

Årsredovisning
för
RFG Holding (Sweden) AB
556733-0583

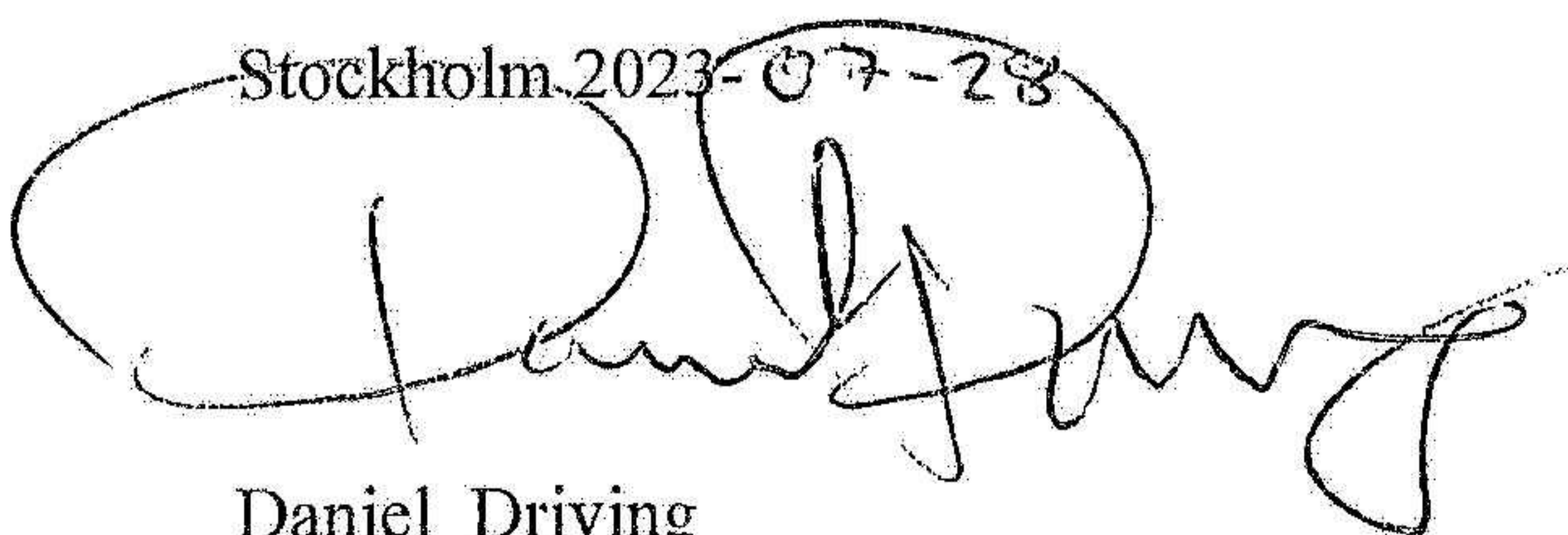
Räkenskapsåret
2022

Fastställelseintyg

Undertecknad styrelseledamot i RFG Holding (Sweden) AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-07-28. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2023-07-28



Daniel Driving

Årsredovisning

för

RFG Holding (Sweden) AB

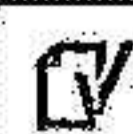
556733-0583

Räkenskapsåret

2022

Innehållsförteckning

Förvaltningsberättelse	1-2
Resultaträkning	3
Balansräkning	4-5
Noter	6-10
Underskrifter	10



Styrelsen och verkställande direktören för RFG Holding (Sweden) AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

RFG Holding (Sweden) AB, är ett helägt dotterbolag till Icopal A/S som i sin tur ingår i den koncern där Standard Industries Inc. USA är yttersta moderbolag. Bolaget ska äga och förvalta värdepapper i andra bolag.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har skett under räkenskapsåret.

Flerårsöversikt (Tkr)	2022	2021	2020	2019	2018
Resultat efter avskrivningar	-19	-29	0	0	0
Balansomslutning	614 386	598 801	578 062	1 007 937	1 007 108
Soliditet (%)	89,8	89,7	89,9	9,2	13,9
Antal anställda	0	0	0	0	0

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i eget kapital (Tkr)

	Aktie- kapital	Fri överkurs- fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	1 000	325	515 883	19 858	537 066
Disposition enligt beslut av årsstämman:			19 858	-19 858	0
Årets resultat				14 946	14 946
Belopp vid årets utgång	1 000	325	535 741	14 946	552 012



Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	535 740 965
överkursfond	325 000
årets vinst	14 946 468
	551 012 433

disponeras så att	
till aktieägare utdelas	148 742 536
i ny räkning överföres	402 269 897
	551 012 433

Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

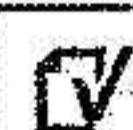


Resultaträkning

Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens kostnader			
Övriga externa kostnader		-19	-29
		-19	-29
Rörelseresultat		-19	-29
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter	2	-619	-852
		-619	-852
Resultat efter finansiella poster		-638	-881
Bokslutsdispositioner	3	15 584	20 739
Resultat före skatt		14 946	19 858
Årets resultat		14 946	19 858

2023080306997



Balansräkning

Tkr

Not

2022-12-31

2021-12-31

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag

4, 5

402 876

402 876

402 876

402 876

Summa anläggningstillgångar

402 876

402 876

Omsättningstillgångar

Kortfristiga fordringar

Fordringar hos koncernföretag

211 097

195 513

Övriga fordringar

413

412

211 510

195 925

Summa omsättningstillgångar

211 510

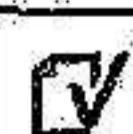
195 925

SUMMA TILLGÅNGAR

614 386

598 801

2023080306998



Balansräkning

Tkr

Not

2022-12-31

2021-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

6, 7

Bundet eget kapital

Aktiekapital

1 000

1 000

1 000

1 000

Fritt eget kapital

Fri överkursfond

325

325

Balanserad vinst eller förlust

535 741

515 883

Årets resultat

14 946

19 858

551 012

536 066

Summa eget kapital

552 012

537 066

Kortfristiga skulder

Leverantörsskulder

19

0

Skulder till koncernföretag

62 355

61 735

Summa kortfristiga skulder

62 374

61 735

SUMMA EGET KAPITAL OCH SKULDER

614 386

598 801

2023080306999



Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Finansiella instrument

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Kundfordringar/kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar

Vid varje balansdag bedömer RFG Holding (Sweden) AB om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och provas individuellt. Nedskrivning redovisas i resultaträkningsposten Resultat från övriga värdepapper och fordringar som är anläggningstillgångar. Nedskrivningsbehovet provas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Exempel på indikationer på nedskrivningsbehov är negativa ekonomiska omständigheter eller ogynnsamma förändringar av branschvillkor i företag vars aktier bolaget investerat i. Nedskrivning för tillgångar värderade till upplupet anskaffningsvärde beräknas som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av de framtida kassaflödena diskonterade med tillgångens ursprungliga effektivränta. Om nedskrivningen av aktier sker fastställs nedskrivningsbeloppet som skillnaden mellan det redovisade värdet och det högsta



av verkligt värde med avdrag för försäljningskostnader och nuvärdet av framtida kassaflöden.

Likvida medel

Moderföretaget har medel på koncernkontot hos koncernens finansbolag. Dessa klassificeras som koncernmellanhavanden i balansräkningen.

Eget kapital

Eget kapital delas in i bundet och fritt eget kapital, i enlighet med årsredovisningslagens indelning.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadsats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Koncernbidrag

Koncernbidrag som lämnas till dotterföretag redovisas som en ökning av andelens redovisade värde. Erhållna koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Koncernredovisning upprättas av BMI Group Holdings Ltd., med säte i England och bolagsnummer 09984607. Bolaget (org nr 556733-0583 med säte i Stockholm), ingår i den koncern där Standard Industries Inc., USA, är yttersta moderbolag. Koncernredovisning för det utländska moderbolaget kan erhållas från BMI Sverige AB's (tidigare Icopal AB) huvudkontor i Malmö.

Nyckeltalsdefinitioner

Resultat efter avskrivningar

Resultat efter avskrivningar men före finansiella intäkter och kostnader.

Balansomslutning

Företagets samlade tillgångar.

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Antal anställda

Medelantal anställda under räkenskapsåret.

Not 2 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	619	852
	619	852

Not 3 Bokslutsdispositioner

	2022	2021
Erhållna koncernbidrag	15 584	20 739
	15 584	20 739

Not 4 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	592 378	592 378
Utgående ackumulerade anskaffningsvärden	592 378	592 378
Ingående nedskrivningar	-189 502	-189 502
Utgående ackumulerade nedskrivningar	-189 502	-189 502
Utgående redovisat värde	402 876	402 876

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

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Not 5 Specifikation andelar i koncernföretag

Namn	Kapital- andel (%)	Rösträtts- andel (%)	Antal andelar	Bokfört värde
BMI Flachdach GmbH	100	100	6 000	402 876 402 876

	Org.nr	Säte	Eget kapital	Resultat
BMI Flachdach GmbH	HRB 6454	Frankfurt	29 540	-45 835

Not 6 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot- värde
Antal aktier	46 350 000 46 350 000	0,02

Not 7 Disposition av vinst eller förlust

2022-12-31

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel:

balanserad vinst	535 741
överkursfond	325
årets vinst	14 946
	551 012

disponeras så att	
till aktieägare utdelas	148 743
i ny räkning överföres	402 270
	551 012

Not 8 Ställda säkerheter

	2022-12-31	2021-12-31
Aktier i dotterbolag	402 876	402 876
	402 876	402 876

Not 9 Eventualförpliktelser

Ställda säkerheter per 2022-12-31 begränsas utifrån Aktiebolagslagen (2005:551) regler avseende värdeöverföring från bolaget (Ref ABL 17 kap).

Not 10 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har skett efter räkenskapsårets slut.

Malmö den dag som framgår av min elektroniska underskrift

Joergen Erichsen
Ordförande

Paul Stel

Daniel Driving
Verkställande direktör

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur

Ernst & Young Aktiebolag

Peter Gunnarsson
Auktoriserad revisor

2023080307005



Document history

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RECIPIENT	ACTION*	TIMESTAMP (CET)	METHOD	DETAILS
1. Paul Stel paul.stel@bmigroup.com	Signed	03.07.2023 11:03	Email	IP: 94.215.200.241
	Authenticated	03.07.2023 11:03	Medium	+31620611894
2. DANIEL DRIVING daniel.driving@bmigroup.com	Signed	03.07.2023 12:39	eID	Swedish BankID (DOB: 1968/01/10)
	Authenticated	03.07.2023 12:39	High	Swedish BankID (SSN: 196801100519)
3. Joergen Erichsen joergen.erichsen@bmigroup.com	Signed	03.07.2023 16:21	Email	IP: 80.208.71.227
	Authenticated	03.07.2023 16:20	Medium	+4527792524
4. Lars Johan Peter Gunnarsson peter.gunnarsson@se.ey.com	Signed	03.07.2023 18:52	eID	Swedish BankID (DOB: 1972/03/28)
	Authenticated	03.07.2023 18:23	High	Swedish BankID (SSN: 197203284158)

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2023080307006

Revisionsberättelse

Till bolagsstämman i RFG Holding (Sweden) AB, org.nr 556733-0583

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för RFG Holding (Sweden) AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av RFG Holding (Sweden) ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till RFG Holding (Sweden) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.



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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av RFG Holding (Sweden) AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till RFG Holding (Sweden) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaper. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Anmärkningar

Årsredovisningen avgavs inte i sådan tid att det, enligt 7 kap. 10 § aktiebolagslagen, varit möjligt att hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Malmö såsom framgår av min elektroniska signatur

Ernst & Young AB

Peter Gunnarsson
Auktoriserad revisor

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Lars Johan Peter Gunnarsson

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BMI Group Holdings (USA) LLC

Consolidated Financial Statements
Years Ended December 31, 2022 and 2021
With Report of Independent Auditors

BMI GROUP HOLDINGS (USA) LLC
CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

	<u>Page</u>
Report of Independent Auditors	1
Consolidated Statements of Operations for the Years Ended December 31, 2022 and 2021	3
Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2022 and 2021	4
Consolidated Balance Sheets as of December 31, 2022 and 2021	5
Consolidated Statements of Cash Flows for the Years Ended December 31, 2022 and 2021	6
Consolidated Statements of Member's Equity for the Years Ended December 31, 2022 and 2021	8
Notes to Consolidated Financial Statements	9
Management's Discussion and Analysis of Operations, Liquidity and Financial Condition (Unaudited)	29



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Report of Independent Auditors

The Board of Directors and Shareholder of BMI Group Holdings (USA) LLC

Opinion

We have audited the consolidated financial statements of BMI Group Holdings (USA) LLC and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive loss, cash flows, and member's equity for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

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GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Management's Discussion and Analysis of Operations, Liquidity and Financial Condition supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, accordingly, we express no opinion on it.

Ernst + Young LLP

April 14, 2023

BMI GROUP HOLDINGS (USA) LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

2023121806049

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Thousands)</u>	
Net revenues.....	\$ 2,800,726	\$ 2,751,857
Costs and expenses:		
Cost of goods sold.....	1,812,273	1,785,384
Selling, general and administrative.....	845,625	860,602
Amortization of intangible assets.....	44,154	56,865
Restructuring and other expenses.....	69,129	71,799
Other income, net.....	(9,841)	(9,012)
Total costs and expenses.....	<u>2,761,340</u>	<u>2,765,638</u>
Income (loss) before interest expense and income taxes.....	39,386	(13,781)
Interest expense.....	<u>(27,005)</u>	<u>(29,108)</u>
Income (loss) before income taxes.....	12,381	(42,889)
Income tax expense.....	<u>(33,990)</u>	<u>(22,040)</u>
Net loss.....	<u>\$ (21,609)</u>	<u>\$ (64,929)</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

BMI GROUP HOLDINGS (USA) LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31,	
	2022	2021
	(Thousands)	
Net loss.....	<u>\$ (21,609)</u>	<u>\$ (64,929)</u>
Pension plan adjustment (net of tax of (\$33,595) and (\$12,174) in 2022 and 2021, respectively)	85,578	32,509
Cumulative translation adjustment.....	<u>(102,330)</u>	<u>(98,619)</u>
Comprehensive loss	<u><u>\$ (38,361)</u></u>	<u><u>\$ (131,039)</u></u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

BMI GROUP HOLDINGS (USA) LLC
CONSOLIDATED BALANCE SHEETS

2023121806050

	December 31,	
	2022	2021
	(Thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 121,176	\$ 138,281
Accounts receivable, trade, net	299,606	273,072
Other receivables	54,416	59,853
Receivables from related parties	1,186	2
Inventories, net	565,921	457,759
Other current assets	61,435	35,266
Total Current Assets	1,103,740	964,233
Property, plant and equipment, net	1,021,096	1,064,781
Operating lease right-of-use assets, net	111,360	—
Goodwill	976,287	1,016,364
Intangible assets, net	533,921	587,641
Deferred income tax benefits	40,194	53,931
Other noncurrent assets	200,702	141,750
Total Assets	\$ 3,987,300	\$ 3,828,700
Liabilities and Member's Equity		
Current Liabilities:		
Current maturities of long-term debt	\$ 1,890	\$ 147
Current portion of operating lease liabilities	26,211	—
Accounts payable	263,822	243,367
Payables to related parties	8,168	10,001
Accrued liabilities	498,278	512,121
Product warranty claims	9,432	13,047
Total Current Liabilities	807,801	778,683
Long-term debt	4,671	1,461
Operating lease liabilities	85,179	—
Related party loans	903,597	801,740
Product warranty claims	39,454	37,278
Deferred income tax liabilities	148,851	136,512
Other liabilities	442,177	583,599
Commitments and Contingencies - Note 16		
Member's Equity:		
Membership Interest	1,569,297	1,486,402
Accumulated other comprehensive income	(13,727)	3,025
Total Member's Equity	1,555,570	1,489,427
Total Liabilities and Member's Equity	\$ 3,987,300	\$ 3,828,700

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

BMI GROUP HOLDINGS (USA) LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2022	2021
	(Thousands)	
Cash and cash equivalents, beginning of period.....	\$ 138,281	\$ 242,746
Cash flows from operating activities:		
Net loss	(21,609)	(64,929)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation	113,385	131,721
Amortization of intangible and other assets	70,173	74,569
Noncash restructuring and other expenses	—	191
Deferred income taxes	(14,797)	(17,082)
Change in working capital items.....	(179,576)	(25,245)
Increase (decrease) in product warranty claims.....	1,862	(6,458)
Increase in other noncurrent assets	(90,034)	(80,335)
Increase in other liabilities	10,263	5,641
Change in net receivables from/payables to related parties.....	34	5,389
Other, net.....	201	(2,029)
Net cash (used in) provided by operating activities.....	<u>(110,098)</u>	<u>21,433</u>
Cash flows from investing activities:		
Capital expenditures, net of disposals.....	(113,786)	(102,891)
Acquisition.....	(47,408)	—
Net cash used in investing activities.....	<u>(161,194)</u>	<u>(102,891)</u>
Cash flows from financing activities:		
Issuance of related party loans.....	160,552	29,671
Repayment of related party loans	—	(103,903)
Contribution from parent corporation.....	99,050	61,360
Net cash provided by (used in) financing activities.....	<u>259,602</u>	<u>(12,872)</u>
Effect of exchange rate on cash.....	(5,415)	(10,135)
Net change in cash and cash equivalents.....	<u>(17,105)</u>	<u>(104,465)</u>
Cash and cash equivalents, end of period.....	<u>\$ 121,176</u>	<u>\$ 138,281</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
(Continued on the following page)

BMI GROUP HOLDINGS (USA) LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Supplemental Cash Flow Information:	(Thousands)	
Effect on cash from changes in working capital items:		
Increase in accounts receivable, trade, net and other receivables.....	\$ (49,786)	\$ (61,615)
Increase in inventories, net.....	(134,252)	(78,192)
Increase in other current assets.....	(27,833)	(8,149)
Increase in accounts payable and accrued liabilities.....	32,295	122,711
Net effect of change in working capital items.....	<u>\$ (179,576)</u>	<u>\$ (25,245)</u>
Cash paid during the period for:		
Interest.....	\$ 19,987	\$ 22,491
Income taxes.....	\$ 32,102	\$ 26,066

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

BMI GROUP HOLDINGS (USA) LLC

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

	Membership Interest	Accumulated Other Comprehensive (Loss) Income	Total Member's Equity
	(Thousands)		
Balance, December 31, 2020	\$ 1,489,971	\$ 69,135	\$ 1,559,106
Net loss	(64,929)	—	(64,929)
Pension plan adjustment, net of tax expense of \$12,174	—	32,509	32,509
Cumulative translation adjustment	—	(98,619)	(98,619)
Contribution from parent corporation	61,360	—	61,360
Balance, December 31, 2021	\$ 1,486,402	\$ 3,025	\$ 1,489,427
Net loss	(21,609)	—	(21,609)
Pension plan adjustment, net of tax expense of \$33,595	—	85,578	85,578
Cumulative translation adjustment	—	(102,330)	(102,330)
Contribution from parent corporation	104,504	—	104,504
Balance, December 31, 2022	\$ 1,569,297	\$ (13,727)	\$ 1,555,570

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of the Company

BMI Group Holdings (USA) LLC ("BMI LLC" or the "Company") is a privately-held, global holding company with interests in the building materials industry. The Company is a wholly-owned subsidiary of Standard Building Solutions, Inc. ("Standard Building Solutions").

The Company's primary operating entity is BMI Group Holdings UK Limited ("BMI Group"), which is a leading global manufacturer and supplier of high-end flat and pitched roofing systems and waterproofing solutions with 136 strategically located manufacturing facilities primarily serving the European residential and non-residential markets. BMI Group's product portfolio focuses on concrete, clay and steel tiles, bitumen and synthetic membranes, liquid-applied roofing products as well as roofing components with a reputation of superior quality and unparalleled distribution networks.

The consolidated financial statements of the Company reflect, in the opinion of management, all adjustments necessary to present fairly the financial position of the Company at December 31, 2022 and 2021 and the results of its operations and its cash flows for the years ended December 31, 2022 and 2021. All adjustments are of a normal recurring nature, except for the restructuring and other expenses recorded in the Company's statements of income for the years ended December 31, 2022 and 2021. See Note 6.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial results of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Financial Statement Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires the Company's management to make certain estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates including, but not limited to, those related to customer incentives, doubtful accounts, inventory valuation, product warranty claims, environmental liabilities, the carrying value of goodwill, the carrying value of long-lived tangible and intangible assets, leases, pensions, contingent liabilities, uncertain tax positions and deferred tax valuation allowances. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Cash and Cash Equivalents

Cash and cash equivalents can include cash on deposit, commercial paper and highly-rated government-backed securities purchased with original maturities of three months or less at the date of purchase.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Financial Instruments

The Company's equity investments that give the Company the ability to influence but not control the operating or financial decisions of the investee are accounted for using the equity method of accounting. Under the equity method, the Company recognizes a proportionate share of the investee's net income through an adjustment to the carrying value of the investment. The Company's equity-method investments are recorded in other noncurrent assets in the consolidated balance sheets with changes in carrying value from the proportionate share of the investee's net income included in other (income) expense, net in the consolidated statements of operations.

The Company's equity-method investments are assessed for impairment when observable events or changes in circumstances have occurred that may have a significant adverse effect on the carrying value of the investments.

Certain of the Company's employee benefit plans contain investment funds that are valued using the net asset value ("NAV") per share practical expedient for fair values. The NAVs are determined based on the fair values of the underlying investments in the funds. See Note 14.

Accounts Receivable, Allowance for Doubtful Accounts and Customer Incentives

Accounts receivable, trade, net is presented net of allowances for doubtful accounts aggregating to \$18.1 and \$14.8 million at December 31, 2022 and 2021, respectively. Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

The Company maintains allowances for customer incentives and volume rebates resulting from promotional programs to certain of its customers. The customer incentives and volume rebates are recorded as a reduction in gross revenues at the time of sale, and such amounts are recorded based on customers' purchase levels of specific products and the promotional programs related to these products. The Company evaluates customer performance against these incentives and volume rebate programs periodically. Adjustments to the Company's estimates may result in additional allowances or reductions to the customer incentive reserves.

The Company also maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write-off experience, as well as customer operating performance and payment practices. Management assesses the financial condition of its customers and the markets in which these customers participate and adjusts credit limits or the allowance for doubtful accounts based on this periodic review, which includes a detailed analysis of the customers' historical financial information and performance against key financial performance metrics. If the financial condition of the Company's customers were to deteriorate, the Company's ability to collect on accounts could be negatively impacted, in which case additional allowances may be required. Consequently, an adverse change in the financial condition of a particular customer could affect the Company's estimate of its bad debts. The Company reviews its allowance for doubtful accounts periodically and past due balances are reviewed individually for collectability. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Inventories

Inventories are stated at the lower of cost or market and are valued on the FIFO (first-in, first-out) method. The Company adjusts its inventories for estimated obsolescence or lack of marketability equal to the difference between the cost of inventories and their estimated net realizable value based upon assumptions related to future demand and market conditions. If actual market conditions differ from those projected by management, additional inventory adjustments may be required.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets. The Company uses a useful life of 5 to 25 years for land improvements, 10 to 50 years for buildings and building equipment and 5 to 20 years for machinery, equipment and vehicles, which includes furniture and fixtures. Repairs are capitalized if the repair extends the useful life of an asset beyond its original estimated useful life or increases the value of the asset.

Leases

The Company is party to various leases for real estate, buildings, machines and vehicles with maturity dates through 2034. Leases are categorized as either operating or finance. Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are included in property, plant and equipment, net in the consolidated balance sheets.

Lease liabilities with an initial term greater than 12 months are recognized at the present value of the fixed lease payments in the consolidated balance sheets using an estimate of the Company's incremental borrowing rate. Costs associated with operating lease right-of-use-assets and liabilities are recognized on a straight-line basis over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. The interest component of a finance lease liabilities are recognized using the effective interest method over the lease term and included in interest expense in the Company's consolidated statements of income.

Many of our leases include escalation clauses, renewal options and/or termination options that are factored into our determination of lease payments when reasonably certain. Certain leases also include obligations to pay for other services, such as operations and maintenance, which are also included as a component of the lease payments. The Company's lease agreements do not contain any material residual value guarantees.

Asset Retirement Obligations

The Company records asset retirement obligations in the period in which the liability is incurred. The liability is measured based on management's estimates of the future costs to be incurred to complete the reclamation and remediation work required to comply with existing laws and regulations and is adjusted to its present value in subsequent periods as accretion expense is recorded. The corresponding asset retirement costs are capitalized as part of the carrying value of the related long-lived assets and depreciation is computed on the straight-line method based on the estimated useful lives of the assets.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Long-Lived Asset Impairment

The Company follows ASC 360-10, "*Property, Plant and Equipment – Impairment or Disposal of Long-Lived Assets*" related to the impairment or disposal of long-lived assets. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For purposes of recognizing and measuring impairment of long-lived assets, the Company evaluates assets at the lowest level of independent cash flows ascertainable to evaluate if an impairment exists. Any impairment would be measured as the excess of the carrying value over the fair value of the related asset. See Notes 7 and 10.

Goodwill and Other Intangibles

The Company's goodwill and indefinite-lived assets are subject to at least an annual assessment for impairment or more frequently if events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. See Note 7. The Company did not identify an impairment of its recorded goodwill during the years ended December 31, 2022 and 2021.

Fair Value of Financial Instruments

The Company's financial instruments consist mainly of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, long-term loans and lease obligations. The Company's financial instruments recorded on its consolidated balance sheets have carrying values that equal or approximate fair value. In the absence of quoted market prices, considerable judgment is required in developing estimates of fair value. The Company's estimates are based on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Estimates are not necessarily indicative of the amounts the Company could realize in a current market transaction.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the valuation methodologies used for assets measured at fair value at December 31, 2022 and 2021. See Note 12.

The three levels of inputs that may be used to measure fair value are as follows:

- **Level 1** – Quoted prices for identical instruments in active markets
- **Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose significant inputs are observable
- **Level 3** – Unobservable inputs that are supported by little or no market data

Revenue Recognition

Revenue is recognized at the time products are shipped to the customer. Products are generally shipped Freight on Board, or FOB shipping point, where title and risk of loss pass to the customer at the time of shipment. The Company accounts for shipping and handling that occurs after title and risk of loss have passed to the customer as a fulfillment cost rather than as a separate performance obligation.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Advertising Costs

Advertising costs are expensed as incurred and are included in the consolidated statements of operations in selling, general and administrative expenses and amounted to \$21.3 and \$22.8 million in the years ended December 31, 2022 and 2021, respectively.

Research and Development

Research and development expenses are expensed as incurred and are included in the consolidated statements of operations in selling, general and administrative expenses and amounted to \$18.7 and \$19.9 million in the years ended December 31, 2022 and 2021, respectively.

Income Taxes

BMI LLC is treated as a disregarded entity for U.S. federal income tax purposes and is generally not subject to income taxes. Income taxes reflected in the consolidated financial statements represents income tax obligations of the Company's wholly-owned subsidiaries and are accounted for under the asset and liability method. Deferred income tax benefits and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and tax credit carryforwards. Deferred income tax benefits and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax benefits and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established to offset any deferred income tax benefit if it is more likely than not that some or all of the deferred income tax benefit will not be realized. The determination of the amount of a valuation allowance to be provided on recorded deferred income tax benefits involves estimates regarding the timing and amount of the reversal of taxable temporary differences, expected future taxable income and the impact of tax planning strategies. In assessing the need for a valuation allowance, the Company considers past operating results, projections of future taxable income and the feasibility of ongoing tax planning strategies. The projections of future taxable income include a number of estimates and assumptions regarding the Company's future operations. Additionally, valuation allowances related to deferred income tax benefits can be impacted by changes to tax laws. See Note 8.

The Company uses judgment in determining income tax provisions and in evaluating its tax positions under ASC 740, "Income Taxes." Additional provisions for income taxes are established when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold as defined in ASC 740, which is a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority. The Company's subsidiaries are examined by various tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provision, the current tax liability and deferred income taxes in the period in which the facts that give rise to a revision become known. See Note 8.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company recognizes interest and penalties related to income tax matters in interest expense in the consolidated statements of income. As of December 31, 2022 and 2021, the Company had \$7.9 and \$11.4 million, respectively, of accrued interest and penalties.

Environmental Liabilities

The Company accrues environmental costs when it is probable that it has incurred a liability and the expected amount can be reasonably estimated. The amount accrued reflects the Company's assumptions about remedial requirements at the contaminated site, the nature of the remedy, the outcome of discussions with regulatory agencies and other potential responsible parties at multi-party sites and the number and financial viability of other potentially responsible parties. Adverse decisions or events, particularly as to increases in remedial costs, discovery of new contamination, assertion of natural resource damages, and the liability and the financial responsibility of the other parties and their insurers, could cause the Company to increase its estimate of its liability in respect of those matters. The Company's liability is reflected on a discounted basis. The estimated environmental liability is included in other liabilities and is reviewed by the Company on an ongoing basis. See Note 16.

Pension Benefits

The Company maintains defined benefit plans that provide eligible employees with retirement benefits. The costs and obligations related to these benefits reflect the Company's assumptions related to general economic conditions (particularly interest rates), expected return on plan assets and rate of compensation increases for employees. The Company sets the discount rate assumptions annually for its retirement-related benefit plans at the measurement date to reflect the yield of high-quality fixed-income debt instruments. The expected long-term rate of return on assets is derived from a detailed periodic study conducted by the Company and includes a review of anticipated future long-term performance of individual asset categories. While the study gives appropriate consideration to recent plan performance and historical returns, the assumption is primarily a long-term prospective rate. The cost of providing plan benefits also depends on demographic assumptions including retirements, mortality, turnover and plan participation. If actual experience differs from these assumptions, the cost of providing these benefits could increase or decrease. See Note 14.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash equivalents, investments and trade receivables. From time to time, the Company places its cash investments with highly-rated government-backed securities, commercial paper of prime quality and certain time deposits. To reduce credit risk, the Company performs periodic credit evaluations of its customers while monitoring the creditworthiness of its customers to which it extends credit, but does not generally require advance payments or collateral. Concentration of credit risk with respect to trade receivables is generally limited as the Company's customer base is comprised of a large number of individual customers. The terms and conditions of the Company's credit type sales are specifically designed to mitigate the concentration of credit risk with any single customer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Foreign Currency

Assets and liabilities of foreign subsidiaries are translated at foreign currency exchange rates in effect at the close of the period. Revenues and expenses are translated at the weighted-average foreign currency exchange rates in effect during the year. The resulting translation gains and losses are deferred and are shown as a separate component of member's equity. Transaction gains and losses are recorded in the consolidated statements of operations in the period incurred within other (income) expense, net.

Note 3. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "*Leases*." ASU 2016-02, along with subsequent amendments, amends accounting for leases requiring that a lessee recognize assets and liabilities for most leases and recognize expenses similar to current lease accounting. The Company adopted the new lease standard during 2022 using the optional transition approach and recognized right-of-use assets and liabilities for its lease arrangements classified as operating with a remaining term greater than twelve months. The adoption had no impact to membership interest and the Company did not adjust comparative periods. In addition, the Company utilized the practical expedients permitted under the transition guidance that allowed the Company to not reassess whether any expired or existing contracts contain leases, the lease classification for any expired or existing leases, or the initial direct costs for any existing leases.

In June 2016, the FASB issued ASU 2016-13, "*Measurement of Credit Losses on Financial Instruments*." ASU 2016-13, along with subsequent amendments, replaces the incurred loss methodology for recognizing credit losses with a current expected credit losses model and applies to all financial assets, including trade receivables. ASU 2016-13 is effective for all entities for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted. The Company does not expect this guidance to have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill Impairment*." ASU 2017-04 removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 will be effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted. The Company does not expect this guidance to have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, "*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*." The amendments in this ASU are expected to simplify the accounting for income taxes by removing certain exceptions and clarifying existing guidance in Topic 740. ASU 2019-12 is effective for all entities for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. The Company adopted this guidance in 2022 which did not have a material impact on its consolidated financial statements.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 4. Acquisition

In April 2022, the Company acquired Asfaltos ChovA S.A.U., a Spanish company specializing in efficient flat building solutions for waterproofing and thermal and acoustic insulation for cash consideration of €49 million, including cash acquired, and contingent consideration of up to €6 million, which is subject to completion of certain milestones. The Company accounted for the acquisition under the purchase method of accounting as prescribed by ASC 805, "Business Combinations," which requires the total purchase price be allocated to the fair value of assets acquired and liabilities assumed based on their fair values at the date of the acquisition, with amounts exceeding their fair value recorded as goodwill. As part of that preliminary allocation, the Company recorded \$18.4 and \$21.4 million of goodwill and intangible assets, respectively, for the acquisition. The intangible assets primarily consists of customer relationships and trademarks, which have a weighted-average useful life of 10 years.

Note 5. Accumulated Other Comprehensive Income

Accumulated other comprehensive income ("AOCI") and its components in the Company's consolidated financial statements include pension plan adjustments, net of tax and cumulative translation adjustments.

Changes in the components of AOCI, net of related taxes, for the years ended December 31, 2022 and 2021 are as follows:

	<u>Pension Plan Adjustments</u>	<u>Cumulative Translation Adjustments</u> (Thousands)	<u>Accumulated Other Comprehensive (Loss) Income</u>
Balance, December 31, 2020	\$ (60,164)	\$ 129,299	\$ 69,135
Other comprehensive (loss) income before reclassifications, net of related taxes.....	30,113	(98,619)	(68,506)
Amounts reclassified from AOCI, net of related taxes	2,396	—	2,396
Net other comprehensive (loss) income	32,509	(98,619)	(66,110)
Balance, December 31, 2021	\$ (27,655)	\$ 30,680	\$ 3,025
Other comprehensive income (loss) before reclassifications, net of related taxes.....	85,316	(102,330)	(17,014)
Amounts reclassified from AOCI, net of related taxes	262	—	262
Net other comprehensive income (loss)	85,578	(102,330)	(16,752)
Balance, December 31, 2022	\$ 57,923	\$ (71,650)	\$ (13,727)

The amounts reclassified to net income for pension plan adjustments are related to the recognition of actuarial losses and prior service credits and are included in other (income) expense, net in the consolidated statements of operations. The reclassifications are net of tax benefits of \$0.1 million for the year ended December 31, 2022.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 6. Restructuring and Other Expenses

Restructuring and other expenses primarily relate to costs associated with the closure of certain manufacturing facilities, the relocation of offices and acquisitions including the integration of acquired businesses. The nature of the costs incurred may include, but are not limited to, the write-down of inventory, intangible assets, property, plant and equipment, construction costs as well as operating costs, such as employee severance, lease termination, integration implementation costs and other nonrecurring items.

During the years ended December 31, 2022 and 2021, the Company recorded \$69.1 and \$71.8 million of restructuring and other expenses, respectively, in the consolidated statements of operations.

Note 7. Intangible Assets

The Company accounts for its intangible assets in accordance with ASC 350-30, "*General Intangibles Other Than Goodwill*." Intangible assets subject to amortization are amortized over their estimated useful lives which, individually, range up to 22 years.

Intangible assets consist of the following:

	December 31,					
	2022			2021		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(Thousands)					
Intangible assets subject to amortization:						
Customer relationships.....	\$ 408,580	\$ (249,234)	\$ 159,346	\$ 408,529	\$ (218,123)	\$ 190,406
Trademark/trade names.....	24,182	(8,109)	16,073	23,649	(6,548)	17,101
Core technology and other.....	54,646	(30,069)	24,577	58,725	(33,377)	25,348
Total.....	<u>487,408</u>	<u>(287,412)</u>	<u>199,996</u>	<u>490,903</u>	<u>(258,048)</u>	<u>232,855</u>
Intangible assets not subject to amortization:						
Trade names and other.....	333,925	—	333,925	354,786	—	354,786
Intangible assets, net.....	<u>\$ 821,333</u>	<u>\$ (287,412)</u>	<u>\$ 533,921</u>	<u>\$ 845,689</u>	<u>\$ (258,048)</u>	<u>\$ 587,641</u>

Intangible asset amortization expense was \$44.2 and \$56.9 million for the years ended December 31, 2022 and 2021, respectively. The following table summarizes, as of December 31, 2022, the Company's expected intangible asset amortization expense for each of the next five years and thereafter.

	(Thousands)
2023	\$ 50,317
2024	50,144
2025	50,144
2026	17,335
2027	6,413
Thereafter.....	25,643
Total	<u>\$ 199,996</u>

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 8. Income Taxes

Income tax expense consists of the following:

	Year Ended December 31,	
	2022	2021
	(Thousands)	
Current income tax expense.....	\$ (47,219)	\$ (38,235)
Deferred income tax benefit.....	13,229	16,195
Income tax expense	<u>\$ (33,990)</u>	<u>\$ (22,040)</u>

The components of the net deferred income tax liabilities are as follows:

	December 31,	
	2022	2021
	(Thousands)	
Gross deferred income tax benefits.....	\$ 99,466	\$ 135,580
Gross deferred income tax liabilities	(208,123)	(218,161)
Net deferred income tax liabilities.....	<u>\$ (108,657)</u>	<u>\$ (82,581)</u>
Amounts recognized in the consolidated balance sheets after netting:		
Net deferred income tax benefits	\$ 40,194	\$ 53,931
Net deferred income tax liabilities	(148,851)	(136,512)
Net deferred income tax liabilities.....	<u>\$ (108,657)</u>	<u>\$ (82,581)</u>

The Company's deferred income tax benefits and liabilities primarily relate to differences in the timing of depreciation and amortization, expenses not yet recognized for tax purposes, tax loss carryforwards and other items, and are presented net of valuation allowances.

As of December 31, 2022 and 2021, the Company's gross deferred income tax benefits included tax loss carryforwards of \$641.3 and \$694.8 million, respectively, before valuation allowance. The majority of these tax loss carryforwards are indefinite in nature.

As of December 31, 2022 and 2021, the Company's gross deferred income tax benefits were recorded net of valuation allowances of \$618.0 and \$675.5 million, respectively, to reduce the value of historical operating losses and other deductible differences incurred to the amount that the Company believes is more likely than not to be realized.

Tax Audit Proceedings

Certain of the Company's subsidiaries are under audit for years 2005 through 2022.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 9. Inventories

Inventories consist of the following:

	December 31,	
	2022	2021
	(Thousands)	
Finished goods.....	\$ 305,673	\$ 242,545
Work in process.....	9,641	9,902
Raw materials and supplies.....	250,607	205,312
Inventories, net.....	<u>\$ 565,921</u>	<u>\$ 457,759</u>

Note 10. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31,	
	2022	2021
	(Thousands)	
Land and land improvements.....	\$ 266,711	\$ 287,978
Buildings and building equipment.....	269,853	285,437
Machinery and equipment.....	646,694	712,125
Construction in progress.....	147,761	113,695
Total.....	<u>1,331,019</u>	<u>1,399,235</u>
Less: accumulated depreciation, depletion and amortization.....	<u>(309,923)</u>	<u>(334,454)</u>
Property, plant and equipment, net.....	<u>\$ 1,021,096</u>	<u>\$ 1,064,781</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$113.4 and \$131.7 million, respectively, which included depreciation expense related to the Company's finance leases.

As of December 31, 2022 and 2021, the Company had asset retirement obligations in the aggregate amount of \$8.5 and \$8.9 million, respectively, which are included in other liabilities in the consolidated balance sheets. The asset retirement obligations are primarily related to mine reclamation costs.

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BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 11. Leases

The Company's lease expense consists of the following:

	<u>Year Ended December 31, 2022</u> (Thousands)
Operating lease expense	28,011
Finance lease expense.....	112
Amortization	75
Interest.....	102
Short-term lease expense.....	3,134

In addition, during the year ended December 31, 2021, operating lease expense was \$37.7 million.

The following table provides a reconciliation of the undiscounted cash flows for each of the first five years and the total of the remaining years to the operating lease liabilities and the finance lease liabilities included in the Company's consolidated balance sheets as of December 31, 2022:

	<u>Operating Leases</u>	<u>Finance Leases</u>
	(Thousands)	
2023.....	26,200	529
2024.....	20,348	178
2025.....	15,536	122
2026.....	11,288	131
2027.....	8,244	140
2028 & Beyond.....	37,405	1,550
Total minimum lease payments.....	<u>119,021</u>	<u>2,650</u>
Less: implied interest.....	<u>(7,630)</u>	<u>(978)</u>
Present value of future minimum lease payments.....	111,391	1,672
Less: current lease obligations.....	<u>(26,211)</u>	<u>(503)</u>
Long-term lease obligations	<u>85,180</u>	<u>1,169</u>

During the year ended December 31, 2022, operating lease right-of-use assets obtained in exchange for new operating lease liabilities were \$33.6 million.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables summarize the weighted-average remaining term and weighted-average discount rate of the Company's leases:

<u>Weighted-average remaining lease term (years)</u>	<u>December 31, 2022</u>
Operating leases	5.7
Finance leases.....	12.6

<u>Weighted-average discount rate</u>	<u>December 31, 2022</u>
Operating leases	2.5 %
Finance leases.....	7.0 %

Note 12. Financial Instruments

Equity investments that give the Company the ability to influence but not control the operating or financial decisions of the investee are accounted for using the equity method of accounting. As of December 31, 2022 and 2021, the Company had \$17.2 and \$18.6 million, respectively, in equity-method investments, which are included in other noncurrent assets in the Company's consolidated balance sheets.

No impairment losses on equity-method investments were recorded during the years ended December 31, 2022 and 2021.

Note 13. Warranty Claims

The Company provides certain limited warranties covering most of its residential and commercial roofing products. The Company believes that the liability established for estimated probable future product warranty claims is adequate. If actual claims differ from these estimates, adjustments to this reserve may be required.

The activity in the liability for product warranty claims consists of the following:

	<u>2022</u>	<u>2021</u>
	(Thousands)	
Beginning balance.....	\$ 50,325	\$ 60,987
Charged to cost of goods sold	10,872	11,932
Payments/deductions	(9,136)	(18,907)
Impact of foreign currency translation	(3,175)	(3,687)
Ending balance.....	<u>\$ 48,886</u>	<u>\$ 50,325</u>

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 14. Benefit Plans

Eligible full-time employees of the Company are covered by various benefit plans, as described below.

Defined Contribution Plans

The Company has defined contribution plans for eligible salaried and hourly employees that provide discretionary matching contributions. The Company made contributions to its defined contribution plans of \$6.3 and \$7.0 million in the years ended December 31, 2022 and 2021, respectively.

Defined Benefit Plan

The Company provides noncontributory defined benefit retirement plans (the "Retirement Plans") for certain hourly and salaried employees based in the U.S. (the "U.S. Plans") and in regions outside the U.S. (the "Non-U.S. Plans").

The Company's net periodic pension cost for the Retirement Plans included the following components:

	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>Year Ended December 31,</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Thousands)</u>			
Service cost.....	\$ —	\$ —	\$ 8,072	\$ 8,209
Interest cost.....	330	289	3,741	3,895
Expected return on plan assets	(602)	(577)	(7)	(6)
Amortization of unrecognized prior service cost	—	—	6	7
Amortization of net (gains) losses from earlier periods	—	—	(1,396)	3,305
Settlement (gain) loss	—	—	(172)	285
Net periodic pension (benefit) cost.....	<u>\$ (272)</u>	<u>\$ (288)</u>	<u>\$ 10,244</u>	<u>\$ 15,695</u>

The components of net periodic pension cost other than the service and interest cost are included in other (income) expense, net in the consolidated statements of operations. Interest cost is included in interest expense in the consolidated statements of operations.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables set forth, for the years ended December 31, 2022 and 2021, reconciliations of the beginning and ending balances of the benefit obligations, fair value of plan assets, funded status and amounts recognized in the consolidated balance sheets related to the Retirement Plans. The Company uses a December 31 measurement date for the Retirement Plans.

	U.S. Plans		Non-U.S. Plans	
	December 31,			
	2022	2021	2022	2021
	(Thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year.....	\$ 14,254	\$ 15,451	\$ 520,256	\$ 601,041
Service cost	—	—	8,072	8,209
Interest cost	330	289	3,741	3,895
Actuarial gain.....	(2,372)	(475)	(116,099)	(33,493)
Benefits paid.....	(952)	(1,011)	(17,584)	(18,236)
Settlements.....	—	—	(1,390)	—
Impact of foreign currency translation.....	—	—	(33,620)	(41,160)
Benefit obligation at end of year	\$ 11,260	\$ 14,254	\$ 363,376	\$ 520,256
Change in plan assets:				
Fair value of plan assets at beginning of year.....	\$ 12,703	\$ 12,075	\$ 673	\$ 701
Actual return on plan assets	(1,814)	1,463	18	19
Employer contributions.....	—	176	2	2
Benefits paid.....	(952)	(1,011)	—	—
Impact of foreign currency translation.....	—	—	(39)	(49)
Fair value of plan assets at end of year.....	\$ 9,937	\$ 12,703	\$ 654	\$ 673
Amounts recognized in consolidated balance sheets (funded status):				
Accrued liabilities.....	\$ —	\$ —	\$ 20,795	\$ 19,795
Other liabilities.....	1,323	1,551	341,927	499,788
Total employee benefit plan obligation.....	\$ 1,323	\$ 1,551	\$ 362,722	\$ 519,583
Amounts recognized in AOCI:				
Net actuarial (gain) loss	\$ (810)	\$ (854)	\$ (76,375)	\$ 42,902
Prior service cost.....	—	—	78	90
Total.....	\$ (810)	\$ (854)	\$ (76,297)	\$ 42,992
Other changes in plan assets and benefit obligations recognized in other comprehensive loss:				
Net actuarial loss (gain)	\$ 558	\$ 1,938	\$ (116,117)	\$ (33,512)
Recognized actuarial (loss) gain	(602)	(577)	1,575	(3,584)
Recognized prior service cost	—	—	(6)	(7)
Total recognized in other comprehensive loss.....	\$ (44)	\$ 1,361	\$ (114,548)	\$ (37,103)

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BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table presents information on actual and future expected benefit payments related to the Retirement Plans:

	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>(Thousands)</u>			
<u>Actual benefit payments</u>				
2021	\$	1,011	\$	18,236
2022	\$	952	\$	18,974
	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>(Thousands)</u>			
<u>Future expected benefit payments</u>				
2023	\$	1,052	\$	20,355
2024	\$	1,039	\$	20,300
2025	\$	1,037	\$	20,666
2026	\$	1,000	\$	21,268
2027	\$	958	\$	21,530
2028 through 2032	\$	4,182	\$	111,329

The Company does not expect to contribute to the Retirement Plans during the year ended December 31, 2023.

The following table presents the weighted-average assumptions used to determine the benefit obligation and net periodic pension cost:

	<u>U.S. Plans</u>		<u>Non-U.S. Plans</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount Rate:				
As of January 1 (for determining net periodic pension cost for years ended December 31)	2.41 %	1.94 %	1.15 %	0.73 %
As of December 31 (for determining projected benefit obligation at December 31)	4.86 %	2.41 %	3.75 %	1.15 %
Expected return on plan assets	4.95 %	4.95 %	3.70 %	1.10 %

Investment Valuation

The Company invests the assets in the Retirement Plans primarily in market-neutral absolute-return strategies which serve to minimize volatility while providing consistent positive returns and preserving capital. Investments may include mutual funds and managed accounts with market equity and fixed income exposure and may incorporate the use of options, futures and other financial instruments. Implementation of this policy involves investments with outside managers who have expertise in these strategies.

All investment transactions, including cash equivalents, are recorded by the trustee on a trade-date basis. Net appreciation and depreciation of investments include both realized and unrealized gains and losses on investments.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, 2022, the target asset allocations for the Retirement Plans, by asset category, are as follows:

<u>Asset Category:</u>	<u>U.S. Plans</u>	<u>Non-U.S. Plans</u>
Equity securities.....	57 %	— %
Fixed income securities.....	43 %	— %
Cash and cash equivalents.....	— %	— %
Other.....	— %	100 %

The tables below show pension plan asset fair value leveling information at December 31, 2022 and 2021. The assets are either categorized into one of the three levels of the fair value hierarchy or are not subject to leveling in the case of investments that are valued using the NAV per share (or its equivalent) practical expedient, which are determined based on the fair values of the underlying investments in the funds.

	<u>U.S. Plans</u>				<u>Non-U.S. Plans</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2022</u>	(Thousands)							
Mutual funds:								
Equity funds.....	5,664	—	—	5,664	—	—	—	—
Commingled funds.....	4,273	—	—	4,273	—	—	—	—
Cash and cash equivalents.....	—	—	—	—	—	—	—	—
Plan assets subject to leveling.....	<u>\$ 9,937</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,937</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Plan assets measured at NAV.....				<u>\$ —</u>				<u>\$ 654</u>
Total plan assets.....				<u><u>\$ 9,937</u></u>				<u><u>\$ 654</u></u>

	<u>U.S. Plans</u>				<u>Non-U.S. Plans</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>	(Thousands)							
Mutual funds:								
Equity funds.....	8,511	—	—	8,511	—	—	—	—
Commingled funds.....	4,192	—	—	4,192	—	—	—	—
Cash and cash equivalents.....	—	—	—	—	—	—	—	—
Plan assets subject to leveling.....	<u>\$ 12,703</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,703</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Plan assets measured at NAV.....				<u>\$ —</u>				<u>\$ 673</u>
Total plan assets.....				<u><u>\$ 12,703</u></u>				<u><u>\$ 673</u></u>

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

There were no significant transfers in or out of the Company's investment valuation levels for the years ended December 31, 2022 and 2021.

Note 15. Related Party Transactions

Related Party Loans

The Company borrows from its parent corporation and its affiliates from time to time under credit facilities and term loan agreements. The related party loans consist of the following:

	Interest Rate	December 31,	
		2022	2021
(Thousands)			
€600 million credit facility due 2026.....	2.7%	\$ 642,444	\$ 682,578
€300 million credit facility due 2025.....	EURIBOR+2.15%	261,153	113,763
\$5 million term loan due 2029.....	1.53%	—	—
€150 million credit facility due 2024.....	EURIBOR+2.15%	—	5,399
Total.....		\$ 903,597	\$ 801,740

During the year ended December 31, 2022, the Company borrowed \$160.6 million under these loans and facilities. During the year ended December 31, 2021, the Company borrowed \$29.7 and repaid \$103.9 million under these facilities. As of December 31, 2022, the Company had \$220.7 million of credit availability under these facilities.

As of December 31, 2022 and 2021, the Company had \$2.0 and \$2.1 million, respectively, of accrued interest payable related to its related party loans, which is included in payables to related parties in the Company's consolidated balance sheets.

On December 2022, the Company amended its €300 million credit facility due 2023, which was scheduled to mature in December 2023. The amended credit facility will mature in December 2025.

Sales and Purchases

The Company makes sales to/purchases from certain related parties in the normal course of its business operations. During the years ended December 31, 2022 and 2021, the Company recorded sales to related parties of \$8.8 and \$5.7 million, respectively, which is included in net revenues in the consolidated statements of operations. During the years ended December 31, 2022 and 2021, the Company recorded purchases from related parties of \$49.1 and \$35.7 million, respectively, which is included in cost of goods sold in the consolidated statements of operations.

Management Services Agreement

The Company receives management and administrative services from Standard Building Solutions including regulatory compliance and legal services, including, without limitation, advice relating to acquisitions, litigation and legal compliance, cash and risk management, tax planning, consultation and advice,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2023121806061 corporate finance, financial planning and fiduciary services, human resource management, information technology strategy, development and support services, general strategic planning and management services and other services as agreed upon by the parties. During the years ended December 31, 2022 and 2021 the Company recorded \$11.7 and \$11.0 million, respectively, in the consolidated statements of operations for services received pursuant to the management services agreement with Standard Building Solutions.

Due to the unique nature of the services provided under the management services agreement, comparisons to third-party arrangements are difficult. However, the Company believes that the terms of the management services agreement taken as a whole are no less favorable to the Company than could be obtained from an unaffiliated third party.

Contributions

During the years ended December 31, 2022 and 2021, the Company received contributions from its parent corporation of \$104.5 and \$61.4 million, respectively.

Note 16. Commitments and Contingencies

Environmental

The Company is a party to a variety of administrative and legal proceedings involving environmental matters under various laws and regulations governing the investigation and cleanup of property contaminated with hazardous substances, a number of which are in the early stages or have been dormant for protracted periods. Most of these environmental claims do not seek to recover an amount of specific damages. In respect to these claims, the Company estimates its liability as of December 31, 2022 and 2021 was \$22.9 and \$20.1 million, respectively, which is included in other liabilities in the Company's consolidated balance sheets.

While the Company cannot predict whether adverse decisions or events can occur in the future, the Company believes that the ultimate disposition of such matters will not have a material adverse effect on its liquidity, results of operations, cash flows or financial position. However, adverse decisions or events, particularly as to increases in remedial costs, discovery of new contamination, assertion of natural resource damages, the liability and the financial responsibility of the other parties at multi-party sites and the number and financial viability of other potentially responsible parties and their insurers, could cause the Company to increase its estimate of its liability in respect to those matters. It is not currently possible to estimate the amount or range of any additional liability.

Other Contingencies

The Company is, from time to time, a party to litigation that arises in the normal course of its business operations. Although litigation is inherently unpredictable, the Company is not presently a party to any such litigation that the Company believes could reasonably be expected to have a material adverse effect on its liquidity, financial position or results of operations.

BMI GROUP HOLDINGS (USA) LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Commitments

In the ordinary course of business, the Company has several supply agreements that include minimum annual purchase requirements. In the event these purchase requirements are not met, the Company may be required to make payments under these supply agreements. The Company's minimum annual purchase requirements as of December 31, 2022 are as follows:

	Purchase Obligations (Thousands)
2023	\$ 100,183
2024	\$ 36,114
2025	\$ 12,582
2026	\$ 10,871
2027	\$ 5,330

Concentrations

In the years ended December 31, 2022 and 2021, there were no customers whose sales represented more than 10% of the Company's consolidated annual net revenues. As of December 31, 2022 and 2021, the Company's net assets outside of North America was \$1,556.0 and \$1,496.9 million, respectively.

Note 17. Subsequent Events

The Company evaluated subsequent events through the date its consolidated financial statements were available to be issued on April 14, 2023, and noted there was no impact on its December 31, 2022 consolidated financial statements.

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED)

Our Company

BMI Group Holdings (USA) LLC, which we refer to as BMI LLC, is a privately-held, global holding company with interests in the building materials industry. We are a wholly-owned subsidiary of Standard Building Solutions, Inc., which we refer to as Standard Building Solutions. Unless otherwise indicated by the context, "we," "us" and "our" refer to BMI LLC and its consolidated subsidiaries.

Our primary operating entity is BMI Group Holdings UK Limited ("BMI Group"), which is a leading global manufacturer and supplier of high-end flat and pitched roofing systems and waterproofing solutions with 136 strategically located manufacturing facilities primarily serving the European residential and non-residential markets. BMI Group's product portfolio focuses on concrete, clay and steel tiles, bitumen and synthetic membranes, liquid-applied roofing products as well as roofing components with a reputation of superior quality and unparalleled distribution networks.

We categorize our products into three groups: residential roofing and waterproofing products; commercial roofing, waterproofing and insulation products; and specialty construction and other products. For the year ended December 31, 2022, our residential roofing and waterproofing products; commercial roofing, waterproofing and insulation products; and specialty construction and other products net revenues represented 61%, 26% and 13%, respectively, of total net revenues. In addition, during the year ended December 31, 2022, net revenues generated in Europe and regions outside Europe, including North America, Asia and Africa, amounted to 94% and 6%, respectively, of total net revenues.

Our residential roofing and waterproofing revenues are primarily driven by the repair/replacement or re-roofing market, which we believe is less cyclical than the new construction market. We believe approximately 75% of roofing demand in the markets we serve is attributable to the repair/replacement roofing market as a result of the aging of the existing housing stock. We also believe that future demand for residential re-roofing will continue to increase. We believe that, over time, demand for commercial roofing, waterproofing and insulation products will rise as construction of new commercial facilities increases and existing buildings age. We also manufacture and market specialty construction and other products, which include civil engineering products as well as specialty construction products for the professional and do-it-yourself remodeling and residential construction industries.

We market our products through multiple distribution channels. We have focused on developing a sales and marketing platform that we believe is among the best in the roofing industry. For our residential roofing products, we have strong distribution capabilities with wholesale distributors, big-box retailers, lumberyards, custom and mass production homebuilders, property owners and leading contractors. Our commercial roofing products are marketed through multiple distribution channels including wholesale distributors, national specifiers, property owners, leading contractors and architects. We offer both our residential and commercial customers extensive training, which fosters growth in customer loyalty and enables our customers to act as an extension of our sales force when discussing roofing products with the ultimate consumer.

With our unparalleled manufacturing network consisting of 136 manufacturing facilities operating in 29 countries, we believe that we are a low-cost provider of our products to our customers. We believe that our plants and facilities have been well maintained, are in good condition, are suitable for their respective operations and generally provide sufficient capacity to meet production requirements. Due to the seasonality of

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

our business, our production facilities generally run at a higher capacity during the months necessary to meet our peak seasonal operating demands. Each plant has adequate transportation facilities for both raw materials and finished products. We believe our plants are strategically located, which allows us to provide superior service to our customers.

Summary Financial Results

Our net revenues in the year ended December 31, 2022 were \$2,800.7 million, compared with net revenues of \$2,751.9 million in 2021. We had losses before interest expense and income taxes of \$39.4 million in the year ended December 31, 2022, which included \$69.1 million of restructuring and other expenses, compared with losses before interest expense and income taxes of \$13.8 million in 2021, which included \$71.8 million of restructuring and other expenses. See Results of Operations below.

Our Product Lines

We categorize our products into three groups: residential roofing and waterproofing products; commercial roofing, waterproofing and insulation products; and specialty construction and other products.

Residential Roofing and Waterproofing

We are a leading manufacturer of a comprehensive range of roofing products and waterproofing solutions. We offer a wide variety of high-end roofing systems for pitched roofs including clay, concrete and steel tiles, a line of bitumen shingles in varying shapes and colors, a high-end roofing system of granulated or coated galvanized steel tile panels available for roofs with a pitch as low as ten degrees and designer bitumen membranes with a visual effect resembling shingles, ceramic tiles or long-run steel roofs.

In addition to our roof tiles and shingles, we manufacture and market other components used in residential roofing applications, including roof underlays and other accessories. Roof underlays consist of a layer of material placed under the exterior roof to protect the building structure from the effects of weather. Our accessories include plastic and steel rainwater systems, chimney pipe systems, flashings, insulations and primers. We market our residential roofing product lines in Europe under the AeroDek[®], Braas[®], Bramac[®], Cobert[®], Coverland[®], Icopal[®], Klober[®], Monier[®], Redland[®], Villas[®] and Wierer[®] brand names.

Commercial Roofing, Waterproofing and Insulation

We are a leading manufacturer of roofing and waterproofing products for commercial roofs, providing a comprehensive range of products, including bitumen membranes, synthetic single-ply membranes and liquid-applied waterproofing. Supplementing these products, we also supply a wide range of accessories.

We provide bitumen membranes for customers in all market segments, from standard products to high-end solutions, although we focus on the high-end and mid-market segments in most of our geographical markets. Our bitumen-based products range from traditional felts and underlays to innovative energy-efficient and flame retardant products. Bitumen membranes, which we believe are the dominant commercial roofing technology in Europe, are used in building construction activities on a wide range of commercial roofing surfaces, including metal decking, timber and concrete substrates. The key brands under which we manufacture or market our bitumen membranes include Icopal[®], Siplast[®], Vedag[®], Villas[®] and ChovA[®].

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

We provide customers with a range of synthetic single-ply membranes, from standard products to high-end solutions. With our Wolfin[®] brand in Europe, we cover the high-end segment of the market for synthetic single-ply membranes. In addition, our Icopal[®] product range addresses the mid-market segment.

We market liquid-applied solutions in Europe including waterproofing, primers and adhesives, under a family of brands including, among others, the Enduroflex[™], Elastoflex[®], Profi-Dicht[®] and Sealoflex[®] brand names. We believe these products are increasingly popular in the marketplace due to their reflectivity, ease of application and energy efficiency.

Our commercial roofing accessories include skylights and smoke ventilation products, water outlets, metal profiles, plastic components, fasteners, and acoustic and thermal insulation solutions. The accessories are sold throughout Europe and are either produced by us or purchased from external suppliers.

Specialty Construction and Other Products

Our civil engineering solutions include three fields: civil works, geomembranes and polymer modified bitumen ("PMB"), and emulsions. Civil works provides waterproofing systems to prevent corrosion and to protect the structure of roads, railways and bridges. Geomembranes can be used in civil engineering projects to separate different layers of materials to prevent fluids such as water and chemicals from affecting the project's structure. Geomembranes are also used to protect the groundwater from percolation from landfills or to seal water reservoirs or wastewater lakes. Geomembranes are either bituminous or synthetic and include liners for concrete and earthen canals. PMB and emulsions are used in road construction and maintenance. We market our civil engineering services under Icopal[®], Siplast[®], Villas[®] and Vedag[®] brand names.

We also manufacture and supply ceramic and steel chimneys as well as energy systems in Europe. Our ceramic chimneys are generally used for new residential construction, while our steel chimneys are typically used in residential renovation and in some countries also for new residential construction. Our energy systems comprise a range of ventilation, stoves and heating products, including chimney integrated stoves. These products are marketed under the Schiedel[®] brand name.

Significant Accounting Policies

See Note 2 to the Consolidated Financial Statements for a description of our significant accounting policies as of December 31, 2022.

Operating Results, Risks and Outlook

Roofing and waterproofing product sales is our dominant business, accounting for approximately 87% of our consolidated net revenues for the year ended December 31, 2022. The main drivers of our roofing business include:

- the aging housing stock;
- existing home sales;
- new home construction;

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

- larger new homes;
- home ownership rates;
- extreme weather; and
- energy efficiency concerns.

2022 compared with 2021

Net loss in the year ended December 31, 2022 was \$21.6 million compared to \$64.9 million in the year ended December 31, 2021. The decrease in 2022 was primarily attributable to higher income before interest expense and income taxes. Net loss in the year ended December 31, 2022 included \$69.1 million of restructuring and other expenses compared to \$71.8 million in the year ended December 31, 2021. Included in restructuring and other expenses for the years ended December 31, 2021 and 2020 were expenses primarily related to the closure of certain manufacturing facilities, the relocation of offices and past acquisitions including the integration of acquired businesses.

Net revenues in the year ended December 31, 2022 were \$2,800.7 million compared to \$2,751.9 million in the year ended December 31, 2021. The increase in 2022 was primarily due to higher average selling prices of roofing products, partially offset by the impact of foreign currency.

Income before interest expense and income taxes in the year ended December 31, 2022 was \$39.4 million compared to a loss of \$13.8 million in the year ended December 31, 2021. Excluding the impact of restructuring and other expenses, income before interest expense and income taxes in the year ended December 31, 2022 was \$108.5 million compared to \$58.0 million in the year ended December 31, 2021. The increase in 2022 was primarily due to higher average selling prices of roofing products, partially offset by higher raw material and operating costs and impact of foreign currency.

Interest expense in the year ended December 31, 2022 was \$27.0 million compared to \$29.1 million in the year ended December 31, 2021. The decrease was due to lower average interest rate on outstanding debt.

Risks

The nature of our business subjects us to a number of operating risks. Those risks include, but are not limited to, the following:

- changes in economic and market conditions, including the impacts of the novel coronavirus pandemic (COVID-19) and the military conflict in Ukraine;
- the impact of the withdrawal of the United Kingdom from the European Union;
- increase in raw material, energy and transportation costs;
- competition in the markets we serve;
- extreme weather conditions resulting in a decrease in demand;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

- the impact of stringent environmental and health and safety laws, regulations and standards in the jurisdictions that we operate; and
- exposure to construction defect and product liability claims as well as other legal proceedings.

The impact of the risks above, individually or together with other circumstances, could have a material adverse effect on our business, operating results and financial condition. The risks above are based on assumptions that may turn out to be incorrect. Furthermore, other risks not listed above, could, individually or cumulatively, have a material adverse effect on our business, operating results and financial condition.

Outlook

We look to continue to grow in the markets that we serve by continuing to invest in the business, providing customers the broadest range of high-quality innovative products and continuing to focus on tailored sales and marketing programs. In addition, we seek to continue to improve product efficiency on a cost-effective basis and capitalize on the growing commercial roofing market.

Liquidity and Financial Condition

Liquidity and Seasonality

Sales of roofing and waterproofing products and specialty construction products in certain regions of Europe generally decline in the late fall and winter months due to cold weather. In addition, extreme weather conditions can result in higher customer demand during our peak operating season depending on the extent and severity of the damage from these weather conditions. Due to the seasonal demands of our business, together with extreme weather conditions, we generally have negative cash flows from operations during the first several months of our fiscal year, which are primarily driven by our cash invested in both accounts receivable and inventories to meet these seasonal operating demands. Generally, in the third and fourth quarters of our fiscal year, our cash flows from operations become positive, as our investment in inventories and accounts receivable no longer continues to increase, as is customary in the first several months of our fiscal year. Our seasonal working capital needs, together with our debt service obligations, capital expenditure requirements and other contracted arrangements, adversely impact our liquidity during this period. We rely on our cash and cash equivalents on hand and related party loans to support our overall cash flow requirements during these periods as well as to maintain operations over the short and long term.

Cash Flows and Cash Position

Net cash outflow from operating and investing activities was \$271.3 million during the year ended December 31, 2022, including \$110.1 million provided by operating activities and the investment of \$113.8 million for capital programs, including maintenance, compliance and expansion capital and \$47.4 million for the acquisition of Asfaltos ChovA S.A.U.

Cash invested in working capital totaled \$179.6 million during the year ended December 31, 2022, reflecting an increase in inventories of \$134.3 million, an increase in total accounts receivable of \$49.8 million, an increase in other current assets of \$27.8 million, partially offset by an increase in accounts payable and

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

accrued liabilities of \$32.3 million. The net cash flow provided by operating activities also included a \$10.3 million increase in other liabilities, a \$1.9 million increase in product warranty claims and \$0.2 million in other operating items, partially offset by a \$90.0 million increase in other noncurrent asset.

Net cash provided by financing activities totaled \$259.6 million during the year ended December 31, 2022, consisting of the issuance of \$160.6 million of related party loans and cash contributions from parent corporation of \$99.1 million.

As a result of the factors described above, cash and cash equivalents decreased by \$17.1 million during the year ended December 31, 2022 to \$121.2 million.

Restructuring and Other Expenses

See Note 6 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our restructuring and other expenses.

Related Party Loans

As of December 31, 2022, we had total outstanding related party loans of \$903.6 million and \$2.0 million of accrued interest payable related to our related party loans. See Note 15.

Contractual Obligations and Commercial Commitments

See Note 14 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our benefit plan obligations. See Note 16 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our other contractual obligations and commercial commitments.

Contingencies

See Note 16 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our contingencies.

Financial Instruments

See Note 12 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our financial instruments.

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Subsequent Events

See Note 18 to the Consolidated Financial Statements for the fiscal year ended December 31, 2022 for a description of our subsequent events.

* * *

Forward-Looking Statements

These annual Consolidated Financial Statements and notes thereto contain both historical and forward-looking statements. These forward-looking statements are only predictions and generally can be identified by use of statements that include phrases such as "believe," "estimate," "expect," "anticipate," "intend," "plan," "foresee" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. Our operations are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The forward-looking statements included herein are made only as of the date of these annual Consolidated Financial Statements and notes thereto, and we undertake no obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. We cannot assure you that projected results or events will be achieved.

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BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Listing of Subsidiaries

The following table presents our direct and indirect wholly-owned subsidiaries as of December 31, 2022.

<u>Company</u>	<u>Registered Address</u>
<u>Albania</u>	
BMI Adriatic Albania shpk.....	Rruga Ismail Qemali, Pallati 12 Katesh (i ri), kati 3, Zyrat 5 dhe 6, Tirana, Albania
<u>Austria</u>	
BMI Chimney Holding GmbH.....	Schönbrunner Straße 289 1120 Wien Austria
BMI Austria GmbH.....	Bramacstraße 9 3380 Pöchlarn Austria
LR Austria Holding GmbH	Bramacstraße 9 3380 Pöchlarn Austria
Schiedel GmbH	Friedrich-Schiedel-Straße 2-6 4542 Nussbach (OÖ), Austria
<u>Belarus</u>	
OOO Mineralnaya cherepitsa.....	Republic of Belarus 222321, Minsk region, Molodechno district, Chistinsky Village Council
<u>Belgium</u>	
ICOPAL SPRL.....	Rue de Hermée 186, 4040 HERSTAL, Belgium
Klöber Benelux B.V.....	Rue Mitoyenne 23, 4837 BAELEN-SUR-VESDRE, Belgium
BMI Belgium BV	Wijngaardveld 25, 9300 AALST, Belgium
RBB N.V.	Industrieterrein Ravenshout 3315 3980 Tessenderlo
Schiedel Metaloterm B.V	Centrum-Zuid 3404, 3530 HOUTHALEN, Belgium
<u>Bosnia</u>	
BMI Adriatic BH d.o.o.....	Skenderija 5/III, BiH-71000 Sarajevo, Bosnia & Herzegovina
Schiedel Sistemi Dimnjaka d.o.o.....	Ul. Bosanski put br. 215, Ilijaš Sarajevo, Bosnia & Herzegovina
<u>Bulgaria</u>	
Bramac Pokrivni Sistemi EOOD.....	BG-7500 Silistra, Industrial Area, P.O.B. 75
<u>China</u>	
Monier (Shanghai) Management Co, Ltd.....	Room 1205-1207, No. 1088, Yan'an West Road, Changning District, Shanghai
Monier Roofing Systems (Beijing) Co, Ltd.....	Lucheng Industrial Zone, Huangcun Town, Daxing District, Beijing
Monier Roofing Systems (Cangzhou) Co, Ltd.....	Hancun Town Industrial Park, Xianxian, Cangzhou, Hebei, China
Monier Roofing Systems (Chengdu) Co, Ltd.....	No. 292, Section 1, Yingbin Avenue, Zhao Town, Jintang County, Chengdu
Monier Roofing Systems (Foshan) Co, Ltd.....	Zuotian Development Zone, Southwest Street, Sanshui District, Foshan City, Guangdong Province
Monier Roofing Systems (Shaoxing) Co, Ltd.....	Yongren Village, Chang'anmenwai, Yuecheng District, Shaoxing City
Monier Roofing Systems (Suzhou) Co, Ltd.....	No. 1188, Yinzhong South Road, Wuzhong Economic Development Zone, Suzhou
Qingdao Inno Tech Polymer Co, Ltd	A201-1-050, Wusi Chuangke Town, 45 Qutangxia Road, Shinan District, Qingdao City, Shandong Province

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Croatia

BMI Adriatic Zagreb d.o.o.	Buzinski prilaz 10, 10010 Zagreb, Croatia
Schiedel Proizvodnja Dimnjaka d.o.o.	Novi Golubovec 26, 49255, Novi Golubovec, Croatia

Czech Republic

BMI střešní a hydroizolační systémy s.r.o.	Prosecká 855/68, Prosek, 190 00 Prague
HPI - CZ spol. s.r.o.	Na Brně 2079, Nový Hradec Králové, 500 06 Hradec Králové, Czechia
Schiedel s.r.o.	Horoušanská 286, 250 81 Nehvizdy, Czech Republic

Denmark

Icopal ApS	Lyskær 5, 2730 Herlev
BMI Group Danmark ApS	Lyskær 5, 2730 Herlev
Icopal Entreprise ApS.....	Lyskær 5, 2730 Herlev
J.A. Plastindustri ApS.....	Vestervigvej 163, 7755 Bedsted Thy
BMI Produktion Danmark ApS.....	Kystvejen 56, 9400 Nørresundby
Schiedel Skorstene Aps	Industrivej 23, 7470 Karup
Jysk Tagpap ApS.....	Essen 39, 9000 Kolding

Estonia

BMI Eesti OÜ	Harju maakond, Tallinn, Kesklinna linnaosa, Karamelli tn 6, 11318
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Finland

Icopal Katto Oy	Läntinen Teollisuuskatu 10 02920 Espoo, Uusimaa, Finland
BMI Suomi Oy	Läntinen Teollisuuskatu 10 02920 Espoo, Uusimaa, Finland
BMI Production Finland Oy.....	Läntinen Teollisuuskatu 10 02920 Espoo, Uusimaa, Finland
Schiedel Savuhormtistot Oy.....	Lautamiehentie 3 02770 ESPOO, Uusimaa, Finland

France

BMI Group France	23-25, Avenue du Docteur Lannelongue 75014
BMI Holding France S.A.S	23-25, Avenue du Docteur Lannelongue 75014
Icopal S.A.S.....	23-25, Avenue du Docteur Lannelongue 75014
Metaloterm France S.à r.l.	65 avenue du General de Gaulle 77420 Champs Sur Marne
Monier S.A.S.....	23-25, Avenue du Docteur Lannelongue 75014

Germany

BMI Deutschland GmbH.....	Frankfurter Landstraße 2-4, 61440 Oberursel, Germany
BMI Flachdachsysteme GmbH	Oberurseler Landstrasse 2-4, 61440 Oberursel, Germany
Kloeber GmbH.....	Scharpenbergerstraße 72-90, 58256 Ennepetal
Rupp Keramik GmbH.....	Frankfurter Landstraße 2-4, 61440 Oberursel, Germany
Schiedel Beteiligungsgesellschaft GmbH	Lerchenstraße 9, 80995 München, Germany
Schiedel GmbH & Co. KG.....	Lerchenstraße 9, 80995 München, Germany

Hungary

BMI Magyarország Korlátolt Felelősségű Társaság Korlátolt Felelősségű Társaság.....	8200 Veszprém, Házgyári út 1, Hungary
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BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Schiedel Kéménygyár Korlátolt Felelősségű Társaság..... 8200 Veszprém, Kistó utca 12, Hungary

India

Monier Roofing Private Limited 1/25 Akaruvanthuruthy Road Feroke Kozhikode Kozhikode KL 673631 India

Indonesia

PT Monier..... Graha Mobisel, 4th Floor Jl. Mampang Prapatan Raya 139, Jakarta Selatan 1274, Jakarta, Indonesia

Ireland

BMI Ireland Roofing Unlimited Company 70 Sir John Rogerson's Quay, Dublin 2, Ireland

Cortes Ireland Industries Limited.... 70 Sir John Rogerson's Quay, Dublin 2, Ireland

Necoflex Limited..... 70 Sir John Rogerson's Quay, Dublin 2, Ireland

Italy

Monier S.R.L..... Chienes (BZ) Via Valle Pusteria 21 CAP 39030

Schiedel S.R.L..... Via Monte Grappa, 19, 20060 Truccazzano MI, Italy

Latvia

BMI Latvija SIA..... Tīraines iela 1, Zemgales priekšpilsēta, Rīga, LV-1058, Latvia

Lithuania

BMI GBS UAB Laisvės pr. 3, LT-04215 Vilnius, Lithuania

BMI Lietuva UAB Laisvės pr. 3, LT-04215 Vilnius, Lithuania

Luxembourg

BMBG Bond Finance GP S.à r.l. 2b rue Albert Borschette, 1246 Luxembourg

BMI Group Operations S.à r.l. 2b rue Albert Borschette, 1246 Luxembourg

BMI Group S.à r.l..... 2b rue Albert Borschette, 1246 Luxembourg

Malaysia

Advanced Technical Laminates Manufacturing Sdn. Bhd. Level 6, Menara 1 Dumatias, Solaris Dumatias, No. 1 Jalan Dumatias 1, Kuala Lumpur, Wilayah Persekutuan, 50480 Malaysia

GCI Sales & Services Sdn. Bhd. 802, 8th Floor, Block C Kelana Square, 17 Jalan SS7/26, Petaling Jaya Selangor, 47301 Malaysia

Golden Clay Industries Sdn. Bhd. 25-6, Jalan Pju 1/42A Dataran Prima, Petaling Jaya, Selangor, Petaling Jaya Selangor, 47301 Malaysia

Monier Asia Pacific Holdings Sdn. Bhd. 802, 8th Floor, Block C Kelana Square, No. 17 Jalan SS7/26, Petaling Jaya Selangor, 47301 Malaysia

Monier Asia Pacific Sdn. Bhd..... 802, 8th Floor, Block C Kelna Square, 17 Jalan SS 7/26, Petaling Jaya Selangor, 47301 Malaysia

Monier Holdings Sdn. Bhd..... 802, 8th Floor, Block C Kelana Square, 17 Jalan SS7/26, Petaling Jaya Selangor, 47301 Malaysia

BMI Roofing Systems Sdn..... 802, 8th Floor, Block C Kelana Square, 17 Jalan SS7/26, Petaling Jaya Selangor, 47301 Malaysia

Netherlands

Icopal B.V..... Hoendiep 316, 9744TC Groningen Netherlands

Monier B.V..... Heeswijk 155, 3417GP Montfoort

Schiedel Metaloterm B.V..... Oude Veerseweg 23, 4332SH Middelburg

BMI Nederland B.V. Heeswijk 155, 3417GP Montfoort

BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Norway

BMI Norge AS	Per Krohgs vei 1, 1165 Oslo
Icopaltak AS	Fjellhamarveien 52 1472 FJELLHAMAR
BMI Produksjon Norge AS	Per Krohgs vei 1, 1165 Oslo
Schiedel Skorsteiner AS	Lørenskogveien 75, 1470, LØRENSKOG, Norway

Poland

BMI Polska Sp. Z.o.o.	Wschodnia 26, 45-449 Opole
BMI Icopal Sp. Z.o.o.	Laska 169/197, Zdunska Wola 98-220, woj. Lodzkie
Schiedel Sp. Z o.o.	Wschodnia 24, 45-449 Opole, woj.Opolskie

Portugal

CT-Cobert Telhas, S.A.	Estrada Nacional 361-1, Outeiro da cabeça, Rorres Vedras, Portugal
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Romania

BMI Romania Sisteme de Invelitori Srl	Municipiul Sibiu, Strada Europa UNITĂ, Nr. 5, Biroul NR. 1, Etaj 1, Judet Sibiu, Romania
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Russia

OOO Schiedel	Kalininskoe Shosse D. 12 Torzhok Central Federation Region 17200
OOO Villaco	20 Nizhegorodskaya St., Petushki, Petushinskiy district, Vladimir Region, 601143, Russia

Serbia

BMI Adriatic Beograd d.o.o.	Bulevar Mihaila Pupina 10v, Beograd-Novi Beograd, Serbia
Schiedel dimnjacki sistemi d.o.o.	Bulevar Arsenija Čarnojevića 96/2 Srbija – 11070 Beograd

Slovakia

BMI Slovensko s.r.o.	Mojmírovská 9, 95112 Ivanka pri Nitre
Monarflex s.r.o.	Továrenská 1Štúrovo 943 03, Slovakia
Schiedel Slovensko s.r.o.	Zamarovská 177, Zamarovce 911 05 05

Slovenia

BMI Adriatic Škocjan, d.o.o.o.	Dobruška vas 45, 8275 Škocjan
Schiedel Diminski Sistemi d.o.o.	Latkova vas 82, 3312, Prebold, Slovenija

South Africa

BMI Coverland (Pty) Ltd	Constantiaview Office Estate, 2 Hogsback Road, Quellerina, 1715
Financiere Roofing (South Africa) (Pty) Ltd	Constantiaview Office Estate, 2 Hogsback Road, Quellerina, 1715
BMI Coverland Roofing Academy .	Constantiaview Office Estate, 2 Hogsback Road, Quellerina, 1715

Spain

BMI Roofing Systems, S.L.U.	CTRA Villaluenga a Cobeja Km 3,5 Villaluenga de la Sagra 45520-Toledo, Spain
Asfaltos Chova S.A.U	En Taverbes de la Vall digna, Valencia

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BMI GROUP HOLDINGS (USA) LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS, LIQUIDITY AND FINANCIAL CONDITION (UNAUDITED) - (Continued)

Sweden

BMI Sverige AB.....	Hyllie Boulevard 34, 215 32 Malmö, Sweden
Icopal Entreprenad AB.....	Box 848, 201 80 Malmö, Sweden
BMI Produktion Sverige AB.....	Hyllie Boulevard 34, 215 32 Malmö, Sweden
RFG Holding (Sweden) AB.....	Box 848, 201 80 Malmö, Sweden
Schiedel Skorstenssystem AB.....	EA Rosengrens Gata 23, 421 31 Vastra Frolunda, Sweden
Wijo AB.....	Box 26, 893 21 Bjasta

Switzerland

Braas Schweiz AG.....	Bonnstrasse 9 Düringen, 3186 Fribourg Switzerland
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Thailand

Monier Holding Co., Ltd.....	No. 1, Siam Cement Road, Kwaeng Bangsue, Khet Bangsue, Bangkok Metropolis, Thailand
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Turkey

Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sirketi.....	Gebze Güzeller Organize Sanayi Bölgesi İnönü Mah. Atatürk Bulvarı NO:20 41400
BMI Yapı Çözümleri Sanayi ve Ticaret A.Ş.....	Güzeller OSB Atatürk Bulvarı No:20 PK:173 41400 Gebze, Kocaeli - Türkiye
Sistem Baca Çözümleri Sanayi ve Ticaret Limited Sirketi.....	K.Mustafa Çelebi Mahallesi S.Selviler Caddesi Hocazade Sokak N.19/1 Beyoğlu

United Arab Emirates

Braas Monier & Icopal - FZE.....	DSO – HQ- C2 -207 Dubai Silicon Oasis Dubai, UAE
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United Kingdom

BMI Group Holdings UK Limited..	4th Floor, Thames Tower, Station Road, Reading, RG1 1LX
BMI Group UK Limited.....	BMI House, 2 Pitfield, Kiln Farm, Milton Keynes MK11 3LW
Klober Limited.....	BMI House 2 Pitfield, Kiln Farm, Milton Keynes, England, MK11 3LW
LR (UK) Limited.....	BMI House 2 Pitfield, Kiln Farm, Milton Keynes, England, MK11 3LW
Monier (China) Holding Limited....	BMI House 2 Pitfield, Kiln Farm, Milton Keynes, England, MK11 3LW
BMI Group Manufacturing UK Limited.....	BMI House 2 Pitfield, Kiln Farm, Milton Keynes, England, MK11 3LW
Rite-Vent Holdings Limited.....	Crowther Industrial Estate, Washington, Tyne & Wear, NE38 0AQ
Rite-Vent Limited.....	Crowther Industrial Estate, Washington, Tyne & Wear, NE38 0AQ
Schiedel Chimney Systems Limited	Crowther Industrial Estate, Washington, Tyne & Wear, NE38 0AQ
Schiedel Rite-Vent Limited.....	Crowther Industrial Estate, Washington, Tyne & Wear, NE38 0AQ

Zambia

BMI Zambia Roofing Limited.....	Stand No. 2374, Kelvin Siwale Road, Showgrounds, Lusaka, Zambia P.O.Box 30279
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