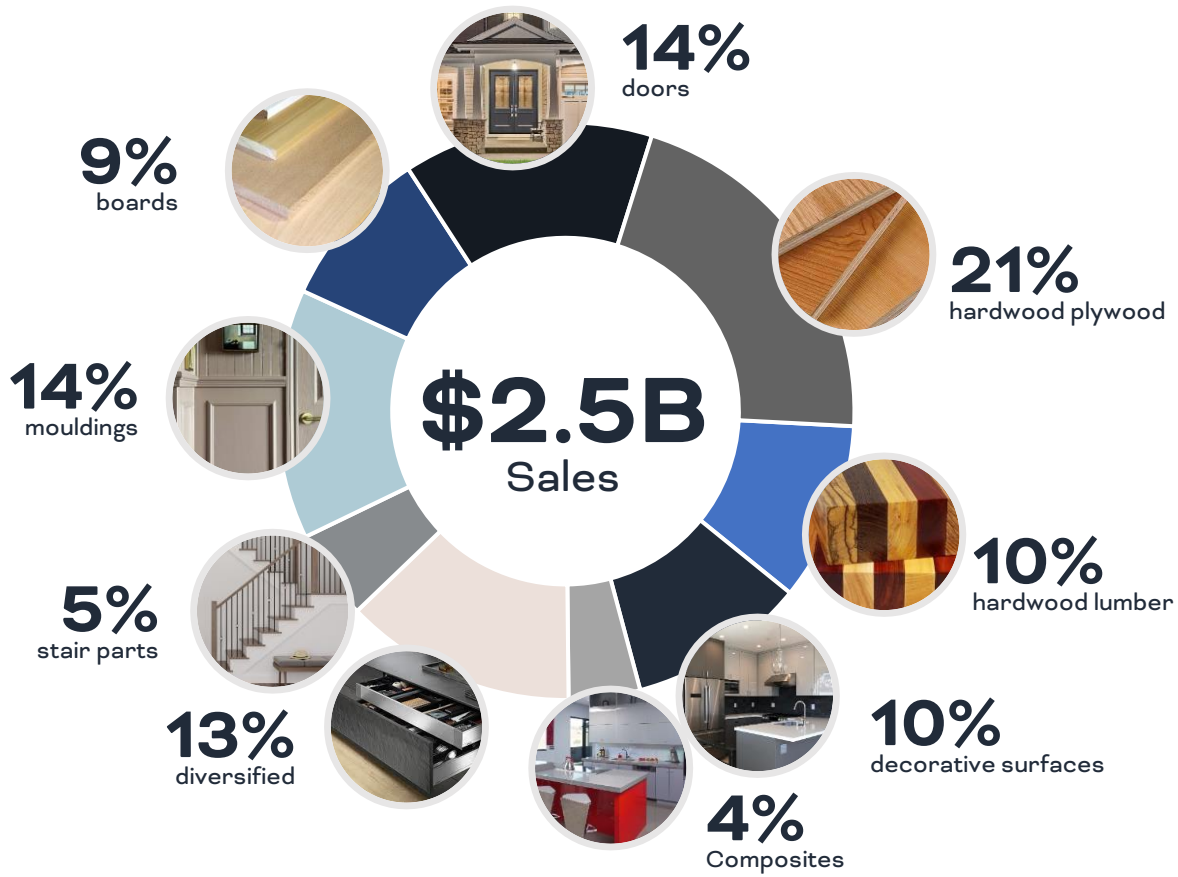
# TRANSFORMED

## Broader product participation, with more emphasis on specialty

### 2017




### 2022




**Extensive 150,000+ SKU product portfolio**

**50% of products are branded, exclusive, or semi-exclusive**

All dollar values are in USD.

1. Percentages are based on proportionate sales for all products for the 12-month period ending September 30, 2022.

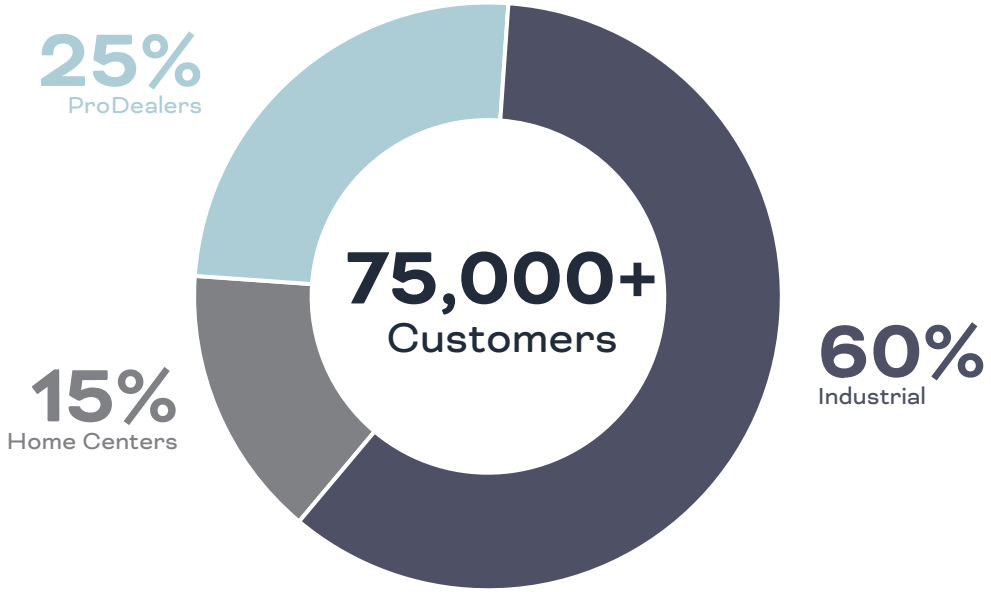
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## Strengthened channels to market

### 2017




### 2022

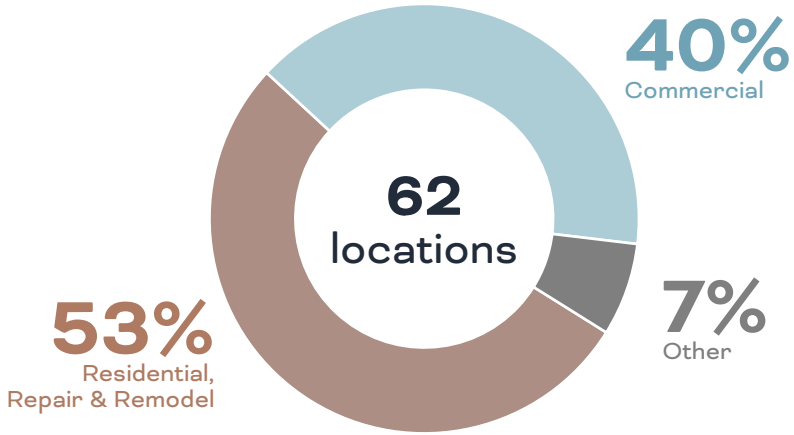



**Broader channels to market provide unparalleled access to our customer base**

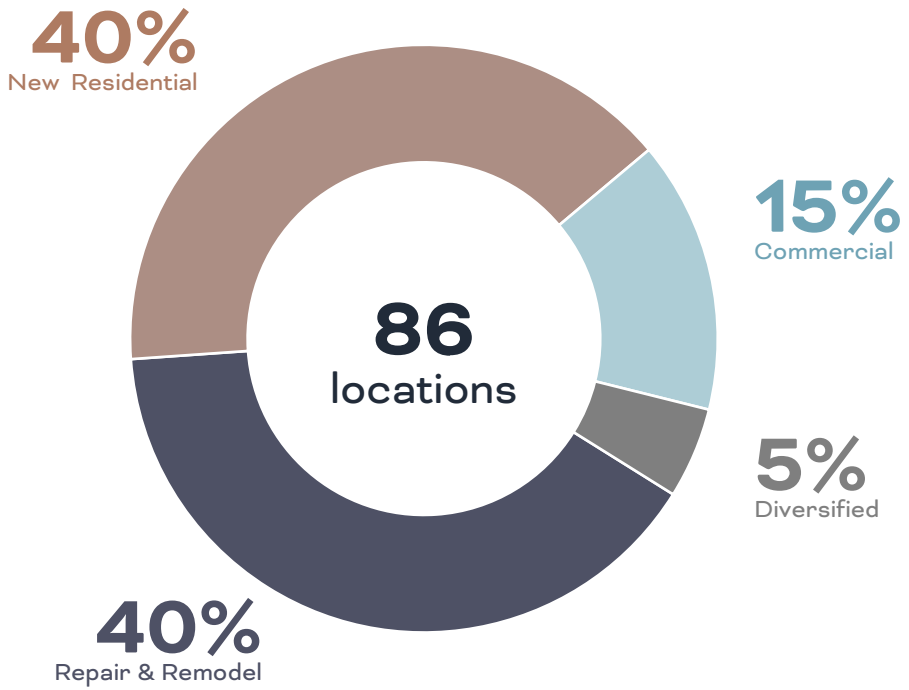
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## Extensive reach into attractive end markets

### 2017




### 2022




**Diversified access to end markets with strong long-term demand fundamentals**

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## Valuable, industry-recognized brand portfolio

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**Flagship Brands**

- Frank Paxton Lumber Company
- Rugby Architectural Building Products
- Hardwoods Materials That Inspire
- NOVO Building Products
- Mid-Am
- ADENTRA IMPORTS
- Design One Source — Where Inspiration and Design Meet Supply

**Regional Brands**

- Albuquerque Window Door and Trim
- Olathe Millwork
- pmd Pacific Mutual Door and Window
- Warren Brothers
- Rivercity Millwork
- Empire Moulding & Millwork
- L.J. Smith stair systems
- Ornamental Decorative Millwork
- Southwest Moulding & Millwork
- Dragon Ply Premium Hardwood Plywood
- EchoWood Reconstituted Wood Veneers
- LOTUS Decorative Overlays

*ADENTRA's specification selling division*

***Industrial Operating Brands***

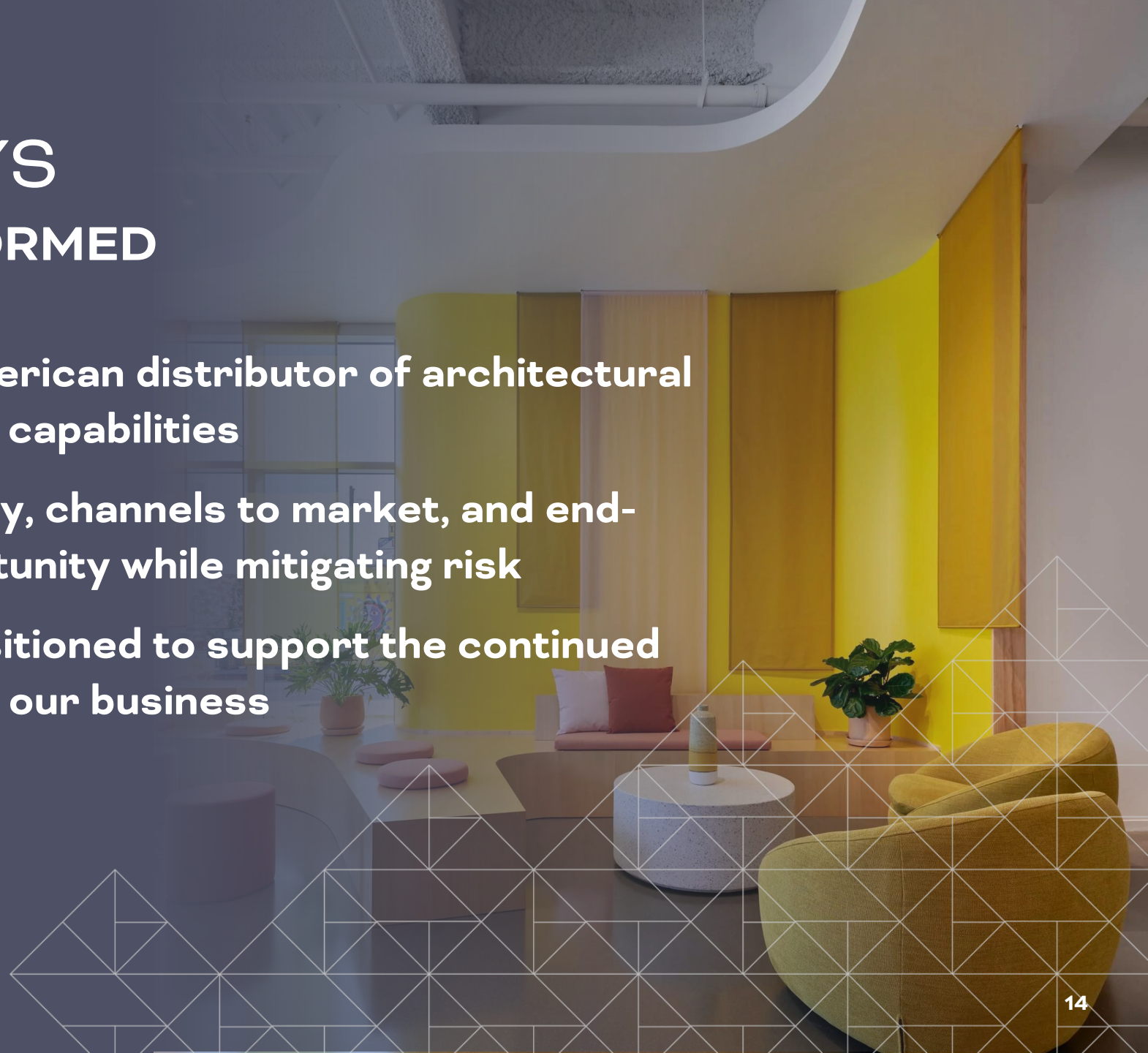
***ProDealer and Home Center Operating Brands***

***Shared Services Brands***

# KEY TAKEAWAYS

## A COMPANY TRANSFORMED

- ✓ We have built a North American distributor of architectural products with world-class capabilities
- ✓ Our diversity by geography, channels to market, and end-markets maximizes opportunity while mitigating risk
- ✓ Our platform is ideally positioned to support the continued growth and profitability of our business



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# INDUSTRY OUTLOOK



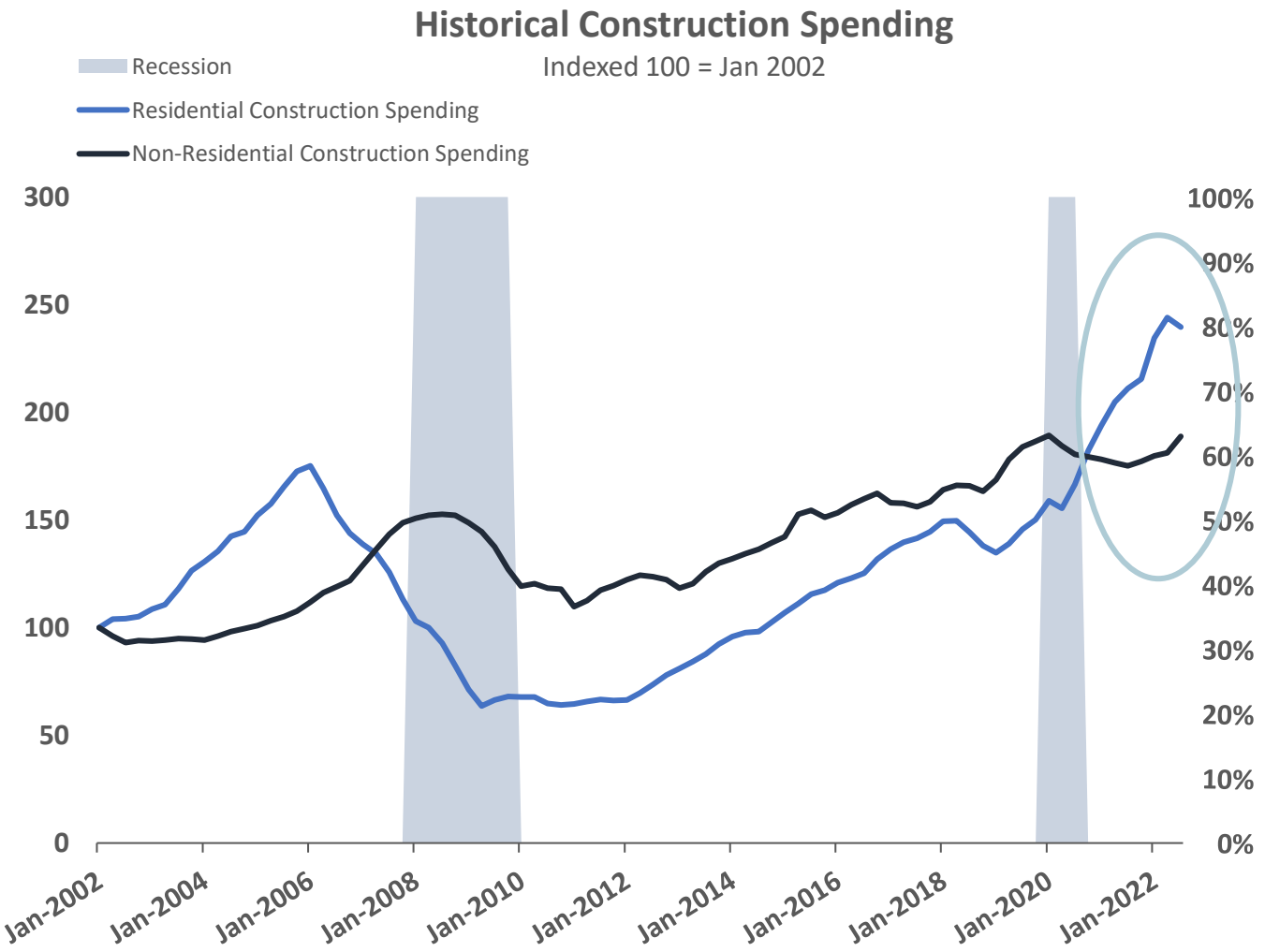

**Chris Fisher**

Managing Principal,

Ducker Research and Consulting

# The COVID pandemic impacted residential and nonresidential spending differently, leading to a shift from previous year's performance

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Source: St. Louis Federal Reserve .

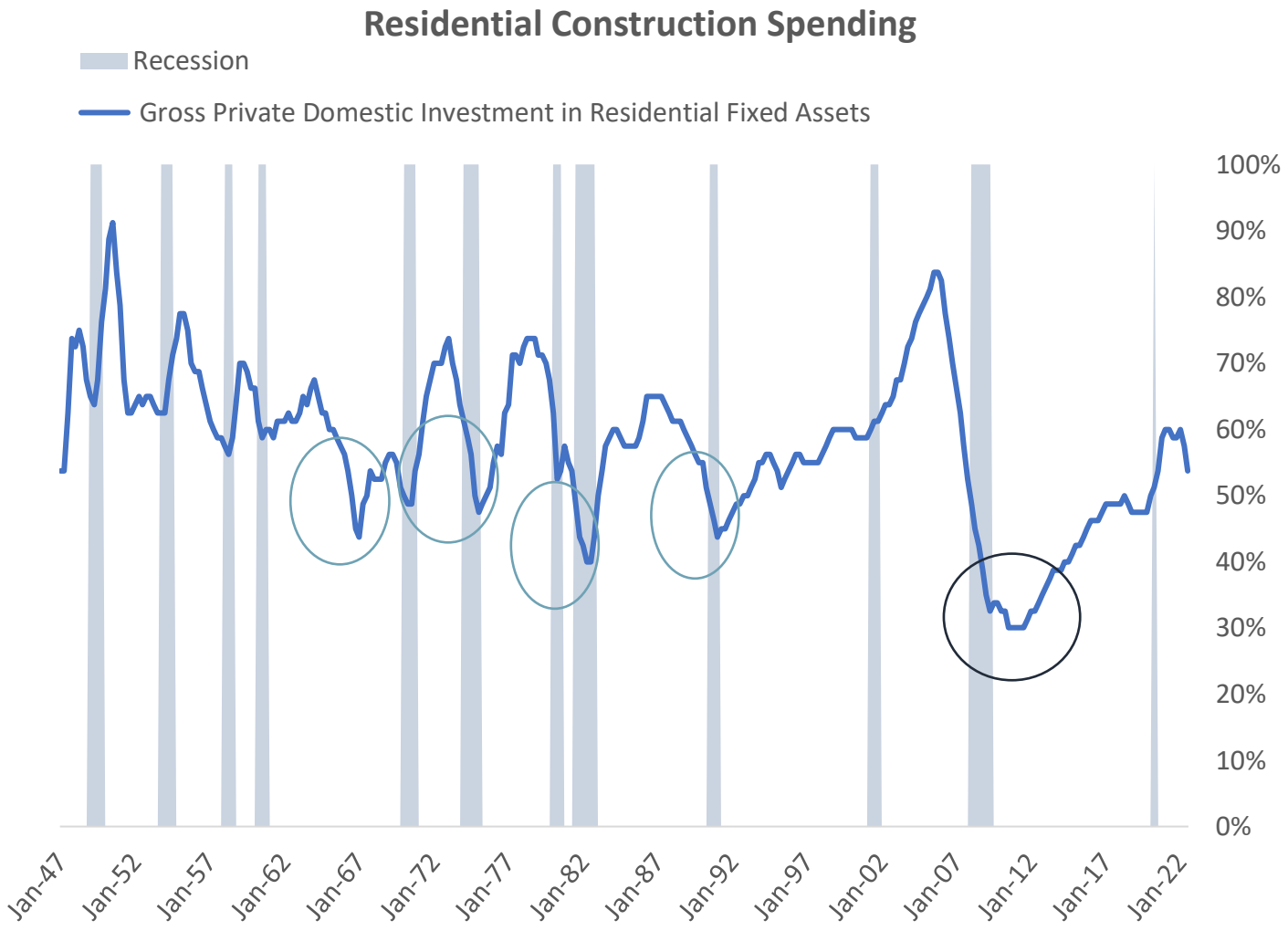
Residential spending had a long, slower recovery from the housing-led recession in 2009

Non-residential spending reached peak prior to COVID, which delayed typical cycle recovery

Future conditions will benefit from a mix of residential, remodel and non-residential construction

# However, residential spending typically rebounds quickly after recessionary periods. Long-term averages support residential spending representing 4 - 7% of total U.S. GDP.

DUCKER




Source: St. Louis Federal Reserve .

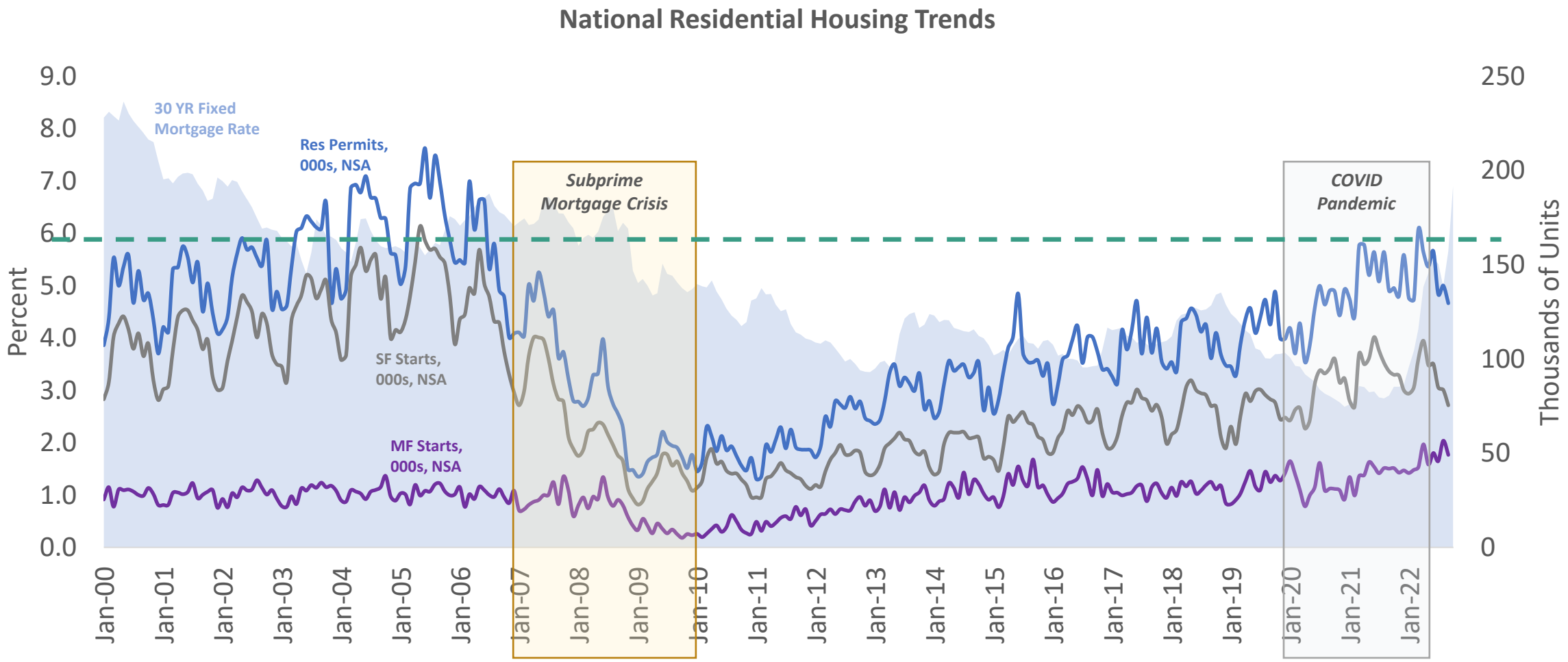
Since 1950, residential spending typically experiences a quick recovery post recession, except for the housing led recession of 2008-2009

COVID pandemic shifted population interest and spending toward housing, home improvement, and changing locations

Residential spending recovery post the current 2022 technical, rate-driven recession is anticipated to perform better than the prior event

# A downward shift in economic momentum from interest rate increases and continued inflationary pressure has been reflected in the recent slowdown in new housing activity

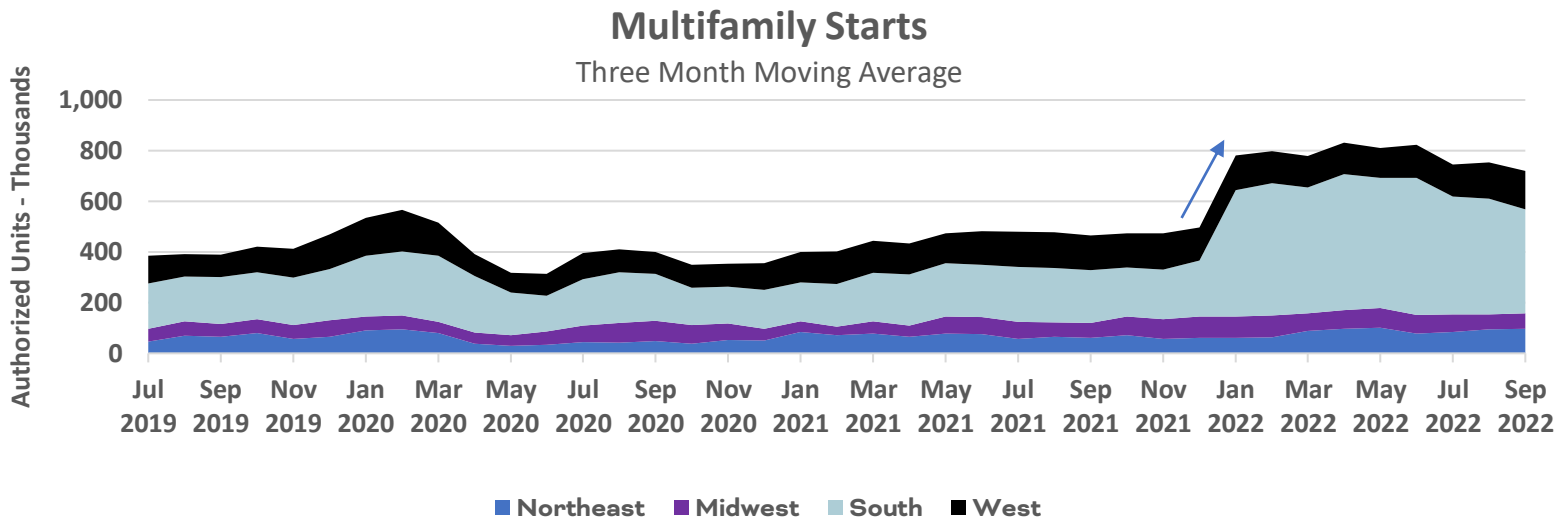
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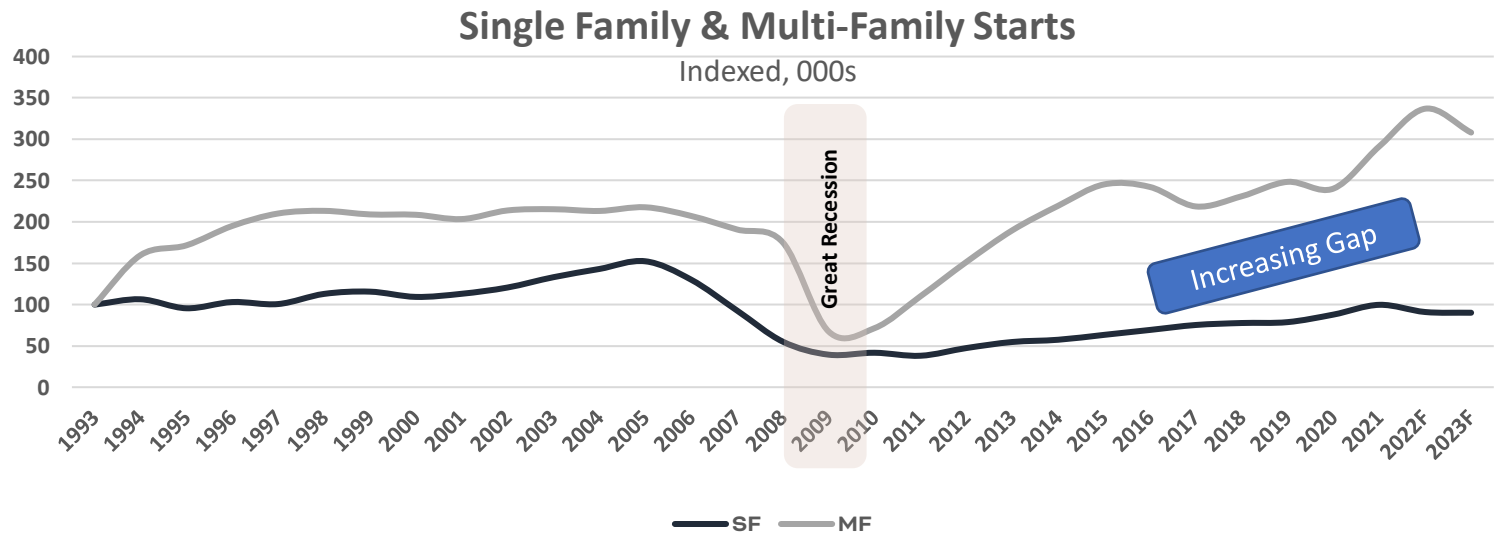



Sources: Ducker Analysis, Freddie Mac, U.S. Census Bureau, HUD.

# Multi-family housing alternatives are an important segment of the industry, providing increasing supply and addressing gaps in single-family supply/affordability





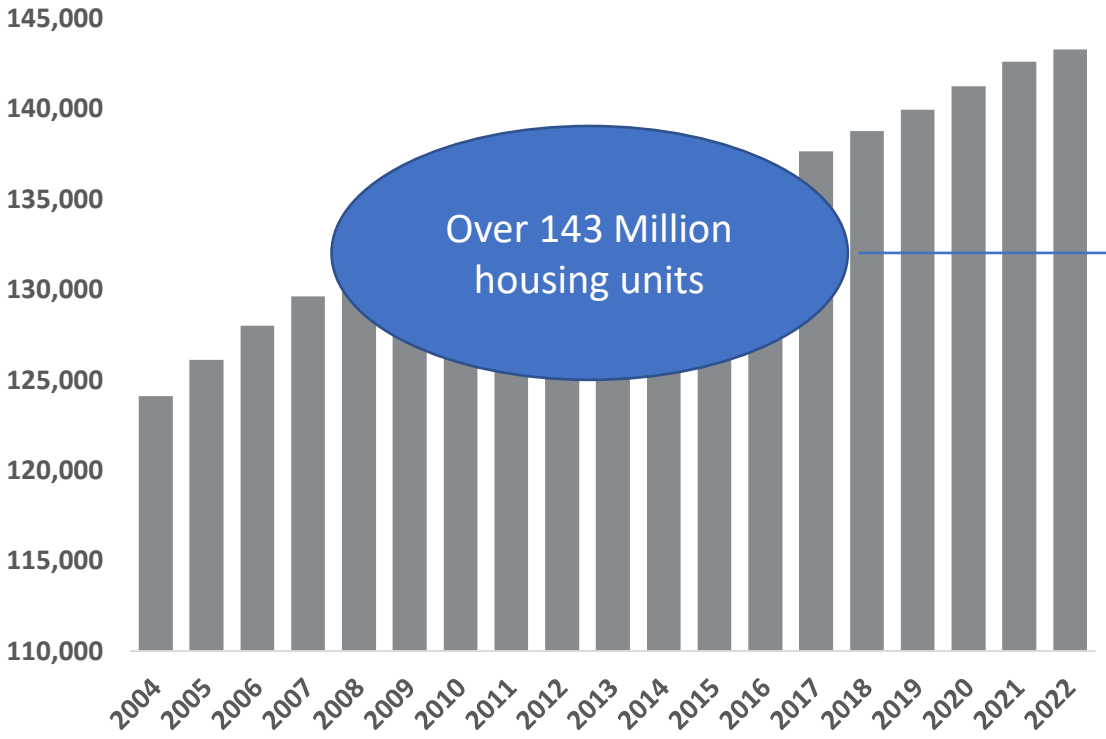

Sources: Census, NAHB, AIA, FRED, CBRE, HUD, NAR, Ducker interviews and expertise.

# Home improvement and remodeling will continue to be healthy in the near term given housing stock scale and a healthy consumer with home improvement experience

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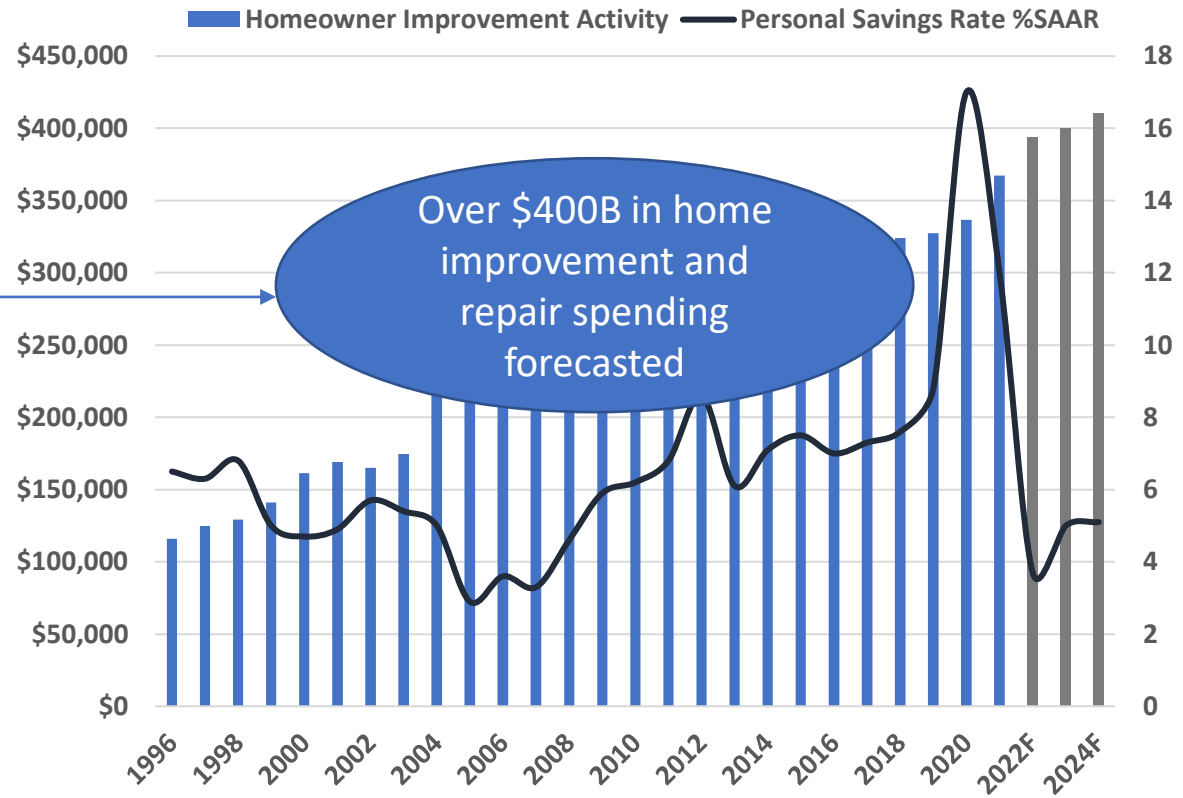
## Housing Stock

*(number of housing units, in thousands)*




## Homeowner Improvement Spending Forecast

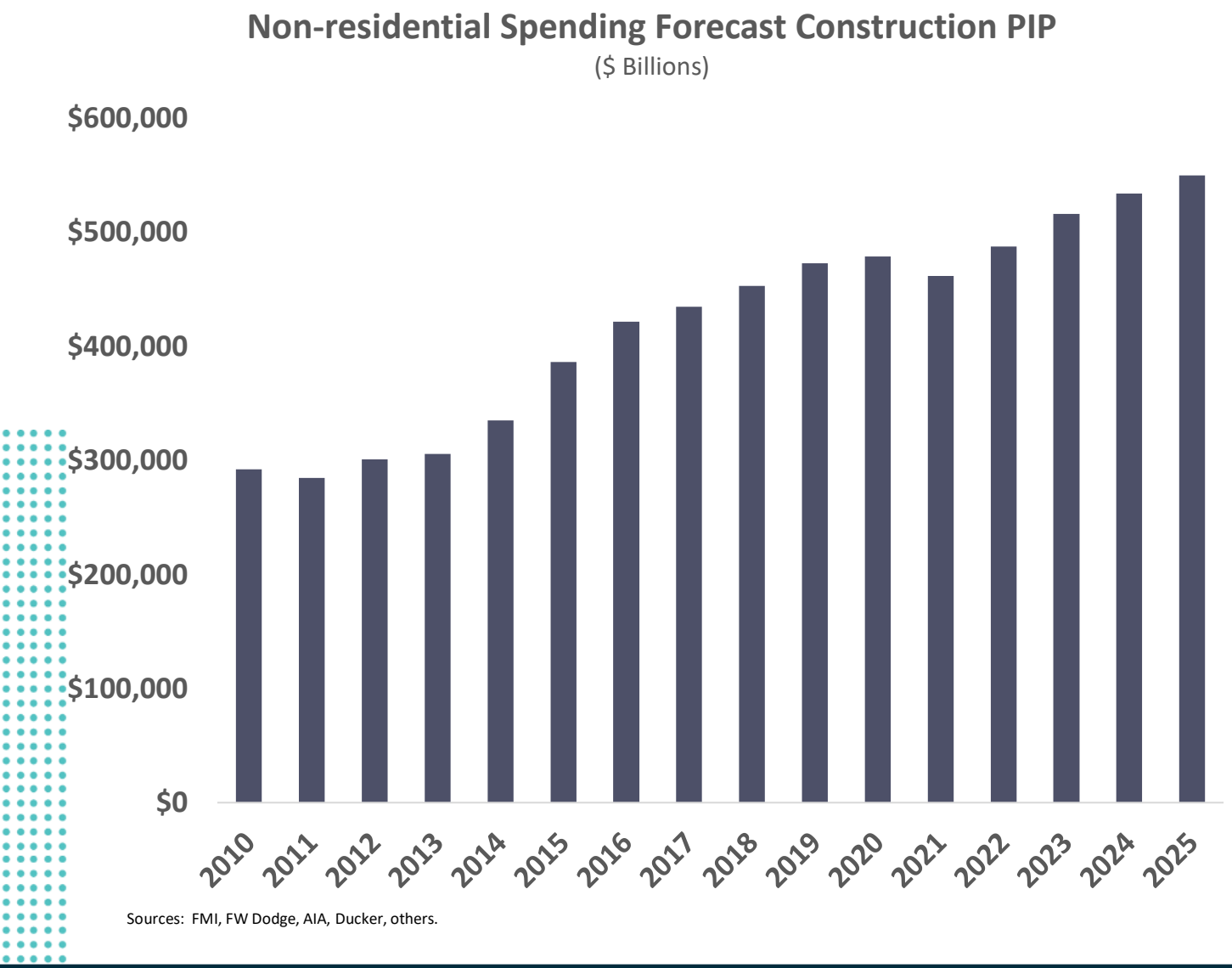
($ Millions)




Source: NABH, US Census, NAR, JCHS, LIRA.

# Non-residential growth positive in 2022, increasing 6% from 2021. Mix shift away from manufacturing will be favorable for ADENTRA through 2025

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Sources: FMI, FW Dodge, AIA, Ducker, others.





| Construction PIP $ | 2022 Forecast | 2023 Forecast | 2024 Forecast | 2025 Forecast |
|---|---|---|---|---|
| Lodging | -9% | 10% | 6% | 5% |
| Office | -2% | 2% | 2% | 2% |
| Commercial | 12% | 4% | 3% | 3% |
| Health care | 4% | 5% | 3% | 2% |
| Educational | -2% | 3% | 3% | 4% |
| Religious | -2% | 1% | 2% | 3% |
| Public safety | -12% | 4% | 6% | 6% |
| Amusement and recreation | 4% | 6% | 5% | 6% |
| Manufacturing | 23% | 16% | 5% | 2% |
| NONRESIDENTIAL BUILDING | 6% | 6% | 3% | 3% |

# End-Market drivers and growth indicate a mix of application opportunities across varied construction segments

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| | | Historic/Forecasted Growth Rate | | |
|---|---|---|---|---|
| End Market | Secondary Sources | Historic 2019 – 2021 CAGR | 2022E | Forecast 2023 – 2027 CAGR |
| **Single-Family Residential (Starts)** | NAHB/Dodge/ CBRE/Ducker | **11 - 13%** | **(10 - 13%)** | **2 - 4%** |
| **Multi-Family Residential (Starts)** | NAHB/Dodge/ CBRE/Ducker | **7 - 9%** | **17 - 20%** | **1 - 3%** |
| **Residential Remodel (Spending)** | LIRA/JHCS/Ducker | **5 - 7%** | **14 - 16%** | **2 - 3%** |
| **Non-Res Construction (Spending)** | FMI/AIA/EZ/Ducker | **(1 - 3%)** | **4 - 7%** | **1 - 3%** |

- Total housing starts expected to decline through 2023, with a mixed recovery between single-family and multi-family by 2024
- Remodeling market is slowing from exceptionally high growth rates experienced in 2020 and 2021 but will remain elevated in comparison to starts due to high levels of home equity to support financing of renovations

Sources: NAHB, LIRA, JHCS, FMI, Ducker Analysis.

# In addition to cycle changes, construction trends will create further opportunities for scaled distributors to offer value-added products and services

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### Ecommerce, Digitalization

- Online shopping, education and transactions
- Digital communications, fulfillment status
- Rich behavioral data to leverage



### Skilled Labor Quality Reduction

- Craftsman quality and process gap
- "Helper" labor growth may not be sufficient
- Apprentice, training programs needed



### Value-Add, Prefabrication

- Assembly of value-added products
- Upstream prefabrication and pre-finishing



### X-Urban Population Shift

- Demand growth in Tier 2 and Tier 3 markets
- Low-rise multifamily growth
- Modern farmhouse design



### New Rental Home Communities

- Build for rent vs. purchase
- New investment and financing sources, business models
- Emphasis on design trends, low maintenance, operating costs



### ESG and Sustainability

- Corporation emphasis on ESG policies and opportunities
- Designer and consumer more interested than contractor builder
- New innovations and services

# Market Outlook – Key takeaways

- Overall construction spending will soften in the near term, however opportunities exist in remodeling, nonresidential construction and throughout key markets in the Southern US
- This economic cycle is different than previous “housing-led” recession, expect quicker recovery given x-urban household formation and a continued underbuilt housing market
- COVID pandemic has extended the construction labor shortage, driving demand for value-added and prefabricated products which simplify and expedite construction
- Digital transformation continues in the construction industry, creating opportunities for greater experiences and customer loyalty through high engagement levels

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# SEIZING THE OPPORTUNITY



## Rob Brown

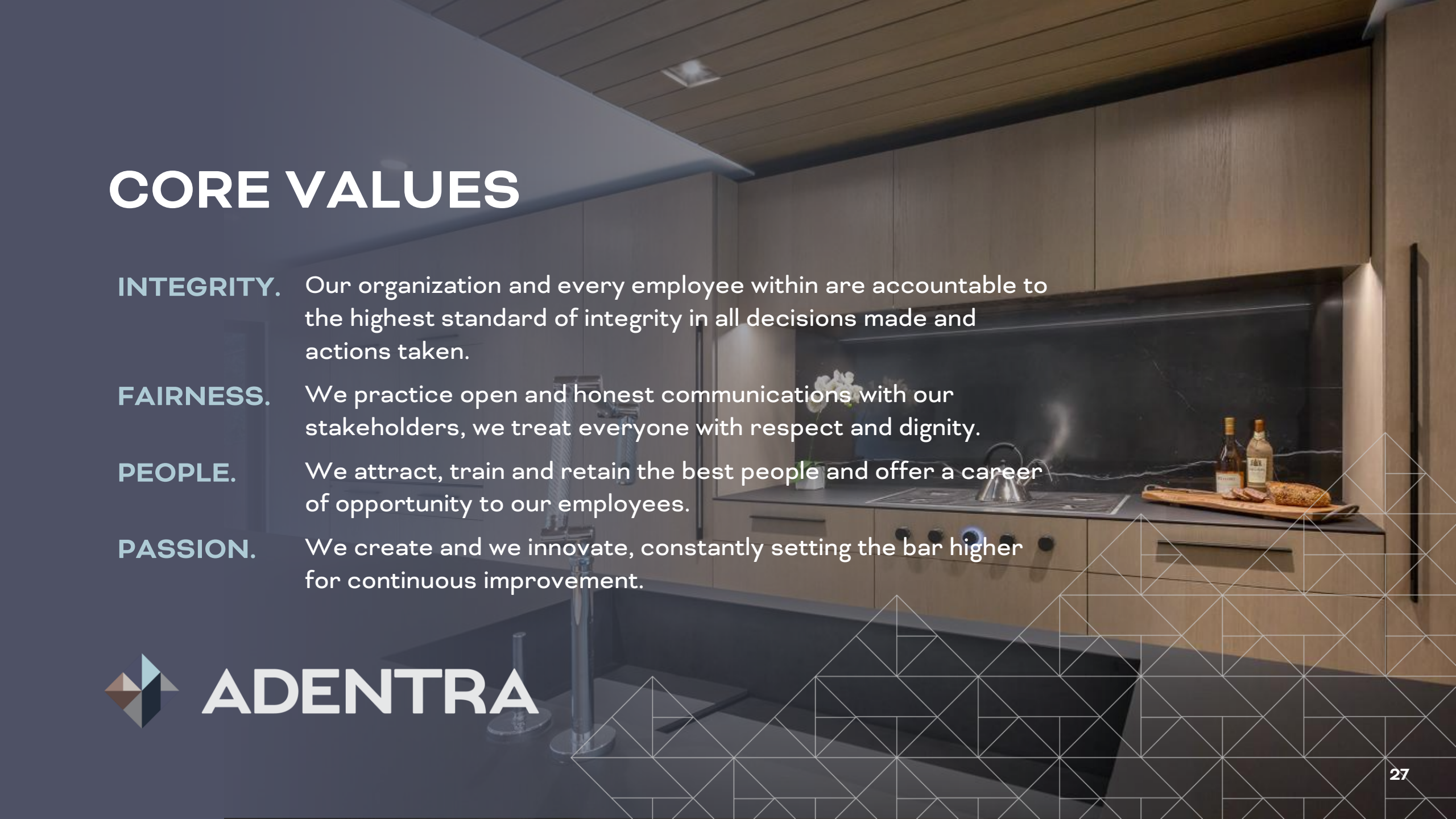
Chief Executive Officer

# VISION

ADENTRA is a world-class distributor of architectural products.

ADENTRA is uncompromising in our commitment to be the preferred choice for our valued customers, the best partner for our vendors, and a great place to work for our valued employees.

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# CORE VALUES

**INTEGRITY.** Our organization and every employee within are accountable to the highest standard of integrity in all decisions made and actions taken.

**FAIRNESS.** We practice open and honest communications with our stakeholders, we treat everyone with respect and dignity.

**PEOPLE.** We attract, train and retain the best people and offer a career of opportunity to our employees.

**PASSION.** We create and we innovate, constantly setting the bar higher for continuous improvement.

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# The ADENTRA Opportunity

## 1. SEIZING THE OPPORTUNITY

- $43B TAM[1]
- Significant market share available
- Uniquely positioned to execute

## 2. DIFFERENTIATING FOR MARKET SHARE

- Superior supply chains
- Sticky customer relationships
  - Digital customer engagement
  - Home Center advantage

## 3. ACCRETIVE GROWTH THROUGH M&A

- Successful track record
- Acquirer of choice
- Significant synergy capture



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All dollar values are in USD.
1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022. Please see slide 33.

# The ADENTRA Opportunity

## 1. SEIZING THE OPPORTUNITY

- $43B TAM[1]
- Significant market share available
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1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022. Please see slide 33.

# A world-class platform of architectural products.




**We provide an invaluable link between our vast supplier network and our extensive North American customer base**

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# Demonstrated benefits of scale.

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| | | |
|---|---|---|
| GLOBAL SOURCING | SALES & MARKETING | SPECIFICATION |
| VENDOR RELATIONSHIP MANAGEMENT | TECHNOLOGY SOLUTIONS | STRATEGY & GOVERNANCE |

*Our shared core capabilities & support*

We create 'sticky' customer relationships and brand loyalty with

**75,000+** home centers, ProDealers and industrial customers

**Holistic approach to supply chain management improves EBITDA margins and working capital efficiency**

# As we have built our capabilities, our financial performance has strengthened.

## Sales Growth

**22%**

Five-year Sales CAGR[1]

## Consistent Earnings

**38%**

Five-year Profit per Share[1,2] CAGR

## Strong Balance Sheet

**2.6**

Net Debt to Adj. EBITDA after rents[1,3]

## Dividend Growth

**13%**

Five-year dividend CAGR

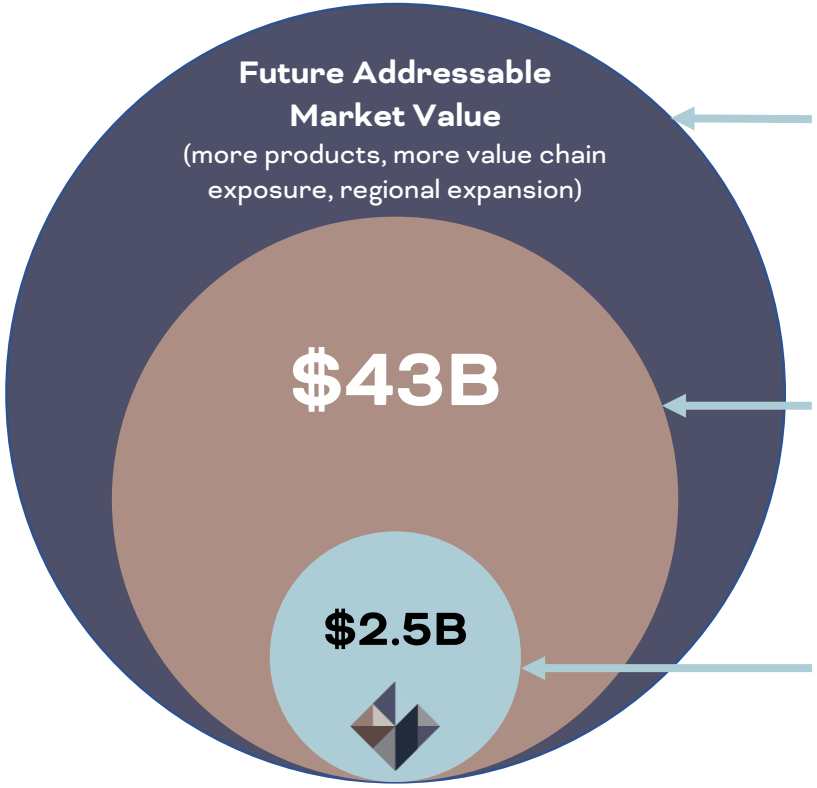
(Current quarterly dividend = US$0.13 / share)

## Long track record of consistent results, built on a solid financial foundation

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1. Five-year CAGRs are calculated for the period 2017 – 2021 inclusive.
2. "Net Debt to Adjusted EBITDA after rents" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two. "Profit per Share" refers to "Basic Profit per Share" as noted in the Company's financial disclosures.
3. "Adjusted EBITDA after rents" for Q3 FY 2022 includes results from the prior 12-month period ending September 30, 2022.

# Market Potential for our Transformed Business




## Future Addressable Market

- All building material product categories across all channels and North American regions at the manufacturer level

## Total Addressable Market

- ADENTRA product categories across all channels and North American regions at the manufacturer level

## ADENTRA Revenue

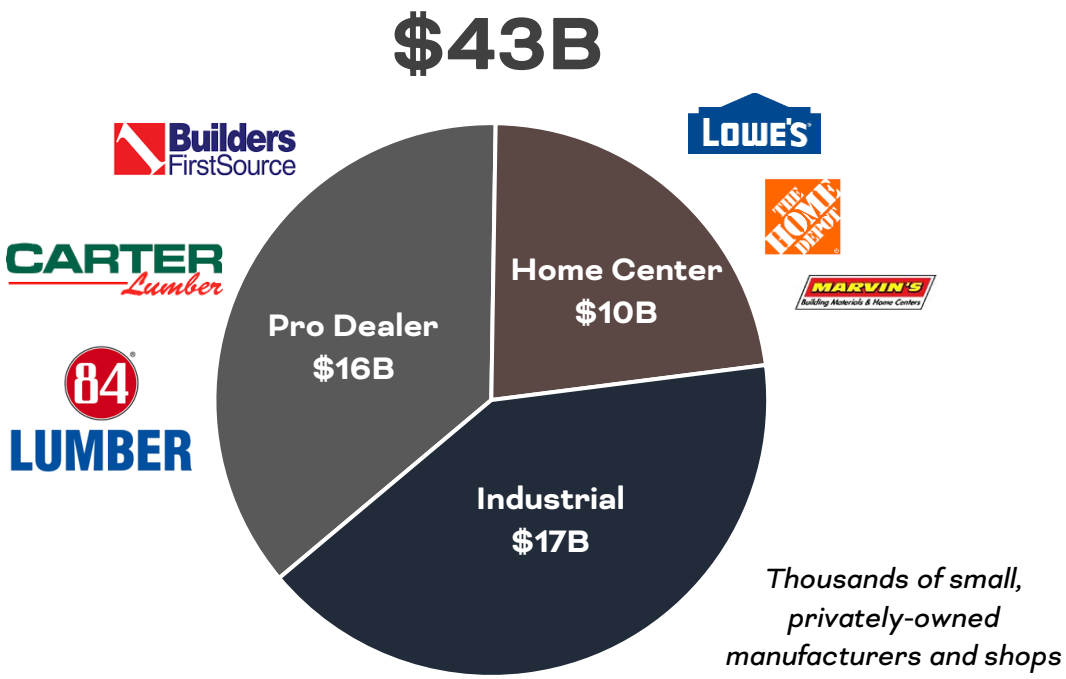
- Estimated current market share of ~6%

**Significant opportunity to pursue market share growth based on our current platform**

All dollar values are in USD.

1. TAM (Total Addressable Market) and Future Addressable Market values developed by Ducker Research, November, 2022. While the estimate of TAM included in this presentation is based on assumptions and estimates we believe to be reasonable, this estimate may not prove to be accurate. Further, even if the estimate of our market opportunity does prove to be accurate, we could fail to capture a significant portion, or any portion, of the available market.

# TAM by Customer Channel




*Thousands of small, privately-owned manufacturers and shops*

## Industrial

- Segment includes OEM manufacturers, commercial millwork shops, specialty dealers/fabricator, and lumber yards

## Pro Dealer

- Segment includes one/two-step distributors and millwork wholesalers

## Home Center

- Segment includes big box retailers and regional home center stores

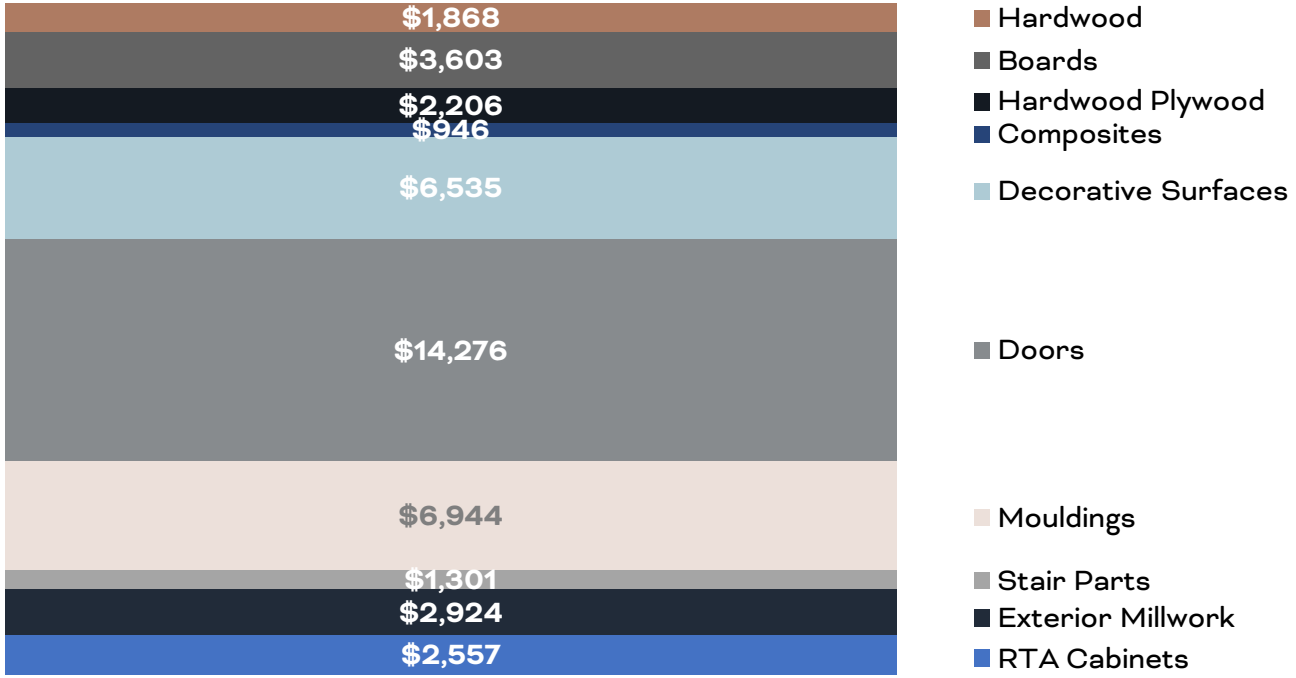
**Recent acquisitions of Novo and Mid-Am expanded ADENTRA's TAM by 150%**



All dollar values are in USD.
1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

# TAM by Product Category

## $43B[1]



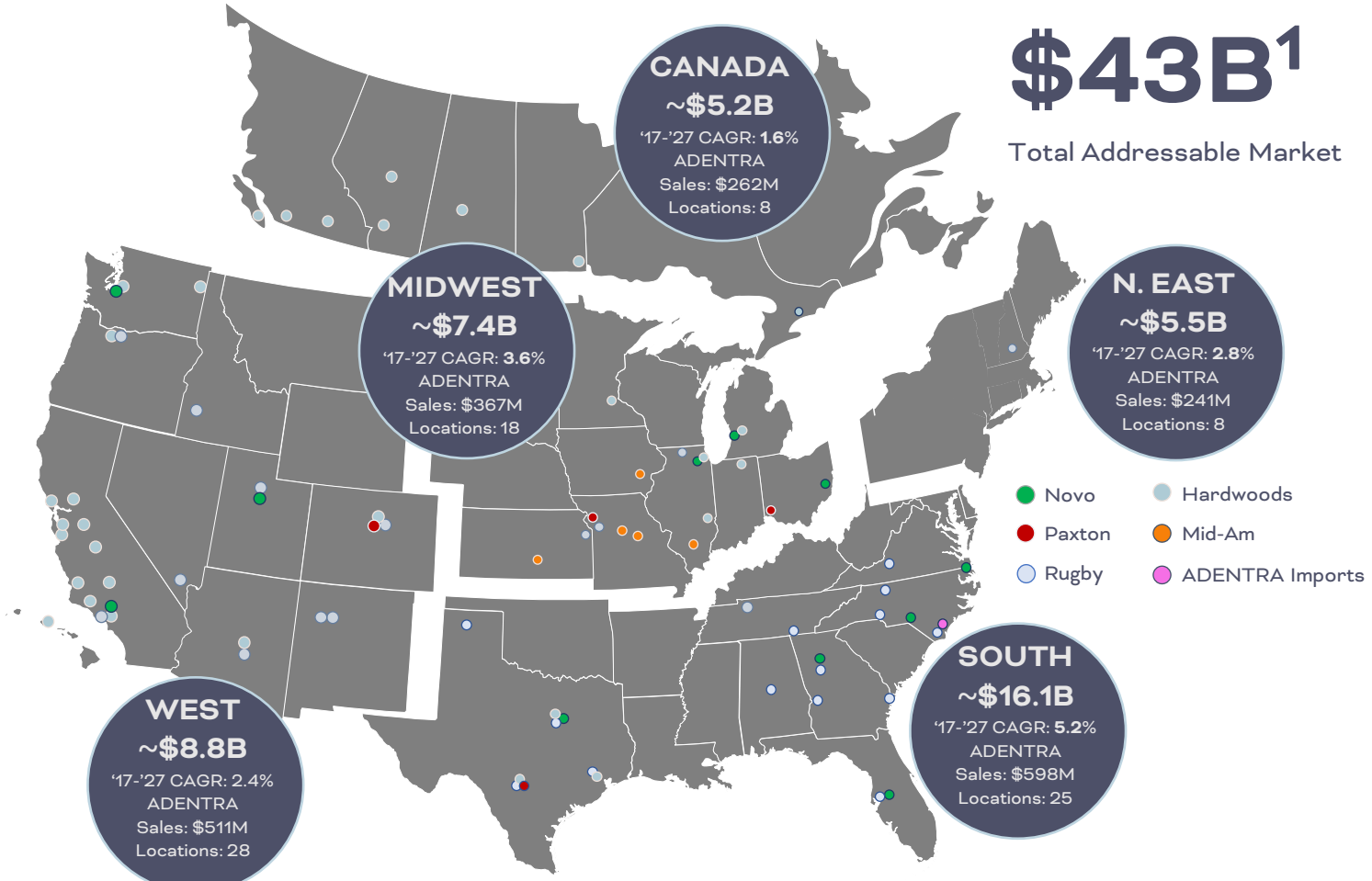

- Strong share position in key building materials - plywood, composites, lumber
- Significant runway for growth in value-add categories such as decorative surfaces, stair parts, and RTA cabinetry

**Expansion into large product categories such as doors, cabinets and mouldings provide ADENTRA with a large runway of opportunity to grow share**



All dollar values are in USD.
1. TAM (Total Addressable Market) of $43B developed by Ducker Research, November, 2022.

# TAM by Region




**$43B[1]**

Total Addressable Market

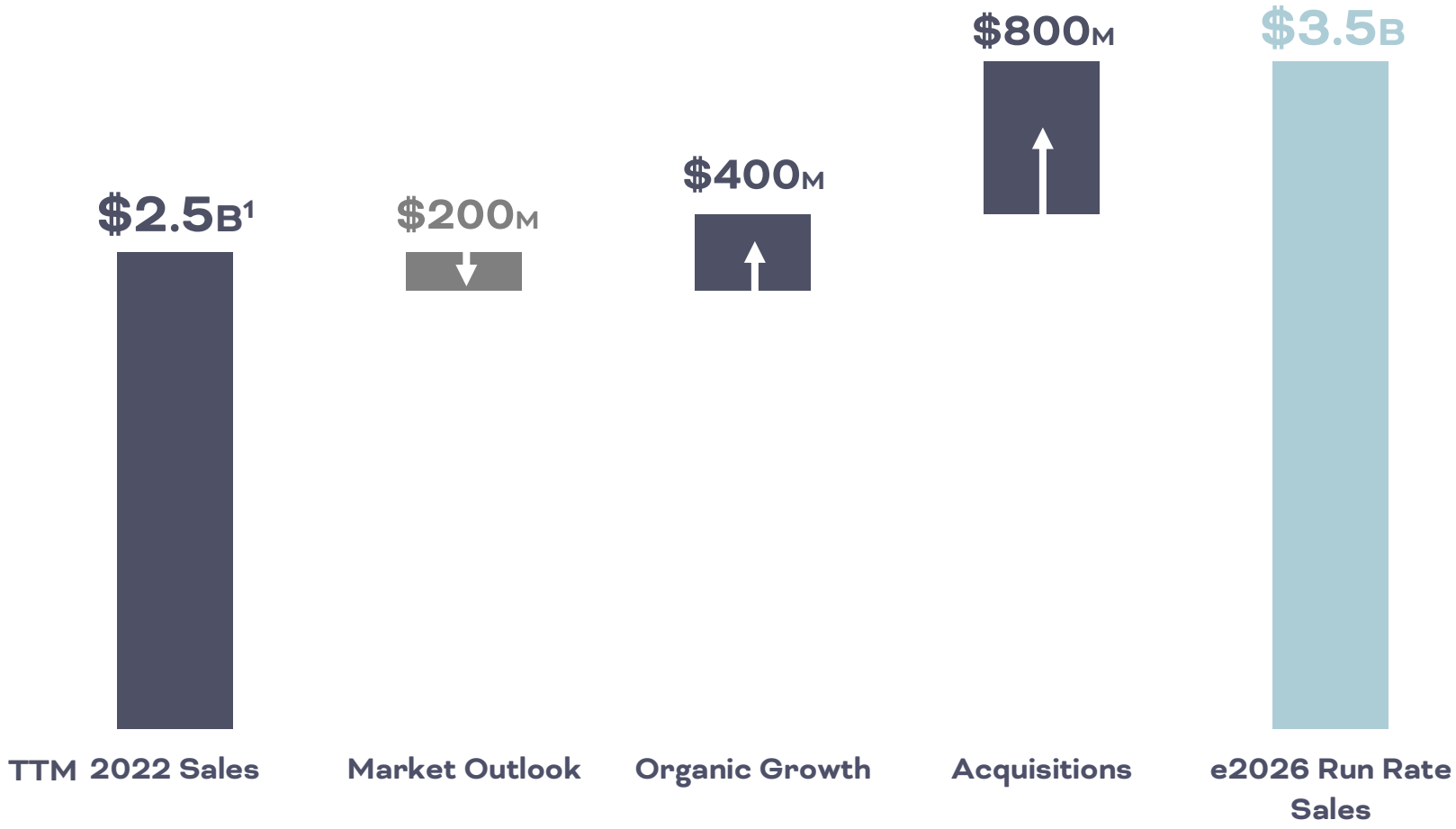
- **ADENTRA has multiple brands and business locations** in each key region
- **Strong market presence**, position and share in Canada
- **Southern US regions offer large runway of opportunity** due to high levels of product demand
- **Strengthened positioning in California and Western US** due to recent acquisitions
- **Northeast and Midwest** offer targeted growth in channel markets

## Deep access into high-potential regions in the United States and Canada

All dollar values are in USD. Sales values include year-to-date results to September 30, 2022.

1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

# ‘Destination 2026’ Sales Target




ADENTRA

## Strategic initiatives driving above market growth

All dollar values are in USD. Please see slide 81 in the “Building Shareholder Value” section for some of our key assumptions.
1. TTM 2022 Sales value is for the 12-month period ending September 30, 2022.

# OUR ESG JOURNEY & PRIORITIES

## OUR ESG JOURNEY

**Engaged external ESG advisor to:**

- Conduct market review of ESG reporting practices
- Interview internal stakeholders from diverse set of functional groups

**Developed ESG framework**, including current performance, ambitions, and desired future state

**Objectives set and direction provided** by internal committee of company leaders

## ADENTRA's ESG PRIORITIES

- **Build** environmental and materials stewardship
- **Cultivate** healthy workplaces
- **Champion** ethics and transparency

Inaugural ESG report expected to be published in Q1, 2023

ADENTRA

# KEY TAKEAWAYS

## SEIZING THE OPPORTUNITY

- ✓ **We have built a world-class, full-scale distribution platform in our industry**
  - Strengthened channels, deep product portfolio, expanded regional presence
- ✓ **Financial capabilities continue to strengthen as we build the business**
  - Consistent sales and earnings growth while remaining financially disciplined
- ✓ **Significant potential to expand our market share**
  - $43B TAM accessible with ADENTRA's channels, geographies, and product portfolio
  - Positioned in highest-growth segments of the North American building products industry
  - Target of $3.5B in run-rate sales by the end of 2026

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All dollar values are in USD.
1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

ADENTRA

# Operational Excellence

**Lance Blanco**
SVP Corporate Development

**Drew Dickinson**
President – US Industrial

**Jeff Leys**
President – US ProDealer
and Home Center



**Decorative surfaces by ADENTRA**

# The ADENTRA Opportunity

1. SEIZING THE OPPORTUNITY

2. **DIFFERENTIATING FOR MARKET SHARE**

- Superior supply chains
- Sticky customer relationships
  - Digital customer engagement
  - Home Center advantage

3. ACCRETIVE GROWTH THROUGH M&A



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# FULL-CYCLE SUPPLY CHAIN COLLABORATION

From Global Sourcing to Specification, ADENTRA's size, scale, and services are our competitive advantages

**Lance Blanco**
SVP Corporate Development

ADENTRA

# Our Supply Chain Advantage

## Multiple centers of excellence across our supply chain



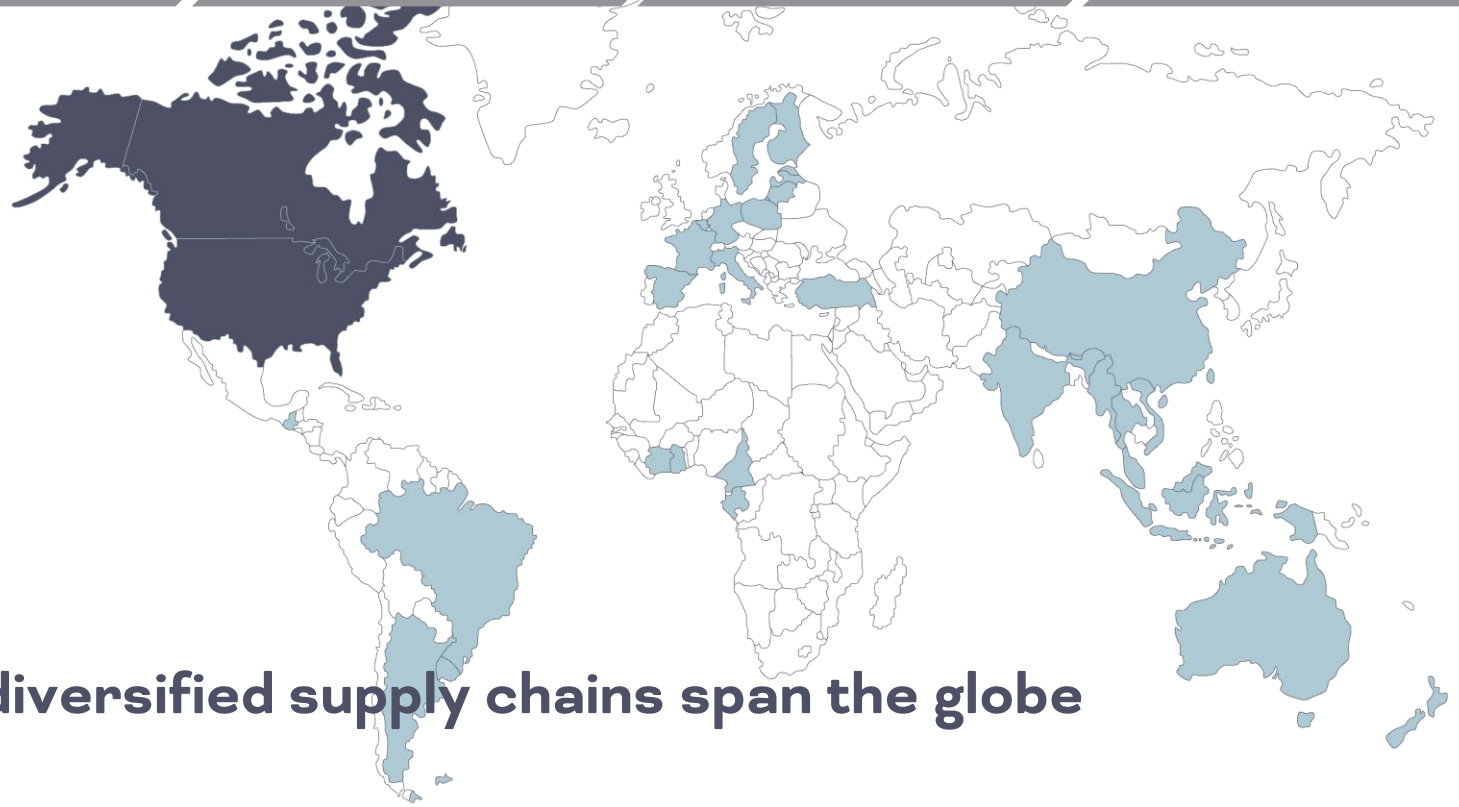

**In a fragmented industry, ADENTRA's world-class supply chain management capacity represents a sustainable competitive advantage**

# Global Sourcing from over 30 Countries

## Global sourcing is a core competency and a sustainable advantage for ADENTRA

**Global Sourcing & Compliance** → **Technical Training & Expertise** → **Marketing** → **Vendor Management** → **Specification**

- **One-stop importer** that creates value for vendors
- **We find global supply options** that meet customers' specific needs
- As a direct importer, ADENTRA **deals directly with major shipping companies**
- **Ability to optimize freight solutions** across carriers and between containers and break bulk captures incremental margin for ADENTRA



## Our diversified supply chains span the globe

# Industry-Leading Compliance Program

## ADENTRA is committed to 100% legally-sourced products

**Global Sourcing & Compliance** → **Technical Training & Expertise** → **Marketing** → **Vendor Management** → **Specification**

### Environmental Assurance Programs




*Extensive audit process*

*In-house quality controls*

### Quality Control Assurance Programs




*Third-party certifications and laboratory testing*

### Assured Logistics Program



*Direct relationships with major shippers*

**We focus on compliance every day, so our customers don't have to**

# ADENTRA University

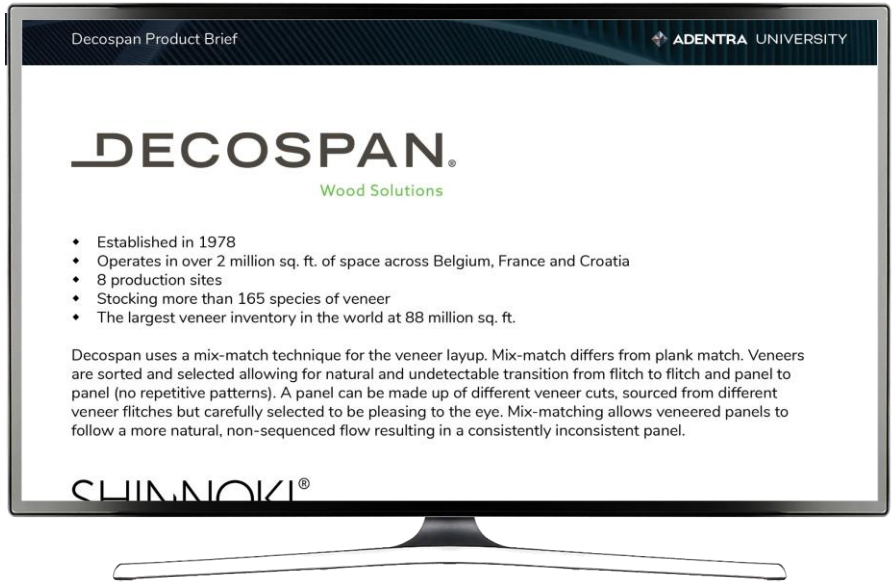
## Industry-best training program, product and market knowledge development

Global Sourcing & Compliance → **Technical Training & Expertise** → Marketing → Vendor Management → Specification

ADENTRA UNIVERSITY

### In-person & online:

- *Manufacturing and Production*
- *Product Knowledge*
- *Sales Training*
- *Market Conditions*
- *"Train the Customer" Programs*
- *Vendor Product Launches*




**+25**

Programs

**+ 700**

Individual registrations in 2022

## Focused on developing highly proficient technical sales representatives

# Our Sales & Marketing Platform Drives Business

## We are directly engaged with our vendors every day with multiple touchpoints

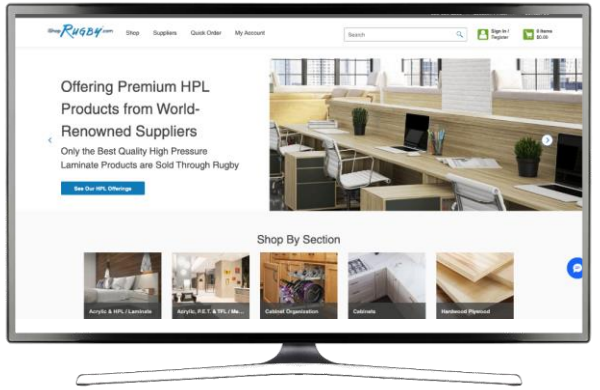
Global Sourcing & Compliance → Technical Training & Expertise → **Marketing** → Vendor Management → Specification




National and Regional Trade shows




14 Brands with 100s of Product Catalogues




24 Websites & 42 Social Media Outlets

**75K**

Customers

## Strong market presence drives increased specification and customer loyalty

# Consistent Vendor Management

**We connect vendors to customers while minimizing vendor-related risks & supply chain disruptions**




Unique, progressive **vendor qualification and certification process**

**Capture a premium price** for high-quality differentiated products

**Technical visits to vendors**

Both **North American and offshore** suppliers

**Private label, exclusive distribution** rights and **ADENTRA in house brands**

**Preferential pricing, volume purchases, terms and VMI** companywide

**Cost savings and increased margins** for **ADENTRA**

**We provide vendors the confidence to allow ADENTRA to be their face to the market**

# Echo Wood Reconstituted Veneers

## A strong example of ADENTRA's supply chain optimization

Echo Wood®
RECONSTITUTED WOOD VENEERS

**Value-engineered**
to compete on a global scale

**40%**
Margin

**Direct technical**
expertise with our selected manufacturers

**In-house**
marketing & specification team




*An ADENTRA exclusive brand*

**ADENTRA creates vendors, products, brands, demand and margins**

# Dedicated Specification Team Connects ADENTRA's Product Portfolio to North American Architects & Designers



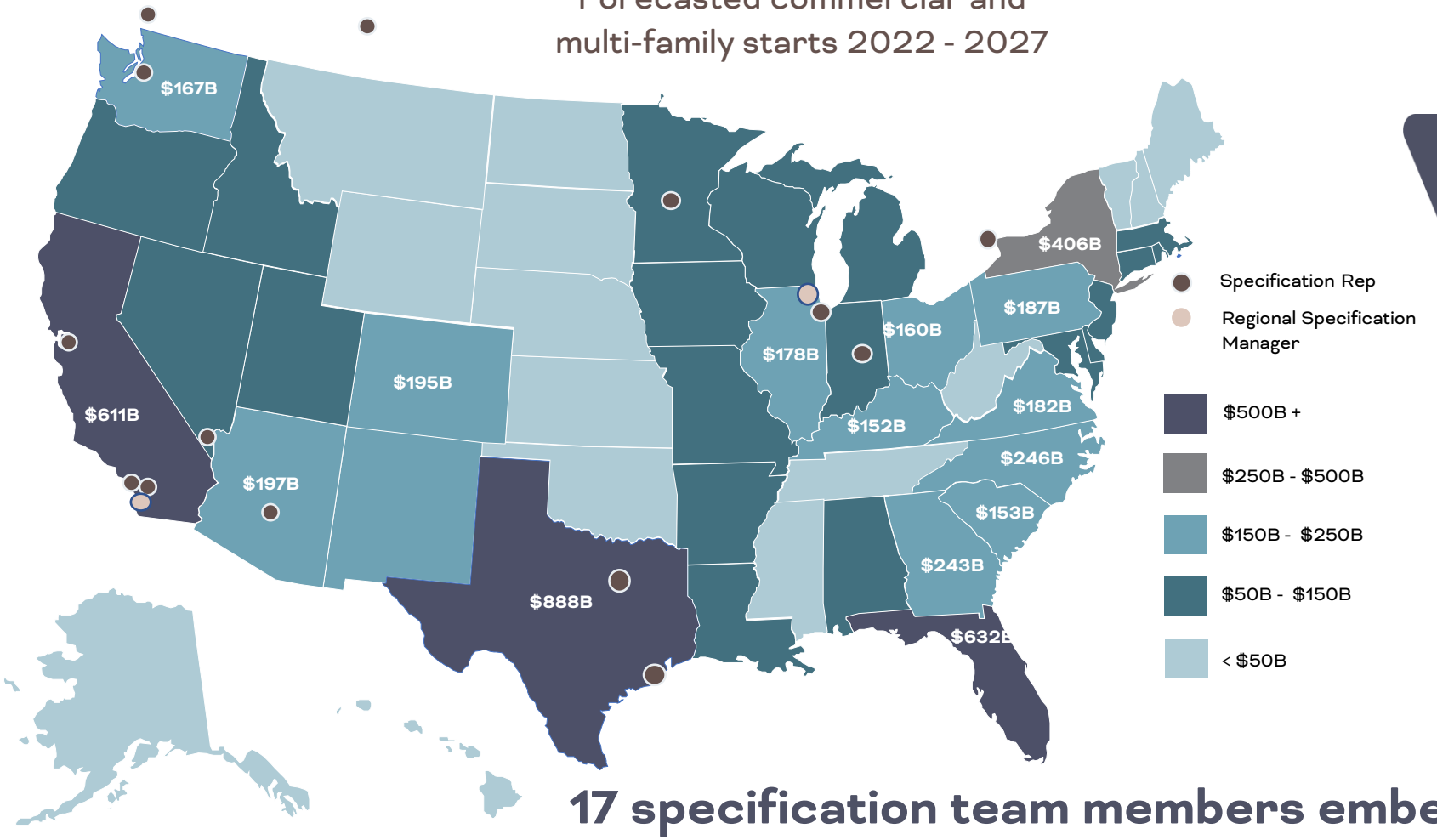

## ADENTRA Disrupts the Construction Cycle




**By the time our competitors become aware of the project, our products have been written into the construction documents**

# Close collaboration between specification and sales to target our largest market opportunities

Forecasted commercial and multi-family starts 2022 - 2027




**Tracking over $2T of future spend**

**Identified $1B in our product categories**

**2,600+ active jobs**

**17 specification team members embedded in our distribution units across the continent**

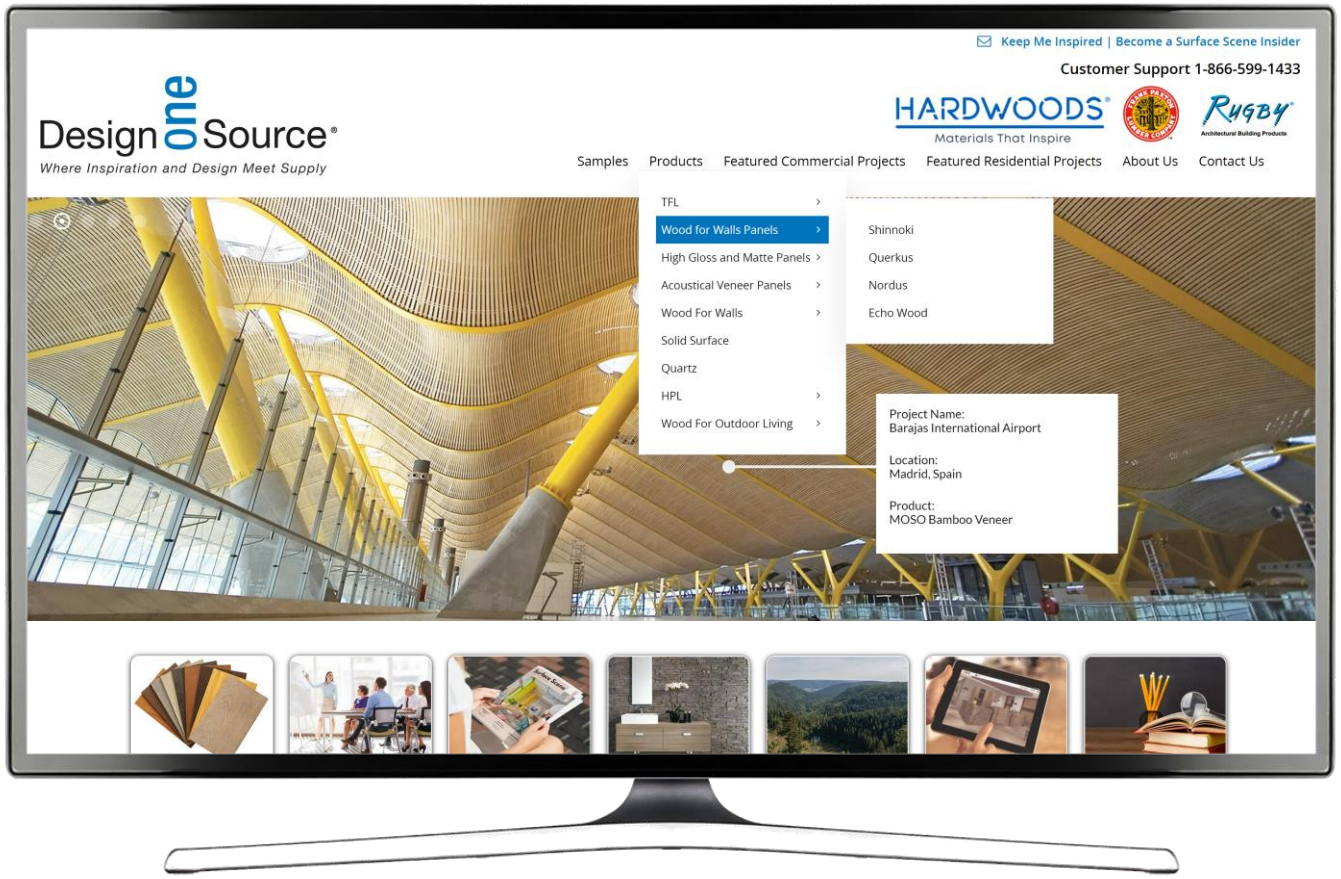
All dollar values are in USD.
1. Commercial market values developed by Dodge Analytics.

# DesignOneSource Directly Targets North American Architects & Interior Designers

Design one Source®

*Where Inspiration and Design Meet Supply*

- Projects are assigned and tracked in our CRM
- Specification reps are working early in the development phase of a project
- Specification reps present product alternatives and color palettes to architects & designers
- Collaborating with sales at the bid stage




**Our specification team increases our project close ratio and provides a pipeline for the future**

# Full Cycle Collaboration

**We value engineer the entire supply chain**

- Key insights match customer needs to global supply options
- Specification reps are the eye forward on trends and product needs.

**ADENTRA's integrated supply chain management differentiates us from any single site, regional distributor or importer**



# KEY TAKEAWAYS

## FULL-CYCLE SUPPLY CHAIN COLLABORATION

- ✓ ADENTRA has constructed a durable, closed-ended supply chain solution
- ✓ In a fragmented distribution industry, large capital-intensive suppliers want simplified distribution options
- ✓ The ADENTRA offering to both customers and vendors is a solution that is more efficient and more profitable for both
- ✓ ADENTRA's full-cycle supply chain collaboration process differentiates us from local and regional distributors

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# LEADING THE DIGITAL CUSTOMER EXPERIENCE

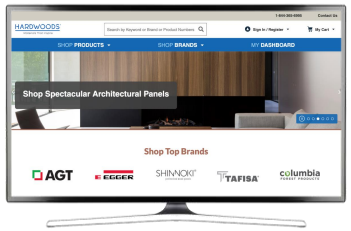


**Drew Dickinson**
President, US Industrial

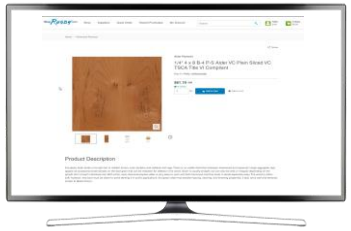
ADENTRA

# The Digital Connection Begins

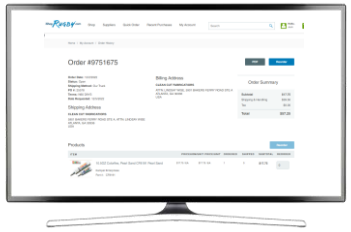
## The Digital Customer Experience



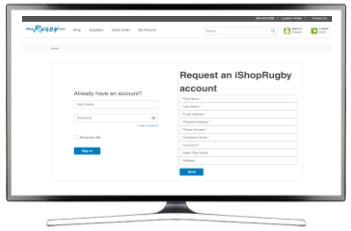

- Website and landing page is no longer enough
- **Customers want to do research**
- Use of Ecommerce sites for research now the standard



- Product / project planning begins here
- “Eye Candy” – descriptions, images, examples
- Pricing comparisons and inventory availability




- Delivery – when will I receive?
- Order confirmation is immediate, 100% accuracy
- Reorder – duplicate transactions again and again

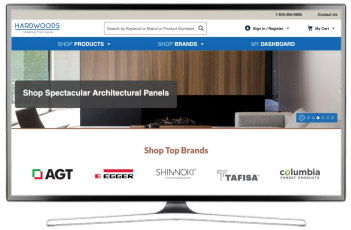



- User-friendly – intuitive
- Easy account access
- Transactions made EASY

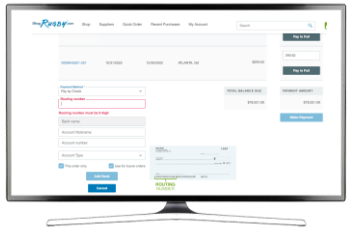
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# The Digital Connection Continues

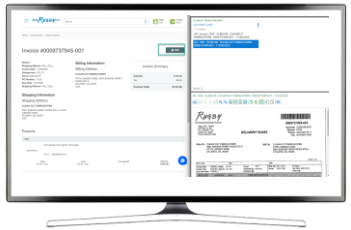
## The Digital Customer Experience




**24/7 access for full self-service**



- Pay invoices (with check or credit card)
- Print invoices and account statements
- Returns and credit requests



- Verify price and cost
- Review historical purchases and shipments
- Verify shipments  and proof of delivery

**To date in 2022, over 10,000 self-service events[1] have been completed on Rugby's Ecommerce platform**



1. "Self-service events" refers to orders placed and payments made.

# DIGITAL CUSTOMER EXPERIENCE

## Perfect timing to strengthen customer relationships

- ✓ **Early innings** – Building products as an industry has been slow to adopt Ecommerce
- ✓ **COVID impact** – Pandemic highlighted what is possible, encouraged adoption
- ✓ **Generational shift** – All generations now comfortable with digital
- ✓ **Customers searching for efficiency** – Online can streamline customer workflow
- ✓ **Additional selling tool** – A new layer of customer engagement
- ✓ **Creates additional capacity** – Ability to do more with current resources

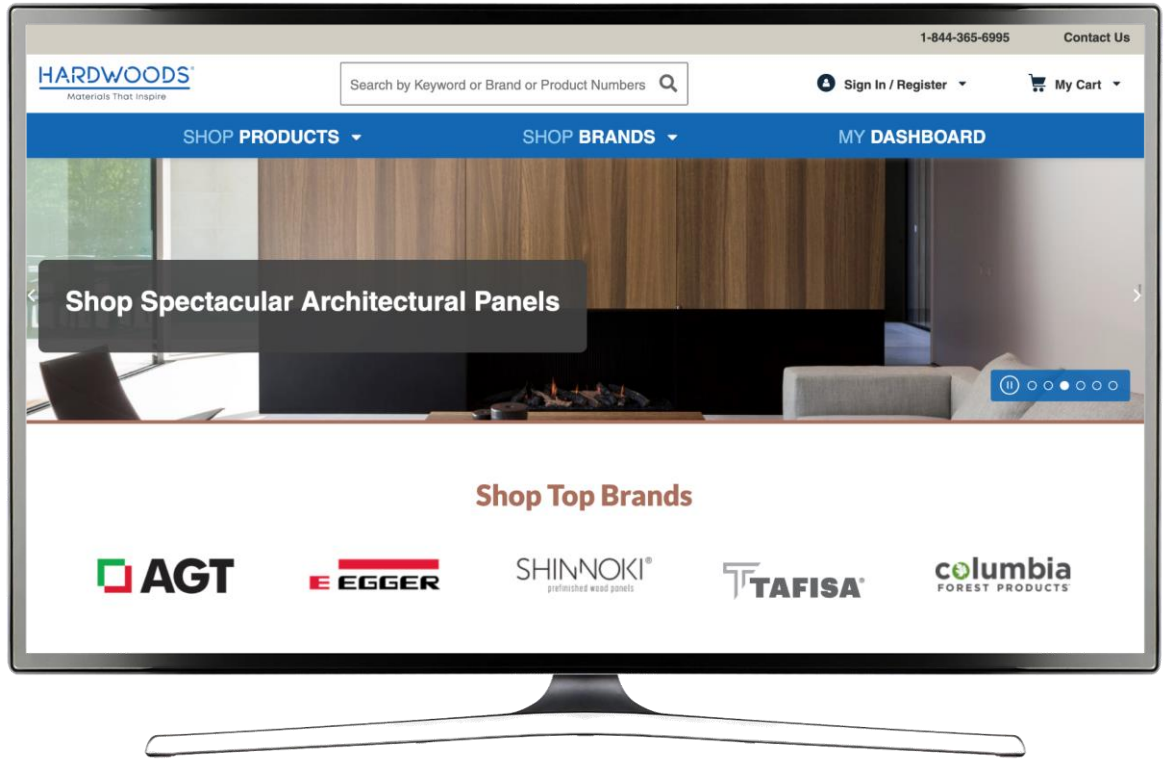


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# Brand Digital Engagement

## Brand Status:

- ✓ Novo complete
- ✓ Mid-Am complete
- ✓ Hardwoods Canada complete
- ❑ *Rugby complete in 2023*
- ❑ *Hardwoods US built, launching in 2023*



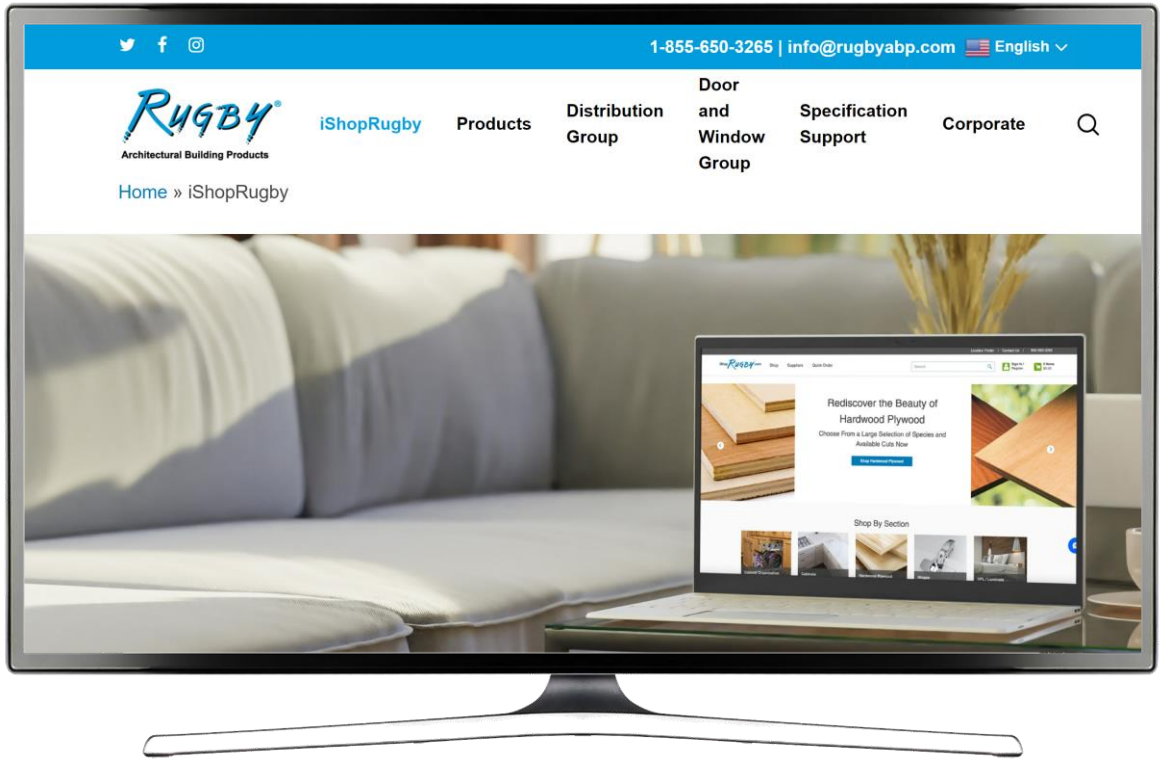

**Most of ADENTRA's customers are digitally engaged**

ADENTRA

# Our Customers Love Our Ecommerce

RUGBY® Architectural Building Products

HARDWOODS® Materials That Inspire




**Year-to-date 2022:**

Average Order Size

**~+54%**

Gross margin over traditional channels

**+5%**

**+70%**

of customers that transacted online have re-ordered

**Significant opportunity to capitalize on Ecommerce and differentiate from competitors**

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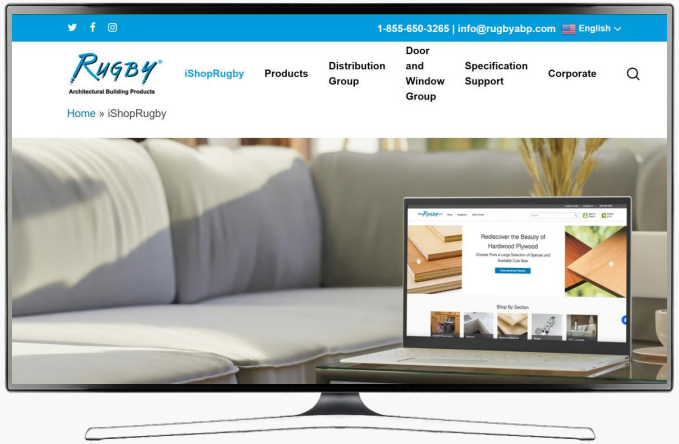
# Ecommerce drives mutual benefits

ONLINE ORDERING

TRACKING & DELIVERY

***Clients benefit from:***

- *24/7 access*
- *Full product visibility*
- *Easy re-order, fast quoting*




- *Omni-channel notification*
- *Same or next-day delivery*
- *Full tracking capabilities*

**Ecommerce increases customer engagement and drives more profitable sales while bringing benefits to our customers**

ADENTRA

# KEY TAKEAWAYS

## DIGITAL CUSTOMER EXPERIENCE



- ✓ **Customer stickiness** – loyalty created through the use of digital tools
- ✓ **Drives efficiencies** – for ADENTRA and for our customers
- ✓ **Improved wallet share** – Customer visibility of full product basket shown to increase order size
- ✓ **Increases margins** – Digital allows full control over pricing, improves GM%
- ✓ **ADENTRA is ahead of the pack** – outpacing the slow adoption rates of regional/smaller companies

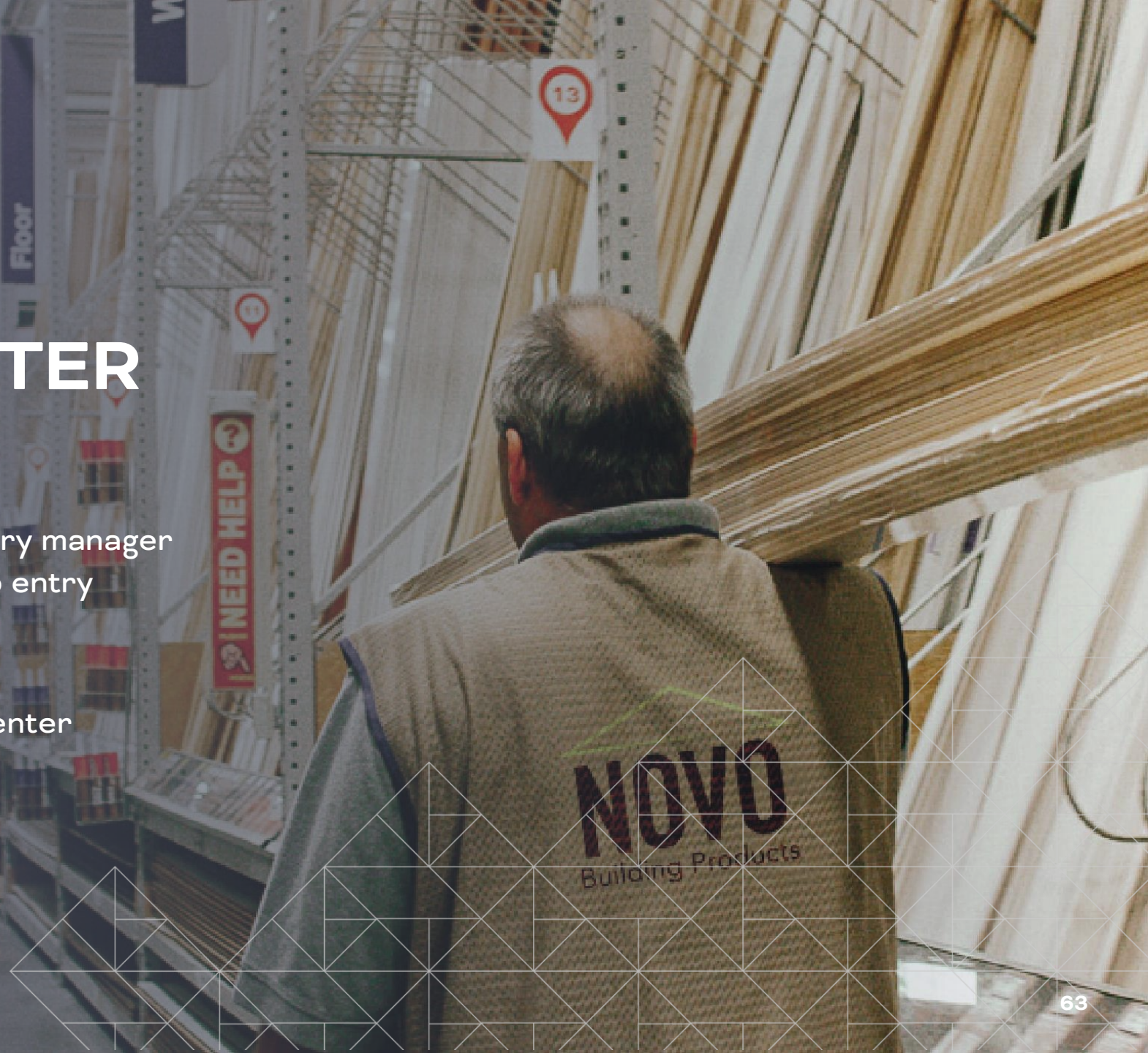
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# THE HOME CENTER ADVANTAGE

Embedded partner and turnkey category manager to Lowe's creates significant barrier to entry

**Jeff Leys**
President, US ProDealer and Home Center

ADENTRA



# Turnkey Category Management

**Turnkey category management**



*Individual store planning*



*Store service*



*Marketing & Ecommerce*



*Supply chain, logistics & demand planning*

## Total Customer Performance Management System

By managing the *'store within a store'*, we improve the metrics that matter most:

**Increasing**

- ✓ Sales
- ✓ Gross margin
- ✓ Profit
- ✓ Inventory turns
- ✓ Store traffic (via Ecommerce platform)

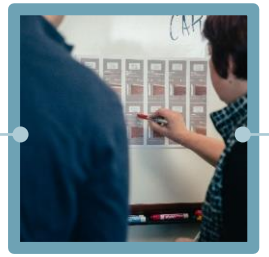
**Reducing**

- ✗ Investment required
- ✗ Operating expenses
- ✗ Time spent managing category

# Individual Store Planning for 670 Lowe's Stores:

## based on local market research and store data

NOVO Building Products + LOWE'S









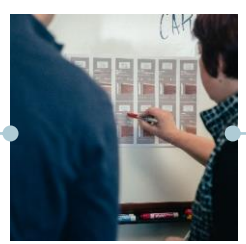
*Individual store planning* | *Store service* | *Marketing & Ecommerce* | *Supply chain, logistics & demand planning*

| | |
|---|---|
| **Product selection:** | Deciding what products are stocked in what stores, including new product introductions |
| **Merchandising:** | Control and creation of targeted product marketing displays |
| **Plan-O-Gram:** | Design and implementation of aisle organization and layout |
| **Visual planning:** | Ensures optimized and attractive product arrangements |
| **Project implementation:** | Formation and execution of special marketing campaigns and projects |

**Individualized store planning program provides total aisle management**

# Proprietary Technology Applications Provide Tools

## Differentiated, best-in-class store service across Lowe's footprint









*Individual store planning*

*Store service*

*Marketing & Ecommerce*

*Supply chain, logistics & demand planning*



### Order process:

- Utilizes daily transaction data and proprietary algorithms
- Identifies items for cycle-counting by store by day

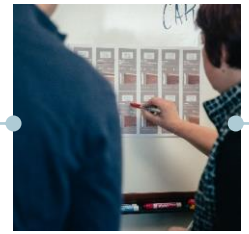
### In-store support:

- Novo representative performs full in-store service
- Manages stocking of product and the removal of damaged products from the aisle

### Images:

- Capturing and uploading of images of finished aisles

# Complete Management of Lowes.com Virtual Aisle



*Individual store planning*



*Store service*



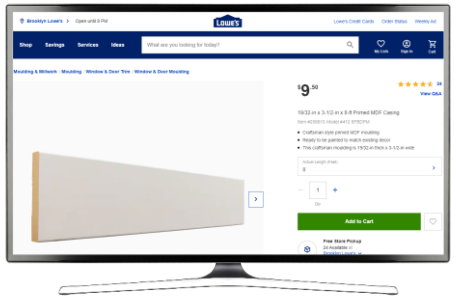
*Marketing & Ecommerce*



*Supply chain, logistics & demand planning*

**Novo's capabilities:**

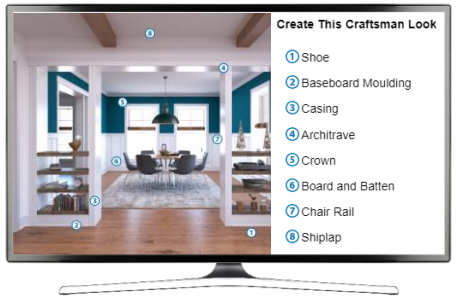
*Customer engagement*
*Specifications*
*"A+" content*



**Maintain product content**




**Respond to questions & reviews**




**Create premium marketing content**

**Key point of differentiation vs. competitors**

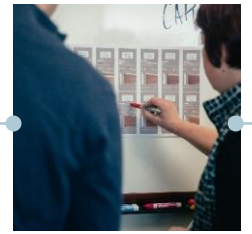
**Majority of in-store transactions begin with online browsing**

**Growing reliance on Ecommerce purchasing and fulfillment only accelerated by the pandemic**

# Sophisticated Supply Chain, Logistics, & Demand Planning

guarantees Lowe's shelves are stocked and bins are full

NOVO Building Products + LOWE'S



*Individual store planning*



*Store service*



*Marketing & Ecommerce*



*Supply chain, logistics & demand planning*

**Lowe's demand planning process inputs:**

| POS data | Historical sales trends | New market trends | Lowe's job lot quantity | Delivery frequency |
|---|---|---|---|---|
| Point of sale data gathered in real-time from all in-store and online sales | Seasonal / monthly purchasing trends collected over the past 20+ years | Informed by visibility into adoption of new trends by ProDealers | Lowe's in-store inventory monitored to ensure minimum quantities are met | Novo's projected delivery schedule set months in advance |

# The Home Center Advantage

## The right mix of product, just-in-time delivery, with in-store support




Order Picking → Shipping Preparation & Audit → Shipment Optimization → Just-in-time Delivery → In-store Shelf Management

# What About the ProDealer?

## Home center advantage creates opportunity to grow with the pro





Less than Unit



Full Unit



Container Direct

*Warehouse Orders*

84 LUMBER

Builders FirstSource / BMC

CARTER Lumber

LMC Building Business Together.

U.S. LBM

# KEY TAKEAWAYS

## HOME CENTER ADVANTAGE

### ✓ High retention / stickiness

- Novo doesn't just sell Lowe's; we are a fully integrated partner charged with running the most profitable aisles in the store
- Providing solution-oriented services over a wide product line drives loyalty with Novo's ProDealer customer

### ✓ Hard to replicate

- Novo handles everything for Lowe's – we take their data, marry it up with boots on the ground to create a customized order for each store, each week
- There is not another Millwork Distributor peer that covers the breadth of product lines Novo does for the ProDealer customer – Mouldings, Stair Parts, Columns, Boards, Doors, and Plywood

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ADENTRA

# ACCRETIVE GROWTH THROUGH M&A


## Dave Hughes

SVP Acquisitions




Door, mouldings and ceiling panels by ADENTRA

# The ADENTRA Opportunity

1. SEIZING THE OPPORTUNITY

2. DIFFERENTIATING FOR MARKET SHARE

3. ACCRETIVE GROWTH THROUGH M&A

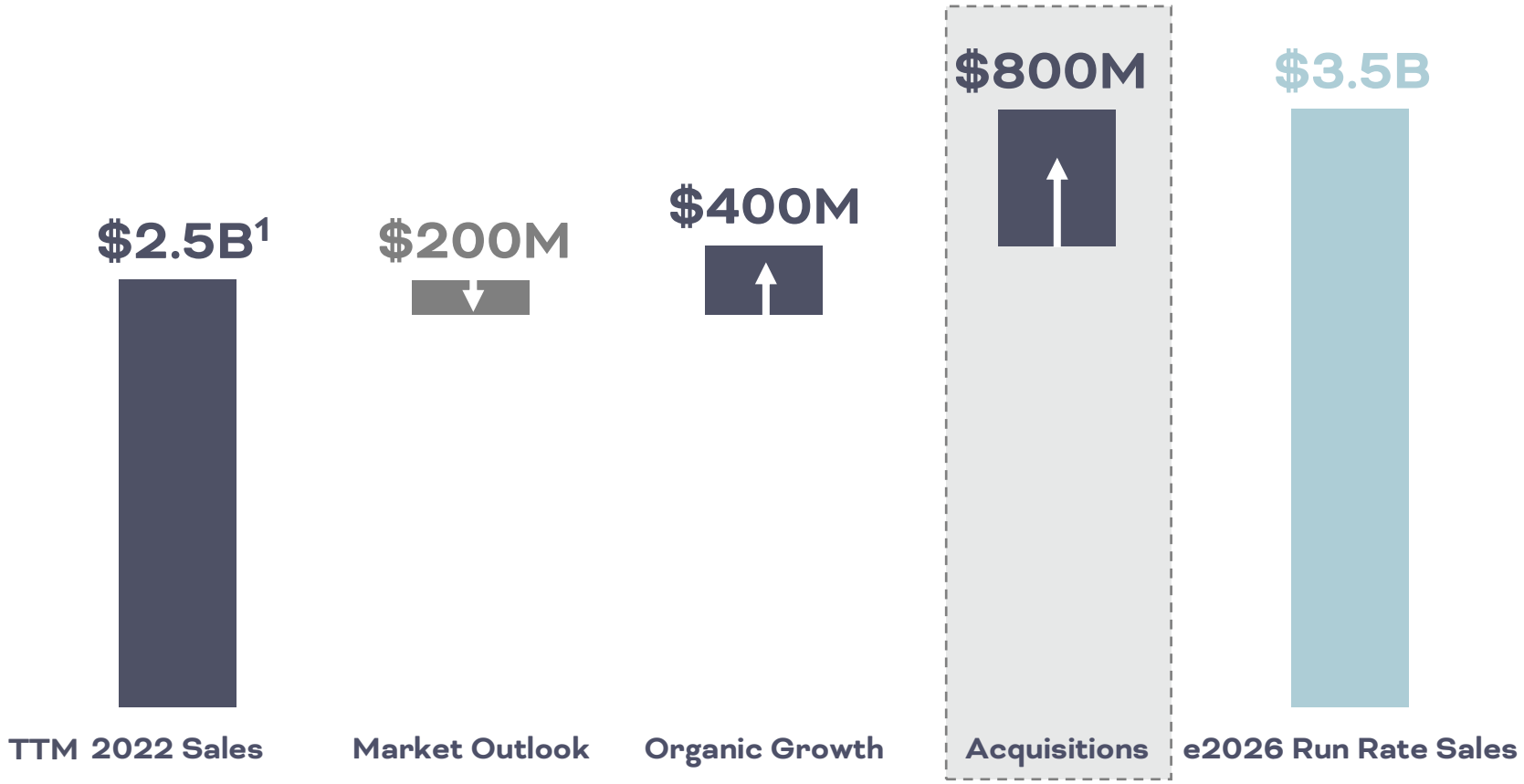
- Successful track record
- Acquirer of choice
- Significant synergy capture



ADENTRA

# ‘Destination 2026’ Financial Targets

## M&A strategy supports our sales growth

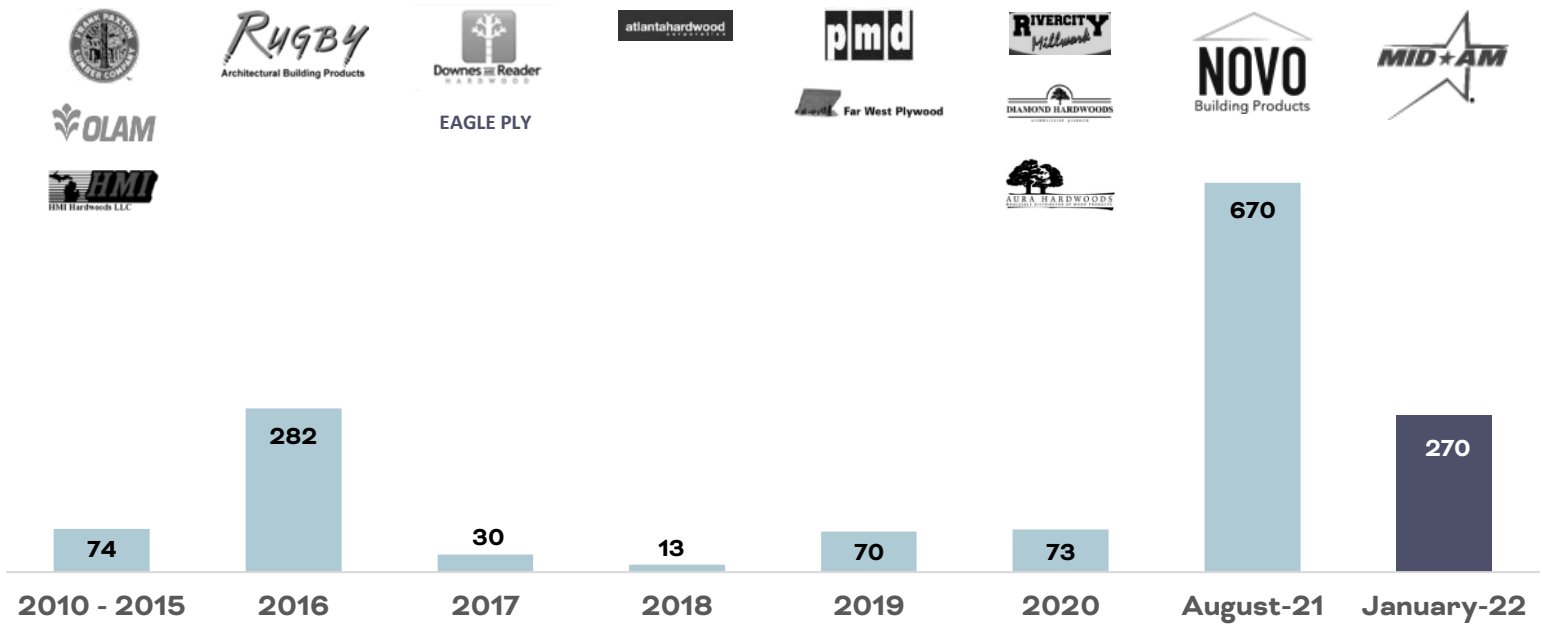



## Strategic initiatives driving above market growth

All dollar values are in USD. Please see slide 81 in the “Building Shareholder Value” section for some of our key assumptions.
1. TTM 2022 Sales value is for the 12-month period ending September 30, 2022.

# Demonstrated Growth Through Acquisition

## Track Record – Sales Acquired (US$ millions)




**+$1.4 billion of sales from acquired companies**

**+$750 million of capital deployed**

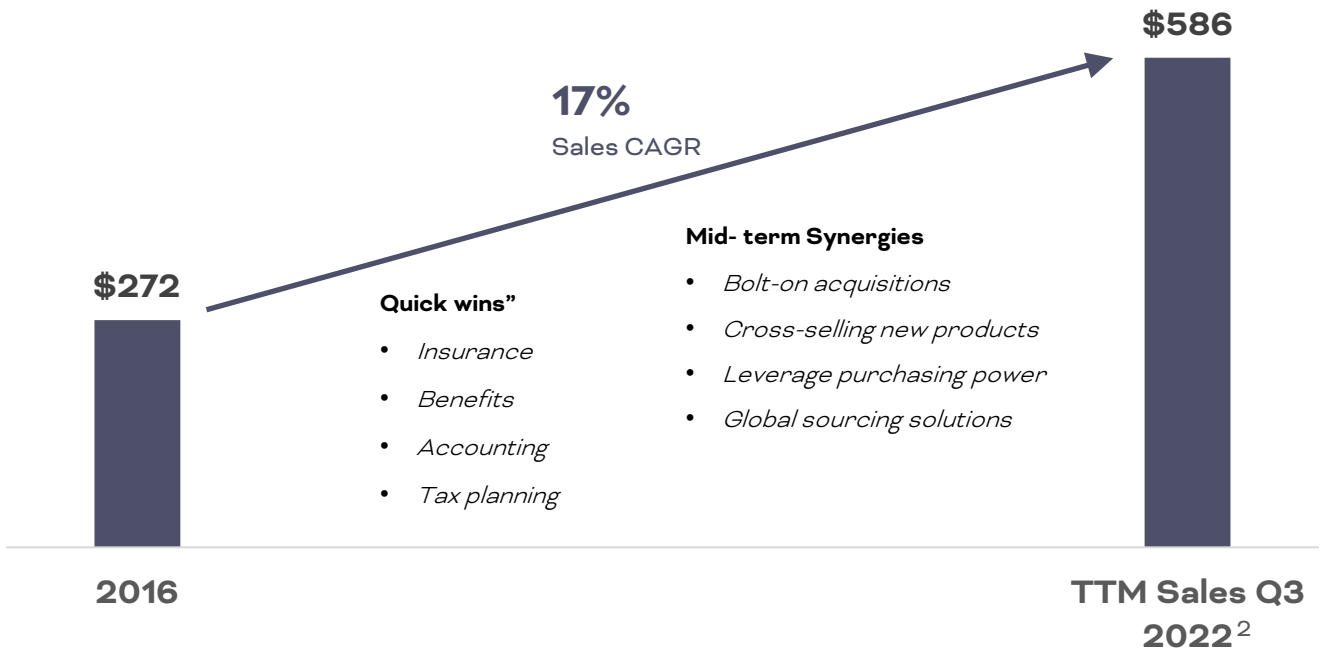
**ADENTRA's acquisitions strategy has strengthened our participation in key product categories and end-markets**



All dollar values are in USD.

# Proven Approach to Building Value through M&A

RUGBY
Architectural Building Products




## RESULTS

- ✓ Growth in key product categories
- ✓ **+300%** growth in D&M
- ✓ **+25%** growth in decorative surfaces
- ✓ **+100%** growth in hardwood lumber
- ✓ **+75%** growth in hardwood plywood
- ✓ Adj. EBITDA[1] margin improvement of **approximately 800 basis points**

## Proven multi-year program to capture synergies, which can be significant over time

All values are in USD.
1. "Adjusted EBITDA margin" is a non-IFRS measures. See "Non-IFRS and Other Financial Measures" on slide two.
2. Represents sales and Adj. EBITDA for the 12-month period ending September 30, 2022

# The ADENTRA M&A Advantage

## 1. THE SUITOR OF CHOICE

- Reputation as an **acquirer of choice**: permanent owner, similarities in culture
- Direct, proactive industry outreach with **trusted relationships** developed with sellers over time (vs. transactional focus)
- We offer **important solutions** - succession, continued employment, etc.

## 2. INDUSTRY PARTICIPANT WITH SCALE AND BREADTH

- Uniquely positioned to **understand a seller's business**
- **Disciplined valuation** process informed by deep market experience
- **Financing flexibility** to ensure competitive positioning vis-a-vis other potential buyers

## 3. RISK MITIGATION

- Operations and due diligence teams draw on **deep industry experience** leading up to and following a transaction
- Formalized and **streamlined onboarding process**
- Deal risks and **opportunities are well understood**
- Well-established integration process to **capture synergies**

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# Acquisition candidates must support our strategic objectives

## OUR CRITERIA




- Architectural products in adjacent / complimentary categories
- Primary focus on distribution
- Accretive, with annual EBITDA between $5M to $100M
- Complimentary geographic / product fit, capital structure
- Opportunities that meet our acquisitions criteria

## Fragmented industry offers opportunities to capture valuable market share



All dollar values are in USD.

# KEY TAKEAWAYS

## ACCRETIVE GROWTH THROUGH M&A

- ✓ **M&A is a core competency supported by an experienced team**
- ✓ **We are an acquirer of choice:**
  - Proven track record – transaction execution and post-sale integration
  - As a permanent owner, favored over private equity
  - As a growth-focused buyer, favored over those pursuing cost synergy
- ✓ **Highly disciplined valuation and diligence processes**
- ✓ **Demonstrated ability to capture significant synergies over time**



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# CREATING SHAREHOLDER VALUE

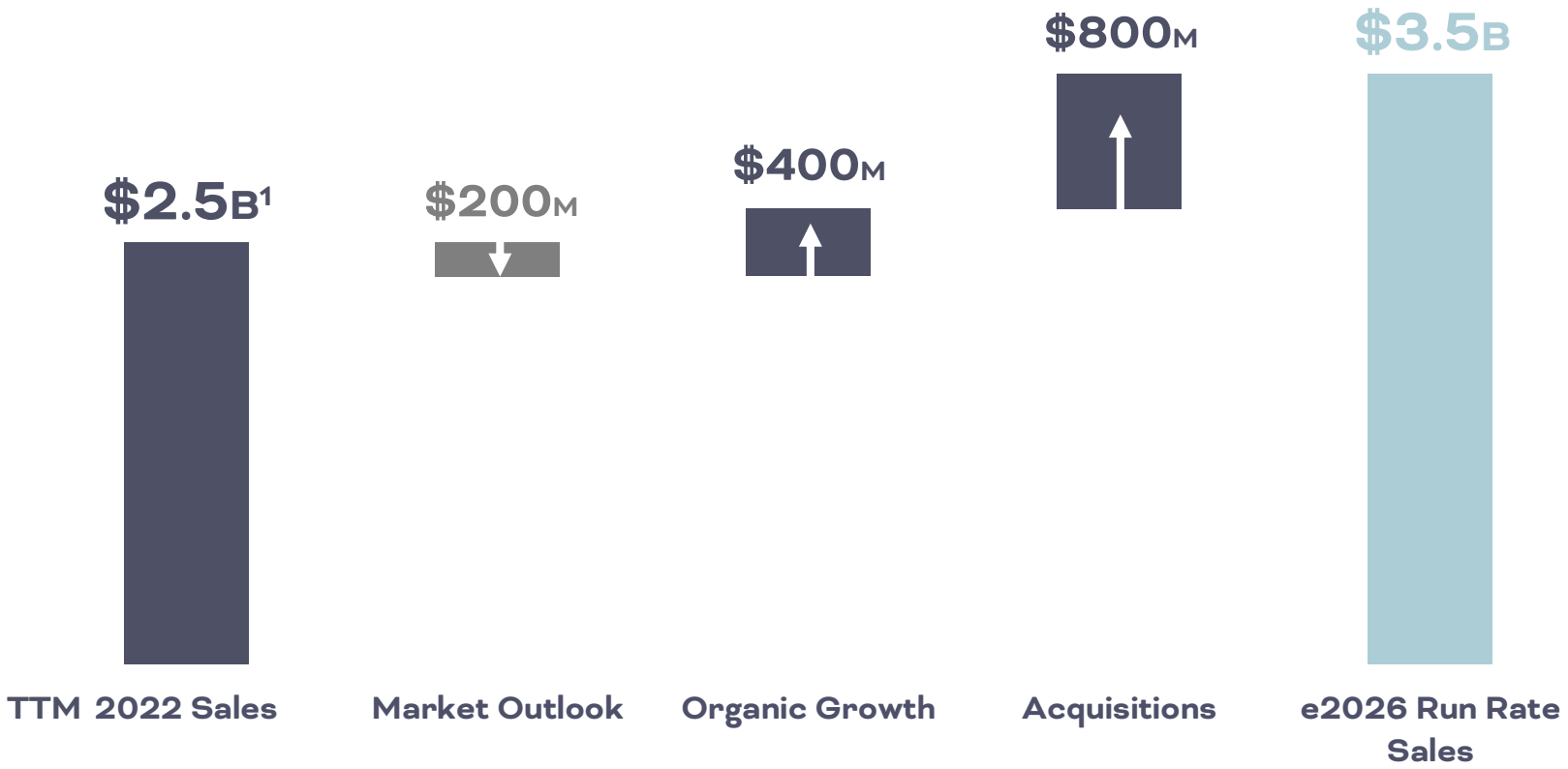

## Faiz Karmally

Vice President and CFO




Boards and decorative surfaces by ADENTRA

# "Destination 2026" Sales Target




**Key assumptions include:**

- *"Market Outlook" impact expected to be near term*
- *Market growth and strategic initiatives driving mid single-digit "Organic Growth"*
- *"Acquisitions" supported by our expected cash flows and balance sheet capacity*
- *Equity issuances have not been modelled in the above plan*

## Strategic initiatives driving above market growth

All dollar values are in USD.

1. TTM 2022 Sales value is for the 12-month period ending September 30, 2022.

# Our Target Financial KPIs




| Revenue CAGR | Gross Margin[1] | EBITDA Margin[1,2] |
|---|---|---|
| +8% | +20% | +10% |

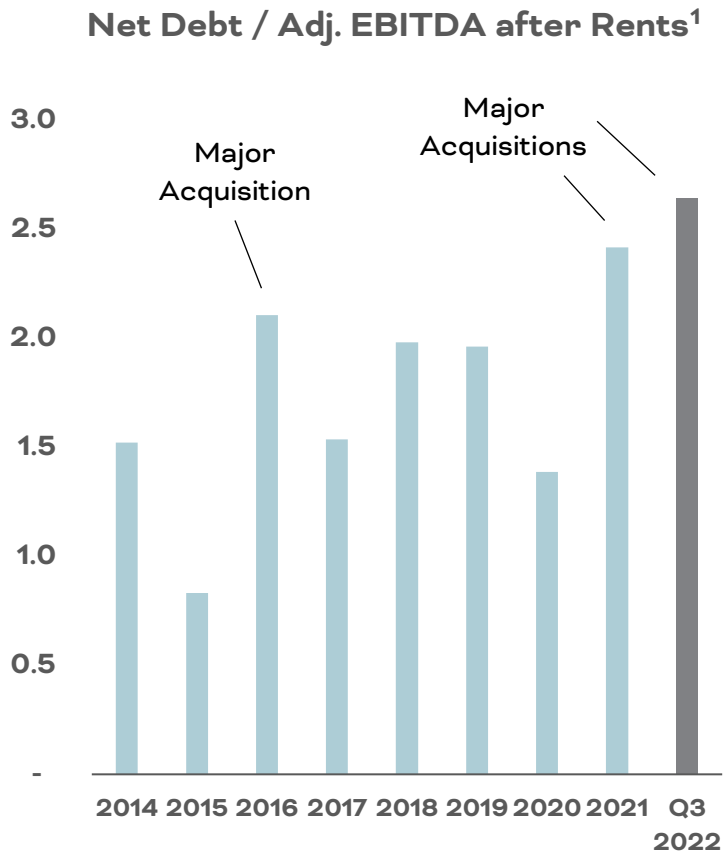
| Leverage[3] Range | Operating Cash flow before changes in working capital | Average ROIC[4] |
|---|---|---|
| 2-3X | $+800 | +12% |

**Focused on delivering profitable growth and creating shareholder value**

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1. "Gross Margin" and "Adj. EBITDA Margin" are calculated as follows: Gross Margin = gross profit / sales; Adj. EBITDA Margin = Adj. EBITDA / sales.
2. "Adjusted EBITDA" and "Adjusted EBITDA Margin" are non-IFRS measures. Please see "Non-IFRS and Other Financial Measures" on slide two.
3. ADENTRA calculates "Leverage" as Net Debt / Adjusted EBITDA after rents. Additional details on the Company's calculation of Leverage can be found in its financial disclosures.
4. Return on Invested Capital (ROIC) calculated as Adjusted EBITDA less taxes, depreciation and amortization. divided by the sum of net debt plus equity.

# Responsible Leverage and Significant Liquidity




**2.6**

Q3 2022
Net Debt/Adjusted EBITDA
after rents[1,2]

**$200 M**

Unused borrowing capacity
& cash on hand
as at September 30, 2022

Responsibly managed balance sheet,
with capacity to support organic and acquisitions growth

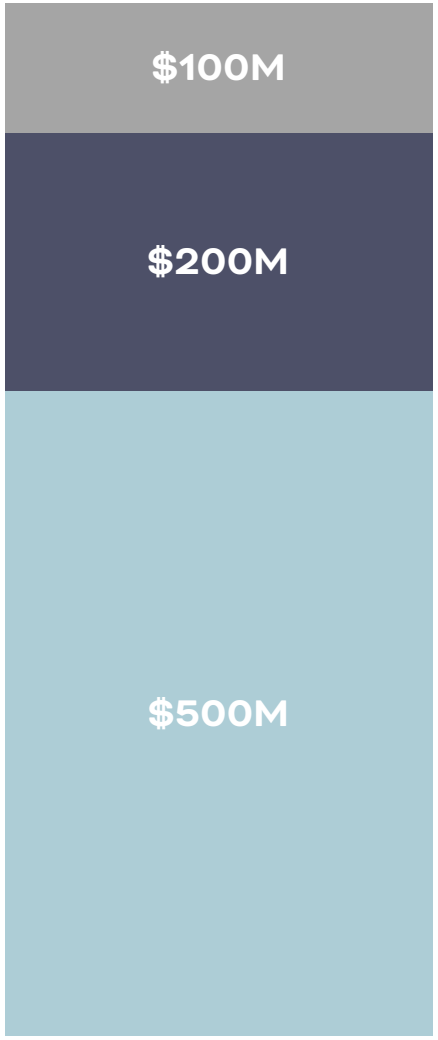
## Proven flexibility to execute on our capital allocation priorities

1. "Net Debt to Adjusted EBITDA after rents" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two.
2. "Q3 2022 Adjusted EBITDA after rents" used to calculate "Q3 2022 Net Debt / Adj. EBITDA after Rents" includes results from the prior 12-month period.

# “Destination 2026”

## Capital Allocation

**$800M in Operating Cash Flow before changes in Working Capital**




**Investments in the Business**

- Maintenance capex & working capital

**Rent payments**

- Includes leased facilities

**Acquisitions**

- Financed from cash flows and strength of balance sheet
- Equity issuances have not been modelled in the plan
- Leverage ratio between 2-3x

**Shareholder Returns**

- Dividends
- Opportunistic share repurchases

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All values are in USD.

# A Compelling Investment Opportunity

| *In USD$, Millions* | December 2020 | TTM Q3 2022[1] | Change |
|---|---|---|---|
| **Sales** | $1,245 | $2,520 | 102% |
| **Adj. EBITDA[1]** | $98 | $286 | 192% |
| **Profit Per Share[2]** | $1.32 | $6.35 | 381% |
| **EV/Adj. EBITDA[1] (TTM Basis)** | 6.1 | 4.6 | -25% |
| *In CAD$, Mkt. Cap. In Millions* | | | |
| **Share Price** | $24.62 | $26.21 | 6% |
| **Market Cap** | $521 | $618 | 19% |

- **Diversified by product, geography, and customer channel**
- **Significant TAM available**
- **Superior supply chain**
- **Platform of operational excellence**

Implies an increase of $16 per share for every 1.0x increase in the multiple

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TTM values are for the 12-month period ending September 30, 2022.
1. "Adjusted EBITDA" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two.
2."Profit per Share" refers to "Basic Profit per Share" as noted in the Company's financial disclosures.

# KEY TAKEAWAYS

## CREATING SHAREHOLDER VALUE



- ✓ **Strong organic growth combined with an attractive M&A opportunity**
- ✓ **Responsibly-managed balance sheet, while generating significant cash flows**
- ✓ **Proven ability to allocate capital to generate returns for investors**

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# CONCLUDING REMARKS



**Rob Brown**

Chief Executive Officer

Hardwood lumber provided by ADENTRA

# TRANSFORMED BUSINESS
## is Fully Equipped to Build Value

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- ✓ SUCCESSFUL BUSINESS TRANSFORMATON
- ✓ SIGNIFICANT POTENTIAL TO EXPAND OUR MARKET SHARE
- ✓ WE HAVE THE CAPABILITIES NEEDED TO DRIVE GROWTH BOTH ORGANICALLY AND THROUGH M&A
- ✓ OUR FINANCIAL STRENGTHS PROVIDE THE RESOURCES WE NEED TO SUCCEED

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# APPENDIX

2022 Analyst Day and Site Tour

December 6, 2022



Decorative surfaces by ADENTRA

# Leadership Biographies



**Lance R. Blanco**
Senior Vice President,
Corporate Development

Lance joined us in July 2010 as President and CEO, a position he held until January 2016, at which time he, for health reasons, stepped down and was appointed to his current role. He held senior positions in sales, distribution, marketing, manufacturing and supply chain optimization with Weyerhaeuser Company and MacMillan Bloedel Limited from 1983-2009, including Vice President of Enterprise Supply Chain Management, VP of Business Development, VP Durable Wood and Managing Director and President of Distribution in Japan. Lance holds a Bachelor of Arts (Hons.) in Business Administration degree from Simon Fraser University.



**Robert J. Brown**
President and
Chief Executive Officer

Rob joined us in August 2004 as Vice President Finance, was appointed our CFO in November 2004 and our COO in March 2015. In January 2016, Rob was appointed President and CEO of the Company. Prior to joining the Company, Rob was a manager in the Canadian Operations of Weyerhaeuser Company and MacMillan Bloedel Limited's building products distribution businesses from 1998 to 2004. From 1997 to 1998, he was the Director of Acquisitions for Wajax Limited, and prior to that worked at Deloitte & Touche in Vancouver, BC, and at a predecessor firm to PriceWaterhouseCoopers in the United Kingdom. Rob is a Chartered Professional Accountant, holds a Chartered Financial Analyst designation, and has a Bachelor of Commerce degree from the University of British Columbia.



**Drew Dickinson**
President,
US industrial

Drew joined Rugby in 1992 and has served as General Manager of three Rugby distribution centers. In 2009, Drew's leadership role was expanded to Vice President of Operations and he was named COO in June 2010. In 2018, Drew was named President of Rugby and has diversified responsibilities in the company, with key roles in business development, vendor relations, operational process improvement, sales growth and profitability, and mergers and acquisitions. Drew holds a Bachelor of Business Administration from Stephen F. Austin State University, Texas.



**David Hughes**
Senior Vice President,
Acquisitions

David joined us in July 2016 when his company, Rugby Acquisition, LLC, (of which he was CEO and majority stockholder), was acquired by the Company. Prior to Rugby, David was the CEO of a specialty steel distributor from 2006 to 2009 and was a senior executive and principal of North Pacific Group, Inc. from 1994 to 2006. He held various positions including COO of the Distribution Division and President of the Saxonville USA subsidiary. Prior to his building materials career, Mr. Hughes spent 10 years managing asset-based and commercial lending with Fleet Bank and Shawmut Bank.

# Leadership Biographies



**Faiz Karmally**
Vice President & Chief Financial Officer

Faiz joined us in October 2014 as Corporate Controller and was appointed our CFO in March 2015. Prior to joining us, Faiz was a Senior Manager with PriceWaterhouseCoopers from 2012 to 2014. From 2003 to 2012, Faiz worked for Grant Thornton and held progressively senior positions in assurance and financial advisory services. Faiz is a Chartered Professional Accountant and has a Bachelor in Administrative and Commercial Studies from the University of Western Ontario.



**Jeff Leys**
President,
US ProDealer and Home Center

Jeff serves as President of US ProDealer and Home Center, with responsibility for Novo Building Products (comprised of Empire Moulding and Millwork, Southwest Moulding and Millwork, LJ Smith Stair Systems, Ornamental Decorative Millwork and Novo Direct, collectively "Novo") and Mid-Am Building Supply. Jeff joined Novo in January 2007 and has held various senior leadership roles including President and COO of Novo since 2021. Prior to joining Novo, Jeff held leadership positions with Zeeland Lumber and Supply from 1995 to 2006. Jeff received a Bachelor of Arts Degree from Calvin University, Michigan .



**Chris Fisher**
Managing Principal & CMO

Chris serves as managing principal at Ducker, where he has widened the scope of the company's business development activities. He has nearly 20 years of experience in market development and strategic planning. With a strong foundation in industrial, construction, and technically oriented markets, he is an expert in services such as opportunity analysis, product positioning/launch, growth planning, and competitive benchmarking. He often speaks at construction and industrial events and has served as an advisor to many senior executives in the construction industry.

Prior to joining Ducker, Chris served as director of market development for FKI Plc, a leading conglomerate trading on the FTSE 100. He holds a bachelor's degree in industrial business management from Purdue University and an MBA in international economics, with a concentration in economic strategic concerns in industrial applications, from Indiana University.

# Reconciliations

## Reconciliations of Non-IFRS Measures

On pages 7, 32, and 85 of this presentation, we refer to certain non-IFRS measures for which a reconciliation has not been previously-provided in the Company's previous disclosures. Reconciliation for these non-IFRS values are shown below:

## Reconciliation of Adjusted EBITDA to Basic Profit

This supplementary disclosure is intended to more fully explain disclosures related to Adjusted EBITDA and provides additional information related to the operating performance of ADENTRA. Investors are cautioned that these measures should not be construed as an alternative to IFRS consolidated profit. The values for 2017 are as reported in the 2017 Annual Report, with adjustments related to the conversion of Adjusted EBITDA to US dollars. The period "12 Months Ended Sept. 30, 2022" referred to below includes the results for the four reported quarters ended Sept. 30, 2022. In 2020, the Company changed its reporting currency from CAD to USD. As a result, the reconciliations for the 2017 and the 12 Months Ended Sept. 30, 2022 periods are listed separately.

### Reconciliation of Adjusted EBITDA - 2017:

| *(in thousands of Canadian dollars)* | For Year Ended Dec. 31, 2017 |
|---|---|
| **Profit for the period** | **$ 29,954** |
| Add: | |
| Income tax expense | 16,629 |
| Net finance income (expense) | 2,502 |
| Depreciation and amortization | 6,504 |
| **Earnings before interest, taxes, depreciation and amortization ("EBITDA")** | **$ 55,589** |
| Transaction expenses | 273 |
| Mark-to-market adjustment on cash settled LTIPs | 450 |
| **Adjusted EBITDA (CAD)** | **$ 56,312** |
| **Adjusted EBITDA (in USD, @ 1.30 CAD/USD)** | **$ 43,317** |

### Reconciliation of Adjusted EBITDA – For the 12 Months Ended Sept. 30, 2022:

| *(in thousands of US dollars)* | For 12 Months Ended Sept. 30, 2022 |
|---|---|
| **Profit for the period** | **$ 147,424** |
| Add: | |
| Income tax expense | 46,960 |
| Net finance income (expense) | 24,113 |
| Depreciation and amortization | 61,039 |
| **Earnings before interest, taxes, depreciation and amortization ("EBITDA")** | **$ 279,536** |
| Transaction expenses | 1,603 |
| Mark-to-market adjustment on cash settled LTIPs | 4,887 |
| **Adjusted EBITDA** | **$ 286,026** |