

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): June 30, 2021**

**SELECT INTERIOR CONCEPTS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-38632**  
(Commission File Number)

**47-4640296**  
(IRS Employer  
Identification No.)

**400 Galleria Parkway, Suite 1760**  
**Atlanta, Georgia**  
(Address of Principal Executive Offices)

**30339**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (888) 701-4737**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	SIC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into a Material Definitive Agreement**

On June 30, 2021 and in connection with the closing of the RDS Divestiture (as defined below), Select Interior Concepts, Inc. (the “Company”) and certain of its subsidiaries (together, the “Obligors”), entered into that certain Fourth Amendment to Amended and Restated Loan, Security and Guaranty Agreement (the “Fourth Amendment”) with Bank of America, N.A., as lender (“Bank of America”). The Fourth Amendment further amends the Amended and Restated Loan, Security and Guaranty Agreement, dated as of June 28, 2018 and as amended prior to the date hereof, by and among the Obligors and Bank of America, as lender (as amended, the “ABL Agreement”).

The Fourth Amendment, among other things, (i) extends the maturity date of the ABL Agreement from June 28, 2023 to June 28, 2024 and (ii) amends the ABL Agreement to permit the RDS Divestiture.

The foregoing summary of the Fourth Amendment does not purport to be complete and is qualified in its entirety by reference to the complete terms of the Fourth Amendment which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 1.02 Termination of a Material Definitive Agreement.**

On June 30, 2021, the Company utilized a portion of the proceeds from the closing of the RDS Divestiture (as defined below) to payoff all of its outstanding borrowings under its term loan under that certain Financing Agreement, dated as of February 28, 2017 and as amended, among Architectural Granite & Marble, LLC and Pental Granite and Marble, LLC, as borrowers, the financial institutions party thereto as lenders, and Cerberus Business Finance, LLC, as agent for the lenders (the “Term Loan Agreement”). As a result of such payoff the Term Loan Agreement was terminated.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On June 30, 2021, Select Interior Concepts, Inc. (the “Company”) completed the previously-announced sale of its Residential Design Services business (the “RDS Business”) to Signal Holdco, LP, the parent of Interior Logic Group and a portfolio company of Blackstone (“Purchaser”), pursuant to the terms of that certain Equity Purchase Agreement (the “Purchase Agreement”), dated as of May 9, 2021, by and among the Company, Residential Design Services, LLC, an indirect wholly-owned subsidiary of the Company (the “Seller”), and L.A.R.K. Industries, Inc., a direct wholly-owned subsidiary of Seller (“LARK”), and Purchaser. LARK, together with its subsidiaries, operates the RDS Business. Under the terms of the Purchase Agreement, the Purchaser purchased all of the issued and outstanding shares of common stock of LARK from Seller (the “RDS Divestiture”) for a gross purchase price of \$215 million in cash.

The Company utilized the net proceeds from the closing of the RDS Divestiture to repay in full all of its outstanding borrowing under its ABL Agreement and its Term Loan Agreement as well as its capital lease obligations related to the RDS Business. Following repayment of such indebtedness and other indebtedness related items, adjustments to working capital, and after deducting transaction expenses, the Company will have approximately \$38 million of remaining proceeds from the closing of the RDS Divestiture.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Effective as of the closing of the RDS Divestiture, Karl Adrian, President of RDS, became an employee of the Purchaser and is no longer employed by the Company.

**Item 7.01 Regulation FD Disclosure**

On June 30, 2021, the Company issued a press release announcing the completion of the RDS Divestiture. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information, including exhibit 99.1 attached hereto, in Item 7.01 of this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 7.01 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.

---

**Item 9.01. Financial Statements and Exhibits.**

**(b) Pro forma financial information**

Unaudited pro forma financial information of the Company to give effect to the RDS Divestiture is included in Exhibit 99.2 filed herewith and incorporated by reference into this Item 9.01.

**(d) Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
10.1	<a href="#">Fourth Amendment to Amended and Restated Loan, Security and Guaranty Agreement, dated as of June 30, 2021, by and among the Company and each of its subsidiaries, as obligors, and Bank of America, N.A., as lender</a>
99.1	<a href="#">Press Release, dated June 30, 2021, announcing the completion of the RDS Divestiture</a>
99.2	<a href="#">Pro forma financial information of the Company (Unaudited)</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 6, 2021

**SELECT INTERIOR CONCEPTS, INC.**

By: /s/ L.W. Varner, Jr.

Name: L.W. Varner, Jr.

Title: Chief Executive Officer

**FOURTH AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT  
AND LIMITED CONSENT**

THIS FOURTH AMENDMENT TO AMENDED AND RESTATED LOAN, SECURITY AND GUARANTY AGREEMENT AND LIMITED CONSENT, dated as of June 30, 2021 (this "Agreement") is entered into by and among **SELECT INTERIOR CONCEPTS, INC.**, a Delaware corporation ("Topco"), **ARCHITECTURAL GRANITE & MARBLE, LLC**, a Delaware limited liability company, formerly known as **G&M OPCO LLC** ("AG&M"), and **PENTAL GRANITE AND MARBLE, LLC**, a Washington limited liability company ("Pental"), and together with Topco, AG&M, and each Person joined thereto as a borrower from time to time, individually and collectively, jointly and severally, "Borrower", **ARCHITECTURAL SURFACES GROUP, LLC**, a Delaware limited liability company, formerly known as **TCFI G&M LLC** ("AG&M Parent"), **RESIDENTIAL DESIGN SERVICES, LLC**, a Delaware limited liability company, formerly known as **TCFI LARK LLC** ("L.A.R.K. Parent"), **AG HOLDCO (SPV) LLC**, a Delaware limited liability company ("AG SPV") and **SIC INTERMEDIATE, INC.**, a Delaware corporation ("SIC"), and together with Borrower, AG&M Parent, AG SPV and L.A.R.K. Parent, each individually, an "Obligor" and collectively, the "Obligors") and **BANK OF AMERICA, N.A.**, a national banking association (together with its successors and assigns, "Lender").

WHEREAS, Borrower, the other Obligors, **L.A.R.K. INDUSTRIES, INC.**, a California corporation ("L.A.R.K."), **GREENCRAFT HOLDINGS, LLC**, an Arizona limited liability company ("Greencraft Holdings"), **GREENCRAFT INTERIORS, LLC**, an Arizona limited liability company ("Greencraft Interiors"), **CASA VERDE SERVICES, LLC**, a Delaware limited liability company ("Casa Verde"), **GREENCRAFT STONE AND TILE, LLC**, an Arizona limited liability company ("Greencraft Stone"), **T.A.C. CERAMIC TILE CO.** a Virginia corporation ("T.A.C.") and Lender are the current parties to that certain Amended and Restated Loan, Security and Guaranty Agreement, dated June 28, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lender has agreed to make certain loans (each a "Loan" and collectively the "Loans"); and

WHEREAS, Obligors have requested that Lender make certain amendments to the Loan Agreement, in connection with the consummation by Topco and L.A.R.K. Parent of the L.A.R.K. Transactions (as defined herein), and subject to the terms and conditions herein, Lender has agreed to amend the Loan Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1.        Definitions

. Reference is hereby made to the Loan Agreement for a statement of the terms thereof. All terms used in this Agreement which are defined therein and not otherwise defined herein shall have the same meanings herein as set forth therein.

SECTION 2.        Amendments to Loan Agreement

. Effective as of the Fourth Amendment Effective Date (as defined below), Obligors and Lender amend the Loan Agreement as follows:

---

(a) Section 1.1 of the Loan Agreement is hereby amended by adding the following new definitions thereto in proper alphabetical order:

“Affected Financial Institution”: (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Available Tenor”: as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for the Benchmark that is or may be used for determining the length of any Interest Period; or (b) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“Benchmark”: initially, LIBOR; provided, that if a replacement of the Benchmark has occurred pursuant to Section 3.6.2, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“Benchmark Replacement”: (a) for purposes of Section 3.6.2(a), the first alternative set forth below that can be determined by Lender:

(i) The sum of (A) Term SOFR *plus* (B) 0.11448% (11.448 basis points) for an Available Tenor of one month, 0.26161% (26.161 basis points) for an Available Tenor of three months and 0.42826% (42.826 basis points) for an Available Tenor of six months; or

(ii) The sum of (A) Daily Simple SOFR *plus* (B) 0.11448% (11.448 basis points);

provided, that if initially LIBOR is replaced with the rate contained in clause (ii) above (Daily Simple SOFR plus the applicable spread adjustment) and subsequent to such replacement, Lender determines that Term SOFR has become available and is administratively feasible for Lender in its discretion, and Lender notifies Borrower Agent of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than 30 days after the date of such notice, the Benchmark Replacement shall be as set forth in clause (i) above; and (b) for purposes of Section 3.6.2(b), the sum of (i) the alternate benchmark rate and (ii) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by Lender and Borrower Agent as the replacement Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by a Relevant Governmental Body, for Dollar-denominated syndicated credit facilities at such time. In no event shall the Benchmark Replacement as determined above be less than zero at any time for purposes of this Agreement and the other Loan Documents. Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided, that to the extent such market practice is not administratively feasible for Lender, it shall be applied in a manner as otherwise reasonably determined by Lender.

“Benchmark Replacement Conforming Changes”: with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the

---

definition of Base Rate, Business Day or Interest Period, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, applicability and length of lookback periods, applicability of breakage provisions, and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with administration of this Agreement and the other Loan Documents).

“Benchmark Transition Event”: with respect to any then-current Benchmark (other than LIBOR), the occurrence of a public statement or publication of information by or on behalf of the administrator of such Benchmark or a Governmental Authority with jurisdiction over such administrator announcing or stating that all Available Tenors are or will no longer be representative, or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided, that, at the time of such statement or publication, there is no successor administrator satisfactory to Agent that will continue to provide any representative tenors of such Benchmark after such specific date.

“Benefit Plan”: any (a) employee benefit plan (as defined in ERISA) subject to Title I of ERISA, (b) plan (as defined in and subject to Section 4975 of the Code), or (c) Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such employee benefit plan or plan.

“Daily Simple SOFR”: with respect to any applicable determination date, the secured overnight financing rate published on such date by FRBNY, as administrator of the benchmark (or a successor administrator), on FRBNY’s website (or any successor source).

“Division Transaction”: (a) the division of a limited liability company into two or more limited liability companies pursuant to a “plan of division” or similar method or (b) the creation, or reorganization into, or allocation of its assets to, one or more series, in each case, within the meaning of the Delaware Limited Liability Company Act or similar statute in any other state.

“Early Opt-in Election”: the occurrence of (a) a determination by Lender, or a notification by Borrower Agent to Lender that Borrower has made a determination, that Dollar-denominated syndicated credit facilities currently being executed, or that include language similar to that contained in **Section 3.6.2**, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR; and (b) the joint election by Lender and Borrower Agent to replace LIBOR with a Benchmark Replacement.

“Fourth Amendment”: that certain Fourth Amendment to Amended and Restated Loan, Security and Guaranty Agreement and Limited Consent, dated as of the Fourth Amendment Effective Date (as such term is defined in the Fourth Amendment), by Lender and Obligors.

“FRBNY”: the Federal Reserve Bank of New York.

---

“L.A.R.K. Disposition”: the sale by L.A.R.K. Parent of 100% of its equity interests in L.A.R.K. pursuant to and in accordance with the L.A.R.K. Disposition Documents.

“L.A.R.K. Disposition Documents”: that certain Equity Purchase Agreement, dated as of May 9, 2021, by and among Topco, L.A.R.K Parent, L.A.R.K. and Signal Holdco, L.P., a Delaware limited partnership, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“L.A.R.K. Disposition Transactions”: each of (a) the L.A.R.K. Disposition, (b) the prepayment in full of all Term Debt, along with termination of all Term Debt Documents and termination of all Liens securing the Term Debt, and (c) the release of the L.A.R.K. Disposition Entities (as such term is defined in the Fourth Amendment) and the termination of all Liens on any property or assets of the L.A.R.K. Disposition Entities (as such term is defined in the Fourth Amendment) securing the Obligations under the Loan Agreement and the Loan Documents.

“Other Rate Early Opt-in”: Lender and Borrower Agent have elected to replace LIBOR with a Benchmark Replacement other than a SOFR-based rate pursuant to (a) an Early Opt-in Election and (b) **Section 3.6.2(b)** and clause (b) of the definition of Benchmark Replacement.

“PTE”: a prohibited transaction class exemption issued by the U.S. Department of Labor, as amended from time to time.

“Relevant Governmental Body”: the Board of Governors of the Federal Reserve System or FRBNY, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or FRBNY, or any successor thereto.

“SOFR”: the secured overnight financing rate published on such date by FRBNY.

“SOFR Early Opt-in”: Lender and Borrower Agent have elected to replace LIBOR pursuant to (a) an Early Opt-in Election and (b) **Section 3.6.2(a)** and clause (a) of the definition of Benchmark Replacement.

“Term SOFR”: for the applicable corresponding tenor (or if any Available Tenor of a Benchmark does not correspond to an Available Tenor for the applicable Benchmark Replacement, the closest corresponding Available Tenor and if such Available Tenor corresponds equally to two Available Tenors of such Benchmark Replacement, the corresponding tenor of the shorter duration shall be applied), the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“UK Financial Institution”: any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority”: the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

---



- (b) Section 1.1 of the Loan Agreement is hereby amended by amending and restating the definitions of “Bail-In Action”, “Bail-In Registration”, “Change of Control”, “LIBOR”, “Revolver Termination Date”, and “Write-Down and Conversion Powers” to read in their entirety as follows:

“Bail-In Action”: the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation”: (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Change of Control”: (a) Topco ceases to own and control, beneficially and of record, directly or indirectly, all Equity Interests of SIC, (b) SIC ceases to own and control, beneficially and of record, directly or indirectly all Equity Interests of AG&M Parent, (c) SIC ceases to own and control, beneficially and of record, directly or indirectly, all Equity Interests of L.A.R.K. Parent (other than a dissolution of L.A.R.K. Parent); (d) AG&M Parent ceases to own and control, beneficially and of record, directly or indirectly, all Equity Interests in AG&M; (e) AG&M ceases to own and control, beneficially and of record, directly or indirectly, all Equity Interests in Pental (other than a merger of Pental with and into AG&M in accordance with **Section 9.2.9**); (f) AG&M ceases to own and control, beneficially and of record, directly or indirectly, all Equity Interests in AG SPV; (g) any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934 (as amended), or any successor provision) including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934 (as amended), or any successor provision), acquires directly or indirectly, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), more than 35% of the total voting power of the voting Equity Interests of Topco or any direct or indirect parent of Topco; or (h) the sale or transfer of all or substantially all assets of an Obligor.

“LIBOR”: the per annum rate of interest (rounded up to the nearest 1/100th of 1%) determined by Agent at or about 11:00 a.m. (London time) two Business Days prior to an Interest Period, for a term equivalent to such period, equal to the London interbank offered rate, or comparable or successor rate approved by Agent, as published on the applicable Reuters screen page (or other commercially available source designated by Lender from time to time); provided, that any comparable or successor rate shall be applied by Lender, if administratively feasible, in a manner consistent with market practice; and provided further, that in no event shall LIBOR be less than zero.

“Revolver Termination Date”: June 28, 2024.

---

“Write-Down and Conversion Powers”: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

(c) Section 1.1 of the Loan Agreement is hereby amended by deleting the definitions of “Cerberus Term Agent”, “Cerberus Term Loan Refinancing Debt”, “Cerberus Term Loan Refinancing Debt Documents”, “Cerberus Term Loan Agreement”, “Cerberus Term Loan Refinancing Conditions”, “Intercreditor Agreement”, “LIBOR Successor Rate”, “LIBOR Successor Rate Conforming Changes”, “Term Debt”, “Term Debt Documents”, and “Term Agent”.

(d) Section 2.12 of the Loan Agreement is hereby amended by amending and restating Section 2.12 to read in its entirety as follows:

“Use of Proceeds. The proceeds of Revolver Loans shall be used by Borrower solely (a) to pay fees and transaction expenses associated with the closing of this Agreement; (b) to pay Obligations in accordance with this Agreement; and ( c) for lawful corporate purposes of Borrower, including working capital. Borrower shall not, directly or indirectly, use any Letter of Credit or Loan proceeds, nor use, lend, contribute or otherwise make available any Letter of Credit or Loan proceeds to any Subsidiary, joint venture partner or other Person, (i) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of issuance of the Letter of Credit or funding of the Loan, is the target of any Sanction; (ii) in any manner that would result in a violation of a Sanction by any Person (including any Secured Party or other individual or entity participating in any transaction); or (iii) for any purpose that would breach the U.S. Foreign Corrupt Practices Act of 1977, UK Bribery Act 2010 or similar law in any jurisdiction. ”

(e) Section 3.1.2(b) of the Loan Agreement is hereby amended by deleting the present last sentence in Section 3.1.2(b) and replacing it with the following:

“Lender does not warrant or accept responsibility for, nor shall it have any liability with respect to, administration, submission or any other matter related to any rate used in determining LIBOR or with respect to any alternate or replacement for or successor to any such rate, any Benchmark Replacement Conforming Changes, or the effect of any of the foregoing. ”

(f) Section 3.6 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

---

“3.6. Inability to Determine Rates.

3.6.1. Subject to Section 3.6.2 through Section 3.6.5 below, Lender will promptly notify Borrower Agent if, in connection with any Loan or request with respect to a Loan, (a) Lender determines that (i) Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable Loan amount or Interest Period, or (ii) adequate and reasonable means do not exist for determining LIBOR for the Loan or Interest Period (including with respect to calculation of the Base Rate) or (b) Lender determines for any reason that LIBOR for the Interest Period does not adequately and fairly reflect the cost to Lender of funding or maintaining the Loan. Thereafter, Lender’s obligation to make or maintain affected LIBOR Loans and utilization of the LIBOR component (if affected) in determining Base Rate shall be suspended until Lender determines to withdraw the notice. Upon receipt of such notice, Borrower Agent may revoke any pending request for funding, conversion or continuation of a LIBOR Loan or, failing that, will be deemed to have requested a Base Rate Loan, and Lender may immediately convert any affected LIBOR Loan to a Base Rate Loan.

3.6.2. Replacement of LIBOR. Notwithstanding anything to the contrary herein or in any other Loan Document,

(a) on March 5, 2021 the Financial Conduct Authority (“FCA”), the regulatory supervisor of LIBOR’s administrator (“IBA”), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-week, 1-month, 2-month, 3-month, 6-month and 12- month U.S. Dollar LIBOR tenor settings. On the earliest of (i) the date that all Available Tenors of U.S. Dollar LIBOR have permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative, (ii) June 30, 2023, and (iii) the effective date of a SOFR Early Opt-in, if the then-current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest will be payable on a monthly basis;

(b) (i) upon (A) the occurrence of a Benchmark Transition Event or (B) a determination by Lender that neither of the alternatives under clause (a) of the definition of Benchmark Replacement are available, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth Business Day after the date Lender notifies Borrower Agent of the Benchmark Replacement without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided, that solely in the event that the then-current Benchmark at the time of a transition due to a Benchmark Transition Event is not a SOFR-based rate, the Benchmark

---

Replacement therefor shall be determined in accordance with clause (a) of the definition of Benchmark Replacement unless Lender determines that neither of such alternative rates is available; and

- (c) at any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until Borrower's receipt of notice from Lender that a Benchmark Replacement has replaced such Benchmark, and, failing that, Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During the period referenced in the foregoing sentence, the component of Base Rate based on the Benchmark will not be used in any determination of Base Rate.
- 3.6.3. Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- 3.6.4. Notice. Lender will promptly notify Borrower Agent of the implementation of any Benchmark Replacement and the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date, and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.
- 3.6.5. Term Tenors. At any time (including in connection with the implementation of a Benchmark Replacement), (a) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), Lender may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings; and (b) Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings. ”
- (g) Section 8.1.17(b) of the Loan Agreement is hereby amended by adding thereto at the end of Section 8.1.17(b) a new sentence to read in its entirety as follows:
-

“No Borrower is or will be using plan assets within the meaning of ERISA Section 3(42) or otherwise of one or more Benefit Plans, with respect to its entrance into, participation in, administration of and performance of the Loans, Letter of Credits, Commitments or Loan Documents. ”

(h) A new Section 8.1.31 is hereby added to the Loan Agreement to read in its entirety as follows:

“8.1.31 Affected Financial Institutions: Covered Entity. No Obligor is an Affected Financial Institution or Covered Entity.”

(i) Section 9.2.1(f) of the Loan Agreement is hereby amended and restated in its entirety as follows:

“[Reserved];”

(j) Section 9.2.2(k) of the Loan Agreement is hereby amended and restated in its entirety as follows:

“[Reserved];”

(k) Section 9.2.6 of the Loan Agreement is amended by (i) deleting the “and” at the end of clause (f) thereof (ii) replacing the “.” at the end of clause (g) with “; and” and (iii) adding a new clause (h) to read in its entirety as follows:

“(h) Obligors may consummate the L.A.R.K Disposition pursuant to the L.A.R.K. Disposition Documents, so long as (i) immediately prior to and after giving effect to such L.A.R.K. Disposition, no Default or Event of Default then exists, and (ii) the proceeds of the L.A.R.K. Disposition are applied to permanently repay in full the Term Debt and repay all existing Revolver Loans.”

(l) Section 9.2.8 of the Loan Agreement is amended by adding at the end thereof the following new sentence:

“Notwithstanding the following, the Term Debt may be repaid in full with the proceeds of the L.A.R.K. Disposition”.

(m) Section 11.15.4 of the Loan Agreement is hereby amended and restated to read in its entirety as follows:

“**Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. Solely to the extent Lender that is an Affected Financial Institution and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of Lender arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

---

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by Lender; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.”

(n) A new Section 11.22 is hereby added to the Loan Agreement to read in its entirety as follows:

**“11.22 Divisions.** Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, Asset Disposition or transfer, or similar term, shall be deemed to apply to a Division Transaction (or the unwinding of such a Division Transaction), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, Asset Disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Notwithstanding anything to the contrary in this Agreement, (i) any division of a limited liability company shall constitute a separate Person hereunder, and each resulting division of any limited liability company that, prior to such division, is a Subsidiary, an Obligor, a joint venture or any other like term shall remain a Subsidiary, an Obligor, a joint venture, or other like term, respectively, after giving effect to such division, to the extent required under this Agreement, and any resulting divisions of such Persons shall remain subject to the same restrictions and corresponding exceptions applicable to the pre-division predecessor of such divisions, (ii) in no event shall Borrower be permitted to effectuate a Division Transaction and (iii) if any Subsidiary shall consummate a Division Transaction permitted under this Agreement in accordance with the foregoing, such Subsidiary shall be required, promptly after the effectiveness of such division, to comply with the requirements set forth in Section 9.1.11 to the extent applicable.”

SECTION 3. Limited Waiver and Consent. Effective as of the Fourth Amendment Effective Date, Lender hereby consents to the consummation of the L.A.R.K. Disposition Transactions and waives any Event of Default that would otherwise occur under the Loan Agreement solely as a result of the L.A.R.K. Disposition Transactions. Except as expressly set

---

forth in this Agreement, nothing contained in this Agreement, or any other communication between Lender and any Obligor, shall be construed as a waiver by Lender of any covenant or provision of the Loan Agreement, the other Loan Documents, this Agreement or any other contract or instrument between or among any Obligor or Lender, or of any similar future transaction and the failure of Lender at any time or times hereafter to require strict performance by any Obligor of any provision thereof shall not waive, affect or diminish any right of Lender to thereafter demand strict compliance therewith. Nothing contained in this Agreement shall directly or indirectly in any way whatsoever either: (i) impair, prejudice or otherwise adversely affect Lender's right at any time to exercise any right, privilege or remedy in connection with the Loan Agreement or any other Loan Document, each as amended hereby, (ii) except as expressly provided herein, amend or alter any provision of the Loan Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealings or other basis for altering any obligation of any Obligor under the Loan Agreement or any other Loan Document or any right, privilege or remedy of Lender under the Loan Agreement, any other Loan Document or any other contract or instrument. Lender hereby reserves all rights granted under the Loan Agreement, the other Loan Documents, this Agreement and any other contract or instrument between or among any Obligor and Lender, each as amended hereby.

SECTION 4. Release of Certain Obligors and Liens. The Lender hereby acknowledges and agrees that upon consummation of the L.A.R.K. Disposition, (i) L.A.R.K., Greencraft Holdings, Greencraft Interiors, Casa Verde, Greencraft Stone and T.A.C. (each individually, a "L.A.R.K. Disposition Entity" and collectively, the "L.A.R.K. Disposition Entities") shall be released from all Obligations as Obligors under the Loan Agreement and the other Loan Documents, and (ii) any and all Liens granted to the Lender on any of the equity interests in the L.A.R.K. Disposition Entities and any and all Liens granted to the Lender on any and all assets of the L.A.R.K. Disposition Entities shall be automatically and unconditionally released, without representation or warranty. The Lender hereby authorizes the Borrower, its assigns and any party authorized by the Borrower, to file the UCC termination statements attached hereto as Schedule I.

SECTION 5. Effectiveness

. This Agreement shall become effective upon receipt by the Lender of the following, in each case in form and substance reasonably satisfactory to the Lender in its Permitted Discretion (the date of such effectiveness, the "Fourth Amendment Effective Date"):

- (a) original counterparts to this Agreement, duly executed by Borrower, the other Obligors party thereto and the Lender;
  - (b) Lender shall have received evidence that the Term Debt has been paid off in full, that the Term Debt Documents and the Intercreditor Agreement have been terminated, and that the Cerberus Term Agent and, if relevant, all holders of Term Debt, have released all Liens held by them or for their benefit in the Collateral;
  - (c) Lender shall have received substantially final drafts of the L.A.R.K. Disposition Documents;
  - (d) Lender shall have received proceeds from the L.A.R.K. Disposition in an amount of no less than \$26,500,000 and shall have received payment by Borrower on the
-

Revolver Loans in an amount no less than the amount necessary, when combined with the proceeds received by Lender from the L.A.R.K. Disposition, to pay off in full all Revolver Loans;

- (e) a certificate of a duly authorized officer of each Obligor, certifying (i) that attached certified copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown; (ii) that an attached copy of resolutions authorizing execution and delivery of this Agreement, and the other Loan Documents, as applicable, are true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to the credit facility; (iii) to the title, name and signature of each Person authorized to sign this Agreement and the other Loan Documents; and (iv) that the attached certified copies of the good standing certificates of each Obligor, issued by the Secretary of State or other appropriate official of such Obligor's jurisdiction of organization are true and complete, and in full force and effect. Lender may conclusively rely on this certificate until it is otherwise notified by the applicable Obligor in writing;
- (f) Borrower shall have paid to Lender, and hereby agrees to pay to Lender, an amendment fee in an amount equal to \$10,000; and
- (g) Immediately prior to, and after giving effect to this Agreement, (i) no Event of Default shall have occurred or be occurring and (ii) the representations and warranties contained herein and in the Loan Agreement and the other Loan Documents, as each is amended hereby, are true and correct as of such date, as if made on such date, except for those representations and warranties specifically made as of an earlier date, which shall be true and correct as of such earlier date.

The Obligors shall be deemed to represent and warrant to Lender that each of the foregoing conditions have been satisfied upon the release of their respective signatures to this Agreement. All fees and other amounts payable in connection with this Agreement shall be non-refundable and fully earned upon the Lender's receipt of such fees or amounts.

SECTION 6.        Notices; Etc.

All notices and other communications provided for hereunder shall comply with Section 11.4 of the Loan Agreement.

SECTION 7.        General Provisions

- (a) Each Obligor confirms that all of its Obligations under the Loan Agreement and the Loan Documents (each as amended by this Agreement) are in full force and effect and are performable in accordance with their respective terms without setoff, defense, counter-claim or claims in recoupment. Each Obligor hereby ratifies and confirms the Liens and security interests granted under the Loan Agreement and the Loan Documents and further ratifies and agrees that such Liens and security interests secure all obligations and indebtedness now, hereafter or from time to time made by, owing to or arising in favor of the Lender pursuant to the Loan Agreement and the Loan Documents (as now, hereafter or from time to time amended).
-



- (b) Each Obligor agrees that at any time and from time to time, upon the written request of Lender, such Obligor will execute and deliver such further documents and do such further acts and things as the Lender may reasonably request in its Permitted Discretion in order to effect the provisions of this Agreement.
  - (c) Except as supplemented hereby, the Loan Agreement and each other Loan Document shall continue to be, and shall remain, in full force and effect. This Agreement shall not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Loan Agreement or any other Loan Document or (ii) to prejudice any right or rights which the Lender may now have or may have in the future under or in connection with the Loan Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time, including any replacement instrument or agreement therefor.
  - (d) Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses incurred by or on behalf of the Lender in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, including, without limitation, the reasonable fees, costs, client charges and expenses of counsel for the Lender.
  - (e) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telecopier or electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telecopier or electronic transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.
  - (f) Section headings in this Agreement are included herein for the convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
  - (g) In addition to and without limitation of any of the foregoing, this Agreement shall be deemed to be a Loan Document and shall otherwise be subject to all of terms and conditions contained in Sections 11.14, 11.15 and 11.16 of the Loan Agreement, *mutatis mutandi*.
  - (h) This Agreement, together with the Loan Agreement and the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and thereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.
-

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**BORROWERS:**

**SELECT INTERIOR CONCEPTS, INC.**

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

**ARCHITECTURAL GRANITE & MARBLE, LLC**

By: Architectural Surfaces Group, LLC its Sole Member

By: SIC Intermediate, Inc., its Sole Member

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

**PENTAL GRANITE AND MARBLE, LLC**

By: Architectural Granite & Marble, LLC its Sole Member

By: Architectural Surfaces Group, LLC its Sole Member

By: SIC Intermediate, Inc., its Sole Member

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

---

**OTHER OBLIGORS:**

**ARCHITECTURAL SURFACES GROUP, LLC**

By: SIC Intermediate, Inc., its Sole Member

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

**RESIDENTIAL DESIGN SERVICES, LLC**

By: SIC Intermediate, Inc., its Sole Member

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

**AG HOLDCO (SPV), LLC**

By: Architectural Granite & Marble, LLC its Sole Member

By: Architectural Surfaces Group, LLC its Sole Member

By: SIC Intermediate, Inc., its Sole Member

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

**SIC INTERMEDIATE, INC.**

By: /s/ Nadeem Moiz  
Name: Nadeem Moiz  
Title: Chief Financial Officer

---

**LENDER:**

**BANK OF AMERICA, N.A.**

By: /s/ Steve Siravo

Name: Steve Siravo

Title: SVP



## **SELECT INTERIOR CONCEPTS ANNOUNCES CLOSING OF SALE OF RDS SEGMENT TO INTERIOR LOGIC GROUP**

**Atlanta, Georgia – June 30, 2021** – [Select Interior Concepts, Inc.](#) (NASDAQ: SIC), a distributor of interior building products, today announced it has closed the previously announced sale of its Residential Design Services segment (“RDS”) for \$215 million in an all-cash transaction to Interior Logic Group (“ILG”), a portfolio company of Blackstone. As planned, SIC has used the proceeds from the transaction to repay all of the Company’s outstanding indebtedness, and its capital lease obligations related to the RDS business. In addition, the Company realized net cash of approximately \$38 million.

Brett G. Wyard, Chairman of SIC, commented, “I, along with the entire SIC board, am thrilled with the successful outcome of this transaction. Bill Varner and the management team have been very focused on driving shareholder value and this is a clear example of their ability to accomplish that goal. We fully support the team in their endeavors and look forward to working closely with them on SIC’s next chapter.”

Bill Varner, Chief Executive Officer of SIC, remarked, “We are delighted to close our transaction with ILG. It represents a critical step in fulfilling the goal of building shareholder value that I set when I joined SIC one year ago. The sale unlocked significant value for SIC shareholders and provides us with a strong, clean and post-closing debt-free balance sheet to focus on maximizing shareholder value with SIC’s remaining ASG segment, a rapidly growing and high-margin business in today’s robust stone and tile distribution market.

“We have made and continue to make meaningful progress to our long-term strategic goals, including expanding our customer base, product offering and geographic presence. At the same time, we are committed to ensuring that the Company is on the best path to delivering shareholder value and, as part of that process, are actively evaluating a full range of strategic, operational and financial alternatives.”

SIC’s potential alternatives could include, among other actions, additional initiatives to the Company’s operating plan, structural alternatives for the Company’s assets, optimal pro forma capital structure, and potential merger, acquisition or sale transactions.

RBC Capital Markets, LLC and Truist Securities, Inc. served as financial advisors to SIC and Alston & Bird LLP served as legal advisor to SIC on the RDS transaction.

### **ABOUT SELECT INTERIOR CONCEPTS**

Select Interior Concepts is a premier distributor of interior building products with leading market positions in highly attractive markets. Headquartered in Atlanta, Georgia, Select Interior Concepts is listed on the NASDAQ. Its Architectural Surfaces Group segment distributes natural and engineered stone through a national network of distribution centers and showrooms under proprietary brand names such as PentalQuartz and MetroQuartz. For more information, visit: [www.selectinteriorconcepts.com](http://www.selectinteriorconcepts.com).

### **FORWARD-LOOKING STATEMENTS**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known

---

and unknown risks, uncertainties and assumptions. Forward-looking statements may include, but are not limited to, statements about our anticipated operating and financial performance, future business prospects, potential strategic, operational and financial alternatives, merger, acquisition and sales transaction opportunities, and statements of expectation concerning the creation of shareholder value as a result of any of the foregoing. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “estimate,” “intend,” “could,” “should,” “would,” “may,” “seek,” “plan,” “might,” “will,” “expect,” “predict,” “project,” “forecast,” “potential,” “continue,” and other forms of these words or similar words or expressions or the negatives thereof. Forward-looking statements are based on historical information available at the time the statements are made and are based on management’s reasonable belief or expectations with respect to future events. Forward-looking statements are subject to risks, uncertainties, and other factors, including, but not limited to, those factors contained in our most recent Annual Report on Form 10-K (our “Annual Report”) and the other reports we file with the SEC, that may cause the Company’s actual results, level of activity, performance, or achievement to be materially different from the results or plans expressed or implied by such forward-looking statements. All forward-looking statements in this press release are qualified by the factors, risks and uncertainties contained in our Annual Report. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at or by which such performance or results will be achieved. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law.

## **CONTACTS:**

### **Investor Relations:**

Joshua Large  
(470) 548-7370  
[ir@sicinc.com](mailto:ir@sicinc.com)

**UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS**

On a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the “Commission”) on May 10, 2021, Select Interior Concepts, Inc., a Delaware corporation (“SIC”, the “Company”, “we”, “us” or “our”), first reported that the Company, Residential Design Services, LLC, an indirect wholly-owned subsidiary of the Company (“Seller”), and L.A.R.K. Industries, Inc., a direct wholly-owned subsidiary of Seller (“LARK”), had entered into an Equity Purchase Agreement, dated May 9, 2021 (the “Purchase Agreement”), with Signal Holdco, LP, the parent of Interior Logic Group and a portfolio company of Blackstone (“Signal”). Pursuant to the Purchase Agreement, Signal agreed to purchase from Seller all of the issued and outstanding shares of common stock of LARK (the “RDS Divestiture”). LARK, together with its subsidiaries, operates the Company’s Residential Design Services business (the “RDS Business”).

On June 7, 2021, Signal assigned all of its rights, title and interest in and to the Purchase Agreement to its affiliate, Interior Logic Group Holdings IV, LLC, a Delaware limited liability company (“Purchaser”). On June 30, 2021, the Company and Seller completed the RDS Divestiture. Pursuant to the Purchase Agreement, Purchaser acquired the RDS Business for \$215,000,000 in cash, subject to customary purchase price adjustments.

The following unaudited pro forma condensed financial statements are intended to show how the transaction might have affected the historical financial statements of SIC if the transaction had been completed at an earlier time as indicated therein, and such unaudited pro forma financial statements are derived from, and should be read in conjunction with, our historical financial statements and notes thereto, as presented in our Form 10-K for the fiscal year ended December 31, 2020 filed with the Securities and Exchange Commission on March 16, 2021. The unaudited pro forma financial statements have been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses”. The unaudited pro forma balance sheet as of March 31, 2021 assumes the transaction had occurred on March 31, 2021. The unaudited pro forma statements of operations for the years ended December 31, 2020, 2019 and 2018 and interim period ending March 31, 2021 and give effect to the transaction as if it had occurred as of January 1, 2018.

Article 11 of Regulation S-X requires that pro forma financial information include Transaction Accounting Adjustments that reflect only the application of required accounting to the RDS Divestiture. There are no Autonomous Entity Adjustments included in the unaudited pro forma financial statements.

In addition, Regulation S-X permits registrants to reflect adjustments that depict synergies and dis-synergies of the acquisitions and dispositions for which pro forma effect is being given in our disclosures as Management Adjustments. We have not identified any Management Adjustments which we believe would enhance an understanding of the pro forma effects of the RDS Divestiture.

The Transaction Accounting Adjustments to reflect the sale of the RDS Business in the unaudited pro forma condensed financial statements include:

- the sale of the assets and liabilities of the RDS Business pursuant to the Purchase Agreement required to be presented on a discontinued operations basis in accordance with ASC 205-20, Presentation of Financial Statements—Discontinued Operations (“ASC 205-20”); and
- adjustments required to record the estimated impact of the cash proceeds received in connection with the RDS Divestiture, net of transaction costs, income taxes, and repayment of debt.

The estimated gain on the sale of the RDS Business has been excluded from the pro forma statement of operations as this amount pertains to discontinued operations and does not reflect the impact on income from continuing operations.

The unaudited pro forma financial statements are presented for informational purposes only and are based upon estimates by SIC’s management, which are based upon available information and certain assumptions that SIC’s

---

management believes are reasonable as of the date of this filing. The unaudited pro forma financial statements are not intended to be indicative of the actual financial position or results of operations that would have been achieved had the RDS Divestiture been consummated as of the periods indicated above, nor does it purport to indicate results that may be attained in the future. Actual amounts could differ materially from these estimates.

The unaudited pro forma balance sheet as of March 31, 2021 and the unaudited pro forma statement of operations for the years ended December 31, 2020, 2019 and 2018 and interim period ending March 31, 2021 should be read in conjunction with the notes thereto.

---



**Select Interior Concepts, Inc.**  
**Pro Forma Condensed Balance Sheet (Unaudited)**  
**As of March 31, 2021**

<i>(in thousands, except share data)</i>	Transaction Accounting Adjustments					
	Historical SIC	Discontinued Operations of RDS (A)	Notes	Pro Forma Adjustments (B)	Notes	Pro Forma SIC
<b>Assets</b>						
<b>Current assets</b>						
Cash	\$ 4,110	\$ (2,771)		\$ 43,689	(i) (ii)	\$ 45,028
Accounts receivable, net of allowance for doubtful accounts of \$532 at March 31, 2021	63,213	(43,215)		378	(iii)	20,376
Inventories	105,239	(17,870)		-		87,369
Prepaid expenses and other current assets	19,600	(17,728)		-		1,872
Income taxes receivable	4,932	-		-		4,932
<b>Total current assets</b>	<b>197,094</b>	<b>(81,584)</b>		<b>44,067</b>		<b>159,577</b>
Property and equipment, net of accumulated depreciation of \$32,480 at March 31, 2021	19,886	(13,562)		-		6,324
Deferred tax assets, net	8,877	6,028	(iii)	-		14,905
Goodwill	99,789	(54,224)		-		45,565
Customer relationships, net of accumulated amortization of \$59,862 at March 31, 2021	60,378	(27,280)		-		33,098
Other intangible assets, net of accumulated amortization of \$11,776 at March 31, 2021	14,454	(10,042)		-		4,412
Other assets	3,406	(2,653)		224		977
<b>Total assets</b>	<b>\$ 403,884</b>	<b>\$ (183,317)</b>		<b>\$ 44,291</b>		<b>\$ 264,858</b>
<b>Liabilities and stockholders' equity</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 53,398	\$ (24,483)		\$ -		\$ 28,915
Accrued expenses and other current liabilities	17,722	(8,957)		5,000	(iv)	13,765
Customer deposits	9,843	(3,855)		-		5,988
Current portion of long-term debt, net of financing fees of \$1,279 at March 31, 2021	15,571	-		(15,571)	(ii)	-
Current portion of capital lease obligations	2,700	(2,436)		-		264
<b>Total current liabilities</b>	<b>99,234</b>	<b>(39,731)</b>		<b>(10,571)</b>		<b>48,932</b>
Line of credit	7,162	-		(7,162)	(ii)	-
Long-term debt, net of current portion and financing fees of \$1,417 at March 31, 2021	134,370	-		(134,370)	(ii)	-
Long-term capital lease obligations	4,885	(3,082)		-		1,803
Other long-term liabilities	5,024	(2,993)		-		2,031
<b>Total liabilities</b>	<b>\$ 250,675</b>	<b>\$ (45,806)</b>		<b>\$ (152,103)</b>		<b>\$ 52,766</b>
<b>Stockholders' equity</b>						
Class A common stock, par value \$0.01 per share; 100,000,000 shares authorized; 25,731,640 shares issued and 25,527,247 outstanding at March 31, 2021	257	-		-		257
Treasury stock, 204,393 shares at March 31, 2021, at cost	(1,651)	-		-		(1,651)
Additional paid-in capital	166,242	-		-		166,242
Retained earnings (accumulated deficit)	(11,639)	(137,511)		196,394		47,244
<b>Total stockholders' equity</b>	<b>\$ 153,209</b>	<b>\$ (137,511)</b>		<b>\$ 196,394</b>		<b>\$ 212,092</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 403,884</b>	<b>\$ (183,317)</b>		<b>\$ 44,291</b>		<b>\$ 264,858</b>

**Select Interior Concepts, Inc.**  
**Pro Forma Condensed Statement of Operations (Unaudited)**  
**For the Three Months Ended March 31, 2021**

Transaction Accounting  
Adjustments

<i>(in thousands, except share data)</i>	<u>Historical SIC</u>	<u>Discontinued Operations of RDS (A)</u>	<u>Notes</u>	<u>Pro Forma SIC</u>
<b>Revenue, net</b>	\$ 137,787	\$ (80,411)		\$ 57,376
Cost of revenue	103,922	(61,876)		42,046
<b>Gross profit</b>	<b>33,865</b>	<b>(18,535)</b>		<b>15,330</b>
Selling, general and administrative expenses	34,365	(20,162)	(i)	14,203
<b>Income (loss) from operations</b>	<b>(500)</b>	<b>1,627</b>		<b>1,127</b>
<b>Other expense:</b>				
Interest expense	3,424	(3,384)	(ii)	40
Other expense, net	2,111	(2,111)		-
<b>Total other expense, net</b>	<b>5,535</b>	<b>(5,495)</b>		<b>40</b>
<b>Income (loss) before income taxes</b>	<b>(6,035)</b>	<b>7,122</b>		<b>1,087</b>
Provision for (benefit from) income taxes	(4,230)	4,500	(iii)	270
<b>Net income (loss)</b>	<b>\$ (1,805)</b>	<b>\$ 2,622</b>		<b>\$ 817</b>
<b>Income (loss) per share of common stock</b>				
Basic common stock	\$ (0.07)			\$ 0.03
Diluted common stock	\$ (0.07)			\$ 0.03
<b>Weighted average shares outstanding</b>				
Basic common stock	25,494,410			25,494,410
Diluted common stock	25,494,410			26,866,289

**Select Interior Concepts, Inc.**  
**Pro Forma Condensed Statement of Operations (Unaudited)**  
**For the Year Ended December 31, 2020**

Transaction Accounting  
Adjustments

<i>(in thousands, except share data)</i>	<u>Historical SIC</u>	<u>Discontinued Operations of RDS (A)</u>	<u>Notes</u>	<u>Pro Forma SIC</u>
<b>Revenue, net</b>	\$ 554,025	\$ (332,489)		\$ 221,536
Cost of revenue	418,816	(255,865)		162,951
<b>Gross profit</b>	<b>135,209</b>	<b>(76,624)</b>		<b>58,585</b>
Selling, general and administrative expenses	131,827	(77,931)	(i)	53,896
<b>Income from operations</b>	<b>3,382</b>	<b>1,307</b>		<b>4,689</b>
<b>Other expense:</b>				
Interest expense	14,568	(14,462)	(ii)	106
Other expense, net	1,641	(1,641)		-
<b>Total other expense, net</b>	<b>16,209</b>	<b>(16,103)</b>		<b>106</b>
<b>Income (loss) before income taxes</b>	<b>(12,827)</b>	<b>17,410</b>		<b>4,583</b>
Provision for (benefit from) income taxes	(2,974)	8,522	(iii)	5,548
<b>Net loss</b>	<b>\$ (9,853)</b>	<b>\$ 8,888</b>		<b>\$ (965)</b>
<b>Loss per share of common stock</b>				
Basic common stock	\$ (0.39)			\$ (0.04)
Diluted common stock	\$ (0.39)			\$ (0.04)
<b>Weighted average shares outstanding</b>				
Basic common stock	25,337,249			25,337,249
Diluted common stock	25,337,249			25,337,249

**Select Interior Concepts, Inc.**  
**Pro Forma Condensed Statement of Operations (Unaudited)**  
**For the Year Ended December 31, 2019**

Transaction Accounting  
Adjustments

<i>(in thousands, except share data)</i>	Historical SIC	Discontinued Operations of RDS (A)	Notes	Pro Forma SIC
<b>Revenue, net</b>	\$ 610,373	\$ (368,574)		\$ 241,799
Cost of revenue	446,299	(269,849)		176,450
<b>Gross profit</b>	<b>164,074</b>	<b>(98,725)</b>		<b>65,349</b>
Selling, general and administrative expenses	144,816	(83,126)	(i)	61,690
<b>Income from operations</b>	<b>19,258</b>	<b>(15,599)</b>		<b>3,659</b>
<b>Other expense:</b>				
Interest expense	17,220	(17,147)	(ii)	73
Other expense, net	(6,467)	6,467		-
<b>Total other expense, net</b>	<b>10,753</b>	<b>(10,680)</b>		<b>73</b>
<b>Income before income taxes</b>	<b>8,505</b>	<b>(4,919)</b>		<b>3,586</b>
Provision for (benefit from) income taxes	1,521	(2,396)	(iii)	(875)
<b>Net income</b>	<b>\$ 6,984</b>	<b>\$ (2,523)</b>		<b>\$ 4,461</b>
<b>Income per share of common stock</b>				
Basic common stock	\$ 0.28			\$ 0.18
Diluted common stock	\$ 0.27			\$ 0.18
<b>Weighted average shares outstanding</b>				
Basic common stock	25,296,955			25,296,955
Diluted common stock	25,431,677			25,431,677

**Select Interior Concepts, Inc.**  
**Pro Forma Condensed Statement of Operations (Unaudited)**  
**For the Year Ended December 31, 2018**

Transaction Accounting  
Adjustments

<i>(in thousands, except share data)</i>	Historical SIC	Discontinued Operations of RDS (A)	Notes	Pro Forma SIC
<b>Revenue, net</b>	\$ 489,757	\$ (268,362)		\$ 221,395
Cost of revenue	356,303	(194,483)		161,820
<b>Gross profit</b>	<b>133,454</b>	<b>(73,879)</b>		<b>59,575</b>
Selling, general and administrative expenses	121,357	(60,495)	(i)	60,862
<b>Income (loss) from operations</b>	<b>12,097</b>	<b>(13,384)</b>		<b>(1,287)</b>
<b>Other expense:</b>				
Interest expense	11,426	(11,375)	(ii)	51
Loss on extinguishment of debt	42	(42)		-
Other expense, net	2,115	(2,115)		-
<b>Total other expense, net</b>	<b>13,583</b>	<b>(13,532)</b>		<b>51</b>
<b>Loss before income taxes</b>	<b>(1,486)</b>	<b>148</b>	(iii)	<b>(1,338)</b>
Provision for income taxes	989	(375)		614
<b>Net loss</b>	<b>\$ (2,475)</b>	<b>\$ 523</b>		<b>\$ (1,952)</b>
<b>Loss per share of common stock</b>				
Basic common stock	\$ (0.10)			\$ (0.08)
Diluted common stock	\$ (0.10)			\$ (0.08)
<b>Weighted average shares outstanding</b>				
Basic common stock	25,634,342			25,634,342
Diluted common stock	25,634,342			25,634,342

**Select Interior Concepts, Inc.**  
**Notes to Pro Forma Condensed Financial Statements (Unaudited)**

The unaudited pro forma condensed financial statements reflect the following notes and adjustments:

(A) Reflects the reclassification of the operations, assets and liabilities of the RDS Business as a discontinued operation in accordance with ASC 205-20.

- i. Selling, general and administrative expenses is inclusive of the following amounts historically recorded at SIC corporate but for which costs have been classified as discontinued operations due to being directly attributable to the RDS Business (*in thousands*):

	Quarter ended March 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Equity-based compensation	\$ 123	\$ 909	\$ 1,824	\$ 869
Transaction costs	312	-	-	-
Professional fees and other	1,266	2,013	120	-
<b>Total</b>	<b>\$ 1,701</b>	<b>\$ 2,922</b>	<b>\$ 1,944</b>	<b>\$ 869</b>

- ii. Includes interest expense on the Architectural Surfaces Group (“ASG”) term loans and line of credit (“LOC”) classified as discontinued operations as the ASG term loans are required to be paid in connection with the RDS Divestiture in the following amounts (*in thousands*):

	Quarter ended March 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
ASG term loan and LOC	\$ 3,238	\$ 13,586	\$ 16,152	\$ 10,708
RDS interest expense	146	876	995	667
<b>Total</b>	<b>\$ 3,384</b>	<b>\$ 14,462</b>	<b>\$ 17,147</b>	<b>\$ 11,375</b>

- iii. Income tax related adjustments represent the Company’s current estimates on a discontinued operations basis which could materially change as the Company finalizes its discontinued operations accounting to be reported in the Quarterly Report on Form 10-Q for the six months ended June 30, 2021 and the Annual Report on Form 10-K for the year ended December 31, 2021. The effective tax rates in each period presented are impacted by permanent adjustments and discrete items, which may include unrecognized tax benefits, capitalized transaction costs, contingent earn-out consideration adjustments, and adjustments resulting from ASU 2016-09, which requires excess tax benefits and deficiencies related to stock compensation to be recognized as a component of income tax expense rather than stockholders’ equity.

(B) Reflects additional Transaction Accounting Adjustments which show how the RDS Divestiture might have affected SIC’s historical financial statements if the RDS Divestiture had been completed on March 31, 2021.

- i. Reflects the \$215 million gross purchase price from the RDS Divestiture, less estimated purchase price adjustments. A portion of the cash proceeds are expected to be held in escrow pending resolution of final purchase price adjustments for net working capital.
- ii. Reflects an aggregate \$160.0 million repayment of the ASG term loan and LOC required to be repaid in connection with RDS Divestiture, exclusive of unamortized deferred financing costs of which \$224 thousand related to the LOC which is anticipated to remain open and have been reclassified to Other assets and \$2.7 million related to the ASG term loan expected to be written off upon extinguishment.

- iii. As of March 31, 2021, ASG, one of our two operating segments, held an intercompany trade receivable from LARK in the amount of \$378 thousand which was historically eliminated in consolidation. Amounts owed by LARK to ASG at the close of the RDS Divestiture are expected to convey and SIC anticipates collecting these amounts on behalf of ASG subsequent to the close of the RDS Divestiture. The pro forma adjustment reflects the removal of the historical elimination in order to reflect the receivable from LARK.
  
- iv. Reflects an adjustment of \$5.0 million for the accrual of estimated transaction costs which were not yet incurred as of March 31, 2021. The adjustment was determined based on the Company's best estimate for such costs. The accrued costs primarily relate to non-recurring professional service fees directly related to the RDS Divestiture.