Canfor Corporation
Condensed Consolidated Statements of Changes in Equity

(millions of Canadian dollars, unaudited)	3 months ended March 31, **2022**	2021
Share capital		
Balance at beginning of period	**$ 982.2**	$ 987.9
Share purchases (Note 9)	**(2.1)**	-
Balance at end of period	**$ 980.1**	$ 987.9
Contributed surplus and other equity		
Balance at beginning of period	**$ (130.9)**	$ (127.4)
Put liability (Note 7)	**3.9**	(8.3)
Balance at end of period	**$ (127.0)**	$ (135.7)
Retained earnings		
Balance at beginning of period	**$ 2,586.8**	$ 1,227.3
Net income attributable to equity shareholders of the Company	**534.0**	427.8
Defined benefit plan actuarial gains, net of tax	**21.6**	21.1
Share purchases (Note 9)	**(5.2)**	-
Balance at end of period	**$ 3,137.2**	$ 1,676.2
Accumulated other comprehensive income (loss)		
Balance at beginning of period	**$ 45.9**	$ 119.7
Foreign exchange losses from translation of foreign operations, net of tax	**(65.9)**	(63.7)
Balance at end of period	**$ (20.0)**	$ 56.0
Total equity attributable to equity shareholders of the Company	**$ 3,970.3**	$ 2,584.4
Non-controlling interests		
Balance at beginning of period	**$ 525.1**	$ 426.2
Net income attributable to non-controlling interests	**36.5**	25.1
Defined benefit plan actuarial gains attributable to non-controlling interests, net of tax	**3.2**	2.1
Distributions to non-controlling interests	**(0.2)**	(0.7)
Balance at end of period	**$ 564.6**	$ 452.7
Total equity	**$ 4,534.9**	$ 3,037.1

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Canfor Corporation
Condensed Consolidated Statements of Cash Flows

(millions of Canadian dollars, unaudited)	3 months ended March 31, 2022	2021
Cash generated from (used in):		
Operating activities		
Net income	**$ 570.5**	$ 452.9
Items not affecting cash:		
Amortization	**88.8**	94.1
Income tax expense	**176.3**	142.8
Change in long-term portion of deferred reforestation obligations, net	**17.8**	14.0
Foreign exchange gain on term debt	**(3.5)**	(3.0)
Foreign exchange loss on duty deposits recoverable, net	**3.0**	2.5
Adjustment to accrued duties (Note 13)	**(50.7)**	10.4
Changes in mark-to-market value of derivative financial instruments (Note 7)	**(6.1)**	11.1
Employee future benefits expense	**2.0**	2.5
Finance expense, net	**4.3**	7.5
Other, net	**1.1**	(5.5)
Defined benefit plan contributions, net	**(3.8)**	(4.1)
Income taxes paid, net	**(208.0)**	(60.1)
	591.7	665.1
Net change in non-cash working capital (Note 10)	**(287.7)**	(354.7)
	304.0	310.4
Financing activities		
Operating loan drawings, net	**3.8**	17.1
Repayments of term debt, net	**(0.1)**	(229.1)
Payment of lease obligations	**(6.9)**	(6.3)
Finance expenses paid	**(3.4)**	(6.8)
Share purchases (Note 9)	**(5.7)**	-
Cash distributions paid to non-controlling interests	**(0.2)**	(0.7)
	(12.5)	(225.8)
Investing activities		
Additions to property, plant and equipment and intangible assets, net	**(81.3)**	(65.8)
Acquisition of Millar Western (Note 12)	**(418.1)**	-
Phased acquisition of Elliott	**-**	(38.2)
Other, net	**(14.9)**	(8.1)
	(514.3)	(112.1)
Foreign exchange loss on cash and cash equivalents	**(24.6)**	(6.7)
Decrease in cash and cash equivalents*	**(247.4)**	(34.2)
Cash and cash equivalents at beginning of period*	**1,354.8**	419.2
Cash and cash equivalents at end of period*	**$ 1,107.4**	$ 385.0

*Cash and cash equivalents include cash on hand less unpresented cheques.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Basis of Preparation

These condensed consolidated interim financial statements (the "financial statements") have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, and include the accounts of Canfor Corporation and its subsidiaries, hereinafter referred to as "Canfor" or "the Company." Significant subsidiaries include Canfor Southern Pine, Inc. ("CSP") and entities related to the acquisition of Millar Western Forest Products Ltd. ("Millar Western"), which are wholly owned, as well as Canfor Pulp Products Inc. ("CPPI") and the Vida Group ("Vida"), of which Canfor owned 54.8% and 70.0%, respectively, at March 31, 2022.

These financial statements do not include all of the disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements. Additional disclosures relevant to the understanding of these financial statements, including the accounting policies applied, can be found in the Company's Annual Report for the year ended December 31, 2021, available at www.canfor.com or www.sedar.com.

These financial statements were authorized for issue by the Company's Board of Directors on May 2, 2022.

2. Seasonality of Operations

Canfor's financial results are impacted by seasonal factors such as weather and building activity. Adverse weather conditions such as forest fires, hurricanes and flooding, can cause logging curtailments which can affect the supply of raw materials to sawmills and pulp mills. Market demand also varies seasonally to some degree. Building activity and repair and renovation work, which affect demand for solid wood products, are generally stronger in the spring and fall months. Shipment volumes are affected by these factors as well as by global supply and demand conditions.

3. Inventories

(millions of Canadian dollars, unaudited)	**As at March 31, 2022**	As at December 31, 2021
Logs	**$ 491.9**	$ 343.4
Finished products	**765.8**	639.2
Residual fibre	**59.9**	56.5
Materials and supplies	**148.5**	134.7
	$ 1,466.1	$ 1,173.8

The above inventory balances are stated at the lower of cost and net realizable value. For the three months ended March 31, 2022 and 2021, no inventory valuation adjustment was recognized for the lumber segment. For the three months ended March 31, 2022, a $1.1 million inventory write-down recovery was recognized for the pulp and paper segment (three months ended March 31, 2021 – $2.2 million write-down recovery). At March 31, 2022, an inventory provision of $3.5 million has been recognized for finished pulp and raw materials (December 31, 2021 – $4.6 million).

4. Long-Term Investments and Other

(millions of Canadian dollars, unaudited)	**As at March 31, 2022**	As at December 31, 2021
Duty deposits recoverable, net (Note 13)	**$ 237.5**	$ 188.4
Other deposits, loans, advances and long-term assets	**53.2**	49.0
Other investments	**32.7**	37.5
Retirement benefit surplus	**26.1**	24.0
Deferred income taxes, net (Note 8)	**16.8**	5.4
	$ 366.3	$ 304.3

The duty deposits recoverable, net balance represents US-dollar countervailing duties ("CVD") and anti-dumping duties ("ADD") and duty cash deposits paid in excess of the calculated expense accrued at March 31, 2022, including interest receivable of $26.0 million (December 31, 2021 – $24.8 million) (Note 13).

5. Operating Loans and Term Debt

(a) Available Operating Loans

(millions of Canadian dollars, unaudited)		**As at March 31, 2022**		As at December 31, 2021
Canfor (excluding Vida and CPPI)				
Available operating loans:				
Operating loan facility	**$**	**775.0**	$	775.0
Revolving credit facility (US$150.0 million)		**187.7**		190.2
Facilities for letters of credit		**70.0**		70.0
Total operating loan facilities		**1,032.7**		1,035.2
Letters of credit		**(67.7)**		(67.8)
Total available operating loan facilities - Canfor	**$**	**965.0**	$	967.4
Vida				
Available operating loans:				
Operating loan facilities	**$**	**68.0**	$	71.3
Overdraft facilities		**34.5**		30.2
Total operating loan facilities		**102.5**		101.5
Operating loan facilities drawn		**(21.6)**		(18.7)
Total available operating loan facilities - Vida	**$**	**80.9**	$	82.8
CPPI				
Available operating loans:				
Operating loan facility	**$**	**110.0**	$	110.0
Letters of credit		**(12.9)**		(12.9)
Total available operating loan facility - CPPI	**$**	**97.1**	$	97.1
Consolidated:				
Total operating loan facilities	**$**	**1,245.2**	$	1,246.7
Total operating loan facilities drawn	**$**	**(21.6)**	$	(18.7)
Total letters of credit	**$**	**(80.6)**	$	(80.7)
Total available operating loan facilities	**$**	**1,143.0**	$	1,147.3

Interest is payable on Canfor's committed operating and revolving loan facilities (excluding Vida and CPPI) at floating rates based on the lenders' Canadian prime rate, bankers' acceptances, US-dollar base rate or US-dollar LIBOR rate, plus a margin that varies with the Company's debt to total capitalization ratio. Canfor's committed operating loan facility is repayable on October 27, 2026. On June 28, 2023, any amounts drawn on the committed revolving credit facility will be converted to US-dollar denominated floating rate term debt, with a maturity date of June 28, 2031.

Canfor (excluding Vida and CPPI) has a separate facility to cover letters of credit. At March 31, 2022, $65.3 million of letters of credit outstanding are covered under this facility with the balance of $2.4 million covered under Canfor's committed operating loan facility.

Vida's operating loan facilities are denominated in various currencies, with interest payable at fixed rates ranging from 1.2% to 5.0%. Vida also has separate overdraft facilities with fixed interest rates ranging from 1.2% to 3.5%.

The terms of CPPI's operating loan facility include interest payable at floating rates that vary depending on the ratio of debt to total capitalization and is based on lenders' Canadian prime rate, bankers' acceptances, US-dollar base rate or US-dollar LIBOR rate, plus a margin. CPPI's operating loan facility is repayable on December 15, 2025.

Canfor and CPPI's operating loan facilities have certain financial covenants, including maximum debt to total capitalization ratios. Vida is also subject to certain financial covenants, including minimum equity and interest coverage ratios. As at March 31, 2022, Canfor, Vida and CPPI were fully in compliance with all covenants relating to their operating loan facilities. Substantially all borrowings of Vida and CPPI are non-recourse to other entities within the Company.

(b) Term Debt

(millions of Canadian dollars, unaudited)		**As at March 31, 2022**		As at December 31, 2021
Canfor (excluding Vida and CPPI)				
US$50.0 million, floating interest, repayable on June 28, 2031	**$**	**62.6**	$	63.4
US$100.0 million, fixed interest of 4.4%, repayable in three equal tranches on October 2, 2023, 2024 and 2025		**125.1**		126.8
Other		**4.7**		4.6
Vida				
SEK 1.6 million, floating interest, repayable April 30, 2022		**0.2**		0.5
SEK 1.3 million, floating interest, repayable August 31, 2024		**0.2**		0.2
AUD 0.7 million, floating interest, repayable between April 1, 2022 and July 22, 2030		**0.6**		0.5
CPPI				
CAD $50.0 million, floating interest, repayable December 15, 2024		**50.0**		50.0
Term debt at end of period	**$**	**243.4**	$	246.0
Less: Current portion		**(0.4)**		(0.5)
Long-term portion	**$**	**243.0**	$	245.5

Canfor's and CPPI's term debt (excluding Vida) is unsecured. Vida's term debt is secured by its property, plant and equipment. Canfor's and CPPI's borrowings (excluding Vida) are subject to certain financial covenants, including a maximum debt to total capitalization ratio. Vida's borrowings are subject to certain financial covenants, including minimum equity and interest coverage ratios. As at March 31, 2022, Canfor, Vida and CPPI were fully in compliance with all covenants relating to their term debt.

Fair value of total term debt

At March 31, 2022, the fair value of the Company's term debt is $233.9 million (December 31, 2021 – $247.8 million), determined based on prevailing market rates for term debt with similar characteristics and risk profile.

6. Employee Future Benefits

For the three months ended March 31, 2022 and March 31, 2021, defined benefit plan actuarial gains of $34.0 million and $31.8 million (before tax), respectively, were recognized in other comprehensive loss, both reflecting a higher discount rate used to value the net defined benefit obligations (comprised of defined benefit plans as well as other benefit plans), offset in part by a lower than anticipated return on plan assets.

The discount rate assumptions used to estimate the changes in net retirement benefit obligations were as follows:

	Defined Benefit Pension Plans	**Other Benefit Plans**
March 31, 2022	**3.8%**	**3.8%**
December 31, 2021	3.0%	3.0%
March 31, 2021	3.2%	3.2%
December 31, 2020	2.7%	2.7%

7. Financial Instruments

IFRS 13 *Fair Value Measurement* requires classification of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The following table summarizes Canfor's financial instruments measured at fair value at March 31, 2022 and December 31, 2021, and shows the level within the fair value hierarchy in which the financial instruments have been classified:

(millions of Canadian dollars, unaudited)	Fair Value Hierarchy Level		**As at March 31, 2022**		As at December 31, 2021
Financial assets measured at fair value					
Investments	Level 1	**$**	**31.1**	$	36.1
Derivative financial instruments	Level 2		**4.0**		-
Duty deposits recoverable, net (Note 4)	Level 3		**237.5**		188.4
		$	**272.6**	$	224.5
Financial liabilities measured at fair value					
Derivative financial instruments	Level 2	**$**	**-**	$	2.1
Put liability	Level 3		**145.0**		156.2
		$	**145.0**	$	158.3

The following table summarizes the gains (losses) on derivative financial instruments in the condensed consolidated statement of income:

		3 months ended March 31,		
(millions of Canadian dollars, unaudited)		**2022**		2021
Lumber futures	**$**	**2.3**	$	(9.7)
Foreign exchange forward contracts		**0.5**		(3.4)
Gain (loss) on derivative financial instruments	**$**	**2.8**	$	(13.1)

During the three months ended March 31, 2022, a gain of $3.9 million was recognized in 'Other Equity' on the Company's condensed consolidated balance sheet following remeasurement of the put liability (three months ended March 31, 2021 – loss of $8.3 million), primarily reflecting a change in option terms agreed to in the first quarter of 2022. As a result of this remeasurement, combined with a foreign exchange gain of $7.3 million (three months ended March 31, 2021 – gain of $12.4 million), the balance of the put liability was $145.0 million at March 31, 2022 (December 31, 2021 – $156.2 million).

8. Income Taxes

The components of the Company's income tax expense are as follows:

		3 months ended March 31,		
(millions of Canadian dollars, unaudited)		**2022**		2021
Current	**$**	**(176.5)**	$	(158.4)
Deferred		**0.2**		15.6
Income tax expense	**$**	**(176.3)**	$	(142.8)

The reconciliation of income taxes calculated at the statutory rate to the actual income tax provision is as follows:

		3 months ended March 31,		
(millions of Canadian dollars, unaudited)		**2022**		2021
Income tax expense at statutory rate of 27.0% (2021 – 27.0%)	**$**	**(201.6)**	$	(160.8)
Add (deduct):				
Non-taxable loss related to non-controlling interests		**-**		(0.2)
Entities with different income tax rates and other tax adjustments		**24.9**		17.8
Permanent difference from capital gains and losses and other non-deductible items		**0.4**		0.4
Income tax expense	**$**	**(176.3)**	$	(142.8)

In addition to the amounts recorded to net income, a tax expense of $9.2 million was recorded to other comprehensive loss in relation to actuarial gains, net, on the defined benefit plans for the three months ended March 31, 2022 (three months ended March 31, 2021 – $8.6 million).

9. Earnings Per Common Share and Normal Course Issuer Bid

Basic net income per common share is calculated by dividing the net income attributable to common equity shareholders by the weighted average number of common shares outstanding during the period.

	3 months ended March 31,	
	2022	2021
Weighted average number of common shares	**124,476,151**	125,219,400

On March 17, 2022, the Company announced that it has received regulatory approval for an early renewal of its normal course issuer bid whereby it can purchase for cancellation up to 6,224,680 common shares, or approximately 5% of its issued and outstanding common shares as at March 15, 2022. The renewed normal course issuer bid is set to expire on March 20, 2023.

During the three months ended March 31, 2022, the Company purchased 269,200 common shares for $7.3 million (an average of $27.12 per common share), of which $5.7 million was paid during the quarter.

As at March 31, 2022 and May 2, 2022, based on the trade date, there were 124,224,400 common shares of the Company outstanding and Canfor's ownership interest in CPPI and Vida was 54.8% and 70.0%, respectively.

10. Net Change in Non-Cash Working Capital

		3 months ended March 31,		
(millions of Canadian dollars, unaudited)		**2022**		2021
Accounts receivable	**$**	**(170.5)**	$	(157.3)
Inventories		**(199.6)**		(256.8)
Prepaid expenses and other		**(1.9)**		(15.7)
Accounts payable and accrued liabilities and current portion of deferred reforestation obligations		**84.3**		75.1
Net change in non-cash working capital	**$**	**(287.7)**	$	(354.7)

11. Segment Information

Canfor has two reportable segments (lumber segment and pulp and paper segment), which offer different products and are managed separately because they require different production processes and marketing strategies.

Sales between segments are accounted for at prices that approximate fair value. These include sales of residual fibre from the lumber segment to the pulp and paper segment for use in the pulp production process.

(millions of Canadian dollars, unaudited)		Lumber		Pulp & Paper		Unallocated & Other		Elimination Adjustment		Consolidated
3 months ended March 31, 2022										
Sales from contracts with customers	**$**	**1,993.7**	**$**	**219.6**	**$**	**-**	**$**	**-**	**$**	**2,213.3**
Sales to other segments		**37.4**		**0.1**		**-**		**(37.5)**		**-**
Operating income (loss)		**783.0**		**(26.0)**		**(15.1)**		**-**		**741.9**
Amortization		**68.3**		**20.1**		**0.4**		**-**		**88.8**
Capital expenditures[1]		**61.8**		**18.4**		**1.1**		**-**		**81.3**
Identifiable assets		**4,537.5**		**814.4**		**1,463.0**		**-**		**6,814.9**
3 months ended March 31, 2021										
Sales from contracts with customers	$	1,679.5	$	262.3	$	-	$	-	$	1,941.8
Sales to other segments		49.9		0.1		-		(50.0)		-
Operating income (loss)		606.7		4.9		(9.0)		-		602.6
Amortization		73.0		20.8		0.3		-		94.1
Capital expenditures[1]		32.2		33.0		0.6		-		65.8
Identifiable assets		3,793.7		896.9		667.4		-		5,358.0

[1]Capital expenditures represent cash paid for capital assets during the periods, excluding assets purchased as part of acquisitions. Pulp & Paper includes capital expenditures by CPPI that were partially financed by government grants.

Geographic information

Canfor operates manufacturing facilities in Canada, the US and Europe. Canfor's products are marketed worldwide, with sales made to customers in a number of different countries. In presenting information on the basis of geographical location, sales are based on the geographical location of customers.

(millions of Canadian dollars, unaudited)	3 months ended March 31, **2022**			3 months ended March 31, 2021		
Sales by location of customer						
Canada	**10%**	**$**	**219.7**	11%	$	224.4
United States	**60%**		**1,341.0**	56%		1,090.0
Europe	**16%**		**353.1**	16%		302.2
Asia	**12%**		**257.0**	15%		287.7
Other	**2%**		**42.5**	2%		37.5
	100%	**$**	**2,213.3**	100%	$	1,941.8

12. Acquisition of Millar Western Sawmill Assets

On March 1, 2022, Canfor completed the acquisition of Millar Western's solid wood operations and associated forest tenure for total consideration of $438.4 million, including $101.5 million in net working capital. Millar Western's solid wood operations, located in Alberta, Canada, consist of two sawmills and one high-value specialty facility and have an annual production capacity of 630 million board feet. The transaction was accounted for as a business combination under IFRS 3 *Business Combinations* ("IFRS 3") and is included in Canfor's lumber segment.

The following table summarizes the consideration and preliminary recognized amounts of net identifiable assets acquired by Canfor at the acquisition date:

(millions of Canadian dollars, unaudited)		
Cash consideration paid	**$**	**418.1**
Consideration payable (preliminary working capital adjustment)		**20.3**
Total consideration	**$**	**438.4**
Property, plant and equipment	**$**	**235.5**
Timber licenses		**83.7**
Non-cash working capital, net (including inventory)		**101.5**
Goodwill		**29.5**
Deferred reforestation obligations		**(11.8)**
Total preliminary net identifiable assets	**$**	**438.4**

Following the completion of final review procedures related to the valuation of timber licenses, property, plant and equipment, as well as finalizing net working capital, preliminary amounts above may be revised.

The Company incurred acquisition-related costs of $3.1 million, primarily related to external legal fees and due diligence costs, which have been included in 'Selling and administration costs' in the condensed consolidated statement of income when incurred.

13. Countervailing and Anti-Dumping Duties

In 2016, a petition was filed by the US Lumber Coalition to the US Department of Commerce ("DOC") and the US International Trade Commission ("ITC") alleging certain subsidies and administered fees below the fair market value of timber that favour Canadian lumber producers. Canfor was selected by the DOC as a "mandatory respondent" to the countervailing and anti-dumping investigations and is subject to company specific CVD and ADD rates. As a result of the DOC's investigation, CVD and ADD were imposed on the Company's Canadian lumber exports to the United States beginning in 2017, with cash deposits posted at an ADD rate of 7.28% and CVD rate of 13.24% (combined cash deposit rate of 20.52%) from 2017 to November 2020, at a combined cash deposit rate of 4.62% from December 1, 2020 until November 30, 2021, and at a combined cash deposit rate of 19.54% thereafter. As at March 31, 2022, Canfor has paid cumulative cash deposits of $771.1 million.

Canfor and other Canadian forest product companies, the Federal Government and Canadian Provincial Governments continue to categorically deny the US allegations and strongly disagree with the current countervailing and anti-dumping determinations made by the DOC. Canada has proceeded with legal challenges under the United States-

Mexico-Canada Agreement and through the World Trade Organization, where Canadian litigation has proven successful in the past.

On January 1, 2022, the Company moved into the fifth period of review ("POR5"), which is based on sales and cost data in 2022. Consistent with prior periods of review, the Company was unable to estimate an applicable CVD rate separate from the DOC's cash deposit rate. As a result, CVD was expensed at a rate of 2.42% for the three months ended March 31, 2022, while ADD was expensed at an estimated rate of 5.00%, resulting in a combined CVD and ADD accrual rate of 7.42% (versus the combined cash deposit rate of 19.54%, comprised of a CVD rate of 2.42% and ADD rate of 17.12%) for the quarter. Despite cash deposits being made in 2022 at rates determined by the DOC (19.54%), the final liability associated with duties is not determined until the completion of administrative reviews performed by the DOC.

Also in January 2022, the DOC announced the preliminary results for the third period of review ("POR3"), which is based on sales and cost data in 2020. The Company's preliminary CVD and ADD rate for 2020 was determined to be 1.83% and 4.92%, respectively. Upon finalization of these rates (currently anticipated in the third quarter of 2022), a recovery, estimated at $88.8 million (US$66.5 million), will be recognized in the Company's condensed consolidated interim financial statements to reflect the difference between the combined accrual rates and the DOC rates for POR3.

In addition, upon finalization of these rates, the Company's current combined cash deposit rate of 19.54% will be reset to the final rates as determined in POR3 (6.75% based on the preliminary determination). This new cash deposit rate will apply to the Company's Canadian lumber shipments destined to the United States until completion of the administrative review for the fourth period of review ("POR4") (anticipated in 2023). Despite the reduced preliminary rates for POR3, no cash duties will be refunded to the Company until such time as the litigation regarding the imposition of CVD and ADD has been settled.

Summary

For accounting purposes, a net duty recoverable of $237.5 million is included on the Company's condensed consolidated balance sheet (Note 4) reflecting differences between the cash deposit rates and the Company's combined accrual rates for each period of review, including interest.

For the three months ended March 31, 2022, the Company recorded a net duty expense of $37.9 million (three months ended March 31, 2021 – $31.1 million), comprised of cash deposits paid of $88.6 million (three months ended March 31, 2021 – $20.7 million), offset by a recovery of $50.7 million (three months ended March 31, 2021 – expense of $10.4 million), reflecting a lower combined accrual rate (7.42%) compared to the DOC's cash deposit rate (19.54%) for POR5 to date.

Canfor will continue to reassess the ADD accrual estimate at each quarter-end, applying the DOC's methodology to updated sales and cost data as this becomes available. Quarterly revisions to the ADD rate may result in a material adjustment to the condensed consolidated statement of income while the Administrative Reviews are taking place. Changes to the DOC's existing CVD and ADD rates during the course of each administrative review may also result in material adjustments to the condensed consolidated statement of income.