UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-40979

Solo Brands, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	87-1360865
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
1001 Mustang Dr. Grapevine, TX	76051
Address of Principal Executive Offices	Zip Code

(817) 900-2664

Registrant's Telephone Number, Including Area Code

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, $0.001 par value per share	DTC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Smaller reporting company ☐
Accelerated filer ☐	Emerging growth company ☒
Non-accelerated filer ☒	

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 30, 2021, there were 63,397,635 shares of the registrant's Class A common stock, $0.001 par value per share, outstanding and 33,416,783 shares of the registrant's Class B common stock, $0.001 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, industry and business trends, business strategy, plans, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We may use the Investor Relations section of our Website as a distribution channel of material information about the Company including through press releases, investor presentations, and notices of upcoming events. We intend to utilize the Investor Relations section of our Website at https://investors.solobrands.com as a channel of distribution to reach public investors and as a means of disclosing material non-public information for complying with disclosure obligations under Regulation FD.

Basis of Presentation

This Quarterly Report on Form 10-Q covers a period prior to the completion of the initial public offering ("IPO") on October 28, 2021. In connection with the completion of the IPO, we effected certain reorganization transactions collectively referred to as the "Reorganization Transactions." Unless stated otherwise, this Quarterly Report on Form 10-Q contains information about Solo Stove Holdings, LLC, which we refer to as "Holdings," before the IPO.

We also made three recent acquisitions, two of which occurred during the period covered by this Quarterly Report on Form 10-Q. On May 3, 2021, Holdings acquired 60% of the voting equity interests in Oru Kayak, Inc. ("Oru"), and an option to purchase the remaining 40% of voting equity interests in Oru upon a liquidity event at the option of Holdings, for total net cash paid of $25.4 million (the "Oru Acquisition"). On September 8, 2021, we acquired the remaining 40% ownership interest in Oru in exchange for 9.3 million Class B Units of Holdings. On August 2, 2021, Holdings acquired International Surf Ventures, Inc. ("ISLE") for approximately $24.8 million in cash, subject to working capital adjustments and completion of the determination of total purchase consideration (the "ISLE Acquisition"). On September 1, 2021, Holdings acquired Chubbies, Inc. ("Chubbies") for approximately $129.5 million in net consideration provided, subject to the finalization of the estimated total purchase consideration and net assets acquired (the "Chubbies Acquisition" and together with the Oru Acquisition and the ISLE Acquisition, the "Acquisitions" and each an "Acquisition"). See the Notes to the unaudited financial statements of Holdings included elsewhere in this Quarterly Report on Form 10-Q for more information regarding the Acquisitions.

Accordingly, unless the context otherwise requires, references to:

- *"we," "us," "our," the "Company," "Solo Stove," "Solo Brands, Inc."* and similar references refer: (i) following the consummation of the Reorganization Transactions, including the IPO, to Solo Brands, Inc., and, unless otherwise stated, all of its subsidiaries, Holdings, and, unless otherwise stated, all of its subsidiaries, and (ii) on or prior to the completion of the Reorganization Transactions, including the IPO, to Holdings and, unless otherwise stated, all of its subsidiaries. In each case, such references include the companies acquired in the Acquisitions from the date of the applicable Acquisition. Unless otherwise indicated, (i) information presented for a period entirely preceding an Acquisition does not give effect to the consummation of such Acquisition and reflects only the subsidiaries and brands owned prior to such Acquisition and (ii) information presented for a period following an Acquisition or during which an Acquisition occurred includes the impact of the Acquisition from the date of such Acquisition.
- *"Continuing LLC Owners"* refers to Original LLC Owners who continue to own LLC Interests (as defined below) after the Reorganization Transactions and who may, following the completion of the IPO, exchange their LLC Interests for shares of our Class A Common Stock or a cash payment, in each case, together with a cancellation of the same number of its shares of Class B Common Stock.
- *"Former LLC Owners"* refers to all of the Original LLC Owners (excluding the Continuing LLC Owners) who exchanged their indirect ownership interests in Holdings for shares of our Class A Common Stock and cash in connection with the completion of the IPO.
- *"LLC Interests"* refer to a single class of common membership interests of Holdings.
- *"Original LLC Owners"* refer to the direct and certain indirect owners of Holdings, collectively, prior to the Reorganization Transactions.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part II Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q. You should carefully consider these risks and uncertainties when investing in our Class A common stock. The principal risks and uncertainties affecting our business include the following:

- Our business depends on maintaining and strengthening our brand and generating and maintaining ongoing demand for our products, and a significant reduction in such demand could harm our results of operations.
- If we are unable to successfully design and develop new products, our business may be harmed.
- We may acquire or invest in other companies, which could divert our management’s attention, result in dilution to our stockholders, and otherwise disrupt our operations and harm our results of operations.
- Our recent growth rates may not be sustainable or indicative of future growth and we may not be able to effectively manage our growth.
- If we are unable to successfully obtain and enforce protection for our trademarks and patents, our ability to compete in the market could be harmed.
- Our business could be harmed if we are unable to accurately forecast demand for our products or our results of operations.
- Our marketing strategy of associating our brand and products with outdoor, group activities may not be successful with existing and future customers.
- If we fail to attract new customers in a cost-effective manner, our business may be harmed.
- Our net sales and profits depend on the level of customer spending for our products, which is sensitive to general economic conditions and other factors.
- The COVID-19 pandemic or other pandemics could adversely affect our business, sales, financial condition, results of operations and cash flows, and our ability to access current or obtain new lending facilities.
- The markets in which we compete are highly competitive and we could lose our market position.
- Competitors have imitated and will likely continue to imitate our products. If we are unable to protect or preserve our brand image and proprietary rights, our business may be harmed.
- We rely on third-party manufacturers and problems with, or the loss of, our suppliers or an inability to obtain raw materials could harm our business and results of operations.
- Our business relies on cooperation of our suppliers, but not all relationships include written exclusivity agreements. If they produce similar products for our competitors, it could harm our results of operations.
- Fluctuations in the cost and availability of raw materials, equipment, labor, and transportation could cause manufacturing delays or increase our costs.
- If we fail to timely and effectively obtain shipments of products from our manufacturers and deliver products to our retail partners and customers, our business and results of operations could be harmed.
- Our collection, use, storage, disclosure, transfer and other processing of personal information could give rise to significant costs and liabilities, including as a result of governmental regulation, uncertain or inconsistent interpretation and enforcement of legal requirements or differing views of personal privacy rights, which may have a material adverse effect on our reputation, business, financial condition and results of operations.
- Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

SOLO STOVE HOLDINGS, LLC
Consolidated Balance Sheets
(*Unaudited*)

(In thousands)	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,529	$ 32,753
Accounts receivable, net	15,204	4,166
Inventory	113,634	14,348
Prepaid expenses and other current assets	6,377	328
Total current assets	144,744	51,595
Non-current assets		
Property and equipment, net	6,679	980
Intangible assets, net	267,453	200,587
Goodwill	406,238	289,096
Other non-current assets	388	149
Total non-current assets	680,758	490,812
Total assets	$ 825,502	$ 542,407
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	$ 9,647	$ 1,377
Accrued expenses and other current liabilities	15,578	15,203
Contingent consideration	—	100,000
Deferred revenue	1,360	20,246
Current portion of long-term debt	2,500	450
Total current liabilities	29,085	137,276
Non-current liabilities		
Long-term debt, net	372,558	72,898
Deferred tax liability	18,644	—
Other non-current liabilities	326	133
Total non-current liabilities	391,528	73,031
Commitments and contingencies (Note 14)		
Members' equity		
Class A units	205,805	237,309
Class B units	163,754	103,109
Incentive units	732	—
Retained earnings (accumulated deficit)	34,598	(8,318)
Total members' equity	404,889	332,100
Total liabilities and members' equity	$ 825,502	$ 542,407

See Notes to Consolidated Financial Statements

SOLO STOVE HOLDINGS, LLC
Consolidated Statements of Operations
(*Unaudited*)

(In thousands, except per unit data)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Net sales	$ 69,433	$ 29,135	$ 227,249	$ 66,592
Cost of goods sold	28,412	8,362	80,064	21,195
Gross profit	41,021	20,773	147,185	45,397
Operating expenses				
Selling, general & administrative expenses	28,584	9,464	76,980	20,405
Depreciation and amortization expenses	5,063	648	12,968	2,172
Other operating expenses	3,063	—	5,673	6
Total operating expenses	36,710	10,112	95,621	22,583
Income (loss) from operations	4,311	10,661	51,564	22,814
Non-operating expenses				
Interest expense (income)	2,233	216	7,350	1,084
Other non-operating expenses	7	166	9	244
Total non-operating expenses	2,240	382	7,359	1,328
Income (loss) before income taxes	2,071	10,279	44,205	21,486
Income tax expense (benefit)	(49)	11	123	11
Net income (loss)	2,120	10,268	44,082	21,475
Less: net income (loss) attributable to noncontrolling interest	937	—	1,166	—
Net income (loss) attributable to Solo Stove Holdings, LLC	$ 1,183	$ 10,268	$ 42,916	$ 21,475
Net income (loss) per unit[(1)]				
Basic	$ 0.00	$ 0.13	$ 0.10	$ 0.27
Diluted	$ 0.00	$ 0.13	$ 0.10	$ 0.27
Weighted-average units outstanding				
Basic	432,080	78,806	427,369	78,634
Diluted	432,080	78,806	427,369	78,634

(1) In the Successor period, the basic and diluted net income (loss) per unit amounts for the Class A and Class B units is the same for each class of unit. In the Intermediate Successor period, the basic and diluted net income (loss) per unit amounts for the Class A-1 and Class A-2 units is the same for each class of unit.

See Notes to Consolidated Financial Statements

SOLO STOVE HOLDINGS, LLC
Consolidated Statements of Cash Flows
(*Unaudited)*

(In thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 44,082	$ 21,475
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by (used in) operating activities		
Depreciation	301	69
Amortization of intangible assets	12,667	2,103
Non-cash interest expense	1,944	114
Equity based compensation	732	—
Deferred income taxes	(944)	—
Bad debt expense	103	(77)
Changes in assets and liabilities		
Accounts receivable	(8,715)	(1,249)
Inventory	(62,343)	961
Prepaid expenses and other current assets	(4,621)	(33)
Other non-current assets	188	(66)
Accounts payable	3,736	305
Accrued expenses and other current liabilities	(18,833)	(1,899)
Deferred revenue	(20,141)	4,069
Other non-current liabilities	180	49
Net cash provided by (used in) operating activities	(51,664)	25,821
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(5,104)	(663)
Assets and liabilities acquired, Oru acquisition, net cash paid	(19,135)	—
Assets and liabilities acquired, ISLE acquisition, net cash paid	(21,757)	—
Assets and liabilities acquired, Chubbies acquisition, net cash paid	(92,416)	—
Net cash provided by (used in) investing activities	(138,412)	(663)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving line of credit	249,000	—
Proceeds from term loan	100,000	—
Proceeds from line of credit	9,600	10,000
Repayment of senior debt facility	(45,000)	—
Repayment of term loan	—	(14,325)
Repayment of line of credit	(9,600)	(10,000)
Debt issuance costs paid	(4,234)	—
Payment of contingent consideration	(100,000)	(2,080)
Contributions	250	700
Distributions	(33,164)	(3,825)
Net cash provided by (used in) financing activities	166,852	(19,530)
Net change in cash and cash equivalents	(23,224)	5,628
Cash and cash equivalents balance, beginning of period	32,753	5,025
Cash and cash equivalents balance, end of period	$ 9,529	$ 10,653
SUPPLEMENTAL DISCLOSURES:		
Cash interest paid	$ 5,292	$ 7,219
SUPPLEMENTAL NONCASH INVESTING AND FINANCING DISCLOSURES:		
Non-cash issuance of Class B units - noncontrolling interest purchase of Oru	$ 16,486	$ —
Non-cash issuance of Class B units - ISLE	$ 16,494	$ —
Non-cash issuance of Class B units - Chubbies	$ 29,075	$ —

See Notes to Consolidated Financial Statements

SOLO STOVE HOLDINGS, LLC
Consolidated Statements of Members' Equity
(*Unaudited*)

For the Three and Nine Months Ended September 30, 2021

(In thousands)	Class A		Class B					
SUCCESSOR	**Units**	**Amount**	**Units**	**Amount**	**Incentive Units**	**Retained Earnings (Accumulated Deficit)**	**Noncontrolling Interest**	**Total Members' Equity**
Balance at December 31, 2020	**250,000**	**$ 237,309**	**175,000**	**$ 103,109**	**$ —**	**$ (8,318)**	**$ —**	**$ 332,100**
Share-based compensation	—	—	—	—	229	—	—	229
Net income	—	—	—	—	—	22,234	—	22,234
Balance at March 31, 2021	**250,000**	**$ 237,309**	**175,000**	**$ 103,109**	**$ 229**	**$ 13,916**	**$ —**	**$ 354,563**
Member tax distributions	—	(24,704)	—	(1,348)	—	—	—	(26,052)
Share-based compensation	—	—	—	—	261	—	—	261
Noncontrolling interest in Oru	—	—	—	—	—	—	15,320	15,320
Net income	—	—	—	—	—	19,499	229	19,728
Balance at June 30, 2021	**250,000**	**$ 212,605**	**175,000**	**$ 101,761**	**$ 490**	**$ 33,415**	**$ 15,549**	**$ 363,820**
Member tax distributions	—	(6,800)	—	(312)	—	—	—	(7,112)
Contributions	—	—	60	250	—	—	—	250
Share-based compensation	—	—	—	—	242	—	—	242
Issuance of Class B units for acquisitions	—	—	10,996	45,569	—	—	—	45,569
Purchase of remaining interest in Oru	—	—	9,265	16,486	—	—	(16,486)	—
Net income	—	—	—	—	—	1,183	937	2,120
Balance at September 30, 2021	**250,000**	**$ 205,805**	**195,321**	**$ 163,754**	**$ 732**	**$ 34,598**	**$ —**	**$ 404,889**

See Notes to Consolidated Financial Statements

SOLO STOVE HOLDINGS, LLC

Consolidated Statements of Members' Equity
(*Unaudited*)

For the Three and Nine Months Ended September 30, 2020

(In thousands)	Class A-1		Class A-2					
INTERMEDIATE SUCCESSOR	**Units**	**Amount**	**Units**	**Amount**	**Incentive Units**	**Retained Earnings (Accumulated Deficit)**	**Noncontrolling Interest**	**Total Members' Equity**
Balance at December 31, 2019	**76,131**	**$ 77,244**	**1,975**	**$ 1,933**	**$ —**	**$ (5,022)**	**$ —**	**$ 74,155**
Rollover contribution	—	—	700	700	—	—	—	700
Net income	—	—	—	—	—	1,444	—	1,444
Balance at March 31, 2020	**76,131**	**$ 77,244**	**2,675**	**$ 2,633**	**$ —**	**$ (3,578)**	**$ —**	**$ 76,299**
Member tax distributions	—	(574)	—	(58)	—	—	—	(632)
Net income	—	—	—	—	—	9,763	—	9,763
Balance at June 30, 2020	**76,131**	**$ 76,670**	**2,675**	**$ 2,575**	**$ —**	**$ 6,185**	**$ —**	**$ 85,430**
Member tax distributions	—	(3,099)	—	(94)	—	—	—	(3,193)
Net income	—	—	—	—	—	10,268	—	10,268
Balance at September 30, 2020	**76,131**	**$ 73,571**	**2,675**	**$ 2,481**	**$ —**	**$ 16,453**	**$ —**	**$ 92,505**

See Notes to Consolidated Financial Statements

SOLO STOVE HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(*Unaudited*)

NOTE 1 – Organization and Description of Business

Description of Business

Solo Stove Holdings, LLC ("Company", "We", "Our", "Solo Stove", or "Holdings"), through a wholly-owned subsidiary, Solo DTC Brands, LLC (formerly named Frontline Advance, LLC) (dba Solo Stove), offers portable, low-smoke fire pits, grills, and camping stoves for backyard and outdoor use in different sizes, fire pit bundles, gear kits, stoves, cookware, dinnerware, and a variety of clothing and accessories. Solo Stove distributes its products through its website and other partners across North America and Europe.

Organization

Solo DTC Brands, LLC was formed as a limited liability company in the state of Texas on June 10, 2011. While operating as a limited liability company from 2011 to 2019, Solo Stove had two owners ("Founders"), which together owned 100 percent of the outstanding membership interest. For all periods, the operations of the Company are conducted through Solo DTC Brands, LLC.

Pursuant to the membership interest purchase agreement (the "2019 Agreement") dated September 24, 2019, SS Acquisitions, Inc. (which was majority-owned by Bertram Capital) acquired 66.74 percent of the total Class A-1 and Class A-2 units of Solo DTC Brands, LLC from the Founders for total consideration paid of $52.3 million. The remaining interests were retained by the Founders and other employees who acquired interest as part of the 2019 Agreement.

The Company was formed as a single-member limited liability company in the state of Delaware on October 6, 2020. Through a wholly-owned subsidiary, and pursuant to the securities purchase agreement (the "2020 Agreement") dated October 9, 2020, the Company acquired 100 percent of the outstanding units of Solo DTC Brands, LLC. As a result, Solo DTC Brands, LLC became a wholly-owned subsidiary of the Company. In exchange, Solo Stove Holdings, LLC issued Class A and B units, through which Summit Partners Growth Equity Funds, Summit Partners Subordinated Debt Funds, and Summit Investors X Funds (collectively, the "Summit Partners") acquired an effective 58.82 percent of the Company for total consideration paid of $273.1 million. The remaining units were retained by the Founders, SS Acquisitions, Inc., and other employees as part of the 2020 Agreement.

Solo Brands, Inc. was incorporated in Delaware on June 23, 2021 for the purpose of facilitating an initial public offering and other related transactions in order to carry on the Company's business. On October 28, 2021, Solo Brands, Inc. completed its initial public offering of 14,838,708 shares of Class A common stock, including 1,935,483 Class A Common Stock the underwriters exercised their option to purchase subsequent to the initial public offering, at an offering price of $17.00 per share. Solo Brands, Inc. received gross proceeds of approximately $250.0 million, including $30.6 million from the underwriters exercised option, before deducting underwriting discounts, commissions and offering related transaction costs. The unaudited consolidated financial statements as of September 30, 2021, including per unit amounts, do not include the effects of the initial public offering, as it was completed subsequent to September 30, 2020 (refer to Note 18).

Subsequent to the initial public offering, Solo Brands, Inc. is a holding company, and the principal assets is a controlling equity interest in Solo Stove Holdings, LLC. As the sole managing member, Solo Brands, Inc. operates and controls all of the business and affairs, and through Solo Stove Holdings, LLC, conducts the business.

Basis of Presentation

The three and nine month periods ended September 30, 2020, are referred to as "Intermediate Successor." The Intermediate Successor period reflects the costs and activities as well as the recognition of assets and liabilities at their fair values pursuant to the election of push-down accounting as of the consummation of the 2019 Agreement. Prior to the formation of the Company, the members' equity represents interest in Solo DTC Brands, LLC.

The three and nine month periods ended September 30, 2021, are referred to as "Successor or Company" The Successor period reflects the costs and activities as well as the recognition of assets and liabilities of the Company at their fair values pursuant to the election of push-down accounting as of the consummation of the 2020 Agreement. Due to the application of acquisition accounting, the election of push-down accounting, and the conforming of significant accounting policies, the results of the consolidated financial statements for Intermediate Successor and Successor periods are not comparable. Subsequent to the formation of the Company, the members' equity represents interest in Solo Stove Holdings, LLC. However, the operations of the Company are conducted through Solo DTC Brands, LLC.

The unaudited consolidated financial statements contained herein have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the rules of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to applicable rules and regulations of the SEC. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in the registration statement on Form S-1, as amended, filed with the SEC and declared effective on October 28, 2021.

NOTE 2 – Significant Accounting Policies

Principles of Consolidation

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

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses during the reporting period and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates and assumptions about future events and their effects cannot be made with certainty. Estimates may change as new events occur when additional information becomes available and if our operating environment changes. Actual results could differ from our estimates.

Concentrations of Credit Risk

The Company extends trade credit to its customers on terms that generally are practiced in the industry. The Company periodically performs credit analyses and monitors the financial condition of its customers to reduce credit risk. The Company performs ongoing credit evaluations of its customers but generally does not require collateral to support accounts receivable. Accounts receivable mostly consist of amounts due from our business-to-business customers.

As of September 30, 2021, Bed Bath and Beyond accounts for 15.0 percent of the Company's total outstanding accounts receivable. As of December 31, 2020, Dick's Sporting Goods accounted for 17.0 percent of the Company's total outstanding accounts receivable. Additionally, accounts receivable from credit card merchants was 19.0 percent and 25.0 percent, respectively, of the Company's total outstanding accounts receivable, as of September 30, 2021, and December 31, 2020. There are no other significant concentrations of receivables that represent a significant credit risk. In the Successor period for the three and nine months ended September 30, 2021, and in the Intermediate Successor period for the three and nine months ended September 30, 2020, no single customer accounted for more than 10% of total net sales.

We are exposed to risk due to our concentration of business activity with certain third-party manufacturers of our products. The majority of our camp stoves and fire pits are currently made in China between three of our manufacturers, with additional limited production in India and Vietnam. The majority of our kayaks and kayak accessories are currently made by one manufacturer in Mexico. The majority of our stand up paddle boards and paddle board accessories are currently made in China between nine manufacturers, with an additional manufacturer in Vietnam. The majority of our casual wear, sportwear, swimwear, outerwear, loungewear, and other accessories are currently made in China between five manufacturers, with additional manufacturers in India, Vietnam, and the U.S.

Segment Information

The Company's Chief Executive Officer, as the chief operating decision-maker, organizes the Company, manages resource allocations, and measures performance on the basis of one operating segment. We report our operations as a single reportable segment and manage our business as a single-brand outdoor consumer products business. This is supported by our operational structure, which includes sales, research, product design, operations, marketing, and administrative functions focused on the entire product suite rather than individual product categories. Our chief operating decision maker does not regularly review financial information for individual product categories, sales channels, or geographic regionals that would allow decisions to be made about the allocation of resources or performance.

Fair Value Measurements

Accounting standards require certain assets and liabilities to be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Fair values determined by Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Our financial instruments consist primarily of cash, accounts receivable, accounts payable, and bank indebtedness. The carrying amount of cash, accounts receivable, and accounts payable, approximates fair value due to the short-term maturity of these instruments.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide and continues to do so with new variants as well. In response, many countries have implemented measures to combat the outbreak, which have impacted global business operations. While the Company's results of financial position, cash flows, and results of operations were not significantly impacted, the extent of any future impact cannot be reasonably estimated at this time.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents. The Company continually monitors its position with, and the credit quality of, the financial institutions with which it invests. The Company has maintained bank balances in excess of federally insured limits. We have not historically experienced any losses in such accounts.

Accounts Receivable, net

Accounts receivables consists of amounts due to the Company from retailers and direct to corporate customers. Accounts receivable are recorded at invoiced amounts, less contractual allowances for trade terms, sales incentive programs, and discounts. The Company maintains an allowance for doubtful accounts for estimated losses that will result from the inability of customers to make required payments. The allowance is determined based on a review of specific customer accounts where the collection is doubtful, as well as an assessment of the collectability of total receivables considering the aging of balances, historical and anticipated trends, and current economic conditions. All accounts are subject to an ongoing review of ultimate collectability. Receivables are written off against the allowance when it is probable the amounts will not be recovered. The allowance for doubtful accounts on accounts receivable balances was $0.3 million as of September 30, 2021. This balance was nominal as of December 31, 2020.

Inventory

Inventories are comprised primarily of finished goods and are recorded at the lower of cost or net realizable value. Cost is determined using average costing that approximates actual cost on a first-in, first-out (FIFO) method. Obsolete or slow-moving inventory is written down to estimated net realizable value.

Property and Equipment, net

Property and equipment acquired through acquisitions (as described in Note 4) are recorded at estimated fair value as of that date. Property and equipment acquired subsequent to acquisitions are recorded at cost, net of accumulated depreciation. Costs of maintenance and repairs are charged to expense when incurred. When property and equipment are sold or disposed of, the cost and related accumulated depreciation is written off, and a gain or loss, if applicable, is recorded. We review property and equipment for impairment annually in the fourth quarter of each fiscal year and on an interim basis whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Property and equipment are depreciated on a straight-line method over their estimated useful lives. The useful lives for property and equipment are as follows:

	Useful Life
Computers, software, and other equipment	3 Years
Machinery	5 Years
Leasehold improvements	Shorter of lease term or 5 Years
Furnitures and fixtures	5 Years

Goodwill and Intangible Assets

Goodwill is determined based upon the excess enterprise value of the Company over the estimated fair value of assets and liabilities assumed at the acquisition date. Intangible assets are comprised of brand, patents, and customer relationships. Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition. We review goodwill and indefinite-lived intangible assets for impairment annually on October 1st of each fiscal year and on an interim basis whenever events or changes in circumstances indicate the fair value of such assets may be below their carrying value. In conducting our annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying value. If factors indicate that the fair value of the asset is less than its carrying value, we perform a quantitative assessment of the asset, analyzing the expected present value of future cash flows to quantify the amount of impairment, if any.

For our annual goodwill and indefinite-lived intangibles impairment tests on October 1, 2020, and 2019, we performed a qualitative assessment to determine whether the fair value of goodwill and indefinite-lived intangibles was more likely than not less than the carrying value. Based on the timing of the change in control events, economic conditions, and industry and market considerations, we determined that it was more likely than not that the fair value of goodwill and indefinite lived intangibles was greater than their carrying value; therefore, the quantitative impairment test was not performed. As a result, there was no impairment charge recognized for the years 2020 and 2019.

Intangible assets are comprised of brand, patents, customer relationships, developed technology, in-process research and development, and IP and trademark. Intangible assets are recorded at their estimated fair values at the date of acquisition.

Acquired definite lived intangible assets subject to amortization are amortized using the straight-line method over the estimated useful lives of the assets. The useful lives for intangible assets subject to amortization are as follows:

	Useful Life
Brand	15 Years
Patents	8 Years
Customer relationships	6-15 Years
Developed technology	6 Years
Trademark	9-15 Years
Proprietary software	5 Years

Debt Issuance Costs

Debt issuance costs were incurred by the Company in connection with obtaining debt in the change of control transactions and funding acquisitions and inventory purchases. These are recorded on the balance sheet as a direct deduction from the carrying value of the associated debt liability. The costs are amortized on a straight-line basis over the term of the related debt and reported as a component of interest expense.

Leases

The Company accounts for leases in accordance with Accounting Standards Codification ("ASC") No. 840, Leases. The Company deals primarily with operating leases for office space and distribution facilities and does not have any assets or liabilities under capital leases.

Rent expense on operating leases is recorded on a straight-line basis over the lease term. Deferred rent represents the difference between rent amounts paid and amounts recognized as straight-line rent expense. The excess of straight-line rent expense over lease payments due is recorded as a deferred rent liability in accrued expenses for the current portion and other long-term liabilities, for the noncurrent portion, in the consolidated balance sheets.

Revenue Recognition

The Company primarily engages in direct-to-consumer transactions, which is comprised of product sales directly from the Company's website, and business-to-business transactions, which is comprised of product sales to retailers, including where possession of the Company's products is taken and sold by the retailer in-store or online.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, which provides new guidance on the recognition of revenue and states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted this ASU on January 1, 2019, on a modified retrospective basis only to contracts that were not complete at the date of initial application. There was no material cumulative effect of initially applying the standard. See Note 3 for further information.

For the Company's direct-to-consumer and wholesale transactions, performance obligations are satisfied at the point of shipment. To determine the point in time at which a customer obtains control of a promised asset and the Company satisfies a performance obligation, the Company considered the following:

a. The Company has a present right to payment for the asset
b. The customer has legal title to the asset
c. The Company has transferred physical possession of the asset
d. The customer has the significant risks and rewards of ownership of the asset
e. The customer has accepted the asset.

There are no significant extended payment terms with our customers. Payment is due at the time of sale on our website for our direct-to-consumer transactions. Our business-to-business customers' payment terms vary depending on the contract with each retailer, but the most common is net 30 or net 60 days.

Under ASC 606, revenue is recognized for the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer. The consideration promised in a contract with a customer includes fixed and variable amounts. The fixed amount of consideration is the stand-alone selling price of the goods sold. Variable considerations, including cash discounts and rebates, are deducted from gross sales in determining net sales. Variable considerations also include the portion of goods that are expected to be returned and refunded. Any consideration received (or receivable) that the Company expects to refund to the customer will be recognized as a refund liability. Our refund liability is based on historical experience and trends. Net sales include shipping costs charged to the customer and are recorded net of taxes collected from customers, which are remitted to government authorities.

We offer a lifetime warranty on a number of our products to be free of manufacturing defects. We do not warranty our products against normal wear or misuse. The warranty is not sold separately and does not represent a separate performance obligation. Therefore, such warranties are accounted for under ASC 460, *Guarantees*.

For periods prior to the adoption of the new revenue recognition standard, revenue was recognized when (i) there was a contract or other arrangement of sale, (ii) the sales price was fixed or determinable, (iii) title and the risks of ownership had been transferred to the customer, and (iv) collection of the receivable was reasonably assured. Sales to business-to-business customers were recognized when title and the risks and rewards of ownership had passed to the customer, based on the terms of the sale. E-commerce sales were generally recognized when the product had been shipped from our warehouse.

Sales Returns and Allowances

Sales returns and allowances are recorded when the customer makes a return of a purchased product or when the customer agrees to keep a purchased product in return for a reduction in the selling price. Total sales returns and allowances were $1.4 million and $5.6 million in the Successor period for the three and nine months ended September 30, 2021, respectively. This amount was $1.5 million and $3.0 million in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively. These amounts are included in net sales on the consolidated statement of operations.

Contract Balances

Contract liabilities are recorded when the customer pays consideration, or the Company has a right to an amount of consideration that is unconditional before the transfer of a good to the customer and thus represents our obligation to transfer the good to the customer at a future date. The Company's primary contract liabilities are from our direct-to-consumer channel and represent payments received in advance from our customers for our products. The Company also has $0.7 million of contract liabilities from unredeemed gift cards and loyalty rewards. We recognize contract liabilities as revenue once all performance obligations have been satisfied.

Contract liabilities were $1.4 million and $20.2 million as of September 30, 2021, and December 31, 2020, respectively. For the periods presented on the consolidated statement of operations, we recognized $19.9 million of revenue that was previously included in the contract liability balance as of December 31, 2020. The change in the contract liability balance primarily results from timing differences between the customer's payment and our satisfaction of performance obligations.

Cost of Goods Sold

Cost of goods sold includes the purchase price of merchandise sold to customers and inbound shipping and handling costs. Cost of goods sold also includes depreciation and amortization, allocated overhead, and direct and indirect labor for warehouse personnel.

Shipping and Handling Costs

Costs associated with the shipping and handling of customer sales are expensed when the product ships to the customer. Total outbound shipping and handling costs were $5.2 million and $16.9 million in the Successor period for the three and nine months ended September 30, 2021, respectively. This cost was $2.0 million and $4.9 million in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively. These costs are included in selling, general, & administrative expenses on the consolidated statements of operations.

Advertising Expense

Advertising expense is expensed as incurred. Advertising expense was $14.3 million and $37.5 million in the Successor period for the three and nine months ended September 30, 2021, respectively. This expense was $4.5 million and $7.8 million in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively. These costs are included in selling, general, & administrative expenses on the consolidated statements of operations.

Other Operating Expenses

Other operating expenses consist primarily of acquisition-related expenses related to the Oru, ISLE, and Chubbies acquisitions in 2021, the change in control event in 2020, and other acquisition activities. Additionally, other operating expenses include costs incurred for the initial public offering related expenses and business optimization expenses.

Income Taxes

The Company is structured as a limited liability company for income tax purposes and is not subject to federal and state income taxes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members, and no provision for federal income taxes has been recorded in the accompanying consolidated financial statements.

Oru Kayak, Inc. and Chubbies, Inc., wholly owned subsidiaries, are subject to federal and state income taxes on corporate earnings and accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are calculated by applying existing tax laws and the rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

In accordance with authoritative guidance on accounting for and disclosure of uncertainty in tax positions, the Company follows a more likely than not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. For tax positions meeting the more-likely-than-not threshold, the tax liability recognized in the consolidated financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. If tax authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company.

No amounts have been accrued for uncertain tax positions as of September 30, 2021, and December 31, 2020. However, management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analyses of tax laws, regulations, and interpretations thereof, and other factors. The Company does not have any unrecognized tax benefits as of September 30, 2021, and December 31, 2020, and does not expect that the total amount of unrecognized tax benefits will materially change over the next six months. Additionally, no interest or penalty related to uncertain taxes has been recognized in the accompanying consolidated financial statements.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, and local jurisdictions, where applicable. If such examinations result in changes to income or loss, the tax liability of the Company could be changed accordingly.

Warranty

The Company warrants its products against manufacturing defects and will replace all products sold by an authorized retailer that are deemed defective. The Company does not warranty its products against normal wear or misuse. Historically, warranty claims have been nominal, and the Company does not expect large warranty claims in the future. As of September 30, 2021, the amount of warranty claims was $0.2 million. This amount was nominal as of December 31, 2020.

Earnings Per Unit

Basic earnings per unit are computed by dividing net income (loss) by the weighted average number of units of Class A, Class B, Class A-1, and Class A-2 units outstanding during the period. Diluted earnings per unit include other dilutive units issued by the Company to employees, such as incentive units.

Employee Compensation

The Company recognizes employee compensation expense for employees and non-employees based on the grant-date fair value of incentive units. Certain incentive units contain service and performance vesting conditions. For awards that vest based on continued service, employee compensation cost is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For awards with performance vesting conditions, employee compensation cost is recognized on a graded vesting basis over the requisite service period when it is probable the performance condition will be achieved. The grant-date fair value of incentive units that contain service or performance conditions is estimated using a Monte Carlo simulation model. The grant date fair value of restricted stock awards that contain service vesting conditions are estimated based on the fair value of the underlying shares on the grant date. For awards with market vesting conditions, the fair value is estimated using a Monte Carlo simulation model, which incorporates the likelihood of achieving the market condition.

Net Income (Loss) Per Unit

The Company follows the two-class method when computing net income (loss) per unit for its units issued. Basic net income (loss) per unit is computed using the weighted average number of units outstanding during the period. Diluted net income (loss) per unit is computed using the weighted-average number of units outstanding during the period plus the effect of all potentially dilutive securities, which include dilutive stock options and awards. Potential dilutive securities are not reflected in diluted net income (loss) per unit because such units are anti-dilutive.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract", an update that aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The Company early adopted this standard on January 1, 2021. It did not materially impact our consolidated financial statements or disclosures.

In December 2019, the FASB issued ASU No. 2019-12, "Simplifying the Accounting for Income Taxes," an update that simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 by clarifying and amending existing guidance. The guidance became effective for the Company on January 1, 2021, but did not materially impact our financial statements.

Recently Issued Accounting Pronouncements - Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the consolidated balance sheets. The reporting of lease-related expenses in the statements of operations and cash flows will generally be consistent with the current guidance. In June 2020, the FASB issued ASU 2020-05, deferring the effective date of ASU 2016-02 to annual periods beginning after December 15, 2021. Upon adoption, the ASU will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Company is still evaluating which method it will apply. The new lease standard is expected to have an impact on the Company's consolidated financial statements as a result of the Company's operating leases, as disclosed in Note 11, that will be reported on the consolidated balance sheets at adoption. Upon adoption, the Company will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable and held-to-maturity debt securities, by requiring the Company to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice, where an allowance is not recognized until the losses are considered probable. The ASU also changes the way credit losses are recognized for available-for-sale debt securities. Credit losses are recognized through the recording of an allowance rather than as a write-down of the carrying value. In November 2019, the FASB issued ASU 2019-10, deferring the effective date of ASU 2016-13 to annual periods beginning after December 15, 2022. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the earliest period presented. A prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date. Although early adoption is permitted, the Company does not plan to early adopt. The Company is still evaluating the impact of this standard on our consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting", an update that provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions effected by reference rate reform if certain criteria are met. The optional guidance is provided to ease the potential burden of accounting for reference rate reform. The guidance is effective as of March 12, 2020, and is available for contract modifications through December 31, 2022. The Company is still evaluating the impact of this standard on our consolidated financial statements.

NOTE 3 – Revenue

The Company primarily engages in direct-to-consumer transactions, which is comprised of product sales directly from our website, and business-to-business transactions, which is comprised of product sales to retailers, including where possession of the Company's products is taken and sold by the retailer in-store or online.

The following table disaggregates our net sales by channel (in thousands):

	SUCCESSOR	INTERMEDIATE SUCCESSOR	SUCCESSOR	INTERMEDIATE SUCCESSOR
	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net sales by channel				
Direct-to-consumer	$ 58,081	$ 26,454	$ 191,492	$ 59,993
Wholesale	11,352	2,681	35,757	6,599
Total net sales	$ 69,433	$ 29,135	$ 227,249	$ 66,592

NOTE 4 – Acquisitions

The following transaction was accounted for as business combinations under ASC 805, *Business Combinations*.

Oru Kayak, Inc.

On May 3, 2021, Solo DTC Brands, LLC entered into the Equity Purchase Agreement (the "Agreement") to acquire 60 percent of the voting equity interests in Oru Kayak, Inc. ("Oru") for total net cash paid of $25.4 million. Additionally, the Company had the option to purchase the remaining 40 percent upon a liquidity event, which it did. The exercise price of the option was equal to Oru's last twelve months adjusted EBITDA times a predetermined multiple. The Company acquired Oru to increase its brand and market share in the overall outdoor activities industry, as Oru manufactures, markets, and sells kayak boats and kayak accessories.

The excess enterprise value of Oru over the estimated fair value of assets and liabilities assumed was recorded as goodwill. Goodwill was recorded to reflect the excess purchase consideration over net assets acquired, which represents the value that is expected from expanding the Company's product offerings and other synergies. Factors that contributed to the recognition of goodwill included the expected future revenue growth of Oru. None of the goodwill recognized was expected to be deductible for tax purposes. The acquisition will be accounted for under the acquisition method of accounting for business combinations.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed by the Company at the acquisition date (in thousands):

Cash	$	6,307
Accounts receivable		357
Inventory		4,145
Property and equipment		436
Prepaid expenses and other assets		902
Intangible assets		24,265
Accounts payable and accrued liabilities		(4,119)
Deferred revenue		(778)
Deferred tax liability		(6,686)
Total identifiable net assets		24,829
Noncontrolling interest		(15,320)
Goodwill		15,933
Total		25,442
Less: cash acquired		(6,307)
Total, net of cash acquired	$	19,135

The intangible assets and related deferred tax assets and liabilities are estimates and are pending final valuation and tax provision calculations. The final purchase price allocation could result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill.

Acquisition-related costs of the buyer, which include legal, accounting, and valuation fees, totaled $0.7 million for the six months ended June 30, 2021, and were paid by the Company subsequent to the transaction date. These costs are included in other operating expenses on the consolidated statements of operations.

The amounts of net sales and net income of Oru included in the Company's consolidated income statement from the acquisition date to the six months ended June 30, 2021 are $5.6 million and $0.8 million, respectively.

On September 8, 2021, the Company acquired the remaining 40% ownership interest in Oru in exchange for 9.3 million Class B Units of Solo Stove Holdings, LLC.

International Surf Ventures, LLC

On August 2, 2021, Solo DTC Brands, LLC entered into the Equity Purchase Agreement (the "Agreement") to acquire 100 percent of the voting equity interests in International Surf Ventures, LLC ("ISLE") for total consideration of cash paid of $24.8 million and Class B units of $16.5 million. The Company acquired ISLE to increase its brand and market share in the overall outdoor activities industry, as ISLE manufactures, markets, and sells stand up paddle boards and paddle board accessories.

The excess enterprise value of ISLE over the estimated fair value of assets and liabilities assumed was recorded as goodwill. Goodwill was recorded to reflect the excess purchase consideration over net assets acquired, which represents the value that is expected from expanding the Company's product offerings and other synergies. Factors that contributed to the recognition of goodwill included the expected future revenue growth of ISLE. None of the goodwill recognized was expected to be deductible for tax purposes. The acquisition will be accounted for under the acquisition method of accounting for business combinations.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed by the Company at the acquisition date (in thousands):

Cash	$	3,085
Accounts receivable		107
Inventory		8,203
Property and equipment		110
Prepaid expenses and other assets		60
Intangible assets		3,530
Accounts payable and accrued liabilities		(4,695)
Total identifiable net assets		10,400
Goodwill		30,936
Total		41,336
Less: fair value of class B units		(16,494)
Less: cash acquired		(3,085)
Total, net of cash acquired	$	21,757

The intangible assets and related deferred tax assets and liabilities are estimates and are pending final valuation and tax provision calculations. The final purchase price allocation could result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill.

Acquisition-related costs of the buyer, which include legal, accounting, and valuation fees, totaled $0.3 million in the Successor period for the three and nine months ended September 30, 2021, and were paid by the Company subsequent to the transaction date. These costs are included in other operating expenses on the consolidated statements of operations.

The amounts of net sales and net loss of ISLE included in the Company's consolidated income statement from the acquisition date to the three and nine months ended September 30, 2021 are $3.2 million and $2.8 million, respectively.

Chubbies, Inc.

On September 1, 2021, Solo DTC Brands, LLC entered into the Equity Purchase Agreement (the "Agreement") to acquire 100 percent of the voting equity interests in Chubbies, Inc. ("Chubbies") for total net cash paid of $100.4 million. The Company acquired Chubbies to increase its brand and market share in the overall outdoor activities industry, as Chubbies sells casual wear, sportwear, swimwear, outerwear, loungewear, and other accessories.

The excess enterprise value of Chubbies over the estimated fair value of assets and liabilities assumed was recorded as goodwill. Goodwill was recorded to reflect the excess purchase consideration over net assets acquired, which represents the value that is expected from expanding the Company's product offerings and other synergies. Factors that contributed to the recognition of goodwill included the expected future revenue growth of Chubbies. None of the goodwill recognized was expected to be deductible for tax purposes. The acquisition will be accounted for under the acquisition method of accounting for business combinations.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed by the Company at the acquisition date (in thousands):

Cash	$	7,990
Accounts receivable		1,962
Inventory		24,594
Property and equipment		401
Prepaid expenses and other assets		893
Intangible assets		51,685
Accounts payable and accrued liabilities		(15,023)
Deferred revenue		(392)
Deferred tax liability		(12,902)
Total identifiable net assets		59,208
Goodwill		70,273
Total		129,481
Less: cash acquired		(7,990)
Less: fair value of class B units		(29,075)
Total, net of cash acquired	$	92,416

The intangible assets and related deferred tax assets and liabilities are estimates and are pending final valuation and tax provision calculations. The final purchase price allocation could result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill.

Acquisition-related costs of the buyer, which include legal, accounting, and valuation fees, totaled $1.6 million in the Successor period for the three and nine months ended September 30, 2021, and were paid by the Company subsequent to the transaction date. These costs are included in other operating expenses on the consolidated statements of operations.

The amounts of net sales and net loss of Chubbies included in the Company's consolidated income statement from the acquisition date to the three and nine months ended September 30, 2021 are $3.8 million and $2.4 million, respectively.

The historical net loss of Chubbies for the two months and eight months ended August 31, 2021 was $18.6 million and $7.9 million, respectively. This, if combined with the net income of $2.1 million and $44.1 million in the Successor period for the three and nine months ended September 30, 2021, respectively, would have resulted in net income (loss) of $(16.4) million and $36.2 million.

The historical net sales of Chubbies for the two months and eight months ended August 31, 2021, respectively was $13.9 million and $58.5 million, respectively. This, if combined with the net sales of $69.4 million and $227.2 million in the Successor period for the three and nine months ended September 30, 2021, respectively, would have resulted in $83.3 million and $285.7 million.

NOTE 5 – Inventory

Inventory consisted of the following (in thousands):

		September 30, 2021		December 31, 2020
Purchased inventory on hand	$	68,556	$	2,725
Inventory in transit		31,691		10,964
Raw materials		1,685		—
Fair value write-up		11,702		659
Inventory	$	113,634	$	14,348

NOTE 6 – Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	September 30, 2021	December 31, 2020
Computer, software, and other equipment	$ 2,718	$ 923
Leasehold improvements	2,592	48
Machinery	931	—
Furniture and fixtures	786	46
Property and equipment, gross	7,027	1,017
Accumulated depreciation	(348)	(37)
Property and equipment, net	$ 6,679	$ 980

Depreciation expense was $0.1 million and $0.3 million in the Successor period for the three and nine months ended September 30, 2021, respectively. Depreciation expense was nominal and nominal in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively.

NOTE 7 – Intangible Assets, net

Intangible assets consisted of the following (in thousands):

	September 30, 2021	December 31, 2020
Gross carrying value		
Brand	$ 196,093	$ 196,083
Trademark	33,345	—
Customer relationships	31,911	6,796
Developed technology	21,050	—
Patents	956	956
Intangible assets, gross	283,355	203,835
Accumulated amortization		
Brand	(12,741)	(2,964)
Trademark	(312)	—
Customer relationships	(1,270)	(257)
Developed technology	(1,462)	—
Patents	(117)	(27)
Accumulated amortization, gross	(15,902)	(3,248)
Intangible assets, net	$ 267,453	$ 200,587

Amortization expense was $4.9 million and $12.7 million in the Successor period for the three and nine months ended September 30, 2021, respectively. Amortization expense was $0.6 million and $2.1 million in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively.

Based on the carrying amounts of amortizable intangible assets noted above, estimated amortization expense for the next five years beginning in Fiscal Year 2022 is $21.9 million, $21.9 million, $21.9 million, $21.9 million, and $21.6 million, respectively.

NOTE 8 – Goodwill

The carrying value of goodwill associated with continuing operations and appearing in the accompanying consolidated balance sheets at September 30, 2021, and December 31, 2020, was as follows (in thousands):

Balance, December 31, 2020	$ 289,096
Acquisitions	—
Balance, March 31, 2021	289,096
Acquisitions	15,933
Balance, June 30, 2021	305,029
Acquisitions	101,209
Balance, September 30, 2021	$ 406,238

NOTE 9 – Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities include the following (in thousands):

	September 30, 2021	December 31, 2020
Sales, federal, state, value-added, and other taxes	$ 3,823	$ 1,924
Inventory	3,749	—
Payroll	2,244	875
Shipping costs	1,257	1,681
Credit cards	1,305	—
Allowance for sales returns	1,141	1,208
Interest	490	—
Insurance	484	193
Seller fees	347	299
Accrued distributions	—	8,608
Other	738	415
Accrued expenses and other current liabilities	$ 15,578	$ 15,203

NOTE 10 – Long-Term Debt

Long-term debt consisted of the following (in thousands):

	September 30, 2021	December 31, 2020
Revolving credit facility	$ 249,000	$ —
Term loan	100,000	—
Subordinated debt - related party	30,000	30,000
Senior debt facility	—	45,000
Unamortized debt issuance costs	(3,942)	(1,652)
Total debt, net of debt issuance costs	375,058	73,348
Less current portion of long-term debt	2,500	450
Long-term debt, net	$ 372,558	$ 72,898

Interest expense related to long-term debt was $2.2 million and $7.4 million in the Successor period for the three and nine months ended September 30, 2021, respectively. Interest expense was $0.2 million and $1.1 million in the Intermediate Successor period for the three and nine months ended September 30, 2020, respectively.

Senior Debt Facility

The Company voluntarily repaid in full the principal amount and $1.0 million of accrued interest outstanding under the Senior Debt Facility on May 31, 2021, using proceeds from the Revolving Credit Facility described below. The Company wrote off $1.5 million of debt issuance costs associated with the Senior Debt Facility in 2021.

Revolving Credit Facility and Term Loan

On May 12, 2021, the Company entered into a credit agreement with a bank (the "Revolving Credit Facility"). Under the terms of this agreement, the Company may borrow up to $200 million under a revolving credit facility. On June 2, 2021, the Company entered into an amendment to the Revolving Credit Facility to increase the maximum amount available under the Revolving Credit Facility to $250 million. Under the terms of the Revolving Credit Facility, the Company has access to certain swing line loans and letters of credit. The Revolving Credit Facility matures on May 12, 2026 and bears interest at a rate equal to the base rate as defined in the agreement plus an applicable margin, which as of September 30, 2021, was based on LIBOR. During the three months ended September 30, 2021, the Company had total draws of $63 million on its Revolving Credit Facility, with a weighted average interest rate of 3.0%.

On September 1, 2021, the Company entered into an amendment to the Revolving Credit Facility to increase the maximum amount available under the Revolving Credit Facility to $350 million. All outstanding principal and interest due on the Revolving Credit Facility are due at maturity.

In addition to the above, the amendment included a provision for the Company to borrow up to $100 million under a term loan (the "Term Loan"). The proceeds from the Term Loan were used to fund the Chubbies acquisition (see Note 4). The term loan matures on September 1, 2026 and bears interest at a rate equal to a base rate defined in the agreement plus an applicable margin, which as of September 30, 2021 was based on LIBOR. The Company is required to make quarterly principal payments on the Term Loan beginning on December 31, 2021. All outstanding principal and interest due on any outstanding borrowing under the facility are due at maturity.

The Company recorded $3.3 million of deferred debt issuance costs related to the Revolving Credit Facility and $0.9 million related to the Term Loan. The costs were amortized over the term of the related debt and are presented net of long-term debt on the consolidated balance sheets.

As of September 30, 2021, the future maturities of principal amounts of our total debt obligations, excluding lease obligation (see Note 11 for future maturities of lease obligations), for the next five years and in total, consists of the following (in thousands):

Years Ending December 31	**Amount**
2021 (remaining three months)	$ 625
2022	3,125
2023	5,000
2024	6,250
2025	7,500
Thereafter	356,500
Total	$ 379,000

NOTE 11 – Leases

The Company is obligated under operating leases primarily for its warehouse, distribution, and office space in Southlake, Texas, expiring in April 2024, and warehouse and distribution space in Salt Lake City, Utah, expiring September 2025. The Company is also obligated through April 2026 for warehouse and distribution space in Elizabethtown, Pennsylvania, and warehouse and office space in Rotterdam, Netherlands expiring in October 2026. Chubbies, ISLE, and Oru maintain operating leases for retail locations and office operations in Texas, California, Georgia, Florida, and Mexico, all of which expire during or prior to December 2024. These leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $0.6 million and $1.4 million in the Successor period for the three and nine months ended September 30, 2021, respectively. In the Intermediate Successor period for the three and nine months ended September 30, 2020, total rent expense was $0.2 million and $0.6 million, respectively. Rent expense is included in selling, general, & administrative expenses on the consolidated statements of operations. Fixed payments may contain predetermined fixed rent escalations. We recognize the related rent expense on a straight-line basis from the commencement date to the end of the lease term.

On April 8, 2021, the Company entered into a lease agreement to move its global headquarters from Southlake, Texas, to Grapevine, Texas, and entered into a surrender agreement to terminate the existing lease in Southlake, Texas. The new lease expires 88 months after the commencement date in October 2021, assuming substantial completion of initial improvements. The lease will require the Company to pay certain operating expenses, including utilities, maintenance, repairs, and insurance.

Future minimum annual commitments under these operating leases are as follows (in thousands):

Years Ending December 31	Amount
2021 (remaining three months)	$ 961
2022	5,295
2023	5,222
2024	4,766
2025	4,415
Thereafter	8,200
Total minimum lease payments	$ 28,859

NOTE 12 – Employee Compensation

Incentive Units

On December 31, 2020, the Company granted 8.1 million incentive units that contained a service condition and granted 16.4 million incentive units that contained performance and market vesting conditions. On January 15, 2021, the Company granted 0.4 million incentive units that contained a service condition and granted 0.8 million incentive units that contained performance and market vesting conditions. On March 29, 2021, the Company granted 0.9 million incentive units that contained a service condition and granted 1.7 million incentive units that contained performance and market vesting conditions. On August 31, 2021, the Company granted 0.3 million incentive units that contained a service condition and granted 0.2 million incentive units that contained performance and market vesting conditions.

The awards with a service condition vest over 4 years with 25 percent vesting on the one-year anniversary of the grant date and the remaining 75 percent vesting ratably over the remaining 3 years. The awards with a performance and market condition fully vest upon a liquidity event, as defined by the Holdings LLC Agreement, if the investor return, as defined by the Holdings LLC Agreement, is equal to, or above, 4.0. If the investor return is below 2.5, then no incentive units with a performance and market condition vest. If the investor return is above 2.5 but less than 4.0, the total percent of incentive units that vests is calculated on a straight-line basis.

For the awards with service conditions, the Company recognizes employee compensation costs on a straight-line basis from the grant date. For the awards with performance and market conditions, the Company commences recognition of employee compensation cost once it is probable that the performance and market conditions will be achieved. These conditions are not probable to be achieved for accounting purposes until the event occurs. Once it is probable that the performance and market conditions will be achieved, the Company recognizes employee compensation costs in that period. In the Successor period for the nine months ended September 30, 2021, employee compensation was $0.7 million and attributable to incentive units that contain a service condition. This expense was $0.2 million for the three months ended September 30, 2021. This expense is recorded in the selling, general and administrative expense line item on the consolidated statement of operations.

Determining the fair value of incentive units requires judgment. The Monte Carlo simulation model is used to estimate the fair value of incentive units that have service and/or performance vesting conditions, as well as those that have market vesting conditions. The fair value of the incentive units was based on the valuation of Company as a whole.

For the units granted in 2020, the weighted average fair value at the date of the grant was determined to be $0.25. For the units granted in 2021, the weighted average fair value at the date of the grant was determined to be $0.32.

A summary of the incentive units is as follows for the periods indicated (in thousands, except per share data):

	Outstanding Units	Weighted Average Grant Date Fair Value Per Unit	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance, December 31, 2020	24,550,532	$ 0.25	3.25	$ 6,220
Granted	4,211,117	0.32	3.43	1,176
Exercised	—	—		—
Forfeited/canceled	—	—		—
Balance, September 30, 2021	28,761,649	0.26	3.28	7,396
Exercisable, September 30, 2021	28,761,649	$ 0.26	3.28	$ 7,396

No incentive units were exercised or vested during the period ended September 30, 2021.

NOTE 13 – Income Taxes

Two of the Company's wholly owned subsidiaries, Oru and Chubbies, have a total provision for income taxes of $0.1 million in the Successor period for the nine months ended September 30, 2021. As a result, the Company's effective tax rate is 0.28%. The Company's effective tax rate is less than the statutory rate of 21% primarily because the Company is not liable for income taxes on limited liability company earnings that are attributable to its members. Only the Oru subsidiary (acquired on May 3, 2021) and the Chubbies subsidiary (acquired on September 1, 2021), are subject to corporate federal income taxes. The deferred tax liabilities are principally related to the purchased intangible assets acquired in the Oru and Chubbies acquisitions.

The Company has evaluated all significant tax positions for federal and state income tax purposes and believes that all income tax positions would more likely than not be sustained by examination. Therefore, As of September 30, 2021 and December 31, 2020, the Company has not established any reserves, nor recorded any unrecognized benefits related to, uncertain tax positions.

NOTE 14 – Commitment and Contingencies

Contingencies

From time to time, we are involved in various legal proceedings that arise in the normal course of business. While we intend to prosecute and defend any lawsuit vigorously, we presently believe that the ultimate outcome of any currently pending legal proceeding will not have any material adverse effect on our financial position, cash flows, or results of operations. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, which could impact our business and the results of operations for the period in which the ruling occurs or future periods. Based on the information available, we evaluate the likelihood of potential outcomes. We record the appropriate liability when the amount is deemed probable and reasonably estimable. In addition, we do not accrue for estimated legal fees and other directly related costs as they are expensed as incurred. The Company is not currently a party to any pending litigation that the Company considers material. Therefore, the consolidated balance sheets do not include a liability for any potential obligations as of September 30, 2021, and December 31, 2020.

Lease Commitments

The Company has entered into non-cancelable operating leases primarily for its warehouse, distribution, and office spaces. For information related to our lease commitments, see Note 11.

Purchase Commitments

The Company has entered into non-cancelable purchase contracts for operating expenditures, primarily inventory purchases, for $23.2 million as of September 30, 2021, and $17.5 million as of December 31, 2020.

NOTE 15 – Fair Value Measurements

The following table presents information about the Company's liabilities measured at fair value on a recurring basis as of September 30, 2021, and the valuation techniques used by the Company to determine those fair values:

		Fair Value Measurements		
September 30, 2021	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities:				
Long-term debt, net	$ 375,058	$ —	$ 375,058	$ —

		Fair Value Measurements		
December 31, 2020	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:				
Cash equivalents:				
Money market funds	$ 30,005	$ —	$ 30,005	$ —
Financial liabilities:				
Long-term debt, net	$ 73,348	$ —	$ 73,348	$ —
Contingent consideration	$ 100,000	$ —	$ —	$ 100,000

The Company's cash equivalents include money market funds with maturities within three months of their purchase dates that approximate fair value based on Level 2 measurements. The carrying value of our debt approximates fair value and is a Level 2 estimate based on quoted market prices or values of comparable borrowings. The contingent consideration represents a liability associated with additional cash consideration related to the 2020 Agreement and is a Level 3 estimate. The contingent consideration was paid off on May 13, 2021, using proceeds from the Revolving Credit Facility, as discussed in Note 10.

NOTE 16 – Members' Equity

Class A Units

Pursuant to the 2020 Agreement, Solo Stove Holdings, LLC has authorized 250,000,000 Class A units for issuance at a price of $1 per unit. For so long as any of the Class A Units remain outstanding, the Class A units will rank senior to the Class B units discussed below. Holders of Class A units are entitled to one vote per share on all matters to be voted upon by the members. When and if distributions are declared by the Company's board of directors, holders of Class A units are entitled to ratably receive distributions until the aggregate unreturned capital with respect to each holder's Class A units has been reduced to zero. Upon dissolution, liquidation, distribution of assets, or other winding up, the holders of Class A units are entitled to receive ratably the assets available for distribution after payment of liabilities and before the holders of Class B units and Incentive units (see Note 12).

Class B Units

Pursuant to the 2020 Agreement, Solo Stove Holdings, LLC has authorized 175,000,000 Class B units for issuance at a price of $1 per unit. Holders of Class B units are entitled to one vote per share on all matters to be voted upon by the members. Holders of Class A units and Class B units generally vote together as a single class on all matters presented to the Company's members for their vote or approval. When and if distributions are declared by the Company's board of directors, holders of Class B units are entitled to ratably receive distributions until the aggregate unreturned capital with respect to each holder's Class B units has been reduced to zero. Upon dissolution, liquidation, distribution of assets, or other winding up, the holders of Class B units are entitled to receive ratably the assets available for distribution after payment of liabilities and Class A unitholders and before the holders of Incentive units.

Pursuant to the 2020 Agreement, the Company's board of directors may authorize Solo Stove Holdings, LLC to create and/or issue additional equity securities, provided that the number of additional authorized Incentive units do not exceed 10 percent of the outstanding Class A and Class B units without the prior written consent of the majority investors. Upon issuance of additional equity securities, all unitholders shall be diluted with respect to such issuance, subject to differences in rights and preferences of different classes, groups, and series of equity securities, and the Company's board of directors shall have the power to amend the schedule of unitholders to reflect such additional issuances and dilution.

As part of the 2020 Agreement, certain members of management, in lieu of a cash transaction bonus, elected to receive Class B units which had a fair value of $4.7 million.

Class A-1 Units

Pursuant to the 2019 Agreement, Solo DTC Brands, LLC authorized 76,130,510 Class A-1 units for issuance at a price of $1 per unit. Holders of Class A-1 units are entitled to one vote per share on all matters to be voted upon by the members and have certain rights with respect to distributions as set forth in the 2019 Agreement. The Class A-1 units have a liquidation preference equal to the total invested capital plus an 8 percent annual return plus any representations and warranties insurance payments. Holders of Class A-1 units are paid out simultaneously with the Class A-2 unitholders. The remaining balance is then paid out to all unitholders in proportion to their respective unit percentages.

Class A-2 Units

Pursuant to the 2019 Agreement, Solo DTC Brands, LLC authorized 1,975,000 Class A-2 units for issuance at a price of $1 per unit. Holders of Class A-2 units are entitled to one vote per share on all matters to be voted upon by the members and have certain rights with respect to distributions as set forth in the 2019 Agreement. The Class A-2 units have a liquidation preference equal to the total invested capital plus an 8 percent annual return plus any representations and warranties insurance payments. Holders of Class A-2 units are paid out simultaneously with the Class A-1 unitholders. The remaining balance is then paid out to all unitholders in proportion to their respective unit percentages.

Pursuant to the 2019 Agreement, the Company's board of directors may authorize, sell, and issue additional units and designate such units as a previously authorized or outstanding class or series or a new class or series of units. The issuance of additional units and a new member's admittance to the Company shall cause a pro-rata reduction in each member's unit percentage. No new members shall be entitled to any retroactive allocation of income, losses, or expense deductions the Company incurs.

NOTE 17 – Net Income (Loss) Per Unit

Basic income per unit is computed by dividing net income by the weighted average number of common units outstanding during the period. Diluted income per unit includes the effect of all potentially dilutive securities, which include dilutive stock options and awards.

The following table sets forth the calculation of earnings per unit and weighted-average common units outstanding at the dates indicated (in thousands, except per unit data):

	SUCCESSOR	INTERMEDIATE SUCCESSOR	SUCCESSOR	INTERMEDIATE SUCCESSOR
	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net income (loss)	$ 2,120	$ 10,268	$ 44,082	$ 21,475
Less: Net income (loss) attributable to noncontrolling interest	937	—	1,166	—
Net income (loss) attributable to Solo Stove Holdings, LLC	1,183	10,268	42,916	21,475
Weighted average units outstanding - basic	432,080	78,806	427,369	78,634
Effect of dilutive securities	—	—	—	—
Weighted average units outstanding - diluted	432,080	78,806	427,369	78,634
Net income (loss) per unit				
Basic	$ 0.00	$ 0.13	$ 0.10	$ 0.27
Diluted	$ 0.00	$ 0.13	$ 0.10	$ 0.27

NOTE 18 - Subsequent Events

Initial Public Offering and Reorganization

On October 28, 2021, the Company completed its initial public offering ("IPO") of 12,903,225 shares of Solo Brands, Inc. Class A common stock at a price to the public of $17.00 per share. Solo Brands, Inc. received net proceeds of $200.5 million, after deducting underwriting discounts and commissions. Solo Brands, Inc. used the proceeds to acquire newly issued units from the Company, which the Company used to repay outstanding indebtedness under the Subordinated Debt and Revolving Credit Facility.

In connection with the IPO, on October 27, 2021, the Company's organization structure was converted to an "Up-C" structure, with Solo Brands, Inc. becoming the sole managing member of the Company. As the sole managing member of the Company, Solo Brands, Inc. operates and controls the business and affairs of the Company and the subsidiaries and has the obligation to absorb losses and receive benefits from the Company. Solo Brands, Inc. will consolidate the Company in its consolidated financial statements and report a non-controlling interest related to the common units held by the pre-IPO common unitholders and the incentive units held by the continuing incentive unitholders in its consolidated financial statements. The pre-IPO common units and incentive units were converted into 81,975,710 Solo Brands, Inc. shares of common stock.

In November 2021, the underwriters exercised their option in full to purchase 1,935,483 Class A Common Stock for an aggregate amount of $30.6 million in net proceeds after underwriter discounts and commissions.

Repayment of Debt

In November 2021, the Company used the IPO and underwriter option proceeds to repay in full the Subordinated Debt - related party of $30.0 million, as well as pay down $196.8 million in outstanding indebtedness under the Revolving Credit Facility. As of November 30, 2021, the Company had $32.9 million in outstanding borrowings under the Revolving Credit Facility, and $100.0 million under the Term Loan Agreement. The borrowing capacity on the Revolving Credit Facility was $350.0 million as of November 30, 2021, leaving $317.1 million of availability.

Modification of Incentive Units

Certain employees of the Company purchased Incentive Units in Solo Stove Holdings, LLC for $0.000001 per Incentive Unit. The terms of the Incentive Units are as follows: each of the Incentive Units consist of service-based units (representing one third (1/3) of the Incentive Units) and performance-based units (representing two-thirds (2/3) of the Incentive Units).

Twenty-five percent (25%) of the service-based Incentive Units vest on the first anniversary of the grant date and the remaining seventy-five percent (75%) of such service-based units vest in substantially equal monthly installments over the following three (3) years, subject to the employee's continued employment through each applicable vesting date. Additionally, the vesting of the service-based units will accelerate upon the occurrence of a sale transaction (which was not triggered by the initial public offering) prior to the employee's termination of employment.

The performance-based Incentive Units vest upon the Company's achievement of specified performance objectives. Specifically, provided that the employee remains employed through a Liquidity Event (as defined in the Solo Stove Holdings, LLC Limited Liability Company Agreement, including an initial public offering), up to 100% of the performance-based Incentive Units vest based on the investment return Summit Partners achieves in such Liquidity Event (0% if the investment return is equal to or less than 2.50x, 100% if the investment return is equal to or greater than 4.00x, with any vesting based on returns between 2.50x and 4.0x to be determined on the basis of linear interpolation). Depending on the deemed return achieved by Summit Partners in connection with the initial public offering, up to 100% of the performance-based Incentive Units could have vested, with any performance-based Incentive Units that did not vest in connection with the initial public offering forfeited for no consideration.

The Company modified the Incentive Units terms so that the unvested performance-based Incentive Units converted to restricted common units that vest over two years, with 50% of the remaining units vesting after one year and the remaining 50% vesting in four quarterly installments in the following year, subject to the employee's continued employment with the Company through the applicable vesting date. If Summit Partners sells all of their equity interests in the Company or if the investment return to Summit equals or exceeds 4.00x on a per-share basis for four consecutive quarters, and in each case the employee remains employed with the Company on such date, then all unvested restricted common units that were previously performance-investing Incentive Units will vest.

As a result of the IPO, the Company recognized approximately $3.4 million of compensation expense associated with the units that vested upon the liquidity event.

2021 Employee Stock Purchase Plan

In October 2021, the board of directors adopted and the stockholders of the Company approved the 2021 Employee Stock Purchase Plan (the "ESPP"). The maximum number of shares of common stock which will be authorized for sale under the ESPP is equal to the sum of (a) 1,618,434 shares of common stock and (b) an annual increase on the first day of each fiscal year beginning in 2023 and ending in 2031, equal to the lesser of (i) 0.5% of the shares of the Company's common stock outstanding on the last day of the immediately preceding fiscal year and (ii) such number of shares of common stock as determined by the board of directors; provided, however, no more than 6,473,736 shares of common stock may be issued under the ESPP.

2021 Incentive Award Plan

In October 2021, the board of directors approved the 2021 Incentive Award Plan ("Incentive Award Plan"), which became effective on October 28, 2021 upon our IPO. Upon the Incentive Award Plan becoming effective, there were 10,789,561 shares of Class A common stock authorized under the Incentive Award Plan. The shares authorized under the Incentive Award Plan will increase annually, beginning on January 1, 2023 and continuing through 2031, by the lesser of (i) 5% of the then outstanding common stock, or (ii) a smaller amount as agreed by the board of directors.

Equity-Based Compensation

Upon IPO, we granted options and restricted stock units with respect to 938,964 shares of our Class A Common Stock under the Incentive Award Plan described above to certain of our directors and employees, including our named executive officers. The options and restricted stock units granted to our named executive officers are expected to vest over four years, with twenty-five percent (25%) vesting on the first anniversary of the grant date and the remainder vesting in substantially equal quarterly installments over the following three years, subject to the employee's continued employment with the Company through the applicable vesting date.

Since IPO and through the filing date of this Quarterly Report on Form 10-Q we have issued 12,461 restricted stock units to certain employees.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Risk Factors" and our unaudited consolidated financial statements and the related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our prospectus, dated October 27, 2021, filed with the Securities and Exchange Commission ("SEC") in accordance with Rule 424(b) of the Securities Act on October 29, 2021 (the "Prospectus") in connection with our initial public offering ("IPO"). The following discussion and analysis reflects the historical results of operations and financial position of Solo Stove Holdings, LLC and its consolidated subsidiaries prior to the Reorganization Transactions on October 27, 2021. In addition to historical consolidated financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Some of the numbers included herein have been rounded for the convenience of presentation. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Item II, Part 1A, "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. See "Special Note Regarding Forward-Looking Statements."

Overview

Solo Brands is a large, rapidly growing DTC platform that operates four premium outdoor lifestyle brands—Solo Stove, Oru, ISLE, and Chubbies. Our brands develop innovative products and market them directly to consumers primarily through e-commerce channels. Our platform is led by our largest brand, Solo Stove, which was founded in 2011 by two brothers seeking to bring family together in the outdoors. Our founders combined their passion for e-commerce with their love of the outdoors to create a digitally-native platform to market the revolutionary Lite, an ultralight portable backpacking camp stove that can boil water in under 10 minutes using just twigs, sticks, and leaves. Solo Stove followed the success of the Lite with the launch of its iconic, stainless steel, virtually smokeless fire pits in 2016. We pioneered a new product category that has helped foster a loyal community of enthusiasts and furthers our efforts to bring people together.

Since our inception in 2011, Solo Stove's growth and free cash flow allowed us to make significant investments in our global supply chain and bring fulfillment, research and development, sales and marketing, and customer service in-house. This infrastructure provides an authentic end-to-end customer experience, expedited delivery nationwide, greater cost efficiencies, and redundancy in manufacturing. It also laid the groundwork for a scalable DTC platform which, coupled with the acquisitions of Oru, ISLE, and Chubbies in 2021, led to the formation of Solo Brands in 2021.

Our DTC platform provides distinct competitive advantages, including a highly attractive financial profile. Through our DTC strategy we develop a direct connection with our customers, enhance our brand, and receive real-time feedback that informs our product development roadmap and digital marketing decisions. This deep connection with our customers helps to drive an attractive return on marketing spend and positions us to capitalize on a significant runway of future growth. We believe our direct connection with our customers creates a flywheel effect of rapid growth, scalability, and robust free cash flow generation, which in turn, enables us to re-invest in product innovation, marketing, and brand reach.

Our net sales increased from $29.1 million in the Intermediate Successor period for the three months ended September 30, 2020, to $69.4 million in the Successor period for the three months ended September 30, 2021, representing a growth rate of 138.3% and our net income decreased from $10.3 million to net income of $2.1 million. Over the same time period, our Adjusted EBITDA grew from $11.6 million to $18.2 million, representing a growth rate of 56.7%, our Adjusted EBITDA margin decreased from 39.8% of net sales to 26.2% of net sales and our Adjusted Net Income increased from $11.3 million to $15.8 million, representing a growth rate of 39.7%. Our strong profitability, coupled with our asset-light business model and low working capital requirements, drives robust free cash flow generation.

Our net sales increased from $66.6 million in the Intermediate Successor period for the nine months ended September 30, 2020, to $227.2 million in the Successor period for the nine months ended September 30, 2021, representing a growth rate of 241.3%, and our net income increased from $21.5 million to net income of $44.1 million. Over the same time period, our Adjusted EBITDA grew from $27.1 million to $77.8 million, representing a growth rate of 187.0%, our Adjusted EBITDA margin decreased from 40.7% of net sales to 34.2% of net sales and our Adjusted Net Income increased from $25.9 million to $70.0 million, representing a growth rate of 170.0%.

Initial Public Offering and Reorganization Transactions

On October 28, 2021, we completed our initial public offering (the "IPO") of 12,903,225 shares of Solo Brands, Inc. Class A common stock at a price to the public of $17.00 per share. Solo Brands, Inc. received net proceeds of $200.5 million, after deducting underwriting discounts and commissions. Solo Brands, Inc. used the proceeds to acquire newly issued units from the Company, which the Company will in turn use to repay outstanding indebtedness under the Subordinated Debt of $30.0 million and Revolving Credit Facility of $170.5 million.

Prior to the completion of the IPO, we undertook certain reorganization transactions such that Solo Brands, Inc. is now a holding company, and its sole material asset is a controlling equity interest in Holdings. As the general partner of Holdings, Solo Brands, Inc. operates and controls the business and affairs of Holdings and its subsidiaries and has the obligation to absorb losses and receive benefits from Holdings. Solo Brands, Inc. will consolidate Holdings in its consolidated financial statements and report a non-controlling interest related to the common units held by the pre-IPO common unitholders and the incentive units held by the continuing incentive unitholders in its consolidated financial statements.

Solo Brands, Inc. is a corporation for U.S. federal and state income tax purposes. Holdings has been since the Summit Acquisition (as described in Note 1 to our unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and the Solo Stove Holdings, LLC audited consolidated financial statements included in our Prospectus) treated as a flow-through entities for U.S. federal income tax purposes, and as such, has generally not been subject to U.S. federal income tax at the entity level. Accordingly, the historical results of operations and other financial information set forth in this Quarterly Report do not include any material provisions for U.S. federal income tax for the periods prior to our initial public offering. Following our initial public offering, Solo Brands, Inc. pays U.S. federal and state income taxes as a corporation on its share of Holdings' taxable income.

In addition, in connection with the reorganization and our IPO, we entered into the tax receivable agreement as described under "Tax Receivable Agreement."

Tax Receivable Agreement

In connection with the IPO, Solo Brands, Inc. entered into the Tax Receivable Agreement with the Continuing LLC Owners and Holdings. Under the Tax Receivable Agreement, Solo Brands, Inc. generally is required to make cash payments to the Continuing LLC Owners equal to 85% of the tax benefits, if any, that Solo Brands, Inc. actually realizes, or in certain circumstances is deemed to realize, as a result of (1) increases in Solo Brands, Inc.'s proportionate share of the tax basis of the assets of Holdings resulting from (a) any future redemptions or exchanges of LLC Interests by the Continuing LLC Owners for Solo Brands, Inc. Class A common stock or cash pursuant to the Holdings LLC Agreement, or (b) certain distributions (or deemed distributions) by Holdings and (2) certain other tax benefits arising from payments under the Tax Receivable Agreement. Although Solo Brands, Inc. will retain 15% of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A Common Stock. No such payments will be made to any holders of Solo Brands, Inc. Class A common stock unless such holders are also Continuing LLC Owners.

Effects of the COVID-19 Pandemic

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. The COVID-19 pandemic has significantly impacted global economies, resulting in travel restrictions, business slowdowns or shutdowns in affected areas, reduced economic activity, and changes in consumer behavior.

Disruptions related to the COVID-19 pandemic have affected our business, as well as those of our consumers, retail partners, and suppliers. Our financial performance to start fiscal year 2020 was strong, and we generated significant growth. As the COVID-19 pandemic worsened, and despite our continued growth and customer demand, as a precaution, we increased our cash position by drawing $10 million then available under our Revolving Credit Facility. Throughout the COVID-19 pandemic, our growth continued. In April 2020 we generated record year-over-year sales, which continued each month thereafter on a year-over-year basis through the end of fiscal 2020. In the summer of 2020, we repaid the amount drawn on our revolving credit facility. However, there were also negative impacts on our business due to the pandemic. One of our pillars of growth is word-of-mouth referrals. Because the COVID-19 pandemic required social distancing and restricted people from leaving their homes, in March 2020 word-of-mouth referrals only accounted for 26% of solostove.com orders. As the pandemic restrictions have softened, we have seen referral rates at more normalized levels. For example, in March 2021 word of mouth referrals accounted for 45% of solostove.com orders - a 70% year-over-year increase. This headwind was offset by two positive results of the pandemic. First, COVID-19 increased consumer interest for outdoor living and outdoor recreation. Second, it accelerated online shopping that has continued through today, increasing our DTC sales. Now that restrictions from the pandemic are lifting, we have seen an increase in referral purchases which we believe will continue to grow as there are now more of our products in the market and online shopping has become more popular.

The COVID-19 pandemic also created challenges with our supply chain. During the height of the COVID-19 pandemic, we were sold out of many of our products as a result of limitations on our ability to obtain additional products from suppliers. While we have maintained and added new suppliers to support our growth, ocean freightliners experienced unprecedented demand and the availability and cost of shipping containers severely increased. We experienced sharp increases to container costs and had to increase our resources to manage and ensure adequate space on ships to move our product from overseas by onboarding several new shipping carriers to our vendor list.

As we continue to monitor and navigate the COVID-19 pandemic and its effects, we may take additional actions based on the requirements and recommendations of local health guidelines, and intend to focus on investments for future, long-term growth. In certain circumstances, there may be developments outside our control requiring us to adjust our operating plan. As such, given the dynamic nature of this situation, we cannot reasonably estimate the impacts of the COVID-19 pandemic on our financial condition, results of operations or cash flows in the future. In addition, see Part II, Item 1A. "Risk Factors" elsewhere in this Quarterly Report on Form 10-Q for more information regarding risks associated with the COVID-19 pandemic.

Key Factors Affecting Our Results of Operations

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in Part II, Item 1A. "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.

Economic Conditions

Demand for our products is impacted by a number of economic factors impacting our customers, such as consumer confidence, demographic trends, employment levels, and other macroeconomic factors. These factors may influence the extent to which consumers invest in outdoor lifestyle products such as fire pits, stoves, grills, consumables, and associated accessories.

Success of Our Innovation Pipeline

Our future growth depends in part on our ability to introduce new and enhanced products. The success of our new and enhanced products depends on many factors, including anticipating consumer trends, finding innovative solutions to consumer needs, differentiating our products from those of our competitors, obtaining protection for our intellectual property and the ability to expand our brand beyond the categories of products we currently sell.

Seasonality/Weather

Sales have historically experienced seasonality, with our highest level of sales typically being generated in the second and fourth fiscal quarters. Unfavorable weather can impact demand, including wet or exceptionally hot or dry weather conditions. Widespread wild fires also have potential to adversely impact our business.

COVID-19 Impacts

Future developments, including the duration and severity of the outbreak (including the severity and transmission rates of new variants of the virus that causes COVID-19), rate of public acceptance and efficacy of vaccines and other treatments, the related impact on consumer confidence and spending, the effect of governmental regulations imposed in response to the pandemic, and the extent to which consumers modify their behavior as social distancing and related precautions are lifted, are uncertain and ever-changing. Any of the foregoing, or other cascading effects of the COVID-19 pandemic or its aftermath, could have an impact on our business performance.

Ability to Scale Our Operating Model

We depend on third-party manufacturers for the sourcing of our products and generally do not have long-term supply agreements with our manufacturers. Our future performance may be impacted by the inability or unwillingness of our third-party manufacturers to meet our product demand and the availability of land-based and air freight carriers. Our ability to support our growth will also be dependent on attracting, motivating, and retaining personnel.

Business Acquisitions

In fiscal year 2021, we acquired Oru Kayak and ISLE Paddle Boards, which expand our served marked opportunity into the U.S. paddle sports market, and Chubbies apparel, which expands our served market opportunity into the clothing and accessories category. Our ability to find suitable acquisition targets and integrate them on to the Solo Brands platform can impact our future business performance.

Key Performance Indicators

We track the following key business measures and non-GAAP financial measures to evaluate our performance, identify trends, formulate financial projections, and make strategic decisions. We believe that these key business measures, which include certain non-GAAP financial measures, provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. These key business measures and non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly titled measures presented by other companies.

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020
Revenue by sales channel		
DTC	$ 58,081	$ 26,454
Wholesale	11,352	2,681
Gross profit	$ 41,021	$ 20,773
Gross margin	59.1 %	71.3 %
Adjusted gross profit[(1)]	$ 46,496	$ 20,920
Adjusted gross profit margin[(1)]	67.0 %	71.8 %
Net income (loss)	$ 2,120	$ 10,268
Adjusted Net Income[(1)]	15,818	11,324
Adjusted EBITDA[(1)]	$ 18,160	$ 11,590
Adjusted EBITDA margin[(1)]	26.2 %	39.8 %

(1) See "Non-GAAP Financial Measures" below for a reconciliation of this non-GAAP measure to the most closely comparable GAAP measure and why we consider it useful.

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Revenue by sales channel		
DTC	$ 191,492	$ 59,993
Wholesale	35,757	6,599
Gross profit	$ 147,185	$ 45,397
Gross margin	64.8 %	68.2 %
Adjusted gross profit[(1)]	$ 154,065	$ 47,261
Adjusted gross profit margin[(1)]	67.8 %	71.0 %
Net income (loss)	$ 44,082	$ 21,475
Adjusted Net Income[(1)]	70,034	25,942
Adjusted EBITDA[(1)]	$ 77,821	$ 27,115
Adjusted EBITDA margin[(1)]	34.2 %	40.7 %

(1) See "Non-GAAP Financial Measures" below for a reconciliation of this non-GAAP measure to the most closely comparable GAAP measure and why we consider it useful.

Net sales by sales channel

Net sales by sales channel represents the proportion of our sales derived through our DTC channel (including Amazon and corporate sales) and through our wholesale channel (including domestic retail and international sales).

Adjusted gross profit/Adjusted gross profit margin

Adjusted gross profit reflects gross profit adjusted for fair value write-up of inventory as a result of change in control transactions in 2019 and 2020 and the Oru, ISLE and Chubbies acquisitions.

We define Adjusted gross profit margin as adjusted gross profit divided by net sales.

Adjusted Net Income

We define Adjusted Net Income as net income (loss), adjusted for amortization of intangible assets recognized from the change in control transactions and the Oru, ISLE, and Chubbies acquisitions, expenses incurred with the initial public offering, one-time transaction costs related to change in control transactions, acquisition related costs, inventory fair value write-up, compensation expense related to the incentive units, business expansion and optimization expenses, and management fees.

Adjusted EBITDA/Adjusted EBITDA Margin

We define Adjusted EBITDA as net income (loss) before interest expense, income taxes and depreciation and amortization expenses, adjusted for one-time transaction costs related to change in control transactions, the initial public offering, the Oru, ISLE and Chubbies acquisitions, acquisition related costs, inventory fair value write-up, compensation expense related to the incentive units, business expansion and optimization expenses, and management fees.

We define Adjusted EBITDA margin as Adjusted EBITDA divided by net sales.

Components of Our Results of Operations

Net Sales

Net sales are comprised of sales through our DTC channel and wholesale channel sales to retail partners. Net sales in both channels reflect the impact of partial shipments, product returns, and discounts for certain sales programs or promotions.

We believe that our net sales include a seasonal component. In the DTC channel, our historical net sales tend to be highest in our second and fourth quarters, while our wholesale channel has generated higher sales in the first and third quarters. However, due to timing of product launches, quarter-end timing relative to weekends and holidays, we expect volatility in the results of operations throughout the year.

Gross Profit

Gross profit reflects net sales less cost of goods sold, which primarily includes the purchase cost of our products from our third-party manufacturers, inbound freight and duties, product quality testing and inspection costs, and depreciation on molds and equipment that we own.

Selling, General, & Administrative Expenses

Selling, general, and administrative, or SG&A, expenses consist primarily of marketing costs, employee compensation and benefits costs, costs of our warehousing and logistics operations, costs of operating on third-party DTC marketplaces, professional fees and services, cost of product shipment to our customers, and general corporate infrastructure expenses. We anticipate that SG&A expenses will increase in the future based on our plans to increase staff levels, expand marketing activities, and bear additional costs as a public company.

Other Operating Expenses

Other operating expenses consist primarily of acquisition-related expenses related to the Oru, ISLE, and Chubbies acquisitions in 2021, the change in control event in 2020, and other acquisition activities. Additionally, other operating expenses include costs incurred for the initial public offering related expenses and business optimization expenses.

Results of Operations

Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2021

Net Sales

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	Change $	Change %
Net sales	$ 69,433	$ 29,135	40,298	138.3%

Net sales increased $40.3 million, or 138.3%, to $69.4 million in the Successor period for the three months ended September 30, 2021, compared to $29.1 million in the Intermediate Successor period for three months ended September 30, 2020. $7.0 million of this increase was due to the acquisition of ISLE and Chubbies. The remaining increase was primarily driven by a 104.7% increase in total orders period over period. The average order size increased by 3.9%, period over period. We believe the increase in the number of orders was primarily due to our increased spending on our digital marketing strategy, growing brand awareness, and increased demand for outdoor recreation and leisure lifestyle products, which we believe was partially attributable to the COVID-19 pandemic solidifying consumer interest in the outdoors and our products.

Cost of Goods Sold and Gross Profit

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	Change $	Change %
Cost of goods sold	$ 28,412	$ 8,362	20,050	239.8%
Gross profit	$ 41,021	$ 20,773	20,248	97.5%
Gross margin (Gross profit as a % of net sales)	59.1 %	71.3 %		(12.2)%

Cost of goods sold increased $20.1 million, or 239.8%, to $28.4 million in the Successor period for the three months ended September 30, 2021, compared to $8.4 million in the Intermediate Successor period for the three months ended September 30, 2020. $7.5 million of this increase was due to the acquisition of ISLE and Chubbies. The remaining increase is primarily due to increased product and freight expenses associated with the increased demand of our products. Gross profit also increased $20.2 million, or 97.5%, to $41.0 million in the Successor period for the three months ended September 30, 2021, compared to $20.8 million in the Intermediate Successor period for the three months ended September 30, 2020, due to an increased demand of our products.

Gross margin decreased one thousand two hundred twenty-two basis points to 59.1% in the Successor period for the three months ended September 30, 2021, from 71.3% in the Intermediate Successor period for the three months ended September 30, 2020. The change in gross margin was primarily due to the increase in demand for our products offset by product and freight expenses associated with this demand.

Selling, General, and Administrative Expenses

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	Change $	Change %
Selling, general, and administrative expenses	$ 28,584	$ 9,464	19,120	202.0%
SG&A as a % of net sales	41.2 %	32.5 %		8.7%

SG&A increased $19.1 million, or 202.0%, to $28.6 million in the Successor period for the three months ended September 30, 2021, compared to $9.5 million in the Intermediate Successor period for the three months ended September 30, 2020. As a percentage of net sales, SG&A increased to 41.2% in the Successor period for the three months ended September 30, 2021, from 32.5% in the Intermediate Successor period for the three months ended September 30, 2020. $4.3 million of this increase was due to the acquisition of ISLE and Chubbies. The increase in SG&A was primarily driven by the following: an increase in our advertising and marketing spend of $9.8 million; increase in shipping costs of $3.2 million; increase in seller fees of $1.0 million, and an increase in employee costs of $3.0 million due to increased headcount.

Depreciation and Amortization Expenses

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	Change $	Change %
Depreciation and amortization expenses	$ 5,063	$ 648	4,415	681.3%
Depreciation and amortization expenses as a % of net sales	7.3 %	2.2 %		5.1%

Depreciation and amortization expenses increased $4.4 million, or 681.3%, to $5.1 million in the Successor period for the three months ended September 30, 2021, compared to $0.6 million in the Intermediate Successor period for the three months ended September 30, 2020. As a percentage of net sales, depreciation and amortization increased to 7.3% in the Successor period for the three months ended September 30, 2021, from 2.2% in the Intermediate Successor period for the three months ended September 30, 2020. The increase in depreciation and amortization expenses was primarily driven by an increase in definite lived intangible assets. As of September 30, 2020, we had a carrying value of definite lived intangible asset balance of $41.1 million. This balance increased by $242.3 million to $283.4 million as of September 30, 2021, due to the 2020 change in control event and the Oru, ISLE and Chubbies acquisitions. The increase in definite lived intangible assets resulted in $4.3 million of additional amortization expense in the Successor period for the three months ended September 30, 2021, as compared to the Intermediate Successor period for the three months ended September 30, 2020.

Other Operating Expenses

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	Change $	Change %
Other operating expenses	$ 3,063	$ 0	3,063	100.0%
Other operating expenses as a % of net sales	4.4 %	0.0 %		4.4%

Other operating expenses increased $3.1 million, or 100.0%, to $3.1 million in the Successor period for the three months ended September 30, 2021, compared to a nominal amount in the Intermediate Successor period for the three months ended September 30, 2020. As a percentage of net sales, other operating expenses increased to 4.4% in the Successor period for the three months ended September 30, 2021, from 0.0% in the Intermediate successor period for the three months ended September 30, 2020. The increase in other operating expenses was primarily driven by the following: $2.9 million of acquisition-related expenses and $0.2 million of business optimization expenses related to the Company's significant growth.

Non-Operating Expenses

Interest expense was $0.2 million in the three months ended September 30, 2020, and $2.2 million in the three months ended September 30, 2021. The increase in interest expense was primarily due to $379.0 million of gross debt outstanding as of September 30, 2021, as compared to $10.0 million of gross debt outstanding as of September 30, 2020.

Other non-operating expenses was nominal in the three months ended September 30, 2021, and $0.2 million in the three months ended September 30, 2020. Other non-operating expenses represents income and expenses from miscellaneous activities.

Income Taxes

Income taxes was nominal in the three months ended September 30, 2020, and $0.0 million in the three months ended September 30, 2021. Income taxes represents Texas franchise tax expense, as well as Oru and Chubbies state and federal tax expense.

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2021

Net Sales

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020	Change $	Change %
Net sales	$ 227,249	$ 66,592	160,657	241.3%

Net sales increased $160.7 million, or 241.3%, to $227.2 million in the Successor period for the nine months ended September 30, 2021, compared to $66.6 million in the Intermediate Successor period for nine months ended September 30, 2020. This increase was primarily driven by a 213.4% increase in total orders period over period. The average order size increased by 3.4%, period over period. We believe the increase in the number of orders was primarily due to our increased spending on our digital marketing strategy, growing brand awareness, and increased demand for outdoor recreation and leisure lifestyle products, which we believe was partially attributable to the COVID-19 pandemic solidifying consumer interest in the outdoors and our products.

Cost of Goods Sold and Gross Profit

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020	Change $	Change %
Cost of goods sold	$ 80,064	$ 21,195	58,869	277.7%
Gross profit	$ 147,185	$ 45,397	101,788	224.2%
Gross margin (Gross profit as a % of net sales)	64.8 %	68.2 %		(3.4)%

Cost of goods sold increased $58.9 million, or 277.7%, to $80.1 million in the Successor period for the nine months ended September 30, 2021, compared to $21.2 million in the Intermediate Successor period for the nine months ended September 30, 2020, primarily due to increased product and freight expenses associated with the increased demand of our products. Gross profit also increased $101.8 million, or 224.2%, to $147.2 million in the Successor period for the nine months ended September 30, 2021, compared to $45.4 million in the Intermediate Successor period for the nine months ended September 30, 2020, due to an increased demand of our products.

Gross margin decreased three hundred forty basis points to 64.8% in the Successor period for the nine months ended September 30, 2021, from 68.2% in the Intermediate Successor period for the nine months ended September 30, 2020. The change in gross margin was primarily due to the increased in demand for our products offset by product and freight expenses associated with this demand.

Selling, General, and Administrative Expenses

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020	Change $	Change %
Selling, general, and administrative expenses	$ 76,980	$ 20,405	56,575	277.3%
SG&A as a % of net sales	33.9 %	30.6 %		3.2%

SG&A increased $56.6 million, or 277.3%, to $77.0 million in the Successor period for the nine months ended September 30, 2021, compared to $20.4 million in the Intermediate Successor period for the nine months ended September 30, 2020. As a percentage of net sales, SG&A increased to 33.9% in the Successor period for the nine months ended September 30, 2020, from 30.6% in the Intermediate Successor period for the nine months ended September 30, 2020. The increase in SG&A was primarily driven by the following: an increase in our advertising and marketing spend of $29.7 million; increase in shipping costs of $12.0 million; increase in seller fees of $4.8 million, and an increase in employee costs of $5.9 million due to increased headcount.

Depreciation and Amortization Expenses

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020	Change $	Change %
Depreciation and amortization expenses	$ 12,968	$ 2,172	10,796	497.1%
Depreciation and amortization expenses as a % of net sales	5.7 %	3.3 %		2.4%

Depreciation and amortization expenses increased $10.8 million, or 497.1%, to $13.0 million in the Successor period for the nine months ended September 30, 2021, compared to $2.2 million in the Intermediate Successor period for the nine months ended September 30, 2020. As a percentage of net sales, depreciation and amortization increased to 5.7% in the Successor period for the nine months ended September 30, 2021, from 3.3% in the Intermediate Successor period for the nine months ended September 30, 2020. The increase in depreciation and amortization expenses was primarily driven by an increase in definite lived intangible assets. As of September 30, 2020, we had a definite lived intangible asset balance of $41.1 million. This balance increased by $242.3 million to $283.4 million as of September 30, 2021, due to the 2020 change in control event and the Oru, ISLE and Chubbies acquisitions. The increase in definite lived intangible assets resulted in $10.6 million of additional amortization expense in the Successor period for the nine months ended September 30, 2021, as compared to the Intermediate Successor period for the nine months ended September 30, 2020.

Other Operating Expenses

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020	Change $	Change %
Other operating expenses	$ 5,673	$ 6	5,667	94,450.0%
Other operating expenses as a % of net sales	2.5 %	0.0 %		2.5%

Other operating expenses increased $5.7 million, or 94,450.0%, to $5.7 million in the Successor period for the nine months ended September 30, 2021, compared to a nominal amount in the Intermediate Successor period for the nine months ended September 30, 2020. As a percentage of net sales, other operating expenses increased to 2.5% in the Successor period for the nine months ended September 30, 2021, from 0.0% in the Intermediate successor period for the nine months ended September 30, 2020. The increase in other operating expenses was primarily driven by the following: $4.2 million of acquisition-related expenses, $0.8 million of IPO-related expenses, $0.3 million of miscellaneous transaction expenses, and $0.3 million of business optimization expenses related to the Company's significant growth.

Non-Operating Expenses

Interest expense was $1.1 million in the nine months ended September 30, 2020, and $7.4 million in the nine months ended September 30, 2021. The increase in interest expense was primarily due to $379.0 million of gross debt outstanding as of September 30, 2021, as compared to $10.0 million of gross debt outstanding as of September 30, 2020.

Other non-operating expenses was nominal in the nine months ended September 30, 2021, and $0.2 million in the nine months ended September 30, 2020. Other non-operating expenses represents income and expenses from miscellaneous activities.

Income Taxes

Income taxes was nominal in the nine months ended September 30, 2020, and $0.1 million in the nine months ended September 30, 2021. Income taxes represents Texas franchise tax expense, as well as Oru and Chubbies state and federal tax expense.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP, however, management believes that certain non-GAAP financial measures provide users of our financial information with useful supplemental information that enables a better comparison of our performance across periods. We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Net Income per unit, Adjusted gross profit, and Adjusted gross profit margin non-GAAP financial measures, because we believe they are useful indicators of our operating performance. Our management uses these non-GAAP measures principally as measures of our operating performance and believes that these non-GAAP measures are useful to our investors because they are frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to ours. Our management also uses these non-GAAP measures for planning purposes, including the preparation of our annual operating budget and financial projections.

None of these non-GAAP measures is a measurement of financial performance under GAAP. These non-GAAP measures should not be considered in isolation or as a substitute for a measure of our liquidity or operating performance prepared in accordance with GAAP and are not indicative of net income (loss) from continuing operations as determined under U.S. GAAP. In addition, these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. These non-GAAP financial measures have limitations that should be considered before using these measures to evaluate our liquidity or financial performance. Some of these limitations are as follows:

These non-GAAP measures exclude certain tax payments that may require a reduction in cash available to us; do not reflect our cash expenditures, or future requirements, for capital expenditures (including capitalized software developmental costs) or contractual commitments; do not reflect changes in, or cash requirements for, our working capital needs; do not reflect the cash requirements necessary to service interest or principal payments on our debt; and exclude certain purchase accounting adjustments related to acquisitions.

In addition, our definition and calculation of these non-GAAP measures may differ from that of other companies. We compensate for these limitations by relying primarily on our GAAP results and by using non-GAAP financial measures as a supplement.

The following table reconciles Gross profit to Adjusted gross profit for the periods presented:

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Gross profit	**$ 41,021**	**$ 20,773**	**$ 147,185**	**$ 45,397**
Add: Fair-value write-up of inventory for transactions accounted for under ASC 805	5,475	147	6,880	1,864
Adjusted gross profit	**$ 46,496**	**$ 20,920**	**$ 154,065**	**$ 47,261**
Adjusted gross profit margin (Adjusted gross profit as a % of net sales)	67.0 %	71.8 %	67.8 %	71.0 %

The following table reconciles Net income (loss) to Adjusted net income (loss) for the periods presented:

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Net income (loss)	**$ 2,120**	**$ 10,268**	**$ 44,082**	**$ 21,475**
Amortization expense	4,918	618	12,667	2,103
Transaction costs	636	—	1,783	6
Acquisition related costs	2,271	166	3,574	244
Inventory fair value write-up	5,475	147	6,880	1,864
Management fees	—	125	—	250
Equity based compensation expense	242	—	732	—
Business expansion expense	156	—	316	—
Adjusted net income (loss)	**$ 15,818**	**$ 11,324**	**$ 70,034**	**$ 25,942**

The following table reconciles Net income (loss) to Adjusted EBITDA for the periods presented:

(dollars in thousands)	SUCCESSOR Three Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Three Months Ended September 30, 2020	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Net income (loss)	**$ 2,120**	**$ 10,268**	**$ 44,082**	**$ 21,475**
Interest expense	2,246	225	7,363	1,093
Income tax expense	(49)	11	123	11
Depreciation and amortization expense	5,063	648	12,968	2,172
Transaction costs	636	—	1,783	6
Acquisition related costs	2,271	166	3,574	244
Inventory fair value write-up	5,475	147	6,880	1,864
Management fees	—	125	—	250
Equity based compensation expense	242	—	732	—
Business expansion expense	156	—	316	—
Adjusted EBITDA	**$ 18,160**	**$ 11,590**	**$ 77,821**	**$ 27,115**
Adjusted EBITDA margin (Adjusted EBITDA as a % of net sales)	26.2 %	39.8 %	34.2 %	40.7 %

Liquidity and Capital Resources

Historically, our cash requirements have principally been for working capital purposes. We expect these needs to continue as we develop and grow our business. We fund our working capital, primarily inventory, and accounts receivable, from cash flows from operating activities, cash on hand, and borrowings under our Revolving Credit Facility. We expect to incur approximately $6.2 million of capital expenditures in 2021 in connection with the buildout of our new headquarters.

On May 12, 2021, we entered into that certain credit agreement with JPMorgan Chase Bank, N.A., the Lenders and L/C Issuers party thereto (each as defined therein) and the other parties thereto (as subsequently amended on June 2, 2021, and September 1, 2021, the "Revolving Credit Facility"). On September 1, 2021, we entered into the Term Loan in an initial aggregate principal amount of $100 million. At September 30, 2021, we had $9.5 million in cash on hand and $249 million in outstanding borrowings under the Revolving Credit Facility. The borrowing capacity on the Revolving Credit Facility was $350 million as of September 30, 2021, resulting in $101 million availability for future borrowings under this facility.

The recent changes in our working capital requirements generally reflect the growth in our business. Although we cannot predict with certainty all of our particular short-term cash uses or the timing or amount of cash requirements, we believe that our available cash on hand, along with amounts available under our Revolving Credit Facility will be sufficient to satisfy our liquidity requirements for at least the next twelve months. However, the continued growth of our business, including our expansion into international markets, may significantly increase our expenses (including our capital expenditures) and cash requirements. Furthermore, we will continue to seek possible brand and mission consistent acquisition opportunities that would require additional capital. In addition, the amount of our future product sales is difficult to predict, and actual sales may not be in line with our forecasts. As a result, we may be required to seek additional funds in the future from issuances of equity or debt, obtaining additional credit facilities, or loans from other sources.

Cash Flows

(dollars in thousands)	SUCCESSOR Nine Months Ended September 30, 2021	INTERMEDIATE SUCCESSOR Nine Months Ended September 30, 2020
Cash flows provided by (used in):		
Operating activities	$ (51,664)	$ 25,821
Investing activities	(138,412)	(663)
Financing activities	$ 166,852	$ (19,530)

Operating activities

Our cash flow from operating activities consists primarily of net income (loss) adjusted for certain non-cash items. Adjustments to net income (loss) for non-cash items primarily include depreciation and amortization, amortization of debt issuance costs, and deferred income taxes. In addition, our operating cash flows include the effect of changes in operating assets and liabilities, principally inventory, accounts receivable, income taxes, prepaid expenses, deposits and other assets, accounts payable, accrued expenses, and deferred revenue.

Net cash provided by operating activities was $25.8 million in the Intermediate Successor period for the nine months ended September 30, 2020, compared to net cash used in operating activities of $(51.7) million in the Successor period for the nine months ended September 30, 2021. The $(77.5) million decrease in cash used in operating activities was primarily due to the following:

- changes in inventory decreased operating cash flow by $(63.3) million, primarily driven by purchases of additional inventory to meet the increased demand of our products;
- changes in deferred revenue decreased operating cash flow by $(24.2) million, primarily driven by our shipments of previously backordered products;
- changes in accounts receivable decreased operating cash flow by $(7.5) million, primarily driven by an increase in credit sales;
- adjusting for non-cash items, primarily amortization of intangible assets, increased operating cash flow by $10.6 million; and
- adjusting for net income, which increased operating cash flow by $22.6 million

Investing activities

Cash used in investing activities was $(0.7) million in the Intermediate Successor period for the nine months ended September 30, 2020, and $(138.4) million in the Successor period for the nine months ended September 30, 2021. Our investing activities primarily relate to the assets and liabilities acquired in the Oru, ISLE, and Chubbies acquisitions of $(19.1) million, $(21.8) million, and $(92.4) million, respectively. Additionally changes in the purchase of property and equipment decreased investing cash flow by $(4.4) million. The increase in purchases of property and equipment is due to purchases of property and equipment of $(5.1) million in the Successor period as compared to purchases of property and equipment of $(0.7) million in the Intermediate Successor period.

Financing activities

Cash used in financing activities was $(19.5) million in the Intermediate Successor period for the nine months ended September 30, 2020, compared to cash provided by financing activities of $166.9 million in the Successor period for the nine months ended September 30, 2021. The $186.4 million increase in cash provided by financing activities was primarily due to the following:

- proceeds from our revolving line of credit increased financing cash flow by $249.0 million;
- proceeds from our term loan increased financing cash flow by $100.0 million;
- changes in the repayment of the term loan increased financing cash flow by $14.3 million in the Successor period as the term loan was repaid in the Intermediate Successor period;

The increase in cash provided by financing activities was offset by the following:

- changes in the repayment of debt decreased financing cash flow by $(45.0) million, driven by the repayment of the senior debt facility of $(45.0) million in the Successor period;
- changes in the payment of contingent consideration decreased financing cash flow by $(97.9) million, driven by the payment of contingent consideration of $(100.0) million in the Successor period as compared to $(2.1) million in the Intermediate Successor period;
- changes in member tax distributions decreased financing cash flow by $(29.3) million, driven by member tax distributions of $(33.2) million in the Successor period as compared to $(3.8) million in the Intermediate Successor period;
- debt issuance costs paid decreased financing cash flow by $(4.2) million.

Revolving Credit Facility and Term Loan

As discussed above, on May 12, 2021, we entered into the Revolving Credit Facility. The Revolving Credit Facility consists solely of a revolving line of credit and expires on May 12, 2026. All borrowings under the Revolving Credit Facility bear interest at a variable rate based on prime, federal funds, or LIBOR plus an applicable margin based on our total net leverage ratio (as defined in the Revolving Credit Facility). Interest is due on the last business day of each March, June, September and December.

As so amended, the Revolving Credit Facility allows us to borrow up to $350.0 million of revolving loans, including the ability to issue up to $20.0 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under the Revolving Credit Facility, it does reduce the amounts available under the Revolving Credit Facility. The Revolving Credit Facility expires on May 12, 2026. All borrowings under the Revolving Credit Facility bear interest at a variable rate based on prime, federal funds, or LIBOR plus an applicable margin based on our total net leverage ratio (as defined in the Revolving Credit Facility). Interest is due on the last business day of each March, June, September and December. On September 30, 2021, we had $249.0 million in outstanding borrowings on the Revolving Credit Facility.

On September 1, 2021, the Company entered into an amendment to the Revolving Credit Facility credit agreement (the "Term Loan"). Under the terms of the agreement, the Company may borrow up to $100 million under a term loan.

Other Terms of the Revolving Credit Facility

We may request incremental term loans, incremental equivalent debt, or revolving commitment increases (we refer to each as an Incremental Increase) in amounts such that, after giving pro forma effect to such Incremental Increase, our total secured net leverage ratio (as defined in the Revolving Credit Facility) would not exceed the then-applicable cap under the Revolving Credit Facility. In the event that any lenders fund any of the Incremental Increases, the terms and provisions of each Incremental Increase, including the interest rate, shall be determined by us and the lenders, but in no event shall the terms and provisions, when taken as a whole and subject to certain exceptions, of the applicable Incremental Increase, be more favorable to any lender providing any portion of such Incremental Increase than the terms and provisions of the loans provided under the Revolving Credit Facility unless such terms and conditions reflect market terms and conditions at the time of incurrence or issuance thereof as determined by us in good faith.

The Revolving Credit Facility is (a) jointly and severally guaranteed by the Guarantors and any future subsidiaries that execute a joinder to the guaranty and related collateral agreements and (b) secured by a first priority lien on substantially all of our and the Guarantors' assets, subject to certain customary exceptions.

The Revolving Credit Facility requires us to comply with certain financial ratios, including:

- at the end of each fiscal quarter, a total net leverage ratio (as defined in the Revolving Credit Facility) for the four quarters then ended of not more than: 4.00 to 1.00, for each quarter ending in 2021, 2022, and on June 30, 2023; 3.75 to 1.00, for each quarter ending June 30, 2023 through March 31, 2024; and 3.50 to 1.00, for each quarter ending June 30, 2024 or thereafter;
- at the end of each fiscal quarter commencing with the quarter ending September 30, 2021, an interest coverage ratio (as defined in the Revolving Credit Facility) for the four quarters then ended of not less than 3.00 to 1.00.

In addition, the Revolving Credit Facility contains customary financial and non-financial covenants limiting, among other things, mergers and acquisitions; investments, loans, and advances; affiliate transactions; changes to capital structure and the business; additional indebtedness; additional liens; the payment of dividends; and the sale of assets, in each case, subject to certain customary exceptions. The Revolving Credit Facility contains customary events of default, including payment defaults, breaches of representations and warranties, covenant defaults, defaults under other material debt, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the Revolving Credit Facility to be in full force and effect, and a change of control of our business. We were in compliance with all covenants under the Revolving Credit Facility as of September 30, 2021.

Subordinated Debt – Related Party

On October 9, 2020, Solo DTC Brands, LLC entered into a Note Purchase Agreement, or the Summit Note Agreement, by and among itself, the guarantors party thereto from time to time, the purchasers party thereto, and Summit Partners Subordinated Debt Fund V-A, L.P., as the Purchaser Representative. Pursuant to the terms of the Summit Note Agreement, certain affiliates of Summit Partners, L.P. purchased from Solo DTC Brands, LLC $30.0 million of senior subordinated notes, or the Summit Notes. On November 5, 2021, the Company repaid in full the Subordinated Debt - related party of $30.0 million.

The Summit Notes bear interest at a rate of 12% per annum, with principal due on October 9, 2026. The Summit Notes are also subject to mandatory prepayment, plus accrued interest and related mandatory prepayment premium, upon the occurrence of certain liquidity events described in the Summit Note Agreement, including the initial public offering.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2021.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. In preparing the consolidated financial statements, we make estimates and judgments that affect the reported amounts of assets, liabilities, sales, expenses, and related disclosure of contingent assets and liabilities. We re-evaluate our estimates on an on-going basis. Our estimates are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Because of the uncertainty inherent in these matters, actual results may differ from these estimates and could differ based upon other assumptions or conditions.

The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our consolidated financial statements include those noted below. Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies" in the Prospectus and the notes to the audited consolidated financial statements appearing elsewhere in the Prospectus. During the three months ended September 30, 2021, there were no material changes to our critical accounting policies from those discussed in our Prospectus.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, see "Recently Adopted Accounting Pronouncements" and "Recently Issued Accounting Standards—Not Yet Adopted" in Note 2 to the unaudited consolidated financial statements of Holdings included elsewhere in this Quarterly Report on Form 10-Q.

JOBS Act

We currently qualify as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Accordingly, we are provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We have elected to adopt new or revised accounting guidance within the same time period as private companies, unless management determines it is preferable to take advantage of early adoption provisions offered within the applicable guidance. Our utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates.

Interest Rate Risk

In order to maintain liquidity and fund business operations, we have a long-term credit facility and separate term loan that bear variable interest rates based on prime, federal funds, or LIBOR plus an applicable margin based on our total net leverage ratio. As of September 30, 2021, we had indebtedness of $249.0 million and $100.0 million under our Revolving Credit Facility and Term Loan, respectively. The nature and amount of our long-term debt can be expected to vary as a result of future business requirements, market conditions, and other factors. We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations, but as of September 30, 2021, we have not entered into any such contracts. A 100 bps increase in LIBOR would increase our interest expense by approximately $3.5 million in any given year.

As noted in Note 18 - Subsequent Events, subsequent to September 30, 2021 we paid down a portion of the outstanding balance on our Revolving Credit Facility. As of November 30, 2021, we had indebtedness of $32.9 million and $100.0 million under our Revolving Credit Facility and Term Loan, respectively. Based on the outstanding balance as of November 30, 2021, a 100 bps increase in LIBOR would increase our interest expense by approximately $1.3 million in any given year.

Inflation Risk

Inflationary factors such as increases in the cost of our product and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and SG&A expenses as a percentage of net sales, if the selling prices of our products do not increase with these increased costs.

Commodity Price Risk

The primary raw materials and components used by our contract manufacturing partners include stainless steel and aluminum. We believe these materials are readily available from multiple vendors. We have, and may continue to, negotiate prices with suppliers of these products on behalf of our third-party contract manufacturers in order to leverage the cumulative impact of our volume. We do not, however, source significant amounts of these products directly. Certain of these products use petroleum or natural gas as inputs. However, we do not believe there is a significant direct correlation between petroleum or natural gas prices and the costs of our products.

Foreign Currency Risk

Our international sales are primarily denominated in U.S. dollars. As of September 30, 2021, net sales in international markets accounted for 6.7% of our consolidated revenues. During 2020, net sales in international markets accounted for 3.2% of our consolidated revenues. Therefore, we do not believe exposure to foreign currency fluctuations would have a material impact on our net sales. A portion of our operating expenses are incurred outside the Unites States and are denominated in foreign currencies, which are also subject to fluctuations due to changes in foreign currency exchange rates. In addition, our suppliers may incur many costs, including labor costs, in other currencies. To the extent that exchange rates move unfavorably for our suppliers, they may seek to pass these additional costs on to us, which could have a material impact on our gross margin. In addition, a strengthening of the U.S. dollar may increase the cost of our products to our customers outside of the United States. Our operating results and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe that the exposure to foreign currency fluctuations from operating expenses is not material at this time.

Item 4. Controls and Procedures

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation and as a result of the material weaknesses described below, our principal executive officer and principal financial officer concluded that, as of September 30, 2021, our disclosure controls and procedures were not effective at the reasonable assurance level.

Material Weakness in Internal Control over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual and interim financial statements will not be detected or prevented on a timely basis.

As previously reported, in connection with the preparation of our financial statements for 2020, we identified a material weakness in our internal control over financial reporting. The material weakness identified relates to certain transaction related expenses related to the change in control transactions in 2020 and 2019 were not recorded in our financial statements.

Remediation Measures

In order to remediate this material weakness, we have implemented, and made progress in, the following measures, among others:

- increasing the quality and expanding the number of people in our accounting department;
- completing a significant number of the identified required remediation activities to improve general controls; and
- a new ERP system that should allow for more timely identification of reporting matters.

While we are working to remediate the material weakness in as timely manner and efficient a manner as possible, at this time we cannot provide an estimate of costs expected to be incurred in connection with this remediation, nor can we provided an estimate of the time it will take to complete remediation.

Changes in Internal Control over Financial Reporting

Other than the measures described in "Remediation Measures" above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we have been and may become subject to arbitration, litigation or claims arising in the ordinary course of business. The results of any current or future claims or proceedings cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and litigation costs, diversion of management resources, reputational harm and other factors.

Item 1A. Risk Factors

Our business involves significant risks, some of which are described below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our prospectus, dated October 27, 2021, filed with the Securities and Exchange Commission ("SEC") in accordance with Rule 424(b) of the Securities Act on October 29, 2021 (the "Prospectus") in connection with our initial public offering ("IPO"). The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. The realization of any of these risks and uncertainties could have a material adverse effect on our results of operations and financial condition. In that event, the trading price and value of our Class A common stock could decline, and you may lose part or all of your investment.

Risks Related to our Business and Industry

Our business depends on maintaining and strengthening our brand and generating and maintaining ongoing demand for our products, and a significant reduction in such demand could harm our results of operations.

We have developed a strong and trusted brand that we believe has contributed significantly to the success of our business, and we believe our continued success depends on our ability to maintain and grow the value and reputation of Solo Brands. Maintaining, promoting and positioning our brand and reputation will depend on, among other factors, the success of our product offerings, quality assurance, marketing and merchandising efforts, the reliability and reputation of our supply chain, our ability to grow and capture share of the outdoor lifestyle category, and our ability to provide a consistent, high-quality consumer experience. We have made substantial investments in these areas in order to maintain and enhance our brand and these experiences, but such investments may not be successful. Any negative publicity, regardless of its accuracy, could materially adversely affect our business. For example, our business depends in part on our ability to maintain a strong community of engaged customers and social media influencers. We may not be able to maintain and enhance a loyal customer base if we receive customer complaints, negative publicity or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, operating results and growth prospects.

The growing use of social and digital media by us, our consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about us, our brand or our products on social or digital media could seriously damage our brand and reputation. For example, consumer perception could be influenced by negative media attention regarding any consumer complaints about our products, our management team, ownership structure, sourcing practices and supply chain partners, employment practices, ability to execute against our mission and values, and our products or brand, such as any advertising campaigns or media allegations that challenge the sustainability of our products and our supply chain, or that challenge our marketing efforts regarding the quality of our products, which could have an adverse effect on our business, brand and reputation. Similar factors or events could impact the success of any brands or products we introduce in the future.

Our company image and brand are very important to our vision and growth strategies, particularly our focus on being a "good company" and operating consistent with our mission and values. We will need to continue to invest in actions that support our mission and values and adjust our offerings to appeal to a broader audience in the future in order to sustain our business and to achieve growth, and there can be no assurance that we will be able to do so. If we do not maintain the favorable perception of our company and our brand, our sales and results of operations could be negatively impacted. Our brand and company image is based on perceptions of subjective qualities, and any incident that erodes the loyalty of our consumers, customers, suppliers or manufacturers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of our brand and significantly damage our business, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to successfully design and develop new products, our business may be harmed.

Our fire pits made up 92% of our total revenue in the year ended December 31, 2020. Our future growth depends in part on our ability to expand sales of our other existing products and to introduce new and enhanced products. The success of our new and enhanced products depends on many factors, including anticipating consumer preferences, finding innovative solutions to consumer problems, differentiating our products from those of our competitors, and maintaining the strength of our brand while also expanding our brand beyond the categories of products we currently sell. The design and development of our products is costly and we typically have several products in development at the same time. If we misjudge or fail to anticipate consumer preferences or there are problems in the design or quality of our products, or delays in product introduction, our brand, business, financial condition, and results of operations could be harmed.

Our recent growth rates may not be sustainable or indicative of future growth and we may not be able to effectively manage our growth.

We have expanded our operations rapidly, especially over the last few years. Net sales increased $93.6 million, or 234.8%%, to $133.4 million in 2020, compared to $39.9 million in 2019. This increase was primarily driven by an increase in total orders year over year. We had 157,312 orders in 2019 and 486,120 orders in 2020, representing a 209% increase year over year. The average order size increased by 8.3%, to $274.47 per order in 2020 from $253.33 per order in 2019. The increase in the number of orders was primarily due to our digital marketing strategy and by increased demand for outdoor recreation and leisure lifestyle products. However, our historical growth rates are likely not sustainable or indicative of future growth. We believe that our continued revenue growth will depend upon, among other factors:

- Increasing U.S. brand awareness;
- Our ability to obtain adequate protections for our intellectual property;
- Impacts of the COVID-19 pandemic and its aftermath;
- Product innovation to expand our total addressable market;
- Complementary acquisitions; and
- International expansion.

Disruptions related to the COVID-19 pandemic affected our business; however, this negative impact was offset by two positive results of the pandemic. First, COVID-19 helped create a surge in consumer interest for outdoor living and outdoor recreation. Second, it created a mass acceleration in online shopping that has continued through today, increasing our DTC sales. These trends may not hold true in the future.

We have a limited history operating our business at its current scale. As a result of our growth, our employee headcount and the scope and complexity of our business have increased substantially, and we are continuing to implement policies and procedures that we believe are appropriate for a company of our size and in preparation for operating as a new public company. Our management team does not have substantial tenure working together. In the future, we may expand into new product categories with which we do not have any experience. We may experience difficulties as we continue to implement changes to our business and related policies and procedures to keep pace with our recent growth and, if our operations continue to grow at a rapid pace, in managing such growth and building the appropriate processes and controls in the future. Continued growth may increase the strain on our resources, and we could experience operating difficulties, including difficulties in sourcing, logistics, recruiting, maintaining internal controls, marketing, designing innovative products, and meeting consumer needs. If we do not adapt to meet these evolving challenges, the strength of our brand may erode, the quality of our products may suffer, we may not be able to deliver products on a timely basis to our customers, and our corporate culture may be harmed.

In addition, we expect to make significant investments in our research and development and sales and marketing organizations, expand our operations and infrastructure both domestically and internationally, design and develop new products, and enhance our existing products with newly developed products and through acquisitions. If our sales do not increase at a sufficient rate to offset these increases in our operating expenses, our profitability may decline in future periods.

Our business could be harmed if we are unable to accurately forecast demand for our products or our results of operations.

To ensure adequate inventory supply, we forecast inventory needs and often place orders with our manufacturers before we receive firm orders from our retail partners or customers and we may not be able to do so accurately. If we fail to accurately forecast demand, we may experience excess inventory levels or a shortage of product and delays in delivering to our retail partners and through our DTC channel, particularly due to uncertainty related to the duration and impact of the evolving COVID-19 pandemic.

In the last quarter of 2020 demand increased significantly causing delay in product shipments and customer complaints, which was compounded by disruptions in the supply chain as a result of the COVID-19 pandemic and backlogs in the shipping industry. Although we have increased manufacturer production to account for increased seasonal demands, if we again underestimate the demand for our products, our manufacturers may not be able to scale quickly enough to meet demands, and this could result in delays in the shipment of our products and our failure to satisfy demand, as well as damage to our reputation and retail partner relationships. If we overestimate the demand for our products, we could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm our gross margins. In addition, failure to accurately predict the level of demand for our products could cause a decline in sales and harm our results of operations and financial condition. Factors that may impact our ability to forecast demand for our products include the evolving COVID-19 pandemic, shifting consumer trends, increased competition and our limited operating experience.

In addition, we may not be able to accurately forecast our results of operations and growth rate. Forecasts may be particularly challenging as we expand into new markets and geographies, and develop and market new products. Our historical sales, expense levels, and profitability may not be an appropriate basis for forecasting future results, particularly due to uncertainty related to the duration and impact of the evolving COVID-19 pandemic.

Failure to accurately forecast our results of operations and growth rate could cause us to make incorrect operating decisions and we may not be able to adjust in a timely manner. Consequently, actual results could be materially lower than anticipated. Even if the markets in which we compete expand, we cannot assure you that our business or profitability will grow at similar rates, if at all.

Our marketing strategy of associating our brand and products with outdoor, group activities may not be successful with existing and future customers.

We believe that we have been successful in marketing our products by associating our brand and products with outdoor activities to be experienced with family and friends. To sustain long-term growth, we must not only continue to successfully promote our products to consumers who identify with or aspire to these activities, as well as to individuals who value the differentiated function, high quality, and specialized design of our products, but also promote new products with which we may not have experience and attract more customers to our existing products. If we fail to successfully market and sell our products to our existing customers or expand our customer base, our sales could decline or we may be unable to grow our business.

If we fail to attract new customers in a cost-effective manner, our business may be harmed.

A large part of our success depends on our ability to attract new customers in a cost-effective manner. We have made, and may continue to make, significant investments in attracting new customers through increased advertising spends on social media, radio, podcasts, and targeted email communications. Marketing campaigns can be expensive and may not result in the cost-effective acquisition of customers. Further, as our brand becomes more widely known, future marketing campaigns may not attract new customers at the same rate as past campaigns and the cost of acquiring new customers may increase over time. If we are unable to attract new customers, or fail to do so in a cost-effective manner, our business may be harmed.

Our growth depends, in part, on expanding into additional consumer markets, and we may not be successful in doing so.

We believe that our future growth depends not only on continuing to provide our current customers with new products, but also continuing to enlarge our customer base. The growth of our business will depend, in part, on our ability to continue to expand in the United States, as well as into international markets. We are investing significant resources in these areas, and although we hope that our products will gain popularity, we may face challenges that are different from those we currently encounter, including competitive, merchandising, distribution, hiring, and other difficulties. We may also encounter difficulties in attracting customers due to a lack of consumer familiarity with or acceptance of our brand, or a resistance to paying for premium products, particularly in international markets. In addition, although we are investing in sales and marketing activities to further penetrate newer regions, including expansion of our dedicated sales force, we may not be successful. If we are not successful, our business and results of operations may be harmed.

Our net sales and profits depend on the level of customer spending for our products, which is sensitive to general economic conditions and other factors.

Our products are discretionary items for customers. Therefore, the success of our business depends significantly on economic factors and trends in consumer spending. There are a number of factors that influence consumer spending, including actual and perceived economic conditions, consumer confidence, disposable consumer income, consumer credit availability, unemployment, and tax rates in the markets where we sell our products. Consumers also have discretion as to where to spend their disposable income and may choose to purchase other items or services. As global economic conditions continue to be volatile, and economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to declines. Any of these factors could harm discretionary consumer spending, resulting in a reduction in demand for our products, decreased prices, increased costs to make sales, and harm to our business and results of operations. Moreover, consumer purchases of discretionary items, such as our products, tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may slow our growth more than we anticipate. A downturn in the economies in markets in which we sell our products, particularly in the United States, may materially harm our sales, profitability, and financial condition.

The COVID-19 pandemic or other pandemics could adversely affect our business, sales, financial condition, results of operations and cash flows, and our ability to access current or obtain new lending facilities.

Since being reported in December 2019, COVID-19 has spread globally, including to every state in the United States, and has been declared a pandemic by the World Health Organization. In 2020, we saw tailwinds in our business and adoption of our products driven by the COVID-19 pandemic, as individuals and families spent more time at home or enjoying the outdoors together as a result of quarantine measures with alternative time to pursue alternative recreational and leisure activities. These tailwinds and trends could moderate or reverse over time, including as a result of the reopening of the economy and lessening of restrictions on movement and travel and related to social distancing. In addition, the COVID-19 pandemic and preventative measures taken to contain or mitigate such have caused, and are continuing to cause, business slowdowns or shutdowns in affected areas and significant disruption in the financial markets both globally and in the United States, which could lead to a decline in discretionary spending by consumers, and in turn impact, possibly materially, our business, sales, financial condition and results of operations. Potential impacts include, but are not limited to:

- disruption to our third-party manufacturing partners, suppliers, and other vendors, including the effects of facility closures, reductions in operating hours, labor shortages, and real time changes in operating procedures, including for additional cleaning and disinfection procedures; for example, during the height of the COVID-19 pandemic, we were sold out of many of our products as a result of limitations on our ability to obtain additional products from suppliers;
- inhibition of word-of-mouth referrals as a result of consumers spending more time at home and limiting social gatherings outside of their households; for example, because the COVID-19 pandemic required social distancing and restricted people from leaving their homes, in March 2020 word-of-mouth referrals only accounted for 26% of solostove.com orders. As the pandemic restrictions have softened, we have seen referral rates at more normalized levels. In March 2021 word-of-mouth referrals accounted for 45% of solostove.com orders - a 70% year-over-year increase;
- significant disruption of global financial markets, which could have a negative impact on our ability to access capital in the future; and
- an inability to operate our fulfillment centers and thereby ship product to customers which would severely impact our ability to generate revenue.

The COVID-19 pandemic has significantly impacted the global supply chain, with restrictions and limitations on related activities causing disruption and delay. These disruptions and delays have strained certain domestic and international supply chains, which have affected and could continue to negatively affect the flow or availability of certain products. Increased demand for online purchases of products impacted our fulfillment operations, resulting in delays in delivering products to our customers, in particular at the end of 2020.

Additional outbreaks of COVID-19, or any resurgence of existing outbreaks, and the requirements to take action to help limit the spread of the illness, could impact our ability to carry out our business as usual and may materially adversely impact global economic conditions, our business, results of operations, cash flows and financial condition. The extent of the impact of COVID-19 on our business and financial results will depend on future developments, including the duration and severity of the outbreak (including the severity and transmission rates of new variants of the virus that causes COVID-19) within the markets in which we operate, the timing, distribution, rate of public acceptance and efficacy of vaccines and other treatments, the related impact on consumer confidence and spending, the effect of governmental regulations imposed in response to the pandemic and the extent to which consumers modify their behavior as social distancing and related precautions are lifted, all of which are highly uncertain and ever-changing. The sweeping nature of the COVID-19 pandemic makes it extremely difficult to predict how our business and operations will be affected in the longer run. However, the likely overall economic impact of the pandemic could be viewed as highly negative to the general economy. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic or its aftermath, could materially increase our costs, negatively impact our sales and damage our results of operations and liquidity, possibly to a significant degree. The duration of any such impacts cannot be predicted.

To the extent the COVID-19 pandemic or its aftermath adversely affect our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

The markets in which we compete are highly competitive and we could lose our market position.

The markets in which we compete are highly competitive, typically with low barriers to entry. The number of competing companies continues to increase. Competition in these product markets is based on a number of factors including product quality, performance, durability, availability, styling, brand image and recognition, and price. Our competitors may be able to develop and market similar products that compete with our products, sell their products for lower prices, offer their products for sale in more areas, adapt to changes in consumers' needs and preferences more quickly, devote greater resources to the design, sourcing, distribution, marketing, and sale of their products, or generate greater brand recognition than us. In addition, as we expand into new areas and new product categories we will continue to face, different and, in some cases, more formidable competition. Many of our competitors and potential competitors have significant competitive advantages, including learning from our experiences and taking advantage of new product popularity, greater financial strength, larger research and development teams, larger marketing budgets, and more distribution and other resources than we do. Some of our competitors may aggressively discount their products or offer other attractive sales terms in order to gain market share, which could result in pricing pressures, reduced profit margins, or lost market share. If we are not able to overcome these potential competitive challenges, effectively market our current and future products, and otherwise compete effectively against our current or potential competitors, our prospects, results of operations, and financial condition could be harmed.

Competitors have imitated and will likely continue to imitate our products. If we are unable to protect or preserve our brand image and proprietary rights, our business may be harmed.

We attempt to protect our intellectual property rights, both in the United States and in foreign countries, through a combination of patent, trademark, copyright, design, and trade secret laws, as well as licensing, assignment, and confidentiality agreements with our employees, consultants, suppliers, manufacturers. While it is our policy to protect and defend our intellectual property, we cannot be sure that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to protect us, or that any of our intellectual property will not be challenged or held invalid or unenforceable.

Our success depends in large part on our brand image and, in particular, on the strength of our Solo Stove, Chubbies, ISLE, Oru and logo trademarks. We rely on trademark protection to protect our brands, and we have registered or applied to register many of these trademarks. While we have registered or applied to register our material trademarks in the United States and several other markets, we have not registered all of our marks in all of the jurisdictions in which we currently conduct or intend to conduct business. Further, even if we seek to register these trademarks, we cannot be sure that our trademark applications will be successful, and they could be challenged or opposed by third parties. In the event that our trademarks are successfully challenged and we lose the rights to use those trademarks, we could be forced to rebrand our products, requiring us to devote resources to advertising and marketing new brands.

In addition, we rely on design patents, as well as registered designs, to protect our products and designs. We have also applied for, and expect to continue to apply for, utility patent and design protection relating to proprietary aspects of existing and proposed products. We cannot be sure that any of our patent or design applications will result in issued patents or registered designs, or that any patents issued as a result of our patent applications will be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Third parties may challenge the validity and enforceability of certain of our patents, including through patent office *ex parte* reexamination, *inter partes* review or post-grant proceedings. Regardless of outcome, such challenges may result in substantial legal expenses and diversion of management's time and attention from our other business operations. In some instances, our patent claims could be substantially narrowed or declared invalid or unenforceable. Any significant adverse finding by a patent office or adverse verdict of a court as to the validity, enforceability, or scope of certain of our patents could adversely affect our competitive position and otherwise harm our business.

We regard our intellectual property rights as critical to our success. We regularly monitor for infringement, and we employ third-party watch services in support of these efforts. Nevertheless, the steps we take to protect our proprietary rights against infringement or other violation may be inadequate and we may experience difficulty in effectively limiting the unauthorized use of our patents, trademarks, trade dress, and other intellectual property and proprietary rights worldwide. As our business continues to expand, our competitors have imitated, and will likely continue to imitate, our product designs and branding, which could harm our business and results of operations. In addition, our use of third party suppliers and manufacturers presents a risk of counterfeit goods entering the marketplace. Because our products are manufactured overseas in countries where counterfeiting is more prevalent, and we intend to increase our sales overseas over the long term, we may experience increased copying of our products. Certain foreign countries do not protect intellectual property rights as fully as they are protected in the United States and, accordingly, intellectual property protection may be limited or unavailable in some foreign countries where we choose to do business. It may therefore be more difficult for us to successfully challenge the use of our intellectual property rights by other parties in these countries, which could diminish the value of our brands or products and cause our competitive position and growth to suffer.

As we develop new products and seek to expand internationally, we will continue to incur greater costs in connection with securing patents, trademarks, copyrights, and other intellectual property rights. This increased intellectual property activity will also increase our costs to monitor and enforce our intellectual property rights. While we actively develop and protect our intellectual property rights, there can be no assurance that we will be adequately protected in all countries in which we conduct our business or that we will prevail when defending our patent, trademark, and proprietary rights. If difficulties arise securing such rights or protracted litigation is necessary to enforce such rights, our business and financial condition could be harmed.

Additionally, we could incur significant costs and management distraction in pursuing claims to enforce our intellectual property rights through litigation, and defending any alleged counterclaims. If we are unable to protect or preserve the value of our patents, trade dress, trademarks, copyrights, or other intellectual property rights for any reason, or if we fail to maintain our brand image due to actual or perceived product or service quality issues, adverse publicity, governmental investigations or litigation, or other reasons, our brand and reputation could be damaged and our business may be harmed.

We may be subject to liability if we infringe upon the intellectual property rights of third parties and have increased costs protecting our intellectual property rights.

Third parties may sue us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation, even if the claims are meritless and even if we ultimately prevail. Also third parties may make infringement claims against us that relate to technology developed and owned by one of our manufacturers for which our manufacturers may or may not indemnify us. Even if we are indemnified against such costs, the indemnifying party may be unable to uphold its contractual obligations and determining the scope of these obligations could require additional litigation. If the party claiming infringement were to prevail, we could be forced to modify or discontinue our products, pay significant damages, or enter into expensive royalty or licensing arrangements with the prevailing party, any of which could have a material adverse effect on our business, financial condition and results of operations. Further, we cannot guarantee that a license from the prevailing party would be available on acceptable terms, or at all.

We rely on third-party manufacturers and problems with, or the loss of, our suppliers or an inability to obtain raw materials could harm our business and results of operations.

Our products are produced by third-party manufacturers. We face the risk that these third-party manufacturers may not produce and deliver our products on a timely basis, or at all. We have experienced, and will likely continue to experience, operational difficulties with our manufacturers, including as a result of the COVID-19 pandemic, and we may face similar or unknown operational difficulties or other risks with respect to future manufacturers, including with respect to new products. These difficulties include reductions in the availability of production capacity, errors in complying with product specifications and regulatory and customer requirements, insufficient quality control, failures to meet production deadlines, failure to achieve our product quality standards, increases in costs of manufacturing and materials, and manufacturing or other business interruptions. The ability of our manufacturers to effectively satisfy our production requirements could also be impacted by manufacturer financial difficulty or damage to their operations caused by fire, terrorist attack, riots, natural disaster, public health issues such as the current COVID-19 pandemic (or other future pandemics or epidemics), or other events. The failure of any manufacturer to perform to our expectations could result in supply shortages or delays for certain products and harm our business. If we develop new products with significantly increased or new manufacturing requirements, otherwise experience significantly increased demand, or need to replace an existing manufacturer due to lack of performance, we may be unable to supplement or replace our manufacturing capacity on a timely basis or on terms that are acceptable to us, which may increase our costs, reduce our margins, and harm our ability to deliver our products on time. Additionally, we do not have long-term agreements in place with most of our third-party manufacturers, and such manufacturers could decide to stop working with us, which would require us to identify and qualify new manufacturers. For certain of our products, it may take a significant amount of time to identify and qualify a manufacturer that has the capability and resources to produce our products to our specifications in sufficient volume and satisfy our service and quality control standards.

The capacity of our manufacturers to produce our products is also dependent upon the availability of raw materials. Our manufacturers may not be able to obtain sufficient supply of raw materials, which could result in delays in deliveries of our products by our manufacturers or significantly increased costs. Any shortage of raw materials or inability of a manufacturer to produce or ship our products in a timely manner, or at all, could impair our ability to ship orders of our products in a cost-efficient, timely manner and could cause us to miss the delivery requirements of our customers. As a result, we could experience cancellations of orders, refusals to accept deliveries, or reductions in our prices and margins, any of which could harm our financial performance, reputation, and results of operations.

We also depend on a limited number of third-party manufacturers for the sourcing of our products. We currently have 34 manufacturing partners located in various locations, including China, India, Vietnam and Mexico. The majority of our fire pits, our highest grossing product, are currently made in China between two manufacturers, with additional limited production in India and Vietnam. We have attempted to increase manufacturing capacity and diversity by contracting with manufacturers outside of China as well, but new suppliers outside of China have not yet ramped up supply and may not be able to do so. As a result of this concentration in our supply chain, our business and operations would be negatively affected if any of our key manufacturers or suppliers were to experience significant disruption affecting the price, quality, availability, or timely delivery of products or were to refuse to supply us. The partial or complete loss of these manufacturers or suppliers, or a significant adverse change in our relationship with any of these manufacturers or suppliers, could result in lost sales, added costs, and distribution delays that could harm our business and customer relationships.

Our business relies on cooperation of our suppliers, but not all relationships include written exclusivity agreements, which means that they could produce similar products for our competitors. If they produce similar products for our competitors, it could harm our results of operations.

With all of our suppliers and manufacturers, we face the risk that they may fail to produce and deliver supplies or our products on a timely basis, or at all, or comply with our quality standards. In addition, they may decide to raise prices in the future, which would increase our costs and harm our margins. Those with whom we have executed supply contracts may still breach these agreements, and we may not be able to enforce our rights under these agreements or may incur significant costs attempting to do so. As a result, we cannot predict our ability to obtain supplies and finished products in adequate quantities, of required quality and at acceptable prices from our suppliers and manufacturers in the future. Any one of these risks could harm our ability to deliver our products on time, or at all, damage our reputation and our relationships with our retail partners and customers, and increase our product costs thereby reducing our margins.

In addition, we do not have written agreements requiring exclusivity with all of our manufacturers and suppliers. As a result, they could produce similar products for our competitors, some of which could potentially purchase products in significantly greater volume. Further, while certain of our contracts stipulate contractual exclusivity against production of similar products to ours, those suppliers or manufacturers could choose to breach our agreements and work with our competitors. Our competitors could enter into restrictive or exclusive arrangements with our manufacturers or suppliers that could impair or eliminate our access to manufacturing capacity or supplies. Our manufacturers or suppliers could also be acquired by our competitors, and may become our direct competitors, thus limiting or eliminating our access to supplies or manufacturing capacity.

In addition, one of our suppliers holds certain intellectual property covering a small portion of our products in China. Although such products accounted for less than 6% of our U.S. sales in the nine months ended September 30, 2021, if that manufacturer decided to end our relationship and/or attempted to revoke or block the production of those products, or began to produce those products for one or more of our competitors, it would likely result in protracted litigation and could harm our other manufacturer relationships, increase our costs, and harm our business, including potentially forcing us to manufacture certain products outside of China.

Fluctuations in the cost and availability of raw materials, equipment, labor, and transportation could cause manufacturing delays or increase our costs.

The price and availability of key components used to manufacture our products has been increasing and may continue to fluctuate significantly. In addition, the cost of labor at our third-party manufacturers could increase significantly. For example, manufacturers in China have experienced increased costs in recent years due to shortages of labor and fluctuations of the Chinese Yuan in relation to the U.S. dollar. Additionally, the cost of logistics and transportation fluctuates in large part due to the price of oil, and availability can be limited due to political and economic issues. Any fluctuations in the cost and availability of any of our raw materials or other sourcing or transportation costs could harm our gross margins and our ability to meet customer demand. If we are unable to successfully mitigate a significant portion of these product cost increases or fluctuations, our results of operations could be harmed.

Our products are manufactured by third parties outside of the United States, and our business may be harmed by legal, regulatory, economic, societal, and political risks associated with those markets.

Our products are manufactured outside of the United States, and we make a limited number of sales of our products outside of the United States. Our reliance on suppliers and manufacturers in foreign markets, as well as our sales in non-U.S. markets, creates risks inherent in doing business in foreign jurisdictions, including: (a) the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions and laws relating to the importation and taxation of goods; (b) weaker protection for intellectual property and other legal rights than in the United States, and practical difficulties in enforcing intellectual property and other rights outside of the United States; (c) compliance with U.S. and foreign laws relating to foreign operations, including the U.S. Foreign Corrupt Practices Act, or FCPA, the UK Bribery Act 2010, or the Bribery Act, regulations of the U.S. Office of Foreign Assets Controls, or OFAC, and U.S. anti-money laundering regulations, which prohibit U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, transacting with persons subject to sanctions in certain countries, as well as engaging in other illegal practices; (d) economic and political instability and acts of terrorism in the countries where our suppliers are located; (e) transportation interruptions or increases in transportation costs; (f) public health crises, such as pandemics and epidemics; and (g) the imposition of tariffs on components and products that we import into the United States or other markets. For example, the ongoing COVID-19 outbreak has resulted in increased travel restrictions, supply chain disruptions, and extended shutdown of certain businesses around the globe. This public health crises or any further political developments or health concerns in markets in which our products are manufactured could result in social, economic and labor instability, adversely affecting the supply of our products and, in turn, our business, financial condition and results of operations. Further, we cannot assure you that our directors, officers, employees, representatives, manufacturers, or suppliers have not engaged and will not engage in conduct for which we may be held responsible, nor can we assure you that our manufacturers, suppliers, or other business partners have not engaged and will not engage in conduct that could materially harm their ability to perform their contractual obligations to us or even result in our being held liable for such conduct. Violations of the FCPA, the Bribery Act, OFAC restrictions, or other export control, anti-corruption, anti-money laundering, and anti-terrorism laws, or allegations of such acts, could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and

criminal, monetary and nonmonetary penalties and could cause us to incur significant legal and investigatory fees, which could harm our business, financial condition, cash flows, and results of operations.

If tariffs or other restrictions are placed on foreign imports or any related counter-measures are taken by other countries, our business and results of operations could be harmed.

Geopolitical uncertainties and events could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our suppliers, logistics providers, manufacturing vendors and customers. Changes in commodity prices may also cause political uncertainty and increase currency volatility that can affect economic activity. During 2020, the majority of our products that were imported into the United States from China were subject to tariffs that were as high as 25%. The progress and continuation of trade negotiations between the United States and China continues to be uncertain and a further escalation of the trade war remains a possibility. These tariffs have, and will continue to have, an adverse effect on our results of operations and margins. We are unable to predict the magnitude, scope or duration of the imposed tariffs or the magnitude, scope or duration from any relief in increases to such tariffs, or the potential for additional tariffs or trade barriers by the United States, China or other countries, and any strategies we may implement to mitigate the impact of such tariffs or other trade actions may not be successful.

Changes in domestic social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently develop and sell products, and any negative sentiments towards the United States as a result of such changes, could also adversely affect our business. For example, if the United States government withdraws or materially modifies existing or proposed trade agreements, places greater restriction on free trade generally or imposes increases on tariffs on goods imported into the United States, particularly from China, our business, financial condition and results of operations could be adversely affected. In addition, negative sentiments towards the United States among non-U.S. customers and among non-U.S. employees or prospective employees could adversely affect sales or hiring and retention, respectively.

The foreign policies of governments may be volatile, and may result in rapid changes to import and export requirements, customs classifications, tariffs, trade sanctions and embargoes or other retaliatory trade measures that may cause us to raise prices, prevent us from offering products or providing services to particular entities or markets, may cause us to make changes to our operations, or create delays and inefficiencies in our supply chain. Furthermore, if the U.S. government imposes new sanctions against certain countries or entities, such sanctions could sufficiently restrict our ability to market and sell our products and may materially adversely affect our results of operations.

If we fail to timely and effectively obtain shipments of products from our manufacturers and deliver products to our retail partners and customers, our business and results of operations could be harmed.

Our business depends on our ability to source and distribute products in a timely manner. However, we cannot control all of the factors that might affect the timely and effective procurement of our products from our third-party manufacturers and the delivery of our products to our retail partners and customers.

Our third-party manufacturers ship most of our products to our distribution centers in the United States, the largest of which is in Texas. Our large reliance on our distribution center in Texas makes us more vulnerable to natural disasters, weather-related disruptions, accidents, system failures, public health issues such as the recent winter freeze in Dallas, Texas and the COVID-19 pandemic (or other future pandemics or epidemics), or other unforeseen events that could delay or impair our ability to fulfill retailer orders and/or ship merchandise purchased on our website, which could harm our sales. We import our products, and thus we are also vulnerable to risks associated with products manufactured abroad, including, among other things: (a) risks of damage, destruction, or confiscation of products while in transit to our distribution centers; and (b) transportation and other delays in shipments, including as a result of heightened security screening, port congestion, and inspection processes or other port-of-entry limitations or restrictions in the United States. In order to meet demand for a product, we may choose in the future to arrange for additional quantities of the product, if available, to be delivered through air freight, which is significantly more expensive than standard shipping by sea and, consequently, could harm our gross margins. Failure to procure our products from our third-party manufacturers and deliver merchandise to our retail partners and DTC channels in a timely, effective, and economically viable manner could reduce our sales and gross margins, damage our brand, and harm our business.

We also rely on the timely and free flow of goods through open and operational international shipping lanes and ports from our suppliers and manufacturers. Labor disputes or disruptions of shipping lanes, such as the Suez Canal blockage in 2021, or at ports, our common carriers, or our suppliers or manufacturers could create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes, or other disruptions during periods of significant importing or manufacturing, potentially resulting in delayed or cancelled orders by customers, unanticipated inventory accumulation or shortages, and harm to our business, results of operations, and financial condition.
In addition, we rely upon independent land-based and air freight carriers for product shipments from our distribution centers to our retail partners and customers who purchase through our DTC channel. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to receive products from suppliers or deliver products to retail partners or customers in a timely and cost-effective manner.

Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather, public health issues, and increased transportation costs, associated with our third-party manufacturers' and carriers' ability to provide products and services to meet our requirements. In addition, if the cost of fuel rises, the cost to deliver products may rise, which could harm our profitability.

Although relatively small, an important portion of our sales and advertising are to our domestic retail partners. We depend in part on our retail partners to display and present our products to customers, and our failure to maintain and further develop our relationships with our domestic retail partners could harm our business.

For 2020, 4.9% of our revenue was generated from sales to our domestic retail partners. Although this is a small percentage, the physical placement of these products at our selected dealers plays an important part in our sales strategy. Our wholesale retail sales are also increasing. These retail partners may decide to emphasize products from our competitors, to redeploy their retail floor space to other product categories, or to take other actions that reduce their purchases and visibility of our products. We do not receive long-term purchase commitments from our retail partners, and orders received are cancellable. Factors that could affect our ability to maintain or expand our sales to these retail partners include: (a) failure to accurately identify the needs of our customers; (b) a lack of customer acceptance of new products or product expansions; (c) unwillingness of our retail partners and customers to attribute premium value to our new or existing products or product expansions relative to competing products; (d) failure to obtain shelf space from our retail partners; (e) new, well-received product introductions by competitors; (f) damage to our relationships with retail partners; (g) delays or defaults on our retail partners' payment obligations to us; and (h) store closures, decreased foot traffic, recession or other adverse effects resulting from public health crises such as the recent COVID-19 pandemic (or other future pandemics or epidemics).

We cannot assure you that our retail partners will continue to carry our current products or carry any new products that we develop. If we lose any of our key retail partners or any key retail partner reduces its purchases of our existing or new products or its number of stores or operations or promotes products of our competitors over ours, our brand, as well as our results of operations and financial condition, could be harmed. Because we are a premium brand, our sales depend, in part, on retail partners effectively displaying our products, including providing attractive space and point of purchase displays in their stores, and training their sales personnel to sell our products. If our retail partners reduce or terminate those activities, we may experience reduced sales of our products, resulting in lower gross margins, which would harm our results of operations. In addition, any store closures, decreased foot traffic and recession resulting from the COVID-19 pandemic may adversely affect the performance and the financial condition of many of these customers. The foregoing could have a material adverse effect on our business and financial condition.

Insolvency, credit problems or other financial difficulties that could confront our retail partners could expose us to financial risk.

We sell to the large majority of our retail partners on open account terms and do not require collateral or a security interest in the inventory we sell them. Consequently, our accounts receivable with our retail partners are unsecured. Insolvency, credit problems, or other financial difficulties confronting our retail partners could expose us to financial risk. These actions could expose us to risks if they are unable to pay for the products they purchase from us. Financial difficulties of our retail partners could also cause them to reduce their sales staff, use of attractive displays, number or size of stores, and the amount of floor space dedicated to our products. Any reduction in sales by, or loss of, our current retail partners or customer demand, or credit risks associated with our retail partners, could harm our business, results of operations, and financial condition.

If our independent suppliers, manufacturing partners and retail partners do not comply with ethical business practices or with applicable laws and regulations, our reputation, business, and results of operations would be harmed.

Our reputation and our customers' willingness to purchase our products depend in part on our suppliers', manufacturers', and retail partners' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, safe and healthy working conditions, and with all legal and regulatory requirements relating to the conduct of their businesses and, in the case of retail partners, the promotion and sale of our products. We do not exercise control over our suppliers, manufacturers, and retail partners and they may not comply with ethical and lawful business practices. If our suppliers, manufacturers, or retail partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed and we could be exposed to litigation and additional costs that would harm our business, reputation, and results of operations.

We are subject to payment-related risks that may result in higher operating costs or the inability to process payments, either of which could harm our brand, reputation, business, financial condition and results of operations.

For our DTC sales, as well as for sales to certain retail partners, we accept a variety of payment methods, including credit cards, debit cards, electronic funds transfers, electronic payment systems, and gift cards. Accordingly, we are, and will continue to be, subject to significant and evolving regulations and compliance requirements, including obligations to implement enhanced authentication processes that could result in increased costs and liability, and reduce the ease of use of certain payment methods. For certain payment methods, including credit and debit cards, as well as electronic payment systems, we pay interchange and other fees, which may increase over time. We rely on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to us or if the cost of using these providers increases, our business could be harmed. We are also subject to payment card association operating rules and agreements, including data security rules and agreements, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. In particular, we must comply with the Payment Card Industry Data Security Standard, or PCI-DSS, a set of requirements designed to ensure that all companies that process, store or transmit payment card information maintain a secure environment to protect cardholder data. We rely on vendors to handle PCI-DSS matters and to ensure PCI-DSS compliance. Should a vendor be subject to claims of non-compliance, or if our data security systems are breached or compromised, we may be liable for losses incurred by card issuing banks or customers, subject to fines and higher transaction fees, lose our ability to accept credit or debit card payments from our customers, or process electronic fund transfers or facilitate other types of payments. Any failure to comply could significantly harm our brand, reputation, business, financial condition and results of operations. In addition, PCI-DSS compliance may not prevent illegal or improper use of our payment systems or the theft, loss, or misuse of payment card data or transaction information.

We may acquire or invest in other companies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations and harm our results of operations.

We have recently acquired, and intend in the future to acquire or invest in, other businesses, products, or technologies that we believe could complement or expand our business, enhance our capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various costs and expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated.

In any future acquisitions, we may not be able to successfully integrate acquired personnel, operations, and technologies, or effectively manage the combined business following the acquisition because of unforeseen complexity or costs. We also may not achieve the anticipated benefits from either past or future acquisitions due to a number of factors, including:

- risks associated with conducting due diligence;
- problems integrating the purchased businesses, products or technologies;
- anticipated and unanticipated costs or liabilities associated with the acquisition;
- inability to achieve anticipated synergies;
- issues maintaining uniform standards, procedures, controls and policies across our brands;
- the diversion of management's attention from other business concerns;
- the loss of our or the acquired business's key employees;
- adverse effects on existing business relationships with suppliers, distributors, retail partners and customers;
- risks associated with entering new markets in which we have limited or no experience;
- increased legal, accounting and compliance costs; or
- the issuance of dilutive equity securities, the incurrence of debt, or the use of cash to fund such acquisitions.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could harm our results of operations.

Our future success depends on the continuing efforts of our management and key employees, and on our ability to attract and retain highly skilled personnel and senior management.

We depend on the talents and continued efforts of our senior management and key employees. The loss of members of our management or key employees may disrupt our business and harm our results of operations. Furthermore, our ability to manage further expansion will require us to continue to attract, motivate, and retain additional qualified personnel. Competition for this type of personnel is intense, and we may not be successful in attracting, integrating, and retaining the personnel required to grow and operate our business effectively. There can be no assurance that our current management team, or any new members of our management team, will be able to successfully execute our business and operating strategies.

Our plans for international expansion may not be successful.

Continued expansion into markets outside the United States is one of our key long-term strategies for the future growth of our business. This expansion requires significant investment of capital and human resources, new business processes and marketing platforms, legal compliance, and the attention of many managers and other employees who would otherwise be focused on other aspects of our business. There are significant costs and risks inherent in selling our products in international markets, including: (a) failure to effectively establish our core brand identity; (b) increased employment costs; (c) increased shipping and distribution costs, which could increase our expenses and reduce our margins; (d) potentially lower margins in some regions; (e) longer collection cycles in some regions; (f) increased competition from local providers of similar products; (g) compliance with foreign laws and regulations, including taxes and duties, laws governing the marketing and use of e-commerce websites and enhanced data privacy laws and security, rules, and regulations; (h) establishing and maintaining effective internal controls at foreign locations and the associated increased costs; (i) increased counterfeiting and the uncertainty of protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad; (j) compliance with anti-bribery, anti-corruption, and anti-money laundering laws, such as the FCPA, the Bribery Act, and OFAC regulations, by us, our employees, and our business partners; (k) currency exchange rate fluctuations and related effects on our results of operations; (l) economic weakness, including inflation, or political instability in foreign economies and markets; (m) compliance with tax, employment, immigration, and labor laws for employees living or traveling abroad; (n) workforce uncertainty in countries where labor unrest is more common than in the United States; (o) business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters, including earthquakes, typhoons, floods, fires, and public health issues, including the outbreak of a pandemic or contagious disease, such as COVID-19, or xenophobia resulting therefrom; (p) the imposition of tariffs on products that we import into international markets that could make such products more expensive compared to those of our competitors; (q) that our ability to expand internationally could be impacted by the intellectual property rights of third parties that conflict with or are superior to ours; (r) difficulty developing retail relationships; and (s) other costs and risks of doing business internationally.

These and other factors could harm our international operations and, consequently, harm our business, results of operations, and financial condition. Further, we may incur significant operating expenses as a result of our planned international expansion, and it may not be successful. We have limited experience with regulatory environments and market practices internationally, and we may not be able to penetrate or successfully operate in new markets. We may also encounter difficulty expanding into international markets because of limited brand recognition, leading to delayed or limited acceptance of our products by customers in these markets, and increased marketing and customer acquisition costs to establish our brand. Accordingly, if we are unable to successfully expand internationally or manage the complexity of our global operations, we may not achieve the expected benefits of this expansion and our financial condition and results of operations could be harmed.

Our business involves the potential for injury, property damage, quality problems, product recalls, product liability and other claims against us, which could affect our earnings and financial condition.

Our Solo Stove products are designed to involve fire. If not properly handled, the fire our products involve poses significant danger for a number of reasons, including the possibility of burns, death, and significant property damage, including as a result of wildfires. As a result of fire or otherwise, if our Solo Stove or other products are defective or misused or if users of our products exercise impaired or otherwise poor judgment in the use of our products, the results could include personal injury to our customers or other third parties, death and significant property damage or destruction, and we could be exposed to significant liability and reputational damage.

As a manufacturer and distributor of consumer products, we are subject to the U.S. Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the U.S. Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Under certain circumstances, the Consumer Products Safety Commission or a comparable foreign agency could require us to repurchase or recall one or more of our products. Additionally, other laws and agencies regulate certain consumer products we sell in the United States and abroad, and more restrictive laws and regulations may be adopted in the future. Real or perceived quality problems or material defects in our current and future products could also expose us to credit, warranty or other claims. Although we currently have insurance in place, we also face exposure to product liability claims in the event that one of our products is alleged to have resulted in property damage, bodily injury or other adverse effects, and class action lawsuits related to the performance, safety or advertising of our products.

Any such quality issues or defects, product safety concerns, voluntary or involuntary product recall, government investigation, regulatory action, product liability or other claim or class action lawsuit may result in significant adverse publicity and damage our reputation and competitive position. In addition, real or perceived quality issues, safety concerns or defects could result in a greater number of product returns than expected from customers and our retail partners, and if we are required to remove, or voluntarily remove, one of our products from the market, we may have large quantities of finished products that we cannot sell. In the event of any governmental investigations, regulatory actions, product liability claims or class action lawsuits, we could face substantial monetary judgments or fines and penalties, or injunctions related to the sale of our products.
Although we maintain product liability insurance in amounts that we believe are reasonable, that insurance is, in most cases, subject to large policy premiums for which we are responsible. In addition, we may not be able to maintain such insurance on acceptable terms, if at all, in the future and product liability claims may exceed the amount of insurance coverage. We maintain a limited amount of product recall insurance and may not have adequate insurance coverage for claims asserted in class action lawsuits. As a result, product recalls, product liability claims and other product-related claims could have a material adverse effect on our business, results of operations and financial condition. We devote substantial resources to compliance with governmental and other applicable standards. However, compliance with these standards does not necessarily prevent individual or class action lawsuits, which can entail significant cost and risk. As a result, these types of claims could have a material adverse effect on our business, results of operations and financial condition.

Our collection, use, storage, disclosure, transfer and other processing of personal information could give rise to significant costs and liabilities, including as a result of governmental regulation, uncertain or inconsistent interpretation and enforcement of legal requirements or differing views of personal privacy rights, which may have a material adverse effect on our reputation, business, financial condition and results of operations.

We collect, store, process, transmit and use personal data that is sensitive to the Company and its employees, customers and suppliers. A variety of state, federal, and foreign laws, regulations and industry standards apply to the collection, use, retention, protection, disclosure, transfer and other processing of certain types of data, including the California Consumer Privacy Act (the "CCPA"), Canada's Personal Information Protection and Electronic Documents Act, the General Data Protection Regulation, or GDPR, the UK General Data Protection Regulation, or UK GDPR, and the UK Data Protection Act 2018, or the UK DPA. As we seek to expand our business, we are, and may increasingly become subject to various laws, regulations and standards, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. These laws, regulations and standards are continuously evolving and may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our reputation, business, financial condition and results of operations.

U.S. Privacy Laws

Domestic privacy and data security laws are complex and changing rapidly. Within the United States, many states are considering adopting, or have already adopted, privacy regulations. Such regulations include the CCPA, which came into effect in 2020. The CCPA increases privacy rights for California consumers and imposes obligations on companies that process their personal information. Among other things, the CCPA gives California consumers expanded rights related to their personal information, including the right to access and delete their personal information, receive detailed information about how their personal information is used and shared. The CCPA also provides California consumers the right to opt-out of certain sales of personal information and may restrict the use of cookies and similar technologies for advertising purposes. The CCPA prohibits discrimination against individuals who exercise their privacy rights, and provides for civil penalties for violations enforceable by the California Attorney General as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. Many of the CCPA's requirements as applied to personal information of a business's personnel and related individuals are subject to a moratorium set to expire on January 1, 2023. The expiration of the moratorium may increase our compliance costs and our exposure to public and regulatory scrutiny, costly litigation, fines and penalties. Additionally, in November 2020, California passed the California Privacy Rights Act (the "CPRA"), which expands the CCPA significantly, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Many of the CPRA's provisions will become effective on January 1, 2023. The costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may increase our operational costs, and/or result in interruptions or delays in the availability of systems. Recently, Virginia passed the Virginia Consumer Data Protection Act, applicable to companies collecting personal information of more than 100,000

Virginia residents, which could further impact our compliance burden. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging.

Our communications with our customers are subject to certain laws and regulations, including the Controlling the Assault of Non-Solicited Pornography and Marketing, or CAN-SPAM, Act of 2003, the Telephone Consumer Protection Act of 1991, or TCPA, and the Telemarketing Sales Rule and analogous state laws, that could expose us to significant damages awards, fines and other penalties that could materially impact our business. For example, the TCPA imposes various consumer consent requirements and other restrictions in connection with certain telemarketing activity and other communication with consumers by phone, fax or text message. The CAN-SPAM Act and the Telemarketing Sales Rule and analogous state laws also impose various restrictions on marketing conducted use of email, telephone, fax or text message. As laws and regulations, including FTC enforcement, rapidly evolve to govern the use of these communications and marketing platforms, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations could adversely impact our business, financial condition and results of operations or subject us to fines or other penalties.

In addition, some laws may require us to notify governmental authorities and/or affected individuals of data breaches involving certain personal information or other unauthorized or inadvertent access to or disclosure of such information. We may need to notify governmental authorities and affected individuals with respect to such incidents. For example, laws in all 50 U.S. states may require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach may be difficult and costly. We also may be contractually required to notify consumers or other counterparties of a security breach. Regardless of our contractual protections, any actual or perceived security breach or breach of our contractual obligations could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach.

Non-U.S. Privacy Laws

In Canada, the Personal Information Protection and Electronic Documents Act, or PIPEDA, and various provincial laws require that companies give detailed privacy notices to consumers, obtain consent to use personal information, with limited exceptions, allow individuals to access and correct their personal information, and report certain data breaches. In addition, Canada's Anti-Spam Legislation, or CASL, prohibits email marketing without the recipient's consent, with limited exceptions. Failure to comply with PIPEDA, CASL, or provincial privacy or data protection laws could result in significant fines and penalties or possible damage awards.

In the European Economic Area (the EEA), we are subject to the GDPR and in the United Kingdom, or UK, we are subject to the UK data protection regime consisting primarily of the UK GDPR and the UK DPA, in each case in relation to our collection, control, processing, sharing, disclosure and other use of data relating to an identifiable living individual (personal data). The GDPR and national implementing legislation in EEA member states, and the UK regime, impose a strict data protection compliance regime including: providing detailed disclosures about how personal data is collected and processed (in a concise, intelligible and easily accessible form); demonstrating that an appropriate legal basis is in place or otherwise exists to justify data processing activities; granting rights for data subjects in regard to their personal data (including data access rights, the right to be "forgotten" and the right to data portability); introducing the obligation to notify data protection regulators or supervisory authorities (and in certain cases, affected individuals) of significant data breaches; defining pseudonymized (*i.e.*, key-coded) data; imposing limitations on retention of personal data; maintaining a record of data processing; and complying with the principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. The GDPR and the UK GDPR imposes substantial fines for breaches and violations (up to the greater of €20 million (or £17.5 million) or 4% of global annual turnover). In addition to the foregoing, a breach of the GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

Third Party Data Processing and Transfers

We depend on a number of third parties in relation to the operation of our business, a number of which process personal data on our behalf. With each such provider we attempt to mitigate the associated risks of using third parties by performing security assessments and due diligence, entering into contractual arrangements to ensure that providers only process personal data according to our instructions, and that they have sufficient technical and organizational security measures in place. There is no assurance that these contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing, storage and transmission of such information. Any violation of data or security laws by our third party processors could have a material adverse effect on our business and result in the fines and penalties outlined below.

We are also subject to the European Union, or EU, and UK rules with respect to cross-border transfers of personal data from the EEA and the UK to the United States and other jurisdictions that the European Commission/ UK competent authorities do not recognize as having "adequate" data protection laws unless a data transfer mechanism has been put in place. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and the UK to the United States. Most recently, in July 2020, the Court of Justice of the EU, or CJEU, limited how organizations could lawfully transfer personal data from the EEA to the United States by invalidating the EU-US Privacy Shield Framework for purposes of international transfers and imposing further restrictions on use of the standard contractual clauses, or SCCs. These restrictions include a requirement for companies to carry out a transfer impact assessment which, among other things, assesses the laws governing access to personal data in the recipient country and considers whether supplementary measures that provide privacy protections additional to those provided under SCCs will need to be implemented to ensure an essentially equivalent level of data protection to that afforded in the EEA. The European Commission issued revised SCCs on 4 June 2021 to account for the decision of the CJEU and recommendations made by the European Data Protection Board. The revised SCCs must be used for relevant new data transfers from September 27, 2021; existing standard contractual clauses arrangements must be migrated to the revised clauses by December 27, 2022. There is some uncertainty around whether the revised clauses can be used for all types of data transfers, particularly whether they can be relied on for data transfers to non-EEA entities subject to the GDPR. As

supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. On June 28, 2021, the European Commission adopted an adequacy decision in favor of the United Kingdom, enabling data transfers from EU member states to the United Kingdom without additional safeguards. However, the UK adequacy decision will automatically expire in June 2025 unless the European Commission re-assesses and renews/ extends that decision. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, and it is unclear how UK data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. These changes will lead to additional costs and increase our overall risk exposure.

Self-Regulatory Industry Standards

In addition to government regulation, privacy advocates and industry groups have proposed, and may propose in the future, self-regulatory standards . These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. If we fail to comply with these contractual obligations or standards, we may face substantial liability or fines. We expect that there will continue to be new proposed laws and regulations concerning data privacy and security in the United States and other jurisdictions in which we operate. We cannot yet determine the impact such future laws, regulations and standards may have on our business or operations.

Consumer Protection Laws and FTC Enforcement

We make public statements about our use and disclosure of personal information through our privacy policies that are posted on our websites. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices.

In addition, the FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Our failure to take any steps perceived by the FTC as appropriate to protect consumers' personal information may result in claims by the FTC that we have engaged in unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices for alleged privacy, data protection and data security violations.

We rely on a variety of marketing techniques and practices to sell our products and to attract new customers and consumers, and we are subject to various current and future data protection laws and obligations that govern marketing and advertising practices. Governmental authorities continue to evaluate the privacy implications inherent in the use of third-party "cookies" and other methods of online tracking for behavioral advertising and other purposes, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. In particular, we are subject to evolving EU and UK privacy laws on cookies and e-marketing. In the EU and the UK, regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. In the EU and the UK, informed consent is required for the placement of a cookie or similar technologies on a user's device and for direct electronic marketing. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. While the text of the ePrivacy Regulation is still under development, a recent European court decision, regulators' recent guidance and recent campaigns by a not for profit organization are driving increased attention to cookies and tracking technologies. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Additionally, some providers of consumer devices, web browsers and application stores have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, require additional consents, or limit the ability to track user activity, which could if widely adopted result in the use of third-party cookies and other methods of online tracking becoming significantly less effective.

We rely significantly on the use of information technology, as well as those of our third party service providers. Any significant failure, inadequacy, interruption or data security incident of our information technology systems, or those of our third-party service providers, could disrupt our business operations, which could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Information Technology Dependencies

We increasingly rely on information technology systems to market and sell our products, process, transmit and store electronic and financial information, manage a variety of business processes and activities and comply with regulatory, legal and tax requirements. We are increasingly dependent on the reliability and capacity of a variety of information systems to effectively manage our business, process customer orders, and coordinate the manufacturing, sourcing, distribution and sale of our products. We rely on information technology systems to effectively manage, among other things, our digital marketing activities, business data, electronic communications among our personnel, customers, manufacturers and suppliers around the world, supply chain, inventory management, customer order entry and order fulfillment, processing transactions, summarizing and reporting results of operations, human resources benefits and payroll management, compliance with regulatory, legal and tax requirements and other processes and data necessary to manage our business. These information technology systems, most of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any material disruption of our systems, or the systems of our third-party service providers, could disrupt our ability to track, record and analyze the products that we sell and could negatively impact our operations, shipment of goods, ability to process financial

information and transactions, and our ability to receive and process online orders or engage in normal business activities. If our information technology systems suffer damage, disruption or shutdown and we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results.

E-commerce is central to our business. We generate a majority of our sales through our website, solostove.com, which is also a key component of our marketing strategy. We supplement our website through relationships with select third-party e-commerce marketplaces, such as Amazon. As a result, we are vulnerable to website downtime and other technical failures. Our or such third parties' failure to successfully respond to these risks could reduce e-commerce sales and, in the case of our website, damage our brand's reputation. The future operation, success and growth of our business depends on streamlined processes made available through information systems, global communications, internet activity and other network processes.

Our information technology systems may be subject to damage or interruption from telecommunications problems, data corruption, software errors, fire, flood, global pandemics and natural disasters, power outages, systems disruptions, system conversions, and/or human error. Our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long-term network outages.

In addition, we may have to upgrade our existing information technology systems or choose to incorporate new technology systems from time to time in order for such systems to support the increasing needs of our expanding business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations, including through impairment of our ability to leverage our e-commerce channels and fulfill customer orders, potential disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, acquisition and retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, the introduction of errors or vulnerabilities and other risks and costs of delays or difficulties in transitioning to or integrating new systems into our current systems. These implementations, modifications and upgrades may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. Additionally, difficulties with implementing new technology systems, delays in our timeline for planned improvements, significant system failures, or our inability to successfully modify our information systems to respond to changes in our business needs may cause disruptions in our business operations and have a material adverse effect on our business, financial condition and results of operations.

Further, as part of our normal business activities, we collect and store certain confidential information, including personal information with respect to customers and employees, as well as information related to intellectual property, and the success of our e-commerce operations depends on the secure transmission of confidential and personal data over public networks, including the use of cashless payments. We may share some of this information with third party service providers who assist us with certain aspects of our business. Any failure on the part of us or our third party service providers to maintain the security of this confidential data and personal information, including via the penetration of our network security (or those of our third party service providers) and the misappropriation of confidential and personal information, could result in business disruption, damage to our reputation, financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation, any or all of which could result in the Company incurring potentially substantial costs. Such events could also result in the deterioration of confidence in the Company by employees, consumers and customers and cause other competitive disadvantages.

Security Incidents

Security incidents compromising the confidentiality, integrity, and availability of our confidential or personal information and our and our third-party service providers' information technology systems could result from cyber-attacks, computer malware, viruses, social engineering (including spear phishing and ransomware attacks), credential stuffing, supply chain attacks, efforts by individuals or groups of hackers and sophisticated organizations, including state-sponsored organizations, errors or malfeasance of our personnel, and security vulnerabilities in the software or systems on which we and our third party service providers rely. Any of these incidents could lead to interruptions or shutdowns of our platform, loss or corruption of data, or unauthorized access to or disclosure of personal data or other sensitive information. Cyberattacks could also result in the theft of our intellectual property. If we gain greater visibility, we may face a higher risk of being targeted by cyberattacks. Advances in computer capabilities, new technological discoveries or other developments may result in cyberattacks becoming more sophisticated and more difficult to detect. We and our third-party service providers may not have the resources or technical sophistication to anticipate or prevent all such cyberattacks. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us or our third-party service providers. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent actions by our employees, our third-party service providers, or their personnel.

Moreover, we and our third-party service providers may be more vulnerable to such attacks in remote work environments, which have increased in response to the COVID-19 pandemic. As techniques used by cyber criminals change frequently, a disruption, cyberattack or other security breach of our information technology systems or infrastructure, or those of our third-party service providers, may go undetected for an extended period and could result in the theft, transfer, unauthorized access to, disclosure, modification, misuse, loss or destruction of our employee, representative, customer, vendor, consumer and/or other third-party data, including sensitive or confidential data, personal information and/or intellectual property. We cannot guarantee that our security efforts will prevent breaches or breakdowns of the Company's or its third-party service providers' information technology systems. In addition, our information systems are a target of cyberattacks and although the incidents that we have experienced to date have not had a material effect. If we or our third party service providers suffer, or are believed to have suffered, a material loss or disclosure of personal or confidential information as a result of an actual or potential breach of our information technology systems, we may suffer reputational, competitive and/or business harm, incur significant costs and be subject to government investigations, litigation, fines and/or damages, which could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows. Moreover, while we maintain cyber insurance that may help provide coverage for these types of incidents, we cannot assure you that our insurance will be adequate to cover costs and liabilities related to these incidents.

In addition, any such access, disclosure or other loss or unauthorized use of information or data, whether actual or perceived, could result in legal claims or proceedings, regulatory investigations or actions, and other types of liability under laws that protect the privacy and security of personal information, including federal, state and foreign data protection and privacy regulations, violations of which could result in significant penalties and fines in the United States, Canada, EU and UK. In addition, although we seek to detect and investigate all data security incidents, security breaches and other incidents of unauthorized access to our information technology systems and data can be difficult to detect and any delay in identifying such breaches or incidents may lead to increased harm and legal exposure of the type described above.

Our business may be adversely affected if we are unable to provide our customers a cost-effective platform that is able to respond and adapt to rapid changes in technology.

The number of people who access the Internet through devices other than personal computers, including mobile phones, smartphones, handheld computers such as notebooks and tablets, video game consoles, and television set-top devices, has increased dramatically in the past few years. The smaller screen size, functionality, and memory associated with some alternative devices may make the use of our sites and purchasing our products more difficult. The versions of our sites developed for these devices may not be compelling to consumers. In addition, it is time consuming and costly to keep pace with rapidly changing and continuously evolving technology. In 2020, 55% of orders were placed from a mobile device. However, we cannot be certain that our mobile applications or our mobile-optimized sites will be successful in the future.

As existing mobile devices and platforms evolve and new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in adjusting and developing applications for changed and alternative devices and platforms, and we may need to devote significant resources to the creation, support and maintenance of such applications. If we are unable to attract consumers to our websites through these devices or are slow to develop a version of our websites that is more compatible with alternative devices or a mobile application, we may fail to capture a significant share of consumers, which could materially and adversely affect our business.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future regulations and laws could impede the growth of the Internet, e-commerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy, data protection, data security, anti-spam, content protection, electronic contracts and communications, consumer protection, website accessibility, Internet neutrality and gift cards. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as many of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. In addition, it is possible that governments of one or more countries or territories may seek to censor content available on our sites or may even attempt to completely block access to our sites. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries or territories, our ability to retain or increase our customer base may be adversely affected, and we may not be able to maintain or grow our net sales and expand our business as anticipated.

We depend on cash generated from our operations to support our growth, and we may need to raise additional capital, which may not be available on terms acceptable to us or at all.

We primarily rely on cash flow generated from our sales to fund our current operations and our growth initiatives. As we expand our business, we will need significant cash from operations to purchase inventory, increase our product development, expand our manufacturer and supplier relationships, pay personnel, pay for the increased costs associated with operating as a public company, including acquisitions, expand internationally, and to further invest in our sales and marketing efforts. If our business does not generate sufficient cash flow from operations to fund these activities and sufficient funds are not otherwise available from our current or future revolving credit facility, we may need additional equity or debt financing. If such financing is not available to us on satisfactory terms, our ability to operate and expand our business or to respond to competitive pressures would be harmed. Moreover, if we raise additional capital by issuing equity securities or securities convertible into equity securities, your ownership may be diluted. Any indebtedness we incur may subject us to covenants that restrict our operations and will require interest and principal payments that would create additional cash demands and financial risk for us.

Our indebtedness may limit our ability to invest in the ongoing needs of our business and if we are unable to comply with the covenants in our current Revolving Credit Facility, our liquidity and results of operations could be harmed.

On May 12, 2021, we entered into a Credit Agreement among Solo DTC Brands, LLC, Solo Stove Intermediate, LLC, JPMorgan Chase Bank, N.A., and the Lenders and L/C Issuers party thereto (as subsequently amended on June 2, 2021 and September 1, 2021, the "Revolving Credit Facility"). Although we have since paid it down significantly, as of September 30, 2021 we had $249 million outstanding under the Revolving Credit Facility. The Revolving Credit Facility is jointly and severally guaranteed by Holdings and any future subsidiaries that execute a joinder to the guaranty and related collateral agreements, or the Guarantors. The Revolving Credit Facility is also secured by a first priority lien on substantially all of our assets and the assets of the Guarantors, in each case subject to certain customary exceptions. We may, from time to time, incur additional indebtedness under the Revolving Credit Facility.

The Revolving Credit Facility places certain conditions on us, including that it:

- requires us to utilize a portion of our cash flow from operations and dispositions of assets to make payments on our indebtedness, reducing the availability of our cash flow to fund working capital, capital expenditures, development activity, return capital to our stockholders, and other general corporate purposes;
- increases our vulnerability to adverse economic or industry conditions;
- limits our flexibility in planning for, or reacting to, changes in our business or markets;
- makes us more vulnerable to increases in interest rates, as borrowings under the Revolving Credit Facility bear interest at variable rates;
- limits our ability to obtain additional financing in the future for working capital or other purposes; and
- could place us at a competitive disadvantage compared to our competitors that have less indebtedness.

The Revolving Credit Facility places certain limitations on our ability to incur additional indebtedness. However, subject to the qualifications and exceptions in the Revolving Credit Facility, we may incur substantial additional indebtedness under that facility. The Revolving Credit Facility also places certain limitations on our ability to enter into certain types of transactions, financing arrangements and investments, to make certain changes to our capital structure, and to guarantee certain indebtedness, among other things. The Revolving Credit Facility also places certain restrictions on the payment of dividends and distributions and certain management fees. These restrictions limit or prohibit, among other things, and in each case, subject to certain customary exceptions, our ability to: (a) pay dividends on, redeem or repurchase our stock, or make other distributions; (b) incur or guarantee additional indebtedness; (c) sell stock in our subsidiaries; (d) create or incur liens; (e) make acquisitions or investments; (f) transfer or sell certain assets or merge or consolidate with or into other companies; (g) make certain payments or prepayments of indebtedness subordinated to our obligations under the Revolving Credit Facility; and (h) enter into certain transactions with our affiliates.

The Revolving Credit Facility requires us to comply with certain covenants, including financial covenants regarding our Total Net Leverage Ratio and Interest Coverage Ratio. Fluctuations in a Total First Lien Net Leverage Ratio may increase our interest expense. Failure to comply with these covenants, failure to make payment when due, certain other provisions of the Revolving Credit Facility, or the occurrence of a change of control, could result in an event of default and an acceleration of our obligations under the Revolving Credit Facility or other indebtedness that we may incur in the future.

If such an event of default and acceleration of our obligations occurs, the lenders under the Revolving Credit Facility would have the right to foreclose against the collateral we granted to them to secure such indebtedness, which consists of substantially all of our assets. If the debt under the Revolving Credit Facility were to be accelerated, we may not have sufficient cash or be able to sell sufficient collateral to repay this debt, which would immediately and materially harm our business, results of operations, and financial condition. The threat of our debt being accelerated in connection with a change of control could make it more difficult for us to attract potential buyers or to consummate a change of control transaction that would otherwise be beneficial to our stockholders.

In connection with our preparation of our financial statements, we identified a material weakness in our internal control over financial reporting. Any failure to maintain effective internal control over financial reporting could harm us.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. During the preparation of our financial statements for 2020, we identified a material weakness in our internal control over financial reporting. We noted that certain transaction related expenses related to the change of control transactions in 2020 and 2019 were not recorded in our financial statements. Also, the assessment of the expenses or additional consideration lacked proper evaluation. Under standards established by the PCAOB, a deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or personnel, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. The PCAOB defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis. The PCAOB defines a significant deficiency as a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of a registrant's financial reporting.

We have implemented measures designed to improve our internal control over financial reporting to address the underlying causes of this material weakness, including: increasing the quality and expanding the number of people in our accounting department, completing a significant number of the identified required remediation activities to improve general controls and implementing a new ERP system that should allow for more timely identification of reporting matters. While we are working to remediate the material weakness in as timely and efficient a manner as possible, at this time we cannot provide an estimate of costs expected to be incurred in connection with this remediation, nor can we provide an estimate of the time it will take to complete this remediation.

In accordance with the provisions of the JOBS Act, we and our independent registered public accounting firm were not required to, and did not, perform an evaluation of our internal control over financial reporting as of December 30, 2020, in accordance with the provisions of Section 404 of the Sarbanes-Oxley Act. Accordingly, we cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act.

Additional material weaknesses or significant deficiencies may be identified in the future. If we identify such issues or if we are unable to produce accurate and timely financial statements, our stock price may decline and we may be unable to maintain compliance with the NYSE listing standards.

Our results of operations are subject to seasonal and quarterly variations, which could cause the price of our common stock to decline.

We believe that our sales include a seasonal component. Historically, our net sales have been highest in our second and fourth quarters, with the first quarter typically generating the lowest sales. However, fluctuations in our quarterly operating results and the price of our common stock may be particularly pronounced in the current economic environment due to the uncertainty caused by the current COVID-19 pandemic and its potential future impact on consumer spending patterns, as well as the impacts of the reopening of the economy and lessening of restrictions on movement and travel. For example, starting in the second quarter of 2020, we saw tailwinds driven by the COVID-19 pandemic as individuals and families were quarantined at home with time to pursue alternative recreational and leisure activities.

Our annual and quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the timing of the introduction of and advertising for our new products and those of our competitors and changes in our product mix. Variations in weather conditions may also harm our quarterly results of operations. In addition, we may not be able to adjust our spending in a timely manner to compensate for any unexpected shortfall in our sales. As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our results of operations between different quarters within a single fiscal year, or the same quarters of different fiscal years, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. In the event that any seasonal or quarterly fluctuations in our net sales and results of operations result in our failure to meet our forecasts or the forecasts of the research analysts that may cover us in the future, the market price of our common stock could fluctuate or decline.

If our goodwill, other intangible assets, or fixed assets become impaired, we may be required to record a charge to our earnings.

We may be required to record future impairments of goodwill, other intangible assets, or fixed assets to the extent the fair value of these assets falls below their book value. Our estimates of fair value are based on assumptions regarding future cash flows, gross margins, expenses, discount rates applied to these cash flows, and current market estimates of value. Estimates used for future sales growth rates, gross profit performance, and other assumptions used to estimate fair value could cause us to record material non-cash impairment charges, which could harm our results of operations and financial condition.

We are subject to credit risk.

We are exposed to credit risk primarily on our accounts receivable. We provide credit to our retail partners in the ordinary course of our business. While we believe that our exposure to concentrations of credit risk with respect to trade receivables is mitigated by limiting our retail partners to well-known businesses, we nevertheless run the risk of our retail partners not being able to meet their payment obligations, particularly in a future economic downturn. If a material number of our retail partners were not able to meet their payment obligations, our results of operations could be harmed.

Risks Related to Our Organizational Structure and the Tax Receivable Agreement

Solo Brands, Inc.'s sole material asset is its interest in Holdings, and, accordingly, it will depend on distributions from Holdings to pay its taxes and expenses, including payments under the Tax Receivable Agreement. Holdings' ability to make such distributions may be subject to various limitations and restrictions.

Solo Brands, Inc. is a holding company and has no material assets other than its ownership in Holdings. As such, Solo Brands, Inc. has no independent means of generating revenue or cash flow, and its ability to pay taxes and operating expenses or declare and pay dividends in the future, if any, is dependent upon the financial results and cash flows of Holdings and its subsidiaries, and distributions Solo Brands, Inc. receives from Holdings. There can be no assurance that Holdings and its subsidiaries will generate sufficient cash flow to distribute funds to Solo Brands, Inc., or that applicable state law and contractual restrictions, including negative covenants in any debt agreements of Holdings or its subsidiaries (including the Revolving Credit Facility), will permit such distributions. The terms of Holdings' or its subsidiaries' current and future debt instruments or other agreements may restrict the ability of Holdings to make distributions to Solo Brands, Inc. or of Holdings' subsidiaries to make distributions to Holdings.

Holdings is treated as a partnership for U.S. federal income tax purposes and, as such, generally will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to holders of LLC Interests, including Solo Brands, Inc. Accordingly, Solo Brands, Inc. will incur income taxes on its allocable share of any net taxable income of Holdings. Under the terms of the Holdings LLC Agreement, Holdings will be obligated, subject to various limitations and restrictions, including with respect to any debt agreements (including the Revolving Credit Facility), to make tax distributions to holders of LLC Interests, including Solo Brands, Inc. In addition to tax expenses, Solo Brands, Inc. will also incur expenses related to its operations, including payments under the Tax Receivable Agreement, which could be substantial. Solo Brands, Inc. intends, as its sole manager, to cause Holdings to make cash distributions to the owners of LLC Interests in an amount sufficient to (i) fund all or part of such owners' tax obligations in respect of taxable income allocated to such owners and (ii) cover Solo Brands, Inc.'s operating expenses, including payments under the Tax Receivable Agreement. However, Holdings' ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions under contracts or agreements to which Holdings is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Holdings insolvent. Further, under certain circumstances, the existing covenants under the Revolving Credit Facility regarding tax distributions may not permit Holdings or its subsidiaries to make the full amount of tax distributions contemplated under the Holdings LLC Agreement unless another exception to such covenants is available; and there can be no assurance that any such other exception will be available. If Solo Brands, Inc. does not have sufficient funds to pay tax or other liabilities or to fund its operations, it may have to borrow funds, which could materially adversely affect its liquidity and financial condition and subject it to various restrictions imposed by any such lenders. To the extent that Solo Brands, Inc. is unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Solo Brands, Inc.'s failure to make any payment required under the Tax Receivable Agreement (including any accrued and unpaid interest) within 60 calendar days of the date on which the payment is required to be made will constitute a material breach of a material obligation under the Tax Receivable Agreement, which will terminate the Tax Receivable Agreement and accelerate future payments thereunder, unless the applicable payment is not made because (i) Holdings is prohibited from making such payment

under the terms of the Tax Receivable Agreement or the terms governing certain of its indebtedness or (ii) Holdings does not have, and despite using commercially reasonable efforts cannot obtain, sufficient funds to make such payment. In addition, if Holdings does not have sufficient funds to make distributions, its ability to declare and pay cash dividends will also be restricted or impaired.

Under the Holdings LLC Agreement, Holdings will, from time to time, make distributions in cash to its equityholders (including Solo Brands, Inc.) *pro rata*, in amounts at least sufficient to cover the taxes on their allocable share of taxable income of Holdings (subject to the limitations and restrictions described above, including under the Revolving Credit Facility). As a result of (i) potential differences in the amount of net taxable income allocable to Solo Brands, Inc. and to Holdings' other equityholders, (ii) the lower tax rates currently applicable to corporations as opposed to individuals, and (iii) the favorable tax benefits that Solo Brands, Inc. anticipates from any purchase of LLC Interests from the Continuing LLC Owners in connection with the Transactions and future redemptions or exchanges of LLC Interests by the Continuing LLC Owners for Solo Brands, Inc. Class A common stock or cash pursuant to the Holdings LLC Agreement, tax distributions payable to Solo Brands, Inc. may be in amounts that exceed its actual tax liabilities with respect to the relevant taxable year, including its obligations under the Tax Receivable Agreement. Solo Brands, Inc.'s board of directors will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment of other expenses or dividends on Solo Brands, Inc.'s stock, although Solo Brands, Inc. will have no obligation to distribute such cash (or other available cash) to its stockholders.

Except as otherwise determined by Solo Brands, Inc. as the sole manager of Holdings, no adjustments to the exchange ratio for LLC Interests and corresponding shares of Solo Brands, Inc. Class A common stock will be made as a result of any cash distribution by Solo Brands, Inc. or any retention of cash by Solo Brands, Inc. To the extent Solo Brands, Inc. does not distribute such excess cash as dividends on its Solo Brands, Inc. Class A common stock, it may take other actions with respect to such excess cash—for example, holding such excess cash or lending it (or a portion thereof) to Holdings, which may result in shares of Solo Brands, Inc. Class A common stock increasing in value relative to the value of LLC Interests. The Continuing LLC Owners may benefit from any value attributable to such cash balances if they acquire shares of Solo Brands, Inc. Class A common stock in exchange for their LLC Interests, notwithstanding that such holders may previously have participated as holders of LLC Interests in distributions by Holdings that resulted in such excess cash balances.

The Tax Receivable Agreement requires Solo Brands, Inc. to make cash payments to the Continuing LLC Owners in respect of certain tax benefits to which Solo Brands, Inc. may become entitled, and no such payments will be made to any holders of Solo Brands, Inc. Class A common stock unless such holders are also Continuing LLC Owners. The payments Solo Brands, Inc. will be required to make under the Tax Receivable Agreement may be substantial.

Solo Brands, Inc. is a party to the Tax Receivable Agreement with the Continuing LLC Owners and Holdings. Under the Tax Receivable Agreement, Solo Brands, Inc. generally will be required to make cash payments to the Continuing LLC Owners equal to 85% of the tax benefits, if any, that Solo Brands, Inc. actually realizes, or in certain circumstances is deemed to realize, as a result of (1) increases in Solo Brands, Inc.'s proportionate share of the tax basis of the assets of Holdings resulting from (a) any future redemptions or exchanges of LLC Interests by the Continuing LLC Owners for Solo Brands, Inc. Class A common stock or cash pursuant to the Holdings LLC Agreement, or (b) certain distributions (or deemed distributions) by Holdings and (2) certain other tax benefits arising from payments under the Tax Receivable Agreement. No such payments will be made to any holders of Solo Brands, Inc. Class A common stock unless such holders are also Continuing LLC Owners.

The amount of the cash payments that Solo Brands, Inc. will be required to make under the Tax Receivable Agreement may be substantial. Assuming no material changes in the relevant tax law, that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement and that all Continuing LLC Owners exchanged their common units for Class A common stock, we would recognize an incremental deferred tax asset of approximately $144.4 million and a related liability for payments under the Tax Receivable Agreement of approximately $122.7 million based on our estimate of the aggregate amount that we will pay under the Tax Receivable Agreement as a result of such future exchanges. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us and tax receivable agreement payments by us will be determined in part by reference to the market value of our Class A common stock at the time of the sale and the prevailing tax rates applicable to us over the life of the tax receivable agreement and will generally be dependent on us generating sufficient future taxable income to realize the benefit. Payments under the Tax Receivable Agreement are not conditioned on the Continuing LLC Owners' ownership of our shares. Any payments made by Solo Brands, Inc. to the Continuing LLC Owners under the Tax Receivable Agreement will not be available for reinvestment in the business and will generally reduce the amount of cash that might have otherwise been available to Solo Brands, Inc. and its subsidiaries. To the extent Solo Brands, Inc. is unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Furthermore, Solo Brands, Inc.'s future obligations to make payments under the Tax Receivable Agreement could make Solo Brands, Inc. and its subsidiaries a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement.

The actual amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors, including the timing of redemptions or exchanges by the Continuing LLC Owners, the price of shares of Solo Brands, Inc. Class A common stock at the time of any exchange, the extent to which such exchanges are taxable, the amount of gain recognized by the Continuing LLC Owners, the amount and timing of the taxable income Holdings generates in the future, and the tax rates and laws then applicable. Our organizational structure, including the Tax Receivable Agreement, confers certain tax benefits upon the Continuing LLC Owners that may not benefit Class A Common Stockholders to the same extent as they will benefit the Continuing LLC Owners.

Our organizational structure, including the Tax Receivable Agreement, confers certain tax benefits upon the Continuing LLC Owners that may not benefit the holders of our Class A common stock to the same extent as they will benefit the Continuing LLC Owners. The Tax Receivable Agreement provides for our payment to the Continuing LLC Owners of 85% of the amount of tax benefits, if any, that we actually realize (or in some circumstances are deemed to realize) as a result of (i) increases in the tax basis of assets of Holdings resulting from (a) any future redemptions or exchanges of LLC Interests, and (b) certain distributions (or deemed distributions) by Holdings and (ii) certain other tax benefits arising from payments under the Tax Receivable Agreement. Although Solo Brands, Inc. will retain 15% of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock.

In certain cases, future payments under the Tax Receivable Agreement to the Continuing LLC Owners may be accelerated or significantly exceed the actual benefits Solo Brands, Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement.

The Tax Receivable Agreement provides that if (i) Solo Brands, Inc. materially breaches any of its material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur, or (iii) Solo Brands, Inc. elects an early termination of the Tax Receivable Agreement, then Solo Brands, Inc.'s future obligations, or its successor's future obligations, under the Tax Receivable Agreement to make payments thereunder would accelerate and become due and payable, based on certain assumptions, including an assumption that Solo Brands, Inc. would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement, and an assumption that, as of the effective date of the acceleration, any Continuing LLC Owner that has LLC Interests not yet exchanged shall be deemed to have exchanged such LLC Interests on such date, even if Solo Brands, Inc. does not receive the corresponding tax benefits until a later date when the LLC Interests are actually exchanged.

As a result of the foregoing, Solo Brands, Inc. would be required to make an immediate cash payment equal to the estimated present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, based on certain assumptions, which payment may be made significantly in advance of the actual realization, if any, of those future tax benefits and, therefore, Solo Brands, Inc. could be required to make payments under the Tax Receivable Agreement that are greater than the specified percentage of the actual tax benefits it ultimately realizes. In addition, to the extent that Solo Brands, Inc. is unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Solo Brands, Inc.'s failure to make any payment required under the Tax Receivable Agreement (including any accrued and unpaid interest) within 60 calendar days of the date on which the payment is required to be made will constitute a material breach of a material obligation under the Tax Receivable Agreement, which will terminate the Tax Receivable Agreement and accelerate future payments thereunder, unless the applicable payment is not made because (i) Holdings is prohibited from making such payment under the terms of the Tax Receivable Agreement or the terms governing certain of its indebtedness or (ii) Holdings does not have, and despite using commercially reasonable efforts cannot obtain, sufficient funds to make such payment. In these situations, Solo Brands, Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative impact on Solo Brands, Inc.'s liquidity and could have the effect of delaying, deferring, or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. There can be no assurance that Holdings will be able to fund or finance Solo Brands, Inc.'s obligations under the Tax Receivable Agreement.

Solo Brands, Inc. will not be reimbursed for any payments made to the Continuing LLC Owners under the Tax Receivable Agreement in the event that any tax benefits are disallowed.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that Solo Brands, Inc. determines, and the IRS or another tax authority may challenge all or part of the tax basis increases or other tax benefits Solo Brands, Inc. claims, as well as other related tax positions it takes, and a court could sustain any such challenge. If the outcome of any such challenge would reasonably be expected to materially and adversely affect a recipient's payments under the Tax Receivable Agreement, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of certain representatives of the Continuing LLC Owners. The interests of such representatives of the Continuing LLC Owners in any such challenge may differ from or conflict with our interests and your interests, and they may exercise their consent rights relating to any such challenge in a manner adverse to our interests. In addition, Solo Brands, Inc. will not be reimbursed for any cash payments previously made to the Continuing LLC Owners under the Tax Receivable Agreement in the event that any tax benefits initially claimed by Solo Brands, Inc. and for which payment has been made to the Continuing LLC Owners are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by Solo Brands, Inc. to the Continuing LLC Owners will be netted against any future cash payments that Solo Brands, Inc. might otherwise be required to make to the Continuing LLC Owners under the terms of the Tax Receivable Agreement. However, Solo Brands, Inc. might not determine that it has effectively made an excess cash payment to the Continuing LLC Owners for a number of years following the initial time of such payment, and, if any of its tax reporting positions are challenged by a taxing authority, Solo Brands, Inc. will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments Solo Brands, Inc. previously made under the Tax Receivable Agreement could be greater than the amount of future cash payments against which Solo Brands, Inc. would otherwise be permitted to net such excess. The applicable U.S. federal income tax rules for determining applicable tax benefits Solo Brands, Inc. claims are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with Solo Brands, Inc.'s tax reporting positions. As a result, payments could be made under the Tax Receivable Agreement in excess of the tax savings that Solo Brands, Inc. actually realizes in respect of the tax attributes with respect to the Continuing LLC Owners that are the subject of the Tax Receivable Agreement.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results of operations and financial condition.

We are subject to taxes by the U.S. federal, state, local and foreign tax authorities, and our tax liabilities will be affected by the allocation of expenses to differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of equity-based compensation;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal, state, local and foreign taxing authorities. Outcomes from these audits could adversely affect our business, results of operations and financial condition.

Additionally, tax authorities at the foreign, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in e-commerce. New or revised foreign, federal, state or local tax regulations or court decisions may subject us or our customers to additional sales, income and other taxes. There is also uncertainty over sales tax liability as a result of the U.S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.*, which held that states could impose sales tax collection obligations on out-of-state sellers even if those sellers lack any physical presence within the states imposing the sales taxes. Under *Wayfair*, a person requires only a "substantial nexus" with the taxing state before the state may subject the person to sales tax collection obligations therein. An increasing number of states (both before and after the publication of *Wayfair*) have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state sellers. The Supreme Court's *Wayfair* decision has removed a significant impediment to the enactment and enforcement of these laws. While we do not expect the Court's decision to have a significant impact on our business, other new or revised taxes and, in particular, sales taxes, VAT and similar taxes could increase the cost of doing business online and decrease the attractiveness of selling products over the internet. New taxes and rulings could also create significant increases in internal costs necessary to capture data and collect and remit taxes.

If we were deemed to be an investment company under the Investment Company Act of 1940, as amended, or the 1940 Act, as a result of our ownership of Holdings, applicable restrictions could make it impractical for us to continue our business as contemplated and could adversely affect our business, results of operations and financial condition.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act.

As the sole managing member of Holdings, we control and operate Holdings. On that basis, we believe that our interest in Holdings is not an "investment security" as that term is used in the 1940 Act. However, if we were to cease participation in the management of Holdings, our interest in Holdings could be deemed an "investment security" for purposes of the 1940 Act.

We and Holdings intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could adversely affect our business, results of operations and financial condition.

Solo Brands, Inc. is controlled by the Original LLC Owners, whose interests may differ from those of our public stockholders.

The Original LLC Owners control approximately 84.13% of the combined voting power of our common stock through their ownership of both Class A common stock and Class B common stock. The Original LLC Owners will, for the foreseeable future, have the ability to substantially influence us through their ownership position over corporate management and affairs, and will be able to control virtually all matters requiring stockholder approval. The Original LLC Owners are able to, subject to applicable law, and the voting arrangements described in the Prospectus, elect a majority of the members of our board of directors and control actions to be taken by us and our board of directors, including amendments to our certificate of incorporation and bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets. The directors so elected will have the authority, subject to the terms of our indebtedness and applicable rules and regulations, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. It is possible that the interests of the Original LLC Owners may in some circumstances conflict with our interests and the interests of our other stockholders, including you. For example, the Continuing LLC Owners may have different tax positions from us, especially in light of the Tax Receivable Agreement that could influence our decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, and whether and when Solo Brands, Inc. should terminate the Tax Receivable Agreement and accelerate its obligations thereunder. In addition, the determination of future tax reporting positions and the structuring of future transactions may take into consideration the Continuing LLC Owners' tax or other considerations, which may differ from the considerations of us or our other stockholders.

Risks Related to Ownership of our Class A Common Stock

Failure to establish and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could adversely affect our business and stock price.

As a public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal controls over financial reporting. Though we are required to disclose changes made in our internal controls and procedures on a quarterly basis, we are not required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. However, as an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

To comply with the requirements of being a public company, we have undertaken various actions, and may need to take additional actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. Additionally, when evaluating our internal controls over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal controls over financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal controls over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting once we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

We will incur increased costs as a result of becoming a public company and in the administration of our organizational structure.

As a public company, we will incur significant legal, accounting, insurance and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act and related rules implemented by the SEC. We incur ongoing periodic expenses in connection with the administration of our organizational structure. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. In estimating these costs, we took into account expenses related to insurance, legal, accounting, and compliance activities, as well as other expenses not currently incurred. These laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

The Continuing LLC Owners have the right to have their LLC Interests redeemed pursuant to the terms of the Holdings LLC Agreement, which may dilute the owners of the Class A common stock.

We have an aggregate of 411,602,365 shares of Class A common stock authorized but unissued, including approximately 33,416,783 shares of Class B common stock issuable upon redemption of LLC Interests that are held by the Continuing LLC Owners and an additional 611,717 restricted stock units issued in conjunction with and after the IPO. In connection with the completion of our IPO, Holdings entered into the Holdings LLC Agreement and, subject to certain restrictions set forth therein and as described elsewhere in the Prospectus, the Continuing LLC Owners are entitled to have their LLC Interests redeemed for shares of our Class A common stock. We also to entered into the Registration Rights Agreement with the Original LLC Owners, certain of our other stockholders and Holdings pursuant to which the shares of Class A common stock issued to the Continuing LLC Owners upon redemption of their LLC Interests and the shares of Class A common stock issued to the Former LLC Owners in connection with the Transactions will be eligible for resale, subject to certain limitations set forth therein.

We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock may have on the market price of our Class A common stock. Sales or distributions of substantial amounts of our Class A common stock, including shares issued in connection with an acquisition, or the perception that such sales or distributions could occur, may cause the market price of our Class A common stock to decline.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our Class A common stock, the price of our Class A common stock could decline.

The trading market for our Class A common stock will rely in part on the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. A lack of adequate research coverage may harm the liquidity and trading price of our Class A common stock. To the extent equity research analysts do provide research coverage of our Class A common stock, we will not have any control over the content and opinions included in their reports. The trading price of our Class A common stock could decline if one or more equity research analysts downgrade our stock or publish other unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our Class A common stock could decrease, which in turn could cause our trading price or trading volume to decline.

We expect that the price of our Class A common stock will fluctuate substantially and you may not be able to sell the shares you purchase at or above your purchase price.

The market price of our Class A common stock has fluctuated and may be highly volatile and may fluctuate substantially due to many factors, including:

- the volume and timing of sales of our products;
- the introduction of new products or product enhancements by us or our competitors;
- disputes or other developments with respect to our or others' intellectual property rights;
- our ability to develop, obtain regulatory clearance or approval for, and market new and enhanced products on a timely basis;
- product liability claims or other litigation;
- quarterly variations in our growth, profitability or results of operations, or those of our competitors;
- media exposure of our products or our competitors;
- announcement or expectation of additional equity or debt financing efforts;
- additions or departures of key personnel;
- issuance of new or updated research or reports by securities analysts;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- changes in governmental regulations or in reimbursement;
- changes in earnings estimates or recommendations by securities analysts; and
- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors.

In recent years, the stock markets generally have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may significantly affect the market price of our Class A common stock, regardless of our actual operating performance.

In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Securities litigation brought against us following volatility in our stock price, regardless of the merit or ultimate results of such litigation, could result in substantial costs, which would hurt our financial condition and operating results and divert management's attention and resources from our business.

Substantial future, or the perception of future substantial sales, by us or our existing stockholders in the public markets could cause the market price of our Class A common stock to decline.

Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales = could occur, could adversely affect the price of our Class A common stock and could impair our ability to raise capital through the sale of additional shares.

As of November 30, 2021, we had a total of 63,397,635 shares of Class A common stock outstanding and 33,416,783 shares of Class B common stock that would be issuable upon redemption or exchange of LLC Interests authorized but unissued, as well as 611,717 restricted stock units issued in conjunction with and after the IPO. The shares of Class A common stock sold in the IPO are freely tradable without restriction under the Securities Act, except for any shares of our common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

The remaining outstanding 48,558,927 shares of Class A common stock held by the Former LLC Owners are subject to certain restrictions on sale. All of our executive officers and directors and the Original LLC Owners agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any shares of common stock or securities convertible into or exchangeable for (including the LLC Interests), or that represent the right to receive, shares of common stock during the period from the date of our Prospectus continuing through the date 180 days after the date of our Prospectus, except with the prior written consent of the representatives on behalf of the underwriters.

Upon the completion of the IPO, we entered into the Registration Rights Agreement with the Original LLC Owners, certain of our other stockholders and Holdings pursuant to which the shares of Class A common stock issued upon redemption or exchange of LLC Interests held by the Continuing LLC Owners and the shares of Class A common stock issued to the Former LLC Owners in connection with the Reorganization Transactions will be eligible for resale, subject to certain limitations set forth therein.

In addition, any Class A common stock that we issue under the 2021 Incentive Award Plan, the 2021 Employee Stock Purchase Plan or other equity incentive plans that we may adopt in the future would dilute the percentage ownership held by the investors who purchase our Class A Common Stock.

In the future, we may also issue additional securities if we need to raise capital, which could constitute a material portion of our then-outstanding shares of common stock.

Taking advantage of the reduced disclosure requirements applicable to "emerging growth companies" may make our Class A common stock less attractive to investors.

The JOBS Act provides that, so long as a company qualifies as an "emerging growth company," it will, among other things:

- be exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that its independent registered public accounting firm provide an attestation report on the effectiveness of its internal control over financial reporting;
- be exempt from the "say on pay" and "say on golden parachute" advisory vote requirements of the Dodd-Frank Wall Street Reform and Customer Protection Act, or the Dodd-Frank Act;
- be exempt from certain disclosure requirements of the Dodd-Frank Act relating to compensation of its executive officers and be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Exchange Act; and
- be permitted to provide a reduced level of disclosure concerning executive compensation and be exempt from any rules that have been adopted by the Public Company Accounting Oversight Board requiring a supplement to the auditor's report on the financial statements or that may be adopted requiring mandatory audit firm rotations.

We are an "emerging growth company," as defined in the JOBS Act, and we could be an emerging growth company for up to five years following the completion of the IPO. For as long as we continue to be an emerging growth company, we may choose to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies. We currently intend to take advantage of the reduced disclosure requirements regarding executive compensation. We have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 107(b) of the JOBS Act. We could be an emerging growth company for up to five years after the completion of the IPO and will continue to be an emerging growth company unless our total annual gross revenues are $1.07 billion or more, we have issued more than $1 billion in non-convertible debt in the past three years or we become a "large accelerated filer" as defined in the Exchange Act. If we remain an "emerging growth company" after IPO, we may take advantage of other exemptions, including the exemptions from the advisory vote requirements and executive compensation disclosures under the Dodd-Frank Act and the exemption from the provisions of Section 404(b) of the Sarbanes-Oxley Act. We cannot predict if investors will find our Class A common stock less attractive if we elect to rely on these exemptions, or if taking advantage of these exemptions would result in less active trading or more volatility in the price of our Class A common stock. Also, as a result of our intention to take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us as long as we qualify as an "emerging growth company," our financial statements may not be comparable to those of companies that fully comply with regulatory and reporting requirements upon the public company effective dates.

We do not currently expect to pay any cash dividends.

We do not anticipate declaring or paying any cash dividends to holders of our Class A common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance our growth. Any determination to pay cash dividends in the future will be at the sole discretion of our board of directors, subject to limitations under applicable law and may be discontinued at any time. In addition, our ability to pay cash dividends is currently restricted by the terms of our Revolving Credit Facility. Therefore, you are not likely to receive any dividends on your Class A common stock for the foreseeable future, and the success of an investment in our Class A common stock will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Our Class A common stock may not appreciate in value or even maintain the price at which our stockholders have purchased our Class A common stock. Investors seeking cash dividends should not purchase our Class A common stock.

In addition, our operations are currently conducted entirely through Holdings and its subsidiaries and our ability to generate cash to meet our debt service obligations or to make future dividend payments, if any, is highly dependent on the earnings and the receipt of funds from Holdings and its subsidiaries via dividends or intercompany loans.

Our amended and restated certificate of incorporation contains provisions renouncing our interest and expectation to participate in certain corporate opportunities identified or presented to certain of our Original LLC Owners.

Certain of the Original LLC Owners are in the business of making or advising on investments in companies and these Original LLC owners may hold, and may, from time to time in the future, acquire interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or the business of our suppliers. Our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, none of the Original LLC Owners or any director who is not employed by us or his or her affiliates will have any duty to refrain from engaging in a corporate opportunity in the same or similar lines of business as us. The Original LLC Owners may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. As a result, these arrangements could adversely affect our business, results of operations, financial condition or prospects if attractive business opportunities are allocated to any of the Original LLC Owners instead of to us.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our board of directors has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and depress the market price of our common stock.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Among others, our amended and restated certificate of incorporation and amended and restated bylaws include the following provisions:

- authorizing the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- establishing a classified board of directors so that not all members of our board of directors are elected at one time;
- the removal of directors only for cause;
- prohibiting the use of cumulative voting for the election of directors;
- limiting the ability of stockholders to call special meetings or amend our bylaws;
- requiring all stockholder actions to be taken at a meeting of our stockholders; and
- establishing advance notice and duration of ownership requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, or the DGCL, which prevents interested stockholders, such as certain stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the board approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned 85% of the common stock or (iii) following board approval, the business combination receives the approval of the holders of at least two-thirds of our outstanding common stock not held by such interested stockholder. Because we have "opted out" of Section 203 of the DGCL in our amended and restated certificate of incorporation, the statute will not apply to business combinations involving us.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees, or stockholders to us or our stockholders;
- any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation and bylaws; and
- any action asserting a claim governed by the internal affairs doctrine.

Furthermore, our amended and restated certificate of incorporation also provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, these provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. In addition, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. To the extent the exclusive forum provision restricts the courts in which claims arising under the Securities Act may be brought, there is uncertainty as to whether a court would enforce such a provision. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Any person purchasing or otherwise acquiring or holding any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds more favorable for disputes with us or with our directors, officers, other employees or agents, or our other stockholders, which may discourage such lawsuits against us and such other persons, or may result in additional expense to a stockholder seeking to bring a claim against us. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, results of operations and financial condition.

General Risk Factors

We may become involved in legal or regulatory proceedings and audits.

Our business requires compliance with many laws and regulations, including labor and employment, sales and other taxes, customs, data privacy, data security, and consumer protection laws and ordinances that regulate retailers generally and/or govern the importation, promotion, and sale of merchandise, and the operation of e-commerce and warehouse facilities. Failure to comply with these laws and regulations could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines, and penalties. We may become involved in a number of legal proceedings and audits, including government and agency investigations, and consumer, employment, tort, and other litigation. The outcome of some of these legal proceedings, audits, and other contingencies could require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition and results of operations. Additionally, we may pursue legal action of our own to protect our business interests. Prosecuting or defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management's attention and resources, harming our business, financial condition, and results of operations. Any pending or future legal or regulatory proceedings and audits could harm our business, financial condition, and results of operations.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Securities Exchange Act of 1934. We are designing our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures, no matter how well-conceived and operated, can provide reasonable, but not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by individuals or groups of persons or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements in our public reports due to error or fraud may occur and not be detected.

Our business is subject to the risk of earthquakes, fire, power outages, floods, and other catastrophic events, and to interruption by problems such as terrorism, cyberattacks, or failure of key information technology systems.

Our business is vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, criminal acts, and similar events. For example, a significant natural disaster, such as an earthquake, fire, or flood, could harm our business, results of operations, and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Our corporate offices and primary distribution center is located in Texas, a state that frequently experiences floods and storms. In addition, the facilities of our suppliers and where our manufacturers produce our products are located in parts of Asia that frequently experience typhoons and earthquakes. Acts of terrorism and public health crises, such as the COVID-19 pandemic (or other future pandemics or epidemics), could also cause disruptions in our or our suppliers', manufacturers', and logistics providers' businesses or the economy as a whole. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting Texas or other locations where we have operations or store significant inventory. Our servers and those belonging to our vendors may also be vulnerable to computer viruses, criminal acts, denial-of-service attacks, ransomware, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, or loss of critical data. As we rely heavily on our information technology and communications systems and the Internet to conduct our business and provide high-quality customer service, these disruptions could harm our ability to run our business and either directly or indirectly disrupt our suppliers' or manufacturers' businesses, which could harm our business, results of operations, and financial condition.

Changes in applicable tax regulations or in their implementation could negatively affect our business and financial results.

Changes in tax law may adversely affect our business or financial condition. On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act, or the 2017 Tax Act, which significantly reformed the Internal Revenue Code of 1986, as amended. A growing portion of our earnings are earned from sales outside the United States. Changes to the taxation of certain foreign earnings resulting from the 2017 Tax Act, along with the state tax impact of these changes and potential future cash distributions, may have an adverse effect on our effective tax rate. Furthermore, changes to the taxation of undistributed foreign earnings could change our future intentions regarding reinvestment of such earnings. Although the accounting for the impact of the 2017 Tax Act has been completed, we are continuing to monitor ongoing changes and ruling updates to the 2017 Tax Act. There can be no assurance that further changes in the 2017 Tax Act will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations.

As part of Congress's response to the COVID-19 pandemic, the Families First Coronavirus Response Act, commonly referred to as the FFCR Act, was enacted on March 18, 2020, and the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act, was enacted on March 27, 2020. Both contain numerous tax provisions. Regulatory guidance under the 2017 Tax Act, the FFCR Act and the CARES Act is and continues to be forthcoming, and such guidance could ultimately increase or lessen impact of these laws on our business and financial condition. It is also possible that Congress could enact additional legislation in connection with the COVID-19 pandemic, some of which could have an impact on our Company. In addition, it is uncertain if and to what extent various states will conform to the 2017 Tax Act, the FFCR Act or the CARES Act.

In addition, the U.S. government, state governments, and foreign jurisdictions may enact significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate and the imposition of minimum taxes. The likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or change significantly, our results of operations could be harmed.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, and related notes included elsewhere in this prospectus. These estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity and the amount of sales and expenses that are not readily apparent from other sources. Our results of operations may be harmed if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, and could result in a decline in our stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sale of Equity Securities

There were no sales of unregistered securities from July 1, 2021 through September 30, 2021.

Use of Proceeds from our IPO

On October 28, 2021, we completed our initial public offer (the "IPO"), in which we issued and sold 12,903,225 shares of our Class A Common Stock at a price to the public of $17.00 per share. We raised net proceeds of $200.5 million, after deducting the underwriting discount and commissions of $15.4 million and additional offering costs. All shares sold were registered pursuant to a registration statement on Form S-1 (File No. 333-260026), as amended (the "Registration Statement"), declared effective by the SEC on October 27, 2021. BofA Securities, Inc., J.P. Morgan Securities LLC and Jefferies LLC acted as representatives of the underwriters for the offering. The offering terminated after the sale of all securities registered pursuant to the Registration Statement. There has been no material change in the use of proceeds from our IPO as described in the Prospectus.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Solo Brands, Inc.	S-8	333-260826	4.1	11/5/2021	
3.2	Amended and Restated Bylaws of Solo Brands, Inc.	S-8	333-260826	4.2	11/5/2021	
4.1	Specimen Stock Certificate evidencing the shares of Class A Common Stock	S-1/A	333-260026	4.1	10/25/2021	
4.2	Stockholders Agreement					*
4.3	Registration Rights Agreement					*
10.1	Tax Receivable Agreement					*
10.2	Amended and Restated Limited Liability Company Agreement of Solo Stove Holdings, LLC					*
10.3	Amendment No. 2, dated as of September 1, 2021, to Credit Agreement, dated as of May 12, 2021, among Solo DTC Brands, LLC (f/k/a Frontline Advance LLC), JPMorgan Chase Bank, N.A., as Lead Arranger, L/C Issuer, Lender, Administrative Agent and Collateral Agent, and the Lenders and L/C Issuers party thereto	S-1/A	333-260026	10.8	10/25/2021	
10.4	Form of Indemnification Agreement by and between Solo Brands, Inc. and its directors and executive officers	S-1/A	333-260026	10.9	10/25/2021	
10.5	Form of Solo Stove Holdings, LLC and SS Management Aggregator, LLC Incentive Equity Agreement	S-1/A	333-260026	10.10	10/25/2021	
10.6	Form of Amendment to Solo Stove Holdings, LLC and SS Management Aggregator, LLC Incentive Equity Agreement	S-1/A	333-260026	10.11	10/25/2021	
10.7	Solo Brands, Inc. 2021 Incentive Award Plan.	S-1/A	333-260026	10.12	10/25/2021	
10.8	Form of Stock Option Agreement under the Solo Brands, Inc. 2021 Incentive Award Plan.	S-1/A	333-260026	10.13	10/25/2021	
10.9	Form of Restricted Stock Unit Agreement under the Solo Brands, Inc. 2021 Incentive Award Plan	S-1/A	333-260026	10.14	10/25/2021	
10.10	Form of Restricted Stock Agreement under the Solo Brands, Inc. 2021 Incentive Award Plan	S-1/A	333-260026	10.15	10/25/2021	
10.11	Form of Restricted Stock Unit Agreement (Non-Employee Director) under the Solo Brands, Inc. 2021 Incentive Award Plan	S-1/A	333-260026	10.16	10/25/2021	
10.12	Solo Brands, Inc. 2021 Employee Stock Purchase Plan	S-1/A	333-260026	10.17	10/25/2021	
10.13	Employment Agreement, dated as of September 1, 2021, by and between Solo DTC Brands, LLC and Kyle Hency	S-1/A	333-260026	10.23	10/25/2021	
10.14	Employment Agreement, dated as of September 1, 2021, by and between Solo DTC Brands, LLC and Thomas Montgomery	S-1/A	333-260026	10.24	10/25/2021	
10.15	Employment Agreement, dated as of September 1, 2021, by and between Solo DTC Brands, LLC and William Rainer Castillo	S-1/A	333-260026	10.25	10/25/2021	
10.16	Board Letter, dated as of October 1, 2021, by and between Solo Brands and Andrea Tarbox	S-1/A	333-260026	10.26	10/25/2021	
10.17	Board Letter, dated as of October 1, 2021, by and between Solo Brands and Julia Brown	S-1/A	333-260026	10.27	10/25/2021	
10.18	Board Letter, dated as of October 1, 2021, by and between Solo Brands and Marc Randolph	S-1/A	333-260026	10.28	10/25/2021	
10.19	Non-Employee Director Compensation Policy	S-1/A	333-260026	10.29	10/25/2021	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*

31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).	*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

** Furnished herewith.

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, thereunto duly authorized, on the date set forth below.

Solo Brands, Inc.

Date: December 9, 2021

By: /s/ John Merris
John Merris
President and Chief Executive Officer
(Principal Executive Officer)

Date: December 9, 2021

By: /s/ Samuel Simmons
Samuel Simmons
Chief Financial Officer
(Principal Financial Officer)

STOCKHOLDERS AGREEMENT OF
SOLO BRANDS, INC.

THIS STOCKHOLDERS AGREEMENT, dated as of October 27, 2021 (as it may be amended, amended and restated or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"), is entered into by and among Solo Brands, Inc., a Delaware corporation (the "Corporation") and the parties listed hereto on Schedule I (each, a "Summit Party" and collectively, the "Summit Parties") and certain equity holders of the Corporation set forth on Schedule II (the "Other Stockholders"). Certain terms used in this Agreement are defined in Section 7. The Summit Investors and the Other Stockholders are collectively referred to herein as the "Stockholders" and individually as a "Stockholder."

RECITALS

WHEREAS, each Summit Party owns, directly or indirectly, outstanding limited liability company interests in Solo Stove Holdings, LLC, a Delaware limited liability company ("Solo Stove LLC"), which limited liability company interests constitute and are defined as "Common Units" pursuant to the Amended and Restated Limited Liability Company Agreement of Solo Stove LLC, dated as of October 27, 2021, as such agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time (the "LLC Agreement" and such limited liability company interests, the "Common Units"), which LLC Agreement amended and restated that certain Limited Liability Company Agreement of Solo Stove LLC, dated as of October 9, 2020 (the "Prior LLC Agreement");

WHEREAS, certain Executive Stockholders are party to that certain Amended and Restated Limited Liability Company Agreement of SP SS Blocker Parent, LLC, a Delaware limited liability company ("Blocker"), dated October 9, 2020 (the "Blocker LLC Agreement");

WHEREAS, certain Stockholders are party to that certain Limited Liability Company Agreement of SS Management Aggregator, LLC (the "Aggregator"), dated October 9, 2020 (the "Aggregator LLC Agreement");

WHEREAS, the Corporation is contemplating an offering and sale of the shares of Class A common stock, par value $0.001 per share, of the Corporation (the "Class A Common Stock") in an underwritten initial public offering (the "IPO") and using a portion of the net proceeds received from the IPO to purchase Common Units;

WHEREAS, pursuant to that certain Common Unit Subscription Agreement by and between the Corporation and Solo Stove LLC, dated as of October 27, 2021 (the "Common Unit Subscription Agreement"), the Corporation will hold Common Units;

WHEREAS, upon consummation of the transactions contemplated by the Common Unit Subscription Agreement, it is contemplated that the Corporation will be admitted as a member, and appointed as the sole managing member of Solo Stove LLC;

WHEREAS, in connection with, and prior to, the consummation of the IPO, it is anticipated that the Summit Parties, the Corporation and certain of their respective affiliates will enter into a series of related transactions pursuant to which the Summit Parties will become holders of the Corporation's Class B Common Stock, par value $0.001 per share (the "Class B Common Stock");

WHEREAS, in connection with the IPO, certain of the Stockholders are eligible to exchange their equity securities in Holdings or Aggregator, as applicable, for shares of Class A Common Stock of the Corporation pursuant to the terms of the LLC Agreement;

WHEREAS, the Corporation and the Stockholders are entering into this Agreement to, among other things, continue certain of the covenants, obligations and agreements currently set forth in Article IX of the Prior LLC Agreement, Article IX of the Aggregator LLC Agreement, and Article VII of the Blocker

LLC Agreement, regarding the sale of shares of Common Stock of the Corporation held by Other Holders (as defined below);

WHEREAS, immediately following the consummation of the IPO, the Summit Parties (together with any Permitted Transferees of the Summit Parties, in such capacity, the "Summit Related Parties") will be the record holders of shares of Class A Common Stock and Class B Common Stock; and

WHEREAS, in order to induce the Summit Parties (x) to approve the sale and issuance of Common Units by Solo Stove LLC to the Corporation and the appointment of the Corporation as the sole managing member of Solo Stove LLC in connection with the IPO and (y) to take such other actions as shall be necessary to effectuate the transactions contemplated by the IPO, the parties hereto desire to set forth their agreement with respect to the matters set forth herein in connection with their respective investments in the Corporation.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Summit Parties agree as follows:

Agreement

Section 1. Election of the Board of Directors.

(a) Subject to this Section 1(a), the Summit Parties shall be entitled to designate for nomination by the Corporation's board of directors (the "Board") in any applicable election up to that number of individuals, which, assuming all such individuals are successfully elected to the Board, when taken together with any incumbent Summit Director(s) not standing for election in such year, would result in there being four (4) Summit Directors on the Board, one of whom shall be designated as the Chairperson of the Board (unless the Summit Related Parties, in their sole discretion, designate a Director other than a nominee of the Summit Related Parties as the Chairperson of the Board). To the extent possible, the Summit Directors shall be apportioned among separate classes of the three (3) classes of Directors. The right of the Summit Related Parties to designate the Summit Directors as set forth in this Section 1(a) shall be subject to the following: (i) if at any time the Summit Related Parties Beneficially Own, directly or indirectly, in the aggregate less than thirty percent (30%) but at least twenty percent (20%) or more of the Original Amount, the Summit Related Parties shall only be entitled to designate two (2) individuals for nomination pursuant to the first sentence of this Section 1(a), and (ii) if at any time the Summit Related Parties Beneficially Own, directly or indirectly, in the aggregate less than twenty percent (20%) but at least five percent (5%) or more of the Original Amount, the Summit Related Parties shall only be entitled to designate one (1) individual for nomination pursuant to the first sentence of this Section 1(a). The Summit Related Parties shall not be entitled to designate any individuals for nomination pursuant to the first sentence of this Section 1(a) in accordance with this Section 1(a) if at any time the Summit Related Parties Beneficially Own, directly or indirectly, in the aggregate less than five percent (5%) of the Original Amount.

(b) At any time the Summit Related Parties shall be entitled to nomination rights under this Agreement, the Corporation shall not increase or decrease the number of Directors serving on the Board without the prior written consent of the Summit Related Parties.

(c) Subject to Section 1(a), the Stockholders hereby agree to vote, or cause to be voted, all outstanding shares of Class A Common Stock and Class B Common Stock, as applicable, held by such Stockholder (or any of their respective Permitted Transferees) at any annual or special meeting of stockholders of the Corporation at which Directors of the Corporation are to be elected or removed, or to take all Necessary Action (including acting by consent) to cause the election or removal of the Summit Directors as a Director, as provided herein.

(d) For so long as the Summit Related Parties Beneficially Own, directly or indirectly, in the aggregate at least thirty percent (30%) of the Original Amount, the Summit Related Parties shall have the right to designate one member of each committee of the Board; provided, that any such designee shall be a Director and shall be eligible to serve on the applicable committee under applicable law or stock

exchange listing standards, including any applicable independence requirements (subject in each case to any applicable exceptions, including those for newly public companies and any applicable phase-in periods). Any additional committee members shall be determined by the Board.

Section 2. Vacancies and Replacements.

(a) No reduction in the number of shares of Common Stock that the Summit Related Parties Beneficially Owns shall shorten the term of any incumbent Director.

(b) The Summit Related Parties shall have the sole right to request that one or more of their designated Directors, as applicable, tender their resignations as Directors of the Board (each, a "Removal Right"), in each case, with or without cause at any time, by sending a written notice to such Director and the Corporation's Secretary stating the name of the Director or Directors whose resignation from the Board is requested (the "Removal Notice"). If the Director subject to such Removal Notice does not resign within thirty (30) days from receipt thereof by such Director, the Summit Related Parties, as holders of Class A Common Stock and Class B Common Stock, the Corporation and the Board, to the fullest extent permitted by law and, with respect to the Board, subject to its fiduciary duties to the Corporation's stockholders, shall thereafter take all Necessary Action, including voting in accordance with Section 1(c) to cause the removal of such Director from the Board.

(c) The Summit Related Parties shall have the exclusive right to designate a replacement Director for nomination or election by the Board to fill vacancies created as a result of not designating their Directors initially or by death, disability, retirement, resignation, removal (with or without cause) of their Directors, or otherwise by designating a successor for nomination or election by the Board to fill the vacancy of their Directors created thereby on the terms and subject to the conditions of Section 1.

Section 3. Initial Directors.

The initial Summit Directors pursuant to Section 1(a) shall be Matthew Guy-Hamilton (as a Class III Director) and Paul Furer (as a Class II Director).

Section 4. Restrictions on Transfer of Common Stock.

(a) General Restrictions on Transfer. Except as otherwise expressly provided in this Section 4 or a Transfer of Institutional Investor Registrable Securities (as defined in the Registration Agreement) that have been registered upon a request by the Institutional Investors pursuant to the Registration Agreement, an Other Holder may Transfer Other Holder Shares only at such time as a Summit Investor is also selling Common Stock in a Sale Transaction and then only up to a number of shares of Common Stock (a "Transfer Amount") equal to the product of (1) the aggregate number of Other Holder Shares held by such Other Holder immediately prior to such Sale Transaction (excluding for this purpose shares of Common Stock that are already transferable by such Other Holder as a result of one or more Transfer Amounts available to such Other Holder as a result of the application of the next occurring proviso below) multiplied by (2) a fraction, the numerator of which is the aggregate number of shares of Common Stock being sold by the Summit Investors in such Sale Transaction and the denominator of which is the total number of shares of Common Stock held by all Summit Investors immediately prior to such Sale Transaction; provided that, if at the time of any Sale Transaction by a Summit Investor (including as part of the IPO), an Other Holder chooses not to Transfer any Transfer Amount or is otherwise restricted from Transferring or not permitted to Transfer all or any portion of any Transfer Amount at such time (including as part of the IPO), such Other Holder shall retain the right to Transfer an aggregate number of shares of Common Stock equal to such prior Transfer Amount(s) not previously sold by such Other Holder. Upon the written request from time to time of any Other Holder, the Corporation shall inform such Other Holder of the number of shares of Common Stock that such Other Holder may transfer in reliance on this Section 4 subject to the terms and conditions hereof.

(b) Notification of Planned Sale Transactions. In the event that a Summit Investor plans to sell Common Stock in a Sale Transaction, such Summit Investor will notify the Corporation in writing as promptly as practicable in advance of such Sale Transaction, and the Corporation will, within three (3) days after receiving such notice from such Summit Investor, notify each Other Holder in writing of the

proposed Sale Transaction, which written notice shall set forth (i) such Other Holder's Transfer Amount as a result of such Sale Transaction and (ii) the number of shares of Common Stock, if any, that are already transferable by such Other Holder as a result of one or more Transfer Amounts available to such Other Holder as a result of the application of the proviso in the first sentence of Section 4(a).

(c) Permitted Transfers. The restrictions on transfer set forth in Section 4(a) shall not apply to any Transfer of Common Stock to a Permitted Transferee; provided that the restrictions contained in this Agreement will continue to be applicable to such Common Stock after any Transfer pursuant to this Section 4(c) and such Permitted Transferee shall agree to be a party to this Agreement on the same terms as the transferor and shall sign a joinder to this Agreement in form and substance reasonably acceptable to the Corporation and the Majority Summit Investors. At least fifteen (15) days prior to the Transfer of Common Stock pursuant to this Section 4(c), the transferee(s) will deliver a written notice to the Corporation, which notice shall disclose in reasonable detail the identity of such transferee(s).

(d) Applicability of Restrictions on Transfer. Notwithstanding anything in this Agreement to the contrary, the restrictions on transfer set forth in this Section 4 shall not apply to any shares of Common Stock acquired or received by a Stockholder after the closing of the IPO (other than pursuant to the LLC Agreement), except as a result of a stock split, dividend, or similar transaction on shares of Common Stock held as of the IPO.

(e) Registration Rights Agreement. Simultaneously herewith, the Corporation has entered into that certain Registration Agreement, of even date herewith, by and among the Summit Investors, the Bertram Investors, and certain other parties thereto (the "Registration Agreement"), and the certain Registration Agreement, dated October 9, 2020, by and among certain of the Summit Investors, the Bertram Investors, and certain other parties thereto is hereby terminated.

(f) Transfers in Violation of Agreement. Any Transfer or attempted Transfer of any Common Stock in violation of any provision of this Agreement shall be void, and the Corporation shall not record such Transfer on its books or treat any purported transferee of such Common Stock as the owner of such Common Stock for any purpose.

Section 5. Covenants of the Corporation and the Summit Related Parties.

(a) The Board and the Corporation agree to use their reasonable best efforts take all Necessary Action (subject to the Board's fiduciary duties) to (i) cause the Board to be comprised of at least six (6) Directors or such other number of Directors as the Board may determine, subject to the terms of this Agreement, the Charter or the Bylaws of the Corporation; (ii) cause the individuals designated in accordance with Section 1 to be included in the slate of nominees to be elected to the Board at the next annual or special meeting of stockholders of the Corporation at which Directors are to be elected, in accordance with the Bylaws, Charter and General Corporation Law of the State of Delaware and at each annual meeting of stockholders of the Corporation thereafter at which such Director's term expires; (iii) cause the individuals designated in accordance with Section 2(c) to fill the applicable vacancies on the Board, in accordance with the Bylaws, Charter, Securities Laws, General Corporation Law of the State of Delaware and the New York Stock Exchange rules; (iv) cause a Summit Director to be the Chairperson of the Board and (v) to adhere to, implement and enforce the provisions set forth in Section 4.

(b) The Summit Related Parties shall comply with the requirements of the Charter and Bylaws when designating and nominating individuals as Directors, in each case, to the extent such requirements are applicable to Directors generally. Notwithstanding anything to the contrary set forth herein, in the event that the Board determines, within sixty (60) days after compliance with the first sentence of this Section 5(b), in good faith, after consultation with outside legal counsel, that its nomination, appointment or election of a particular Director designated in accordance with Section 1 or Section 2, as applicable, would constitute a breach of its fiduciary duties to the Corporation's stockholders or does not otherwise comply with any requirements of the Charter, Bylaws or applicable Securities Laws, then the Board shall inform the Summit Related Parties of such determination in writing and explain in reasonable detail the basis for such determination and shall, to the fullest extent permitted by law, nominate, appoint or elect another individual designated for nomination, election or appointment

to the Board by the Summit Related Parties (subject to this Section 5(b)). The Board and the Corporation shall, to the fullest extent permitted by law, take all Necessary Action (subject to the Board's fiduciary duties) required by this Section 5 with respect to the nomination, appointment or election of such substitute designees to the Board.

(c) For so long as the Summit Related Parties are permitted to nominate a Summit Director, the Corporation agrees not to cause Solo Stove LLC to authorize or issue any additional classes of Equity Securities (as defined in the LLC Agreement) other than Common Units (as defined in the LLC Agreement) without the prior written consent of a majority of the Summit Directors then in office.

Section 6. Termination.

This Agreement shall terminate upon the earliest to occur of any one of the following events (each a "Stockholders Agreement Termination Event"):

(a) the Summit Related Parties ceasing to own any shares of Common Stock held as of the IPO;

(b) the four (4) year anniversary of the IPO; or

(c) the written consent of the Corporation and the Summit Majority.

Notwithstanding the foregoing, nothing in this Agreement shall modify, limit or otherwise affect, in any way, the rights of the Summit Related Parties set forth in Section 1 or any and all rights to indemnification, exculpation or contribution owed by any of the parties hereto, to the extent arising out of or relating to events occurring prior to the date of termination of this Agreement or the date the rights and obligations of such party under this Agreement terminates in accordance with this Section 6.

Section 7. Definitions.

As used in this Agreement, any term that it is not defined herein, shall have the following meanings:

"Affiliate" of any particular Person means (i) any other Person controlling, controlled by or under common control or common investment management with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, and such "control" shall be conclusively presumed if any Person owns 50% or more of the voting capital stock or other equity securities, directly or indirectly, of any other Person, (ii) if such Person is a partnership (including limited partnership) or limited liability company, any partner or member thereof and (iii) without limiting the foregoing and with respect only to the Summit Investors and the Bertram Investors, any investment fund controlled by, as applicable, Summit Partners, L.P. or of which Summit Partners, L.P. serves as investment adviser or any other Person controlled by a majority-in-interest of its direct and indirect partners and members, or Bertram Capital Management, LLC or of which Bertram Capital Management serves as investment adviser or any other Person controlled by a majority-in-interest of its direct and indirect partners and members.

"Beneficially Own" shall mean that a specified person has or shares the right, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, to vote shares of capital stock of the Corporation.

"Bertram Investors" shall mean collectively, Bertram Growth Capital III, L.P., a Delaware limited partnership, Bertram Growth Capital III-A, L.P., a Delaware limited partnership, and Bertram Growth Capital III Annex Fund, L.P., a Delaware limited partnership, any of their respective partners, members or Affiliates, and any of their respective Transferees or Affiliates of the foregoing which are stockholders of the Corporation or Member (as defined in the Prior LLC Agreement) of Solo Stove LLC, each Person for whom Bertram Capital Management, LLC or any of its Affiliates controls the voting or other exercise of

rights by such Person with respect to the Corporation or Solo Stove LLC, and their Permitted Transferees. Additionally, for so long as any of NB Crossroads Private Markets Fund V Holdings LP, NB Crossroads XXII-MC Holdings LP, NB Select Opps II MHF LP, or NB Gemini Fund LP or their Affiliates is a stockholder of the Corporation, Member (as defined in the Prior LLC Agreement) of Solo Stove LLC or a Member (as defined in the Blocker LLC Agreement) of Blocker, such Persons shall be deemed to be Bertram Investors for purposes of this Agreement. For the avoidance of doubt, the Bertram Investors are intended third party beneficiaries of this Agreement.

"Board" means the board of directors of the Corporation.

"Bylaws" means the amended and restated bylaws of the Corporation, dated as of the date hereof, as the same may be further amended, restated, amended and restated or otherwise modified from time to time.

"Charter" means the amended and restated certificate of incorporation of the Corporation, effective as of the date hereof, as the same may be further amended, restated, amended and restated or otherwise modified from time to time.

"Common Stock" means (i) shares of the Class A Common Stock, (ii) shares of Class B Common Stock, and (iii) all Underlying Class A Shares.

"Director" means a member of the Board.

"Estate Planning Vehicle" means, with respect to any Person that is a natural person, (a) a trust which is at all times controlled by such Person under which a distribution of such trust's Common Stock may be made only to beneficiaries who are such Person, his or her spouse, his or her parents or his or her lineal descendants, (b) a charitable remainder trust which is at all times controlled by such Person, the income from which will be paid to such Person during his or her life, (c) a corporation, the sole assets of which are Common Stock, and at all times the majority and controlling shareholder of which is only such Person and the remaining shareholders of which are either such Person or his or her spouse, his or her parents or his or her lineal descendants and (d) a partnership or limited liability company, the sole assets of which are Common Stock, and at all times the general partner or managing or majority member of which is only such Person, and the remaining partners or members of which are either such Person or his or her spouse, his or her parents or his or her lineal descendants.

"Executive" means any Person rendering services to the Corporation or any of its Subsidiaries as an officer, manager, employee or independent contractor; provided that no Summit Investor or Bertram Investor shall be an "Executive" hereunder; provided further that none of Jan Brothers Holdings, Inc., Jeff Jan or Spencer Jan shall be an "Executive" hereunder.

"Executive Stockholder" means any Stockholder who is or was an Executive or any Stockholder which has any direct or indirect stockholders, partners, trust grantors, beneficiaries, members or other owners who are or were Executives or Permitted Transferees of Executives.

"Family Group" means, as to any particular natural person, (i) such person's spouse and descendants (whether natural or adopted), (ii) any trust solely for the benefit of such person or such person's spouse or descendants or other trusts solely for the benefit of the foregoing and (iii) any partnerships, corporations or limited liability companies where the only partners, shareholders or members are such person or such person's spouse, descendants or trusts referred to in clause (ii) of this definition.

"Investor Affiliated Person" means, with respect to any Summit Investor or Bertram Investor, any current or former officer, employee, manager, director, (direct or indirect) member, (direct or indirect) partner or co-investor of any of the Summit Investors or any of the Bertram Investors, as applicable, or any current or former officer, employee, manager, director, (direct or indirect) member, (direct or indirect) partner or coinvestor of any affiliated investment fund, management entity or investment vehicle of, as applicable, any Summit Investor (including, for the avoidance of doubt, the admittance of new limited partners or transfers among limited partners of any investment fund or management entity

affiliated with Summit Partners, L.P.) or any Bertram Investor (including, for the avoidance of doubt, the admittance of new limited partners or transfers among limited partners of any investment fund or management entity affiliated with Bertram Capital Management, LLC), or any Affiliate or member of the Family Group of any of the foregoing.

"Majority Summit Investors" shall mean the Summit Investors holding a majority of the Common Stock held by all Summit Investors.

"Necessary Action" means, with respect to a specified result, all commercially reasonable actions required to cause such result that are within the power of a specified Person, including (i) voting or providing a consent or proxy with respect to the equity securities owned by the Person obligated to undertake the necessary action, (ii) causing any Director appointed or designated by, or affiliated with or employed by, such specified Person to vote in favor of or consent to the specified result, (iii) voting in favor of the adoption of stockholders' resolutions and amendments to the organizational documents of the Corporation, (iv) executing (or causing such Person's employees or representatives to execute) agreements and instruments, and (v) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result.

"Nominating and Corporate Governance Committee" means the nominating and corporate governance committee of the Board or any committee of the Board authorized to perform the function of recommending to the Board the nominees for election as Directors or nominating the nominees for election as Directors.

"Original Amount" means the aggregate number of shares of Class A Common Stock and Class B Common Stock outstanding upon completion of the IPO, as adjusted for any reorganization, recapitalization, stock dividend, stock split, reverse stock split or similar changes in the Corporation's capitalization.

"Other Holder" means an Other Stockholder and its Permitted Transferees.

"Other Holder Shares" means a number of shares of Common Stock equal to the shares of Common Stock held by an Other Holder as of the closing of the IPO (as adjusted for any stock split, dividend, or similar transaction).

"Permitted Transferees" means, (i) with respect to any Person who is an individual or a member of the Family Group of an individual, a member of such Person's Family Group, for so long as such Person remains a member of such Person's Family Group, (ii) with respect to any Person who is an individual, the executors, conservators and representatives of such Person in the event of the death or permanent disability of such Person, (iii) with respect to any Person that is an entity (other than any Executive Stockholder), any of such Person's controlled Affiliates (or Affiliates described in clause (iii) of the definition of Affiliates), and (iv) with respect to any Stockholder Entity, any Person that is a Stockholder Entity Holder, (v) with respect to any Summit Investor or Bertram Investor, any Investor Affiliated Person, or (vi) with respect to a natural person and for estate-planning purposes of such Member, an Estate Planning Vehicle of such Person.

"Person" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other entity or organization, including a government or any subdivision or agency thereof.

"Public Sale" means any sale of Common Stock (i) to the public pursuant to an offering registered under the Securities Act, and (ii) to the public pursuant to Rule 144 under the Securities Act (or any similar rule then in effect) effected through a broker, dealer or market maker.

"Sale Transaction" means a Public Sale or in any other transaction in which an Summit Investor Transfers shares of Common Stock to a party other than a Permitted Transferee.

"Securities Laws" means the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

"Stockholder Entity" means any Stockholder that is a corporation, limited liability company, partnership or other entity (other than any Summit Investor or Bertram Investor).

"Stockholder Entity Holders" means, collectively, each of the holders of Stockholder Entity Securities.

"Stockholder Entity Securities" means any outstanding equity securities or rights to acquire equity securities of any kind or outstanding indebtedness of any Stockholder Entity.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of membership, partnership or other similar ownership interest thereof or the power to elect or appoint a majority of the managers or governing body thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, and without limitation, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the sole, or a majority of the, managing director(s), managing member(s), manager(s), board of managers or general partner of such limited liability company, partnership, association or other business entity. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Corporation.

"Summit Director" means any Director who had initially been designated nomination by the Summit Related Parties in accordance with Section 1(a).

"Summit Investors" means Summit Parties and their Permitted Transferees.

"Transfer" means any direct or indirect sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or other direct or indirect disposition or encumbrance of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law) or the acts thereof or an offer or agreement to do the foregoing. The terms "Transferee," "Transferor," "Transferred," and other forms of the word "Transfer" shall have the correlative meanings. Notwithstanding the foregoing but subject to the next sentence, a transfer of any direct or indirect interest in an institutional investor that is a Stockholder or a direct or indirect owner of a Stockholder shall not constitute a "Transfer" for purposes of this Agreement. For the avoidance of doubt, a Transfer of any interest in any entity that is not an institutional investor that is a Stockholder or a direct or indirect owner of a Stockholder shall be deemed a Transfer for purposes of this Agreement.

"Underlying Class A Shares" means all shares of Class A Common Stock issuable upon redemption of Common Units (including under the LLC Agreement), assuming all such Common Units are redeemed for Class A Common Stock on a one-for-one basis.

Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (iv) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement; (v) the word "including" shall mean "including, without limitation"; (vi) each defined term has its defined meaning throughout this Agreement, whether the definition of such term appears before or after such term is used; and (vii) the word "or" shall be disjunctive but not exclusive. References to agreements and other documents shall be deemed to include all subsequent amendments and other modifications thereto. References to statutes shall include all regulations promulgated thereunder and

references to statutes or regulations shall be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation.

Section 8. Choice of Law and Venue; Waiver of Right to Jury Trial.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE. EACH OF THE PARTIES HERETO ACKNOWLEDGES AND AGREES THAT IN THE EVENT OF ANY BREACH OF THIS AGREEMENT, THE NON-BREACHING PARTY WOULD BE IRREPARABLY HARMED AND COULD NOT BE MADE WHOLE BY MONETARY DAMAGES, AND THAT, IN ADDITION TO ANY OTHER REMEDY TO WHICH THEY MAY BE ENTITLED AT LAW OR IN EQUITY, THE PARTIES SHALL BE ENTITLED TO SUCH EQUITABLE OR INJUNCTIVE RELIEF AS MAY BE APPROPRIATE. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT OF ANY JUDGMENT OF A DELAWARE FEDERAL OR STATE COURT, OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE SUCH A JUDGMENT, IN ANY OTHER APPROPRIATE JURISDICTION.

(b) IN THE EVENT ANY PARTY TO THIS AGREEMENT COMMENCES ANY LITIGATION, PROCEEDING OR OTHER LEGAL ACTION IN CONNECTION WITH OR RELATING TO THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY MATTERS DESCRIBED OR CONTEMPLATED HEREIN OR THEREIN, THE PARTIES TO THIS AGREEMENT HEREBY (1) AGREE UNDER ALL CIRCUMSTANCES ABSOLUTELY AND IRREVOCABLY TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE, OR IF (AND ONLY IF) SUCH COURT FINDS IT LACKS SUBJECT MATTER JURISDICTION, THE SUPERIOR COURT OF THE STATE OF DELAWARE (COMPLEX COMMERCIAL DIVISION), OR IF UNDER APPLICABLE LAW, SUBJECT MATTER JURISDICTION OVER THE MATTER THAT IS THE SUBJECT OF THE ACTION OR PROCEEDING IS VESTED EXCLUSIVELY IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND APPELLATE COURTS FROM ANY THEREOF, WITH RESPECT TO ALL ACTIONS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY; (2) AGREE THAT IN THE EVENT OF ANY SUCH LITIGATION, PROCEEDING OR ACTION, SUCH PARTIES WILL CONSENT AND SUBMIT TO THE PERSONAL JURISDICTION OF ANY SUCH COURT DESCRIBED IN CLAUSE (1) OF THIS SECTION 8(B) AND TO SERVICE OF PROCESS UPON THEM IN ACCORDANCE WITH THE RULES AND STATUTES GOVERNING SERVICE OF PROCESS; (3) AGREE TO WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH LITIGATION, PROCEEDING OR ACTION IN ANY SUCH COURT OR THAT ANY SUCH LITIGATION, PROCEEDING OR ACTION WAS BROUGHT IN ANY INCONVENIENT FORUM; (4) AGREE TO WAIVE ANY RIGHTS TO A JURY TRIAL TO RESOLVE ANY DISPUTES OR CLAIMS RELATING TO THIS AGREEMENT; (5) AGREE TO SERVICE OF PROCESS IN ANY LEGAL PROCEEDING BY MAILING OF COPIES THEREOF TO SUCH PARTY AT ITS ADDRESS SET FORTH HEREIN FOR COMMUNICATIONS TO SUCH PARTY; (6) AGREE THAT ANY SERVICE MADE AS PROVIDED HEREIN SHALL BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (7) AGREE THAT NOTHING HEREIN SHALL AFFECT THE RIGHTS OF ANY PARTY TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 9. Remedies.

The Corporation and the Stockholders shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages alone would not be an adequate remedy for any breach of the provisions of this Agreement and that the Corporation or any Stockholder may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without posting a

bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement either as an exclusive remedy or in combination with claims for monetary damages.

Section 10. Notices.

Any notice, request, claim, demand, document and other communication hereunder to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by electronic mail, or by first class mail, or by Federal Express or other similar courier or other similar means of communication, as follows:

(a) If to the Summit Parties, addressed as follows:

c/o Summit Partners, L.P.
222 Berkeley Street, 18th Floor
Attn: Matthew Guy-Hamilton
E-mail: mhamilton@summitpartners.com
with a copy (which copy shall not constitute notice) to:

Kirkland & Ellis LLP
200 Clarendon Street
Boston, Massachusetts 02116
Attn: Matthew D. Cohn, P.C.; Dave Gusella
E-mail: Mathew.cohn@kirkland.com; dave.gusella@kirkland.com

(b) If to the Corporation, addressed as follows:

Solo Brands, Inc.
1070 S. Kimball Ave., Suite 121
Southlake, Texas 76092
Attn: Kent Christensen
E-mail: kent.christensen@solostove.com

with a copy (which copy shall not constitute notice) to:

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn: Ian Schuman, John Chory and Adam Gelardi
E-mail: ian.schuman@lw.com; john.chory@lw.com; adam.gelardi@lw.com

(c) If to any Other Holder, the address then on record with the Company.

or, in each case, to such other address or email address as such party may designate in writing to each party by written notice given in the manner specified herein. All such communications shall be deemed to have been given, delivered or made when so delivered by hand, on the next business day if sent by overnight courier service (with confirmed delivery) or when received if sent by first class mail, or in the case of notice by electronic mail, when the relevant email enters the recipient's server.

Section 11. Assignment.

Except as otherwise provided herein, all of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the parties hereto. This Agreement may not be assigned (by operation of law or otherwise) without the express prior written consent of the other parties hereto, and any attempted assignment, without such consents, will be null and void; provided, however, that each of the Stockholders is permitted to assign this Agreement to its respective Permitted Transferees in connection with a permitted transfer thereto of Common Units, Class A Common Stock or Class B Common Stock,

as applicable. Furthermore, each of the Stockholders shall cause any such Permitted Transferee to become a party to this Agreement upon completion of any such permitted transfer.

Section 12. Amendment and Modification; Waiver.

This Agreement may be amended, modified or waived with the written consent of the Company and the Majority Summit Investors; provided that the definitions of "Permitted Transferees" and "Affiliates" may not be narrowed as it relates to the Other Holders, in each case without the prior written consent of the Other Holders holding a majority of the shares of Common Stock held by all Other Holders. If the terms of any such amendment, modification or waiver requiring the consent of the Summit Investors in accordance with the first sentence of this Section 12 would adversely affect in any material respect the rights and obligations of any Other Holder or group of Other Holders in an adverse manner materially different than the Summit Investors, then such amendment, modification or waiver shall also require the written consent of the holders of a majority of the Common Stock held by all Other Holders so adversely affected.

Section 13. Severability.

If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid or unenforceable to any extent, (a) the remainder of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by law, (b) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by law and (c) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

Section 14. Counterparts.

This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

Section 15. Further Assurances.

At any time or from time to time after the date hereof, the parties hereto agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as any other party may reasonably request in order to evidence or effectuate the provisions of this Agreement and to otherwise carry out the intent of the parties hereunder.

Section 16. Titles and Subtitles.

The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 17. Representations and Warranties.

(a) Each of the Stockholders, and each Person who becomes a party to this Agreement after the date hereof, severally and not jointly and solely with respect to itself, represents and warrants to the Corporation as of the time such party becomes a party to this Agreement that (i) if applicable, it is duly authorized to execute, deliver and perform this Agreement; (ii) this Agreement has been duly executed by such party and is a valid and binding agreement of such party, enforceable against such party in accordance with its terms; (iii) the execution, delivery and performance by such party of this Agreement does not violate or conflict with or result in a breach of or constitute (or with notice or lapse of time or both constitute) a default under any agreement to which such party is a party or, if applicable, the organizational documents of such party; and (iv) such Stockholder is the owner of the number of equity

securities of Holdings, Blocker, or the Aggregator, as applicable, set forth on Schedule III hereto as of the date hereof.

(b) The Corporation represents and warrants to each other party hereto that (i) the Corporation is duly authorized to execute, deliver and perform this Agreement; (ii) this Agreement has been duly authorized, executed and delivered by the Corporation and is a valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms; and (iii) the execution, delivery and performance by the Corporation of this Agreement does not violate or conflict with or result in a breach by the Corporation of or constitute (or with notice or lapse of time or both constitute) a default by the Corporation under the Charter or Bylaws, any existing applicable law, rule, regulation, judgment, order, or decree of any governmental authority exercising any statutory or regulatory authority of any of the foregoing, domestic or foreign, having jurisdiction over the Corporation or any of its Subsidiaries or any of their respective properties or assets, or any agreement or instrument to which the Corporation or any of its Subsidiaries is a party or by which the Corporation or any of its Subsidiaries or any of their respective properties or assets may be bound.

Section 18. No Strict Construction.

This Agreement shall be deemed to be collectively prepared by the parties hereto, and no ambiguity herein shall be construed for or against any party based upon the identity of the author of this Agreement or any provision hereof.

Section 19. Entire Agreement.

Except as otherwise expressly set forth herein, this Agreement and the Registration Rights Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including the LLC Agreement, the Blocker LLC Agreement, and the Aggregator LLC Agreement, which agreements will terminate following and conditioned upon the closing of the IPO. For the avoidance of doubt, this Agreement shall not supersede or preempt any obligations of any Stockholder under any "lock up" agreement executed by any Stockholder in connection with any registered offering of Common Stock from time to time during the term of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

SOLO BRANDS, INC.

By: /s/ John Merris
Name: John Merris
Title: Chief Executive Officer

[STOCKHOLDER SIGNATURE PAGES OMITTED]

Schedule I

Summit Parties

Summit Partners Growth Equity Fund X-A, L.P.

Summit Partners Growth Equity Fund X-B, L.P.

Summit Partners Growth Equity Fund X-C, L.P.

Summit Investors X, LLC

Summit Investors X (UK), L.P.

Summit Partners Subordinated Debt Fund V-A, L.P.

Summit Partners Subordinated Debt Fund V-B, L.P.

SP-SS Aggregator LLC

Schedule II

Other Stockholders

Bertram Growth Capital III, L.P.

Bertram Growth Capital III-A, L.P.

Bertram Growth Capital III Annex Fund, L.P.

NB Select Opps II MHF LP

NB Gemini Fund LP

NB Crossroads XXII - MC Holdings LP

NB Crossroads Private Markets Fund V Holdings LP

TriVista Investment Partners I, LLC

Amanda Gosney

Andrea Tarbox

Andrew Hill

Anna Jobe

Anton Willis

Ardavan Sobhani

Ashley Spencer

Ashley VanWinkle

Austin Freed

Brandon Leatherwood

Caleb Campbell

Cassidy Bunting

Darcie Howhald

David Wardell

Emma Smith

Eric Jan Holdings, Inc.

Hunter Leeming

Jack Wilson

James Hargett

Jan Brothers Holdings, Inc.

Jennifer Carter

Joe Leon LLC

Joseph Avery

Kaitlin Setser

Katharine Garton

Kay Lin Nelson

Kelley McCuen

Kendal Cooper

Kevin Dopp

Kevin Page

Kyle Hency

Lauren Neville

Mario Ramirez

Mason Robinson

Matt Wardell

Mickle Holdings LLC

Niquolas Lagleva

Nishant Khanduja

Patemiller Holdings, Inc.

Philip Mills

Preston Rutherford

Rachel Black

Sarah Swanson

Sheri Medlenka

Shift4Holdings LLC

SS Management Aggregator, LLC

Tessa Johnston

Thomas Montgomery

Timothy Durgin

Timothy Kauer

Travis Harrell

William Grube

William R Castillo

Schedule III

Equity Interests

[*On File With Company*]

SOLO BRANDS, INC.

AMENDED & RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED & RESTATED REGISTRATION AGREEMENT (this "Agreement") is made and entered into as of October 27, 2021, by and among Solo Brands, Inc., a Delaware corporation (the "Company"), the Persons listed on the Schedule of Summit Investors attached hereto (collectively referred to herein as the "Summit Investors" and individually as an "Summit Investor") and the Persons listed on the Schedule of Other Investors attached hereto (collectively referred to herein as the " Other Investors" and individually as an "Other Investor"). The Company, the Summit Investors and the Other Investors are sometimes collectively referred to herein as the "Parties" and individually as a "Party." Capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section 11.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and understandings contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Demand Registrations.

1A. Requests for Registration. Subject to the terms and conditions of this Agreement, at any time and from time to time, the holders of a majority of the Summit Investor Registrable Securities then outstanding may (i) request registration under the Securities Act of all or any portion of their Summit Investor Registrable Securities on Form S1 (including a Shelf Registration) or any similar long-form registration ("Long-Form Registrations") in accordance with Section 1B or (ii) if available, request registration under the Securities Act of all or any portion of their Summit Investor Registrable Securities on Form S3 (including a Shelf Registration) or any similar short-form registration ("Short-Form Registrations") in accordance with Section 1C. Further, subject to the terms and conditions of this Agreement and in the certain instances described herein, the holders of a majority of the Institutional Investor Registrable Securities then outstanding may, if available, request Short-Form Registrations in accordance with Section 1C. All registrations requested pursuant to this Section 1A by the holders of Registrable Securities are referred to herein as "Demand Registrations." Each request for a Demand Registration shall specify the approximate number of Registrable Securities requested to be registered and the intended method of distribution. Within ten (10) days after receipt of any such request, the Company shall give written notice of such requested registration to all other holders of Registrable Securities and, subject to the terms of Section 1D, shall include in such registration (and in all related registrations and qualifications under state blue sky Laws and in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within (i) twenty (20) days after the receipt of the Company's notice with respect to Long-Form Registrations and (ii) ten (10) days after the receipt of the Company's notice with respect to Short-Form Registrations; provided that, in instances where Summit Investor Registrable Securities are the subject of the request for a Demand Registration, the Company shall instead provide notice of the Demand Registration to all other holders one (1) week prior to the non-confidential filing of the registration statement with respect to the Demand Registration so long as such registration statement is not an Automatic Shelf Registration Statement.

1B. Long-Form Registrations. The holders of a majority of the Summit Investor Registrable Securities then outstanding shall be entitled to three (3) Long-Form Registrations; provided that the aggregate offering value of the Summit Investor Registrable Securities requested to be registered in any Long-Form Registration must be at least $10,000,000 (or any such lesser amount if all of the Summit Investor Registrable Securities are requested to be registered). The Company shall pay all Registration Expenses with respect to Long-Form Registrations. A registration shall not count against the total number of Long-Form Registrations provided for in this Section 1B until it has become effective and unless the holders of Summit Investor Registrable Securities are able to register and sell at least ninety percent (90%) of the Summit Investor Registrable Securities requested to be

included in such registration; provided that in any event the Company shall pay all Registration Expenses in connection with any registration initiated as a Long-Form Registration whether or not it has become effective and whether or not such registration counts against the total number of Long-Form Registrations provided for in this Section 1B; provided further that no Demand Registration shall be deemed to be a Long-Form Registration whenever the Company is permitted to use any applicable short form unless the holders of Summit Investor Registrable Securities specifically request a Long-Form Registration. If the holders of a majority of the Summit Investor Registrable Securities initially requesting a Long-Form Registration request that such Long-Form Registration be filed pursuant to Rule 415 (a "Shelf Registration"), and if the Company is qualified to do so, then the Company shall use its reasonable best efforts to cause the Shelf Registration to be declared effective under the Securities Act as soon as reasonably practicable after the filing thereof; provided that, if the Company is a WKSI at the time of such request, the holders of a majority of the Summit Investor Registrable Securities requesting a Shelf Registration may request that such Shelf Registration be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "Automatic Shelf Registration Statement"). All Long-Form Registrations shall be underwritten registrations unless otherwise approved by the holders of a majority of the Summit Investor Registrable Securities initially requesting registration.

1C. Short-Form Registrations. In addition to the Long-Form Registrations provided pursuant to Section 1B, the holders of a majority of the Summit Investor Registrable Securities then outstanding shall be entitled to an unlimited number of Short-Form Registrations in which the Company shall pay all Registration Expenses, whether or not any such registration has become effective; provided that the aggregate offering value of the Summit Investor Registrable Securities requested to be registered in any Short-Form Registration must be at least $1,000,000 (or any such lesser amount if all of the Summit Investor Registrable Securities are requested to be registered). Further, the holders of a majority of the Institutional Investor Registrable Securities then outstanding shall be entitled to one (1) Short-Form Registration beginning on the date which is two (2) years following the date of this Agreement (or October 27, 2023) and expiring on the date which is four (4) years following the date of this Agreement (or October 27, 2025), provided that, on the date of the demand of the Short-Form Registration by the Institutional Investor(s), the share price of the Class A Common Stock (as published by the Wall Street Journal or, at the Company's discretion, a similarly reputable source) is at least 75%, if prior to October 27, 2024, or 50%, if after October 27, 2024, in each case higher than the public offering price of the Class A Common Stock as set forth in the final prospectus filed by the Company with the SEC on October 27, 2021 (subject to customary adjustments, including for stock splits), in which the Company shall pay all Registration Expenses, whether or not any such registration has become effective. Notwithstanding the foregoing, with respect to any particular demand for Short-Form Registration that is sent to the Company by the Institutional Investor(s) pursuant to the foregoing sentence, should the share price of the Class A Common Stock (as published by the Wall Street Journal or, at the Company's discretion, a similarly reputable source) fall below the aforementioned price thresholds at any time subsequent to the date of such aforementioned demand for Short-Form Registration by the Institutional Investor(s), including, for the avoidance of doubt, at the time of the "pricing" of any offering related thereto, such demand for Short-Form Registration shall remain valid and the Company shall be obligated to take the applicable actions set forth herein. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form (unless the Company is required to file a Long-Form Registration pursuant to Section 1B) and if the managing underwriters (if any) agree to use a Short-Form Registration. After the Company has become subject to the reporting requirements of the Exchange Act, the Company shall use its reasonable best efforts to make Short-Form Registrations available for the sale of Registrable Securities. If (i) the holders of a majority of the Summit Investor Registrable Securities or (ii) beginning on the date which is three (3) years following the date of this Agreement (or October 27, 2024) and expiring on the date which is four (4) years following the date of this Agreement (or October 27, 2025), the holders of a majority of the Institutional Investor Registrable Securities, in each case initially requesting a Short-Form Registration request that such Short-Form Registration be filed pursuant to Rule 415, and if the Company is qualified to do so, then the Company shall use its reasonable best efforts to cause the Shelf Registration to be declared effective under the Securities Act as soon as reasonably practicable

after the filing thereof; provided that, if the Company is a WKSI at the time of such request, the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, requesting a Shelf Registration may request that such Shelf Registration be an Automatic Shelf Registration Statement. In addition, beginning on the date which is three (3) years following the date of this Agreement (or October 27, 2024) and expiring on the date which is four (4) years following the date of this Agreement (or October 27, 2025), the holders of a majority of the Institutional Investor Registrable Securities shall have the right to request a Short-Form Registration to be filed pursuant to Rule 415, and if the Company is qualified to do so, then the Company shall use its reasonable best efforts to cause the Shelf Registration to be declared effective under the Securities Act as soon as reasonably practicable after the filing thereof. If for any reason the Company is not a WKSI or becomes ineligible to utilize Form S3, then the Company shall prepare and file with the SEC one or more registration statements on such form that is available for the sale of Registrable Securities. All Short-Form Registrations shall be underwritten registrations unless otherwise approved by the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, initially requesting registration.

1D. Shelf Registrations.

(i) For so long as a registration statement for a Shelf Registration (a "Shelf Registration Statement") is and remains effective, the holders of a majority of the Summit Investor Registrable Securities will have the right at any time or from time to time to elect to sell pursuant to an offering (including an underwritten offering) Summit Investor Registrable Securities available for sale pursuant to such registration statement ("Shelf Registrable Securities"). The holders of a majority of the Summit Investor Registrable Securities may make such election by delivering to the Company a written notice (a "Shelf Offering Notice") specifying the number of Shelf Registrable Securities that the holders desire to sell pursuant to such offering (the "Shelf Offering"). As promptly as practicable, but in no event later than two (2) business days after receipt of a Shelf Offering Notice, the Company will give written notice of such Shelf Offering Notice to all other holders of Registrable Securities, who will be identified as selling stockholders in such Shelf Registration Statement. The Company, subject to Section 1E and Section 8, will include in such Shelf Offering all Shelf Registrable Securities and Other Registrable Securities available for sale pursuant to such registration statement with respect to which the Company has received written requests for inclusion (which request will specify the maximum number of Shelf Registrable Securities and such Other Registrable Securities intended to be disposed of by such holder) within seven (7) days after the receipt of the Shelf Offering Notice. The Company will, as expeditiously as possible (and in any event within twenty (20) days after the receipt of a Shelf Offering Notice), but subject to Section 1E, use its reasonable best efforts to facilitate such Shelf Offering.

(ii) If the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities (in the case of the Institutional Investor(s), subject to the terms and conditions of this Agreement) wish to engage in an underwritten block trade off of a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an already existing Shelf Registration Statement), then notwithstanding the time periods set forth in Section 1D(i), such holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, will notify the Company of the block trade Shelf Offering not less than two (2) business days prior to the day such offering is to commence. The Company will promptly provide written notice to the other holders of Registrable Securities of such block trade Shelf Offering and such other holders may elect whether or not to participate no later than the next business day (*i.e.* one (1) business day prior to the day such offering is to commence) (unless a longer period is agreed to by the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable), and the Company will as expeditiously as possible use its best efforts to facilitate such offering (which may close as early as two (2) business days after the date it commences).

(iii) The Company will, at the request of the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, file any prospectus supplement or any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, to effect such Shelf Offering.

1E. Priority on Demand Registrations and Shelf Offering. The Company shall not include in any Demand Registration that is an underwritten offering any securities that are held by an employee of the Company or any of its Subsidiaries or any Person controlled by any such employee without the prior written consent of the managing underwriters and shall not include in any Demand Registration any securities that are not Registrable Securities without the prior written consent of the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, included in such registration. If a Demand Registration or a Shelf Offering is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, that can be sold in an orderly manner in such offering within a price range acceptable to the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration, then the Company shall include in such registration only that number of securities that in the opinion of such underwriters can be sold in such offering without adversely affecting the marketability of the offering within such price range, with priority for inclusion to be determined as follows: (i) first, the number of Registrable Securities requested to be included in such registration, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and (ii) second, any other securities requested to be included in such registration, the inclusion of which the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Summit Investor Registrable Securities, as applicable, to be included in such registration have consented to in writing, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of such securities owned by each such holder.

1F. Restrictions on Demand Registrations and Shelf Offerings. The Company shall not be obligated to effect any Demand Registration within one hundred eighty (180) days after the effective date of the Company' Initial Public Offering or within ninety (90) days after the effective date of a previous Long-Form Registration. The Company may postpone for up to ninety (90) days the filing or the effectiveness of a registration statement for a Demand Registration or suspend the use of a prospectus that is part of a Shelf Registration Statement (and therefore suspend sales of the Shelf Registrable Securities and Other Registrable Securities available for sale pursuant to such registration statement) if the Company' board of directors (or any successor governing body) reasonably determines in its reasonable good faith judgment that the offer or sale of Registrable Securities would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any material financing, sale, acquisition of assets (other than in the ordinary course of business) or securities, or any material recapitalization, merger, consolidation, tender offer, reorganization or similar material transaction; provided that in such event, the holders of Summit Investor Registrable Securities or the holders of Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration or Shelf Offering shall be entitled to withdraw such request; provided further that, if a request for a Long-Form Registration is so withdrawn, such Demand Registration shall not count against the total number of Long-Form Registrations provided for in Section 1B, and the Company shall pay all Registration Expenses in connection with such registration. The Company may delay a Demand Registration or Shelf Offering hereunder only once in any consecutive twelve (12) month period.

1G. Selection of Underwriters. If any Demand Registration is an underwritten offering, then the holders of a majority of the Summit Investor Registrable Securities initially requesting such Demand Registration (and in the absence thereof, the Company) shall have the right to select the investment banker(s) and manager(s) to administer such offering, subject to the Company's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

1H. Other Registration Rights. The Company represents and warrants that neither it nor any of its Subsidiaries is a party to, or otherwise bound by, any other agreement granting registration rights to any other Person with respect to any securities of the Company or any of its Subsidiaries. Except as provided to the holders of Registrable Securities in this Agreement, the Company shall not grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities, options or rights convertible or exchangeable into or exercisable for such securities, without the prior written consent of the holders of a majority of the Summit Investor Registrable Securities then outstanding; provided that the Company may grant rights to participate in any Piggyback Registrations so long as such rights are subordinate in priority to the rights of the holders of Registrable Securities with respect to Piggyback Registrations, as provided in Section 2C and Section 2D, and not otherwise inconsistent with the terms and conditions hereof.

1I. Revocation of Demand Notice or Shelf Offering Notice. At any time prior to the effective date of the registration statement relating to a Demand Registration or the "pricing" of any offering relating to a Shelf Offering Notice, the holders of a majority of the Summit Investor Registrable Securities or the Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration or providing such Shelf Offering Notice may revoke such notice of a Demand Registration or Shelf Offering Notice on behalf of all holders participating in such Demand Registration or Shelf Offering without liability to such holders and without counting against any limited number of Demand Registrations, in each case by providing written notice to the Company.

1J. Confidentiality. Each holder agrees to treat as confidential the receipt of any notice hereunder (including notice of a Demand Registration and a Shelf Offering Notice) and the information contained therein, and not to disclose or use the information contained in any such notice (or the existence thereof) without the prior written consent of the Company until such time as the information contained therein is or becomes available to the public generally (other than as a result of disclosure by such holder in breach of the terms of this Agreement).

Section 2. Piggyback Registrations.

2A. Right to Piggyback. Whenever the Company proposes to register any of its securities (including any registration of the Company' securities proposed by any third-party) for sale for cash under the Securities Act (other than pursuant to a Demand Registration or a registration on Form S8 or any successor form) and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration and, subject to Section 2C and Section 2D, shall include in such registration (and in all related registrations or qualifications under blue sky Laws and in compliance with other registration requirements and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within twenty (20) days after the receipt of the Company' notice; provided that the Company shall not include in any Piggyback Registration that is an underwritten offering any securities that are held by an employee of the Company or any of its Subsidiaries or any Person controlled by any such employee without the prior written consent of the managing underwriters.

2B. Piggyback Expenses. The Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations, whether or not any such registration has become effective.

2C. Priority on Primary Piggyback Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number of securities that can be sold in such offering without adversely affecting the marketability of such offering, then the Company shall include in such registration only that number of securities that in the opinion of such underwriters can be sold in such offering without adversely affecting the marketability of the offering within such price range, with priority for inclusion to be determined as follows: (i) first, the securities the Company proposes to sell, (ii) second, the number of Registrable Securities requested to be included in such registration, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and (iii) third, any other securities requested to be included in such registration, the inclusion of which the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration to be included in such registration have consented to in writing, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of such securities owned by each such holder.

2D. Priority on Secondary Piggyback Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company' securities (other than holders of Registrable Securities) and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number of securities that can be sold within a price range acceptable to the holders of the Company' securities initially requesting such registration, then the Company shall include in such registration only that number of securities that in the opinion of such underwriters can be sold in such offering without adversely affecting the marketability of the offering within such price range, with priority for inclusion to be determined as follows: (i) first, the number of Registrable Securities requested to be included in such registration, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and (ii) second, any other securities requested to be included in such registration, the inclusion of which the holders of a majority of the Summit Investor Registrable Securities to be included in such registration have consented to in writing, that in the opinion of such underwriters can be sold in an orderly manner without such adverse effect, pro rata among the respective holders thereof on the basis of the number of such securities owned by each such holder.

2E. Selection of Underwriters. If any Piggyback Registration is an underwritten offering, then the selection of investment banker(s) and manager(s) for the offering must be approved by the holders of a majority of the Summit Investor Registrable Securities requested to be included in such Piggyback Registration, such approval not to be unreasonably withheld, conditioned or delayed.

Section 3. Holdback Agreements.

3A. No holder of Registrable Securities shall (i) offer, sell, contract to sell, pledge or otherwise dispose of (including sales pursuant to Rule 144), directly or indirectly, any equity securities of the Company or any of its Subsidiaries, or any securities convertible into or exchangeable or exercisable for such securities (including equity securities of the Company or any of its Subsidiaries that may be deemed to be owned beneficially by such holder in accordance with the rules and regulations of the SEC but excluding any such securities purchased by such holder in the applicable public offering or in the open market following the Company' Initial Public Offering) (collectively, "Securities"), (ii) enter into a transaction that would have the same effect as described in clause (i) above, (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences or ownership of any Securities, whether such transaction is to be settled by delivery of such Securities, in cash or otherwise (each of clauses (i), (ii) and (iii) above, a "Securities Transaction"), or (iv) publicly disclose the intention to enter into any Securities

Transaction, in any such case during the period beginning on the effective date of the Company' Initial Public Offering (or October 27, 2021) and ending one hundred eighty (180) days after the effective date of the Company' Initial Public Offering (or April 27, 2022) (the "IPO Holdback Period"), unless the underwriters managing the Initial Public Offering otherwise agree in writing. In connection with the first underwritten Demand Registrations following the Company's Initial Public Offering, if (and only if) all of the holders of Summit Investor Registrable Securities execute a lock-up agreement providing for comparable restrictions (it being understood the holders of Summit Investor Registrable Securities shall have no obligation to do so), then no holder of Registrable Securities shall effect any Securities Transaction during the period beginning with the filing of a registration statement under the Securities Act with respect to such intended underwritten public offering and ending ninety (90) days after the effective date of such underwritten registration (the "Follow-On Holdback Period"), except as part of such underwritten registration, unless the underwriters managing such registered public offering otherwise agree in writing. If requested by the managing underwriters, then each applicable holder of Registrable Securities agrees to execute customary lock-up agreements consistent with the applicable foregoing obligations with the managing underwriters of an underwritten offering. In connection with any such lock-up, if any holder of Summit Investor Registrable Securities is released by the underwriters prior to the end of the applicable hold-back period, then each holder of Registrable Securities that is an Institutional Investor shall be released pro rata in the same proportion as the holders of Summit Investor Registrable Securities are released. Notwithstanding the foregoing, this Section 3A shall not be applicable to or otherwise be binding on the holders of Registrable Securities that are Institutional Investors unless the Company complies with its obligations under Section 3B in connection with any such offering. The Company may impose stoptransfer instructions with respect to its equity securities subject to the foregoing restriction during any IPO Holdback Period or the Follow-On Holdback Period to the extent consistent with the foregoing.

3B. The Company (i) shall not file any registration statement for any public sale or distribution of its Securities, or cause any such registration statement to become effective, or effect any Securities Transaction, during the IPO Holdback Period or the Follow-On Holdback Period (except as part of such underwritten registration or pursuant to registrations on Form S8 or any successor form), and (ii) shall exercise reasonable best efforts to cause each of its officers and directors and holders (other than the holders of Registrable Securities) of at least 1% (on a fully-diluted basis) of its common stock, or any securities convertible into or exchangeable or exercisable for or having residual economic rights comparable to its common stock (other than holders that purchased shares solely in a registered public offering or in the public markets), to agree not to effect any Securities Transaction during such periods (except as part of such underwritten registration, if otherwise permitted), unless the underwriters managing the registered public offering otherwise agree in writing.

3C. If the Company has previously filed a registration statement with respect to Registrable Securities pursuant to Section 1 or Section 2, and if such previous registration has not been withdrawn or abandoned, then the Company shall not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S8 or any successor form), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least ninety (90) days has elapsed from the effective date of such previous registration.

Section 4. Registration Procedures.

4A. Company Obligations. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement or have initiated a Shelf Offering, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities hereunder in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as reasonably possible:

(i) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and file with the SEC a registration statement, and all amendments and supplements thereto and related prospectuses as may be necessary to comply with applicable securities Laws, with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective (provided that, before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to counsel selected by the holders of a majority of the Summit Investor Registrable Securities covered by such registration statement, to counsel selected by the holders of a majority of the Institutional Investor Registrable Securities covered by such registration statement and to counsel selected by the holders of a majority of the Other Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the review and reasonable comment of each such counsel);

(ii) notify each holder of Registrable Securities of (a) the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose, (b) the receipt by the Company or its counsel of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (c) the effectiveness of each registration statement filed hereunder;

(iii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of disposition by the sellers thereof as set forth in such registration statement or, in the case of a Shelf Registration, if earlier, the date as of which all of the Registrable Securities included in such registration are able to be sold within a ninety (90) day period in compliance with Rule 144 (but in any event not before the expiration of any longer period required under the Securities Act or, if such registration statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by Law to be delivered in connection with sales of securities thereunder by any underwriter or dealer) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iv) furnish to each seller of Registrable Securities thereunder such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), each FreeWriting Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(v) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky Laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (a) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 4E, (b) subject itself to taxation in any such jurisdiction, or (c) consent to general service of process in any such jurisdiction);

(vi) promptly notify in writing each seller of such Registrable Securities (a) after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky Law or any exemption thereunder has been obtained, (b) after receipt thereof, of any request by the SEC for the amendment or supplementing of such

registration statement or prospectus or for additional information, and (c) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company promptly shall prepare, file with the SEC and furnish to each such seller a reasonable number of copies of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(vii) prepare and file promptly with the SEC, and notify such holders of Registrable Securities prior to the filing of, such amendments or supplements to such registration statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event has occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and, if any such holders of Registrable Securities or any underwriter for any such holders is required to deliver a prospectus at a time when the prospectus then in circulation is not in compliance with the Securities Act or the rules and regulations promulgated thereunder, the Company shall prepare promptly upon request of any such holder or underwriter such amendments or supplements to such registration statement and prospectus as may be necessary in order for such prospectus to comply with the requirements of the Securities Act and such rules and regulations;

(viii) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(ix) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(x) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Summit Investor Registrable Securities included in such registration, the holders of a majority of the Institutional Investor Registrable Securities included in such registration, the holders of a majority of the Other Registrable Securities included in such registration or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting an equity split, combination of securities, recapitalization or reorganization and preparing for and participating in such number of "road shows," investor presentations and marketing events as the underwriters managing such offering may reasonably request);

(xi) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Company and cause the Company' officers, managers, directors, employees, agents, representatives and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(xii) take all reasonable actions to ensure that any Free-Writing Prospectus prepared by or on behalf of the Company in connection with any Demand Registration or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xiii) otherwise use its reasonable best efforts to comply with all applicable securities Laws (including rules and regulations of the SEC) and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company' first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158;

(xiv) permit any holder of Registrable Securities which holder, in its sole and exclusive good faith judgment, could reasonably be expected to be deemed to be an underwriter or a controlling Person (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, that in the reasonable judgment of such holder and its counsel should be included;

(xv) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or the issuance of any order suspending or preventing the use of any related prospectus or suspending the qualification of any equity securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts to promptly obtain the withdrawal of such order;

(xvi) cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities;

(xvii) cooperate with each holder of Registrable Securities covered by the registration statement and the managing underwriters or agents, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends), if any, representing securities to be sold under the registration statement and enable such securities to be in such denominations and registered in such names as the managing underwriters, or agents, if any, or such holder may request;

(xviii) cooperate with each holder of Registrable Securities covered by the registration statement and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xix) obtain a cold comfort letter from the Company' independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration included in such registration reasonably request;

(xx) if requested by the holders of a majority of the Summit Investor Registrable Securities or the holders of a majority of the Institutional Investor Registrable Securities, as applicable, initially requesting such Demand Registration included in such registration or required by the underwriters managing such offering, provide a legal opinion of the Company' outside counsel, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by legal opinions of such nature, which opinion shall be addressed to the underwriters and the holders of Registrable Securities;

(xxi) if the Company files an Automatic Shelf Registration Statement covering any Registrable Securities, use its best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such Automatic Shelf Registration Statement is required to remain effective;

(xxii) if the Company does not pay the filing fee covering the Registrable Securities at the time an Automatic Shelf Registration Statement is filed, pay such fee at such time or times as the Registrable Securities are to be sold; and

(xxiii) if the Automatic Shelf Registration Statement has been outstanding for at least three (3) years, at the end of the third year, refile a new Automatic Shelf Registration Statement covering the Registrable Securities, and, if at any time when the Company is required to re-evaluate its WKSI status the Company determines that it is not a WKSI, use its best efforts to refile the Shelf Registration Statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

4B. Officer Obligations. Each officer of the Company that is a Party agrees that if and for so long as he or she is employed by the Company or any Subsidiary thereof, he or she will participate fully in the sale process in a manner customary for persons in like positions and consistent with his or her other duties with the Company, including the preparation of the registration statement and the preparation and presentation of any road shows. The Company agrees to cause any of its officers that are not Parties to be subject to obligations substantially similar to those contained in this Section 4B.

4C. Automatic Shelf Registration Statements. If the Company files any Automatic Shelf Registration Statement for the benefit of the holders of any of its securities other than the holders of Registrable Securities, and the holders of Registrable Securities do not request that their Registrable Securities be included in such Shelf Registration Statement, the Company agrees that, at the request of the holders of a majority of the Registrable Securities, it will include in such Automatic Shelf Registration Statement such disclosures as may be required by Rule 430B in order to ensure that the holders of Registrable Securities may be added to such Shelf Registration Statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

Section 5. Certain Obligations of Holders of Registrable Securities. Each holder of Registrable Securities that sells such securities pursuant to a registration under this Agreement agrees as follows:

5A. Such holder (if such holder is then an employee or independent contractor of the Company or any of its Subsidiaries) shall cooperate with the Company (as reasonably requested by the Company) in connection with the preparation of the registration statement, and, for so long as the Company is obligated to file and keep effective such registration statement, each holder of Registrable Securities that is participating in such registration shall provide to the Company, in writing, for use in the applicable registration statement, all such information regarding such holder and its plan of distribution of such securities as may be reasonably necessary to enable the Company to prepare the registration statement and prospectus covering such securities, to maintain the currency and effectiveness thereof and otherwise to comply with all applicable requirements of Law in connection therewith.

5B. During such time as a holder of Registrable Securities may be engaged in a distribution of such securities, such holder shall distribute such securities under the registration statement solely in the manner described in the registration statement.

5C. Each Person that is participating in any registration under this Agreement, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4A(vi), shall immediately discontinue the disposition of its securities of the Company pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by Section 4A(vi). In the event the Company has given any such notice, the applicable time period set forth in Section 4A(iii) during which a registration statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 5C to and including the date

when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 4A(vi).

Section 6. Registration Expenses.

6A. All expenses incident to the Company's performance of or compliance with this Agreement, including all registration, qualification and filing fees, fees and expenses of compliance with securities or blue sky Laws, filing expenses, printing expenses, messenger and delivery expenses, fees and disbursements of custodians and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding discounts and commissions) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne by the Company as provided in this Agreement, and the Company also shall pay all of its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed. Notwithstanding anything to the contrary contained herein, each seller of securities pursuant to a registration under this Agreement shall bear and pay all underwriting discounts and commissions and any stock transfer taxes applicable to the securities sold for such seller's account.

6B. In connection with each Demand Registration and each Piggyback Registration, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the Summit Investor Registrable Securities requesting inclusion in such registration (or, in the case of a Shelf Registration, each holder selling Registrable Securities under the Shelf Registration Statement) and for the reasonable fees and disbursements of each additional counsel retained by any holder of Registrable Securities for the purpose of rendering a legal opinion on behalf of such holder in connection with any underwritten Demand Registration or Piggyback Registration.

6C. To the extent any expenses relating to a registration hereunder are not required to be paid by the Company, each holder of securities included (or requested to be included) in any registration hereunder shall pay those expenses allocable to the registration (or proposed registration) of such holder's securities so included (or requested to be included), and any expenses not so allocable shall be borne by all sellers of securities requested to be included in such registration in proportion to the aggregate selling price of the securities to be so registered.

Section 7. Indemnification.

7A. The Company agrees to indemnify, defend and hold harmless, to the fullest extent permitted by Law, each holder of Registrable Securities, its officers, directors, members, managers, partners, agents, affiliates and employees, each investment manager or investment adviser of such holder and each Person who controls such holder (within the meaning of the Securities Act or the Exchange Act) against all losses, claims, actions, damages, liabilities and expenses (including with respect to actions or proceedings, whether commenced or threatened, and including reasonable attorney fees and expenses) caused by, resulting from, arising out of, based upon or related to any of the following statements, omissions or violations by the Company: (i) any untrue or alleged untrue statement of material fact contained in (A) any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus, or any amendment thereof or supplement thereto or (B) any application or other document or communication executed by or on behalf of the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify any securities covered by such registration under the securities Laws thereof, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities Laws or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and to pay to or

reimburse each holder of Registrable Securities, its officers, directors, members, managers, partners, agents, affiliates and employees, each investment manager or investment adviser of such holder and each Person who controls such holder (within the meaning of the Securities Act or the Exchange Act) for, as incurred, any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, except insofar as the same are caused by or contained in any information furnished in writing to the Company or any managing underwriter by such holder expressly for use therein. In connection with an underwritten offering, the Company shall indemnify any underwriters or deemed underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act or the Exchange Act) at least to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities (or to such lesser extent that may be agreed to between the underwriters and the Company).

7B. In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company and the managing underwriter in writing such information and affidavits as the Company or the managing underwriter reasonably requests with respect to such holder of Registrable Securities for use in connection with any such registration statement or prospectus, preliminary prospectus, or Free-Writing Prospectus, or any amendment or supplement thereto, and, to the extent permitted by Law, shall indemnify the Company, its managers, directors and officers and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus, preliminary prospectus, Free-Writing Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such holder expressly for use therein; provided that, in the event that any such claim is resolved without an admission or a court of competent jurisdiction finding that any such allegations of untrue statements or alleged omissions of material fact were actually made or omitted by such indemnified party, such holders shall be reimbursed for any amounts previously paid hereunder with respect to such allegations; provided further that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

7C. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one (1) counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicting indemnified parties shall have a right to retain one (1) separate counsel, chosen by the holders of a majority of the Registrable Securities included in the registration by such conflicting indemnified parties, at the expense of the indemnifying party. No indemnifying party, in the defense of such claim or litigation, shall, except with the consent of each indemnified party, consent to the entry of any judgment or enter into any settlement that (i) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect

to such claim or litigation or (ii) includes a statement as to or an admission of fault, culpability or failure to act by or on behalf of such indemnified party.

7D. Each Party agrees that, if for any reason the indemnification provisions contemplated by Section 7A or Section 7B are unavailable to or insufficient to hold harmless an indemnified party in respect of or is otherwise unenforceable with respect to any losses, claims, damages, liabilities or expenses (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Parties agree that it would not be just and equitable if contribution pursuant to this Section 7D were determined by pro rata allocation (even if the holders or any underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 7D. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses incurred by such indemnified party in connection with investigating or, except as provided in Section 7C, defending any such action or claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The sellers' obligations in this Section 7D to contribute shall be several in proportion to the amount of securities registered by them and not joint and several and shall be limited for each seller to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration.

7E. The indemnification and contribution provided for under this Agreement shall be in addition to any other rights to indemnification and contribution that any indemnified party may have pursuant to Law or contract and shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

Section 8. Participation in Underwritten Registrations. No Person may participate in any registration hereunder that is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including pursuant to any overallotment or "green shoe" option requested by the underwriters, provided that no holder of Registrable Securities shall be required to sell more than the number of Registrable Securities such holder has requested to include) and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such holder, such holder's title to the securities and such holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise specifically provided in Section 7, or to agree to any lockup or holdback restrictions, except as otherwise specifically provided in Section 3A.

Section 9. Other Agreements. At all times after the Company has filed a registration statement with the SEC pursuant to the requirements of either the Securities Act or the Exchange Act, the Company shall use its reasonable best efforts to file all reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC

thereunder and shall take such further action as the Summit Investors may reasonably request, all to the extent required to enable the Summit Investors, the Institutional Investors and the Other Investors to sell securities pursuant to (i) Rule 144 or any similar rule or regulation hereafter adopted by the SEC or (ii) a registration statement on Form S3 or any similar registration form hereafter adopted by the SEC. Upon reasonable request, the Company shall deliver to the Summit Investors a written statement as to whether it has complied with such requirements. The Company shall use its reasonable best efforts to cause the securities so registered in connection with the Initial Public Offering to be listed on one or both of the New York Stock Exchange and/or the NASDAQ Stock Market.

Section 10. Subsidiary Public Offering. After an initial public offering of the capital stock or other equity securities of one of its Subsidiaries, the Company, at its election, may cause such Subsidiary to comply with this Agreement as if it were the Company, in which case the Company shall have the rights of the holders of Registrable Securities. If, after an initial public offering of the capital stock or other equity securities of one of its Subsidiaries, the Company distributes securities of such Subsidiary to its equity holders, then the rights of holders hereunder and the obligations of the Company pursuant to this Agreement shall apply, *mutatis mutandis*, to such Subsidiary. In each case, the Company shall cause such Subsidiary to comply with such Subsidiary's obligations under this Agreement as if it were the Company and upon request of the holders of a majority of the Summit Investor Registrable Securities shall deliver to the holders of Registrable Securities an instrument expressly assuming such obligations.

Section 11. Definitions.

"Bertram Investors" means collectively, Bertram Growth Capital III, L.P., a Delaware limited partnership, Bertram Growth Capital III-A, L.P., a Delaware limited partnership, and Bertram Growth Capital III Annex Fund, L.P., a Delaware limited partnership, any of their respective partners, members or Affiliates, and any of their respective Permitted Transferees (as defined in the Stockholders Agreement) or affiliates of the foregoing which are stockholders of the Company or member of Holdings, each Person for whom Bertram Capital Management, LLC or any of its Affiliates controls the voting or other exercise of rights by such Person with respect to the Company or Holdings, and their Permitted Transferees (as defined in the Stockholders Agreement). Additionally, for so long as any of NB Crossroads Private Markets Fund V Holdings LP, NB Crossroads XXII-MC Holdings LP, NB Select Opps II MHF LP, or NB Gemini Fund LP or their Affiliates is a stockholder of the Corporation, Member (as defined in the Prior LLC Agreement) of Holdings or a member of SP SS Blocker Parent, LLC, such Persons shall be deemed to be Bertram Investors for purposes of this Agreement. For the avoidance of doubt, the Bertram Investors are intended third party beneficiaries of this Agreement

"Class A Common Stock" means the Company's Class A common stock, $0.001 par value per share.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated from time-to-time thereunder.

"FINRA" means the Financial Industry Regulatory Authority.

"Free-Writing Prospectus" means a free-writing prospectus, as defined in Rule 405.

"Holdings" means Solo Stove Holdings, LLC, a Delaware limited liability company.

"Initial Public Offering" means the initial public offering of the Company's Class A Common Stock which was effective on October 28, 2021.

"Institutional Investors" means the Bertram Investors, Jan Brothers Holdings, Inc. and each of their Permitted Transferees (as defined in the Stockholders Agreement).

"Institutional Investor Registrable Securities" means (i) the Class A Common Stock held by any Institutional Investor, (ii) any other securities issued or issuable directly or indirectly with respect to the securities described in clause (i) of this definition by way of a dividend, distribution or equity split or in connection with an exchange or a combination of shares or equity interests, recapitalization, reclassification, merger, consolidation or other reorganization (including any common stock issued or issuable to the Institutional Investors in connection with the conversion of Holdings from a limited liability company to a corporation or any other reorganization of Holdings and its Subsidiaries in anticipation of the Initial Public Offering), and (iii) any other securities of the Company held at any time by Persons holding securities described in clause (i) or (ii) of this definition, other than incentive units or other any management securities. As to any particular Institutional Investor Registrable Securities, such securities shall cease to be Institutional Investor Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force) or repurchased by the Company or any Subsidiary. As to any particular Institutional Investor Registrable Securities held by any Institutional Investor, such securities shall also cease to be Institutional Investor Registrable Securities when they have been distributed by such Institutional Investor following the consummation of the Initial Public Offering to any of its direct or indirect partners or members or their affiliates. For purposes of this Agreement, a Person shall be deemed to be a holder of Institutional Investor Registrable Securities and such Institutional Investor Registrable Securities shall be deemed to be in existence whenever such Person has the right to acquire, directly or indirectly, such Institutional Investor Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Institutional Investor Registrable Securities hereunder..

"Law" means any federal, state, local, municipal or foreign statute, law, ordinance, regulation, rule, code, order, principle of common law or judgment enacted, promulgated, issued, enforced or entered by any governmental entity, or other requirement (including pursuant to any settlement, consent decree or determination of or settlement under any arbitration) or rule of law.

"Other Registrable Securities" means (i) the Class A Common Stock held by any Other Investor, (ii) any other securities issued or issuable directly or indirectly with respect to the securities described in clause (i) of this definition by way of a dividend, distribution or equity split or in connection with an exchange or a combination of shares or equity interests, recapitalization, reclassification, merger, consolidation or other reorganization (including any common stock issued or issuable to the Other Investors in connection with the conversion of Holdings from a limited liability company to a corporation or any other reorganization of Holdings and its Subsidiaries in anticipation of the Initial Public Offering), and (iii) any other securities of the Company held at any time by Persons holding securities described in clause (i) or (ii) of this definition, other than incentive units or other any management securities. As to any particular Other Registrable Securities, such securities shall cease to be Other Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force) or repurchased by the Company or any Subsidiary. For purposes of this Agreement, a Person shall be deemed to be a holder of Other Registrable Securities and such Other Registrable Securities shall be deemed to be in existence whenever such Person has the right to acquire, directly or indirectly, such Other Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Other Registrable Securities hereunder.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Prior LLC Agreement" means that certain Limited Liability Company Agreement of Solo Stove LLC, dated as of October 9, 2020.

"Registrable Securities" means, collectively, Summit Investor Registrable Securities, Institutional Investor Registrable Securities and Other Registrable Securities.

"Rule 144", "Rule 158", "Rule 405" and "Rule 415" mean, in each case, such rule promulgated under the Securities Act (or any successor provision) by the SEC, as the same shall be amended from time to time, or any successor rule then in force.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated from time-to-time thereunder.

"Stockholders Agreement" means that certain Stockholders Agreement of the Company, dated as of the date hereof.

"Summit Investor Registrable Securities" means (i) the Class A Common Stock held by any Summit Investor, (ii) any other securities issued or issuable directly or indirectly with respect to the securities described in clause (i) of this definition by way of a dividend, distribution or equity split or in connection with an exchange or a combination of shares or equity interests, recapitalization, reclassification, merger, consolidation or other reorganization (including any common stock issued or issuable to the Summit Investors in connection with the conversion of Holdings from a limited liability company to a corporation or any other reorganization of Holdings and its Subsidiaries in anticipation of the Initial Public Offering), and (iii) any other securities of the Company held at any time by Persons holding securities described in clause (i) or (ii) of this definition, other than incentive units or other any management securities. As to any particular Summit Investor Registrable Securities, such securities shall cease to be Summit Investor Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force) or repurchased by the Company or any Subsidiary. As to any particular Summit Investor Registrable Securities held by any Summit Investor, such securities shall also cease to be Summit Investor Registrable Securities when they have been distributed by such Summit Investor following the consummation of the Initial Public Offering to any of its direct or indirect partners or members or their affiliates. For purposes of this Agreement, a Person shall be deemed to be a holder of Summit Investor Registrable Securities and such Summit Investor Registrable Securities shall be deemed to be in existence whenever such Person has the right to acquire, directly or indirectly, such Summit Investor Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Summit Investor Registrable Securities hereunder.

"WKSI" means a well-known seasoned issuer, as defined under Rule 405.

Section 12. Miscellaneous.

12A. No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities that is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

12B. Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its securities that would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or that would materially and

adversely affect the marketability of such Registrable Securities in any such registration (including effecting an equity split or a combination of securities).

12C. Remedies. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law. The Parties agree and acknowledge that the Summit Investors, the Institutional Investors and the Other Investors would be irreparably harmed by, and money damages would not be an adequate remedy for, any breach of the provisions of this Agreement and that, in addition to any other rights and remedies existing in its favor, any Party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

12D. Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, or any provision of this Agreement may be waived, only upon the prior written consent of the Company and the holders of a majority of the Summit Investor Registrable Securities; provided that (i) to the extent any such amendment or waiver would materially and adversely affect the holders of Institutional Investor Registrable Securities or Other Registrable Securities in a manner differently than the holders of Summit Investor Registrable Securities, such amendment or waiver shall not be binding on the holders of Institutional Investor Registrable Securities or Other Registrable Securities without the prior written consent of the holders of a majority of the Institutional Investor Registrable Securities and/or the Other Registrable Securities, respectively (but with it being understood that the addition of other Persons as parties hereto, including in the capacity as Institutional Investors or Other Investors, in no event shall require the consent of any holders of Institutional Investor Registrable Securities or Other Registrable Securities), and (ii) to the extent any such amendment or waiver would materially and adversely affect the any holder or holders of Registrable Securities in a manner differently than the other holders of Registrable Securities, such amendment or waiver shall not be binding on such holder or holders of Registrable Securities without the prior written consent of such holder or holders of a majority of the Registrable Securities held by all such holders. No course of dealing between or among the Parties (including the failure of any Party to enforce any of the provisions of this Agreement) shall be deemed effective to modify, amend, waive or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement, and the failure of any Party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Party thereafter to enforce each and every provision of this Agreement in accordance with its terms. The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach.

12E. Successors and Assigns. This Agreement and all of the covenants and agreements contained herein and all of the rights, interests or obligations hereunder, other than by operation of law, by or on behalf of any of the Parties hereto, shall bind and inure to the benefit of the respective successors and assigns of the Parties hereto whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by the Company other than by operation of Law, without the prior written consent of the holders of a majority of the Summit Investor Registrable Securities (it being understood that this sentence shall not limit or otherwise modify the obligations of the Company and its Subsidiaries under Section 10). Without limiting the foregoing, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Summit Investor Registrable Securities, Institutional Investor Registrable Securities or Other Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Summit Investor Registrable Securities, Institutional Investor Registrable Securities or or Other Registrable Securities. The Company (in its current form as a corporation) shall not convert or otherwise reorganize directly or indirectly into a limited liability company or another form of entity unless the successor entity expressly assumes the obligations of the Company

pursuant to this Agreement. The Company (including any such corporate successor) shall execute and deliver to each Investor and each holder of Registrable Securities an assumption in a form reasonably satisfactory to (i) the holders of a majority of the Summit Investor Registrable Securities then outstanding, (ii) the holders of a majority of the Institutional Investor Registrable Securities then outstanding and (iii) the holders of a majority of the Other Registrable Securities then outstanding.

12F. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held to be prohibited by or illegal or unenforceable under applicable Law in any respect by a court of competent jurisdiction, such provision shall be ineffective only in such jurisdiction and to the extent of such prohibition, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement in such jurisdiction or any provisions of this Agreement in any other jurisdiction.

12G. Counterparts. This Agreement and any amendments hereto or thereto, to the extent signed and delivered in counterparts (any one of which need not contain the signatures of more than one Party, but all such counterparts together shall constitute one and the same Agreement) by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. Minor variations in the form of the signature page, including footers from earlier versions of this Agreement or any such other document, shall be disregarded in determining the party's intent or the effectiveness of such signature. At the request of any Party hereto, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party hereto shall raise the use of a facsimile machine or electronic transmission in pdf to deliver a signature or the fact that any signature or document was transmitted or communicated through the use of facsimile machine as a defense to the formation of a contract, and each such Party forever waives any such defense.

12H. Descriptive Headings; Interpretation. The headings and captions used in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The use of the word "including" herein shall mean "including without limitation." The use of the word "or" herein shall be inclusive. Any reference to the masculine, feminine or neuter gender shall be deemed to include any gender or all three as appropriate.

12I. Entire Agreement. This Agreement and the other agreements and instruments referred to herein contain the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede any prior understandings, agreements and representations by or between the parties hereto (whether written or oral) which may have related to the subject matter hereof or thereof in any way.

12J. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the schedules hereto shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement, even if under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

12K. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given only (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid) provided that confirmation of delivery is received, (iii) upon machine-generated acknowledgment of receipt after

transmittal by facsimile (provided that a confirmation copy is sent via reputable overnight courier service for delivery within two (2) business days thereafter), or (iv) five (5) business days after being mailed to the recipient by certified or registered mail (return receipt requested and postage prepaid). Such notices, demands and other communications shall be sent to the Summit Investors at the addresses set forth on the Schedule of Summit Investors, to the Other Investors at the addresses set forth on the Schedule of Other Investors and to Holdings at the address indicated below or to such other address or to the attention of such other Person as the recipient Party has specified by prior written notice to the sending Party.

Notices to Company:

Solo Brands, Inc.
1070 S. Kimball Ave., Suite 121
Southlake, Texas 76092
Attn: John Merris
E-mail: john@solostove.com

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, New York 10020
Attn: Ian Schuman, John Chory and Adam Gelardi
E-mail: ian.schuman@lw.com; john.chory@lw.com; adam.gelardi@lw.com

12L. Rights Cumulative. The rights and remedies of each of the Parties under this Agreement shall be cumulative and not exclusive of any rights or remedies which a Party would otherwise have hereunder at law or in equity or by statute, and no failure or delay by any Party in exercising any right or remedy shall impair any such right or remedy or operate as a waiver of such right or remedy, and neither shall any single or partial exercise of any power or right preclude a Party's other or further exercise thereof or the exercise of any other power or right.

12M. No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Parties have executed or caused to be executed on their behalf this Registration Agreement as of the date first written above.

COMPANY:

SOLO BRANDS, INC.

By: /s/ John Merris
Name: John Merris
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Registration Agreement on the date first written above.

SUMMIT INVESTORS

SUMMIT PARTNERS GROWTH EQUITY FUND X-A, L.P.

By: Summit Partners GE X, L.P.
Its: General Partner

By: Summit Partners GE X, LLC
Its: General Partner

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

SUMMIT PARTNERS GROWTH EQUITY FUND X-B, L.P.

By: Summit Partners GE X, L.P.
Its: General Partner

By: Summit Partners GE X, LLC
Its: General Partner

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

SUMMIT PARTNERS GROWTH EQUITY FUND X-C, L.P.

By: Summit Partners GE X, L.P.
Its: General Partner

By: Summit Partners GE X, LLC
Its: General Partner

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Registration Agreement as of the date first written above.

SUMMIT INVESTORS

SUMMIT INVESTORS X, LLC
By: Summit Investors Management, LLC
Its: Manager
By: Summit Master Company, LLC
Its: Managing Member

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

SUMMIT INVESTORS X (UK), LP
By: Summit Investors Management, LLC
Its: General Partner
By: Summit Master Company, LLC
Its: Managing Member

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

SP-SS AGGREGATOR, LLC

By: /s/ Matthew Guy-Hamilton
Name: Matthew Hamilton
Title: Authorized Signatory

SUMMIT PARTNERS SUBORDINATED DEBT FUND V-A, L.P.
By: Summit Partners SD V, L.P.
Its: General Partner
By: Summit Partners SD V, LLC
Its: General Partner

By: /s/ Alexander Whittermore
Name: Alexander Whittemore
Title: Member

SUMMIT PARTNERS SUBORDINATED DEBT FUND V-B, L.P.
By: Summit Partners SD V, L.P.
Its: General Partner
By: Summit Partners SD V, LLC
Its: General Partner

By: _/s/ Alexander Whittermore_____
Name: Alexander Whittemore
Title: Member

[OTHER INVESTORS SIGNATURE PAGES OMITTED]

SCHEDULE OF SUMMIT INVESTORS

Summit Partners Growth Equity Fund X-A, L.P.
Summit Partners Growth Equity Fund X-B, L.P.
Summit Partners Growth Equity Fund X-C, L.P.
Summit Investors X, LLC
Summit Investors X (UK), LP
SP-SS Aggregator, LLC
Summit Partners Subordinated Debt Fund V-A, L.P.
Summit Partners Subordinated Debt Fund V-B, L.P.

Notice Address for each Investor:

222 Berkeley Street, 18th Floor
Boston, MA 02116
Attention: Matthew Hamilton
Email: mhamilton@summitpartners.com

With a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
200 Clarendon Street
Boston, MA 02116
Attention: Matthew D. Cohn, P.C.; Dave Gusella
Email: matthew.cohn@kirkland.com; dave.gusella@kirkland.com

SCHEDULE OF OTHER INVESTORS

Bertram Growth Capital III, L.P.
Bertram Growth Capital III-A, L.P.
Bertram Growth Capital III Annex Fund, L.P.
NB Select Opps II MHF LP
NB Gemini Fund LP
NB Crossroads XXII - MC Holdings LP
NB Crossroads Private Markets Fund V Holdings LP
TriVista Investment Partners I, LLC
Jan Brothers Holdings, Inc.
Eric Jan Holdings, Inc.
Mickle Holdings LLC
Shift4 Holdings, LLC
Joe Leon LLC

Notice Address for each Other Investor: *On file with Company*

TAX RECEIVABLE AGREEMENT

by and among

SOLO BRANDS, INC.,

SOLO STOVE HOLDINGS, LLC,

THE TRA REPRESENTATIVES,

and

THE TRA PARTIES OF SOLO STOVE HOLDINGS, LLC FROM TIME TO TIME

PARTY HERETO

Dated as of October 27, 2021

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TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), dated October 27, 2021, is hereby entered into by and among Solo Brands, Inc., a Delaware corporation (the "Corporation"), Solo Stove Holdings, LLC, a Delaware limited liability company (the "LLC"), the TRA Representatives (as defined below) and each of the TRA Parties from time to time party hereto.

RECITALS

WHEREAS, the LLC is treated as a partnership for U.S. federal income tax purposes;

WHEREAS, each of the members of the LLC as of the date hereof owns interests in the LLC in the form of Units (as defined herein);

WHEREAS, the Corporation is the sole managing member of the LLC;

WHEREAS, on the date hereof, the Corporation issued shares of its Class A common stock in an initial public offering of its Class A Common Stock (the "IPO");

WHEREAS, the Operating Agreement (as defined herein) provides certain members of the LLC listed in Annex B, (together with each other Person who becomes party hereto by satisfying the Joinder Requirement, the "TRA Parties") a redemption right pursuant to which each TRA Party may cause the LLC to redeem all or a portion of its Units from time to time for shares of Class A Common Stock (as defined herein) or, at the Corporation's option, cash (a "Redemption"), subject to the Corporation's right, in its sole discretion, to elect to effect a direct exchange of cash or shares of Class A Common Stock for such Units between the Corporation and the applicable TRA Party in lieu of such a Redemption (a "Direct Exchange");

WHEREAS, the LLC and each of its Subsidiaries (as defined herein) that is treated as a partnership for U.S. federal income tax purposes will have in effect an election under Section 754 of the Code (as defined herein) and any corresponding provisions of state and local Tax law for the Taxable Year (as defined herein) in which any Exchange (as defined herein) occurs, which election will cause any such Exchange to result in an adjustment to the Corporation's proportionate share of the tax basis of the assets owned by the LLC or certain of its Subsidiaries;

WHEREAS, the parties to this Agreement desire to provide for certain payments and make certain arrangements with respect to any tax benefits to be derived by the Corporation as the result of Exchanges and the making of payments under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to (i) the singular and plural, (ii) the active and passive and (iii) for defined terms that are nouns, the verbified forms of the terms defined).

"Actual Tax Liability" means, with respect to any Taxable Year, the liability for Covered Taxes of the Corporation (a) appearing on Tax Returns of the Corporation or the LLC filed for

such Taxable Year or (b) if applicable, determined in accordance with a Determination; provided, that for purposes of determining Actual Tax Liability, the Corporation shall use the Assumed State and Local Tax Rate for purposes of determining liabilities for all U.S. state and local Covered Taxes and for purposes of determining the federal benefit thereof and shall assume that Subsequently Acquired TRA Attributes do not exist.

"Advisory Firm" means any "big four" accounting firm that is nationally recognized as being expert in Covered Tax matters, selected by the Corporation.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

"Agreed Rate" means a per annum rate of SOFR plus 100 basis points.

"Agreement" is defined in the preamble.

"Amended Schedule" is defined in Section 2.4(b).

"Amount Realized" means, with respect to any Exchange at any time, the sum of (i) the Market Value of the shares of Class A Common Stock or the amount of cash (as applicable) transferred to a TRA Party pursuant to such Exchange, (ii) the amount of payments made pursuant to this Agreement with respect to such Exchange (but excluding any portions thereof attributable to Imputed Interest) and (iii) the amount of liabilities allocated to the Units acquired pursuant to the Exchange under Section 752 of the Code.

"Assumed State and Local Tax Rate" the tax rate equal to the product of (i) the Corporation's or the LLC's income tax apportionment factor for each state and local jurisdiction in which the Corporation or the LLC files income or franchise tax returns for the relevant Taxable Year and (ii) the highest corporate income and franchise tax rate(s) for each such state and local jurisdiction in which the Corporation or the LLC files income tax returns for each relevant Taxable Year.

"Attributable" is defined in Section 3.1(b)(i).

"Audit Committee" means the audit committee of the Board.

"Basis Adjustment" means the increase or decrease to, or the Corporation's proportionate share of, the tax basis of the Reference Assets under Section 732, 734(b), 743(b), 754, 755 or 1012 of the Code, in each case, or any similar provisions of U.S. state or local tax Law, as a result of any Exchange or any payment made under this Agreement. For purposes of determining the Corporation's proportionate share of the tax basis of the Reference Assets with respect to the Units transferred in an Exchange under Treasury Regulations Section 1.743-1(b) (or any similar provisions of U.S. state or local tax Law), the consideration paid by the Corporation for such Units shall be the Amount Realized. Notwithstanding any other provision of this Agreement, the amount of any Basis Adjustment resulting from an Exchange of one or more Units is to be determined as if any Pre-Exchange Transfer of such Units had not occurred, and, further, payments under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent such payments are treated as Imputed Interest.

"Basis Schedule" is defined in Section 2.2.

"Beneficial Owner" means, with respect to any security, a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or

shares (i) voting power, which includes the power to vote, or to direct the voting of, with respect to such security or (ii) investment power, which includes the power to dispose of, or to direct the disposition of, such security.

"Board" means the board of directors of the Corporation.

"Business Day" means any day other than a Saturday or a Sunday or a day on which banks located in New York City, New York generally are authorized or required by Law to close.

"Change of Control" means the occurrence of any of the following events:

(i) any "person" or "group" (within the meaning of Sections 13(d) of the Exchange Act (excluding (1) any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and any Permitted Transferees (as defined in the Second Amended and Restated Limited Liability Company Agreement of LLC dated as of the date hereof), (2) any "person" or "group" who, as of the consummation of the IPO, is the Beneficial Owner of securities of the Corporation representing more than 50% of the combined voting power of the Corporation's then outstanding voting securities, and (3) any "group" formed after the consummation of the IPO that primarily includes members who collectively, as of the Effective Time, are the Beneficial Owners of securities of the Corporation representing more than 50% of the combined voting power of the Corporation's then outstanding voting securities)) becomes the Beneficial Owner of securities of the Corporation representing more than 50% of the combined voting power of the Corporation's then outstanding voting securities;

(ii) (A) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or (B) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation's assets, other than such sale or other disposition by the Corporation of all or substantially all of the Corporation's assets to an entity at least 50% of the economic interest and combined voting power of the voting securities of which are owned by shareholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such sale or other disposition; or

(iii) there is consummated a merger or consolidation of the Corporation with any other corporation or other entity, and, immediately after the consummation of such merger or consolidation, the voting securities of the Corporation outstanding immediately prior to such merger or consolidation do not continue to represent or are not converted into more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Class A Common Stock and Class B Common Stock of the Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

"Class A Common Stock" means the Class A common stock, par value $0.001 per share, of the Corporation.

"Class B Common Stock" means the Class B common stock, par value $0.001 per share, of the Corporation.

"Code" means the U.S. Internal Revenue Code of 1986, as amended. Unless the context requires otherwise, any reference herein to a specific section of the Code shall be deemed to include any corresponding provisions of future Law as in effect for the relevant taxable period.

"Control" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Corporation" is defined in the preamble to this Agreement.

"Covered Taxes" means any U.S. federal, state and local taxes, assessments or similar charges that are based on or measured with respect to net income or profits, and including any franchise taxes in lieu of income tax, and any interest imposed in respect thereof under applicable Law.

"Cumulative Net Realized Tax Benefit" is defined in Section 3.1(b)(iii).

"Default Rate" means a per annum rate of SOFR plus 500 basis points.

"Default Rate Interest" is defined in Section 5.2.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or any similar provisions of U.S. state or local tax Law, as applicable, or any other event (including the execution of IRS Form 870-AD) that finally and conclusively establishes the amount of any liability for tax.

"Direct Exchange" is defined in the recitals to this Agreement.

"Early Termination Effective Date" means (i) with respect to an early termination pursuant to Section 4.1(a), the date an Early Termination Notice is delivered, (ii) with respect to an early termination pursuant to Section 4.1(b), the date of the applicable Change of Control and (iii) with respect to an early termination pursuant to Section 4.1(c), the date of the applicable Material Breach.

"Early Termination Notice" is defined in Section 4.2(a).

"Early Termination Payment" is defined in Section 4.3(b).

"Early Termination Reference Date" is defined in Section 4.2(b).

"Early Termination Schedule" is defined in Section 4.2(b).

"Exchange" means any (i) Direct Exchange, (ii) Redemption, (iii) transactions using proceeds from the IPO, including any Redemptions, that result in a Basis Adjustment, (iv) any other transfer (as determined for U.S. federal income tax purposes) of Units to the Corporation from a TRA Party, including in connection with the IPO, that results in a Basis Adjustment or (v) distribution (including a deemed distribution) by the LLC to a TRA Party that results in a Basis Adjustment.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations.

"Exchange Date" means the date of any Exchange.

"Expert" is defined in Section 7.8(a).

"Final Payment Date" means any date on which a Payment is required to be made pursuant to this Agreement. The Final Payment Date in respect of (i) a Tax Benefit Payment is determined pursuant to Section 3.1(a) and (ii) an Early Termination Payment is determined pursuant to Section 4.3(a).

"Hypothetical Tax Liability" means, with respect to any Taxable Year, the hypothetical liability of the Corporation that would arise in respect of Covered Taxes, using the same methods, elections, conventions and similar practices used in computing the Actual Tax Liability but (i) calculating depreciation, amortization or other similar deductions, or otherwise calculating any items of income, gain or loss, using the Corporation's proportionate share of the Non-Adjusted Tax Basis as reflected on the Basis Schedule, including amendments thereto, for such Taxable Year and (ii) excluding any deduction attributable to Imputed Interest for such Taxable Year; provided, that for purposes of determining the Hypothetical Tax Liability, the combined tax rate for U.S. state and local Covered Taxes (but not, for the avoidance of doubt, federal Covered Taxes) shall be the Assumed State and Local Tax Rate. For the avoidance of doubt, the Hypothetical Tax Liability shall be determined without taking into account the carryover or carryback of any tax item (or portions thereof) that is attributable to any of the items described in clauses (i) or (ii) of the previous sentence. Furthermore, the Hypothetical Tax Liability shall be calculated assuming that the Subsequently Acquired TRA Attributes do not exist.

"Imputed Interest" means any interest imputed under Section 483, 1272 or 1274 or any other provision of the Code or any similar provisions of U.S. state or local tax Law with respect to the Corporation's payment obligations under this Agreement.

"Independent Directors" means the members of the Board who are "independent" under applicable Laws and the standards of the principal U.S. securities exchange on which the Class A Common Stock is traded or quoted.

"Interest Amount" is defined in Section 3.1(b)(vi).

"IRS" means the U.S. Internal Revenue Service.

"Joinder" means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

"Joinder Requirement" is defined in Section 7.5(a).

"Law" means all laws, statutes, ordinances, rules and regulations of the U.S., any foreign country and each state, commonwealth, city, county, municipality, regulatory or self-regulatory body, agency or other political subdivision thereof.

"Market Value" means the Common Unit Redemption Price, as defined in the Operating Agreement.

"Material Breach" means the (i) breach by the Corporation of a material obligation under this Agreement or (ii) the rejection of this Agreement by operation of law in a case commenced in bankruptcy or otherwise.

"Net Tax Benefit" is defined in Section 3.1(b)(ii).

"Non-Adjusted Tax Basis" means, with respect to any Reference Asset at any time, the tax basis that such asset would have had at such time if no Basis Adjustments had been made.

"Objection Notice" is defined in Section 2.4(a)(ii).

"Operating Agreement" means that certain Second Amended and Restated Limited Liability Company Agreement of the LLC, dated as of the date hereof, as such agreement may be further amended, restated, supplemented or otherwise modified from time to time.

"Payment" means any Tax Benefit Payment or Early Termination Payment and in each case, unless otherwise specified, refers to the entire amount of such Payment or any portion thereof.

"Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

"Pre-Exchange Transfer" means any transfer of one or more Units (i) that occurs prior to an Exchange of such Units and (ii) to which Section 743(b) of the Code applies.

"Realized Tax Benefit" is defined in Section 3.1(b)(iv).

"Realized Tax Detriment" is defined in Section 3.1(b)(v).

"Reconciliation Dispute" is defined in Section 7.8(a).

"Reconciliation Procedures" is defined in Section 7.8(a).

"Redemption" is defined in the recitals to this Agreement.

"Reference Asset" means any asset of any member of the Solo Group at the time of an Exchange. A Reference Asset also includes any asset the tax basis of which is determined, in whole or in part, by reference to the tax basis of an asset that is described in the preceding sentence, including any "substituted basis property" within the meaning of Section 7701(a)(42) of the Code with respect to a Reference Asset.

"Schedule" means any of the following: (i) a Basis Schedule, (ii) a Tax Benefit Schedule, and (iii) an Early Termination Schedule and, in each case, any amendments thereto.

"Senior Obligations" is defined in Section 5.1.

"SOFR" means the Secured Overnight Financing Rate, as reported by the Wall Street Journal.

"Solo Group" means, the LLC and each of its direct or indirect Subsidiaries that is treated as a partnership or disregarded entity for applicable tax purposes (but excluding any such Subsidiary that is directly or indirectly held by any entity treated as a corporation for applicable tax purposes (other than the Corporation)).

"Subsequently Acquired TRA Attributes" means, except as otherwise determined by the Board, any net operating losses, tax basis or other tax attributes to which any of the Corporate Group, the LLC or any entity in which they hold a direct or indirect equity interest become entitled as a result of a transaction (other than any Exchanges undertaken by a TRA Party) after the IPO Date to the extent such net operating losses, tax basis and other tax attributes are subject to a tax receivable agreement or comparable agreement (for the avoidance of doubt, other than this Agreement) entered into by a member of the Corporate Group or any of its Affiliates pursuant to which any member of the Corporate Group is obligated to pay over amounts with respect to tax benefits resulting from such attributes.

"Subsidiary" means, with respect to any Person and as of any determination date, any other Person as to which such first Person (i) owns, directly or indirectly, or otherwise controls, more than 50% of the voting power or other similar interests of such other Person or (ii) is the sole general partner interest, or managing member or similar interest, of such other Person.

"Subsidiary Stock" means any stock or other equity interest in any Subsidiary of the Corporation or the LLC that is treated as a corporation for U.S. federal income tax purposes.

"Tax Benefit Payment" is defined in Section 3.1(b).

"Tax Benefit Schedule" is defined in Section 2.3(a).

"Tax Claim" is defined in Section 6.1.

"Tax Return" means any return, declaration, report or similar statement filed or required to be filed with respect to taxes (including any schedules or other attachments thereto), including any information return, claim for refund, disclosure, amended return and declaration of estimated tax.

"Taxable Year" means a taxable year of the Corporation as defined in Section 441(b) of the Code or any similar provisions of U.S. state or local tax Law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is filed), ending on or after the date of the consummation of the IPO.

"Taxing Authority" means any national, federal, state, county, municipal or local government, or any subdivision, agency, commission or authority thereof, or any quasi-governmental body, or any other authority of any kind, exercising regulatory or other authority in relation to tax matters.

"TRA Party" is defined in the recitals to this Agreement.

"TRA Party Approval" means written approval by TRA Parties who would be entitled to receive at least 50% of the Early Termination Payments payable to all TRA Parties hereunder if the Corporation had exercised its right of early termination on the date of the most recent Exchange (or if no Exchange has occurred, the date of the IPO) prior to such approval (excluding, for purposes of this sentence, all payments made to any TRA Party pursuant to this Agreement since the date of such most recent Exchange).

"TRA Representative" means, with respect to those listed in Annex C, SP SS Aggregator, LLC, a Delaware limited liability company; with respect to those listed in Annex D, SS Management Aggregator, LLC, a Delaware limited liability company.

"Treasury Regulations" means the final, temporary and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including

corresponding provisions and succeeding provisions) and as in effect for the relevant taxable period.

"U.S." means the United States of America.

"Units" means Common Units, as defined in the Operating Agreement.

"Valuation Assumptions" means, as of an Early Termination Effective Date, the assumptions that:

(i) subject to clause (iii) below, in each Taxable Year ending on or after such Early Termination Effective Date, the Corporation will have taxable income sufficient to fully use the deductions arising from the Basis Adjustments and the Imputed Interest during such Taxable Year or future Taxable Years (including, for the avoidance of doubt, Basis Adjustments and Imputed Interest that would result from future Tax Benefit Payments that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available;

(ii) the U.S. federal income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other applicable Law as in effect on the Early Termination Effective Date, except to the extent any change to such tax rates for such Taxable Year has already been enacted into Law and the taxable income of the Corporation will be subject to such maximum applicable tax rates for each Covered Tax; provided that, the combined U.S. state and local income tax rates shall be the Assumed State and Local Tax Rate applicable to the Taxable Year that includes the Early Termination Effective Date;

(iii) any loss carryovers or carrybacks (without duplication) generated by any Basis Adjustment or Imputed Interest (including any such Basis Adjustment or Imputed Interest generated as a result of payments made or deemed to be made under this Agreement) and available (taking into account any known and applicable limitations) as of the Early Termination Effective Date will be used by the Corporation ratably from such Early Termination Effective Date through (A) the scheduled expiration date of such loss carryovers (if any) or (B) if there is no such scheduled expiration, then the Taxable Year that includes the fifth (5th) anniversary of the Early Termination Effective Date (by way of example, if on the Early Termination Effective Date the Corporation had $100 of net operating losses that is scheduled to expire in 5 years, $20 of such net operating losses would be used in each of the 5 consecutive Taxable Years beginning in the Taxable Year that includes such Early Termination Effective Date);

(iv) any non-amortizable assets (including any Subsidiary Stock) will be disposed of on the fifteenth (15th) anniversary of the Early Termination Effective Date;

(v) (vi) if, on the Early Termination Effective Date, any TRA Party has Units that have not been Exchanged, then such Units shall be deemed to be Exchanged for the Market Value of the shares of Class A Common Stock or the amount of cash that would be received by such TRA Party, whichever is lower, had such Units actually been Exchanged on the Early Termination Effective Date; and

(vii) any future payment obligations pursuant to this Agreement that are used to calculate the Early Termination Payment will be satisfied on the date that any Tax Return to which any such payment obligation relates is required to be filed excluding any extensions.

"Voluntary Early Termination" is defined in Section 4.2(a).

Section 1.2 Rules of Construction. Unless otherwise specified herein:

(a) For purposes of interpretation of this Agreement:

(i) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision thereof.

(ii) Unless specified otherwise, references to an Article, Section or clause refer to the appropriate Article, Section or clause in this Agreement.

(iii) References to dollars or "$" refer to the lawful currency of the U.S.

(iv) The terms "include" or "including" are by way of example and not limitation and shall be deemed followed by the words "without limitation".

(v) The term "or", when used in a list of two or more items, means "and/or" and may indicate any combination of the items.

(vi) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including."

(c) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(d) Unless otherwise expressly provided herein, (i) references to organizational documents (including the Operating Agreement), agreements (including this Agreement) and other contractual instruments means such organization documents, agreements and other contractual instruments as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof, and (ii) references to any Law (including the Code and the Treasury Regulations) include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

ARTICLE II.
DETERMINATION OF REALIZED TAX BENEFIT

Section 2.1 Basis Adjustments; Section 754 Election.

(a) Basis Adjustments. The Parties acknowledge and agree that (i) each Redemption shall be treated as a direct purchase of Units by the Corporation from the applicable TRA Party pursuant to Section 707(a)(2)(B) of the Code (or any similar provisions of applicable U.S. state or local tax Law) (i.e., equivalent to a Direct Exchange) and (ii) each Exchange will give rise to Basis Adjustments.

(b) Section 754 Election. In its capacity as the Manager (as defined in the Operating Agreement), the Corporation shall cause the LLC and each of its Subsidiaries that is treated as a partnership for U.S. federal income tax purposes to have in effect an election under Section 754 of the Code (or any similar provisions of applicable U.S. state or local tax Law) for each Taxable Year in which an Exchange occurs and with respect to which the Corporation has obligations under this Agreement, including for the Taxable Year that includes the date hereof. The Corporation shall take commercially reasonable efforts to cause each Person in which the LLC

owns a direct or indirect equity interest (other than a Subsidiary) that is so treated as a partnership to have in effect any such election for each Taxable Year.

Section 2.2 Basis Schedules. Within 150 calendar days after the earlier of (x) the due date, including extensions, of IRS Form 1120 (or any successor form) and (y) filing of the U.S. federal income Tax Return of the Corporation for each relevant Taxable Year, the Corporation shall deliver to the TRA Parties (in accordance with the notice procedures in Section 7.1 below) a schedule showing, in reasonable detail necessary to perform the calculations required by this Agreement, (a) the actual Tax basis and the Non-Adjusted Tax Basis of the Reference Assets as of each applicable Exchange Date, (b) the Basis Adjustments to the Reference Assets for such Taxable Year, calculated (i) in the aggregate and (ii) solely with respect to each applicable TRA Party, (c) the periods over which the Reference Assets are amortizable or depreciable and (d) the period over which each Basis Adjustment is amortizable or depreciable (such schedule, a "Basis Schedule"). All costs and expenses incurred in connection with the provision and preparation of the Basis Schedules and Tax Benefit Schedules for each TRA Party in compliance with this Agreement shall be borne by the LLC. A Basis Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a) and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(a).

Section 2.3 Tax Benefit Schedules.

(a) Tax Benefit Schedule. Within 150 calendar days after the earlier if (x) the due date (including extensions) of IRS Form 1120 (or any successor form) and (y) filing of the U.S. federal income Tax Return of the Corporation for any Taxable Year, the Corporation shall provide to the TRA Parties (in accordance with the notice procedures in Section 7.1 below) a schedule showing, in reasonable detail, the calculation of the Realized Tax Benefit or Realized Tax Detriment, or lack of a Tax Benefit Payment (and any Realized Tax Detriment), as applicable, for such Taxable Year (a "Tax Benefit Schedule"). For the avoidance of doubt, any Tax Benefit Schedule shall include the applied Assumed State and Local Tax Rate and describe any basis for any change in the Assumed State and Local Tax Rate from the rate specified herein. A Tax Benefit Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a) and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(a).

(b) Applicable Principles. Subject to the provisions hereunder, the Realized Tax Benefit or Realized Tax Detriment for each Taxable Year is intended to measure the decrease or increase in the Actual Tax Liability of the Corporation for such Taxable Year attributable to the Basis Adjustments and Imputed Interest, as determined using a "with and without" methodology described in this Section 2.3(a). Carryovers or carrybacks of any tax item attributable to any Basis Adjustment or Imputed Interest shall be considered to be subject to the rules of the Code and the Treasury Regulations, and the appropriate provisions of U.S. state and local tax Law, governing the use, limitation or expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any tax item includes a portion that is attributable to a Basis Adjustment or Imputed Interest (a "TRA Portion") and another portion that is not attributable to a Basis Adjustment or Imputed Interest (a "Non-TRA Portion"), such portions shall be considered to be used in accordance with the "with and without" methodology so that the amount of any Non-TRA Portion is deemed utilized first, followed by the amount of any TRA Portion (with the TRA Portion being applied on a proportionate basis consistent with the provisions of Section 3.3(a)) and (ii) in the case of a carryback of a Non-TRA Portion, such carryback shall not affect the original "with and without" calculation made in the prior Taxable Year. The Parties agree that, to the extent permitted by applicable Law and except with respect to the portion of any payment attributable to Imputed Interest, all Tax Benefit Payments and payments of Default Rate Interest are intended to be treated and shall be reported for all purposes as subsequent upward purchase price adjustments with respect to the relevant Units purchased by the

Corporation from the applicable TRA Parties that give rise to further Basis Adjustments for the Corporation beginning in the Taxable Year of payment, and as a result, such additional Basis Adjustments will be incorporated into the calculations contemplated hereunder for such Taxable Year and into future Taxable Years, as appropriate.

Section 2.4 Procedures; Amendments.

(a) Procedures. Each time the Corporation delivers a Schedule to the TRA Parties (in accordance with the notice procedures in Section 7.1 below) under this Agreement, the Corporation shall, with respect to such Schedule, also (i) deliver to the TRA Representatives supporting schedules and work papers, as determined by the Corporation or as reasonably requested by any TRA Representative, that provide a reasonable level of detail regarding relevant data and calculations that were relevant for purposes of preparing the Schedule and (ii) allow the TRA Representatives and their advisors (at no cost) to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by the TRA Representatives, at the Corporation or at the Advisory Firm in connection with a review of relevant information. Without limiting the generality of the preceding sentence, the Corporation shall ensure that any Tax Benefit Schedule that is delivered to the TRA Representatives, along with any supporting schedules and work papers, provides a reasonably detailed presentation of the calculations of the Actual Tax Liability for the relevant Taxable Year and the Hypothetical Tax Liability for such Taxable Year, and identifies any material assumptions or operating procedures or principles that were used for purposes of such calculations. A Schedule will become final and binding on the Parties 30 calendar days from the date on which the TRA Representatives first receives the applicable Schedule unless the TRA Representatives, within such period, provides the Corporation with written notice of a material objection (made in good faith) to such Schedule and sets forth in reasonable detail such TRA Representatives' material objection (an "Objection Notice") or each TRA Representative provides a written waiver to the Corporation of its right to give an Objective Notice within such period, in which case such Schedule becomes final and binding on the date the Corporation has received waivers from the TRA Representatives. If the Corporation and such TRA Representatives, for any reason, are unable to resolve the issues raised in such Objection Notice within 30 calendar days after receipt by the Corporation of the Objection Notice, the Corporation and the TRA Representatives shall employ the Reconciliation Procedures described in Section 7.8 and the finalization of the Schedule will be conducted in accordance therewith.

(b) Amended Schedule. A Schedule (other than an Early Termination Schedule) for any Taxable Year may only and shall be amended from time to time by the Corporation (i) in connection with a Determination affecting such Schedule, (ii) to correct inaccuracies in such Schedule, including those identified as a result of the receipt of additional factual information relating to a Taxable Year after the date such Schedule was originally provided to the TRA Representatives, (iii) to comply with an Expert's determination under the Reconciliation Procedures, (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryover or carryback of a loss or other tax item to such Taxable Year, (v) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year, or (vi) to adjust an applicable TRA Party's Basis Schedule to take into account payments made pursuant to this Agreement (any such Schedule in its amended form, an "Amended Schedule"). The Corporation shall provide any Amended Schedule to the TRA Representatives when the Corporation delivers the next Basis Schedule after the occurrence of an event described in clauses (i) through (vi) (or, in the sole discretion of the Corporation, at an earlier date), and the delivery and finalization of any such Amended Schedule shall, for the avoidance of doubt, be subject to the procedures described in Section 2.4(a). In the event a Schedule is amended after such Schedule becomes final pursuant to Section 2.4(a) or, if applicable, Section 7.8, the Amended Schedule shall be taken into account in calculating the Cumulative Net Realized Tax

Benefit for the Taxable Year in which the amendment actually occurs; provided, that with respect to any Amended Schedule relating to an event described in clauses (ii), (iii) and (v), such calculation shall compute the Interest Amount in accordance with Section 3.1(b)(vi), and with respect to all Amended Schedules, the Final Payment Date for purposes of computing the Interest Amount and any Default Rate Interest shall be 5 Business Days following the date on which such Amended Schedule becomes final in accordance with Section 2.4(a).

ARTICLE III.
TAX BENEFIT PAYMENTS

Section 3.1 Timing and Amount of Tax Benefit Payments.

(a) Timing of Payments. Subject to Sections 3.2 and 3.3, by the date that is 5 Business Days following the date on which each Tax Benefit Schedule becomes final in accordance with Section 2.4(a) (such date, the "Final Payment Date" in respect of any Tax Benefit Payment), the Corporation shall pay in full to each relevant TRA Party the Tax Benefit Payment as determined pursuant to Section 3.1(b) for the applicable Taxable Year. Each such Tax Benefit Payment shall be made by wire transfer or other electronic payment method of immediately available funds to a bank account or accounts designated by such TRA Party. Without limiting the Corporation's ability to make offsets against Tax Benefit Payments to the extent permitted under Section 3.4, Section 7.8, or Section 7.15, no TRA Party shall be required under any circumstances to return any Payment or any Default Rate Interest paid by the Corporation to such TRA Party.

(b) Amount of Payments. For purposes of this Agreement, a "Tax Benefit Payment" with respect to any TRA Party means an amount equal to the sum of the Net Tax Benefit that is Attributable to such TRA Party and the Interest Amount. No Tax Benefit Payment shall be calculated or made in respect of any estimated tax payments, including any estimated U.S. federal income tax payments.

(i) Attributable. A Net Tax Benefit is "Attributable" to a TRA Party to the extent that it is derived from any Basis Adjustment or Imputed Interest arising as a result of an Exchange undertaken by or with respect to such TRA Party.

(ii) Net Tax Benefit. The "Net Tax Benefit" with respect to a TRA Party for a Taxable Year equals the amount of the excess, if any, of (A) 85% of the Cumulative Net Realized Tax Benefit Attributable to such TRA Party as of the end of such Taxable Year over (B) the aggregate amount of all Tax Benefit Payments previously made to such TRA Party under this Section 3.1 (excluding payments attributable to Interest Amounts).

(iii) Cumulative Net Realized Tax Benefit. The "Cumulative Net Realized Tax Benefit" for a Taxable Year equals the cumulative amount of Realized Tax Benefits for all Taxable Years of the Corporation, up to and including such Taxable Year, net of the cumulative amount of Realized Tax Detriments for the same period. The Realized Tax Benefit and Realized Tax Detriment for each Taxable Year shall be determined based on the most recent Tax Benefit Schedule or Amended Schedule, if any, in existence at the time of such determination.

(iv) Realized Tax Benefit. The "Realized Tax Benefit" for a Taxable Year equals the excess, if any, of the Hypothetical Tax Liability over the Actual Tax Liability for such Taxable Year. If all or a portion of the Actual Tax Liability for such Taxable Year arises as a result of an audit or similar proceeding by a Taxing Authority of any Taxable Year, such liability and the corresponding Hypothetical Tax Liability shall not be

included in determining the Realized Tax Benefit unless and until there has been a Determination.

(v) Realized Tax Detriment. The "Realized Tax Detriment" for a Taxable Year equals the excess, if any, of the Actual Tax Liability over the Hypothetical Tax Liability for such Taxable Year. If all or a portion of the Actual Tax Liability for such Taxable Year arises as a result of an audit or similar proceeding by a Taxing Authority of any Taxable Year, such liability and the corresponding Hypothetical Tax Liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

(vi) Interest Amount. The "Interest Amount" in respect of a TRA Party equals interest on the unpaid amount of the Net Tax Benefit with respect to such TRA Party for a Taxable Year, calculated at the Agreed Rate from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the earlier of (A) the date on which no remaining Tax Benefit Payment to the TRA Party is due in respect of such Net Tax Benefit and (B) the applicable Final Payment Date.

(vii) The Parties acknowledge and agree that, as of the date of this Agreement and as of the date of any future Exchange that may be subject to this Agreement, the aggregate value of the Tax Benefit Payments cannot be reasonably ascertained for U.S. federal income or other applicable tax purposes. Notwithstanding anything to the contrary in this Agreement, unless the applicable TRA Party notifies the Corporation otherwise, the stated maximum selling price (within the meaning of Treasury Regulation 15A.453-1(c)(2)) with respect to any transfer of Units by a TRA Party pursuant to an Exchange shall not exceed the sum of (A) the value of the Class A Common Stock or the amount of cash delivered to the TRA Party, in each case, in the Exchange plus (B) 150% of the Basis Adjustment relating to such Exchange, and the aggregate Payments under this Agreement to such TRA Party (other than amounts accounted for as interest under the Code) shall not exceed the amount described in this clause (B).

Section 3.2 No Duplicative Payments. It is intended that the provisions hereunder will not result in the duplicative payment of any amount (including interest) that may be required under this Agreement. The provisions hereunder shall be consistently interpreted and applied in accordance with that intent.

Section 3.3 Pro-Ration of Payments as Between the TRA Parties.

(a) Insufficient Taxable Income. Notwithstanding anything in Section 3.1(b) to the contrary, if the aggregate potential Covered Tax benefit of the Corporation as calculated with respect to the Basis Adjustments and Imputed Interest (in each case, without regard to the Taxable Year of origination) is limited in a particular Taxable Year because the Corporation does not have sufficient actual taxable income, then the available Covered Tax benefit for the Corporation shall be allocated among the TRA Parties in proportion to the respective Tax Benefit Payment that would have been payable if the Corporation had sufficient taxable income. For example, if the Corporation had $200 of aggregate potential Covered Tax benefits with respect to the Basis Adjustments and Imputed Interest in a particular Taxable Year (with $50 of such Covered Tax benefits attributable to TRA Party A and $150 attributable to TRA Party B), such that TRA Party A would have been entitled to a Tax Benefit Payment of $42.50 and TRA Party B would have been entitled to a Tax Benefit Payment of $127.50 if the Corporation had sufficient actual taxable income, and if the Corporation instead had insufficient actual taxable income in such Taxable Year, such that the Covered Tax benefit was limited to $100, then $25 of the aggregate $100 actual Covered Tax benefit for the Corporation for such Taxable Year would be allocated to TRA Party A and $75 would be allocated to TRA Party B, such that TRA Party A

would receive a Tax Benefit Payment of $21.25 and TRA Party B would receive a Tax Benefit Payment of $63.75.

(b) Late Payments. If for any reason the Corporation is not able to fully satisfy its payment obligations to make all Tax Benefit Payments due in respect of a particular Taxable Year, then (i) Default Rate Interest will accrue pursuant to Section 5.2, (ii) the Corporation shall pay the available amount of such Tax Benefit Payments (and any applicable Default Rate Interest) in respect of such Taxable Year to each TRA Party pro rata in line with Section 3.3(a) and (iii) no Tax Benefit Payment shall be made in respect of any Taxable Year until all Tax Benefit Payments (and any applicable Default Rate Interest) to all TRA Parties in respect of all prior Taxable Years have been made in full.

Section 3.4 Overpayments. Subject to the procedures described in Section 2.4(a), to the extent the Corporation makes a payment to a TRA Party in respect of a particular Taxable Year under Section 3.1(a) in an amount in excess of the amount of such payment that should have been made to such TRA Party in respect of such Taxable Year (taking into account Section 3.3) under the terms of this Agreement, then such TRA Party shall not receive further payments under Section 3.1(a) until such TRA Party has foregone an amount of payments equal to such excess; provided, that for the avoidance of the doubt, no TRA Party shall be required to return any payment paid by the Corporation to such TRA Party.

ARTICLE IV.
TERMINATION

Section 4.1 Early Termination of Agreement; Acceleration Events.

(a) Corporation's Early Termination Right. With the written approval of a majority of the Independent Directors, the Corporation may terminate this Agreement, as and to the extent provided herein, by paying in full each and every TRA Party the Early Termination Payment (along with any applicable Default Rate Interest) due to such TRA Party.

(b) Acceleration upon Change of Control. In the event of a Change of Control, the Early Termination Payment (calculated as if an Early Termination Notice had been delivered on the date of the Change of Control) shall become due and payable in accordance with Section 4.3 and the Agreement shall terminate, as and to the extent provided herein.

(c) Acceleration upon Breach of Agreement. In the event of a Material Breach, the Early Termination Payment (calculated as if an Early Termination Notice had been delivered on the date of the Material Breach) shall become due and payable in accordance with Section 4.3 and the Agreement shall terminate, as and to the extent provided herein. Subject to the next sentence, the Corporation's failure to make a Payment (along with any applicable Default Rate Interest) within 60 calendar days of the applicable Final Payment Date (except for all or a portion of such Payment that is being validly disputed in good faith under this Agreement, and then only with respect to the amount in dispute) shall be deemed to constitute a Material Breach. To the extent that any Tax Benefit Payment is not made by the date that is 60 calendar days after the relevant Final Payment Date because the Corporation (i) is prohibited from making such payment under Section 5.1 or the terms of any agreement governing any Senior Obligations or (ii) does not have, and despite using commercially reasonable efforts cannot obtain, sufficient funds to make such payment, such failure will not constitute a Material Breach; provided that (A) such payment obligation nevertheless will accrue for the benefit of the TRA Parties, (B) the Corporation shall promptly (and in any event, within 5 Business Days) pay the entirety of the unpaid amount (along with any applicable Default Rate Interest) once the Corporation is not prohibited from making such payment under Section 5.1 or the terms of the agreements governing the Senior Obligations and the Corporation has sufficient funds to make such payment

and (C) the failure of the Corporation to take actions contemplated in clause (B) will constitute a Material Breach; provided further that the interest provisions of Section 5.2 shall apply to such late payment, but, except with respect to a failure of the Corporation to make the payment described in clause (B), the Default Rate shall be replaced by the Agreed Rate.

(d) In the case of a termination pursuant to any of the foregoing paragraphs (a), (b) or (c), upon the Corporation's payment in full of the Early Termination Payment (along with any applicable Default Rate Interest) to each TRA Party, the Corporation shall have no further payment obligations under this Agreement other than with respect to any Tax Benefit Payments (along with any applicable Default Rate Interest) in respect of any Taxable Year ending prior to the Early Termination Effective Date, and such payment obligations shall survive the termination of, and be calculated and paid in accordance with, this Agreement. If an Exchange subsequently occurs with respect to Units for which the Corporation has paid the Early Termination Payment in full, the Corporation shall have no obligations under this Agreement with respect to such Exchange.

Section 4.2 Early Termination Notice.

(a) If (i) the Corporation chooses to exercise its termination right under Section 4.1(a) ("Voluntary Early Termination"), (ii) a Change of Control has or is reasonably expected to occur or (iii) a Material Breach occurs, the Corporation shall, in each case, deliver to the TRA Representatives a reasonably detailed notice of the Corporation's decision to exercise such right or the occurrence of such event, as applicable (an "Early Termination Notice"). In the case of an Early Termination Notice delivered with respect to a Voluntary Early Termination, the Corporation may withdraw such Early Termination Notice and rescind its Voluntary Early Termination at any time prior to the time at which any Early Termination Payment is paid.

(b) The Corporation shall deliver a schedule showing in reasonable detail the calculation of the Early Termination Payment (an "Early Termination Schedule") (i) simultaneously with the delivery of an Early Termination Notice or (ii) in the case of a termination pursuant to Section 4.1(b) or Section 4.1(c), as soon as reasonably practicable following the occurrence of the Change of Control or Material Breach giving rise to such termination. The date on which such Early Termination Schedule becomes final in accordance with Section 2.4(a) shall be the "Early Termination Reference Date". The applicable Early Termination Schedule shall become final and binding on all parties unless the TRA Representatives, within thirty (30) calendar days after receiving the Early Termination Schedule thereto, provides the Corporation with notice of a material objection to such Schedule made in good faith ("Material Objection Notice"). If the parties, for any reason, are unable to successfully resolve the issues raised in such notice within thirty (30) calendar days after receipt by the Corporation of the Material Objection Notice, the Corporation and the TRA Representatives shall employ the Reconciliation Procedures as described in Section 7.9 of this Agreement.

Section 4.3 Payment upon Early Termination.

(a) Timing of Payment. By the date that is 5 Business Days after the Early Termination Reference Date (such date, the "Final Payment Date" in respect of the Early Termination Payment), the Corporation shall pay in full to each TRA Party an amount equal to the Early Termination Payment Attributable to such TRA Party. Such Early Termination Payment shall be made by the Corporation by wire transfer or other electronic payment method of immediately available funds to a bank account or accounts designated by the applicable TRA Party.

(b) Amount of Payment. The "Early Termination Payment" payable to a TRA Party pursuant to Section 4.3(a) shall equal the present value, discounted at the Agreed Rate and

determined as of the Early Termination Reference Date, of all Tax Benefit Payments (other than any Tax Benefit Payments in respect of Taxable Years ending prior to the Early Termination Effective Date) that would be required to be paid by the Corporation to such TRA Party, beginning from the Early Termination Effective Date and using the Valuation Assumptions. For the avoidance of doubt, an Early Termination Payment shall be made to each TRA Party in accordance with this Agreement, regardless of whether such TRA Party has Exchanged all of its Units as of the Early Termination Effective Date.

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ARTICLE V.
SUBORDINATION AND LATE PAYMENTS

Section 5.1 Subordination. Notwithstanding any other provision of this Agreement to the contrary, any payment required to be made by the Corporation to the TRA Parties under this Agreement shall rank subordinate and junior in right of payment to any principal, interest or other amounts due and payable in respect of any obligations owed in respect of indebtedness for borrowed money of the Corporation (but excluding, for the avoidance of doubt, any trade payables, intercompany debt or other similar obligations) ("Senior Obligations") and shall rank *pari passu* in right of payment with all current or future obligations of the Corporation that are not Senior Obligations. To the extent the Corporation incurs, creates or assumes any Senior Obligations after the date hereof, the Corporation shall make commercially reasonable efforts to ensure that such indebtedness permits the Tax Benefit Payments payable hereunder to be paid. The Corporation shall use commercially reasonable efforts not to enter into any agreement after the date hereof if a principal purpose of such agreement is to restrict in any material respect the Tax Benefit Payments payable hereunder. Notwithstanding any other provision of this Agreement to the contrary, to the extent that the Corporation enters into future Tax receivable or other similar agreements (each, a "Future TRA"), the Corporation shall ensure that the terms of any such Future TRA shall provide that the Tax attributes subject to this Agreement shall be senior in priority in all respects to any Tax attributes subject to any such Future TRA for purposes of calculating the amount and timing of payments under any such Future TRA.

Section 5.2 Late Payments by the Corporation. Subject to the proviso in the third sentence of Section 4.1(c), the amount of any Payment not made to any TRA Party by the applicable Final Payment Date shall be payable together with Default Rate Interest, calculated at the Default Rate and accruing on the amount of the unpaid Payment from the applicable Final Payment Date until the date on which the Corporation makes such Payment to such TRA Party; provided, further, that if any unpaid portion of any Tax Benefit Payment is the subject of a Reconciliation Dispute and is finally determined in such Reconciliation Dispute to be due and payable, then interest shall accrue on such unpaid portion at the Default Rate (in place of the Agreed Rate) from the date that is thirty (30) days following the due date for the applicable Tax Benefit Schedule until the date of actual payment.

ARTICLE VI.
TAX MATTERS; CONSISTENCY; COOPERATION

Section 6.1 Participation in the Corporation's and the LLC's Tax Matters. Except as otherwise provided herein or in the Operating Agreement, the Corporation shall have full responsibility for, and sole discretion over, all tax matters concerning the Corporation or the LLC, including preparing, filing or amending any Tax Return and defending, contesting or settling any issue pertaining to taxes, subject to a requirement that the Corporation shall (and shall cause the Solo Group to) act in good faith in connection with its control of any matter which is reasonably expected to affect any TRA Parties' rights and obligations under the Agreement. Notwithstanding the foregoing, the Corporation shall notify the TRA

Representatives of, and keep the TRA Representatives reasonably informed with respect to, the portion of any audit by any Taxing Authority of the Corporation, the LLC or any of their Subsidiaries, the outcome of which is reasonably expected to materially adversely affect the relevant TRA Parties' rights and obligations under this Agreement (any "Tax Claim"), and any relevant TRA Representative shall have the right to participate in, to comment and input on, and to monitor at its own expense (but not to control) any such portion of any such audit; provided further, that neither the Corporation nor the LLC shall be required to take any action, or refrain from taking any action, that is inconsistent with any provision of the Operating Agreement; provided, further, that the Corporation shall not settle or fail to contest any issue pertaining to Taxes or Tax matters where such settlement or failure to contest would reasonably be expected to materially adversely affect such TRA Parties' rights and obligations under this Agreement without the written consent of the applicable TRA Representatives, such consent not to be unreasonably withheld, conditioned, or delayed.

Section 6.2 Consistency. Except upon the written advice of the Advisory Firm (and the consent of the TRA Representatives, such consent not to be unreasonably withheld, conditioned, or delayed) and except for items that are explicitly described as "deemed" or treated in a similar manner by the terms of this Agreement, all calculations and determinations made hereunder, including any Basis Adjustments, the Schedules and the determination of any Realized Tax Benefits or Realized Tax Detriments, shall be made in accordance with the elections, methodologies and positions taken by the Corporation and the LLC on their respective Tax Returns. Each TRA Party shall prepare its Tax Returns in a manner consistent with the terms of this Agreement and any related calculations or determinations made hereunder, including the terms of Section 2.1 and the Schedules provided to each such TRA Party, except as otherwise required by Law or a Determination. If the Corporation and any TRA Party, for any reason, are unable to successfully resolve any disagreement with respect to the foregoing within sixty (60) calendar days, the Corporation and such TRA Party shall employ the Reconciliation Procedures under Section 7.8 or the Resolution of Dispute procedures under Section 7.7, as applicable, unless otherwise agreed by the Corporation and such TRA Party. In the event that an Advisory Firm is replaced with another Advisory Firm acceptable to the Audit Committee and the TRA Representatives, the Parties shall cause such replacement Advisory Firm to perform its services necessitated by this Agreement using procedures and methodologies consistent with those of the previous Advisory Firm, unless otherwise required by applicable Law or a Determination or unless the Corporation and the TRA Representatives agree to the use of other procedures and methodologies.

Section 6.3 Cooperation.

(a) Each TRA Party shall (i) furnish to the Corporation in a timely manner such information, documents and other materials as the Corporation may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return of The LLC or any of its Subsidiaries or contesting or defending any related audit, examination or controversy with any Taxing Authority, (ii) make itself available to the Corporation and its representatives to provide explanations of documents and materials and such other information as the Corporation or its representatives may reasonably request in connection with any of the matters described in clause (i) above and (iii) reasonably cooperate in connection with any such matter. The Corporation shall use reasonable efforts to refrain from, without the prior written consent of the TRA Representatives, such consent not to be unreasonably withheld, conditioned, or delayed, knowingly taking any action that has the primary purpose of circumventing the achievement or attainment of any Tax Benefit Payment under this Agreement.

(b) The LLC shall reimburse the TRA Parties for any reasonable and documented out-of-pocket costs and expenses incurred pursuant to Section 6.3(a).

ARTICLE VII.
MISCELLANEOUS

Section 7.1 Notices. All notices, requests, consents and other communications required or permitted hereunder shall be in writing and (i) delivered personally, (ii) sent by e-mail or (iii) sent by overnight courier, in each case, addressed as follows:

If to the Corporation, to:

Solo Brands, Inc.
1070 S. Kimball Ave. Suite 121
Southlake, TX 76092
Attn: Kent Christensen
E-mail: kent.christensen@solostove.com

with a copy (which shall not constitute notice to the Corporation) to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attention: Adam Gelardi
Email: Adam.Gelardi@lw.com

Latham & Watkins LLP
200 Clarendon Street
Boston, MA 02116
Attention: John Chory
Email: John.Chory@lw.com

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attention: Ian Schuman
Email: Ian.Schuman@lw.com

If to any TRA Party or TRA Representative, to the address and e-mail address specified on such TRA Party's signature page to the applicable Joinder, or, if applicable, the address and e-mail address on file with the Corporation of such TRA Party's applicable TRA Representative. For the avoidance of doubt, notice to an applicable TRA Representative shall constitute notice to a TRA Party.

Unless otherwise specified herein, such notices, requests, consents or other communications shall be deemed effective (i) on the date received, if personally delivered, (ii) on the date received if delivered by e-mail on a Business Day, or if not delivered on a Business Day, on the first Business Day thereafter and (iii) 2 Business Days after being sent by overnight courier. Each of the Parties shall be entitled to specify a different address by giving notice as aforesaid to each of the other Parties.

Section 7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become

effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by e-mail transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.3 Entire Agreement; No Third-Party Beneficiaries. This Agreement and the Operating Agreement constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.4 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions hereunder shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner.

Section 7.5 Assignments; Amendments; Successors; No Waiver.

(a) Assignment. No TRA Party may assign, sell, pledge or otherwise alienate or transfer any interest in this Agreement, including the right to receive any payments under this Agreement, to any Person without the prior written consent of the Corporation, which consent shall not be unreasonably withheld, conditioned or delayed, and without such Person executing and delivering a Joinder agreeing to succeed to the applicable portion of such TRA Party's interest in this Agreement and to become a Party for all purposes of this Agreement (the "Joinder Requirement"). Notwithstanding the foregoing, (i) if any TRA Party sells, exchanges, distributes or otherwise transfers Units to any Person (other than the Corporation or the LLC) in accordance with the terms of the Operating Agreement, such TRA Party shall have the option to assign to such transferee of such Units its rights under this Agreement with respect to such transferred Units; provided that such transferee has satisfied the Joinder Requirement and (ii) once the IPO or an Exchange has occurred, any and all payments that may become payable to a TRA Party pursuant to this Agreement with respect to such IPO or such Exchange may be assigned to any Person or Persons, without the consent of the Corporation, as long as any such Person has satisfied the Joinder Requirement. For the avoidance of doubt, if a TRA Party transfers Units in accordance with the terms of the Operating Agreement but does not assign to the transferee of such Units its rights under this Agreement with respect to such transferred Units, such TRA Party shall continue to be entitled to receive the Tax Benefit Payments arising in respect of a subsequent Exchange of such Units. The Corporation may not assign any of its rights or obligations under this Agreement to any Person (other than in connection with an assignment pursuant to Section 7.5(c)) without TRA Party Approval and the consent of the TRA Representatives, such approval and consent not to be unreasonably withheld, conditioned or delayed (and any purported assignment without such consent shall be null and void). No TRA Representative may assign, sell, pledge or otherwise alienate or transfer any interest in this Agreement in its capacity as a TRA Representative to any Person other than a Permitted Transferee (as defined in the Third Amended and Restated Limited Liability Company Agreement of The LLC dated as of the date hereof). Notwithstanding anything to the contrary, if the TRA Parties as of the date hereof, which TRA Parties are represented by an applicable TRA Representative, or their Permitted Transferees (as defined in the Third Amended and Restated Limited Liability Company Agreement of The LLC dated as of the date hereof), have transferred

more than 50% of the value of their remaining payments under this Agreement, such TRA Representative shall cease to be a TRA Representative for all purposes under this Agreement.

(b) Amendments. No provision of this Agreement may be amended unless such amendment is approved in writing by the Corporation with TRA Party Approval; provided, that an amendment of the definition of Change of Control will also require the written approval of a majority of the Independent Directors.

(c) Successors. All of the terms and provisions hereunder shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties and their respective successors, assigns, heirs, executors, administrators and legal representatives, unless otherwise provided for hereunder. The Corporation shall require and cause any direct or indirect successor (whether by equity purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

(d) Waiver. No provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom the waiver is to be effective. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 7.6 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.7 Resolution of Disputes; Governing Law.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any suit, dispute, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be heard in the state or federal courts of the State of Delaware, and the parties hereby consent to the exclusive jurisdiction of such court (and of the appropriate appellate courts) in any such suit, action or proceeding and waives any objection to venue laid therein. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON ANY PARTY ANYWHERE IN THE WORLD, WHETHER WITHIN OR WITHOUT THE JURISDICTION OF ANY SUCH COURT (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT) AND SHALL HAVE THE SAME LEGAL FORCE AND EFFECT AS IF SERVED UPON SUCH PARTY PERSONALLY WITHIN THE STATE OF DELAWARE. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES AGREE THAT SERVICE OF PROCESS UPON SUCH PARTY AT THE ADDRESS REFERRED TO IN SECTION 7.1 (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT), TOGETHER WITH WRITTEN NOTICE OF SUCH SERVICE TO SUCH PARTY, SHALL BE DEEMED EFFECTIVE SERVICE OF PROCESS UPON SUCH PARTY.

(b) Each Party irrevocably and unconditionally waives, to the fullest extent permitted by Law, (i) any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in

Section 7.7 and (ii) the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(c) Each Party irrevocably consents to service of process by means of notice in the manner provided for in Section 7.1. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by Law.

(d) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND WITH THE ADVICE OF ITS COUNSEL, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING, WHETHER A CLAIM, COUNTERCLAIM, CROSS-CLAIM, OR THIRD PARTY CLAIM, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

Section 7.8 Reconciliation Procedures.

(a) In the event that the Corporation and any TRA Representative are unable to resolve a disagreement with respect to a Schedule (including an Early Termination Schedule) prepared in accordance with the procedures set forth in Section 2.4 or Section 4.2, as applicable, within the relevant time period designated in this Agreement (a "Reconciliation Dispute"), the procedures described in this paragraph (the "Reconciliation Procedures") will apply. The applicable Parties shall, within 15 calendar days of the commencement of a Reconciliation Dispute, mutually select an expert in the particular area of disagreement (the "Expert") and submit the Reconciliation Dispute to such Expert for determination. The Expert shall be a partner or principal in a nationally recognized accounting firm (other than the Advisory Firm), and unless the Corporation and such TRA Representative agree otherwise, the Expert (and its employing firm) shall not have any material relationship with the Corporation or such TRA Representative or TRA Party or other actual or potential conflict of interest. If the applicable Parties are unable to agree on an Expert within such 15 calendar-day time period, then the Corporation and the relevant TRA Representative shall cause the Expert to be selected by the International Chamber of Commerce Centre for Expertise, which shall pick an Expert from a nationally recognized accounting firm that does not have any material relationship with the applicable Parties or other actual or potential conflict of interest. The Expert shall resolve any matter relating to (i) a Basis Schedule, Early Termination Schedule or an amendment to either within 30 calendar days and (ii) a Tax Benefit Schedule or an amendment thereto within 15 calendar days or, in each case, as soon thereafter as is reasonably practicable after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement would be due (in the absence of such disagreement) or any Tax Return reflecting the subject of a disagreement is due, the undisputed amount shall be paid by the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporation, subject to adjustment or amendment upon resolution. The Expert shall finally determine any Reconciliation Dispute, and its determinations pursuant to this Section 7.8(a) shall be binding on the applicable Parties and may be entered and enforced in any court having competent jurisdiction. Any dispute as to whether a dispute is a Reconciliation Dispute within the meaning of this Section 7.8 or a dispute within the meaning of Section 7.7 shall be decided and resolved as a Dispute subject to the procedures set forth in Section 7.7.

(b) The sum of (a) the costs and expenses relating to (i) the engagement (and, if applicable, selection by the arbitration panel) of such Expert and (ii) if applicable, amending any Tax Return in connection with the decision of such Expert and (b) the reasonable out-of-pocket

costs and expenses of the Corporation and the TRA Representative incurred in the conduct of such proceeding described in Section 7.8(a) shall be allocated between the Corporation, on the one hand, and the TRA Representative, on the other hand, in the same proportion that the aggregate amount of the disputed items so submitted to the Expert that is unsuccessfully disputed by each such party (as finally determined by the Expert) bears to the total amount of such disputed items so submitted, and each such party shall promptly reimburse the other party for the excess that such other party has paid in respect of such costs and expenses over the amount it has been so allocated. The Corporation may withhold payments under this Agreement to collect amounts due under the preceding sentence.

Section 7.9 Withholding. The Corporation and its Affiliates shall be entitled to deduct and withhold from any payment that is payable to any TRA Party pursuant to this Agreement such amounts as the Corporation is required to deduct and withhold with respect to the making of such payment by applicable Law, provided that the Corporation (i) gives ten (10) days advance written notice of its intention to make such withholding to the TRA Party, (ii) identifies the legal basis requiring such withholding and (iii) gives the TRA Party an opportunity to establish that such withholding is not legally required or may be reduced. To the extent that amounts are so deducted and withheld and paid over to the appropriate Taxing Authority by the Corporation, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid by the Corporation to the relevant TRA Party in respect of whom the deduction and withholding was made. Each TRA Party shall promptly provide the Corporation with any applicable tax forms and certifications reasonably requested by the Corporation in connection with determining whether any such deductions and withholdings are required by applicable Law.

Section 7.10 Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If the Corporation is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income Tax Return pursuant to Section 1501 or other applicable sections of the Code governing affiliated or consolidated groups, or any corresponding provisions of U.S. state or local tax Law, then (i) the provisions hereunder shall be applied with respect to the group as a whole, and (ii) Payments and other applicable items hereunder shall be computed with reference to the consolidated taxable income of the group as a whole.

(b) If the Corporation or any member of the Solo Group transfers one or more Reference Assets to a Person treated as a corporation for U.S. federal income tax purposes (with which, in the case of the Corporation, the Corporation does not file a consolidated Tax Return pursuant to Section 1501 of the Code or other applicable sections of the Code governing affiliated or consolidated groups, or any corresponding provisions of U.S. state or local tax Law), such transferor, for purposes of calculating the amount of any Payment due hereunder, shall be treated as having disposed of such asset in a fully taxable transaction on the date of such transfer. The consideration deemed to be received by the Corporation or Solo Group member, as the applicable transferor, shall be equal to the fair market value of the transferred asset plus the amount of debt to which such asset is subject, in the case of a transfer of an encumbered asset. For purposes of this Section 7.10, a transfer of a partnership interest shall be treated as a transfer of the transferring partner's applicable share of each of the assets and liabilities of that partnership. Notwithstanding anything to the contrary set forth herein, if the Corporation or any member of a group described in Section 7.10(a) transfers its assets pursuant to a transaction that qualifies as a "reorganization" (within the meaning of Section 368(a) of the Code) in which such entity does not survive, pursuant to a contribution described in Section 351(a) of the Code or pursuant to any other transaction to which Section 381(a) of the Code applies (other than any such reorganization or any such other transaction, in each case, pursuant to which such entity transfers assets to a corporation with which the Corporation or any member of the group described in Section 7.10(a) (other than any such member being transferred in such

reorganization or other transaction) does not file a consolidated Tax Return pursuant to Section 1501 of the Code or other applicable sections of the Code governing affiliated or consolidated groups), the transfer will not cause such entity to be treated as having transferred any assets to a corporation (or a Person classified as a corporation for U.S. federal income tax purposes) pursuant to this Section 7.10(b). Notwithstanding the foregoing, if the TRA Parties (individually or collectively) either have the right to designate a majority of the Board or otherwise have at least a majority of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, this Section 7.10(b) shall only apply with respect to any such transfer of one or more Reference Assets to such a corporation to the extent that such transfer has been approved by a majority of the Independent Directors. Notwithstanding any other provision of this Agreement, if the Corporation acquires one or more assets that, as of any Exchange Date, have actually been acquired by such Exchange Date but have not been contributed to the LLC (other than the Corporation's interests in the Solo Group) (such assets, "Excluded Assets"), then all Tax Benefit Payments due hereunder shall be computed as if such assets had been contributed to the LLC on the date such assets were first acquired by the Corporation, as applicable; provided, however, that if an Excluded Asset consists of stock in a corporation, then, for purposes of this Section 7.10(b), such corporation (and any corporation Controlled by such corporation) shall be deemed to have contributed its assets to the LLC on the date on which Corporation acquired stock of such corporation; provided further, that notwithstanding anything to the contrary, this sentence shall not apply to the extent that as of any Exchange Date the Corporation is in the process of contributing such Excluded Assets to the LLC as soon as commercially and legally possible.

Section 7.11 Confidentiality.

(a) Each of the TRA Parties agrees to hold the Corporation's Confidential Information in confidence and may not disclose or use such information except as otherwise authorized separately in writing by the Manager. "Confidential Information" as used herein includes all information concerning the Corporation, the LLC or their Subsidiaries, in whatever form, whether written, electronic or oral, including, but not limited to, ideas, financial product structuring, business strategies, innovations and materials, all aspects of the Corporation's and/or the LLC's business plan, proposed operation and products, corporate structure, financial and organizational information, analyses, proposed partners, software code and system and product designs, employees and their identities, equity ownership, the methods and means by which either the Corporation or the LLC plans to conduct its business, all trade secrets, trademarks, tradenames and all intellectual property associated with the Corporation's and/or the LLC's business. With respect to each TRA Party, Confidential Information does not include information or material that: (a) is, or becomes, generally available to the public other than as a direct or indirect result of a disclosure by such TRA Party or its Affiliates or representatives; (b) is, or becomes, available to such TRA Party from a source other than the Corporation, the LLC's or their representatives, provided that such source is not, and was not, known to such TRA Party to be bound by a confidentiality agreement with, or any other contractual, fiduciary or other legal obligation of confidentiality to, the Corporation, the LLC or any of their Affiliates or representatives; (c) is approved for release by written authorization of the Chief Executive Officer, Chief Financial Officer or General Counsel of the LLC or of the Corporation, or any other officer designated by the Manager; (d) is or becomes independently developed by such TRA Party without use of or reference to the Confidential Information or (e) is information necessary for a TRA Party to prepare and file its Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such Tax Returns.

(b) Solely to the extent it is reasonably necessary or appropriate to fulfill its obligations or to exercise its rights under this Agreement, each of the TRA Parties may disclose Confidential Information to its Subsidiaries, Affiliates, partners, directors, officers, employees,

counsel, advisers, consultants, outside contractors and other agents, on the condition that such Persons keep the Confidential Information confidential to the same extent as such TRA Party is required to keep the Confidential Information confidential; provided, that such TRA Party shall remain liable with respect to any breach of this Section 7.11 by any such Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents (as if such Persons were party to this Agreement for purposes of this Section 7.11).

(c) Notwithstanding Section 7.11(a) or Section 7.11(b), each of the TRA Parties may disclose Confidential Information (i) to the extent that such TRA Party is required by Law (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, (ii) for purposes of reporting to its stockholders and direct and indirect equity holders (each of whom are bound by customary confidentiality obligations) the performance of The LLC and its Subsidiaries and for purposes of including applicable information in its financial statements to the extent required by applicable Law or applicable accounting standards; or (iii) to any bona fide prospective purchaser of the equity or assets of a TRA Party, or the Units held by such TRA Party (provided, in each case, that such TRA Party determines in good faith that such prospective purchaser would be a Permitted Transferee (as defined in the Third Amended and Restated Limited Liability Company Agreement of The LLC dated as of the date hereof)), or a prospective merger partner of such TRA Party (provided, that (i) such Persons will be informed by such member of the confidential nature of such information and shall agree in writing to keep such information confidential in accordance with the contents of this Agreement and (ii) each TRA Party will be liable for any breaches of this Section 7.11 by any such Persons (as if such Persons were party to this Agreement for purposes of this Section 7.11)). Notwithstanding any of the foregoing, nothing in this Section 7.11 will restrict in any manner the ability of the Corporation to comply with its disclosure obligations under Law, and the extent to which any Confidential Information is necessary or desirable to disclose.

(d) Notwithstanding anything to the contrary herein, the TRA Parties and each of their assignees (and each employee, representative or other agent of the TRA Parties or their assignees, as applicable) may disclose at their discretion to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Corporation, the TRA Parties and any of their transactions, and all materials of any kind (including tax opinions or other tax analyses) that are provided to the TRA Parties relating to such tax treatment and tax structure.

Section 7.12 Change in Law. Notwithstanding anything herein to the contrary, if, in connection with an actual or proposed change in Law, a TRA Party reasonably believes that the existence of this Agreement could cause income (other than income arising from receipt of a payment under this Agreement) recognized by such TRA Party (or direct or indirect equity holders in such TRA Party) in connection with any Exchange to be treated as ordinary income (other than with respect to assets described in Section 751(a) of the Code) rather than capital gain (or otherwise taxed at ordinary income rates) for U.S. federal income tax purposes or would have other material adverse tax consequences to such TRA Party or any direct or indirect owner of such TRA Party, then, at the written election of such TRA Party in its sole discretion (in an instrument signed by such TRA Party and delivered to the Corporation) and to the extent specified therein by such TRA Party, this Agreement shall cease to have further effect and shall not apply to an Exchange occurring after a date specified by such TRA Party, or may be amended in a manner reasonably determined by such TRA Party; provided that such amendment shall not result in an increase in any payments owed by the Corporation under this Agreement at any time as compared to the amounts and times of payments that would have been due in the absence of such amendment; provided, further, that for the avoidance of doubt, such amendment shall not be treated as a termination of this Agreement that results in an Early Termination Payment obligation to the Corporation.

Section 7.13 Independent Nature of Rights and Obligations. The rights and obligations of each TRA Party hereunder are several and not joint with the rights and obligations of any other Person. A TRA Party shall not be responsible in any way for the performance of the obligations of any other Person hereunder (other than its Affiliates or representatives as described herein), nor shall a TRA Party have the right to enforce the rights or obligations of any other Person hereunder (other than obligations of the Corporation). The obligations of a TRA Party hereunder are solely for the benefit of, and shall be enforceable solely by, the Corporation. Nothing contained herein or in any other agreement or document delivered in connection herewith, and no action taken by any TRA Party pursuant hereto or thereto, shall be deemed to constitute the TRA Parties acting as a partnership, association, joint venture or any other kind of entity, or create a presumption that the TRA Parties are in any way acting in concert or as a group with respect to such rights or obligations or the transactions contemplated hereby.

Section 7.14 TRA Representatives.

(a) Appointment. Without further action of any of the Corporation, the TRA Representatives or any TRA Party, the TRA Representatives are hereby irrevocably constituted and appointed to act as the sole representative, agent and attorney-in-fact for the applicable TRA Parties listed on the applicable Annex and their successors with respect to the taking by the TRA Representatives of any and all actions and the making of any decisions required or permitted to be taken by the TRA Representatives under this Agreement. The power of attorney granted herein is coupled with an interest and is irrevocable and may be delegated by the TRA Representatives. No bond shall be required of the TRA Representatives, and the TRA Representatives shall receive no compensation for their services.

(b) Limitation on Liability of TRA Representatives. A TRA Representative shall not be liable to any TRA Party or other TRA Representative for any act arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent any liability, loss, damage, penalty, fine, cost or expense is actually incurred by such TRA Party as a proximate result of the gross negligence, bad faith or willful misconduct of the TRA Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such good faith and reasonable judgment). A TRA Representative shall not be liable for, and shall be indemnified by its applicable TRA Parties (on a several but not joint basis) for, any liability, loss, damage, penalty or fine incurred by the TRA Representative (and any cost or expense incurred by the TRA Representative in connection therewith and herewith) arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent that any such liability, loss, damage, penalty, fine, cost or expense is the proximate result of the gross negligence, bad faith or willful misconduct of the TRA Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such good faith and reasonable judgment); provided, however, in no event shall any TRA Party be obligated to indemnify the TRA Representative hereunder for any liability, loss, damage, penalty, fine, cost or expense to the extent (and only to the extent) that the aggregate amount of all liabilities, losses, damages, penalties, fines, costs and expenses indemnified by such TRA Party hereunder is or would be in excess of the aggregate payments under this Agreement actually remitted to such TRA Party. Each TRA Parties' receipt of any and all benefits to which such TRA Party is entitled under this Agreement, if any, is conditioned upon and subject to such TRA Parties' acceptance of all obligations, including the obligations of this Section, applicable to such TRA Party under this Agreement.

(c) Actions of the TRA Representative. Any decision, act, consent or instruction of any TRA Representative shall constitute a decision of all applicable TRA Parties whom such TRA Representative represents, and shall be final, binding and conclusive upon each such TRA Party, and the Corporation may rely upon any decision, act, consent or instruction of the TRA

Representative as being the decision, act, consent or instruction of each such TRA Party. The Corporation is hereby relieved from any liability to any person for any acts done by the Corporation in accordance with any such decision, act, consent or instruction of the TRA Representative.

(d) Consistency(e) . Notwithstanding anything to the contrary in this Agreement, in the event that the consent (not to be unreasonably withheld, conditioned or delayed) of any TRA Representatives is required pursuant to this Agreement and all TRA Representatives are not in agreement as to whether such consent shall be granted or denied, such TRA Representatives shall negotiate in good faith to resolve such dispute. In the event the TRA Representatives cannot successfully resolve their dispute, the TRA Representatives shall employ the Reconciliation Procedures as described in Section 7.9 of this Agreement.

Section 7.15. Operating Agreement. To the extent this Agreement imposes obligations on the LLC, this Agreement shall be treated as part of the Operating Agreement as described in Section 761(c) of the Code and sections 1.761-1(c) and 1.704-1(b)(2)(ii)(h) of the Treasury Regulations.

[*Signature Page Follows This Page*]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

SOLO BRANDS, INC., AS THE CORPORATION

By: /s/ John Merris

Name: John Merris

Title: Chief Executive Officer

SOLO STOVE HOLDINGS, LLC

By: Solo Brands, Inc., as its sole Managing TRA Party

By: /s/ John Merris

Name: John Merris

Title: Chief Executive Officer

[ADDITIONAL SIGNATURE PAGES OMITTED]

Annex A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of [ ], 20[ ] (this "Joinder"), is delivered pursuant to that certain Tax Receivable Agreement, dated as of October 27, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Tax Receivable Agreement"), by and among Solo Brands, Inc., a Delaware corporation (the "Corporation"), Solo DTC Brands, LLC, a Delaware limited liability company (the "LLC"), and each of the TRA Parties from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Tax Receivable Agreement.

1. Joinder to the Tax Receivable Agreement. The undersigned hereby represents and warrants to the Corporation that, as of the date hereof, the undersigned has been assigned an interest in the Tax Receivable Agreement from a TRA Party.

2. Joinder to the Tax Receivable Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is and hereafter will be a TRA Party under the Tax Receivable Agreement and a Party thereto, with all the rights, privileges and responsibilities of a TRA Party thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the Tax Receivable Agreement as if it had been a signatory thereto as of the date thereof.

3. Incorporation by Reference. All terms and conditions of the Tax Receivable Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.

4. Address. All notices under the Tax Receivable Agreement to the undersigned shall be direct to:

[Name]

[Address]

[City, State, Zip Code]

Attn:

E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[NAME OF NEW PARTY]

By:
Name:
Title:

Acknowledged and agreed
as of the date first set forth above:

SOLO BRANDS, INC.

By:
Name:
Title:

Annex B

TRA Parties

Summit Partners Growth Equity Fund X-A, L.P.
Summit Partners Growth Equity Fund X-B, L.P.
Summit Partners Growth Equity Fund X-C, L.P.
Summit Investors X, LLC
Summit Investors X (UK), L.P.
Summit Partners Subordinated Debt Fund V-A, L.P.
Summit Partners Subordinated Debt Fund V-B, L.P.
SP-SS Aggregator LLC
Bertram Growth Capital III, L.P.
Bertram Growth Capital III-A, L.P.
Bertram Growth Capital III Annex Fund, L.P.
NB Select Opps II MHF LP
NB Gemini Fund LP
NB Crossroads XXII - MC Holdings LP
NB Crossroads Private Markets Fund V Holdings LP
TriVista Investment Partners I, LLC
Amanda Gosney
Andrea Tarbox
Andrew Hill
Anna Jobe
Anton Willis
Ardavan Sobhani
Ashley Spencer
Ashley VanWinkle
Austin Freed
Brandon Leatherwood
Caleb Campbell
Cassidy Bunting
Darcie Howhald
David Wardell
Emma Smith
Eric Jan Holdings, Inc.
Hunter Leeming
Jack Wilson
James Hargett
Jan Brothers Holdings, Inc.
Jennifer Carter
Joe Leon LLC
Joseph Avery
Kaitlin Setser
Katharine Garton
Kay Lin Nelson
Kelley McCuen
Kendal Cooper
Kevin Dopp
Kevin Page
Kyle Hency
Lauren Neville

Mario Ramirez
Mason Robinson
Matt Wardell
Mickle Holdings LLC
Niquolas Lagleva
Nishant Khanduja
Patemiller Holdings, Inc.
Philip Mills
Preston Rutherford
Rachel Black
Sarah Swanson
Sheri Medlenka
Shift4Holdings LLC
SS Management Aggregator, LLC
Tessa Johnston
Thomas Montgomery
Timothy Durgin
Timothy Kauer
Travis Harrell
William Grube
William R Castillo

Annex C

TRA Parties Represented by SP SS Aggregator, LLC

SP-SS Aggregator LLC

Annex D

TRA Parties Represented by SS Management Aggregator, LLC

Amanda Gosney
Andrea Tarbox
Andrew Hill
Anna Jobe
Anton Willis
Ardavan Sobhani
Ashley Spencer
Ashley VanWinkle
Austin Freed
Brandon Leatherwood
Caleb Campbell
Cassidy Bunting
Darcie Howhald
David Wardell
Emma Smith
Eric Jan Holdings, Inc.
Hunter Leeming
Jack Wilson
James Hargett
Jan Brothers Holdings, Inc.
Jennifer Carter
Joe Leon LLC
Joseph Avery
Kaitlin Setser
Katharine Garton
Kay Lin Nelson
Kelley McCuen
Kendal Cooper
Kevin Dopp
Kevin Page
Kyle Hency
Lauren Neville
Mario Ramirez
Mason Robinson
Matt Wardell
Mickle Holdings LLC
Niquolas Lagleva
Nishant Khanduja
Patemiller Holdings, Inc.
Philip Mills
Preston Rutherford
Rachel Black
Sarah Swanson
Sheri Medlenka
Shift4Holdings LLC
SS Management Aggregator, LLC
Tessa Johnston
Thomas Montgomery
Timothy Durgin

Timothy Kauer
Travis Harrell
William Grube
William R Castillo

SOLO STOVE HOLDINGS, LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of October 27, 2021

THE LIMITED LIABILITY COMPANY INTERESTS REPRESENTED BY THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH LIMITED LIABILITY COMPANY INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

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SOLO STOVE HOLDINGS, LLC

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "***Agreement***") of Solo Stove Holdings, LLC, a Delaware limited liability company (the "***Company***"), dated as of October 27, 2021 (the "***Effective Date***"), is entered into by and among the Company, Solo Brands, Inc., a Delaware corporation (the "***Corporation***"), as the managing member of the Company, and each of the other Members (as defined herein).

RECITALS

WHEREAS, unless the context otherwise requires, capitalized terms used herein have the respective meaning ascribed to them in Article I;

WHEREAS, the Company was formed as a limited liability company with the name "Solo Stove Holdings, LLC", pursuant to and in accordance with the Delaware Act by the filing of the Certificate with the Secretary of State of the State of Delaware pursuant to Section 18-201 of the Delaware Act on October 6, 2020;

WHEREAS, prior to the IPO (as defined below), the Company was governed by that certain Limited Liability Company Agreement of the Company, dated as of October 9, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, together with all schedules, exhibits and annexes thereto, the "***Prior LLC Agreement***"), which the parties listed on Schedule 1 hereto executed or were otherwise party to (including pursuant to consents and joinders thereto) in their capacity as members (collectively, the "***Pre-IPO Members***");

WHEREAS, in connection with the IPO, the Company was a party to a series of reorganization transactions with the Corporation and various other parties pursuant to which, among other matters, the Company became a Subsidiary of the Corporation, designated as the Corporation as the Manager of the Company and the Corporation was admitted as a Member of the Company and received Original Units, and the Company was continued without dissolution;

WHEREAS, in connection with the IPO, the Company, the Corporation and the Pre-IPO Members desire to convert all of the Original Units (as defined below) into Common Units (as defined below) (the "***Recapitalization***") as provided herein;

WHEREAS, immediately following the Recapitalization, a Subsidiary of the Corporation merged with and into the parent of a Pre-IPO Member, with such parent of the Pre-IPO Member surviving, with the consideration received in such merger being Class A Common Stock of the Corporation (with such surviving entity then being merged with and into another Subsidiary of the Corporation, with such Subsidiary of the Corporation surviving);

WHEREAS, the Corporation shall sell shares of Class A Common Stock of the Corporation to public investors in the IPO and the Corporation shall use the net proceeds received by the Corporation from the IPO (the "***IPO Net Proceeds***") to purchase newly issued Common Units from the Company pursuant to the IPO Common Unit Subscription Agreement;

WHEREAS, the Corporation may issue additional shares of Class A Common Stock in connection with the IPO as a result of the exercise by the underwriters of their over-allotment option (the "***Over-Allotment Option***") and, if the Over-Allotment Option is exercised in whole or in part, any additional net proceeds received by the Corporation (the "***Over-Allotment Option Net Proceeds***") shall be used by the Corporation to purchase additional newly issued Common Units from the Company and from certain pre-IPO Members pursuant to the IPO Common Unit Subscription Agreement; and

WHEREAS, in connection with the foregoing matters, the Company and the Pre-IPO Members desire to continue the Company without dissolution and amend and restate the Prior LLC Agreement in its entirety as of the Effective Date to, among other things, (a) effect the Recapitalization, (b) confirm the admission of the Corporation as a Member (which was effected in accordance with the foregoing recitals) and its designation as sole Manager of the Company and (c) set forth the other rights and obligations of the Members, the Company and the Manager, in each case, as provided and agreed upon in the terms of this Agreement as of the Effective Date, at which time the Prior LLC Agreement shall be superseded entirely by this Agreement and shall be of no further force or effect.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Prior LLC Agreement is hereby amended and restated in its entirety, and the Company, the Corporation and the other Members, each intending to be legally bound, each hereby agrees, as follows:

Article I.
DEFINITIONS

The following definitions shall be applied to the terms used in this Agreement for all purposes, unless otherwise clearly indicated to the contrary.

"***Additional Member***" has the meaning set forth in Section 12.02.

"***Adjusted Capital Account Deficit***" means, with respect to the Capital Account of any Member as of the end of any Taxable Year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Member's Capital Account balance shall be:

(a) reduced for any items described in Treasury Regulation Section 1.704- 1(b)(2)(ii)(d)(4), (5), and (6); and

(b) increased for any amount such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i) (relating to minimum gain).

"***Admission Date***" has the meaning set forth in Section 10.06.

"***Affiliate***" (and, with a correlative meaning, "***Affiliated***") of any particular Person means (i) any other Person controlling, controlled by or under common control or common investment management with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, and such "control" shall be conclusively presumed if any Person owns 50% or more of the voting capital stock or other equity securities, directly or indirectly, of any other Person, (ii) if such Person is a partnership (including limited partnership) or limited liability company, any partner or member

thereof and (iii) without limiting the foregoing and with respect only to the Summit Investors and the Bertram Investors, any investment fund controlled by, as applicable, Summit Partners, L.P. or of which Summit Partners, L.P. serves as investment adviser or any other Person controlled by a majority-in-interest of its direct and indirect partners and members, or Bertram Capital Management, LLC or of which Bertram Capital Management serves as investment adviser or any other Person controlled by a majority-in-interest of its direct and indirect partners and members. For the avoidance of doubt, with respect to each Member other than the Corporation that is a natural person, (a) a trust, family limited partnership or similar estate planning vehicle, under which the distribution of Units may be made only to beneficiaries who are such Member, his or her spouse, lineal descendants (whether natural or adopted), siblings, parents, or spouse's parents; (b) a charitable remainder trust, the income of which shall be paid to such Member during his or her life, or (c) such Member's spouse, lineal descendants (whether natural or adopted), siblings, parents or spouse's parents, shall be an Affiliate for purposes hereof; provided, that "Affiliate" as used in Article X of this Agreement shall not include the foregoing clause (c).

"***Agreement***" has the meaning set forth in the Preamble.

"***Assignee***" means a Person to whom a Unit has been transferred but who has not become a Member pursuant to Article XII.

"***Assumed Tax Liability***" means, with respect to any Member, an amount equal to the excess of (a) the product of (i) the Distribution Tax Rate multiplied by (ii) the estimated or actual cumulative taxable income or gain of the Company, as determined for federal income tax purposes, allocated to such Member for full or partial Fiscal Years commencing on or after the Effective Date, minus prior losses of the Company allocated to such Member for full or partial Fiscal Years commencing on or after the Effective Date, to the extent such prior losses are available to reduce such income and have not previously been taken into account in the calculation of Assumed Tax Liability for any prior period commencing on or after the Effective Date, in each case, as reasonably determined by the Manager over (b) the cumulative amount of Tax Distributions previously made to such Member after the Effective Date pursuant to Sections 4.01(b)(i), 4.01(b)(ii) and 4.01(b)(iii); provided that such Assumed Tax Liability (x) shall, in the case of the Corporation, in no event be less than an amount that shall enable the Corporation to meet both its tax obligations and its obligations pursuant to the Tax Receivable Agreement for the relevant Taxable Year, (y) shall assume that such Member earned solely the items of income, gain, deduction, loss and/or credit allocated to such Member by the Company and (z) shall not take into account any items of income, gain, loss, deduction or credit earned by the Company prior to the Effective Date.

"***Base Rate***" means, on any date, a variable rate per annum equal to the rate of interest most recently published by The Wall Street Journal as the "prime rate" at large U.S. money center banks.

"***Black-Out Period***" means any "black-out" or similar period under the Corporation's policies covering trading in the Corporation's securities to which the applicable Redeeming Member is subject (or shall be subject at such time as it owns Class A Common Stock), which period restricts the ability of such Redeeming Member to immediately resell shares of Class A Common Stock to be delivered to such Redeeming Member in connection with a Share Settlement.

"***Bertram Investors***" shall mean Bertram Growth Capital III, L.P., Bertram Growth Capital III-A, L.P., Bertram Growth Capital III Annex Fund, L.P. and their respective partners, members or Affiliates.

"***Book Value***" means, with respect to any property of the Company, the Company's adjusted basis for U.S. federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted (in the case of permitted adjustments, to the extent determined by the Manager by Treasury Regulation Section 1.704-1(b)(2)(iv)(d) through (g).

"***Business***" means the Company's and its Subsidiaries' business on the date hereof, including the business of manufacturing, marketing, selling, and distributing fire pits, stoves, grills, outdoor cooking products, patio furniture, or other similar products along with accessories for the foregoing, and such additional businesses as the Company and its Subsidiaries engage in at any time after the date hereof.

"***Business Day***" means any day other than a Saturday, Sunday or day on which banks located in New York City, New York are authorized or required by Law to close.

"***Capital Account***" means the capital account maintained for a Member in accordance with Section 5.01.

"***Capital Contribution***" means, with respect to any Member, the amount of any cash, cash equivalents, promissory obligations or the Fair Market Value of other property that such Member (or such Member's predecessor) contributes (or is deemed to contribute) to the Company pursuant to Article III hereof.

"***Cash Settlement***" means immediately available funds denominated in U.S. dollars in an amount equal to the Redeemed Units Equivalent; provided that such funds are, (a) in the case of a Redemption occurring in connection with the closing of the IPO, funds that are received from the IPO and, (b) in any other case, funds that are received from a Qualifying Offering.

"***Certificate***" means the Company's Certificate of Formation as filed with the Secretary of State of the State of Delaware, as amended or amended and restated from time to time.

"***Change of Control***" means the occurrence of any of the following events:

(a) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and excluding the Permitted Transferees) becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of shares of Class A Common Stock, Class B Common Stock, preferred stock or any other class or classes of capital stock of the Corporation (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote;

(b) the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated a transaction or series of related transactions for the sale, lease, exchange or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation's assets (including a sale of all or substantially all of the assets of the Company);

(c) there is consummated a merger or consolidation of the Corporation with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of the Corporation immediately prior to such merger or consolidation do not continue to represent, or are not converted into, voting securities representing more than fifty percent (50%) of the combined voting power of the

outstanding voting securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof; or

(d) the Corporation ceases to be the Manager and sole managing member of the Company.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of related transactions immediately following which the beneficial holders of the Class A Common Stock, Class B Common Stock, preferred stock or any other class or classes of capital stock of the Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

"***Change of Control Date***" has the meaning set forth in Section 10.09(a).

"***Change of Control Transaction***" means any transactions that constitutes Change of Control that was approved by the Corporate Board prior to such Change of Control.

"***Class A Common Stock***" means the shares of Class A common stock, par value $0.001 per share, of the Corporation.

"***Class B Common Stock***" means the shares of Class B common stock, par value $0.001 per share, of the Corporation.

"***Code***" means the United States Internal Revenue Code of 1986, as amended. Unless the context requires otherwise, any reference herein to a specific section of the Code shall be deemed to include any corresponding provisions of future Law as in effect for the relevant taxable period.

"***Common Unit***" means a Unit designated as a "Common Unit" and having the rights and obligations specified with respect to the Common Units in this Agreement.

"***Common Unit Redemption Price***" means, with respect to any Redemption, the arithmetic average of the volume weighted average prices for a share of Class A Common Stock (or any class of stock into which it has been converted) on the Stock Exchange, or any other exchange or automated or electronic quotation system on which the Class A Common Stock trades, as reported by Bloomberg, L.P., or its successor, for each of the five (5) consecutive full Trading Days ending on and including the last full Trading Day immediately prior to the applicable Redemption Date, subject to appropriate and equitable adjustment for any stock splits, reverse splits, stock dividends or similar events affecting the Class A Common Stock. If the Class A Common Stock no longer trades on the Stock Exchange or any other securities exchange or automated or electronic quotation system as of any particular Redemption Date, then the Manager (acting through a Disinterested Majority) shall determine the Common Unit Redemption Price in good faith.

"***Common Unitholder***" means a Member who is the registered holder of Common Units.

"***Company***" has the meaning set forth in the preamble to this Agreement.

"***Confidential Information***" has the meaning set forth in Section 15.02(a).

"***Corporate Board***" means the board of directors of the Corporation.

"***Corporation***" has the meaning set forth in the recitals to this Agreement, together with its successors and assigns.

"***Corresponding Rights***" means any rights issued with respect to a share of Class A Common Stock or Class B Common Stock pursuant to a "poison pill" or similar stockholder rights plan approved by the Corporate Board.

"***Credit Agreements***" means any credit agreement, promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which the Company or any of its Subsidiaries is or becomes a borrower, as such instruments or agreements may be amended, restated, amended and restated, supplemented or otherwise modified from time to time and including any one or more refinancing or replacements thereof, in whole or in part, with any other such agreement.

"***Delaware Act***" means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq., as it may be amended from time to time, and any successor thereto.

"***Direct Exchange***" has the meaning set forth in Section 11.03(a).

"***Discount***" has the meaning set forth in Section 6.06.

"***Disinterested Majority***" means a majority of the directors of the Corporate Board who are disinterested, as determined by the Corporate Board in accordance with the General Corporation Law of the State of Delaware (as it may be amended from time to time), with respect to the matter being considered by the Corporate Board; *provided,* that to the extent a matter being considered by the Corporate Board is required to be considered by disinterested directors under the rules of the Stock Exchange or, if the Class A Common Stock is not listed or admitted to trading on the Stock Exchange, the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading, the Securities Act or the Exchange Act, such rules with respect to the definition of disinterested director shall apply solely with respect to such matter.

"***Distributable Cash***" means, as of any relevant date on which a determination is being made by the Manager regarding a potential distribution pursuant to Section 4.01(a), the amount of cash that could be distributed by the Company for such purposes in accordance with the Credit Agreements (and without otherwise violating any applicable provisions of any of the Credit Agreements) and applicable Law.

"***Distribution***" (and, with a correlative meaning, "***Distribute***") means each distribution made by the Company to a Member with respect to such Member's Units, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; provided, however, that none of the following shall be a Distribution: (a) any recapitalization or any exchange of securities of the Company, in each case, that does not result in the distribution of cash or property (other than securities of the Company) to Members and any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Units, (b) any other payment made by the Company to a Member that is not properly treated as a "distribution" for purposes of Sections 731, 732, or 733 or other applicable provisions of the Code, (c) any repurchase, redemption or exchange of Units in accordance with this Agreement or (d) any reimbursement of expenses, including pursuant to Section 6.06.

"***Distribution Tax Rate***" means a rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate for the applicable Fiscal Year applicable to corporate or individual taxpayers (whichever is higher) that may potentially apply to any Member (or such Member's direct or indirect equityholders) for such Fiscal Year, taking into account the character

of the relevant items of income or gain (e.g., ordinary or capital) and the deductibility of state and local income taxes for federal income tax purposes (but only to the extent such taxes are deductible under the Code), as reasonably determined by the Manager.

"***Effective Date***" has the meaning set forth in the Preamble.

"***Election Notice***" has the meaning set forth in Section 11.01(b).

"***Equity Plan***" means any stock or equity purchase plan, restricted stock, option, unit, stock unit, restricted stock unit, dividend equivalent, appreciation right, phantom equity or other incentive equity or equity-based compensation plan or program, in each case, now or hereafter adopted by the Company or the Corporation, including, without limitation, the Corporation's 2021 Incentive Award Plan.

"***Equity Securities***" means (a) Units or other equity interests in the Company or any Subsidiary of the Company (including other classes or groups thereof having such relative rights, powers and duties as may from time to time be established by the Manager pursuant to the provisions of this Agreement, including rights, powers or duties senior to existing classes and groups of Units and other equity interests in the Company or any Subsidiary of the Company), (b) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Units or other equity interests in the Company or any Subsidiary of the Company, and (c) warrants, options or other rights to purchase or otherwise acquire Units or other equity interests in the Company or any Subsidiary of the Company.

1 "***Estate Planning Vehicle***" means, with respect to any Person that is a natural person, (a) a trust which is at all times controlled by such Person under which a distribution of such trust's Units may be made only to beneficiaries who are such Person, his or her spouse, his or her parents or his or her lineal descendants, (b) a charitable remainder trust which is at all times controlled by such Person, the income from which will be paid to such Person during his or her life, (c) a corporation, the sole assets of which are Equity Securities in the Company, and at all times the majority and controlling shareholder of which is only such Person and the remaining shareholders of which are either such Person or his or her spouse, his or her parents or his or her lineal descendants and (d) a partnership or limited liability company, the sole assets of which are Equity Securities in the Company, and at all times the general partner or managing or majority member of which is only such Person, and the remaining partners or members of which are either such Person or his or her spouse, his or her parents or his or her lineal descendants.

"***Event of Withdrawal***" means any event that terminates the continued membership of a Member in the Company. "Event of Withdrawal" shall not include an event that (a) terminates the existence of a Member for income tax purposes (including, without limitation, (i) a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, (ii) a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or (iii) merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member) but that (b) does not terminate the existence of such Member under applicable state law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Units of such trust that is a Member).

"***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended from time to time, and any applicable rules and regulations promulgated thereunder, and any successor to such statute, rules or regulations.

"***Exchange Election Notice***" has the meaning set forth in Section 11.03(b).

"***Executive***" means any Person rendering services to the Company or any of its Subsidiaries as an officer, director, manager, employee or independent contractor; provided that no Summit Investor that is (or is directly or indirectly owned, managed or controlled by) an institutional investor shall be an "Executive" hereunder; provided further that none of Jan Brothers Holdings, Inc., Jeff Jan or Spencer Jan shall be an "Executive" hereunder.

"***Executive Member***" means any Member who is or was an Executive or any Member which has any direct or indirect stockholders, partners, trust grantors, beneficiaries, members or other owners who are or were Executives or Permitted Transferees of Executives.

"***Fair Market Value***" of a specific asset of the Company shall mean the amount which the Company would receive in an all-cash sale of such asset in an arms-length transaction with a willing unaffiliated third party, with neither party having any compulsion to buy or sell, consummated on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Market Value (and after giving effect to any transfer taxes payable in connection with such sale), as such amount is determined by the Manager (or, if pursuant to Section 14.02, the Liquidators) in its good faith judgment using all factors, information and data it deems to be pertinent.

"***Family Group***" means, as to any particular natural person, (i) such person's spouse and descendants (whether natural or adopted), (ii) any trust solely for the benefit of such person or such person's spouse or descendants or other trusts solely for the benefit of the foregoing and (iii) any partnerships, corporations or limited liability companies where the only partners, shareholders or members are such person or such person's spouse, descendants or trusts referred to in clause (ii) of this definition.

"***Fiscal Period***" means any interim accounting period within a Taxable Year established by the Manager and which is permitted or required by Section 706 of the Code.

"***Fiscal Year***" means the Company's annual accounting period established pursuant to Section 8.02.

"***Governmental Entity***" means (a) the United States of America, (b) any other sovereign nation, (c) any state, province, district, territory or other political subdivision of an entity described in clause (a) or (b) of this definition, including, but not limited to, any county, municipal or other local subdivision of the foregoing, or (d) any agency, arbitrator or arbitral body, authority, board, body, bureau, commission, court, department, entity, instrumentality, organization or tribunal exercising executive, legislative, judicial, regulatory or administrative functions of government on behalf of an entity described in clause (a), (b) or (c) of this definition.

"***Indemnified Person***" has the meaning set forth in Section 7.04(a).

"***Internal Revenue Service***" means the U.S. Internal Revenue Service.

"***Investment Company Act***" means the U.S. Investment Company Act of 1940, as amended from time to time, and any applicable rules and regulations promulgated thereunder, and any successor to such statute, rules or regulations.

"***Investor Affiliated Person***" means, with respect to any Summit Investor or Bertram Investor, any current or former officer, employee, manager, director, (direct or indirect) member, (direct or indirect) partner or co-investor of any of the Summit Investors or any current or former officer, employee, manager, director, (direct or indirect) member, (direct or indirect) partner or coinvestor of any affiliated investment fund, management entity or investment vehicle of, as

applicable, any Summit Investor (including, for the avoidance of doubt, the admittance of new limited partners or transfers among limited partners of any investment fund or management entity affiliated with Summit Partners, L.P.) or any Bertram Investor (including, for the avoidance of doubt, the admittance of new limited partners or transfers among limited partners of any investment fund or management entity affiliated with Bertram Capital Management, LLC), or any Affiliate or member of the Family Group of any of the foregoing.

"***IPO***" means the initial underwritten public offering of shares of the Corporation's Class A Common Stock.

"***IPO Common Unit Subscription***" has the meaning set forth in Section 3.03(b).

"***IPO Common Unit Subscription Agreement***" means that certain Common Unit Subscription Agreement, dated as of the Effective Date, by and between the Corporation and the Company.

"***IPO Net Proceeds***" has the meaning set forth in the Recitals.

"***Joinder***" means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

"***Law***" means all laws, statutes, ordinances, rules and regulations of any Governmental Entity.

"***Liquidator***" has the meaning set forth in Section 14.02.

"***Losses***" means items of loss or deduction of the Company determined according to Section 5.01(b).

"*Management Aggregator*" means SS Management Aggregator, LLC, a Delaware limited liability company.

"*Management Aggregator LLC Agreement*" means the Amended and Restated Limited Liability Company Agreement of Management Aggregator, dated as of the date hereof, as amended, restated, supplemented or modified from time to time.

"*Management Aggregator Member*" means a member of Management Aggregator.

"***Manager***" has the meaning set forth in Section 6.01.

"***Member***" means, as of any date of determination, (a) each of the members named on the Schedule of Members and (b) any Person admitted to the Company as a Substituted Member or Additional Member in accordance with Article XII, but in each case, only so long as such Person is shown on the Company's books and records as the owner of one or more Units, each in its capacity as a member of the Company. The Members shall constitute a single class or group of members for purposes of the Delaware Act.

"***Minimum Gain***" means "partnership minimum gain" determined pursuant to Treasury Regulation Section 1.704-2(d).

"***Net Loss***" means, with respect to a Fiscal Year, the excess if any, of Losses for such Fiscal Year over Profits for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04).

"***Net Profit***" means, with respect to a Fiscal Year, the excess if any, of Profits for such Fiscal Year over Losses for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04).

"***Officer***" has the meaning set forth in Section 6.01(b).

"Original Unitholder Representative" means Summit Partners Growth Equity Fund X-A, L.P.; provided that the Original Unitholder Representative shall mean the Manager upon a Stockholders Agreement Termination Event (as defined in the Stockholders Agreement).

"***Original Units***" means the "Class A Units", the "Class B Units" and the "Incentive Units" (each as defined in the Prior LLC Agreement) of the Company.

"***Other Agreements***" has the meaning set forth in Section 10.04.

"***Over-Allotment Contribution***" has the meaning set forth in Section 3.03(b).

"***Over-Allotment Option***" has the meaning set forth in the Recitals.

"***Over-Allotment Option Net Proceeds***" has the meaning set forth in the Recitals.

"***Partnership Representative***" has the meaning set forth in Section 9.03.

"***Percentage Interest***" means, as among an individual class of Units and with respect to a Member at a particular time, such Member's percentage interest in the Company determined by dividing the number of such Member's Units of such class by the total number of Units of all Members of such class at such time. The Percentage Interest of each Member shall be calculated to the fourth decimal place.

"***Permitted Transfer***" has the meaning set forth in Section 10.02.

"***Permitted Transferee***" has the meaning set forth in Section 10.02.

"***Person***" means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

"***Pre-IPO Members***" has the meaning set forth in the recitals to this Agreement.

"***Prior LLC Agreement***" has the meaning set forth in the Recitals.

"***Pro rata***," "***pro rata portion***," "***according to their interests***," "***ratably***," "***proportionately***," "***proportional***," "***in proportion to***," "***based on the number of Units held***," "***based upon the percentage of Units held***," "***based upon the number of Units outstanding***," and other terms with similar meanings, when used in the context of a number of Units of the Company relative to other Units, means as amongst an individual class of Units, pro rata based upon the number of such Units within such class of Units.

"***Profits***" means items of income and gain of the Company determined according to Section 5.01(b).

"***Pubco Offer***" has the meaning set forth in Section 10.09(b).

"***Qualifying Offering***" means a private or public offering of shares of Class A Common Stock by the Corporation following the IPO.

"***Quarterly Tax Distribution***" has the meaning set forth in Section 4.01(b)(i).

"***Recapitalization***" has the meaning set forth in the Recitals.

"***Redeemed Units***" has the meaning set forth in Section 11.01(a).

"***Redeemed Units Equivalent***" means the product of (a) the applicable number of Redeemed Units, multiplied by (b) the Common Unit Redemption Price.

"***Redeeming Member***" has the meaning set forth in Section 11.01(a).

"***Redemption***" has the meaning set forth in Section 11.01(a).

"***Redemption Date***" has the meaning set forth in Section 11.01(a).

"***Redemption Notice***" has the meaning set forth in Section 11.01(a).

"***Redemption Right***" has the meaning set forth in Section 11.01(a).

"***Registration Rights Agreement***" means that certain Registration Rights Agreement, dated as of October 9, 2020, by and among the Company, certain of the Members and certain other Persons whose signatures are affixed thereto (together with any joinder thereto from time to time by any successor or assign to any party to such agreement) (as it may be amended from time to time in accordance with its terms).

"***Regulatory Allocations***" has the meaning set forth in Section 5.03(f).

"***Retraction Notice***" has the meaning set forth in Section 11.01(c).

"***Revised Partnership Audit Provisions***" means Section 1101 of Title XI (Revenue Provisions Related to Tax Compliance) of the Bipartisan Budget Act of 2015, H.R. 1314, Public Law Number 114-74. Unless the context requires otherwise, any reference herein to a specific section of the Revised Partnership Audit Provisions shall be deemed to include any corresponding provisions of future Law as in effect for the relevant taxable period.

"***Schedule of Members***" has the meaning set forth in Section 3.01(b).

"***SEC***" means the U.S. Securities and Exchange Commission, including any governmental body or agency succeeding to the functions thereof.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended from time to time, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future Law.

"***Share Settlement***" means a number of shares of Class A Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units.

"***Stock Exchange***" means the New York Stock Exchange.

"***Stockholder Entity***" means any Stockholder that is a corporation, limited liability company, partnership or other entity (other than any Summit Investor or Bertram Investor).

"***Stockholder Entity Holders***" means, collectively, each of the holders of Stockholder Entity Securities.

"***Stockholder Entity Securities***" means any outstanding equity securities or rights to acquire equity securities of any kind or outstanding indebtedness of any Stockholder Entity.

"***Stockholders Agreement***" means that certain stockholders agreement, dated as of the Effective Date, by and among the Corporation and the other Persons party thereto (as it may be amended from time to time in accordance with its terms).

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the voting interests thereof are at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company. For the avoidance of doubt, "Subsidiaries" of the Company shall include any and all of the Company's direct and indirect, greater than fifty percent (50%) owned joint ventures.

"***Substituted Member***" means a Person that is admitted as a Member to the Company pursuant to Section 12.01.

"***Summit Investors***" means, collectively, Summit Partners Growth Equity Fund X-A, L.P., Summit Partners Growth Equity Fund X-C, L.P., Summit Investors X, LLC, Summit Investors X (UK), L.P., SP-SS Aggregator LLC, and any of their respective partners, members or Affiliates.

"***Tax Distributions***" has the meaning set forth in Section 4.01(b)(i).

"***Tax Receivable Agreement***" means that certain Tax Receivable Agreement, dated as of the Effective Date, by and among the Corporation and the Company, on the one hand, and the TRA Parties (as such term is defined in the Tax Receivable Agreement) party thereto, on the other hand (together with any joinder thereto from time to time by any successor or assign to any party to such agreement) (as it may be amended from time to time in accordance with its terms).

"***Taxable Year***" means the Company's accounting period for U.S. federal income tax purposes determined pursuant to Section 9.02.

"***Trading Day***" means a day on which the Stock Exchange or such other principal United States securities exchange on which the Class A Common Stock is listed or admitted to trading is open for the transaction of business (unless such trading shall have been suspended for the entire day).

"***Transfer***" (and, with a correlative meaning, "***Transferring***") means any sale, transfer, assignment, redemption, pledge, encumbrance or other disposition of (whether directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of Law) (a) any interest (legal or beneficial) in any Equity Securities or (b) any equity

or other interest (legal or beneficial) in any Member if substantially all of the assets of such Member consist solely of Units.

"***Treasury Regulations***" means the final, temporary and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

"***Underwriting Agreement***" means the Underwriting Agreement, dated as of October 27, 2021, by and among the Company, the Corporation, the Underwriters named on Schedule A thereto and BofA Securities, Inc., J.P. Morgan Securities LLC and Jefferies LLC.

"***Unit***" means the fractional interest of a Member in Profits, Losses and Distributions of the Company, and otherwise having the rights and obligations specified with respect to "Units" in this Agreement; provided, however, that any class or group of Units issued shall have the relative rights, powers and duties set forth in this Agreement applicable to such class or group of Units.

"***Unvested Corporate Shares***" means shares of Class A Common Stock issuable pursuant to awards granted under an Equity Plan that are not Vested Corporate Shares.

"***Vested Corporate Shares***" means the shares of Class A Common Stock issued pursuant to awards granted under an Equity Plan that are vested pursuant to the terms thereof or any award or similar agreement relating thereto.

Article II.
ORGANIZATIONAL MATTERS

Section 1.01 Formation of Company. The Company was formed on October 6, 2020 pursuant to the provisions of the Delaware Act. The filing of the Certificate with the Secretary of State of the State of Delaware is hereby ratified and confirmed in all respects.

Section 1.02 Amended and Restated Limited Liability Company Agreement. This Agreement amends, restates and supersedes the Prior LLC Agreement in its entirety and otherwise establishes the affairs of the Company and the conduct of its business in accordance with the provisions of the Delaware Act. The Members hereby agree that during the term of the Company set forth in Section 2.06 the rights and obligations of the Members with respect to the Company shall be determined in accordance with the terms and conditions of this Agreement and the Delaware Act. No provision of this Agreement shall be in violation of the Delaware Act and to the extent any provision of this Agreement is in violation of the Delaware Act, such provision shall be void and of no effect to the extent of such violation without affecting the validity of the other provisions of this Agreement. Neither any Member nor the Manager nor any other Person shall have appraisal rights with respect to any Units.

Section 1.03 Name. The name of the Company is "Solo Stove Holdings, LLC". The Manager in its sole discretion may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all of the Members. The Company's business may be conducted under its name or any other name or names deemed advisable by the Manager.

Section 1.04 Purpose; Powers. The primary business and purpose of the Company shall be to engage in such activities as are permitted under the Delaware Act and determined from time to time by the Manager in accordance with the terms and conditions of this Agreement. The Company shall have the power and authority to take (directly or indirectly through its

Subsidiaries) any and all actions and engage in any and all activities necessary, appropriate, desirable, advisable, ancillary or incidental to accomplish the foregoing purpose.

Section 1.05 Principal Office; Registered Office. The principal office of the Company shall be located at such place or places as the Manager may from time to time designate, each of which may be within or outside the State of Delaware. The address of the registered office of the Company in the State of Delaware shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by the Delaware Act, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be the registered agent named in the Certificate or such Person or Persons as the Manager may designate from time to time in the manner provided by the Delaware Act.

Section 1.06 Term. The term of the Company commenced upon the filing of the Certificate in accordance with the Delaware Act and shall continue in perpetuity unless dissolved in accordance with the provisions of Article XIV.

Section 1.07 No State-Law Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.07, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for U.S. federal and, if applicable, state or local income tax purposes, and that each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

Article III.
MEMBERS; UNITS; CAPITALIZATION

Section 1.01 Members.

(a) (i) In connection with the reorganization transactions (as described in the Recitals), the Corporation acquired Original Units (which were recapitalized into Common Units pursuant to the Recapitalization in accordance with Section 3.03) and was admitted as a member of the Company and hereby continues as a Member and (ii) the Corporation shall acquire, directly or indirectly, additional Common Units pursuant to certain of the reorganization transactions (as described in the Recitals) from certain pre-IPO the IPO Common Unit Subscription Agreement.

(b) The Company shall maintain on its books and records a schedule setting forth: (i) the name, address and email address of each Member and (ii) the aggregate number of outstanding Units and the number and class of Units held by each Member (such schedule, the "***Schedule of Members***"). The Schedule of Members in effect as of the Effective Date and after giving effect to the Recapitalization and the reorganization transactions (as described in the Recitals), including those that occur immediately following the Recapitalization, is set forth as Schedule 2 to this Agreement. The Company shall also maintain in its books and records (which may be updated from time to time without the consent of any Member) a record of (1) the Capital Account of each Member on the Effective Date, (2) the aggregate amount of cash Capital Contributions that has been made by the Members with respect to their Units and (3) the Fair Market Value of any property other than cash contributed by the Members with respect to their Units (including, if applicable, a description and the amount of any liability assumed by the Company or to which contributed property is subject). The Schedule of Members may be

updated by the Manager without the consent of any Member in the Company's books and records from time to time, and as so updated, it shall be the definitive record of ownership of each Unit of the Company and all relevant information with respect to each Member. The Company shall be entitled to recognize the exclusive right of a Person registered in its books and records as the owner of Units for all purposes and shall not be bound to recognize any equitable or other claim to or interest in Units on the part of any other Person, whether or not it shall have express or other notice thereof, except as otherwise provided under the Delaware Act or other applicable law.

(c) No Member shall be required or, except as approved by the Manager pursuant to Section 6.01 and in accordance with the other provisions of this Agreement, permitted to (i) loan any money or property to the Company, (ii) borrow any money or property from the Company or (iii) make any additional Capital Contributions.

Section 1.02 Units.

(a) The limited liability company interests in the Company shall be represented by Units, or such other securities of the Company, in each case as the Manager may establish in its discretion in accordance with the terms and subject to the restrictions hereof. At the Effective Date, the Units shall be comprised of a single class of Common Units.

(b) Subject to Section 3.04, the Manager may (i) issue additional Common Units at any time in its sole discretion and (ii) create one or more classes or series of Equity Securities to the extent such new class or series of Equity Securities is substantially economically equivalent to a class of capital stock of the Corporation.

(c) Subject to Section 15.03(b) and Section 15.03(c), the Manager may amend this Agreement, without the consent of any Member or any other Person, in connection with the creation and issuance of such classes or series of Units pursuant to Section 3.02(b), Section 3.04(a) or Section 3.10, as applicable.

Section 1.03 Recapitalization; the Corporation's Capital Contribution; the Corporation's Purchase of Common Units.

(a) In order to effect the Recapitalization, the number of Original Units that were issued and outstanding and held by the Pre-IPO Members (including the Corporation) prior to the Effective Date as set forth opposite the respective Pre-IPO Member's name in Schedule 1 are hereby converted, as of the Effective Date, and after giving effect to such conversion and the other transactions related to the Recapitalization, into the number of Common Units set forth opposite the name of the respective Member on the Schedule of Members attached hereto as Schedule 2 (provided, for the avoidance of doubt, that the number of Common Units set forth on Schedule 2 includes the Common Units issued to the Corporation on the Effective Date pursuant to the IPO Common Unit Subscription Agreement), and such Common Units are hereby issued and outstanding as of the Effective Date and the holders of such Common Units hereby continue as members of the Company (and, for the avoidance of doubt, are Members hereunder) and the Company is hereby continued without dissolution.

(b) Immediately following the Recapitalization, the Company shall issue to the Corporation, and the Corporation shall acquire _____ newly issued Common Units in exchange for the IPO Net Proceeds received by the Corporation, which shall payable to the Company upon consummation of the IPO pursuant to the IPO Common Unit Subscription Agreement (the "***IPO Common Unit Subscription***"). In addition, to the extent the underwriters in the IPO exercise the Over-Allotment Option in whole or in part, upon the exercise of the Over-Allotment Option, the Corporation shall contribute (on or after the Effective Date) the

Over-Allotment Option Net Proceeds received by the Corporation, which shall be payable to the Company in exchange for newly issued Common Units pursuant to the IPO Common Unit Subscription Agreement, and such issuance of additional Common Units shall be reflected on the Schedule of Members (the "***Over-Allotment Contribution***"). The number of Common Units issued in the Over-Allotment Contribution, in the aggregate, shall be equal to the number of shares of Class A Common Stock issued by the Corporation in such exercise of the Over-Allotment Option. For the avoidance of doubt, the Corporation shall be admitted as a Member with respect to all Common Units it holds from time to time. The parties hereto acknowledge and agree that the transaction described in this Section 3.03(b) shall result in a "revaluation of partnership property" and corresponding adjustments to Capital Account balances as described in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

Section 1.04 Authorization and Issuance of Additional Units.

(a) Except as otherwise determined by the Manager (subject to the approval of the Original Unitholder Representative), the Company and the Corporation shall, notwithstanding any other provision of this Agreement, undertake all actions, including, without limitation, an issuance, reclassification, distribution, division, repurchase, redemption, cancellation or recapitalization, with respect to the Common Units and the Class A Common Stock or Class B Common Stock, as applicable, to maintain at all times (i) a one-to-one ratio between the number of Common Units owned by the Corporation, directly or indirectly through its Subsidiaries, and the number of outstanding shares of Class A Common Stock and (ii) a one-to-one ratio between the number of Common Units owned by Members (other than those owned by the Corporation and its Subsidiaries) and the number of outstanding shares of Class B Common Stock owned by such Members, in each case, disregarding, for purposes of maintaining the one-to-one ratio, (A) Unvested Corporate Shares, (B) treasury stock, (C) shares of Class B Common Stock that are surrendered to the Corporation for cancellation by a Member or (D) preferred stock or other debt or equity securities (including, without limitation, warrants, options or rights) issued by the Corporation that are convertible into or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the Company).

(b) Except as otherwise determined by the Manager (subject to the approval of the Original Unitholder Representative), in the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems Class A Common Stock in a transaction not contemplated in this Agreement, the Manager and the Corporation shall, notwithstanding any other provision of this Agreement to the contrary, take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the number of outstanding Common Units owned by the Corporation, directly or indirectly through its Subsidiaries, shall equal on a one-for-one basis the number of outstanding shares of Class A Common Stock.

(c) Except as otherwise determined by the Manager (subject to the approval of the Original Unitholder Representative), in the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems the Corporation's preferred stock in a transaction not contemplated in this Agreement, the Manager and the Corporation shall, notwithstanding any other provision of this Agreement to the contrary, take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the Corporation, directly or indirectly through its Subsidiaries, holds (in the case of any issuance, transfer or delivery) or ceases to hold, directly or indirectly through its Subsidiaries (in the case of any repurchase or redemption), equity interests in the Company which (in the good faith determination by the Manager) are in the aggregate substantially economically equivalent to the outstanding preferred stock of the Corporation so issued, transferred, delivered, repurchased or redeemed.

(d) Except as otherwise determined by the Manager (subject to the approval of the Original Unitholder Representative), the Company and the Corporation shall not undertake any subdivision (by any Common Unit split, stock split, Common Unit distribution, stock distribution, reclassification, division, recapitalization or similar event) or combination (by reverse Common Unit split, reverse stock split, reclassification, division, recapitalization or similar event) of the Common Units, Class A Common Stock or Class B Common Stock or other equity interests in the Company or the Corporation, as applicable, that is not accompanied by an identical subdivision or combination of the Common Units, Class A Common Stock or Class B Common Stock or other equity interests in the Company or Corporation, respectively, to maintain at all times (x) a one-to-one ratio between the number of Common Units owned by the Corporation, directly or indirectly through its Subsidiaries, and the number of outstanding shares of Class A Common Stock, (y) a one-to-one ratio between the number of Common Units owned by Members (other than the Corporation and its Subsidiaries) and the number of outstanding shares of Class B Common Stock, or (z) a one-to-one ratio between the number of outstanding other equity interests in the Corporation and any corresponding equity interests in the Company, in each case, unless such action is necessary to maintain at all times a one-to-one ratio between either the number of Common Units owned by the Corporation, directly or indirectly through its Subsidiaries, and the number of outstanding shares of Class A Common Stock or the number of Common Units owned by Members (other than the Corporation and its Subsidiaries) and the number of outstanding shares of Class B Common Stock as contemplated by the first sentence of this Section 3.04(a).

(e) The Company shall only be permitted to issue additional Common Units, or, subject to the Stockholders Agreement, establish other classes or series of Units or other Equity Securities in the Company to the Persons and on the terms and conditions provided for in Section 3.02, this Section 3.04, Section 3.10 and Section 3.11. Subject to the foregoing and except as provided for in the Stockholders Agreement, the Manager may cause the Company to issue additional Common Units authorized under this Agreement or establish other classes or series of Units or other Equity Securities in the Company at such times and upon such terms as the Manager shall determine and the Manager shall amend this Agreement as necessary in connection with the issuance of additional Common Units and admission of additional Members under this Section 3.04 without the requirement of any consent or acknowledgement of any other Member or any other Person notwithstanding anything to the contrary herein, including Section 15.03.

Section 1.05 Repurchase or Redemption of Shares of Class A Common Stock. Except as otherwise determined by the Manager, if at any time, any shares of Class A Common Stock are repurchased or redeemed (whether by exercise of a put or call, automatically or by means of another arrangement) by the Corporation for cash, then the Manager shall cause the Company, immediately prior to such repurchase or redemption of Class A Common Stock, to redeem a corresponding number of Common Units held by the Corporation (directly or indirectly through its Subsidiaries), at an aggregate redemption price equal to the aggregate purchase or redemption price of the shares of Class A Common Stock being repurchased or redeemed by the Corporation (plus any expenses related thereto) and upon such other terms as are the same for the shares of Class A Common Stock being repurchased or redeemed by the Corporation; provided, if the Corporation uses funds received from distributions from the Company or the net proceeds from an issuance of Class A Common Stock to fund such repurchase or redemption, then the Company shall cancel a corresponding number of Common Units held (directly or indirectly) by the Corporation for no consideration. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any repurchase or redemption if such repurchase or redemption would violate any applicable Law.

Section 1.06 Certificates Representing Units; Lost, Stolen or Destroyed Certificates; Registration and Transfer of Units.

(a) Units shall not be certificated unless otherwise determined by the Manager. If the Manager determines that one or more Units shall be certificated, each such certificate shall be signed by or in the name of the Company, by the Chief Executive Officer, Chief Financial Officer, General Counsel, Secretary or any other officer designated by the Manager, representing the number of Units held by such holder. Such certificate shall be in such form (and shall contain such legends) as the Manager may determine and as required under the Agreement. Any or all of such signatures on any certificate representing one or more Units may be a facsimile, engraved or printed, to the extent permitted by applicable Law. Unless otherwise determined by the Manager, no Units shall be treated as a "security" within the meaning of Article 8 of the Uniform Commercial Code unless all Units then outstanding are certificated; notwithstanding anything to the contrary herein, including Section 15.03, the Manager is authorized to amend this Agreement in order for the Company to opt-in to the provisions of Article 8 of the Uniform Commercial Code without the consent or approval of any Member of any other Person.

(b) If Units are certificated, the Manager may direct that a new certificate representing one or more Units be issued in place of any certificate theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon delivery to the Manager of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Manager may require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

(c) To the extent Units are certificated, upon surrender to the Company or the transfer agent of the Company, if any, of a certificate for one or more Units, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to Transfer, in compliance with the provisions hereof, the Company shall issue a new certificate representing one or more Units to the Person entitled thereto, cancel the old certificate and record the transaction upon its books. Subject to the provisions of this Agreement, the Manager may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, Transfer and registration of Units.

Section 1.07 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

Section 1.08 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contribution or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement.

Section 1.09 Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions. Subject to the provisions of Section 3.01(c), the amount of any such loans shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made.

Section 1.10 Equity Plans. Nothing in this Agreement shall be construed or applied to preclude or restrain the Corporation from adopting, modifying or terminating an Equity Plan or from issuing shares of Class A Common Stock pursuant to any such plans. The Corporation may implement such Equity Plans and any actions taken under such Equity Plans (such as the grant or exercise of options to acquire shares of Class A Common Stock, or the issuance of Unvested Corporate Shares), whether taken with respect to or by an employee or other service provider of the Corporation, the Company or its Subsidiaries, in a manner determined by the Corporation, in accordance with the initial implementation guidelines attached to this Agreement as Exhibit C, which may be amended by the Corporation from time to time. The Manager may, without the

consent of any Member or any other Person and notwithstanding Section 15.03, amend this Agreement (including Exhibit C) as necessary or advisable in its sole discretion in connection with the adoption, implementation, modification or termination of an Equity Plan. In the event of such an amendment by the Manager, the Company shall provide notice of such amendment to the Members. The Company is expressly authorized to issue Units (i) in accordance with the terms of any such Equity Plan or (ii) in an amount equal to the number of shares of Class A Common Stock issued pursuant to any such Equity Plan, without any further act, approval or vote of any Member or any other Persons.

Section 1.11 Dividend Reinvestment Plan, Cash Option Purchase Plan, Equity Plan or Other Plan. Except as may otherwise be provided in this Article III, all amounts received or deemed received by the Corporation in respect of any dividend reinvestment plan, cash option purchase plan, Equity Plan or subscription plan or agreement, either (a) shall be utilized by the Corporation to effect open market purchases of shares of Class A Common Stock or, (b) if the Corporation elects instead to issue new shares of Class A Common Stock with respect to such amounts, shall be contributed by the Corporation to the Company in exchange for additional Common Units. Upon such contribution, the Company shall issue to the Corporation a number of Common Units equal to the number of new shares of Class A Common Stock so issued.

Article IV.
DISTRIBUTIONS

Section 1.01 Distributions.

(a) *Distributable Cash; Other Distributions*. To the extent permitted by applicable Law and this Agreement, Distributions to Members may be declared by the Manager out of Distributable Cash or other funds or property legally available therefor in such amounts, at such time and on such terms (including the payment dates of such Distributions) as the Manager in its sole discretion shall determine using such record date as the Manager may designate. All Distributions made under this Section 4.01 shall be made to the Members as of the close of business on such record date on a pro rata basis in accordance with each Member's Percentage Interest (other than, for the avoidance of doubt, any distributions made pursuant to Section 4.01(b)(v)) as of the close of business on such record date; provided, however, that the Manager shall have the obligation to make Distributions as set forth in Sections 4.01(b) and 14.02; provided, further, that notwithstanding any other provision herein to the contrary, no distributions shall be made to any Member to the extent such distribution would render the Company insolvent or violate the Delaware Act or other applicable law. For purposes of the foregoing sentence, insolvency means the inability of the Company to meet its payment obligations when due. In furtherance of the foregoing, it is intended that the Manager shall, to the extent permitted by applicable Law and hereunder, have the right in its sole discretion to make Distributions of Distributable Cash to the Members pursuant to this Section 4.01(a) in such amounts as shall enable the Corporation to meet its obligations, including its obligations pursuant to the Tax Receivable Agreement (to the extent such obligations are not otherwise able to be satisfied as a result of Tax Distributions) required to be made pursuant to Section 4.01(b)). Notwithstanding anything to the contrary in this Section 4.01(a), (i) the Company shall not make a Distribution (other than Tax Distributions under Section 4.01(b)) to any Member in respect of any Common Units which remain subject to vesting conditions in accordance with any applicable Equity Plan or individual award agreement and (ii) with respect to any amounts that would otherwise have been distributed to a Member but for the preceding clause (i), such amount shall be held in trust by the Company for the benefit of such Member unless and until such time as such Common Units have vested in accordance with the applicable Equity Plan or individual award agreement, and within five (5) Business Days of such time, the Company shall distribute such amounts to such Member.

(b) *Tax Distributions*.

(i) With respect to each Fiscal Year, the Company shall, to the extent permitted by (x) applicable Law and (y) by the terms of any Credit Agreements (and without otherwise violating any applicable provisions of any of the Credit Agreements), make cash distributions ("***Tax Distributions***") to each Member in accordance with such Member's Assumed Tax Liability. Tax Distributions pursuant to this Section 4.01(b)(i) shall be estimated by the Company on a quarterly basis and, to the extent feasible, shall be distributed to the Members (together with a statement showing the calculation of such Tax Distribution and an estimate of the Company's net taxable income allocable to each Member for such period) on a quarterly basis on April 15th, June 15th, September 15th and December 15th (or such other dates for which corporations or individuals are required to make quarterly estimated tax payments for U.S. federal income tax purposes, whichever is earlier) (each, a "***Quarterly Tax Distribution***"); provided, that the foregoing shall not restrict the Company from making a Tax Distribution on any other date as the Company determines is necessary to enable the Members to timely make estimated income tax payments, including the Effective Date. Quarterly Tax Distributions shall take into account the estimated taxable income or loss of the Company for the Fiscal Year through the end of the relevant quarterly period. A final accounting for Tax Distributions shall be made for each Fiscal Year after the allocation of the Company's actual net taxable income or loss has been determined and any shortfall in the amount of Tax Distributions a Member received for such Fiscal Year based on such final accounting shall promptly be distributed to such Member.

(ii) To the extent a Member otherwise would be entitled to receive less than its Percentage Interest of the aggregate Tax Distributions to be paid pursuant to this Section 4.01(b) (other than any distributions made pursuant to Section 4.01(b)(v)) on any given date, the Tax Distributions to such Member shall be increased to ensure that all Distributions made pursuant to this Section 4.01(b) (other than any distributions made pursuant to Section 4.01(b)(v)) are made pro rata in accordance with the Members' respective Percentage Interests. If, on the date of a Tax Distribution, there are insufficient funds on hand to distribute to the Members the full amount of the Tax Distributions to which such Members are otherwise entitled, Distributions pursuant to this Section 4.01(b) shall be made to the Members to the extent of available funds in accordance with their Percentage Interests and the Company shall make future Tax Distributions as soon as sufficient funds become available to pay the remaining portion of the Tax Distributions to which such Members are otherwise entitled.

(iii) In the event of any audit by, or similar event with, a taxing authority that affects the calculation of any Member's Assumed Tax Liability for any Taxable Year (other than an audit conducted pursuant to the Revised Partnership Audit Provisions for which no election is made pursuant to Section 6226 thereof or alternative procedure adopted pursuant to Section 6225(b)(2)(C) thereof and the Treasury Regulations promulgated thereunder), or in the event the Company files an amended tax return or administrative adjustment request, each Member's Assumed Tax Liability with respect to such year shall be recalculated by giving effect to such event (for the avoidance of doubt, taking into account interest or penalties). Any shortfall in the amount of Tax Distributions the Members and former Members received for the relevant Taxable Years based on such recalculated Assumed Tax Liability promptly shall be distributed to such Members (or, if a former Member does not exist, the successor of such former Member), except, for the avoidance of doubt, to the extent Distributions were made to such Members and former Members pursuant to Section 4.01(a) and this Section 4.01(b) in the relevant Taxable Years sufficient to cover such shortfall.

(iv) Notwithstanding the foregoing, Tax Distributions pursuant to this Section 4.01(b) (other than, for the avoidance of doubt, any distributions made pursuant to Section 4.01(b)(v)), if any, shall be made to a Member only to the extent all previous Tax Distributions to such Member pursuant to Section 4.01(b) with respect to the Fiscal Year are less than the Tax Distributions such Member otherwise would have been entitled to receive with respect to such Fiscal Year pursuant to this Section 4.01(b).

(v) Notwithstanding the foregoing and anything to the contrary in this Agreement, a final accounting for distributions under Section 4.6 of the Prior LLC Agreement in respect of the taxable income of the Company for the Fiscal Years (or portions thereof) of the Company that end on or prior to the Effective Date shall be made by the Company following the closing date of the IPO and, based on such final accounting, the Company shall make a distribution to the Pre-IPO Members (or in the case of any Pre-IPO Member that no longer exists, the successor of such Pre-IPO Member) in accordance with the applicable terms of the Prior LLC Agreement to the extent of any shortfall in the amount of distributions the Pre-IPO Members received prior to the Effective Date under Section 4.6 of the Prior LLC Agreement with respect to taxable income of the Company for such Fiscal Year or portion thereof that shall be allocated to the Pre-IPO Members, including pursuant to Section 706 of the Code. For the avoidance of doubt, the amount of distributions to be made pursuant to this Section 4.01(b)(v) shall be calculated pursuant to Section 4.6 of the Prior LLC Agreement.

Article V.
CAPITAL ACCOUNTS; ALLOCATIONS; TAX MATTERS

Section 1.01 Capital Accounts.

(a) The Company shall maintain a separate Capital Account for each Member according to the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). For this purpose, the Company may (in the discretion of the Manager and with the approval of the Original Unitholder Representative (which approval shall not be unreasonably withheld, delayed or conditioned)), upon the occurrence of the events specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such Treasury Regulation and Treasury Regulation Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of the Company's property. In the event any interest in the Company is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred interest.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction with respect to the Company to be allocated pursuant to this Article V and to be reflected in the Capital Accounts of the Members, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); provided, however, that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(l)(B) or Code Section 705(a)(2)(B) and Treasury Regulation Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includible in gross income or are not deductible for U.S. federal income tax purposes.

(ii) If the Book Value of any property of the Company is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of property of the Company having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to property of the Company having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any asset of the Company pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 1.02 Allocations. After giving effect to the allocations under Section 5.03, Net Profit and Net Loss for each Fiscal Year or other taxable period shall be allocated among the Members during such Fiscal Year or other taxable period in a manner such that, after giving effect to all distributions through the end of such Fiscal Year or other taxable period, the Capital Account balance of each Member, immediately after making such allocation, is, as nearly as possible, equal to (a) the amount that such Member would receive pursuant to Section 14.02 if all assets of the Company on hand at the end of such Fiscal Year or other taxable period were sold for cash equal to their Book Value, all liabilities of the Company were satisfied in cash in accordance with their terms (limited with respect to each nonrecourse liability to the Book Value of the assets securing such liability), and all remaining cash was distributed, in accordance with Section 14.02 to the Members immediately after making such allocation *minus* (b) such Member's share of Minimum Gain, computed immediately prior to the hypothetical sale of assets, and the amount the Member is treated as required to contribute to the Company, computed after the hypothetical sale of assets.

Section 1.03 Regulatory Allocations.

(a) Losses attributable to partner nonrecourse debt (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulation Section 1.704-2(i). If there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(3)), Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) shall be allocated to the Members in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(i)(4).

(b) Nonrecourse deductions (as determined according to Treasury Regulation Section 1.704-2(b)(1)) for any Taxable Year shall be allocated pro rata among the Members in accordance with their Percentage Interests. If there is a net decrease in the Minimum Gain during any Taxable Year, each Member shall be allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(f). This Section 5.03(b) is intended to be a minimum gain chargeback provision that complies with the requirements of Treasury Regulation Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) If any Member that unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, after all other allocations pursuant to Sections 5.02, 5.03, 5.04 and 5.05 have been tentatively made as if this Section

5.03(c) were not in this Agreement, then Profits for such Taxable Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.03(c) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) If the allocation of Net Loss to a Member as provided in Section 5.02 would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Losses as shall not create or increase an Adjusted Capital Account Deficit. The Net Loss that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests, subject to this Section 5.03(d).

(e) Profits and Losses described in Section 5.01(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(j) and (m).

(f) The allocations set forth in Section 5.03(a) through and including Section 5.03(e) (the "***Regulatory Allocations***") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Net Profit and Net Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article V, but subject to the Regulatory Allocations, income, gain, deduction and loss with respect to the Company shall be reallocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Net Profit and Net Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this shall be accomplished by specially allocating other Profits and Losses among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Fiscal Year or Fiscal Period there is a decrease in partnership minimum gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 5.03(a) or Section 5.03(b) would cause a distortion in the economic arrangement among the Members, the Manager may, if it does not expect that the Company shall have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements pursuant to Treasury Regulations Section 1.704-2(f)(4). If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

Section 1.04 Tax Allocations.

(a) Except as provided in Section 5.05(b), Section 5.05(c) and Section 5.05(d), the income, gains, losses, deductions and credits of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts; provided that if any such allocation is not permitted by the Code or other applicable Law, the Company's subsequent income, gains, losses, deductions and credits shall be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of taxable income, gain, loss and deduction of the Company with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) so as to take account of any variation between the adjusted

basis of such property to the Company for federal income tax purposes and its Book Value using the traditional method set forth in Treasury Regulations Section 1.704-3(b).

(c) If the Book Value of any asset of the Company is adjusted pursuant to Section 5.01(a), including adjustments to the Book Value of any asset of the Company in connection with the execution of this Agreement or pursuant to Section 3.03(c), subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value using the traditional method set forth in Treasury Regulations Section 1.704-3(b).

(d) Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members as determined by the Manager taking into account the principles of Treasury Regulation Section 1.704-1(b)(4)(ii).

(e) For purposes of determining a Member's share of the Company's "excess nonrecourse liabilities" within the meaning of Treasury Regulation Section 1.752-3(a)(3), each Member's interest in income and gain shall be determined pursuant to any proper method, as reasonably determined by the Manager.

(f) In the event any Common Units issued pursuant to Section 3.10(c) are subsequently forfeited, the Company may make forfeiture allocations with respect to such Common Units in the Taxable Year of such forfeiture in accordance with the principles of proposed Treasury Regulations Section 1.704-1(b)(4)(xii)(c), taking into account any amendments thereto and any temporary or final Treasury Regulations issued pursuant thereto. Allocations pursuant to this Section 5.05 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions or other items of the Company pursuant to any provision of this Agreement.

Section 1.05 Indemnification and Reimbursement for Payments on Behalf of a Member. If the Company or any other Person in which the Company holds an interest is obligated to pay any amount to a Governmental Entity (or otherwise makes a payment to a Governmental Entity) that is specifically attributable to a Member or a Member's status as a Member (including federal income taxes, interest and penalties, additions to tax, interest and penalties as a result of obligations of the Company pursuant to the Revised Partnership Audit Provisions, federal and state withholding taxes, state personal property taxes and state unincorporated business taxes, but excluding payments such as payroll taxes, withholding taxes, benefits or professional association fees and the like required to be made or made voluntarily by the Company on behalf of any Member based upon such Member's status as an employee of the Company), then such Member shall indemnify the Company in full for the entire amount paid (including interest, penalties and related expenses). The Manager may offset or withhold from any Distributions to which a Member is otherwise entitled under this Agreement against such Member's obligation to indemnify the Company under this Section 5.06, and such Member shall be treated as receiving the full amount of such offset or withholding for the purposes of this Agreement. A Member's obligation to make payments to the Company under this Section 5.06 shall survive the transfer or termination of any Member's interest in any Units of the Company, the termination of this Agreement and the dissolution, liquidation, winding up and termination of the Company. In the event that the Company has been terminated prior to the date such payment is due, such Member shall make such payment to the Manager (or its designee), which shall distribute such funds in accordance with this Agreement. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 5.06. Each Member hereby agrees to use commercially reasonable efforts to furnish to the Company such information and forms as required or reasonably requested by the Company in order to comply

with any Laws and regulations governing withholding of tax or in order to claim any reduced rate of, or exemption from, withholding to which the Member is legally entitled. For the avoidance of doubt, any income taxes, penalties, additions to tax and interest payable under the Revised Partnership Audit Provisions by the Company or any fiscally transparent entity in which the Company owns an interest shall be treated as specifically attributable to the Members and shall be allocated among the Members such that the burden of (or any diminution in distributable proceeds resulting from) any such amounts is borne by those Members to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise), in each case as reasonably determined by the Manager (in consultation with the Original Unitholder Representative).

Article VI.
MANAGEMENT

Section 1.01 Authority of Manager; Officer Delegation.

(a) Except for situations in which the approval of any Member(s) is specifically required by this Agreement or under the Delaware Act, (i) all management powers over the business and affairs of the Company shall be exclusively vested in the Corporation, as the sole managing member of the Company (the Corporation, in such capacity, the "***Manager***"), (ii) the Manager shall conduct, direct and exercise full control over all activities of the Company and (iii) no other Member shall have any right, authority or power to vote, consent or approve any matter, whether under the Delaware Act, this Agreement or otherwise. The Manager, in such capacity, shall be the "manager" of the Company for the purposes of the Delaware Act. Except as otherwise expressly provided for herein and subject to the other provisions of this Agreement, the Members hereby consent to the exercise by the Manager of all such powers and rights conferred on the Members by the Delaware Act with respect to the management and control of the Company. Any vacancies in the position of Manager shall be filled in accordance with Section 6.04.

(b) Without limiting the authority of the Manager to act on behalf of the Company, the day-to-day business and operations of the Company shall be overseen and implemented by officers of the Company (each, an "***Officer***" and collectively, the "***Officers***"), subject to the limitations imposed by the Manager. An Officer may, but need not, be a Member. Each Officer shall be appointed by the Manager and shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any one Person may hold more than one office. Subject to the other provisions of this Agreement (including in Section 6.07 below), the salaries or other compensation, if any, of the Officers of the Company shall be fixed from time to time by the Manager. The authority and responsibility of the Officers shall be limited to such duties as the Manager may, from time to time, delegate to them. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the General Corporation Law of the State of Delaware, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. All Officers shall be, and shall be deemed to be, officers and employees of the Company. An Officer may also perform one or more roles as an officer of the Manager. Any Officer may be removed at any time, with or without cause, by the Manager. Nothing in this Section 6.01(b) shall limit the generality of Section 6.07.

(c) The Manager shall have the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Company (including the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Company) or the merger, consolidation, conversion, division, reorganization or other combination of the

Company with or into another entity, for the avoidance of doubt, without the prior consent of any Member or any other Person being required.

Section 1.02 Actions of the Manager. The Manager may act through any Officer or through any other Person or Persons to whom authority and duties have been delegated pursuant to Section 6.07.

Section 1.03 Resignation; No Removal. The Manager may resign at any time by giving written notice to the Members; provided, however, such resignation shall not be effective unless proper provision is made, in compliance with this Agreement, so that the obligations of the Corporation (or its successor, if applicable) and any new Manager and the rights of all Members under this Agreement and applicable Law remain in full force and effect. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Members, and the acceptance of the resignation shall not be necessary to make it effective. For the avoidance of doubt, the Members have no right under this Agreement to remove or replace the Manager.

Section 1.04 Vacancies. Vacancies in the position of Manager occurring for any reason shall be filled by the Corporation (or, if the Corporation has ceased to exist without any successor or assign, then by the holders of a majority in interest of the voting capital stock of the Corporation immediately prior to such cessation). For the avoidance of doubt, the Members (other than the Corporation in its capacity as Manager) have no right under this Agreement to fill any vacancy in the position of Manager.

Section 1.05 Transactions Between the Company and the Manager. The Manager may cause the Company to contract and deal with the Manager, or any Affiliate of the Manager, provided, that such contracts and dealings (other than contracts and dealings between the Company and its Subsidiaries) are on terms comparable to and competitive with those available to the Company from others dealing at arm's length or are approved by the Members (other than the Manager and its Affiliates) and otherwise are permitted by the Credit Agreements; provided, that the foregoing shall in no way limit the Manager's rights under Sections 3.02, 3.04, 3.05 or 3.10. The Members hereby approve each of the contracts or agreements between or among the Manager, the Company and their respective Affiliates entered into on or prior to the date of this Agreement in accordance with the Prior LLC Agreement or that the board of managers of the Company or the Corporate Board has approved in connection with the Recapitalization or the IPO as of the date of this Agreement, including, but not limited to, the IPO Common Unit Subscription Agreement and the Tax Receivable Agreement.

Section 1.06 Reimbursement for Expenses. The Manager shall not be compensated for its services as Manager of the Company except as expressly provided in this Agreement. The Members acknowledge and agree that, upon consummation of the IPO, the Manager's Class A Common Stock shall be publicly traded and therefore the Manager shall have access to the public capital markets and that such status and the services performed by the Manager shall inure to the benefit of the Company and all Members; therefore, the Manager shall be reimbursed by the Company for any reasonable out-of-pocket expenses incurred on behalf of the Company, including without limitation all fees, expenses and costs associated with the IPO and all fees, expenses and costs of being a public company (including without limitation public reporting obligations, proxy statements, stockholder meetings, Stock Exchange fees, transfer agent fees, legal fees, SEC and FINRA filing fees and offering expenses) and maintaining its corporate existence. In the event that shares of Class A Common Stock are sold to underwriters in the IPO (or in any Qualifying Offering) at a price per share that is lower than the price per share for which such shares of Class A Common Stock are sold to the public in the IPO (or in such subsequent Qualifying Offering, as applicable) after taking into account underwriters' discounts or commissions and brokers' fees or commissions (such difference, the "***Discount***"), unless otherwise determined by the Manager, (i) the Manager shall be deemed to have contributed to

the Company in exchange for newly issued Common Units the full amount for which such shares of Class A Common Stock were sold to the public and (ii) the Company shall be deemed to have paid the Discount as an expense, in each case, to the extent permitted under applicable tax law. To the extent practicable, expenses incurred by the Manager on behalf of or for the benefit of the Company shall be billed directly to and paid by the Company and, if and to the extent any reimbursements to the Manager or any of its Affiliates by the Company pursuant to this Section 6.06 constitute gross income for applicable tax purposes to such Person (as opposed to the repayment of advances made by such Person on behalf of the Company), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Members' Capital Accounts. Notwithstanding the foregoing, the Company shall not bear any income tax obligations of the Manager or any payments made pursuant to the Tax Receivable Agreement.

Section 1.07 Investment Opportunities and Conflicts of Interest. Except as otherwise approved by the Manager, each Executive Member shall, and shall cause each of its Affiliates to, bring all investment or business opportunities to the Company of which any of the foregoing become aware and which they believe are, or may be, within the scope and investment objectives related to the business of the Company or any of its Subsidiaries, which would or may be beneficial to the business of the Company or any of its Subsidiaries, or are otherwise competitive with the business of the Company or any of its Subsidiaries. The Members expressly acknowledge and agree that, subject to the terms of any other agreement to which they may be bound, (i) the Summit Investors are permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in the business of the Company or any of its Subsidiaries other than through the Company or any of its Subsidiaries (an "Other Business"), (ii) the Summit Investors have and may develop a strategic relationship with businesses that are and may be competitive or complementary with the Company and its Subsidiaries, (iii) none of the Summit Investors shall be prohibited by virtue of their investments in the Company and its Subsidiaries or their or any of their personnel's or partners' service as Manager or service on the Manager or any of the Company's Subsidiaries' boards of managers or directors from pursuing and engaging in any such activities, (iv) none of the Summit Investors shall be obligated to inform or present the Company or any of its Subsidiaries or the Manager of any such opportunity, relationship or investment, (v) the other Members shall not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of the Summit Investors, (vi) the involvement of any of the Summit Investors in any Other Business shall not constitute a conflict of interest by such Persons with respect to the Company or its Members or any of the Company's Subsidiaries, and (vii) any Member shall be entitled to engage in any activities approved by the Manager. Without limiting the other provisions of this Agreement and except as otherwise set forth herein, no Member shall owe any fiduciary duties to the Company or any other Member with respect to actions taken by such Member in such Member's capacity as such.

Section 1.08 Restrictive Covenants.

(a) Noncompetition. In consideration of the issuance of Equity Securities to each Executive Member, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, for so long as such Executive Member holds Equity Securities and for two years thereafter (the "Restricted Period"), without the prior written consent of the Manager, such Executive Member shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, or in any manner engage in any business that competes with the Business as such Business exists or is contemplated (as evidenced by written records) as of such date, within any geographical area in the United States, its territories, or any other country or territory in which the Company or any of its Subsidiaries conduct business as of such date. For purposes of this Agreement, the term "participate in" shall include, without limitation, having any direct or indirect interest in any Person, whether as a sole

proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture and other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise). Notwithstanding the foregoing, nothing herein shall prohibit such Executive Member from (x) being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded, so long as such Executive Member has no active participation in the business of such corporation, (y) purchasing goods or services from any business engaged in the Business, or (z) being employed or engaged by a division or subsidiary of a corporate family of companies if such division or subsidiary employing or engaging the Executive Member does not itself engage in the Business, even if other divisions or subsidiaries in such corporate family do engage in the Business.

(b) Nonsolicitation; Nondisparagement. Each Executive Member hereby further acknowledges and agrees that during the Restricted Period, such Executive Member shall not, directly or indirectly, either for such Executive Member or on behalf of any other individual, corporation, partnership, joint venture or other entity, (i) induce or attempt to induce any employee or independent contractor of the Company or its Subsidiaries to leave the employ of the Company or its Subsidiaries, (ii) hire or engage any Person who was an employee of the Company or its Subsidiaries at any time during the six-month period prior to any such hiring or engagement, or (iii) call on, solicit or service any customer, supplier, licensee, licensor, vendor, sales representative or other business relation of the Company or its Subsidiaries to in order to induce or attempt to induce such Person or entity to cease doing business with the Company or any of its Subsidiaries, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor, vendor, sales representative or business relation and the Company or any of its Subsidiaries (including, without limitation, by making any negative or disparaging statements or communications regarding the Company or any of its Subsidiaries). Without limiting any other obligation of such Executive Member pursuant to this Agreement, such Executive Member further covenants and agrees that, except as may be required by applicable law, such Executive Member shall not make any statement, written or verbal, in any forum or media, or take any other action in disparagement of Company at any time. Notwithstanding the foregoing, nothing in this Agreement shall prohibit such Executive Member from, on behalf of itself or any other individual, corporation, partnership, joint venture or other entity, (A) making any general solicitation for employment by use of advertisements in the media that is not specifically directed or targeted at any officer, employee or independent contractor of the Company or any of its Subsidiaries, and (B) hiring or engaging any such officer, employee or independent contractor who responds to any such general solicitation; provided, the Executive Member shall not be relieved from complying with Section 6.08(b)(ii).

(c) Additional Acknowledgements. Each Executive Member hereby acknowledges that the provisions of Section 6.08(a) and Section 6.08(b) are in consideration of the issuance of Equity Securities to such Executive Member, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. In addition, such Executive Member acknowledges (i) that the business of the Company and its Subsidiaries will be conducted throughout the United States, its territories and any other country or territory in which the Company or its Subsidiaries conduct business, (ii) notwithstanding the state of organization or principal office of Company or any of its facilities, or any of its executives or employees (including such Executive Member), it is expected that the Company and its Subsidiaries will have business activities and have valuable business relationships within its industry throughout the United States, its territories and any other country or territory in which the Company or its Subsidiaries conduct business, and (iii) the national and international nature of the business operated by the Company is such that it is not conducted with respect to geographical borders. Such Executive Member agrees and acknowledges that (A) the restrictions contained in Section 6.08(a) and Section 6.08(b) do not preclude such Executive Member from earning a livelihood, nor do they unreasonably impose limitations on such Executive Member's

ability to earn a living, and (B) the potential harm to the Company and its Subsidiaries of the non-enforcement of any provision of Section 6.08(a) and Section 6.08(b) outweighs any potential harm to such Executive Member of its enforcement by injunction or otherwise. Such Executive Member acknowledges that such Executive Member has carefully read or arranged for review of this Agreement and either consulted with legal counsel of such Executive Member's choosing regarding its contents or knowingly and voluntarily waived the opportunity to do so and has given careful consideration to the restraints imposed upon such Executive Member by this Agreement. The parties agree that the covenants set forth in this Section 6.08 are in addition to, and shall not limit or be limited by, any other noncompetition, nonsolicitation or similar covenant of such Executive Member with the Company or any of its Subsidiaries.

Section 1.09 Limitation on Certain Remedies. Notwithstanding anything herein to the contrary, each Executive Member acknowledges and agrees that the Company shall not be liable to any Executive Member for any breach by the Company of any obligation to any of the Executive Members that is caused by or results from any intentional action or inaction by an Executive Member and the Executive Members hereby waive any and all rights, remedies and claims with respect thereto.

Section 1.10 Delegation of Authority. The Manager (a) may, from time to time, delegate to one or more Persons such authority and duties as the Manager may deem advisable, and (b) may assign titles (including, without limitation, chief executive officer, president, chief financial officer, chief operating officer, general counsel, senior vice president, vice president, secretary, assistant secretary, treasurer or assistant treasurer) and delegate certain authority and duties to such Persons which may be amended, restated or otherwise modified from time to time. Any number of titles may be held by the same individual. The salaries or other compensation, if any, of such agents of the Company shall be fixed from time to time by the Manager, subject to the other provisions in this Agreement.

Section 1.11 Limitation of Liability of Manager.

(a) Except as otherwise provided herein or in an agreement entered into by such Person and the Company, neither the Manager nor any of the Officers, the Manager's Affiliates or the Manager's officers, employees or other agents shall be liable to the Company, to any Member or to any other Person bound by this Agreement for any act or omission performed or omitted by the Manager or such Person in its capacity as the sole managing member of the Company, as an Officer, or as an Affiliate, officer, employee or other agent of the Manager, as applicable, pursuant to authority granted to the Manager by this Agreement; provided, however, that, except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to the Manager's willful misconduct or knowing violation of Law or for any present or future material breaches of any representations, warranties or covenants by the Manager or its Affiliates contained herein or in the Other Agreements with the Company. The Manager may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and shall not be responsible for any misconduct or negligence on the part of any such agent (so long as such agent was selected in good faith and with reasonable care). The Manager and each of its Affiliates, officers, employees and other agents shall be entitled to rely upon the advice of legal counsel, independent public accountants and other experts, including financial advisors, as to matters such Person reasonably believes are within such other Person's professional or expert competence and any act of or failure to act by the Manager or such other Person in good faith reliance on such advice shall in no event subject the Manager or such other Person to liability to the Company or any Member or to any other Person bound by this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, the Manager (when acting through its board of directors) shall have fiduciary duties to the Company and the

Members that are equivalent to the fiduciary duties owed by directors of a corporation incorporated in the State of Delaware to such corporation and its stockholders.

(c) Subject to Section 6.11(b), to the fullest extent permitted by applicable Law, whenever this Agreement or any other agreement contemplated herein provides that the Manager shall act in a manner which is, or provide terms which are, "fair and reasonable" to the Company or any Member that is not the Manager, the Manager shall determine such appropriate action or provide such terms considering, in each case, the relative interests of each party to such agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable United States generally accepted accounting practices or principles, notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of Law or equity or otherwise.

(d) Subject to Section 6.11(b), to the fullest extent permitted by applicable Law and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of Law or equity or otherwise, whenever in this Agreement or any other agreement contemplated herein, the Manager is permitted or required to take any action or to make a decision in its "sole discretion" or "discretion," with "complete discretion," with its "approval" or "consent" or under a grant of similar authority or latitude, the Manager shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting specific Members or any other Person.

(e) Subject to Section 6.11(b), to the fullest extent permitted by applicable Law and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of law or equity or otherwise, (i) whenever in this Agreement the Manager is permitted or required to take any action or to make a decision in "good faith" or under another express standard, the Manager shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein, and (ii) so long as the Manager acts in good faith or in accordance with such other express standard, the resolution, action or terms so made, taken or provided by the Manager shall not constitute a breach of this Agreement or impose liability upon the Manager or any of the Manager's Affiliates and shall be deemed approved by all Members.

Section 1.12 Investment Company Act. The Manager shall use its best efforts to ensure that the Company shall not be subject to registration as an investment company pursuant to the Investment Company Act.

Article VII.
RIGHTS AND OBLIGATIONS OF MEMBERS AND MANAGER

Section 1.01 Limitation of Liability and Duties of Members and Manager.

(a) Except as provided in this Agreement or in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company and no Member or the Manager shall be obligated personally for any such debts, obligations, contracts or liabilities of the Company solely by reason of being a Member or the Manager. Notwithstanding anything contained herein to the contrary, to the fullest extent permitted by applicable Law, the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Agreement or the Delaware Act shall not be grounds for imposing personal liability on the Members or the Manager for liabilities of the Company.

(b) In accordance with the Delaware Act and the laws of the State of Delaware, a Member may, under certain circumstances, be required to return amounts previously distributed to such Member. It is the intent of the Members that, to the fullest extent permitted by Law, no Distribution to any Member pursuant to Articles IV or XIV shall be required to be returned to the Company or any other Person, unless such distribution was made by the Company to its Members as a result of manifest accounting or similar error. The immediately preceding sentence shall constitute a compromise to which all Members have consented within the meaning of Section 18-502(b) of the Delaware Act. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of any other Member.

(c) To the fullest extent permitted by applicable Law, including Section 18-1101(c) of the Delaware Act, and notwithstanding any other provision of this Agreement (but subject, and without limitation, to Section 6.08 with respect to the Manager) or in any agreement contemplated herein or applicable provisions of Law or equity or otherwise, the parties hereto hereby agree that to the extent that any Member (other than the Manager in its capacity as such) (or any Member's Affiliate or any manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Member or of any Affiliate of a Member) has duties (including fiduciary duties) to the Company, to the Manager, to another Member, to any Person who acquires an interest in a Unit or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted by Law, and replaced with the duties or standards expressly set forth herein, if any; provided, however, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. The elimination of duties (including fiduciary duties) to the Company, the Manager, each of the Members, each other Person who acquires an interest in a Unit and each other Person bound by this Agreement and replacement thereof with the duties or standards expressly set forth herein, if any, are approved by the Company, the Manager, each of the Members, each other Person who acquires an interest in a Unit and each other Person bound by this Agreement.

Section 1.02 Lack of Authority. No Member, other than the Manager or a duly appointed Officer or other agent of the Company, in each case in its capacity as such, has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to make any expenditure on behalf of the Company. The Members hereby consent to the exercise by the Manager of the powers conferred on them by Law and this Agreement.

Section 1.03 No Right of Partition. No Member, other than the Manager (in its capacity as such), shall have the right to seek or obtain partition by court decree or operation of Law of any property of the Company, or the right to own or use particular or individual assets of the Company.

Section 1.04 Indemnification.

(a) Subject to Section 5.06, the Company shall indemnify and hold harmless any Person (each an "***Indemnified Person***") to the fullest extent permitted by applicable Law (including as it presently exists or may hereafter be amended, substituted or replaced but, to the fullest extent permitted by applicable law, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than such Law permitted the Company to provide immediately prior to such amendment, substitution or replacement), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, excise taxes or penalties, and amounts paid in settlement) reasonably incurred or suffered by such Person by reason of the fact that such Person is or was a Member or an Affiliate thereof (other than as a result of an

ownership interest in the Corporation) or is or was serving as the Manager or a director, officer, employee or other agent of the Manager, the Partnership Representative, a director, manager, Officer, employee or other agent of the Company or is or was serving at the request of the Company as a manager, officer, director, principal, member, employee or agent of another Person; provided, however, that no Indemnified Person shall be indemnified for any expenses, liabilities and losses suffered that are attributable to such Indemnified Person's or its Affiliates' willful misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by such Indemnified Person or its Affiliates contained herein or in Other Agreements with the Company. Reasonable expenses, including out-of-pocket attorneys' fees, incurred by any such Indemnified Person in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Company.

(b) The right to indemnification and the advancement of expenses conferred in this Section 7.04 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, bylaw, action by the Manager or otherwise.

(c) The Company shall maintain directors' and officers' liability insurance, or substantially equivalent insurance, at its expense, to protect any Indemnified Person against any expense, liability or loss described in Section 7.04(a) whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Section 7.04. The Company shall use its commercially reasonable efforts to purchase and maintain property, casualty and liability insurance in types and at levels customary for companies of similar size engaged in similar lines of business, as determined in good faith by the Manager, and the Company shall use its commercially reasonable efforts to purchase directors' and officers' liability insurance (including employment practices coverage) with a carrier and in an amount determined necessary or desirable as determined in good faith by the Manager.

(d) The indemnification and advancement of expenses provided for in this Section 7.04 shall be provided out of and to the extent of Company assets only. No Member (unless such Member otherwise agrees in writing or is found in a non-appealable decision by a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company. The Company (i) shall be the primary indemnitor of first resort for such Indemnified Person pursuant to this Section 7.04 and (ii) shall be fully responsible for the advancement of all expenses and the payment of all damages or liabilities with respect to such Indemnified Person which are addressed by this Section 7.04.

(e) If this Section 7.04 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 7.04 to the fullest extent permitted by any applicable portion of this Section 7.04 that shall not have been invalidated and to the fullest extent permitted by applicable Law.

Section 1.05 Inspection Rights. The Company shall permit each Member and each of its designated representatives at such Member's sole cost and expense to examine the books and records of the Company at the principal office of the Company or such other location as the Manager shall reasonably approve during normal business hours and upon reasonable notice for any purpose reasonably related to such Member's interest as a member of the Company; provided, that the Manager has a right to keep confidential from the Members certain information in accordance with Section 18-305 of the Delaware Act.

Article VIII.
BOOKS, RECORDS, ACCOUNTING AND REPORTS, AFFIRMATIVE COVENANTS

Section 1.01 Records and Accounting. The Company shall keep, or cause to be kept, appropriate books and records with respect to the Company's business, including all books and records necessary to provide any information, lists and copies of documents required pursuant to applicable Laws. All matters concerning (a) the determination of the relative amount of allocations and Distributions among the Members pursuant to Articles IV and V and (b) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Manager, whose determination shall be final and conclusive as to all of the Members absent manifest clerical error.

Section 1.02 Fiscal Year. The Fiscal Year of the Company shall end on December 31 of each year or such other date as may be established by the Manager.

Article IX.
TAX MATTERS

Section 1.01 Preparation of Tax Returns. The Manager shall arrange for the preparation and timely filing of all tax returns required to be filed by the Company. The Manager shall use reasonable efforts to furnish, (i) within ninety (90) days of the close of each Taxable Year, to each Member a draft IRS Schedule K-1 (and any comparable state and local income tax form) and, within one hundred and twenty (120) days of the close of each Taxable Year, a completed IRS Schedule K-1 (and any comparable state and local income tax form) and (ii) such other information as is reasonably requested by such Member relating to the Company that is necessary for such Member to comply with its tax reporting obligations. Subject to the terms and conditions of this Agreement and except as otherwise provided in this Agreement, in its capacity as Partnership Representative, the Corporation shall have the authority to prepare the tax returns of the Company using such permissible methods and elections as it determines in its reasonable discretion, including without limitation the use of any permissible method under Section 706 of the Code for purposes of determining the varying Units of its Members.

Section 1.02 Tax Elections. The Taxable Year shall be the Fiscal Year set forth in Section 8.02, unless otherwise required by Section 706 of the Code. The Manager shall cause the Company and each of its Subsidiaries that is treated as a partnership for U.S. federal income tax purposes to have in effect an election pursuant to Section 754 of the Code (or any similar provisions of applicable state, local or foreign tax Law) for each Taxable Year. The Manager shall take commercially reasonable efforts to cause each Person in which the Company owns a direct or indirect equity interest (other than a Subsidiary) that is so treated as a partnership to have in effect any such election for each Taxable Year. Each Member shall upon request supply any information reasonably necessary to give proper effect to any such elections. Except as otherwise provided herein, the Manager shall determine whether to make any other available election pursuant to the Code (or any state, local or non-U.S. Tax Law), provided that the Manager shall not make an election with respect to the Company that could reasonably be expected to have a disproportionate (compared to the Corporation) and material adverse effect on the holders of Original Units without the Original Unitholder Representative's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 1.03 Tax Controversies.

(a) The Manager shall cause the Company to take all necessary actions required by Law to designate the Corporation as the "partnership representative" of the Company as provided in Section 6223(a) of the Code, and if the "partnership representative" is an entity, the

Corporation is hereby authorized to designate an individual to be the sole individual through which such entity "partnership representative" shall act (in such capacities, including in similar capacities under analogous provisions of state or local Law, collectively, the "***Partnership Representative***"). Subject to Section 9.03(b), the Partnership Representative shall have the right and obligation to take all actions authorized and required by the Code and Treasury Regulations (and analogous provisions of state or local Law) for the Partnership Representative and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including any resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate with the Company and the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Company or the Partnership Representative with respect to the conduct of such proceedings.

(b) Without limiting the foregoing, the Partnership Representative shall (i) give prompt written notice (in any event, with ten (10) days), to the Original Unitholder Representative of the commencement of any audit or other tax proceeding with respect to the Company under the Revised Partnership Audit Provisions (a "Specified Audit"), (ii) keep the Original Unitholder Representative reasonably informed of the material developments and status of any such Specified Audit. (iii) permit the Original Unitholder Representative (or its designee) to participate (including using separate counsel), in each case at the holders of Original Units' sole cost and expense, in any such Specified Audit, and (iii) promptly notify the Original Unitholder Representative of receipt of a notice of a final partnership adjustment (or equivalent under applicable Laws) or a final decision of a court or IRS Appeals panel (or equivalent body under applicable Laws) with respect to such Specified Audit. The Partnership Representative or the Company shall promptly provide the Original Unitholder Representative with copies of all material correspondence between the Partnership Representative or the Company (as applicable) and any taxing authority in connection with such Specified Audit and shall give the Original Unitholder Representative a reasonable opportunity to review and comment on any material correspondence, submission (including settlement or compromise offers) or filing in connection with any such Specified Audit. Additionally, the Partnership Representative shall not (and the Company shall not (and shall not authorize the Partnership Representative to)) settle, compromise or abandon any Specified Audit in a manner that would reasonably be expected to have a disproportionate (compared to the Corporation) and material adverse effect on the holders of Original Units without the Original Unitholder Representative's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).

(c) Without limiting the generality of the foregoing, with respect to any audit or other proceeding, the Partnership Representative shall, if requested by the Original Unitholder Representative, cause the Company (and any of its Subsidiaries) to make any available elections pursuant to Section 6226 of the Code (and similar provisions of state, local and other Law), and the Members shall cooperate to the extent reasonably requested by the Company in connection therewith.

(d) The Company shall reimburse the Partnership Representative for all reasonable out-of-pocket expenses incurred by the Partnership Representative, including reasonable fees of any professional attorneys, in carrying out its duties as the Partnership Representative. The provisions of this Section 9.03 shall survive the transfer or termination of any Member's interest in any Units of the Company, the termination of this Agreement and the termination of the Company, shall remain binding on each Member for the period of

time necessary to resolve all tax matters relating to the Company, and shall be subject to the provisions of the Tax Receivable Agreement, as applicable.

Article X.
RESTRICTIONS ON TRANSFER OF UNITS; CERTAIN TRANSACTIONS

Section 1.01 Transfers by Members. No holder of Units shall Transfer any interest in any Units, except Transfers (a) pursuant to and in accordance with Sections 10.02 and 10.09, (b) approved in advance and in writing by the Manager, in the case of Transfers by any Member other than the Manager, or (c) in the case of Transfers by the Manager, to any Person who succeeds to the Manager in accordance with Section 6.04. Notwithstanding the foregoing, "Transfer" shall not include (i) an event that terminates the existence of a Member for income tax purposes (including, without limitation, a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member), but that does not terminate the existence of such Member under applicable state Law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Units of such trust that is a Member) or (ii) any indirect Transfer of Units held by the Manager by virtue of any Transfer of Equity Securities in the Corporation.

Section 1.02 Permitted Transfers. Subject to the Stockholders Agreement, the restrictions contained in Section 10.01 shall not apply to any of the following Transfers (each, a "***Permitted Transfer***" and each transferee, a "***Permitted Transferee***"): (i) (A) a Transfer pursuant to a Redemption or Direct Exchange in accordance with Article XI hereof or that are necessary or desirable to comply with Sections 3.04 or 3.05 as determined by the Manager or (B) a Transfer by a Member to the Corporation or any of its Subsidiaries (including pursuant to Article XI), (ii) with respect to any Person who is an natural person or a member of the Family Group of an individual, a Transfer to a member of such Person's Family Group, (iii) with respect to any Person who is an individual, the executors, conservators and representatives of such Person in the event of the death or permanent disability of such Person, (iv) with respect to any Person that is an entity (other than any Executive Member), a Transfer to any of such Person's controlled Affiliates (or Affiliates described in clause (iii) of the definition of Affiliates), (v) with respect to any Stockholder Entity, a Transfer to any Person that is a Stockholder Entity Holder, (vi) with respect to any Summit Investor or Bertram Investor, a Transfer to any Investor Affiliated Person or (vii) a Transfer by a Member that is a natural person for estate-planning purposes of such Member to an Estate Planning Vehicle of such Member; provided, however, that (x) the restrictions contained in this Agreement shall continue to apply to Units after any Permitted Transfer of such Units, (y) in the case of the foregoing other than clause (i), the Permitted Transferees of the Units so Transferred shall agree in writing to be bound by the provisions of this Agreement, and prior to such Transfer the transferor shall deliver a written notice to the Company and the Members, which notice shall disclose in reasonable detail the identity of the proposed Permitted Transferee, (z) in the case of the foregoing clause (vii), with respect to Management Aggregator, (I) an indirect Transfer by virtue of a Management Aggregator Member Transferring any of its equity interests in Management aggregator to a Family Trust (as defined in the Management Aggregator LLC Agreement) pursuant to and in accordance with Section 23 of the Management Aggregator LLC Agreement and (II) a distribution of Units to a Management Aggregator Member with respect to such Management Aggregator Member's interests in Management Aggregator corresponding to such Units, but only if such Management Aggregator Member has notified Management Aggregator in writing under Section 20 of the Management Aggregator LLC Agreement that it desires to have Management Aggregator initiate the Redemption or Direct Exchange provisions of Article XI hereof with respect to such Units, and provided that, in the case of this clause (y), any such distribution shall (1) occur on the date of, and immediately prior to, the applicable Redemption or Direct Exchange, (2) be accompanied

by a distribution by Management Aggregator to the applicable Management Aggregator Member of a number of shares of Class B Common Stock equal to the number of Units so distributed and (3) be conditioned on the Management Aggregator Member's immediate Transfer of (aa) such distributed Units to the Company or the Corporation (whichever is required by the Redemption or Direct Exchange, as applicable) and (bb) of such distributed shares of Class B Common Stock to the Corporation, in each case, in accordance with Article XI hereof (and if the applicable Management Aggregator Member fails to effect any such immediate Transfer of such Units or shares of Class B Common Stock, the distribution of such Units and shares of Class B Common Stock to such Management Feeder Member shall be deemed null and void and shall have no effect). In the case of a Permitted Transfer of any Common Units by any Member that is authorized to hold Class B Common Stock in accordance with the Corporation's certificate of incorporation to a Permitted Transferee in accordance with this Section 10.02, such Member (or any subsequent Permitted Transferee of such Member) shall also transfer a number of shares of Class B Common Stock equal to the number of Common Units that were transferred by such Member (or subsequent Permitted Transferee) in the transaction to such Permitted Transferee. All Permitted Transfers are subject to the additional limitations set forth in Section 10.07(b).

Section 1.03 Restricted Units Legend. The Units have not been registered under the Securities Act and, therefore, in addition to the other restrictions on Transfer contained in this Agreement, cannot be sold unless subsequently registered under the Securities Act or if an exemption from such registration is then available with respect to such sale. To the extent such Units have been certificated, each certificate evidencing Units and each certificate issued in exchange for or upon the Transfer of any Units shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ISSUED ON OCTOBER 27, 2021, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF SOLO STOVE HOLDINGS, LLC, AS IT MAY BE AMENDED, RESTATED, AMENDED AND RESTATED, OR OTHERWISE MODIFIED FROM TIME TO TIME, AND SOLO STOVE HOLDINGS, LLC RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY SOLO STOVE HOLDINGS, LLC TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

The Company shall imprint such legend on certificates (if any) evidencing Units. The legend set forth above shall be removed from the certificates (if any) evidencing any Units which cease to be Units in accordance with the definition thereof.

Section 1.04 Transfer. Prior to Transferring any Units (other than in connection with a Redemption or Direct Exchange in accordance with Article XI), the Transferring holder of Units shall cause the prospective Permitted Transferee to be bound by this Agreement and any other agreements executed by the holders of Units and relating to such Units in the aggregate to which the transferor was a party (if and to the extent the Permitted Transferee is not already bound thereby), including without limitation the Stockholders Agreement (collectively, the "***Other Agreements***") by executing and delivering to the Company a duly executed Joinder and counterparts of this Agreement and any applicable Other Agreements.

Section 1.05 Assignee's Rights.

(a) The Transfer of a Unit in accordance with this Agreement shall be effective as of the date of such Transfer (assuming compliance with all of the conditions to such Transfer set forth herein), and such Transfer shall be shown on the books and records of the Company. Profits, Losses and other items of the Company shall be allocated between the transferor and the transferee according to Code Section 706, using any permissible method as determined in the reasonable discretion of the Manager. Distributions made before the effective date of such Transfer shall be paid to the transferor, and Distributions made on or after such date shall be paid to the Assignee.

(b) Unless and until an Assignee becomes a Member pursuant to Article XII, the Assignee shall not be entitled to any of the rights granted to a Member hereunder or under applicable Law, other than the rights granted specifically to Assignees pursuant to this Agreement; provided, however, that, without relieving the Transferring Member from any such limitations or obligations as more fully described in Section 10.06, such Assignee shall be bound by any limitations and obligations of a Member contained herein by which a Member would be bound on account of the Assignee's Units (including the obligation to make Capital Contributions on account of such Units).

Section 1.06 Assignor's Rights and Obligations. Any Member who shall Transfer any Unit in a manner in accordance with this Agreement shall cease to be a Member with respect to such Units and shall no longer have any rights or privileges, or, except as set forth in this Section 10.06, duties, liabilities or obligations, of a Member with respect to such Units or other interest (it being understood, however, that the applicable provisions of Sections 6.08, 7.01 and 7.04 shall continue to inure to such Person's benefit), except that unless and until the Assignee (if not already a Member) is admitted as a Substituted Member in accordance with the provisions of Article XII (the "***Admission Date***"), (i) such Transferring Member shall retain all of the duties, liabilities and obligations of a Member with respect to such Units and (ii) the Manager may, in its sole discretion, reinstate all or any portion of the rights and privileges of such Member with respect to such Units for any period of time prior to the Admission Date. Nothing contained herein shall relieve any Member who Transfers any Units in the Company from any liability of such Member to the Company with respect to such Units that may exist as of the Admission Date or that is otherwise specified in the Delaware Act or for any liability to the Company or any other Person for any materially false statement made by such Member (in its capacity as such) or for any present or future breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in the Other Agreements with the Company.

Section 1.07 Overriding Provisions.

(a) Any Transfer or attempted Transfer of any Units in violation of this Agreement (including any prohibited indirect Transfers) shall be, to the fullest extent permitted by applicable Law, null and void ab initio, and the provisions of Sections 10.05 and 10.06 shall not apply to any such Transfers. For the avoidance of doubt, any Person to whom a Transfer is made or attempted in violation of this Agreement shall not become a Member and shall not have any other rights in or with respect to any rights of a Member of the Company with respect to the applicable Units. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance. The Manager shall promptly amend the Schedule of Members to reflect any Permitted Transfer pursuant to this Article X.

(b) Notwithstanding anything contained herein to the contrary (including, for the avoidance of doubt, the provisions of Section 10.01 and Article XI and Article XII), in no event shall any Member Transfer any Units to the extent such Transfer would:

(i) result in the violation of the Securities Act, or any other applicable federal, state or foreign Laws;

(ii) result in the Company being required to register the Common Units under the Exchange Act;

(iii) result in the Company being required to register as an "investment company" under the Investment Company Act;

(iv) in the reasonable determination of the Manager, be a violation of or a default (or an event that, with notice or the lapse of time or both, would constitute a default) under, or result in an acceleration of any obligation under any Credit Agreement to which the Company or the Manager is a party; provided that the payee or creditor to whom the Company or the Manager owes such obligation is not an Affiliate of the Company or the Manager;

(v) be a Transfer to a Person who is not legally competent or who has not achieved his or her majority of age under applicable Law (excluding trusts for the benefit of minors);

(vi) cause the Company to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or any successor provision thereto under the Code; or

(vii) result in the Company having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)).

(c) Notwithstanding anything contained herein to the contrary, in no event shall any Member that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code Transfer any Units (including, for the avoidance of doubt, in connection with a Redemption or a Direct Exchange), unless such Member and the transferee have delivered to the Company, in respect of the relevant Transfer (or Redemption or Direct Exchange, as applicable), written evidence that all required withholding under Section 1446(f) of the Code shall have been done and duly remitted to the applicable taxing authority or duly executed certifications (prepared in accordance with the applicable Treasury Regulations or other authorities) of an exemption from such withholding; provided, that the Company shall cooperate in the manner set forth in Section 11.06(a) with any reasonable requests from such Member for certifications or other information from the Company in connection with satisfying this Section 10.07(c) prior to the relevant Transfer (or Redemption or Direct Exchange, as applicable).

Section 1.08 Spousal Consent. In connection with the execution and delivery of this Agreement, any Member who is a natural person shall deliver to the Company an executed consent from such Member's spouse (if any) in the form of Exhibit B-1 attached hereto or a Member's spouse confirmation of separate property in the form of Exhibit B-2 attached hereto. If, at any time subsequent to the date of this Agreement such Member becomes legally married (whether in the first instance or to a different spouse), such Member shall cause his or her spouse to execute and deliver to the Company a consent in the form of Exhibit B-1 or Exhibit B-2 attached hereto. Such Member's non-delivery to the Company of an executed consent in the

form of Exhibit B-1 or Exhibit B-2 at any time shall constitute such Member's continuing representation and warranty that such Member is not legally married as of such date.

Section 1.09 Certain Transactions with respect to the Corporation.

(a) In connection with a Change of Control Transaction, the Manager shall have the right, in its sole discretion, to require each Member to effect a Redemption of all or a portion of such Member's Units together with an equal number of shares of Class B Common Stock, pursuant to which such Units and such shares of Class B Common Stock shall be exchanged for shares of Class A Common Stock (or economically equivalent cash or securities of a successor entity) in accordance with the Redemption provisions of Article XI, mutatis mutandis (applied for this purpose as if the Corporation had delivered an Election Notice that specified a Share Settlement with respect to such Redemption) and otherwise in accordance with this Section 10.09(a). Any such Redemption pursuant to this Section 10.09(a) shall be effective immediately prior to the consummation of such Change of Control Transaction (and, for the avoidance of doubt, shall be contingent upon the consummation of such Change of Control Transaction and shall not be effective if such Change of Control Transaction is not consummated) (the date of such Redemption pursuant to this Section 10.09(a), the "***Change of Control Date***"). From and after the Change of Control Date, (i) the Units and any shares of Class B Common Stock subject to such Redemption shall be deemed to be transferred to the Company or the Corporation, as applicable, on the Change of Control Date and (ii) each such Member shall cease to have any rights with respect to the Units and any shares of Class B Common Stock subject to such Redemption (other than the right to receive shares of Class A Common Stock (or economically equivalent cash or equity securities in a successor entity) pursuant to such Redemption). In the event the Manager desires to initiate the provisions of this Section 10.09, the Manager shall provide written notice of an expected Change of Control Transaction to all Members within the earlier of (x) five (5) Business Days following the execution of an agreement with respect to such Change of Control Transaction and (y) ten (10) Business Days before the proposed date upon which the contemplated Change of Control Transaction is to be effected, including in such notice such information as may reasonably describe the Change of Control Transaction, subject to Law, including the date of execution of such agreement or such proposed effective date, as applicable, the amount and types of consideration to be paid for shares of Class A Common Stock in the Change of Control Transaction and any election with respect to types of consideration that a holder of shares of Class A Common Stock, as applicable, shall be entitled to make in connection with a Change of Control Transaction (which election shall be available to each Member on the same terms as holders of shares of Class A Common Stock). Following delivery of such notice and on or prior to the Change of Control Date, the Members shall take all actions reasonably requested by the Corporation to effect such Redemption in accordance with the terms of Article XI, including taking any action and delivering any document required pursuant to this Section 10.09(a) to effect such Redemption. Notwithstanding the foregoing, in the event the Manager requires the Members to exchange less than all of their outstanding Units (and to surrender a corresponding number of shares of Class B Common Stock for cancellation), each Member's participation in the Change of Control Transaction shall be reduced pro rata.

(b) In the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization, or similar transaction with respect to Class A Common Stock (a "***Pubco Offer***") is proposed by the Corporation or is proposed to the Corporation or its stockholders and approved by the Corporate Board or is otherwise effected or to be effected with the consent or approval of the Corporate Board, the Manager shall provide written notice of the Pubco Offer to all Members within the earlier of (i) five (5) Business Days following the execution of an agreement (if applicable) with respect to, or the commencement of (if applicable), such Pubco Offer and (ii) ten (10) Business Days before the proposed date upon which the Pubco Offer is to be effected, including in such notice such information as may reasonably describe the Pubco Offer, subject to Law, including the date of execution of such agreement (if applicable) or of

such commencement (if applicable), the material terms of such Pubco Offer, including the amount and types of consideration to be received by holders of shares of Class A Common Stock in the Pubco Offer, any election with respect to types of consideration that a holder of shares of Class A Common Stock, as applicable, shall be entitled to make in connection with such Pubco Offer, and the number of Units (and the corresponding shares of Class B Common Stock) held by such Member that is applicable to such Pubco Offer. The Members (other than the Corporation and its Subsidiaries) shall be permitted to participate in such Pubco Offer by delivering a written notice of participation that is effective immediately prior to the consummation of such Pubco Offer (and that is contingent upon consummation of such offer and shall not be effective if such Pubco Offer is not consummated), and shall include such information necessary for consummation of such offer as requested by the Corporation. In the case of any Pubco Offer that was initially proposed by the Corporation, the Corporation shall use reasonable best efforts to enable and permit the Members (other than the Corporation and its Subsidiaries) to participate in such transaction to the same extent or on an economically equivalent basis as the holders of shares of Class A Common Stock, and to enable such Members to participate in such transaction without being required to exchange Units or shares of Class B Common Stock prior to the consummation of such transaction. For the avoidance of doubt, in no event shall Common Unitholders be entitled to receive in such Pubco Offer aggregate consideration for each Common Unit that is greater than the consideration payable in respect of each share of Class A Common Stock in connection with a Pubco Offer (it being understood that payments under or in respect of the Tax Receivable Agreement shall not be considered part of any such consideration).

(c) In the event that a transaction or proposed transaction constitutes both a Change of Control Transaction and a Pubco Offer, the provisions of Section 10.09(a) shall take precedence over the provisions of Section 10.09(b) with respect to such transaction, and the provisions of Section 10.09(b) shall be subordinate to provisions of Section 10.09(a), and may only be triggered if the Manager elects to waive the provisions of Section 10.09(a).

Section 10.10 Unvested Common Units. With respect to any shares of Class B Common Stock corresponding to Common Units which remain subject to vesting conditions in accordance with any applicable Equity Plan or individual award agreement, the Member holding such shares of Class B Common Stock shall abstain from voting any such shares of Class B Common Stock with respect to any matter to be voted on or considered by the stockholders of the Corporation at any annual or special meeting of the stockholders of the Corporation or action by written consent of the stockholders of the Corporation unless and until such time as such Common Units have vested in accordance with the applicable Equity Plan or individual award agreement.

Article XI.
REDEMPTION AND DIRECT EXCHANGE RIGHTS

Section 1.01 Redemption Right of a Member.

(a) Each Member (other than the Corporation and its Subsidiaries) shall be entitled to cause the Company to redeem (a "***Redemption***") all or any portion of its Common Units (excluding, for the avoidance of doubt, any Common Units that are subject to vesting conditions or the Transfer of which is prohibited pursuant to Section 10.07(b) or Section 10.07(c) of this Agreement), in whole or in part (the "***Redemption Right***") at any time and from time to time following the waiver or expiration of any contractual lock-up period relating to the shares of the Corporation that may be applicable to such Member; provided, however, that Management Aggregator shall not be entitled to cause a Redemption pursuant to this Article XI unless acting pursuant to a Redemption Request Notice (as defined in the Management Aggregator LLC Agreement). A Member desiring to exercise its Redemption Right (each, a "***Redeeming Member***") shall exercise such right by giving written notice (the "***Redemption Notice***") to the

Company with a copy to the Corporation. The Redemption Notice shall specify the number of Common Units (the "***Redeemed Units***") that the Redeeming Member intends to have the Company redeem and a date, not less than three (3) Business Days nor more than ten (10) Business Days after delivery of such Redemption Notice (unless and to the extent that the Manager in its sole discretion agrees to waive such time periods), on which exercise of the Redemption Right shall be completed (the "***Redemption Date***"); provided, that the Company, the Corporation and the Redeeming Member may change the number of Redeemed Units or the Redemption Date specified in such Redemption Notice to another number or date by mutual agreement signed in writing by each of them; provided, further, that in the event the Corporation elects a Share Settlement, the Redemption may be conditioned (including as to timing) by the Redeeming Member on the closing of an underwritten distribution of the shares of Class A Common Stock that may be issued in connection with such proposed Redemption. Subject to Section 11.03 and unless the Redeeming Member timely has delivered a Retraction Notice as provided in Section 11.01(c) or has revoked or delayed a Redemption as provided in Section 11.01(d), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date):

(i) the Redeeming Member shall Transfer and surrender, free and clear of all liens and encumbrances, (x) the Redeemed Units to the Company (including any certificates representing the Redeemed Units if they are certificated), and (y) a number of shares of Class B Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units to the Corporation, to the extent applicable;

(ii) the Company shall (x) cancel the Redeemed Units, (y) transfer to the Redeeming Member the consideration to which the Redeeming Member is entitled under Section 11.01(b), and (z) if the Units are certificated, issue to the Redeeming Member a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to clause (i) of this Section 11.01(a) and the Redeemed Units; and

(iii) the Corporation shall cancel and retire for no consideration the shares of Class B Common Stock (together with any Corresponding Rights) that were Transferred to the Corporation pursuant to Section 11.01(a)(i)(y) above.

(b) The Corporation shall have the option (as determined solely by the Disinterested Majority) as provided in Section 11.02 to elect to have the Redeemed Units be redeemed in consideration for either a Share Settlement or a Cash Settlement; provided, for the avoidance of doubt, that the Corporation may elect to have the Redeemed Units be redeemed in consideration for a Cash Settlement only to the extent that the Corporation has cash available in an amount equal to at least the Redeemed Units Equivalent, which cash was received from a Qualifying Offering or, in the case of a Redemption occurring in connection the closing of the IPO, the IPO. The Corporation shall give written notice (the "***Election Notice***") to the Company (with a copy to the applicable Redeeming Member) of such election within three (3) Business Days of receiving the Redemption Notice; provided, that if the Corporation does not timely deliver an Election Notice, the Corporation shall be deemed to have elected the Share Settlement method (subject to the limitations set forth above).

(c) The Redeeming Member may elect to retract its Redemption Notice by giving written notice (the "***Retraction Notice***") to the Company (with a copy to the Corporation) no later than one (1) Business day prior to the Redemption Date. The timely delivery of a Retraction Notice shall terminate all of the Redeeming Member's, the Company's and the Corporation's rights and obligations under this Section 11.01 arising from the applicable Redemption Notice.

(d) In the event the Corporation elects a Share Settlement in connection with a Redemption, a Redeeming Member shall be entitled to revoke its Redemption Notice or delay the consummation of a Redemption if any of the following conditions exists:

(i) any registration statement pursuant to which the resale of the Class A Common Stock to be registered for such Redeeming Member at or immediately following the consummation of the Redemption shall have ceased to be effective pursuant to any action or inaction by the SEC or no such resale registration statement has yet become effective;

(ii) the Corporation shall have failed to cause any related prospectus to be supplemented by any required prospectus supplement necessary to effect such Redemption;

(iii) the Corporation shall have exercised its right to defer, delay or suspend the filing or effectiveness of a registration statement and such deferral, delay or suspension shall affect the ability of such Redeeming Member to have its Class A Common Stock registered at or immediately following the consummation of the Redemption;

(iv) the Redeeming Member is in possession of any material non-public information concerning the Corporation, the receipt of which results in such Redeeming Member being prohibited or restricted from selling Class A Common Stock at or immediately following the Redemption without disclosure of such information (and the Corporation does not permit disclosure of such information);

(v) any stop order relating to the registration statement pursuant to which the Class A Common Stock was to be registered by such Redeeming Member at or immediately following the Redemption shall have been issued by the SEC;

(vi) there shall have occurred a material disruption in the securities markets generally or in the market or markets in which the Class A Common Stock is then traded;

(vii) there shall be in effect an injunction, a restraining order or a decree of any nature of any Governmental Entity that restrains or prohibits the Redemption;

(viii) the Corporation shall have failed to comply in all material respects with its obligations under the Registration Rights Agreement, and such failure shall have affected the ability of such Redeeming Member to consummate the resale of Class A Common Stock to be received upon such Redemption pursuant to an effective registration statement; or

(ix) the Redemption Date would occur three (3) Business Days or less prior to, or during, a Black-Out Period.

If a Redeeming Member delays the consummation of a Redemption pursuant to this Section 11.01(d), the Redemption Date shall occur on the fifth (5th) Business Day following the date on which the condition(s) giving rise to such delay ceases to exist (or such earlier day as the Corporation, the Company and such Redeeming Member may agree in writing).

(e) The number of shares of Class A Common Stock (together with any Corresponding Rights) (or Redeemed Units Equivalent, if applicable) applicable to any Share Settlement or Cash Settlement shall not be adjusted on account of any Distributions previously made with respect to the Redeemed Units or dividends previously paid with respect to Class A Common Stock; provided, however, that if a Redeeming Member causes the Company to redeem

Redeemed Units and the Redemption Date occurs subsequent to the record date for any Distribution with respect to the Redeemed Units but prior to payment of such Distribution, the Redeeming Member shall be entitled to receive such Distribution with respect to the Redeemed Units on the date that it is made notwithstanding that the Redeeming Member Transferred and surrendered the Redeemed Units to the Company prior to such date; provided, further, however, that a Redeeming Member shall be entitled to receive any and all Tax Distributions that such Redeeming Member otherwise would have received in respect of income allocated to such Member for the portion of any Fiscal Year irrespective of whether such Tax Distribution(s) are declared or made after the Redemption Date.

(f) In the case of a Share Settlement, in the event a reclassification or other similar transaction occurs following delivery of a Redemption Notice, but prior to the Redemption Date, as a result of which shares of Class A Common Stock are converted into another security, then a Redeeming Member shall be entitled to receive the amount of such other security (and, if applicable, any Corresponding Rights) that the Redeeming Member would have received if such Redemption Right had been exercised and the Redemption Date had occurred immediately prior to the record date of such reclassification or other similar transaction. For the avoidance of doubt, clauses (e) and (f) of Section 11.01 shall also apply with respect to any Direct Exchange.

(g) Notwithstanding anything to the contrary contained herein, neither the Company nor the Corporation shall be obligated to effectuate a Redemption if such Redemption could reasonably be expected to cause the Company to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or successor provisions of the Code and shall otherwise be subject to Section 10.07(b).

Section 1.02 Election and Contribution of the Corporation. Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 11.01(c), or has revoked or delayed a Redemption as provided in Section 11.01(d), subject to Section 11.03 on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) the Corporation shall make a Capital Contribution to the Company (in the form of the Share Settlement or the Cash Settlement, as determined by the Corporation in accordance with Section 11.01(b)) and, (ii) the Company shall issue to the Corporation a number of Common Units equal to the number of Redeemed Units surrendered by the Redeeming Member. Notwithstanding any other provisions of this Agreement to the contrary, but subject to Section 11.03, in the event that the Corporation elects a Cash Settlement, the Corporation shall only be obligated to contribute to the Company an amount in respect of such Cash Settlement equal to the Redeemed Units Equivalent with respect to such Cash Settlement, which in no event shall exceed the amount actually paid by the Company to the Redeeming Member as the Cash Settlement. The timely delivery of a Retraction Notice shall terminate all of the Company's and the Corporation's rights and obligations under this Section 11.02 arising from the Redemption Notice.

Section 1.03 Direct Exchange Right of the Corporation.

(a) Notwithstanding anything to the contrary in this Article XI (save for the limitations set forth in Section 11.01(b) regarding the Corporation's option to select the Share Settlement or the Cash Settlement, and without limitation to the rights of the Members under Section 11.01, including the right to revoke a Redemption Notice), the Corporation may, in its sole and absolute discretion (as determined solely by the Disinterested Majority) (subject to the timing limitations set forth on such discretion in Section 11.01(b)), elect to effect on the Redemption Date the exchange of Redeemed Units for the Share Settlement or the Cash Settlement, as the case may be, through a direct exchange of such Redeemed Units and the Share Settlement or the Cash Settlement, as applicable, between the Redeeming Member and the Corporation (a "***Direct Exchange***") (rather than contributing the Share Settlement or the Cash

Settlement, as the case may be, to the Company in accordance with Section 11.02 for purposes of the Company redeeming the Redeemed Units from the Redeeming Member in consideration of the Share Settlement or the Cash Settlement, as applicable). Upon such Direct Exchange pursuant to this Section 11.03, the Corporation shall acquire the Redeemed Units and shall be treated for all purposes of this Agreement as the owner of such Units.

(b) The Corporation may, at any time prior to a Redemption Date (including after delivery of an Election Notice pursuant to Section 11.01(b)), deliver written notice (an "***Exchange Election Notice***") to the Company and the Redeeming Member setting forth its election to exercise its right to consummate a Direct Exchange; provided, that such election is subject to the limitations set forth in Section 11.01(d) and does not unreasonably prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. An Exchange Election Notice may be revoked by the Corporation at any time; provided, that any such revocation does not unreasonably prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. The right to consummate a Direct Exchange in all events shall be exercisable for all of the Redeemed Units that would have otherwise been subject to a Redemption.

(c) Except as otherwise provided by this Section 11.03, a Direct Exchange shall be consummated pursuant to the same timeframe as the relevant Redemption would have been consummated if the Corporation had not delivered an Exchange Election Notice and as follows:

(i) the Redeeming Member shall transfer and surrender, free and clear of all liens and encumbrances (x) the Redeemed Units and (y) a number of shares of Class B Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units, to the extent applicable, in each case, to the Corporation;

(ii) the Corporation shall (x) pay to the Redeeming Member the Share Settlement or the Cash Settlement, as applicable, and (y) cancel and retire for no consideration the shares of Class B Common Stock (together with any Corresponding Rights) that were Transferred to the Corporation pursuant to Section 11.03(c)(i)(y) above; and

(iii) the Company shall (x) register the Corporation as the owner of the Redeemed Units and (y) if the Units are certificated, issue to the Redeeming Member a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to Section 11.03(c)(i)(x) and the Redeemed Units, and issue to the Corporation a certificate for the number of Redeemed Units.

Section 1.04 Reservation of Shares of Class A Common Stock; Listing; Certificate of the Corporation. At all times the Corporation shall reserve and keep available out of its authorized but unissued Class A Common Stock, solely for the purpose of issuance upon a Share Settlement in connection with a Redemption or Direct Exchange, such number of shares of Class A Common Stock as shall be issuable upon any such Share Settlement pursuant to a Redemption or Direct Exchange; provided that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of any such Share Settlement pursuant to a Redemption or Direct Exchange by delivery of purchased Class A Common Stock (which may or may not be held in the treasury of the Corporation) or by way of Cash Settlement. The Corporation shall deliver Class A Common Stock that has been registered under the Securities Act with respect to any Share Settlement pursuant to a Redemption or Direct Exchange to the extent a registration statement is effective and available with respect to such shares. The Corporation shall use its commercially reasonable efforts to list the Class A Common Stock required to be delivered upon any such Share Settlement pursuant to a Redemption or Direct

Exchange prior to such delivery upon each national securities exchange upon which the outstanding shares of Class A Common Stock are listed at the time of such Share Settlement pursuant to a Redemption or Direct Exchange, including the Stock Exchange, if applicable (it being understood that any such shares may be subject to transfer restrictions under applicable securities Laws). The Corporation covenants that all shares of Class A Common Stock issued in connection with a Share Settlement pursuant to a Redemption or Direct Exchange shall, upon issuance, be validly issued, fully paid and non-assessable. The provisions of this Article XI shall be interpreted and applied in a manner consistent with any corresponding provisions of the Corporation's certificate of incorporation (if any).

Section 1.05 Effect of Exercise of Redemption or Direct Exchange. This Agreement shall continue notwithstanding the consummation of a Redemption or Direct Exchange by a Member and all rights set forth herein shall continue in effect with respect to the remaining Members and, to the extent the Redeeming Member has any remaining Units following such Redemption or Direct Exchange, the Redeeming Member. No Redemption or Direct Exchange shall relieve a Redeeming Member of any prior breach of this Agreement by such Redeeming Member.

Section 1.06 Tax Treatment.

(a) In connection with any Redemption or Direct Exchange, the Redeeming Member shall, to the extent it is legally entitled to deliver such form, deliver to the Manager or the Company, as applicable, a certificate, dated as of the Redemption Date, in a form reasonably acceptable to the Manager or the Company, as applicable, certifying as to such Redeeming Member's taxpayer identification number and that such Redeeming Member is a not a foreign person for purposes of Section 1445 and Section 1446(f) of the Code (which certificate may be an IRS Form W-9 if then sufficient for such purposes under applicable Law) (such certificate a "***Non-Foreign Person Certificate***"). If a Redeeming Member is unable to provide a Non-Foreign Person Certificate in connection with a Redemption or a Direct Exchange, then (i) such Redeeming Member and the Company shall cooperate to provide any other certification or determination described in Treasury Regulation Sections 1.1446(f)-2(b) and 1.1446(f)-2(c) or otherwise permitted under applicable Law at the time of such Redemption or Direct Exchange, and the Manager or the Company, as applicable, shall be permitted to withhold on the amount realized by such Redeeming Member in respect of such Redemption or Direct Exchange to the extent required under in Section 1446(f) of the Code and Treasury Regulations thereunder after taking into account the certificate or other determination provided pursuant this sentence and (ii) upon request and to the extent permitted under applicable Law, the Company shall deliver a certificate pursuant to Treasury Regulations Section 1.1445-11T(d)(2) certifying that fifty percent (50%) or more of the value of the gross assets of the Company does not consist of "U.S. real property interests" (as used in Treasury Regulations Section 1.1445-11T), or that ninety percent (90%) or more of the value of the gross assets of the Company does not consist of "U.S. real property interests" plus "cash or cash equivalents" (as used in Treasury Regulations Section 1.1445-11T); *provided*, that if the Company is not legally entitled to provide the certificate described in clause (ii), the Corporation shall be permitted to withhold on the amount realized by such Redeeming Member in respect of such Redemption or Direct Exchange to the extent required under in Section 1445 of the Code and Treasury Regulations.

(b) Unless otherwise required by applicable Law, the parties hereto acknowledge and agree that a Redemption or a Direct Exchange, as the case may be, shall be treated as a taxable sale by the Redeeming Member of the Redeeming Member's Common Units (together with an equal number of shares of Class B Common Stock) to the Corporation in exchange for (A) the payment by the Corporation of the Cash Settlement or Share Settlement or other applicable consideration and (B) corresponding payments under the Tax Receivable Agreement for U.S. federal and applicable state and local income tax purposes. Within thirty (30) days following the

Redemption Date, the Corporation shall deliver a Section 743 notification to the Company in accordance with Treasury Regulation Section 1.743-1(k)(2).

Article XII.
ADMISSION OF MEMBERS

Section 1.01 Substituted Members. Subject to the provisions of Article X hereof, in connection with the Permitted Transfer of a Unit hereunder, the Permitted Transferee shall become a Substituted Member on the effective date of such Transfer, which effective date shall not be earlier than the date of compliance with the conditions to such Transfer, and such admission shall be shown on the books and records of the Company, including the Schedule of Members.

Section 1.02 Additional Members. Subject to the provisions of Article X hereof, any Person that is not a Member as of the Effective Date may be admitted to the Company as an additional Member (any such Person, an "***Additional Member***") only upon furnishing to the Manager (a) duly executed Joinder and counterparts to any applicable Other Agreements and (b) such other documents or instruments as may be reasonably necessary or appropriate to effect such Person's admission as a Member (including entering into such documents as may reasonably be requested by the Manager). Such admission shall become effective on the date on which the Manager determines in its sole discretion that such conditions have been satisfied and when any such admission is shown on the books and records of the Company, including the Schedule of Members.

Article XIII.
WITHDRAWAL AND RESIGNATION; TERMINATION OF RIGHTS

Section 1.01 Withdrawal and Resignation of Members. Except pursuant to Section 10.06 in the event of the Transfer of all of the Units of a Member or the Manager's right to resign pursuant to Section 6.03, no Member shall have the power or right to withdraw or otherwise resign as a Member from the Company prior to the dissolution and winding up of the Company pursuant to Article XIV. Any Member, however, that attempts to withdraw or otherwise resign as a Member from the Company without the prior written consent of the Manager upon or following the dissolution and winding up of the Company pursuant to Article XIV, but prior to such Member receiving the full amount of Distributions from the Company to which such Member is entitled pursuant to Article XIV, shall be liable to the Company for all damages (including all lost profits and special, indirect and consequential damages) directly or indirectly caused by the withdrawal or resignation of such Member. Upon a Transfer of all of a Member's Units in a Transfer permitted by this Agreement, subject to the provisions of Section 10.06, such Member shall cease to be a Member.

Article XIV.
DISSOLUTION AND LIQUIDATION

Section 1.01 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members or the attempted withdrawal, removal, dissolution, bankruptcy or resignation of a Member. The Company shall dissolve, and its affairs shall be wound up, upon:

(a) the decision of the Manager together with the written approval of the Common Unitholders (other than the Manager) holding a majority of the Common Units (other than the Common Units held by the Manager) to dissolve the Company (excluding for purposes of such calculation the Corporation and all Common Units held directly or indirectly by it);

(b) a dissolution of the Company under Section 18-801(4) of the Delaware Act, unless the Company is continued without dissolution pursuant thereto; or

(c) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Except as otherwise set forth in this Article XIV, the Company is intended to have perpetual existence. An Event of Withdrawal shall not in and of itself cause a dissolution of the Company and the Company shall, to the fullest extent permitted by law, continue in existence subject to the terms and conditions of this Agreement.

Section 1.02 Winding Up. Subject to Section 14.05, on dissolution of the Company, the Manager shall act as liquidating trustee or may appoint one or more Persons as liquidating trustee (each such Person, a "***Liquidator***"). The Liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne as an expense of the Company. Until final distribution, the Liquidators shall, to the fullest extent permitted by applicable Law, continue to operate the properties of the Company with all of the power and authority of the Manager. The steps to be accomplished by the Liquidators are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the Liquidators shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the Liquidators shall pay, satisfy or discharge from the Company's funds, or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent, conditional and unmatured liabilities in such amount and for such term as the liquidators may reasonably determine) the following: first, all of the debts, liabilities and obligations of the Company owed to creditors other than the Members, including all expenses incurred in connection with the liquidation and winding up of the Company; and second, all of the debts, liabilities and obligations of the Company owed to the Members (other than any payments or distributions owed to such Members in their capacity as Members pursuant to this Agreement); and

(c) following satisfaction of the Company's debts, liabilities and obligations pursuant to the foregoing Section 14.02(b), all remaining assets of the Company shall be distributed to the Members in accordance with Section 4.01(a) by the final Business Day of the Taxable Year during which the liquidation of the Company occurs (or, if later, by ninety (90) days after the date of the liquidation).

The distribution of cash or property to the Members in accordance with the provisions of this Section 14.02 and Section 14.03 below shall constitute a complete return to the Members of their Capital Contributions, a complete distribution to the Members of their interest in the Company and all of the Company's property and shall constitute a compromise to which all Members have consented within the meaning of the Delaware Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

Section 1.03 Deferment; Distribution in Kind. Notwithstanding the provisions of Section 14.02, but subject to the order of priorities set forth therein, if upon dissolution of the Company the Liquidators determine that an immediate sale of part or all of the Company's assets would be impractical or would cause undue loss (or would otherwise not be beneficial) to the Members, the Liquidators may, in their sole discretion and to the fullest extent permitted by

applicable Law, defer for a reasonable time the liquidation of any assets except those necessary to satisfy the Company's liabilities (other than loans to the Company by any Member(s)) and reserves. Subject to the order of priorities set forth in Section 14.02, the Liquidators may, in their sole discretion, distribute to the Members, in lieu of cash, either (a) all or any portion of such remaining assets in-kind of the Company in accordance with the provisions of Section 14.02(c), (b) as tenants in common and in accordance with the provisions of Section 14.02(c), undivided interests in all or any portion of such assets of the Company or (c) a combination of the foregoing. Any such Distributions in-kind shall be subject to (y) such conditions relating to the disposition and management of such assets as the Liquidators deem reasonable and equitable and (z) the terms and conditions of any agreements governing such assets (or the operation thereof or the holders thereof) at such time. Any assets of the Company distributed in kind shall first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Article V. The Liquidators shall determine the Fair Market Value of any property so distributed.

Section 1.04 Cancellation of Certificate. On completion of the winding up of the Company as provided herein, the Manager (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation of the Certificate with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that should be canceled and take such other actions as may be necessary to terminate the existence of the Company. The Company shall continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 14.04.

Section 1.05 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Sections 14.02 and 14.03 in order to minimize any losses otherwise attendant upon such winding up.

Section 1.06 Return of Capital. The Liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from assets of the Company).

Article XV.
GENERAL PROVISIONS

Section 1.01 Power of Attorney.

(a) Each Member hereby constitutes and appoints the Manager (or the Liquidator, if applicable) with full power of substitution, as his, her or its true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) this Agreement, all certificates and other instruments and all amendments thereof which the Manager deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (B) all instruments which the Manager deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents which the Manager deems appropriate or necessary to reflect the dissolution, winding up and termination of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; and (D) all instruments relating to the admission, substitution or resignation of any Member pursuant to Article XII or XIII; and

(ii) sign, execute, swear to and acknowledge all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the reasonable judgment of the Manager, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Members hereunder or is consistent with the terms of this Agreement, in the reasonable judgment of the Manager, to effectuate the terms of this Agreement.

(b) The foregoing power of attorney is coupled with an interest and, to the fullest extent permitted by law, irrevocable, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the transfer of all or any portion of his, her or its Units and shall extend to such Member's heirs, successors, assigns and personal representatives.

Section 1.02 Confidentiality.

(a) Each of the Members (other than the Corporation) agrees to hold the Company's Confidential Information in confidence and may not disclose or use such information except as otherwise authorized separately in writing by the Manager. "***Confidential Information***" as used herein includes all non-public information concerning the Company or its Subsidiaries including, but not limited to, ideas, financial product structuring, business strategies, innovations and materials, all aspects of the Company's or any of its Subsidiaries' business plan, proposed operation and products, corporate structure, financial and organizational information, analyses, proposed partners, software code and system and product designs, employees and their identities, equity ownership, the methods and means by which the Company or such Subsidiary plans to conduct its business, all trade secrets, trademarks, tradenames and all intellectual property associated with the Company's and such Subsidiary's business. With respect to each Member, Confidential Information does not include information or material that: (a) is rightfully in the possession of such Member at the time of disclosure by the Company or any of its Subsidiaries; (b) before or after it has been disclosed to such Member by the Company, becomes part of public knowledge, not as a result of any action or inaction of such Member in violation of this Agreement; (c) is approved for release by written authorization of the Chief Executive Officer, Chief Financial Officer or General Counsel of the Company or of the Corporation, or any other officer designated by the Manager; (d) is disclosed to such Member or their representatives by a third party not, to the knowledge of such Member, in violation of any obligation of confidentiality owed to the Company or any of its Subsidiaries with respect to such information; or (e) is now or in the future independently developed by such Member or their respective representatives without use of, or reference to, the Confidential Information.

(b) Solely to the extent it is reasonably necessary or appropriate to fulfill its obligations or to exercise its rights under this Agreement, each of the Members may disclose Confidential Information to its Subsidiaries, Affiliates, partners, members, stockholders, managers, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents, on the condition that such Persons keep the Confidential Information confidential to the same extent as such Member is required to keep the Confidential Information confidential; provided, that such Member shall remain liable with respect to any breach of this Section 15.02 by any such Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents (as if such Persons were party to this Agreement for purposes of this Section 15.02).

(c) Notwithstanding Section 15.02(a) or Section 15.02(b), each of the Members may disclose Confidential Information (i) to the extent that such Member is required by Law (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, (ii) for purposes of reporting to its stockholders and direct and indirect equity holders (each of whom are bound by

customary confidentiality obligations) the performance of the Company and its Subsidiaries and for purposes of including applicable information in its financial statements to the extent required by applicable Law or applicable accounting standards; or (iii) to any bona fide prospective purchaser of the equity or assets of a Member, or the Common Units held by such Member, or a prospective merger partner of such Member (provided that, in each case, such Member determines in good faith that such prospective purchaser or merger partner would be a Permitted Transferee), (provided, that (i) such Persons shall be informed by such Member of the confidential nature of such information and shall agree in writing to keep such information confidential in accordance with the contents of this Agreement and (ii) each Member shall be liable for any breaches of this Section 15.02 by any such Persons (as if such Persons were party to this Agreement for purposes of this Section 15.02)). Notwithstanding any of the foregoing, nothing in this Section 15.02 shall restrict in any manner the ability of the Corporation to comply with its disclosure obligations under Law, and the extent to which any Confidential Information is necessary or desirable to disclose.

Section 1.03 Amendments. Except as otherwise contemplated by this Agreement, including pursuant to Section 3.02(c), this Agreement may be amended or modified upon the written consent of the Manager, together with the written consent of the holders (other than the Manager) of a majority of the Common Units then outstanding (excluding all Common Units held directly or indirectly by the Corporation). Notwithstanding the foregoing, no amendment or modification:

(a) to this Section 15.03 that would adversely affect the Members may be made without the prior written consent of the Manager and each of the Members;

(b) to any of the terms and conditions of this Agreement which terms and conditions expressly require the approval or action of certain Persons may be made without obtaining the consent of the requisite number or specified percentage of such Persons who are entitled to approve or take action on such matter; and

(c) to any of the terms and conditions of this Agreement which would (A) reduce the amounts distributable to a Member pursuant to Articles IV and XIV in a manner that is not pro rata with respect to all Members, (B) increase the liabilities of such Member hereunder, (C) otherwise materially and adversely affect a holder of Units (with respect to such Units) in a manner materially disproportionate to any other holder of Units of the same class or series (with respect to such Units) (other than amendments, modifications and waivers necessary to implement the provisions of Article XII) or (D) materially and adversely affect the rights of any Member under Article XI, shall be effective against such affected Member or holder of Units, as the case may be, without the prior written consent of such Member or holder of Units, as the case may be.

Notwithstanding any of the foregoing, the Manager may make any amendment to this Agreement (i) of an administrative nature that is necessary in order to implement the substantive provisions hereof, without the consent of any other Member; provided, that any such amendment does not adversely change the rights of the Members hereunder in any respect, or (ii) to reflect any changes to the Class A Common Stock or Class B Common Stock or the issuance of any other capital stock of the Corporation.

Section 1.04 Title to Company Assets. Company assets shall be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such assets of the Company or any portion thereof. The Company shall hold title to all of its property in the name of the Company and not in the name of any Member. All assets of the Company shall be recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such assets is held. The Company's credit and assets shall be

used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for, or in payment of, any individual obligation of any Member.

Section 1.05 Addresses and Notices. Any notice, request, demand or instruction specified or permitted by this Agreement shall be in writing and shall be either personally delivered, or received by certified mail, return receipt requested, or sent by reputable overnight courier service (charges prepaid) to the Company or by electronic mail at the address set forth below and to any other recipient and to any Member at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices shall be deemed to have been given hereunder when delivered personally or sent by telecopier (provided that confirmation of transmission is received), three (3) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service or if sent by electronic mail, upon the relevant email entering the recipient's server. Whenever any notice is required to be given by Law or this Agreement, a written waiver thereof signed by the Person entitled to such notice, whether before or after the time stated at which such notice is required to be given, shall be deemed equivalent to the giving of such notice.

To the Company:

Solo Brands, Inc.
1070 S. Kimball Ave., Suite 121
Southlake, Texas 76092
Attn: John Merris
E-mail: john@solostove.com

with a copy (which copy shall not constitute notice) to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, New York 10020
Attn: Ian Schuman, John Chory and Adam Gelardi
E-mail: ian.schuman@lw.com; john.chory@lw.com; adam.gelardi@lw.com

To the Corporation:

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E-mail: ian.schuman@lw.com; john.chory@lw.com; adam.gelardi@lw.com

To the Members, as set forth on Schedule 2.

Section 1.06 Binding Effect; Intended Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 1.07 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company (other than Indemnified Persons in their capacity as such) or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Profits, Losses, Distributions, capital or property of the Company other than as a secured creditor.

Section 1.08 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 1.09 Counterparts. This Agreement may be executed in separate counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

Section 1.10 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any suit, dispute, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be heard in the state or federal courts of the State of Delaware, and the parties hereby consent to the exclusive jurisdiction of such court (and of the appropriate appellate courts) in any such suit, action or proceeding and waives any objection to venue laid therein. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON ANY PARTY ANYWHERE IN THE WORLD, WHETHER WITHIN OR WITHOUT THE JURISDICTION OF ANY SUCH COURT (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT) AND SHALL HAVE THE SAME LEGAL FORCE AND EFFECT AS IF SERVED UPON SUCH PARTY PERSONALLY WITHIN THE STATE OF DELAWARE. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES AGREE THAT SERVICE OF PROCESS UPON SUCH PARTY AT THE ADDRESS REFERRED TO IN SECTION 15.05 (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT), TOGETHER WITH WRITTEN NOTICE OF SUCH SERVICE TO SUCH PARTY, SHALL BE DEEMED EFFECTIVE SERVICE OF PROCESS UPON SUCH PARTY.

Section 1.11 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 1.12 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 1.13 Execution and Delivery by Electronic Signature and Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby, or entered into by the Company in

accordance herewith, and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic signature or an electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic signature or electronic transmission to execute or deliver a document or the fact that any signature or agreement or instrument was transmitted or communicated through such electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 1.14 Right of Offset. Whenever the Company or the Corporation is to pay any sum (other than pursuant to Article IV) to any Member, any amounts that such Member owes to the Company or the Corporation which are not the subject of a good faith dispute may be deducted from that sum before payment. For the avoidance of doubt, the distribution of Units to the Corporation shall not be subject to this Section 15.14.

Section 1.15 Entire Agreement. This Agreement, those documents expressly referred to herein (including the Stockholders Agreement, the Registration Rights Agreement and the Tax Receivable Agreement), any indemnity agreements entered into in connection with the Prior LLC Agreement with any member of the board of directors at that time, those documents entered into in connection with the recapitalization or reorganization transactions (as described in the Recitals) of the Company and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 1.16 Remedies. Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any Law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law.

Section 1.17 Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Without limiting the generality of the immediately preceding sentence, no amendment or other modification to any agreement, document or instrument that requires the consent of any Person pursuant to the terms of this Agreement or any other agreement shall be given effect hereunder unless such Person has consented in writing to such amendment or modification. Wherever required by the context, references to a Fiscal Year shall refer to a portion thereof. The use of the words “either” and “any” shall not be exclusive. The word “or” shall be disjunctive but not exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. To the fullest extent permitted by law, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly

by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Amended and Restated Limited Liability Company Agreement as of the date first written above.

COMPANY:

SOLO STOVE HOLDINGS, LLC

By: /s/ John Merris
Name: John Merris
Title: Chief Executive Officer

CORPORATION:

SOLO BRANDS, INC.

By: /s/ John Merris
Name: John Merris
Title: Chief Executive Officer

[SIGNATURE PAGES OF MEMBERS OMITTED]

SCHEDULE 1

SCHEDULE OF PRE-IPO MEMBERS

[On File With Company]

SCHEDULE 2*

SCHEDULE OF MEMBERS

[On File With Company]

* This Schedule of Members shall be updated from time to time on the books and records of the Company to reflect any adjustment with respect to any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Common Units, or to reflect any additional issuances of Common Units pursuant to this Agreement.

Exhibit A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____, 20___ (this "Joinder"), is delivered pursuant to that certain Amended and Restated Limited Liability Company Agreement, dated as of October 27, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "LLC Agreement") of Solo Stove Holdings, LLC, a Delaware limited liability company (the "Company"), by and among the Company, Solo Brands, Inc., a Delaware corporation and the managing member and Manager of the Company (the "Corporation"), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the LLC Agreement.

1. Joinder to the LLC Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is admitted as and hereafter shall be a Member under the LLC Agreement and a party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the LLC Agreement as if it had been a signatory thereto as of the date thereof.

2. Incorporation by Reference. All terms and conditions of the LLC Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.

3. Address. All notices under the LLC Agreement to the undersigned shall be direct to:

[Name]
[Address]
[City, State, Zip Code]
Attn:
Facsimile:
E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[NAME OF NEW MEMBER]

By:
Name:
Title:

Acknowledged and agreed
as of the date first set forth above:

SOLO STOVE HOLDINGS, LLC

By: SOLO BRANDS, INC., its Manager

By:
Name:
Title:

Exhibit B-1

FORM OF AGREEMENT AND CONSENT OF SPOUSE

The undersigned spouse of _____ (the "Member"), a party to that certain Amended and Restated Limited Liability Company Agreement, dated as of October 27, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Agreement") of Solo Stove Holdings, LLC, a Delaware limited liability company (the "Company"), by and among the Company, Solo Brands, Inc., a Delaware corporation and the managing member and Manager of the Company, and each of the Members from time to time party thereto (capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Agreement), acknowledges on his or her own behalf that:

I have read the Agreement and understand its contents. I acknowledge and understand that under the Agreement, any interest I may have, community property or otherwise, in the Units owned by the Member is subject to the terms of the Agreement which include certain restrictions on Transfer.

I hereby consent to and approve the Agreement. I agree that said Units and any interest I may have, community property or otherwise, in such Units are subject to the provisions of the Agreement and that I will take no action at any time to hinder operation of the Agreement on said Units or any interest I may have, community property or otherwise, in said Units.

I hereby acknowledge that the meaning and legal consequences of the Agreement have been explained fully to me and are understood by me, and that I am signing this Agreement and consent without any duress and of free will.

Dated: _____

[NAME OF SPOUSE]

By:
Name:

Exhibit B-2

FORM OF SPOUSE'S CONFIRMATION OF SEPARATE PROPERTY

I, the undersigned, the spouse of _____ (the "Member"), who is a party to that certain Amended and Restated Limited Liability Company Agreement, dated as of October 27, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Agreement") of Solo Stove Holdings, LLC, a Delaware limited liability company (the "Company"), by and among the Company, Solo Brands, Inc., a Delaware corporation and the managing member and Manager of the Company, and each of the Members from time to time party thereto (capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Agreement), acknowledge and confirm on that the Units owned by said Member are the sole and separate property of said Member, and I hereby disclaim any interest in same.

I hereby acknowledge that the meaning and legal consequences of this Member's spouse's confirmation of separate property have been fully explained to me and are understood by me, and that I am signing this Member's spouse's confirmation of separate property without any duress and of free will.

Dated: _____

[NAME OF SPOUSE]

By:
Name:

Exhibit C

SOLO STOVE HOLDINGS INC.
Policy Regarding Certain Equity Issuances

Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Amended and Restated Limited Liability Company Agreement of Solo Stove Holdings LLC, dated as of October 27, 2021 (the "Operating Agreement").

Pursuant to Section 10.18 of the Solo Brands, Inc. 2021 Incentive Award Plan (the "Plan") and Section 12.13 of the Solo Brands, Inc. 2021 Employee Stock Purchase Plan (the "ESPP"), this Policy Regarding Certain Equity Issuances (this "Policy"), effective as of October 27, 2021, is established to provide for the method by which shares of Class A Common Stock or other securities and/or payment therefor may be exchanged or contributed between Solo Brands, Inc. (the "Corporation") and Solo Stove Holdings LLC (the "Operating Company"), or any of their respective Subsidiaries, or may be returned to the Corporation upon any forfeiture of such shares of Class A Common Stock or other securities by the holder thereof, for the purpose of (i) ensuring that the relationship between the Corporation and its Subsidiaries remains at arm's-length and (ii) maintaining economic parity between one share of Class A Common Stock and one Common Unit by preserving the one-to-one ratio between the number of shares of Class A Common Stock outstanding and the number of Common Units held by the Corporation. For purposes of this Policy, "Common Stock" refers to the Class A Common Stock of the Corporation.

In the event of any conflict between the Operating Agreement, the Plan or the ESPP and this Policy, the Operating Agreement, the Plan or the ESPP, as applicable, will control. In the event of any conflict between the Operating Agreement and the Plan or the Operating Agreement and the ESPP, unless explicitly stated otherwise, the Operating Agreement will control. This Policy may be modified, supplemented or terminated at any time and from time to time in the Corporation's discretion.

1. Restricted Stock Awards

   a. Transfers of Restricted Stock to Corporation Employees, Consultants or Directors. The following shall apply to Restricted Stock granted under the Plan to Employees and Consultants of the Corporation and Directors (each as defined in the Plan and, collectively, "Corporation Service Providers") in consideration for services performed by such Corporation Service Providers:

      i. Issuance of Restricted Stock.

         A. The Corporation shall issue such number of shares of Restricted Stock (as defined in the Plan) as are issued to the Corporation Service Provider in accordance with the terms of the Plan.

         B. Concurrently with or prior to such issuance, a Corporation Service Provider shall pay the purchase price (if any) of the Restricted Stock to the Corporation in exchange for the issuance of the Restricted Stock.

         C. Prior to the Vesting Date (as defined below), the Corporation shall pay dividends to the holder of the Restricted Stock and make any other payments to the Corporation Service Provider as the terms of the Restricted Stock award provide for. The Corporation and the Operating Company shall treat such

payments as having been made by the Corporation, and the Corporation shall report such payments as compensation to the Corporation Service Provider for all purposes. Prior to the Vesting Date (as defined below), the Operating Company shall pay to the Corporation the amount of any such payments that the Corporation is required to pay to the Corporation Service Provider, as a reimbursement of Corporation expenses pursuant to Section 6.06 of the Operating Agreement.

ii. Vesting of Restricted Stock. On the date when the value of any share of Restricted Stock is includible in the taxable income (with respect to each such share, the "Vesting Date") of the Corporation Service Provider, the following events shall occur or be deemed to have occurred:

A. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Corporation for the compensation expense equal to the amount includible in the taxable income of the Corporation Service Provider.

B. The Operating Company shall issue to the Corporation on the Vesting Date a number of Common Units equal to the number of such shares of Restricted Stock that are includible in the taxable income of the Corporation Service Provider as of the applicable Vesting Date in consideration for a deemed Capital Contribution from the Corporation in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value.

b. Transfers of Restricted Stock to Employees and Consultants of the Operating Company. The following shall apply to Restricted Stock granted under the Plan to Employees and Consultants of the Operating Company or its Subsidiaries (each, "Operating Company Service Providers") in consideration for services performed by such Employees and Consultants for the Operating Company or its Subsidiaries:

i. Issuance of Restricted Stock.

A. The Corporation shall issue such number of shares of Restricted Stock as are issued to the Operating Company Service Provider in accordance with the terms of the Plan.

B. Concurrently with or prior to such issuance, an Operating Company Service Provider shall pay the purchase price (if any) of the Restricted Stock to the Corporation in exchange for the issuance of the Restricted Stock.

C. The Corporation shall transfer any such purchase price to the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company). For tax purposes, any such purchase price shall be treated as paid by the Operating Company Service Provider to the Operating Company (or an applicable Subsidiary) as the employer of the Employee or the recipient of the Consultant's services (*i.e.,* not a capital contribution).

D. Prior to the Vesting Date, the Corporation shall pay dividends to the holder of the Restricted Stock and make any other payments to the Operating Company Service Provider as provided by the terms of the Restricted Stock Award

Agreement, provided that the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, the Subsidiary of the Operating Company) shall reimburse the Corporation for such amounts and deduct such amounts as compensation. In order to effectuate the foregoing, in addition to the Operating Company's distributions to the Corporation with respect to the Common Units held by the Corporation, the Operating Company (or the applicable Subsidiary) shall make an additional payment to the Corporation in the amount of this reimbursement, which shall not be treated as a partnership distribution. Such dividend or other payments shall be treated as having been made by the Operating Company (or the applicable Subsidiary), and not by the Corporation, to such Operating Company Service Provider, and the Operating Company (or the applicable Subsidiary) shall report such payments as compensation to the Operating Company Service Provider for all purposes.

ii. Vesting of Restricted Stock. On the Vesting Date of any shares of Restricted Stock of the Operating Company Service Provider, the following events shall occur or be deemed to have occurred:

A. The Corporation shall be deemed to sell to the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Corporation, such shares of Restricted Stock that are includible in the taxable income of the Operating Company Service Provider on such Vesting Date (the "Operating Company Purchased Restricted Stock"). The deemed price paid by the Operating Company (or a Subsidiary of the Operating Company) to the Corporation for Operating Company Purchased Restricted Stock shall be an amount equal to the product of (x) the number of shares of Operating Company Purchased Restricted Stock and (y) the Fair Market Value of a share of Common Stock on the Vesting Date.

B. The Operating Company (or any Subsidiary of the Operating Company) shall be deemed to transfer Operating Company Purchased Restricted Stock to the Operating Company Service Provider at no additional cost, as additional compensation.

C. The Operating Company shall issue to the Corporation on the Vesting Date a number of Common Units equal to the number of shares of Operating Company Purchased Restricted Stock in consideration for a deemed Capital Contribution from the Corporation in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Operating Company Service Provider is an employee or service provider to a Subsidiary of the Operating Company, then the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

2. Restricted Stock Unit and Other Stock or Cash Based Awards. The following shall apply to all Restricted Stock Units and Other Stock or Cash Based Awards (other than cash awards) (each as defined in the Plan) granted under the Plan and settled in shares of Common Stock:

a. Transfers of Common Stock to Corporation Service Providers. The Corporation shall issue such number of shares of Common Stock as are to be issued to the Corporation

Service Provider in accordance with the terms of the Plan and any Restricted Stock Unit or applicable Other Stock or Cash Based Award to a Corporation Service Provider in accordance with the Plan and, as soon as reasonably practicable after such Award is settled, with respect to each such settlement:

i. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Corporation for the compensation expense equal to the amount includible in the taxable income of the Corporation Service Provider with respect to such Award.

ii. The Operating Company shall issue to the Corporation on the date of settlement a number of Common Units equal to the number of shares of Common Stock issued in settlement of the Restricted Stock Unit or applicable Other Stock or Cash Based Award in consideration for a deemed Capital Contribution from the Corporation in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value.

b. Transfer of Common Stock to Operating Company Service Providers. The Corporation shall issue such number of shares of Common Stock as are to be issued to an Operating Company Service Provider in accordance with the terms of the Plan and any Restricted Stock Unit or applicable Other Stock or Cash Based Award to an Operating Company Service Provider in accordance with the Plan and, as soon as reasonably practicable after such Award is settled, with respect to each such settlement:

i. The Corporation shall be deemed to sell to the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Corporation, the number of shares of Common Stock (the "Operating Company Purchased RSU/Other Award Shares") equal to the number issued in settlement of the Restricted Stock Units or Other Stock or Cash Based Awards. The deemed price paid by the Operating Company (or Subsidiary of the Operating Company) to the Corporation for Operating Company Purchased RSU/Other Award Shares shall be an amount equal to the product of (x) the number of Operating Company Purchased RSU/Other Award Shares and (y) the Fair Market Value of a share of Common Stock at the time of settlement.

ii. The Operating Company (or Subsidiary of the Operating Company) shall be deemed to transfer such shares of Common Stock to the Operating Company Service Provider at no additional cost, as additional compensation.

iii. The Operating Company shall issue to the Corporation on the date of settlement a number of Common Units equal to the number of Operating Company Purchased RSU/Other Award Shares in consideration for a deemed Capital Contribution from the Corporation in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Operating Company Service Provider is an employee or service provider to a Subsidiary of the Operating Company, the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

c. Other Full-Value Awards. To the extent the Corporation grants full-value Awards (as defined in the Plan) (other than Restricted Stock, Restricted Stock Units and Other Stock

and Cash Based Awards), the provisions of this Section 2 shall apply *mutatis mutandis* with respect to such full-value Awards, to the extent applicable (as determined by the Administrator (as defined in the Plan).

3. Stock Options. The following shall apply to Options (as defined in the Plan) granted under the Plan:

   a. Transfer of Common Stock to Corporation Service Providers. As soon as reasonably practicable after receipt by the Corporation, pursuant to the Plan, of payment for the shares of Common Stock with respect to which an Option (which in the case of a Corporation Service Provider was issued to and is held by such Corporation Service Provider in such capacity), or portion thereof, is exercised by a Corporation Service Provider:

      i. The Corporation shall transfer to the holder of such Option the number of shares of Common Stock equal to the number of shares of Common Stock subject to the Option (or portion thereof) that is exercised.

      ii. The Corporation, shall, as soon as practicable after such exercise, make a Capital Contribution to the Operating Company in an amount equal to the exercise price paid to the Corporation by such Corporation Service Provider in connection with the exercise of the Option. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Corporation for the compensation expense equal to the Fair Market Value (as defined in the Plan) of a share of Common Stock as of the date of exercise multiplied by the number of shares of Common Stock then being issued in connection with the exercise of such Option less the exercise price paid to the Corporation by such Corporation Service Provider in connection with the exercise of the Option. Notwithstanding the amount of the Capital Contribution actually made pursuant to this Section 3(a)(ii), the Corporation shall be deemed to have contributed to the Operating Company as a Capital Contribution, in lieu of the Capital Contribution actually made, an amount equal to the Fair Market Value (as defined in the Plan) of a share of Common Stock as of the date of exercise multiplied by the number of shares of Common Stock then being issued in connection with the exercise of such Option.

      iii. The Operating Company shall issue to the Corporation, on the date of the deemed Capital Contribution described in Section 3(a)(ii) hereof, a number of Common Units equal to the number of issued shares of Common Stock pursuant to Section 3(a)(i) hereof, in consideration for the deemed Capital Contribution described in Section 3(a)(ii) hereof.

   b. Transfer of Common Stock to Operating Company Service Providers. As soon as reasonably practicable after receipt by the Corporation, pursuant to the Plan, of payment for the shares of Common Stock with respect to which an Option (which was issued to and is held by an Operating Company Service Provider in such capacity), or portion thereof, is exercised by an Operating Company Service Provider:

      i. The Corporation shall transfer to the Operating Company Service Provider the total number of shares of Common Stock with respect to which the Option was exercised (the "Total Purchased Shares"). Of the Total Purchased Shares, the number of shares of Common Stock that shall be deemed to be transferred to the Operating Company Service Provider on behalf of the Operating Company shall be equal to (A) the amount of the exercise price paid by the Operating Company

Service Provider to the Corporation pursuant to the Plan divided by (B) the Fair Market Value (as defined in the Plan) of a share of Common Stock at the time of exercise (the "Operating Company Holder Purchased Shares").

ii. The Corporation shall be deemed to sell to the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Corporation, the number of shares of Common Stock (the "Operating Company Purchased Option Shares") equal to the excess of (A) the number of shares subject to the Option (or portion thereof) that is exercised, over (B) the number of Operating Company Holder Purchased Shares. The deemed price paid by the Operating Company (or a Subsidiary of the Operating Company) to the Corporation for Operating Company Purchased Option Shares shall be an amount equal to the product of (x) the number of Operating Company Purchased Option Shares and (y) the Fair Market Value (as defined in the Plan) of a share of Common Stock at the time of the exercise.

iii. The Operating Company (or a Subsidiary of the Operating Company) shall be deemed to transfer the Operating Company Purchased Option Shares to the Operating Company Service Provider at no additional cost, as additional compensation.

iv. The Operating Company shall issue to the Corporation on the date of exercise a number of Common Units equal to the sum of the number of Operating Company Holder Purchased Shares and the number of Operating Company Purchased Option Shares in consideration for a deemed Capital Contribution from the Corporation in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Operating Company Service Provider is an employee or service provider to a Subsidiary of the Operating Company, the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

c. Stock Appreciation Rights and ESPP Rights. To the extent (i) the Corporation grants any Stock Appreciation Rights (as defined in the Plan) or (ii) the Corporation grants any rights to participate in the ESPP, the provisions of this Section 3 shall apply *mutatis mutandis* with respect to such Stock Appreciation Rights or the ESPP Rights, in each such case to the extent applicable (as determined by the Administrator).

d. Dividend Equivalent Awards. With respect to Dividend Equivalents (as defined in the Plan) granted under the Plan to Operating Company Service Providers, the Corporation shall make any payments to an Operating Company Service Provider under the terms of the Dividend Equivalent award, provided that the Operating Company (or, if the Operating Company Service Provider is an employee or other service provider of a Subsidiary of the Operating Company, such Subsidiary of the Operating Company) shall reimburse the Corporation for such amounts and deduct such amounts as compensation. In order to effectuate the foregoing, in addition to the Operating Company's (or the applicable Subsidiary's) distributions to the Corporation with respect to Common Units held by the Corporation, the Operating Company (or the applicable Subsidiary) shall make an additional payment to the Corporation in the amount of this reimbursement, which shall not be treated as a partnership distribution. Such payments shall be treated as having been made by the Operating Company (or the applicable Subsidiary), and not by

the Corporation, to such Operating Company Service Provider, and the Operating Company (or the applicable Subsidiary) shall report such payments as compensation to such Operating Company Service Provider for all purposes.

4. Forfeiture, Surrender or Repurchase of Common Stock. If any shares of Common Stock granted under the Plan are (a) forfeited or surrendered by any Operating Company Service Provider or Corporation Service Provider or (b) repurchased from any Operating Company Service Provider or Corporation Service Provider by the Corporation, the Operating Company or a Subsidiary, (i) the shares of Common Stock forfeited, surrendered or repurchased shall be returned to the Corporation, (ii) the Corporation (or, in the case of an Operating Company Service Provider, the Operating Company or a Subsidiary of the Operating Company, as applicable) shall pay the repurchase price (if any) of the repurchased shares of Common Stock to such Operating Company Service Provider or Corporation Service Provider, and (iii) the Operating Company shall, contemporaneously with such forfeiture, surrender or repurchase of shares of Common Stock, redeem or repurchase a number of the Common Units held by the Corporation equal to the number of forfeited, surrendered or repurchased shares of Common Stock, such redemption or repurchase to be upon the same terms and for the same price per Common Unit as such shares of Common Stock are forfeited, surrendered or repurchased.

Exhibit 31.1

CERTIFICATION

I, John Merris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Solo Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2021

By: /s/ John Merris
John Merris
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Samuel Simmons, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Solo Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2021

By: /s/ Samuel Simmons
Samuel Simmons
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of Solo Brands, Inc. (the "Company") for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 9, 2021

By: /s/ John Merris
John Merris
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of Solo Brands, Inc. (the "Company") for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 9, 2021

By: /s/ Samuel Simmons
Samuel Simmons
Chief Financial Officer
(Principal Financial Officer)