Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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You should carefully consider the following factors in addition to the other information set forth in this Annual Report before investing in our common shares. The risks and uncertainties described below are not the only ones facing us. If any of the following risks actually occur, our business, financial condition ~~or~~ **,** results of operations **or cash flows** ~~would~~ **could be adversely affected** ~~likely suffer. In such case~~ , **and** the trading price of our common shares could ~~fall~~ **decline** , and you may lose all or part of your investment. ~~Economic and Market~~ Risks ~~Downward trends~~ **Related to the Acquisition While the Arrangement Agreement is** in ~~our end markets~~ **effect, we are subject to certain interim covenants. On February 8, 2024, we entered into the Arrangement Agreement with Owens Corning pursuant to which Owens Corning, through Purchaser, agreed to acquire the Company in an all- cash transaction** ~~or~~ **for $ 133. 00 per share of our issued and outstanding common stock. The Arrangement Agreement generally requires us to operate our business** in ~~economic~~ **the ordinary course, subject to certain exceptions, including as required by applicable law, pending consummation of the Acquisition, and subjects us to customary interim operating covenants that restrict us, without Owens Corning' s approval (such approval not to be unreasonably conditioned, withheld or delayed), from taking certain specified actions until the Acquisition is completed or the Arrangement Agreement is terminated in accordance with its terms. These restrictions could prevent us from pursuing certain business opportunities that may arise prior to the consummation of the Acquisition and may affect our ability to execute our business strategies and attain financial and other goals and may impact our financial** ~~conditions~~ **condition, results of operations and cash flows. The announcement and pendency of the Acquisition may result in disruptions to our business, and the Acquisition could divert management' s attention, disrupt our relationships with third parties and employees, and result in negative publicity or legal proceedings, any of which** could negatively impact our **operating results and ongoing** business **. In connection with the pending Acquisition, our current and prospective employees may experience uncertainty about their future roles with us following the Acquisition, which may materially adversely affect our ability to attract and retain key personnel and other employees while the Acquisition is pending. Key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with us following the Acquisition, and may depart prior to the consummation of the Acquisition. Accordingly, no assurance can be given that we will be able to attract and retain key employees to the same extent that we have been able to in the past. The proposed Acquisition could cause disruptions to our business or business relationships with our existing and potential customers, suppliers, vendors, landlords, and other business partners, and this could have** ~~and~~ **an adverse impact on our results of operations. Parties with which we have business relationships may experience uncertainty as to the future of such relationships and may delay or defer certain business decisions, seek alternative relationships with third parties, or seek to negotiate changes or alter their present business relationships with us. Parties with whom we otherwise may have sought to establish business relationships may seek alternative relationships with third parties. The pursuit of the Acquisition may place a significant burden on management and internal resources, which may have a negative impact on our ongoing business. It may also divert management' s time and attention from the day- to- day operation of our remaining businesses and the execution of our other strategic initiatives. This could adversely affect our financial results. In addition, we have incurred and will continue to incur other significant costs, expenses, and fees for professional services and other transaction costs in connection with the proposed Acquisition, and many of these fees and costs are payable regardless of whether or not the pending Acquisition is consummated. Any of the foregoing, individually or in combination, could materially and adversely affect our business, our financial condition and our results of operations and prospects. The Acquisition may not be completed within the expected timeframe, or at all, for a variety of reasons, including the possibility that the Arrangement Agreement is terminated prior to the consummation of the Acquisition, and the failure to complete the Acquisition could adversely affect our business, results of operations, financial condition, and the market price of our common stock. There can be no assurance that the Acquisition will be completed in the expected timeframe, or at all. The Arrangement Agreement contains a number of customary closing conditions that must be satisfied or waived prior to the completion of the Acquisition, including, among others, (1) the adoption of a resolution approving the Acquisition by at least two- thirds of the votes cast on such resolution by our stockholders entitled to vote thereon and represented in person or by proxy at the applicable special meeting of our stockholders, (2) the issuance of interim and final orders by the Supreme Court of British Columbia approving the Acquisition, (3) the expiration or termination of any applicable waiting period or periods under the Hart- Scott- Rodino Antitrust Improvements Act of 1976 (as amended) and the receipt of certain required regulatory clearances and approvals in other jurisdictions under applicable antitrust and foreign direct investment laws and regulations, including in Canada, Mexico and the United Kingdom, and (4) absence of any law, injunction, order or other judgment prohibiting, rendering illegal or permanently enjoining the consummation of the Acquisition. Each party' s obligation to consummate the Acquisition is also subject to the accuracy of the other party' s representations and warranties contained in the Arrangement Agreement (subject, with specified exceptions, to materiality or " Material Adverse Effect " standards), the other party' s performance of its covenants and agreements in the Arrangement Agreement in all material respects, and in the case of Purchaser' s obligation to consummate the Acquisition, the absence of any " Material Adverse Effect " relating to us. There can be no assurance that all required approvals will be obtained or that all closing conditions will otherwise be satisfied (or waived, if applicable), and, if all**

required approvals are obtained and all closing conditions are satisfied (or waived, if applicable), we can provide no assurance as to the terms, conditions and timing of such approvals or that the Acquisition will be completed in a timely manner or at all. Many of the conditions to completion of the Acquisition are not within our or Owens Corning’ s control, and we cannot predict when or if these conditions will be satisfied (or waived, as applicable). Even if regulatory approval is obtained, it is possible conditions will be imposed that could result in a material delay in, or the abandonment of, the Acquisition or otherwise have an adverse effect on us. The Arrangement Agreement contains customary mutual termination rights for us and Owens Corning, which could prevent the consummation of the Acquisition, including if the Acquisition is not completed by February 8, 2025 (subject to automatic extension first to May 8, 2025 then to August 8, 2025 in each case, to the extent the regulatory closing conditions are the only conditions that remain outstanding). The Arrangement Agreement also contains customary termination rights for the benefit of each party, including if the other party breaches its representations, warranties, or covenants under the Arrangement Agreement in a way that would result in a failure of the other party’ s condition to closing being satisfied (subject to certain procedures and cure periods). Additionally, the Arrangement Agreement provides termination rights, if certain conditions are met, including (1) for Owens Corning, if our Board of Directors changes its recommendation in favor of the Acquisition, and (2) for us, if our Board of Directors authorizes entry into a definitive agreement with respect to a Superior Proposal (as defined in the Arrangement Agreement) prior to us receiving stockholder approval of the Acquisition. If the Acquisition is not completed within the expected timeframe or at all, we may be subject to a number of material risks, including: • the market price of our common stock may decline to the extent that current market prices reflect a market assumption that the Acquisition will be completed; • if the Arrangement Agreement is terminated under certain specified circumstances, we or Owens Corning will be required to pay a termination fee, including that we will be required to pay Owens Corning a termination fee of $ 75. 0 million under specified circumstances, and Owens Corning will be required to pay us a reverse termination fee of $ 150. 0 million under specified circumstances; • some costs related to the Acquisition must be paid whether or not the Acquisition is completed, and we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the proposed transaction, as well as the diversion of management and resources towards the Acquisition, for which we will have received little or no benefit if completion of the Acquisition does not occur; and • we may experience negative publicity and / or reactions from our investors, customers, partners, suppliers, vendors, landlords, other business partners and employees. Stockholder litigation could prevent or delay the closing of the pending Acquisition or otherwise negatively impact our business, operating results and financial condition. We may incur additional costs in connection with the defense or settlement of stockholder litigation in connection with the pending Acquisition. Such litigation may adversely affect our ability to complete the pending Acquisition. We could incur significant costs in connection with such litigation, including costs associated with the indemnification obligations to our directors and officers. Such litigation may be distracting to management and may require us to incur additional, significant costs. Such litigation could result in the Acquisition being delayed and / or enjoined by a court of competent jurisdiction, which could prevent the Acquisition from becoming effective. Risks Related to Economic Conditions and Market Factors We are exposed to global political, economic and other risks that arise from operating a multinational business that could adversely affect our results of operations. We have operations in the United States, Canada, Europe and, to a lesser extent, other foreign jurisdictions. In fiscal 2023, approximately 79 % of our net sales were derived from the United States, 10 % from Canada and 8 % from the United Kingdom. Managing a global business is complex and subjects the Company to certain risks inherent with doing business internationally that could disrupt our operations. These risks include, but are not limited to, the following: • difficulties in enforcing contractual obligations and collecting receivables; • translations into U. S. dollars for financial reporting purposes of the assets and liabilities of our non- U. S. operations conducted in local currencies; • tax rates in foreign countries and the imposition of withholding requirements on foreign earnings; • restrictive governmental trade policies, customs, tariffs, import or export and other trade compliance regulations; • difficulty in staffing and managing widespread operations and the application of foreign labor regulations; • the impact of geopolitical events, such as the ongoing conflicts in the Middle East and Eastern Europe or political uncertainty related to the upcoming U. S. presidential election; • required compliance with a variety of foreign laws and regulations; and • changes in general economic and political conditions affecting countries where we operate. Volatility and uncertainty in general business, economic conditions or financial markets could adversely impact our business, financial performance **, results of operations and cash flow** . Our business ~~may be adversely impacted by changes in global~~ **has been sensitive to, and our financial performance is substantially dependent on, the general business and** economic conditions **in the regions and primary end markets in which we operate. The overall demand for our products could decline as a result of a large number of factors outside of our control** , including **an economic recession,** inflation, deflation, **fluctuations in** interest ~~rate~~ **rates and** ~~fluctuations,~~ foreign exchange ~~rate~~ **rates** ~~fluctuation~~ , availability and cost of capital, supply chain constraints, consumer spending rates, energy **and labor** availability and costs ~~,~~ and the effects of governmental **fiscal and monetary policies** ~~initiatives to manage economic conditions. Volatility in the financial markets~~ in the regions in which we operate **. Any prolonged** ~~and the deterioration of national and global~~ economic **downturn or volatility in the financial markets that is detrimental to the primary end markets in which we operate could have a material adverse impact on our business, financial performance, results of operations and cash flow. Volatility of the financial and credit markets and its impact to the construction and building product industries and housing markets, could adversely affect our business, financial performance, results of operations and cash flow. The current macroeconomic** conditions **of heightened inflation and interest rates** have **challenged** ~~in the past and could in the future materially adversely impact our operations, financial results and liquidity. Trends in~~ our primary end markets (residential new construction ~~;~~ **, home** repair, renovation and remodeling and non- residential building construction) **. Challenging economic conditions, either upward or downward, have historically had a direct correlation to the demand for our products and** directly ~~impact~~ **impacts** our **business,** financial performance **, results of operations** ~~because they are directly correlated to the demand for doors~~ and ~~door components~~ **cash flow** . Accordingly, the following factors **have had and** may **continue to** have a direct impact on our business in the countries and regions in which our products are sold: ~~• the strength of the economy;~~ • the amount and type of residential and non- residential construction; • housing sales and home values; • the age of existing home stock, home vacancy rates and foreclosures; • non- residential building occupancy rates; • increases in the cost of raw materials, energy or wages ~~,~~ or any shortage in supplies or labor; • the availability and cost of credit; • employment rates and consumer confidence; and • demographic factors such as immigration and migration of the population and trends in household formation. ~~In the United States, for example, the housing market has occasionally experienced significant volatility. For example, the current and continued macro- economic conditions of high inflation and rising interest rates, especially the steep~~ **Steep** increases in mortgage rates ~~during 2022, is one of the primary drivers behind the overall decrease in demand for new single family homes. Market conditions and / or government actions could cause mortgage rates to increase even further in the future. The current housing market is volatile with rising interest rates resulting in more expensive mortgages, elongated build cycles due to labor and supply chain constraints and an~~ **and** ~~increased number of multi- family new construction starts, which generally use fewer of our products and may generate less net sales than typical single family homes. Many of our non- North American markets were acutely affected by the 2006 housing downturn and future downturns could cause excess capacity in housing and building products, including doors and door products, which may make it difficult for us to raise prices. Due in part to both market and operating conditions, we exited certain markets over the past several years, including the Czech Republic, India, Ukraine, Turkey, Romania, Hungary, Poland, Israel, France and South Africa. Our relatively narrow focus within the building products industry amplifies the risks inherent in a prolonged global market downturn. The impact of this weakness on our net sales, net income and margins will be determined by many factors, including industry capacity, industry pricing, and our ability to implement our business plan. Increases in mortgage rates, changes in mortgage interest deductions and related tax changes and the~~ reduced availability of financing for the purchase of new homes and home ~~construction~~ **repair, renovations** and ~~improvements~~ **remodeling** could have a material adverse ~~impact~~ **effect** on our sales and profitability. ~~Demand for~~ **Our business primarily relies on** new ~~homes and~~ home **construction** ~~improvement products may be adversely affected by increases in mortgage rates~~ and ~~the reduced access to consumer financing. If mortgage rates continue to increase and, consequently, the ability of prospective buyers to finance purchases of new homes or~~ home ~~improvement~~ **repair, renovation and remodeling** ~~products~~ **projects** ~~is adversely affected, our business, financial condition and results of operations may be materially and adversely affected. In addition, the Tax Cuts and Jobs Act in the United States placed a cap on the amount of mortgage debt on which interest can be deducted and also made interest on home equity debt non- deductible. These changes and future changes in policies set to encourage home ownership and improvement may adversely impact demand for our products and have a material adverse impact on us~~ . The ability of consumers to finance these purchases is affected by **increases in mortgage** ~~such factors as new and existing home prices, homeowners' equity values, interest~~ rates and **reduced access to consumer financing due to** ~~home foreclosures. Adverse developments affecting any of these~~ -- **the** ~~factors could result in a~~ tightening of lending standards by financial institutions ~~and reduce the ability of some consumers to finance home purchases or repair and remodeling expenditures~~ . ~~Interest~~ **Mortgage** rates **increased dramatically from** ~~have recently experienced significant volatility; for example, in response to increasing inflation, the U. S. Federal Reserve began to raise interest rates in~~ March 2022 **through** ~~for the first time in over three~~ -- **the** ~~years~~ **end of 2023 and** , **if mortgage** ~~ultimately increasing interest~~ rates **continue** ~~by over 4 %, and has signaled it expects~~ to ~~make additional rate increases~~ - **increase or remain at current levels, consumers may delay or exit homeownership or shift to building smaller homes, which requires less of our products** . **These outcomes** ~~A worsening in credit markets~~ could **have a material adverse effect on our business, financial condition and results of operations. Energy and transportation price fluctuations may** adversely impact our ~~net sales~~ **manufacturing operations** and **costs** ~~net income~~ . **The cost of producing our products is impacted by the price of energy, including its impact on transportation costs. Energy prices, in particular oil and natural gas, have fluctuated in recent years, and have been further strained by the ongoing war between Russia and Ukraine. Fuel prices rose significantly during extended portions of 2022. While fuels costs appeared to have moderated in 2023, if fuel prices were to rise again for any reason, including fuel supply shortages or unusual price volatility, the resulting higher fuel prices could materially increase our shipping costs, adversely affecting our results of operations. We are highly reliant on the trucking industry for the transportation of our products. The overall profitability of our operations may be negatively impacted by higher transportation costs as freight carriers raise prices to address the continued shortage of drivers and price of fuel. There can be no assurance that we will be able to recoup any past or future increases in the cost of energy and transportation or pass these costs onto our customers. Risk Related to Industry Conditions** We operate in a **highly** competitive **industry** ~~business environment. If we are unable to compete successfully, we could lose customers and our sales could decline~~ . The building products industry is highly competitive. **Competitive factors we face include price, quality, customer service and on- time and complete deliveries. To the extent any of our competitors become more successful with respect to any of these competitive factors, we could lose customers and our financial condition and results of operations could decline.** Some of our ~~principal~~ competitors may have **access to** greater financial **resources** , ~~marketing~~ **larger manufacturing capacity** and distribution ~~resources~~ **network** than we do ~~and may be less leveraged than we are~~ , ~~providing them with~~ **which may allow for** more ~~flexibility to respond to new technology or shifting consumer demand. Accordingly, these competitors may be better able to withstand changes in conditions within the industry in which we operate and may have significantly greater~~ operating and financial flexibility ~~than we do~~ **to respond to changes within our industry and end markets and product demand by our customers** . Also, ~~certain~~ **a substantial increase in the supply** of ~~our competitors may have excess~~ **door and door**

components resulting from increased production capacity ~~, which may~~ **by our competitors could** lead **us** ~~to pressure~~ to decrease ~~prices~~ **pricing** in order to remain competitive ~~and may limit~~ **, which in turn could adversely impact** our ability ~~to raise prices even in markets where economic and market conditions have improved. For these and other reasons, our competitors could take a greater share of sales and cause us to lose business from our customers or hurt our margins. As a result of this competitive environment, we face pressure on the sales prices of our products. Because of these pricing pressures, we may in the future experience limited growth and reductions in our profit margins, sales or cash flows, and may be unable~~ to pass on future **increases in** raw material ~~price~~ , labor ~~cost~~ and other ~~input cost~~ **costs** ~~increases~~ to our customers ~~which~~ **and** ~~would~~ **could** ~~also~~ reduce profit margins **, sales and the profitability of our business** . ~~Because~~ **Although price is a significant basis of competition in our industry,** we ~~depend~~ **also compete** on **the basis** ~~a core group~~ of **on- time delivery and our reputation for quality and customer service. If we fail to maintain our current standards for product quality, the scope of our distribution capabilities or our customer relationships, our reputation, financial condition, results of operations and cash flows could be adversely affected. The loss of any of our** significant customers **could adversely** ~~, our sales, cash flows from operations, results of operations and our ability to implement price increases for our products may be negatively affected~~ -- **affect** ~~if our key customers reduce the amount of products they purchase from us or~~ **our business** ~~demand lower prices~~ . Our customers consist mainly of wholesalers, retail home centers and contractors. Our top ten customers together accounted for approximately 50 % of our net sales in fiscal year ~~2022~~ **2023** , while our largest customer, The Home Depot, accounted for approximately ~~22~~ **20** % of our net sales ~~in fiscal year 2022~~ **during the same period** . We expect that a small number of customers will continue to account for a substantial portion of our net sales for the foreseeable future. ~~However, net sales from customers~~ **Customers** that have accounted for a significant portion of our net sales in past periods, individually or as a group, may not continue to do so in future periods, or if continued, may not reach or exceed historical **net sales** levels in any period. For example, many of our largest customers, including The Home Depot, perform periodic line reviews to assess their product offerings, which have, on past occasions, led to loss of business and pricing pressures. In addition, as a result of competitive bidding processes, we may not be able to increase or maintain the margins at which we sell our products to our most significant customers. Moreover, if any of ~~these~~ **our** customers ~~fails~~ - **fail** to remain competitive in ~~the~~ **their** respective markets or encounters financial or operational problems, our net sales and profitability may decline. We generally do not enter into long-term contracts with our customers **,** and they generally do not have an obligation to purchase products from us. Therefore, we could lose a significant customer with little or no notice. Alternatively, our customers could expect that we lower the prices of our products should the cost of raw materials decrease ~~;~~ **, and** our failure to do so could cause such customers to seek similar products from our competitors. The loss of, or a significant adverse change in, our relationships with The Home Depot or any other major customer could cause a material decrease in our net sales. The loss of, or a reduction in orders from, any significant customers, losses arising from customer disputes regarding shipments, fees, merchandise condition or related matters ~~,~~ or our inability to collect accounts receivable from any major customer, could have a material adverse effect on **results of** ~~us. Also, we have no operational~~ -- **operation and cash flow. Consolidation of** ~~or~~ **our** ~~financial control over these~~ customers and **suppliers** ~~have limited influence over how they conduct their businesses. Consolidation of our customers and their increasing size~~ could adversely affect our results of operations. ~~In~~ **Over the past few years,** many of **our customers, distributors and suppliers have undergone consolidation due to being acquired by, or acquiring, another company with similar operations. Consolidation of our customers could result in the loss of a customer or a portion of** ~~the~~ **their business** ~~countries in which we operate~~ , **in addition to** an **increased reliance on certain key customers** ~~increasingly large number of building products are sold through large retail home centers and other large retailers~~ . **Future** ~~In addition, we have experienced~~ consolidation of **our customers or** distributors ~~in our wholesale distribution channel~~ and ~~among businesses operating in different geographic regions resulting in more customers operating nationally and internationally. If the consolidation of our customers and distributors were to continue, leading to the further increase of~~ their **increased** ~~size and~~ purchasing power, ~~it~~ **could result in our customers seeking more favorable terms, including pricing, which may limit our ability to maintain pricing or raise pricing in the future. The consolidation of our suppliers has resulted in limiting, and may further limit, our sources of supply and impact pricing. Any future consolidation of our customers, distributors or suppliers** could impact our margin growth ~~and profitability as larger customers may realize certain operational and other benefits of scale. If we fail to provide high levels of service~~ , ~~broad product offerings, competitive prices and timely and complete deliveries, we could lose a substantial amount of our customer base and our profitability, margins and net sales could decrease. Consolidation of our customers could also result~~ **results** ~~in the loss~~ of **operations and cash flow** ~~a customer or a substantial portion of a customer' s business~~ . If we are unable to ~~accurately predict future~~ **develop new or improved product offerings that respond to industry trends,** ~~demand~~ **demands and consumer** preferences ~~for our products~~ , our business and results of operations could be materially affected. **Our business is sensitive to consumer and industry trends, demands and preferences.** A key element to our continued success is ~~the~~ **our** ability to ~~maintain accurate forecasting of future~~ **improve our existing products or innovate and develop new product lines to respond to industry trends,** ~~demand~~ **demands and consumer** preferences ~~for our products~~ . Our ~~business in general is subject~~ **failure to accurately identify and respond** to changing consumer ~~and industry~~ trends **successfully** , **could lead to, among other things, rejection of new or existing product lines, increased substitution of our products and price reductions. In addition, we are subject to the risk that new products, proprietary designs and / or changes in manufacturing technologies may reduce** ~~demands~~ - **demand** ~~and preferences~~ **for or render our products obsolete. In response, we may not be able to manufacture products at prices that would be competitive in the marketplace or have the financial resources to make necessary technology investments, including the use of artificial intelligence (" AI "), or acquire necessary intellectual property rights to develop new products or improve our existing products** . Changes to consumer shopping habits and potential trends towards online purchases could also impact our ability to compete as we currently sell our products mainly through our distribution channels. **Risks Related** ~~Our continued success depends largely on~~

~~the introduction and acceptance by our customers of new product lines and improvements~~ to ~~existing product lines that respond to such trends, demands and preferences. Trends within the industry change often and our failure to anticipate, identify or~~ **our Operations Availability** ~~quickly react to changes in these trends could lead to, among other things, rejection~~ of **raw materials** ~~a new product line~~ , ~~increased substitution of our products and reduced demand and~~ price **fluctuations** ~~reductions for our products~~ , and ~~could materially~~ **supply chain disruptions may** adversely affect ~~us~~ **our profitability, margins and net sales. Our profitability is affected by the prices and availability of raw materials and finished goods used in the manufacturing of our products. The principal raw materials used to manufacture our products are wood, wood chips, wood composites, cut stock, steel, glass, aluminum, fiberglass, core material, paint, stain and primer as well as petroleum- based products such as binders, resins and frames. These raw materials and finished goods have historically exhibited price and demand cyclicality. The availability of these raw materials and finished goods and our ability to purchase them may be unexpectedly disrupted by factors beyond our control, including world oil prices, changes in supply and demand, weather, general economic or environmental conditions, labor costs, competition, import duties, tariffs, currency exchange rates and, in some cases, government regulation. Disruptions in transportation lines, such as drought affecting traffic through the Panama Canal and geopolitical- based attacks on ships traversing the Suez Canal, have caused global supply chain issues that have and may continue to adversely impact the availability and timing of delivery of our raw materials and those of our suppliers. Significant and rapid increases in the prices of raw materials or finished goods are more difficult to pass through to customers in a short period of time and may negatively impact our short- term profitability, margins and net sales. Alternatively, should the prices of raw materials or finished goods decrease, our customers may seek corollary reductions in the pricing of our products** . In ~~addition~~ **certain instances** , **we depend on a single or limited number of suppliers for these raw materials and finished goods. We typically do not have long- term contracts with our suppliers. If** we are ~~subject~~ **not able** to ~~the risk~~ **accurately forecast our supply needs, it may be difficult to obtain additional raw materials to respond to shifting or increased demand. Our dependency upon regular deliveries from particular suppliers means** that ~~new products~~ **interruptions or stoppages in such deliveries could adversely affect** ~~or~~ **our** ~~product~~ **results of operations until alternative suppliers are arranged, if at all, and under terms and** pricing **that** could be ~~introduced~~ **prohibitive. Additionally, qualifying an alternative supplier, even if available, may require a lengthy regulatory approval process to confirm** that ~~would replace~~ **the substituted raw material meets the regulatory standards required to be used in** ~~or~~ **our** ~~reduce~~ **products. Moreover, some of our raw materials, especially those that are petroleum- or chemical- based, may require significantly more lead time and procuring a compatible substitute to meet our** demand ~~for our products. Furthermore, new proprietary designs and / or changes in manufacturing technologies may render our products obsolete or we~~ may not be **available** ~~able to manufacture products~~ or ~~designs at~~ **of the same quality or** ~~prices~~ - **price** ~~that would~~ **. Even if acceptable alternatives are found, the process of locating and securing such alternatives might** be **disruptive** ~~competitive in the marketplace. We may not have sufficient resources~~ to ~~make necessary investments or~~ **our business and** ~~we may be unable to make the investments or~~ **our net sales and profitability may decline** ~~acquire the intellectual property rights necessary to develop new products or improve our existing products~~ . Our business is subject to climate **-** ~~change and~~ related **risks** ~~extreme weather events~~ that ~~may~~ **could adversely** affect our net sales, **results of operations and** cash ~~flows~~ - **flow** ~~from operations and results of operations~~ . **We analyze climate risks in two separate categories: transition risks and physical risks. Physical risk refers to the risks related to the physical impacts of climate change, driven by** ~~Severe~~ **severe** weather conditions ~~in any quarter~~ , such as unusually prolonged warm or cold conditions, rain, blizzards **, wildfires, flooding** or hurricanes ~~, could accelerate, delay or halt construction and renovation activity. Ongoing climate change has increased the frequency and severity of these events and the related risk of an extreme weather event may affect our corporate headquarters, our manufacturing plants or plants owned by one of our customers or suppliers~~ . An increase in average global temperatures could result in more frequent and severe weather events that **may affect our corporate headquarters, our manufacturing plants or plants owned by customers or suppliers. Additionally, weather events could** disrupt **the** supply of inbound raw materials ~~,~~ **and** outbound finished products ~~or our ability to run our plants~~ and could reduce the quality and volume of wood available to our manufacturing ~~locations~~ **plants** due to an increase in pest infestation, disease or prolonged drought or flooding. The impact of these types of events on our business may adversely impact our sales, cash flows from operations and results of operations. **Transition risk refers** ~~Concern over global climate change has led~~ to ~~significant federal~~ **the transition to a low- carbon economy** , ~~state and international~~ **which may entail extensive policy,** regulatory ~~efforts~~ **, legal, technology and market changes. These risks can impact both financial and non- financial risk types and could have broad impacts** to ~~limit greenhouse~~ **our business and operations, such** ~~gas~~ - **as** ~~emissions~~ **changes in energy** and ~~increase~~ **commodity prices driven by** climate- related ~~reporting~~ **weather events, prolonged climate- related events that change consumer product preferences** and ~~disclosures~~ **spending, stakeholder perception of our engagement in climate- related policies and new regulatory requirements resulting in higher compliance risk and operational costs. Our acquisitions could be difficult to integrate and could adversely affect our results of operations. In the past several years, we have invested a substantial amount of capital in several strategic acquisitions of door and door component manufacturers in North America and the United Kingdom, and we expect that we will continue to do so in the foreseeable future. In January 2023, we completed our acquisition of Endura, which further enhances our product offerings and capabilities of door components. In October 2023, we completed our acquisition of Fleetwood, which expands our portfolio into luxury aluminum- framed doors and windows. As part of our growth strategy, we are continually evaluating possible acquisitions and strategic investments that are complementary to our business and may include expansion into new product lines or businesses. Acquisitions and strategic investments involve numerous risks, including our ability to (a) identify suitable acquisition targets, (b) negotiate acquisitions on acceptable terms and conditions, (c) identify material issues during the due diligence process, and (d) retain key employees, customers and contracts. An acquisition may also entail incurring** unanticipated costs in connection with integrating businesses, operating results that are lower than anticipated and the inability to realize the projected value or achieve projected synergies , which could ~~impose~~ result in an impairment of goodwill, each of which could adversely affect our business, financial condition, results of operations and cash flow. Integrating an acquired business into our current operations is challenging and may take substantial time, effort and resources by management, and there can be no assurances that any acquisition will be successfully integrated into our operations. Additionally, we may become subject to contingent liabilities or legal claims, including environmental, regulatory or compliance issues, tax liabilities that are not adequately covered by insurance or an enforceable indemnity, and we may be responsible for significant out of pocket expenditures related thereto or otherwise. These liabilities, if they materialize, could have an adverse effect on our business, financial condition, results of operations and cash flow. We have identified a material weakness in our internal control over financial reporting which could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. As described elsewhere in this Annual Report on Form 10- K, in connection with the audit of our consolidated financial statements for the fiscal year ended December 31, 2023, management identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness in our case relates to our internal controls related to accounting for the Company' s business combinations, specific to the sufficiency of evidence supporting management' s review activities (see Part II, Item 9A of this report for further information). Failure to maintain our internal control over financial reporting could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. The Company is currently taking actions to remediate this deficiency and believes that the implementation of business combination controls relating to finalizing the preliminary purchase allocations or to new business combinations will substantially remediate the material weakness identified. As we continue to evaluate and take actions to improve our internal control over financial reporting, we may determine to take additional actions to address control deficiencies or determine to modify certain of the remediation measures described above. Notwithstanding the above, the material weakness did not result in any material misstatements to the consolidated financial statements. Further, management believes and has concluded that the consolidated financial statements included in this report fairly present, in all material respects, the Company' s financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America. Increased labor costs , availability of labor, or potential labor disputes and work stoppages at our facilities or the facilities of our suppliers could materially adversely affect our financial performance. Our financial performance is affected by the availability of qualified personnel and the cost of labor as it impacts our direct labor, overhead, distribution and selling, general and administration costs. We have approximately 10, 000 employees and contract personnel worldwide, including approximately 2, 200 unionized workers. Employees represented by these unions are subject to collective bargaining agreements that are subject to periodic negotiation and renewal, including our agreements with employees and their respective works councils in the United States, Canada, Mexico and Chile. If we are unable to enter into new, satisfactory labor agreements with our unionized employees upon expiration of their agreements or if our workers were to engage in strikes, a work stoppage or other slowdowns, we could experience substantial disruptions to our operations. Such disruptions could result in late delivery of our products, loss of business and an increase in our operating expenses, which could reduce our net sales and profit margins. We believe many of our direct and indirect suppliers and customers also have unionized workforces. Strikes, work stoppages or slowdowns experienced by our suppliers and customers could result in slowdowns or closures of facilities where components of our products are manufactured or delivered. Any interruption in the production or delivery of these components could reduce sales, increase costs and have a material adverse effect on our operations. A disruption in our operations could materially affect our operating results. We operate facilities worldwide, some of which are located in areas that are vulnerable to hurricanes, earthquakes and other natural disasters. In the event that a hurricane, earthquake, natural disaster, fire or other catastrophic event were to interrupt our operations for any extended period of time, it could delay shipment of merchandise to our customers, damage our reputation or otherwise have a material adverse effect on our financial condition and results of operations. Closure of one of our door facing facilities, which are our most capital intensive and least replaceable production facilities, could have a substantial negative effect on our earnings. We maintain insurance coverage to protect us against losses under our property, casualty and umbrella insurance policies, but that coverage may not be adequate to cover all claims that may arise or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Any liability not covered by insurance could materially and adversely impact our financial condition and results of operations. We may incur rationalization costs and there can be no assurance that our efforts to reduce costs will be successful. We continually review our manufacturing operations to address market conditions and have reorganized portions of our operations from time to time, particularly following acquisitions or divestitures and periods of economic downturn. We expect to implement continuous improvement initiatives necessary or desirable to improve our business portfolio, address underperforming assets, improve our cost structure and generate additional cash. For example, in December 2022, we approved a restructuring plan intended to (i) better align our operational structure and long- term business strategy and (ii) continue to drive cost efficiencies through an optimized manufacturing footprint. The rationalization of our manufacturing operations and cost savings

programs involve substantial planning and may require additional capital investment, consolidation, integration and upgrading of facilities, functions and systems. These actions could result in a decrease in our short- term earnings as a result of restructuring charges and related impairments and other expenses, including severance costs. Additionally, these actions may result in temporary constraints upon our ability to manufacture the quantity of products necessary to fill orders in a timely manner, could affect customer demand for our products and may result in the loss of business and impact our results of operations. While we expect these initiatives to result in profit opportunities and savings throughout our organization, our estimated profits and savings are based on assumptions that may prove to be inaccurate, and as a result, there can be no assurance that we will realize profits and cost savings or that, if realized, these profits and cost savings will be sustained. Failure to achieve or delays in achieving projected levels of efficiencies and cost savings from such measures, or unanticipated inefficiencies resulting from in- process or contemplated manufacturing and administrative reorganization actions, could adversely affect our business, financial condition, results of operations and cash flows and harm our reputation We may be the subject of product liability, product warranty and other claims or legal proceedings that could adversely affect our results of operations and financial performance. We manufacture products that are used in a wide variety of residential and commercial applications. Our failure to maintain our product quality standards could result in product- related claims against us, including class action lawsuits, regulatory penalties and warranty claims in the event our products do not meet the required customer specification or result in personal injury or property damage. In the event that any of our products prove to be defective, among other things, we may be responsible for product defect- related damages or an order to cease production of, recall or redesign such products and potentially subject us to regulatory penalties. Any such claim or lawsuits, whether or not successful, could result in adverse publicity, loss of customers and a decline in sales. We maintain insurance coverage to protect us against product liability claims, but that coverage may not be adequate to cover all claims or costs that may arise or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Any liability not covered by insurance or that exceeds our established reserves could materially and adversely impact our financial condition and results of operations. Our ability to attract, engage and retain talented employees and executives is critical to our success. Our ability to attract, engage and retain talented and qualified employees at all levels within our organization, including production employees, key managers and executives, is critical to the success of our business. We need an engaged workforce to serve our customers and meet our business objectives. Competitive pressures and a tightened labor market within and outside our industry may make it more difficult and expensive to attract and hire qualified employees. Increased turnover of production employees, the retirement of or unforeseen loss of key employees without appropriate succession planning or the ability to develop or hire replacements with the requisite skill could make it difficult to manage our business, meet our business objectives, and hinder the development or enhancement of products and may result in a material adverse effect on our business, financial condition, results of operations and cash flows. We rely on the continuous operation of our information technology systems. Failure to upgrade, maintain or prevent damage to such information technology systems or implement contemporary technology systems may adversely affect our business, results of operations and customer relationships. Our information technology systems allow us to manufacture doors and door components, accurately maintain books and records, record transactions, provide information to management and prepare our consolidated financial statements. We may not have sufficient redundant operations to cover a loss or failure in a timely manner. Our operations depend on our information technology systems, which may be vulnerable to damage from cyber- attacks, hardware failure, fire, power loss, telecommunications failure, impacts of terrorism, natural disasters (including those related to climate change) or other disasters. Any damage to our information technology systems could cause interruptions to our operations that materially adversely affect our ability to meet customers' requirements, resulting in an adverse impact to our business, financial condition and results of operations. We continue to expand, update and upgrade our information technology systems, networks and other core applications, with a focus on optimizing our information technology systems around the globe to meet our changing business demands and to mitigate the risks of a changing cyber security threat landscape. We may not be able to successfully implement certain updates or upgrades to our information technology systems without experiencing difficulties, which could require significant financial and human resources and impact our ability to efficiently service our customers or create accurate financial statements resulting in an adverse impact to our business, financial condition and results of operations. Potential cyber threats and attacks and compliance with data privacy requirements could disrupt our information systems and cause damage to our business and our reputation. Our internal information security systems and those of our current and any future partners, acquisitions, contractors and consultants may be vulnerable to damage from cyber- attacks, computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Information security threats, which pose a risk to the security of our information systems and the confidentiality, availability and integrity of our data, are increasing in frequency and sophistication as evidenced by significant ransomware attacks and foreign attacks on prominent computer software systems that has had an impact on a wide variety of companies and industries. We have established policies, processes and multiple layers of defenses designed to help identify and protect against intentional and unintentional misappropriation or corruption of our information systems, including third party vendors' systems. Should damage or unauthorized access to our information systems occur, it could lead to the compromise of confidential information, manipulation and destruction of data and product specifications, production downtimes, disruption in the availability of financial data or misrepresentation of information via digital media. While we have not experienced any material breaches in information security, the occurrence of any of these events to our information systems may have a material adverse effect on our business strategy, financial condition, results of operations and cash flow. Specifically, a cyber

security breach of our corporate- or plant- level information systems could compromise the confidentiality, availability and integrity of our Company data, cause interruptions to our Company' s operations and adversely affect our reputation. A cyber security break could result in litigation, regulatory action, financial loss, project delay claims and increased costs and operational consequences. Further, regulators continue to expand data privacy and data security requirements, as well as increased fines for non- compliance of security and data breach obligations, specifically in the European Union and United Kingdom under their separate General Data Protection Regulations, in Canada under the Personal Information Protection and Electronic Documents Act and additional provincial data privacy laws, in the United States under the California Consumer Privacy Act and California Privacy Rights and Enforcement Act and other newly enacted or proposed state data privacy laws. Failure to comply with these current and future data privacy laws, policies, industry standards or legal obligations or any security incident resulting in the unauthorized access to, or acquisition, release or transfer of personal information may result in governmental enforcement actions, litigation (including a private right of action), fines, penalties and statutory damages, as well as adverse publicity that may cause our customers to lose trust in us, which could have a material adverse effect on our business and results of operations. Risks Related to our Financial Condition To service our consolidated indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. In 2023, in connection with our acquisitions of Endura and Fleetwood, we significantly increased our outstanding indebtedness by entering into a new five- year $ 250. 0 million delayed- draw term loan facility (the" Term Loan Facility") and an amendment to the ABL Facility to increase the borrowing capacity to $ 350. 0 million. As a result, we expect that our consolidated debt service obligations for 2024 and beyond will increase from prior amounts. If we do not generate sufficient cash flows from operations to satisfy our consolidated debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to restructure or refinance our debt will depend on the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations . In addition, ~~new laws~~ **the terms of existing** or future ~~regulations~~ **debt instruments, including the Term Loan Facility, the ABL Facility and the indentures governing the senior notes, may restrict us from adopting some of these alternatives. If we are unable to generate sufficient cash flows to satisfy our debt service obligations, or to refinance our obligations on commercially reasonable terms, it would have an adverse effect, which** could ~~directly~~ **be material, on our business, financial condition and results of operations. Under such circumstances, we may be unable to comply with the provisions of our debt instruments, including the financial covenants in the Term Loan Facility and the ABL. If we are unable to satisfy such covenants or other provisions at any future time, we would need to seek** ~~and~~ - **an** ~~indirectly an~~ amendment or waiver of such financial covenants or other provisions.The lenders under the Term Loan Facility ~~and~~ **,** the ABL Facility may not consent to any amendment or waiver requests that we may make in the future,and,if they do consent,they may ~~not~~ do so on terms which are ~~favorable~~ **unfavorable** to us.The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings.If we are unable to obtain any such waiver or amendment,our inability to meet the financial covenants or other provisions of the Term Loan Facility ~~and~~ **,** the ABL Facility would constitute an event of default thereunder,which would permit the lenders to accelerate repayment of borrowings under the Term Loan Facility ~~and~~ **,** the ABL Facility,which in turn would constitute an event of the default under the indenture governing the senior notes,permitting the holders of the senior notes to accelerate payment thereon.Our assets and / or cash flows,and / or that of our subsidiaries,may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default,and the secured lenders under the Term Loan Facility ~~and~~ **,** the ABL Facility could proceed against the collateral securing that indebtedness.Such events would have a material adverse effect on our business,financial condition and results of operations,as well as on our ability to satisfy our obligations in respect of the senior notes.The terms of the Term Loan Facility,the ABL Facility and the indentures governing the senior notes may restrict our current and future operations,particularly our ability to respond to changes in our business or to take certain actions.The credit agreements governing the Term Loan Facility and the ABL Facility as well as the indentures governing the senior notes contain,and the terms of any future indebtedness of ours ~~would~~ likely contain,a number of restrictive covenants that impose significant operating and financial restrictions,including restrictions on our ability to engage in acts that may be in our best long- term interests.The indentures governing the senior notes and the credit agreements governing the Term Loan Facility and ABL Facility include covenants that,among other things,restrict our and our subsidiaries' ability to:• incur additional indebtedness and issue disqualified or preferred stock;• make restricted payments;• sell assets;• create restrictions on the ability of their restricted subsidiaries to pay dividends or distributions;• create or incur liens;• enter into sale and lease- back transactions;• merge or consolidate with other entities;and • enter into transactions with affiliates.The operating and financial restrictions and covenants in the debt agreements entered into in connection with the Term Loan Facility,the ABL Facility and any future financing **agreements may adversely** affect our ~~any future financing agreements may adversely affect our~~ ability to finance future operations or capital needs or to engage in other business activities.Fluctuating exchange and interest rates could adversely affect our financial results.Our financial results may be adversely affected by fluctuating exchange rates.Net sales generated outside of the United States were approximately ~~26~~ **20** % for the year ended ~~January 1~~ **December 31** ,2023.In addition,a significant percentage of our costs during the same period were not denominated in U.S.dollars.For example,for most of our non- U.S.manufacturing facilities,the prices for a significant portion of our raw materials are quoted in the domestic currency of the country ~~where~~ **in which** the facility is located or ~~other~~ **in** currencies that are not U.S.dollars.We also have substantial assets outside the United States.As a result,the volatility in the price of the U.S.dollar has exposed,and in the future may continue to expose,us to currency exchange risks.For example,we are subject to currency exchange rate risk to the extent that some of our costs will be denominated in currencies other than those in which we earn revenues.Also,since our financial statements are denominated in U.S.dollars,changes in currency exchange rates between the U.S.dollar and other currencies have had,and will continue to have,an impact on many aspects of our financial results.Changes in currency exchange rates for any country in which we operate may require us to raise the prices of our products in that country and may result in the loss of business to our competitors that sell their products at lower prices in that country.Moreover,as our current indebtedness is denominated in a currency that is different from the currencies in which we derive a portion of our net sales,we are also exposed to currency exchange rate risk with respect to those financial obligations.When the outstanding indebtedness is repaid,we may be subject to taxes on any corresponding foreign currency gain.Borrowings under our current Term Loan Facility and ABL Facility are incurred at variable rates of interest,which exposes us to interest rate fluctuation risk.As described above,interest rates rose significantly in 2022 **into the first half of 2023** and such rates may continue to increase in the future. ~~Data Security and Privacy~~ We ~~rely on~~ **are subject to** the **credit risk of our** customers ~~and suppliers and~~ **. We provide credit to** our **customers in the normal course of** business. We ~~cannot~~ **generally do not require collateral in extending such** ~~predict~~ - **credit and failure by our customers to meet** ~~the~~ **their obligations could have a material adverse** ~~effects~~ - **effect** on our business ~~that may~~ **, financial condition,** ~~result~~ **results** ~~from global climate~~ **of operations and cash flows. Risks Related to Regulatory** ~~change~~ **Changes** ~~-~~ **and Legal Costs** Changes in climate change regulation may have a material effect on our results of operations. Laws or regulations aimed at addressing climate change, including local building codes, greenhouse gas emissions, laws or regulations impacting energy supply ~~,~~ and other laws ~~or~~ **,** regulations ~~,~~ **or rules** may materially impact demand for our products ~~or~~ **,** our cost of doing business **or ability to secure critical permits** . For example, in December 2022, the European Union reached an agreement to introduce a carbon tax under the European Union Carbon Border Adjustment Mechanism and there are several United States federal carbon tax proposals that would introduce an economy- wide carbon tax. These proposals include a fee on each unit of carbon dioxide released into the atmosphere ~~thus~~ **,** making carbon- intensive goods and services more expensive, which then provides a financial incentive to use less of these products or shift to lower- carbon alternatives. Currently **,** the use of biomass for energy is considered carbon neutral. A carbon tax scheme might not include this assumption and thus tax our **biomass** ~~bio- mass~~ emissions at an equal rate as our fossil fuel emissions. These carbon taxes could adversely affect our business, financial condition, results of operations and cash flows. ~~Acquisition~~ **Concern over global climate change has led to significant federal, state and international regulatory efforts to limit greenhouse gas emissions and increase climate** - related **reporting and disclosures, which could impose substantial compliance costs. The State of California recently passed the Climate Corporate Data Accountability Act and the Climate- Related Financial** ~~Risks~~ - **Risk** ~~Our recent acquisitions and any~~ **Act that will impose broad climate-related disclosure obligations beginning in 2026 on certain companies doing business in California, including us. A similar proposal is under consideration by the SEC. In addition, new laws or** future **regulations** ~~acquisitions, if available,~~ could **directly** ~~be difficult to integrate~~ and **indirectly affect our customers and suppliers and our business. We cannot predict the effects on our business that may result from global climate change. Changes in environmental and health and safety laws and regulations could negatively impact our operations and financial performance. We must comply with extensive laws, rules and regulations in the United States and in each country where we conduct business, regarding environmental matters, including, without limitation, those governing emissions to air, soil, discharge to water, storage, treatment and disposal of waste, release of contaminants or presence of hazardous or toxic substances, remediation of contaminated sites, protection of worker health and safety and corporate social responsibility matters. These laws, rules and regulations, as well as the interpretation and administration of such laws and regulations by governmental agencies, can change and restrict or prohibit the manner in which we conduct our current operations, such as requiring changes to our manufacturing processes or could increase the cost of some or all our operations. Such changes** could adversely affect our ~~operating~~ **business, financial condition,** results **of operations and cash flows** . ~~In~~ **Compliance with present or future environmental regulations, such as, for example, future regulations imposed on the use or sale of products containing per- and polyfluoroalkyl substances (" PFAS") or formaldehyde or** ~~the~~ **other** ~~past several years,~~ **similar classified hazardous chemicals in the countries where** we **conduct business could lead** ~~completed several strategic acquisitions of door and door component manufacturers in North America and the United Kingdom~~ to **us incurring significant costs to become compliant** ~~vertically integrate and expand our operations. In January 2023, we completed our acquisition of Endura~~ , which ~~further enhances~~ **may include changing our manufacturing process** ~~our~~ - **or vendors with whom** ~~product offerings and capabilities. From time to time,~~ we have ~~evaluated and we continue~~ **established a longstanding relationship or require us** to **use alternative raw materials to manufacture** ~~evaluate possible acquisition transactions on an on- going basis. Our acquisitions may not be immediately accretive. At any time we may be engaged in discussions or~~ **our products. We** ~~negotiations with respect to possible acquisitions or may~~ have **incurred costs relating to environmental compliance in the** ~~entered into non- binding letters of intent. As part~~ **past** ~~of our strategy, we expect to continue to pursue complementary acquisitions and investments and may expand into product lines or businesses with which we have little or no operating experience. For example, acquisitions may involve product categories beyond what we currently sell~~ , such as ~~the acquisition of Endura in January 2023. We may also engage in further vertical integration. However~~ , ~~we may face competition~~ for ~~attractive targets~~ **example, the Maximum Achievable Control Technology Standard** and ~~we~~ **similar future environmental compliance related expenditures** may ~~not~~ be ~~able to source appropriate acquisition targets at prices acceptable to us, or at all. In addition, in order to pursue our acquisition strategy, we will need significant liquidity, which, as a result of the other factors described herein, may not be available on terms favorable to us, or at all. Our recent and any future acquisitions involve a number of risks, including: • our inability to integrate the acquired~~ **required** ~~business, including their information technology systems; • our inability~~ to **remain compliant** ~~manage acquired businesses or control integration and other costs relating to acquisitions; • our lack of experience~~ with **changing environmental requirements. Despite** ~~a particular business should we~~

~~invest in a new product line; • diversion of management attention; • our failure to achieve projected synergies or~~ **our efforts** ~~cost savings; • impairment of goodwill affecting our reported net income; • our inability~~ to **comply** ~~retain the management or other key employees of the acquired business; • our inability to establish uniform standards, controls, procedures and policies; • our inability to retain customers of our acquired companies; • risks associated~~ with **environmental requirements** ~~the internal controls of acquired companies; • exposure to legal claims for activities of the acquired business prior to the acquisition; • our due diligence procedures could fail to detect material issues related to the acquired business; • unforeseen management and operational difficulties~~ , ~~particularly if we acquire assets or businesses in new foreign jurisdictions where we have little or no operational experience; • damage to our reputation as a result of performance or customer satisfaction problems relating to any acquired business; • the performance of any acquired business could be lower than we anticipated; and • our inability to enforce indemnifications and non- compete agreements. Rising interest rates could impair or prohibit our ability to finance acquisitions. The integration of any future acquisition into our business will likely require substantial time, effort, attention and dedication of management resources and may distract our management in unpredictable ways from our ordinary operations. The integration may also result in consolidation of certain existing operations. If we cannot successfully execute on our investments on a timely basis, we may be unable to generate sufficient net sales to offset acquisition, integration or expansion costs, we may incur costs in excess of what we anticipate, and our expectations of future results of operations, including cost savings and synergies, may not be achieved. If~~ we are ~~not able~~ **at risk of being subject** to ~~effectively manage recent~~ **civil, administrative** or ~~future acquisitions~~ **criminal enforcement actions,** or ~~realize~~ **of incurring costs, fines or penalties. The amount of any resulting liabilities, costs, fines or penalties may be material. We must also comply with extensive laws, rules and regulations regarding the protection of worker health and safety and corporate social responsibility matters. Changes in such laws, rules and regulations or in** their **enforcement could significantly increase** ~~anticipated benefits, it may harm~~ our ~~results~~ **costs** of operations **which** ~~. Manufacturing and Operations Changing prices for and diminished availability of raw materials or finished goods used in our products or interruptions in deliveries of raw materials or finished goods~~ could adversely affect our **business** ~~profitability, margins and net sales~~ . **Violations** ~~Our profitability is affected by the prices and availability~~ of **health** ~~raw materials~~ and **safety laws are subject** ~~finished goods used in the manufacturing of our products. These prices have fluctuated and may continue~~ to **civil** ~~fluctuate based on a number of factors beyond our control~~ , ~~including world oil prices, changes in supply and demand, weather, general economic or environmental conditions, labor costs, competition, import duties, tariffs, currency exchange rates~~ and, in some cases, ~~government regulation~~ **criminal sanctions** . ~~The commodities~~ **As a result of these uncertainties,** we ~~use~~ may **incur unexpected interruptions** ~~undergo major price fluctuations and there is no certainty that we will be able~~ to ~~pass these costs through to~~ **operations, fines, penalties** ~~our~~ - **or** ~~customers. Significant increases in the~~ **other** ~~prices of raw materials or finished goods are more difficult to pass through to customers in a short period of time and may negatively impact our short- term profitability, margins and net sales. We may not be able to pass on these cost increases to our customers. Alternatively, should the prices of raw materials or finished goods decrease, our customers may seek corollary~~ reductions in **income which** ~~the pricing of our products. We require a regular supply of raw materials, such as wood, wood composites, cut stock, steel, glass, core material, paint, stain and primer as well as petroleum- based products such as binders, resins and frames. In certain instances, we depend on a single or limited number of suppliers for these raw materials. We typically do not have long- term contracts with our suppliers. If we are not able to accurately forecast our supply needs, the limited number of suppliers may make it difficult to obtain additional raw materials to respond to shifting or increased demand. Our dependency upon regular deliveries from particular suppliers means that interruptions or stoppages in such deliveries~~ could adversely ~~affect~~ **impact** our **business, financial condition and results of** operations ~~until arrangements with alternate suppliers could be made. Furthermore, because our products and the components of some of our products are subject to regulation, such alternative suppliers, even if available, may not be substituted until regulatory approvals for such substitutions are received, thereby delaying our ability to respond to supply changes. Moreover, some of our raw materials, especially those that are petroleum or chemical based, interact with other raw materials used in the manufacture of our products and therefore significant lead time may be required to procure a compatible substitute. Substituted materials may also not be of the same quality as our original materials. If any of our suppliers were unable to deliver raw materials to us for an extended period of time (including as a result of delays in land or sea shipping), or if we were unable to negotiate acceptable terms for the supply of raw materials with these or alternative suppliers, our business could suffer. In the future, we may not be able to find acceptable supply alternatives, and any such alternatives could result in elongated build cycles and our net sales and profitability may decline. Even if acceptable alternatives are found, the process of locating and securing such alternatives might be disruptive to our business. Furthermore, raw material prices could increase, and supply could decrease, if other industries compete with us for such materials. For example, we are highly dependent upon our supply of wood chips used for the production of our door facings and wood composite materials. Failure to obtain significant supply may disrupt our operations and even if we are able to obtain sufficient supply, we may not be able to pass increased supply costs on to our customers in the form of price increases, thereby resulting in reduced margins and profits. A rapid and prolonged increase in fuel prices may significantly increase our costs and have an adverse impact on our results of operations. Fuel prices may be volatile and are significantly influenced by international, political and economic circumstances, such as the ongoing war between Russia and Ukraine. Fuel prices rose significantly during extended portions of 2022. Although such price increases appear to have leveled off, if fuel prices continue to rise for any reason, including fuel supply shortages or unusual price volatility, the resulting higher fuel prices could materially increase our shipping costs, adversely affecting our results of operations. In addition, competitive pressures in our industry may have the effect of inhibiting our ability to reflect these increased costs in the prices of our products~~ . Tariffs and evolving trade policy between the United States and other countries, including China, and the impact of anti- dumping and countervailing duties on our business and results of operations. Steps taken by the United States government to apply tariffs on certain products and materials could potentially disrupt our existing supply chains and impose additional costs on our business, including costs with respect to raw materials upon which our business depends. The increased costs may negatively impact our margins as we may not be able to pass on the additional costs by increasing the prices of our products. For example, **recent** anti-dumping and countervailing duty trade cases **that involved wood molding and** ~~, such as the January 8, 2020, Coalition of American Millwork~~ **millwork** ~~Producers anti- dumping~~ and **most recently** ~~countervailing duty petitions against Wood Mouldings and Millwork Products from Brazil and China~~ , ~~has~~ **aluminum, have** had and could continue to have an adverse effect on our business and results of operations. In order to reduce the impact on our business and results of operations, we have qualified alternate suppliers and are in the process of attempting to qualify additional alternate suppliers in other jurisdictions and continue to evaluate additional alternate suppliers as a result of these duties. ~~Increases in labor costs, availability of labor, or potential labor disputes and work stoppages at our facilities or the facilities of our suppliers could materially adversely affect our financial performance.~~ Our financial performance is affected by the availability...... have a material adverse effect on our international operations **subject** ~~or on our business as a whole. See also" Tariffs and evolving trade policy between the United States and other countries, including China, and the impact of anti- dumping and countervailing duties on our business and results of operations." Human Capital Risks The loss of certain members of our management may have an adverse effect on our operating results. Our success will depend, in part, on the efforts to retain our senior management and other key employees. These individuals possess sales, marketing, engineering, manufacturing, financial and administrative skills and know- how that are critical to the operation of our business. If we lose or suffer an extended interruption in the services of one or more of our senior officers or other key employees, our financial condition and results of operations may be negatively affected. Moreover, the pool of qualified individuals may be highly competitive and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise. The loss of the services of any key personnel or our inability to hire new personnel with the requisite skills, could impair our ability to develop new products or enhance existing products, sell products to our customers or manage our business effectively. Legal and Regulatory Risks Environmental requirements and other government regulation may impose significant environmental and legal compliance costs and liabilities on~~ us ~~. We analyze environmental- related risks in two~~ - **to** ~~separate categories: transition risks and physical risks. Transition risks are those risks relating to the transition of the global economy to a focus on more climate- friendly technologies. Physical risks from climate change that could affect our business include acute weather events such as floods, tornadoes or other severe weather and ongoing changes such as rising temperatures or extreme variability in weather patterns. For a discussion on physical risks, please see the risk factor" — Our business is subject to climate change and related extreme weather events that may affect our net sales, cash flows from operations and results of operations." In respect to transition risks, our operations are subject to numerous Canadian (federal, provincial and local), United States (federal, state and local), European (European Union, national and local) and other laws and regulations relating to pollution, public reporting and disclosure related to climate change, and the protection of human health and the environment, including, without limitation, those governing emissions to air, discharges to water, storage, treatment and disposal of waste, releases of contaminants or hazardous or toxic substances, remediation of contaminated sites and protection of worker health and safety. From time to time, our facilities are subject to investigation by governmental regulators. Despite our efforts to comply with environmental requirements, we are at risk of being subject to civil, administrative or criminal enforcement actions, of being held liable, of being subject to an order or of incurring costs, fines or penalties for, among other things, releases of contaminants or hazardous or toxic substances occurring on or emanating from currently or formerly owned or operated properties or any associated offsite disposal location, or for contamination discovered at any of our properties from activities conducted by us or by previous occupants. We have incurred costs relating to compliance with Maximum Achievable Control Technology standard and future expenditures may be required to comply with any changes in environmental requirements are anticipated to be undertaken as part of our ongoing capital investment program, which is primarily designed to improve the efficiency of our various manufacturing processes. The amount of any resulting liabilities, costs, fines or penalties may be material. In addition, the requirements of such laws and enforcement policies have generally become more stringent over time. Changes in environmental laws and regulations or in their enforcement or the discovery of previously unknown or unanticipated contamination or non-compliance with environmental laws or regulations relating to our properties or operations could result in significant environmental liabilities or costs which could adversely affect our business. Accordingly, we might incur~~ increased ~~operating and maintenance costs and capital expenditures and other costs to comply with such laws as well as increasingly stringent air emission control laws or other future requirements, which may decrease our cash flows. Also, discovery of currently unknown or unanticipated conditions could require responses that would result in significant liabilities and costs. Accordingly, we are unable to predict the ultimate costs of compliance with or liability under environmental laws, which may be larger than current projections. Lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials increases~~ risk for potential liability under anti- bribery or anti- fraud legislation, including the United States Foreign Corrupt Practices Act **(" FCPA ")** . We operate facilities in seven countries and sell our products around the world. As a result of these international operations, we may enter **into,** from time to time ~~into~~ **,** negotiations and contractual arrangements with parties affiliated with foreign governments and their officials. In connection with these activities, we are subject to the FCPA, the United Kingdom Bribery Act and other anti- bribery laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by United States and other business entities for the purpose of obtaining or retaining business, or otherwise receiving discretionary favorable treatment of any kind and requires the maintenance of internal controls to prevent such payments. In particular, we may be held liable for actions taken by our local partners and agents in foreign countries where we operate, even though such parties are not always subject to our control. As part of our Masonite Values Operating Guide, we have established FCPA and other anti- bribery policies and procedures and offer several channels for raising concerns in an effort to comply with applicable United States and international laws and regulations. However, there can be no assurance that our policies and procedures will effectively prevent us from violating these laws and regulations in every transaction in which we may engage. Any determination that we have violated the FCPA or other anti- bribery laws (whether directly or through acts of others, intentionally or through inadvertence) could result in sanctions that could have a material adverse effect on our results of operations and financial condition. ~~If we expand our business globally, we may have difficulty anticipating and effectively managing these and other risks that our international operations may face, which may adversely impact our business outside of North America and our financial condition and results of operations. In addition, any acquisition of businesses with operations outside of North America may exacerbate this risk.~~ Changes in government **legislation or** regulation ~~may~~ have a material effect on our results of operations ~~. Our manufacturing facilities~~ and ~~components~~ **financial performance. Many** of our products are **regulated by** ~~subject to numerous foreign,~~ federal ~~,~~ **and** state **building codes** and **require specific fire** ~~local laws and regulations~~ , **penetration** ~~including those relating to the presence of hazardous materials and protection of worker health and safety. Liability under these laws involves inherent uncertainties. Changes in such laws and regulations or in their enforcement could significantly increase our~~ - **or wind resistance characteristics** ~~costs of operations which could adversely affect our business~~ . **In addition** ~~Violations of health and safety laws are subject to civil~~ , ~~and, in~~ some ~~cases, criminal sanctions. As a result~~ of ~~these uncertainties, we may incur unexpected interruptions to operations, fines, penalties or other reductions in income which could adversely impact our business, financial condition and results of operations. Further, in order for~~ our products ~~to obtain the energy efficient" ENERGYSTAR" label, they~~ must meet certain requirements set by the Environmental Protection Agency (**the** " EPA") **to obtain the energy- efficient" ENERGY STAR" certification** . **A** ~~Changes~~ - **change** in the **building codes or** energy efficiency requirements established by the EPA ~~for~~ - **or related state laws,** ~~the ENERGYSTAR label could increase our~~ - **or** ~~costs, and, if there is a lapse in our ability to label our products as such or~~ **our failure** ~~we are not able~~ to comply with ~~the~~ **these requirements** ~~new standards at all~~ , ~~negatively affect our net sales and results of operations. Moreover, many of our products are regulated by building codes and require specific fire, penetration or wind resistance characteristics. A change in the building codes~~ could have a material impact on the manufacturing cost for these products **and negatively affect** ~~, which we may not be able to pass on to~~ our ~~customers~~ **net sales and results of operations** . In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes- Oxley Act, the Dodd- Frank Act and related regulations implemented by the ~~Securities and Exchange Commission ("~~ SEC ~~")~~ , and the stock exchanges are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time- consuming. Further, new regulations or interpretations of existing laws may result in enhanced disclosure obligations, including with respect to climate change or other Environmental, Social and Governance matters, which could negatively affect us or materially increase our regulatory burden. ~~Increased regulations generally increase our costs, and we could continue to experience higher costs if new laws require us to spend more time, hire additional personnel or purchase new technology to comply effectively. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.~~ We intend to invest **in technologies and** resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. We **may be unable** ~~also expect that being a public company and these new rules and regulations will make it more expensive for us~~ to **protect our intellectual property** ~~obtain director and officer liability insurance~~ , and we ~~may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and attract and retain qualified executive officers. General Risks Public health issues such as a major epidemic or pandemic could adversely affect our business or results of operations. Demand for our product is dependent on a variety of macroeconomic factors, such as employment levels, interest rates, changes in stock market valuations, consumer confidence, housing demand and availability of financing for home buyers. These factors, in particular consumer confidence, can be significantly adversely affected by a variety of factors beyond our control. Since 2019, the ongoing spread of COVID- 19 caused significant volatility in U. S. and international debt and equity markets, which negatively impacted consumer confidence, and caused business disruptions. For example, at various times in 2020, we temporarily closed certain locations as a result of government orders and furloughed employees, as well as significantly altered our operations, thereby reducing production. The impact of these actions resulted in a decrease in net sales of approximately $ 100 million in the second quarter of fiscal year 2020. The impacts of COVID- 19- related absenteeism, labor constraints and supply chain disruptions resulted in lost production at our facilities and may continue in future periods. While government restrictions have eased throughout 2022 and people have largely resumed pre- pandemic activities, the effects of COVID- 19 continue to linger in the global economy and our supply chains. There is continuing uncertainty regarding how long the impacts of COVID- 19 will affect the U. S. economy and our supply chain and operations. Future disruptions and governmental actions, due to COVID- 19 or a different epidemic or pandemic, combined with any associated economic and / or social instability or distress, may have an adverse impact on our results of operations, financial condition and cash flows, and may lead to higher- than- normal inventory levels, higher sales- related reserves, impairment of goodwill and other long- lived assets, a volatile effective tax rate driven by changes in the mix and earnings across our jurisdictions and an impact on the effectiveness of our internal controls over financial reporting. We~~ may face claims **of** ~~that we infringe third party~~ intellectual property ~~rights, or be unable to protect our intellectual property from~~ infringement ~~by others except by incurring substantial costs as a result of litigation or other proceedings relating to patent or trademark rights, any of which could cause our net sales or profitability to decline~~ . We rely on a combination of United States, Canadian and, to a lesser extent, European patent, trademark, copyright and trade secret laws as well as licenses, nondisclosure, confidentiality **agreements** and other contractual restrictions to protect our intellectual property portfolio. We **maintain a large portfolio of registered trademarks, copyrights and patents. We have selectively pursued protection of our intellectual property, and in some instances, we may not** have registered **for** trademarks ~~, and copyrights and our~~ - **or applied for important patents in certain countries. Our** patent and trademark applications may not be allowed by the applicable governmental authorities to issue as patents or register as trademarks at all, or in a form that will be advantageous to us ~~. In addition, we have selectively pursued patent and trademark protection, and in some instances we may not have registered important patent and trademark rights in these and other countries~~ . Furthermore, the laws of foreign countries may not protect our intellectual property rights to the same extent as the laws of the United States. Additionally, the processes by which we clear our intellectual property or obtain" freedom to operate" opinions could fail. The failure to obtain worldwide patent and trademark protection may result in other companies copying and marketing products based upon our technologies or under our brand or tradenames outside the jurisdictions in which we are protected. This could impede our growth in existing regions and into new regions, create confusion among consumers and result in a greater supply of similar products that could erode prices for our protected products. Our ability to protect our intellectual property, including our patents, trademarks, copyrights, trade secrets and licensed intellectual property, from unauthorized use by others is critical to our success. There is no guarantee that the patents **and trademarks** we have obtained, or other protections such as ~~confidentiality,~~ trade secrets ~~and~~ **,** copyrights **and confidentiality agreements with our employees and third parties** , will be adequate to prevent imitation of our products by others. Our ability to compete based on our advantageous intellectual property may be harmed if we are unable to protect our products through enforcing or prosecuting our intellectual property rights **. These measures may not be adequate to protect our intellectual property from unauthorized disclosure, third- party infringement or misappropriation and is further complicated by recent enacted state laws limiting or banning the use of employee non- competes by employers, as well as proposed rulemaking at the federal level to ban such agreements** . If we fail to protect our intellectual property from unauthorized use, we risk the loss of these rights and any associated competitive advantage. Moreover, we may be accused of misappropriating or infringing on third- party intellectual property. Our trademarks and branding practices could also be challenged. In the event of a challenge, we may be required to defend the Company in litigation, or we may be required to institute litigation to enforce such intellectual property rights from unauthorized use by others. Regardless of the outcome, the enforcement or defense of such rights could result in substantial costs and diversion of resources, and could negatively affect our competitive position, sales, profitability and reputation. Further, if we are found to have infringed on a patent in litigation, we may be liable for monetary damages as well as injunctive relief, which would prevent us from selling the infringing product unless we obtain a license or are able to redesign our product to avoid infringement. Such a license may not be available at all or on terms acceptable to us, and we may not be able to redesign our products to avoid infringement, which could adversely affect our operations. Our intellectual property rights may be subject to various attacks claiming such rights are valid or unenforceable. These attacks might invalidate, render unenforceable or otherwise limit the scope of the protection that our patents and trademarks afford. In the event we lose the use of a product name, our efforts building such brand would be lost and we would have to devote management resources to rebuilding a brand for such product, which we may do to varying degrees of success. Even if we do prevail in a patent infringement litigation, third parties may still be able to design around our patents, which could harm our competitive position. If we are unable to replace our expiring patents or fail to continue to innovate, our ability to compete both domestically and internationally will be harmed. In addition, our products face the risk of obsolescence, which, if ~~realized~~ **materialized** , could have a material adverse effect on our business. Our continued success depends on our ability to develop and introduce new or improved products, to improve our manufacturing and product service processes and to protect our rights to the technologies used in our products. If we fail to do so, or if existing or future competitors achieve greater success than we do in these areas, our results of operations and our profitability may decline. We depend on our door **and door component** manufacturing intellectual property and products to generate revenue. Some of our patents will begin to expire in the next several years. While we will continue to work to add to our patent portfolio to protect the intellectual property of our products, we believe it is possible that new competitors will emerge in door **and door component** manufacturing. We do not know whether we will be able to develop additional proprietary designs, processes or products. If any protection we obtain is reduced or eliminated, others could use our intellectual property without compensating us, resulting in **financial** harm to our business. Moreover, as our patents expire, competitors may utilize the information found in such patents to commercialize their own products. While we seek to offset the losses relating to important expiring patents by securing additional patents on commercially desirable improvements, and new products, designs and processes, there can be no assurance that we will be successful in securing such additional patents, or that such additional patents will adequately offset the effect of the expiring patents. Further, we face the risk that third parties will succeed in developing or marketing products that would render our products obsolete or noncompetitive. New, less expensive methods could be developed that replace or reduce the demand for our products or may cause our customers to delay or defer purchasing our products. Accordingly, our success depends in part upon our ability to respond quickly to market changes through the development and introduction of new products. The relative speed with which we can develop products, complete regulatory clearance or approval processes and supply commercial quantities of the products to the market are important to remain competitive. Any delays could result in a loss of market acceptance and market share. We cannot provide ~~assurance~~ **assurances** that our new product development efforts will result in any commercially successful products.