**Risk Factors Comparison 2023-06-28 to 2022-07-14 Form: 10-K**

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Investors should carefully consider the following risk factors, together with all the other information included in the Form 10-K, in evaluating our company, our business, and our prospects. The most significant risks that could materially and adversely affect our business operations, financial condition, and cash flows include the risk factors described below. We have summarized the below risk factors as follows: Risks Related to Our Business • We are ~~dependent~~ **dependend** on the proper functioning of our critical facilities, our supply chain, and distribution networks as well as the financial stability of our customers ~~, all of which could be negatively impacted by the coronavirus, or COVID- 19, in a manner that could materially adversely affect our business, financial condition or results of operations~~ . • We must continue to introduce new products that are successful in the marketplace. • We rely to a significant extent on outsourcing for a substantial portion of our production, and any interruptions in these arrangements could disrupt our ability to fill our customers' orders. • The costs and availability of finished products, ~~product~~ components, and raw materials could affect our business and operating results. • Our business depends to a significant extent upon the brand recognition and reputation of our ~~many~~ brands, and the failure to maintain or strengthen our brand recognition and reputation could have a material adverse effect on our business. • We often rely on third parties, including product sourcing intermediaries, independent sales representatives and agents, that act on our behalf. • Our operating results could be materially harmed if we are unable to forecast demand for our products accurately. • An inability to expand our e- commerce business could reduce our future growth. • We compete in highly competitive markets with numerous large and small competitors and with limited barriers to entry. • A substantial portion of our revenue depends on a small number of large customers. • ~~An increase in the offering of " private label " products by our customers could negatively impact demand for our products. •~~ Retail pricing decisions made by certain of our customers could negatively impact **the** pricing for our products in certain online marketplaces. • Changes in the retail industry and the markets for consumer products could negatively impact existing customer relationships and our operating results. • We may have difficulty collecting amounts owed to us. • We are subject to payment- related risks. • Our performance is influenced by a variety of economic, social, political, legislative, and regulatory factors. • Our revenue and profits depend upon the level of consumer spending, which is sensitive to global economic conditions and other factors. • We depend on our ~~distribution~~ **Missouric** facility, which may not produce the benefits expected. • 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. • Acquisitions involve significant risks, and any acquisitions that we undertake in the future could be difficult to integrate, disrupt our business, dilute stockholder value, and harm our operating results. • Any acquisitions that we undertake in the future could be difficult to integrate, disrupt our business, and harm our operations. • Seasonality ~~and~~ **,** weather conditions **, and periodic fluctuations** may cause our operating results to vary from quarter to quarter. • Our growth strategy may require significant additional funds, the amount of which will depend upon our working capital and general corporate needs. • We may issue a substantial amount of our common stock in the future, which could cause dilution to current investors and otherwise adversely affect our stock price. • The failure to manage our growth could adversely affect our operations ~~. • Our operating results may involve significant fluctuations~~ . • Liability insurance is expensive and may be difficult to obtain. • Our Board of Directors may change significant corporate policies without stockholder approval. • We depend on key personnel, and our business may be harmed if we fail to retain and attract skilled management and other key personnel. ~~Regulatory Risks~~ • We are subject to extensive regulation and could incur fines, penalties, and other costs and liabilities under such requirements. • Our inability to protect our intellectual property or obtain the right to use intellectual property from third parties could impair our competitive advantage, reduce our sales, and increase our costs **. In addition, we may be subject to intellectual property claims, which could cause us to incur litigation costs and damages payments** . • We may incur substantial expenses and devote significant resources in prosecuting others for their unauthorized use of our intellectual property rights. • We face risks relating to our international business that could adversely affect our business, operating results, and financial condition. • We face risks associated with international activities, including those related to compliance with the Foreign Corrupt Practices Act and other applicable anti- corruption legislation. • Increased protectionist tariffs and trade wars could further harm our business. • Interruptions in the proper functioning of our information systems or other issues with our ERP systems could cause disruption to our operations. • ~~The implementation of a new enterprise resource planning system could cause disruption to our operations. •~~ Breaches of our information systems could adversely affect our reputation, disrupt our operations, and result in increased costs and loss of revenue. • If our efforts to protect the security of personal information related to any of our customers, consumers, vendors, or employees are unsuccessful and unauthorized access to that personal information is obtained, or we experience a significant disruption in our computer systems or a cyber security breach, we could experience an adverse effect on our operations, we could be subject to costly government enforcement action and private litigation, and our reputation could suffer. • Our business involves the potential for product recalls, product liability, and other claims against us, which could affect our earnings and financial condition. • We produce or source and sell products that create exposure to potential product liability, warranty liability, or personal injury claims and litigation. • Environmental laws and regulations may impact our business **. • There are risks associated with the Trademark License Agreement with our former parent company** . Risks Related to Our Common Stock • The market price and trading volume of our common stock may be volatile and may continue to be volatile. • Provisions of our Amended and Restated Certificate of Incorporation, our **Second** Amended and Restated Bylaws, and Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock. • Our **Second** Amended and Restated Bylaws designate Delaware as the exclusive forum for certain litigation, which may limit our stockholders' ability to choose a judicial forum for disputes with us. • Your percentage ownership in our company may be diluted in the future. • Our common stock is and will be subordinate to all of our future indebtedness and any series of preferred stock, and effectively subordinated to all indebtedness and preferred equity claims against our subsidiaries. Risks ~~Related~~ **related** to **Us as a Public** ~~the Separation • There are risks associated with our Separation from our former parent company~~ **Company** ~~.~~ • We are an " emerging growth company " under the JOBS Act, and any decision on our part to comply with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors. • We will ~~incur~~ **have** increased costs as a result of ~~becoming~~ --- **being a** ~~an independent~~ public ~~company, particularly after we are no longer an " emerging growth company. " • We may incur additional significant costs to create the independent information technology infrastructure necessary to operate as an independent~~ company. • If we fail to maintain effective internal controls, we may not be able to report our financial results accurately or timely or prevent or detect fraud, which would have a material adverse effect on our business or the market price of our securities. ~~• In connection with the Separation, we and our former parent company indemnified each other for certain liabilities, we may need to divert cash to meet those obligations if we are required to act under these indemnities to our former parent company, and our former parent company may not be able to satisfy its indemnification obligations to us in the future. • In connection with the Separation, we only have limited access to the insurance policies maintained by our former parent company for events occurring prior to the Separation, our former parent company' s insurers may deny or attempt to deny coverage to us under such policies, and we may not be able to obtain insurance coverage following the Separation on terms that justify its purchase, and any such insurance may not be adequate to offset costs associated with certain events. • If the Transfer and the Distribution do not qualify as a transaction that is tax- free for U. S. federal income tax purposes, our former parent company and / or holders of our former parent company common stock could be subject to significant tax liability and we may be required to indemnify our former parent company, and the obligation to make a payment on this indemnification obligation could have a material adverse effect on us. •~~ We are **dependent** ~~subject to significant restrictions~~ on ~~our actions following~~ the **proper functioning of our critical** ~~Separation in order to avoid triggering significant tax- related liabilities~~ **facilities** ~~. COVID- 19 has had a substantial impact on worldwide economic activity. This impact has been extensive on many aspects of society~~ , **our supply chain** ~~which has resulted in~~ , and ~~could continue to result in, significant disruptions~~ -- **distribution networks** ~~to the global economy~~ as well as ~~on businesses and capital markets around the world. Efforts to reduce the spread of COVID- 19 have resulted in travel bans, quarantines, controls on crowd size, shelter- in- place and similar orders restricting the activities of individuals outside their~~ -- **the financial** ~~homes as well as limitations on business activities. Although those restrictions are being lifted or scaled back in the United States and certain countries around the world, the further spread of COVID- 19 or the emergence of new strains could result in the re- imposition of various restrictions. The extent to which COVID- 19 impacts us in the future will depend on numerous factors that we cannot predict, including the duration and severity of the COVID- 19 pandemic; the distribution, use, and efficiency of COVID- 19 vaccines, including the level of participation by and protection of our employees; the re- emergence of outbreaks; the extent of restrictions imposed by governments and businesses; the impact of the COVID- 19 on economic activity, any resulting recessionary conditions, and the strength and duration economic recovery; the health of our employees; our ability~~ **stability of** ~~to meet staffing needs for critical functions; and the impact on~~ our customers ~~, suppliers, vendors, and other businesses, including our third- party contract manufacturers and supplies, most of which are located in Asia, particularly China, and, to a lesser degree, Taiwan and Japan~~ . A reduction or interruption in any of ~~our manufacturing processes or~~ our supply chain could adversely affect us. **The failure of our suppliers to perform to our expectations could result in supply shortages or delays for certain products and components and harm our business. Our suppliers may encounter difficulties and other issues in obtaining the materials necessary to produce the components and parts that we use in our products. Political and economic instability in countries in which foreign suppliers are located, the financial and managerial instability of suppliers, the failure by suppliers to meet our standards, failure to meet production deadlines, insufficient quality control, problems with production capacity, labor problems experienced by our suppliers, the availability of raw materials to our suppliers, product quality issues, currency exchange rates, transport availability and cost, inflation, and other factors relating to suppliers and the countries in which they are located may exist and could adversely affect our business. Damage or disruption to manufacturing and distribution capabilities of, or the disruption of deliveries from, our suppliers because of severe or catastrophic events, including weather, natural disaster, fire or explosion, terrorism, pandemics, or labor disruptions, including at ports or at our suppliers, could impair our product sales.** We may ~~also~~ experience reductions in demand for certain products if our customers or vendors experience financial or other difficulties that adversely impact their ability to purchase or pay for our products. **Significant** ~~Although the impact of COVID- 19 on economic activity and its effect on our~~ - **or numerous cancellations,** ~~production~~ - **reductions** , ~~supply chain, distribution networks, and~~ **or delays in purchases or changes in business practices by** our customers ~~is uncertain at this time, the foregoing factors~~ could have a material adverse effect on our business, operating results, **and** financial condition ~~, and cash flow especially if the effect of COVID- 19 could continue or increase in severity over an extended period of time~~ . A significant ~~portion~~ **deterioration in the financial condition** of **our major customers could have a material adverse effect on our sales and profitability. Our business is vulnerable to damage** ~~our~~ - **or interruption from earthquakes** ~~assets consists of goodwill~~ , **fires** ~~intangible assets~~ , **floods** ~~and fixed assets~~ , **power losses, telecommunications failures, terrorist attacks, acts of war, human errors, criminal acts, public health crises, such as pandemics and epidemics, and** ~~the~~ **other** ~~carrying value~~ **similar events. Each** of ~~which may~~ **these events could** be ~~reduced if we determine that~~ **exacerbated or increase in frequency due to** ~~those~~ -- **the** ~~assets~~ **effects of climate change. These risks** are ~~impaired. Most~~ **particularly substantial because we conduct substantially all** of ~~our intangible and fixed assets have finite useful lives and are amortized or~~ **our** ~~depreciated over their useful lives~~ **operations from one location. Our ability to meet customer expectations, manage inventory, complete sales, and achieve objectives for operating profits**

**will depend** on ~~either a straight- line basis or~~ **our proper operation** ~~over the expected period~~ of ~~benefit or~~ **our Columbia** ~~as revenues are earned from the sales of the related products. The underlying assumptions regarding the estimated useful lives of these intangible assets are reviewed annually and more often if an event or circumstance occurs making it likely that the carrying value of the assets may not be recoverable and are adjusted through accelerated amortization~~ , **Missouri facility** ~~if necessary. Whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable, and at least annually, we test intangible assets for impairment based on estimates of future cash flows. During our fourth fiscal quarter ending April 30, 2020, we recognized an impairment of $ 98. 9 million, which included certain impacts associated with COVID- 19 that we were aware of at the time of the impairment. Although not anticipated, there may be additional materially negative impacts to the assumptions made with respect to our goodwill and other long- lived intangible assets that could result in an additional impairment of such assets~~ . Our success depends on our ability to continue to conceive, design, produce or source, and market in a timely manner a continuing stream of innovative new products that appeal to consumers and achieve market acceptance and drive customer satisfaction and loyalty. The development of new products is a lengthy and costly process. Any new products that we develop and introduce to the marketplace may be unsuccessful in achieving customer or market acceptance or may achieve success that does not meet our expectations for a variety of reasons, including delays in introduction, unfavorable cost comparisons with alternative products, unfavorable customer or consumer acceptance, and unfavorable performance. Our business, operating results, and financial condition could be adversely affected if we fail to introduce new products that consumers want to buy or we incur significant expenses related to proposed new products that prove to be unsuccessful for any reason. We source a significant portion of our made- to- order finished products and ~~product~~ components from third- party contract manufacturers and other suppliers located primarily in Asia. We depend on our contract manufacturers and other suppliers to maintain high levels of productivity and satisfactory delivery schedules. Our ability to secure qualified suppliers that meet our quality and other standards and to receive from them these products and components in a timely and efficient manner represents a challenge, especially with suppliers located and products and ~~product~~ components sourced outside of the United States. The ability of our suppliers to effectively satisfy our production requirements could also be impacted by their financial difficulty or damage to their operations caused by fire, pandemic, ~~such as the current COVID- 19 pandemic,~~ terrorist attack, natural disaster, or other events. The failure of any supplier to perform to our expectations could result in supply shortages or delays for certain products and ~~product~~ components and harm our business. If we experience significantly increased demand, or if we need to replace an existing supplier as a result of a lack of performance, we may be unable to supplement or replace our production 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. For certain of our products, it may take a significant amount of time to identify and qualify a supplier that has the capability and resources to meet our product specifications in sufficient volume and satisfy our service and quality control standards. Political and economic instability in countries in which foreign suppliers are located, the financial and managerial instability of suppliers, the failure by suppliers to meet our standards, failure to meet production deadlines, insufficient quality control, problems with production capacity, labor problems experienced by our suppliers, the availability of raw materials to our suppliers, product quality issues, currency exchange rates, transport availability and cost, inflation, and other factors relating to suppliers and the countries in which they are located may exist and could adversely affect our business. The U. S. foreign trade policies, tariffs, and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain types of materials from other countries, and other factors relating to foreign trade may affect our suppliers and our access to products and adversely affect our business. We do not have long- term agreements with any of our contract manufacturers or other suppliers that guarantee production capacity, prices, lead times, or delivery schedules. Our contract manufacturers and other suppliers serve other customers, a number of which may have greater production requirements than we do. As a result, our contract manufacturers and other suppliers could determine to prioritize production capacity for other customers or reduce or eliminate deliveries to us on short notice. Lower than expected manufacturing efficiencies could increase our cost and disrupt or delay our supplies. Any of these problems could result in our inability to deliver our products in a timely manner or adversely affect our business, operating results, and financial condition. The capacity of our contract manufacturers to produce our products also depends upon the cost and availability of raw materials. Our contract manufacturers and other suppliers 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 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 operating results. We may receive product deliveries from suppliers that fail to conform to our quality control standards. In such circumstances, our inability to sell those products could have a negative effect on our net sales and increase our administrative and shipping costs if we are unable to obtain replacement products in a timely manner. Damage or disruption to manufacturing and distribution capabilities of, or the disruption of deliveries from, our suppliers because of severe or catastrophic events, including weather, natural disaster, fire or explosion, terrorism, pandemics, or labor disruptions, including at ports or at our suppliers, could impair our product sales. Although we have insurance to cover potential loss from most of our suppliers for these events, we could experience losses in excess of our insured limits and any claims for various losses could be denied. In addition, failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could have a material adverse effect on us, as well as require additional resources to restore our supply chain. The costs and availability of the finished products, ~~product~~ components, and raw materials needed in our products can be volatile as a result of numerous factors, including general, domestic, and international economic conditions; labor costs; production levels; competition; consumer demand; import duties; tariffs; and currency exchange rates. This volatility can significantly affect the availability and cost of these items for us and may therefore have a material adverse effect on our business, operating results, and financial condition. Our contract manufacturers are also subject to price volatility and labor cost and other inflationary pressures, which may, in turn, result in an increase in the amount we pay for sourced products, components, and raw materials. During periods of rising prices, we may not be able to pass any portion of such increases on to customers. Conversely, when prices decline, customer demands for lower prices could result in lower sale prices and, to the extent that we have existing inventory, lower margins. As a result, fluctuations in finished products, components, or raw material prices could have a material adverse effect on our business, operating results, and financial condition. We also use numerous raw materials, including steel, wood, lead, brass, and plastics, that we purchase from third- party suppliers to produce and test our products. Uncertainties related to governmental fiscal policies, including increased duties, tariffs, or other trade restrictions, could increase the prices of finished products, components, and raw materials we purchase from third- party suppliers. Our inability to obtain sufficient quantities of finished products and ~~product~~ components, raw materials, and other supplies from independent sources could result in reduced or delayed sales or lost orders. Any delay in or loss of sales could adversely impact our operating results. Many of the finished products, ~~product~~ components, raw materials, and other supplies that we require are available only from a limited number of suppliers. Since we do not have long- term supply contracts with our contract manufacturers or other suppliers, we could be subject to increased costs, supply interruptions, and difficulties in obtaining finished products, ~~product~~ components, and raw materials. Our suppliers also may encounter difficulties and other issues in obtaining the materials necessary to produce the components and parts that we use in our products. Although we continue to expand our supply chain and seek to utilize multiple sourcing whenever possible, the time lost in seeking and acquiring new sources of supply or the inability to locate alternative sources of supply of comparable capabilities at an acceptable price, or at all, could negatively impact our net sales and profitability. The recognition and reputation of our ~~many~~ brands are critical aspects of our business. We believe that maintaining and further enhancing the brand recognition and reputation of our brands is critical to retaining existing customers and attracting new customers. We also believe that the importance of our brand recognition and reputation will increase as competition in our markets continues to develop. We anticipate that our advertising, marketing, and promotional efforts will increase in the foreseeable future as we continue to seek to enhance our brand recognition and the consumer demand for our products. Historically, we have relied on print and electronic media advertising to increase consumer awareness of our brands to increase purchasing intent and conversation. We anticipate that we will increasingly rely on other forms of media advertising, including social media and digital marketing. Our future growth and profitability will depend in large part upon the effectiveness and efficiency of our advertising, promotion, public relations, and marketing programs. These brand promotion activities may not yield increased revenue and the efficacy of these activities will depend on a number of factors, including our ability to do the following: • determine the appropriate creative message and media mix and markets for advertising, marketing, and promotional expenditures; • select the right markets, media, and specific media vehicles in which to advertise; • identify the most effective and efficient level of spending in each market, media, and specific media vehicle; and • effectively manage marketing costs, including creative and media expenses, in order to maintain acceptable customer acquisition costs. Increases in the pricing of one or more of our marketing and advertising channels could increase our marketing and advertising expenses or cause us to choose less expensive but possibly less effective marketing and advertising channels. If we implement new marketing and advertising strategies, we may incur significantly higher costs than our current costs, which in turn could adversely affect our operating results. Implementing new marketing and advertising strategies also could increase the risk of devoting significant capital and other resources to endeavors that do not prove to be cost effective. We also may incur marketing and advertising expenses significantly in advance of the time we anticipate recognizing revenue associated with such expenses, and our marketing and advertising expenditures may not generate sufficient levels of brand awareness and conversation or result in increased revenue. Even if our marketing and advertising expenses result in increased revenue, the increase might not offset our related expenditures. If we are unable to maintain our marketing and advertising channels on cost- effective terms or replace or supplement existing marketing and advertising channels with similarly or more effective channels, our marketing and advertising expenses could increase substantially, our customer base could be adversely affected, and our business, operating results, financial condition, and reputation could suffer. In addition, we may determine that certain of our products and brands benefit from endorsements and support from particular sporting enthusiasts, athletes, or other celebrities, and those products and brands may become personally associated with those individuals. As a result, sales of the endorsed products could be materially and adversely affected if any of those individuals’ images, reputations, or popularity were to be negatively impacted. We often rely on third parties, including product sourcing intermediaries, independent sales representatives , and agents. These representatives and agents sometimes have the actual or apparent authority to enter into agreements on our behalf. The actions of these third parties could adversely affect our business if they agree to low margin contracts or conduct themselves in a manner that damages our reputation in the marketplace. We also face a risk that these third parties could violate domestic or foreign laws, which could put us at risk for prosecution in the United States or internationally. We often schedule internal production and place orders for finished products, ~~product~~ components, and raw materials with third- party suppliers before receiving firm orders from our customers. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products to deliver to our customers. Factors that could affect our ability to accurately forecast demand for our products include the following: • our failure to accurately forecast customer acceptance of new products; • an increase or decrease in consumer demand for our products or for the products of our competitors; • new product introductions by competitors; • our relationships with customers; • general market conditions and other factors, which may result in cancellations of orders or a reduction or increase in the rate of reorders placed by customers; • general market conditions, economic conditions, and consumer confidence levels, which could reduce demand for discretionary items, such as our products; and • the domestic political environment, including debates over the regulation of various consumer products ~~, such as firearms~~ . Inventory levels in excess of customer demand may result in inventory write- downs and the sale of excess inventory at discounted prices, which could have an adverse effect on our business, operating results, and financial condition. If we underestimate demand for our products, we and our third- party suppliers may not be able to produce products to meet customer demand, and this could result in delays in the shipment of products and lost revenues, as well as damage to our reputation and customer relationships. We may not be able to manage inventory levels successfully to meet future order and reorder requirements. Consumers are increasingly shopping online via e- commerce retailers, and we face intense pressure to make our products readily and conveniently available via e- commerce services. Our success in participating in e- commerce depends on our ability to effectively use our marketing resources to communicate with existing and potential customers. To increase our e-commerce sales, we may have to be more promotional to compete, which could impact our gross margin and increase our marketing expenses. We recently developed and continue to enhance our direct- to- consumer e- commerce platform, but rely to an extent on third party e- commerce websites to sell our products, which could lead to our e- commerce customers being able to have control over the pricing of our products. This in turn could lead to adverse relationship consequences with our customers that operate brick and mortar locations as they may perceive themselves to be at a disadvantage based on the e- commerce pricing to end consumers. We may not be able to successfully expand our e- commerce business and respond to shifting consumer traffic patterns and direct- to- consumer buying trends. In addition, e- commerce and direct- to- consumer operations are subject to numerous risks, including implementing and maintaining appropriate technology to support business strategies; reliance on third- party computer hardware / software and service providers; data breaches; violations of federal, state, and international laws, including those relating to online privacy, credit card fraud, telecommunication failures, electronic break-ins, and similar disruptions; and disruptions of Internet service. Our inability to adequately respond to these risks and uncertainties or to successfully maintain and expand our direct- to- consumer business may have an adverse impact on our operating results. We plan to continue to expand our brand recognition and product loyalty through social media and our websites, with generation of original content. These efforts are intended to yield greater traffic to our websites and increase our direct- to- consumer revenue. By doing so, we will become to an extent a competitor to our customers, reducing their revenue in the process. This could lead to adverse relationships with our online and brick and mortar retail customers, which could have an adverse impact on our operating results. We operate in highly competitive markets that are characterized by competition from major and small domestic and international companies. Our competitors include Vista Outdoor and a large number of small private companies that directly compete with a limited number of our brands. Competition in the markets in which we operate is based on a number of factors, including innovation, performance, price, quality, reliability, durability, consumer brand awareness, and customer service and support. Competition could cause price reductions, loss of market share, reduced profits, or operating losses, any of which could have a material adverse effect on our business, operating results, and financial condition. Certain of our competitors may have more established brand names and stronger market partners than we do, be more diversified than we are, or have available financial and marketing resources that are substantially greater than ours, which may allow them to invest more heavily in intellectual property, product development, and advertising. In addition, the proliferation of private labels and exclusive brands offered by department stores, chain stores, and mass channel retailers could lead to reduced sales and prices of our products. Certain of our competitors may be willing to reduce prices and accept lower profit margins to compete with us. Further, customers often demand that suppliers reduce their prices on mature products, which could lead to lower margins. In addition, our products compete with many other sporting and recreational products and activities for the discretionary spending of consumers. Failure to effectively compete with these activities or alternative products could have a material adverse effect on our performance. We sell our products through online retailers, sport specialty stores, sporting goods stores, dealers and distributors, and mass market home and auto retailers. **The** ~~Our three largest customers accounted for an aggregate of 42. 4 % of our net sales for fiscal 2022. Of these customers, the~~ world' s largest e- commerce retailer ~~,~~ accounted for ~~27~~ **25** . ~~9~~ **4** % **of our fiscal 2023 net sales** through its very extensive customer base of end consumers ~~; a very large national sport specialty chain, accounted for 9. 3 % through its retail locations; and sales to our former parent accounted for 5. 4 % of our net sales for fiscal 2022~~ . Of our total revenue, sales pursuant to our former parent company licenses accounted for an aggregate of ~~16~~ **14** . ~~2~~ **9** % of our net sales for fiscal ~~2022~~ **2023** from our various sales channels. Although we have long- established relationships with many of our customers, we generally do not have any long- term supply or binding contracts or guarantees of minimum purchases with our customers. Purchases by our customers are generally made through individual purchase orders. As a result, these customers may cancel their orders, change purchase quantities from forecast volumes, delay purchases for a number of reasons, or change other terms of the business relationship. Significant or numerous cancellations, reductions, or delays in purchases or changes in business practices by our customers could have a material adverse effect on our business, operating results, and financial condition. In addition, because many of our costs are fixed, a reduction in customer demand could have an adverse effect on our gross profit margins and operating income. A significant deterioration in the financial condition of our major customers could have a material adverse effect on our sales and profitability. We regularly monitor and evaluate the credit status of our customers and attempt to adjust sales terms as appropriate. Despite these efforts, substantial financial issues or a bankruptcy filing by a key customer could have a material adverse effect on our business, operating results, and financial condition. ~~Some of our large retail customers have started to directly source products similar to ours under their own private label brands. By doing so, they effectively become a competitor to our brand by eliminating our products from their supply chain, causing declines in our product demand. Furthermore, they are able to offer their private label products at a significantly reduced price and still retain profitability, therefore putting a greater amount of pricing pressure for our products to compete. If we choose to source these private label goods on behalf of our customers, our profitability on those sales is significantly reduced. As such, any additional private label activity within our customer base could have a negative impact on our business, operating results, and financial condition.~~ Many of our customers have manual or automated processes to match retail prices in the marketplace. We have a policy that requires our customers to maintain minimum advertised pricing on certain of our products, unless we allow otherwise. This policy serves to help stabilize the pricing for our products at retail. If a customer decreases its retail prices below our minimum threshold, other retailers could also reduce pricing on the same product, thus devaluing that product in the marketplace. This practice could cause us to lower our prices to customers or to compensate them financially for the loss in their inventory value, and, therefore, this could yield an adverse effect on our business, operating results, and financial condition. In recent years, the retail industry has experienced consolidation and other ownership changes. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations, or reposition the target markets for their stores. These developments could result in a reduction in the number of retailers that carry our products, increased ownership concentration within the retail industry, increased credit exposure, and increased retailer leverage over their suppliers, such as us. These changes could impact our opportunities in the market and increase our reliance on a smaller number of large customers. We depend on a continuous flow of new orders from large, high- volume retail customers, but we may be unable to continually meet the needs of these customers. Retailers are increasing their demands on suppliers to take various actions, including the following: • reduce lead times for product delivery, which may require us to increase inventories and could impact the timing of reported sales; • require us to fulfill their direct- to- consumer website orders, or drop shipping, which could increase our cost per unit, lead to higher inventory levels, and increase freight costs; • improve customer service in which products are supplied directly to retailers from third- party suppliers; and • adopt technologies related to inventory management that may have substantial implementation costs. We may not be able to successfully meet the needs of our customers. A substantial decrease in sales to any of our major customers could have a material adverse effect on our business, operating results, and financial condition. As a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among retailers to make purchases on a “ just- in- time ” basis. This requires us to shorten our lead times for production in certain cases and more closely anticipate demand, which could, in the future, require us to carry additional inventories. We also may be negatively affected by changes in the policies of our retail customers, such as inventory destocking, limitations on access to and time on shelf space, use of private label brands, price demands, payment terms, and other conditions, which could negatively impact our business, operating results, and financial condition. These foregoing factors could result in a shift of bargaining power to the retail industry and in fewer outlets for our products. Further consolidations could result in price and other competition that could reduce our margins and our net sales. Certain of our customers may experience credit- related issues. We perform ongoing credit evaluations of customers, but these evaluations may not be completely effective. We grant payment terms to most customers ranging from 30 to 90 days and do not generally require collateral. However, in some instances, we provide longer payment terms. Should more customers than we anticipate experience liquidity issues, or if payments are not received on a timely basis, we may have difficulty collecting amounts owed to us by such customers and our business, operating results, and financial condition could be adversely impacted. Through our growth strategy, our sales could become increasingly dependent on purchases by several large customers. Consolidation in the retail industry could also adversely affect our business. If our sales were to become increasingly dependent on business with several large customers, we could experience more concentrated credit- related risks and be adversely affected by the loss or a significant decline in sales to one or more of these customers. In addition, our dependence on a smaller group of customers could result in their increased bargaining position and pressures on the prices we charge. We accept a variety of payment methods, including credit cards, debit cards, electronic funds transfers, electronic payment systems, and gift cards. Accordingly, we are 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. If we fail to comply with these rules or requirements, or if there is a breach or compromise of our data security systems, we may be liable for losses incurred by card issuing banks or customers, subject to fines and higher transaction fees, or the loss of 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, operating results, and financial condition. Our performance is influenced by a variety of economic, social, political, legislative, and regulatory factors. General economic conditions and consumer spending patterns can negatively impact our operating results. Economic uncertainty, unfavorable employment levels, declines in consumer confidence, increases in consumer debt levels, increased commodity prices, and other economic factors may affect consumer spending on discretionary items and adversely affect the demand for our products. In addition, sluggish economies and consumer uncertainty regarding future economic prospects in our key markets may have an adverse effect on the financial health of certain of our customers, which may in turn have a material adverse effect on our operating results. We extend credit to our customers for periods of varying duration based on an assessment of the customer’ s financial condition, generally without requiring collateral, which increases our exposure to the risk of uncollectable receivables. In addition, we face increased risk of order reduction or cancellation when dealing with financially ailing customers or customers struggling with economic uncertainty. We may reduce our level of business with customers and distributors experiencing financial difficulties and may not be able to replace that business with other customers, which could have a material adverse effect on our financial condition, operating results, or cash flows. In times of uncertain market conditions, there is also increased risk of inventories which cannot be liquidated in an efficient manner and may result in excess levels of inventory. Social, political, and other factors also can affect our performance. Concerns about presidential, congressional, and state elections and legislature and policy shifts resulting from those elections can affect the demand for our products. In addition, speculation surrounding increased gun control and hunting regulations at the federal, state, and local level can affect consumer demand for our products since a significant amount of our products find applications in shooting and hunting activities. Often, such concerns result in an increase in near- term consumer demand and subsequent softening of demand when such concerns subside. Inventory levels in excess of customer demand may negatively impact our business, operating results, and financial condition. Federal and state legislatures frequently consider legislation relating to the regulation of firearms, including amendment or repeal of existing legislation. Existing laws may also be affected by future judicial rulings and interpretations. These possible changes to existing legislation or the enactment of new legislation may seek to restrict ~~the makeup of a firearm; mandate the use of certain technologies in a firearm; or ban the sale and in some cases,~~ the ownership of various types of firearms and accessories. Such restrictive changes to legislation could reduce the demand for certain of our products that relate to firearms. In addition, gun-control activists may succeed in imposing restrictions or an outright ban on private gun ownership. Such restrictions or bans could have a material adverse effect on our business, operating results, and financial condition. The success of our business depends on consumer spending, and there are a number of factors that influence consumer spending, including actual and perceived economic conditions; disposable consumer income; interest rates; consumer credit availability; employment levels; stock market performance; weather conditions; energy prices; consumer discretionary spending patterns; and tax rates in the international, national, regional, and local markets where our products are produced or sold. The current global economic environment is unpredictable, and adverse economic trends or other factors could negatively impact the level of consumer spending, which could have a material adverse impact on us. We **depend on our Missouri facility, which may not produce the benefits expected. We** are extremely dependent on our ~~distribution~~ facility in Columbia, Missouri. The facility houses our principal executive, administrative, financial, sales, marketing, **distribution,** research and development, assembly, and quality inspection operations. We ~~will~~ have the exclusive right to utilize approximately ~~361~~ **400** , 000 square feet of the approximately 613, 000 rentable square feet in the facility, as well as access to the facility' s common areas, under a sublease from our former parent company **. Effective on January 1, 2024, we will no longer be subject to the provisions and terms of the Sublease, but instead we will have use of the entire Building under the Lease** . Our ability to meet customer expectations, manage inventory, complete sales, and achieve objectives for operating profits will depend on our proper operation of the facility. 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, public health crises, such as pandemics and epidemics, and other similar events. **Each of these events could be exacerbated or increase in frequency due to the effects of climate change.** These risks are particularly substantial because we conduct substantially all of our operations from one location. We maintain casualty and business interruption insurance, but it may not adequately protect us from the types and amounts of losses we may incur or from the adverse effect that may be caused by significant disruptions in our product distribution, such as the long- term loss of customers or an erosion of our brand image. In addition, the facilities of certain of our contract manufacturers and other suppliers are subject to the same and additional risks, especially since some of them are located in parts of Asia that experience typhoons, earthquakes, other natural disasters, and public health crises. Our computer systems **, and third- party cloud- based solutions,** 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, operating results, and financial condition. We have a plan to expand our operations through acquisitions to enhance our existing products and offer new products, enter new markets and businesses, strengthen and avoid interruption from our supply chain, and improve our position in current markets and businesses. Acquisitions involve significant risks and uncertainties. We cannot accurately predict the timing, size, and success of any future acquisitions. We may be unable to identify suitable acquisition candidates or to complete the acquisitions of candidates that we identify. Increased competition for acquisition candidates or increased asking prices by acquisition candidates may increase purchase prices for acquisitions to levels beyond our financial capability or to levels that would not result in the returns required by our acquisition criteria. Acquisitions also may become more difficult in the future as we or others acquire the most attractive candidates. Unforeseen expenses, difficulties, and delays frequently encountered in connection with expansion through acquisitions could inhibit our growth and negatively impact our business, operating results, and financial condition. Our ability to complete acquisitions that we desire to make in the future will depend upon various factors, including the following: • the availability of suitable acquisition candidates at attractive purchase prices; • the ability to compete effectively for available acquisition opportunities; • the availability of cash resources, borrowing capacity, or other forms of consideration at favorable pricing that would enable us to offer the required acquisition purchase prices; • the ability of management to devote sufficient attention to acquisition efforts; and • the ability to obtain any requisite governmental or other approvals. We plan to pursue acquisitions of companies involved in what we consider the rugged outdoor market (which may include shooting, hunting, fishing, camping, hiking, personal security and defense, and a variety of other outdoor recreational and leisure activities), companies that perform manufacturing services for us or supply us with components or materials, and other businesses that we regard as complementary to our business. We may have little or no experience with certain acquired businesses, which could involve significantly different supply chains, production techniques, customers, and competitive factors than our current business. This lack of experience would require us to rely to a great extent on the management teams of these acquired businesses. These acquisitions also could require us to make significant investments in systems, equipment, facilities, and personnel in anticipation of growth. These costs could be essential to implement our growth strategy in supporting our expanded activities and resulting corporate structure changes. We may be unable to achieve some or all of the benefits that we expect to achieve as we expand into these new markets within the time frames we expect, if at all. If we fail to achieve some or all of the benefits that we expect to achieve as we expand into these new markets, or do not achieve them within the time frames we expect, our business, operating results, and financial condition could be adversely affected. As a part of any potential acquisition, we may engage in discussions with various acquisition candidates. In connection with these discussions, we and each potential acquisition candidate may exchange confidential operational and financial information, conduct due diligence inquiries, and consider the structure, terms, and conditions of the potential acquisition. In certain cases, the prospective acquisition candidate may agree not to discuss a potential acquisition with any other party for a specific period of time and agree to take other actions designed to enhance the possibility of the acquisition, such as preparing audited financial information. Potential acquisition discussions frequently take place over a long period of time and involve difficult business integration and other issues. As a result of these and other factors, a number of potential acquisitions that from time- to- time appear likely to occur do not result in binding legal agreements and are not consummated, but may result in increased legal, consulting, and other costs. Unforeseen expenses, difficulties, and delays frequently encountered in connection with future acquisitions could inhibit our growth and negatively impact our profitability. Any future acquisitions may not meet our strategic objectives or perform as anticipated. In addition, the size, timing, and success of any future acquisitions may cause substantial fluctuations in our operating results from quarter to quarter. These interim fluctuations could adversely affect the market price of our common stock. If we finance any future acquisitions in whole or in part through the issuance of common stock or securities convertible into or exercisable for common stock, existing stockholders will experience dilution in the voting power of their common stock and earnings per share could be negatively impacted. The extent to which we will be able or willing to use our common stock for acquisitions will depend on the market price of our common stock from time- to- time and the willingness of potential acquisition candidates to accept our common stock as full or partial consideration for the sale of their businesses. Our inability to use our common stock as consideration, to generate cash from operations, or to obtain additional funding through debt or equity financings in order to pursue an acquisition could limit our growth. Any acquisitions that we undertake in the future could be difficult to integrate, disrupt our business, and harm our operations. We may be unable to effectively complete an integration of the management, operations, facilities, accounting, and information systems of acquired businesses with our own; to implement effective controls to mitigate legal and business risks with which we have no prior experience; to manage efficiently the combined operations of the acquired businesses with our operations; to achieve our operating, growth, and performance goals for acquired businesses; to achieve additional sales as a result of our expanded operations; or to achieve operating efficiencies or otherwise realize cost savings as a result of anticipated acquisition synergies. The integration of acquired businesses involves numerous risks and uncertainties, including the following: • the failure of acquired businesses to achieve expected results; • the potential disruption of our core businesses; • risks associated with entering markets and businesses in which we have little or no prior experience; • diversion of management' s attention from our core businesses; • adverse effects on existing business relationships with suppliers and customers; • risks associated with increased regulatory or compliance matters; • failure to retain key customers, suppliers, or personnel of acquired businesses; • the potential strain on our financial and managerial controls and reporting systems and procedures; • greater than anticipated costs and expenses related to the integration of the acquired businesses with our business; • potential unknown liabilities associated with the acquired businesses; • risks associated with weak internal controls over information technology systems and associated cyber security risks; • meeting the challenges inherent in effectively managing an increased number of employees in diverse locations; • the risk of impairment charges related to potential write- downs of acquired assets; and • the challenge of creating uniform standards, controls, procedures, policies, and information systems. Our business is typically seasonal. Our sales have typically been highest between August and October due to shipments around the fall hunting and holiday seasons. The seasonality of our sales may change in the future. Seasonal variations in our operating results may reduce our cash on hand, increase our inventory levels, and extend our accounts receivable collection periods. This in turn may cause us to increase our debt levels and interest expense to fund our working capital requirements. ~~.~~Various factors contribute to significant periodic and seasonal fluctuations in our operating results.These factors include the following:• market acceptance of our products,including new products;• market acceptance and new product introductions by our competitors;• our ability to pass along price increases in response to market conditions;• the timing of large domestic and international orders;• **the** cancellation of existing orders;• changes in our sales mix;• the cost of new product introductions;• problems with our supply chain;• the volume of customer orders relative to our capacity;• **the** timing of expenditures in anticipation of future customer orders;• effectiveness in managing production processes and costs;• changes in cost and availability of labor and finished products, ~~product~~ components,and raw materials;• ability to manage inventory and inventory obsolescence;• pricing and other competitive pressures;• changes or anticipated changes in economic,social,political,legislative,and regulatory factors;• the outcome of any litigation;• adverse publicity surrounding our products,the safety of our products,or the use of our products;• changes in amount ~~and~~ or timing of our operating expenses;and • changes in laws and regulations that may affect the marketability of our products **.** Our annual and quarterly operating results 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 affect our quarterly operating results as certain of our products are primarily for outdoor use. 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 operating results between different quarters within a single fiscal year, or across different fiscal years, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance, including the performance for the full year based on quarterly performance. In the event that any seasonal or quarterly fluctuations in our net sales and operating results 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. Any substantial borrowings made to finance operations or future acquisitions could make us more vulnerable to a downturn in our operating results, a downturn in economic conditions, or increases in interest rates on borrowings. If our cash flow from operations is insufficient to meet our debt service requirements, we could be required to sell additional equity securities, refinance our obligations, or dispose of assets in order to meet our debt service requirements.

Adequate financing may not be available if and when we need it or may not be available on terms or at a rate acceptable to us. The failure to obtain sufficient financing on favorable terms and conditions could have a material adverse effect on us. From time to time, we may seek additional equity or debt financing to provide funds for the expansion of our business. We cannot predict the timing or amount of any such financing requirements at this time. If such financing is not available on satisfactory terms, we may be unable to expand our business or to develop new business at the rate desired, and our operating results may suffer. Debt financing increases expenses and must be repaid regardless of operating results. Equity financing could result in additional dilution to existing stockholders. We may issue additional shares of common stock to fund our operations, to provide competitive compensation packages to our employees, or for acquisitions. These issuances could be significant. To the extent that we issue our shares of common stock, your equity interest in us will be diluted. Any such issuance will also increase the number of outstanding shares of common stock that will be eligible for re- sale in the future. Persons receiving shares of our common stock in connection with acquisitions may be more likely to sell their common stock, which may influence the price of our common stock. In addition, the potential issuance of additional shares in connection with anticipated acquisitions could lessen demand for our common stock and result in a lower price than might otherwise be obtained. To continue to expand our business and strengthen our competitive position, we must make significant investments in systems, equipment, facilities, product development, and personnel. In addition, we may commit significant funds to increase our sales, marketing, information technology, and research and development efforts in order to expand our business. A failure to sufficiently increase our revenue to offset those potential increased costs could adversely affect our business, operating results, and financial condition. The failure to manage our growth effectively could adversely affect our operations. Managing our planned growth effectively will require us to take various actions, including the following: • enhance our operational, financial, and management systems; • benefit from our Columbia, Missouri facility; and • successfully hire, train, and motivate additional employees, including additional personnel for our product development, sales, and marketing efforts. The expansion of our products and customer base may result in increases in our overhead and selling expenses. We also may be required to increase staffing and other expenses as well as our expenditures on capital equipment and leasehold improvements in order to meet the demand for our products. Any increase in expenditures in anticipation of future sales that do not materialize would adversely affect our profitability . Various factors contribute to significant periodic...... of our performance in any future period . Liability insurance coverage is expensive and from time to time may be difficult or impossible to obtain, particularly as a result of the intended use of certain of our product offerings. Our insurance policies are subject to periodic review by our insurers and may not be renewed at all or on similar or favorable terms. Our investment, financing, borrowing, and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization, and operations, will be determined by our Board of Directors. These policies may be amended or revised at any time and from time to time at the discretion of the Board of Directors without a vote of our stockholders. In addition, our Board of Directors may change our policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements. A change in these policies could have an adverse effect on our business, operating results, financial condition, cash flow, per share trading price of our common stock, and ability to satisfy any debt service obligations **. We depend on key personnel, and our business may be harmed if we fail to retain and attract skilled management and other key personnel** . Our success depends to a significant extent upon the continued services of our current senior management team, including Brian D. Murphy, our President and Chief Executive Officer. The loss of Mr. Murphy or one or more of our other key executives or employees could have a material adverse effect on our business. We do not maintain " key person " insurance policies on the lives of any of our executive officers or any of our other employees. Except in the case of Mr. Murphy with whom we have an employment agreement, we employ all of our executive officers and key employees on an at- will basis, and their employment can be terminated by us or by them at any time, for any reason, and without advance notice, subject to certain severance obligations upon termination. In order to retain valuable employees, in addition to salary and cash incentives, we regard our ability as a public company to grant stock- based compensation as an important component of our ability to attract and retain key personnel. The value to employees of stock- based compensation over time will be significantly affected by movements in our stock price and may at any time be insufficient to counteract offers from other companies. Our success also depends on our ability to attract, retain, and motivate additional skilled non- management personnel. We plan to continue to expand our **workforce** ~~work force~~ to continue to improve our business and operating results. We believe that there is significant competition for qualified personnel with the skills and knowledge that we require. Other companies with which we compete for qualified personnel may have or have access to greater financial and other resources than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high- quality candidates than those which we have to offer. If we are not able to retain our current key personnel, or attract the necessary qualified key personnel, to accomplish our business objectives, we may experience constraints that will impede the achievement of our business objectives and our ability to pursue our business strategy. New hires require significant training and, in most cases, take significant time before they achieve full productivity. New employees may not become as productive as we expect and we may be unable to hire or retain sufficient numbers of qualified individuals. If our recruiting, training, and retention efforts are not successful or do not generate a corresponding increase in revenue, our business may be harmed. Like other producers and sellers of consumer products, we are required to comply with a wide variety of federal, state, local, and international laws, rules, and regulations, including those related to consumer products and consumer protection, advertising and marketing, labor and employment, data protection and privacy, intellectual property, workplace safety, the environment, the import and export of products, and taxes. Our failure to comply with applicable federal, state, local, or international laws, rules, and regulations may result in our being subject to claims, lawsuits, fines, and adverse publicity that could have a material adverse effect on our business, operating results, and financial condition. These laws, rules, and regulations currently impose significant compliance requirements on our business, and more restrictive laws, rules, and regulations may be adopted in the future. Our **inability to protect our intellectual property or**

**obtain the right to use intellectual property from third parties could impair our competitive advantage, reduce our sales, and increase our costs. In addition, we may be subject to intellectual property claims, which could cause us to incur litigation costs and damages payments. Our** success and ability to compete depend in part on our ability to protect our intellectual property. We rely on a combination of patents, copyrights, trade secrets, trademarks, trade dress, customer records, monitoring, brand protection services, confidentiality agreements, and other contractual provisions to protect our intellectual property, but these measures may provide only limited protection. Our failure to enforce and protect our intellectual property rights or obtain the right to use necessary intellectual property from third parties may lead to our loss of trademark and service mark rights, brand loyalty, and notoriety among our customers and prospective customers. The scope of any intellectual property to which we have or may obtain rights may not prevent others from developing and selling competing products. In addition, our intellectual property may be held invalid upon challenge, or others may claim rights in, or ownership of, our intellectual property. Moreover, we may become subject to litigation with parties that claim, among other matters, that we infringed their patents or other intellectual property rights. The defense and prosecution of patent and other intellectual property claims are both costly and time- consuming and could result in a material adverse effect on our business, operating results, and financial condition. Patents may not be issued for the patent applications that we have filed or may file in the future. Our issued patents may be challenged, invalidated, or circumvented, and claims of our patents may not be of sufficient scope or strength, or issued in the proper geographic regions, to provide meaningful protection or any commercial advantage. We have registered certain of our trademarks and trade dress in the United States and other countries. We have also recorded certain of our registered trademarks with customs officials in the United States and other countries. We may be unable to enforce existing or obtain new registrations of principle or other trademarks in key markets. Failure to obtain or enforce such registrations could compromise our ability to protect fully our trademarks and brands and could increase the risk of challenges from third parties to our use of our trademarks and brands. In the past, we did not consistently require our employees and consultants to enter into confidentiality agreements, employment agreements, or proprietary information and invention agreements; however, we now require such agreements. As a result, these employees and consultants may try to claim some ownership interest in our intellectual property and may use our intellectual property competitively and without appropriate limitations. In addition, our acquired businesses may not have consistently required their employees and consultants to enter into confidentiality agreements, employment agreements, or proprietary information and invention agreements. Claims by such individuals may affect our business, operating results, and financial condition **. We may be subject to intellectual property infringement claims against us that could be expensive and use management and other resources regardless of whether the claim has merit. If it is determined that our products infringe upon another party' s intellectual property, we could be forced to make payment for past infringements and enter into costly royalty or licensing agreements in order to be able to continue to sell our products or, perhaps, discontinue use of the protected technology. Such agreements or resolutions may not be available on terms acceptable to us or at all** . We may become involved in litigation regarding patents and other intellectual property rights. Other companies, including our competitors, may develop intellectual property that is similar or superior to our intellectual property, duplicate our intellectual property, or design around our patents and proprietary rights. Other companies also may have or obtain patents or other proprietary rights that would prevent, limit, or interfere with our ability to make, use, or sell our products. Effective intellectual property protection may be unavailable or limited in some foreign countries in which we sell or source products or components or from which competing products may be sold. Unauthorized parties may attempt to copy or otherwise use aspects of our intellectual property and products that we regard as proprietary. Our means of protecting our proprietary rights in the United States or abroad may prove to be inadequate, and competitors may be able to independently develop similar intellectual property. If our intellectual property protection is insufficient to protect our intellectual property rights, we could face increased competition in the markets for our products. Should any of our competitors file patent applications or obtain patents that claim inventions also claimed by us, we may choose to participate in an interference proceeding to determine the right to a patent for these inventions because our business would be harmed if we fail to enforce and protect our intellectual property rights. Even if the outcome is favorable, this proceeding could result in substantial cost to us and disrupt our business. In the future, we also may need to file lawsuits to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. This type of litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources, which could have a material adverse effect on us. Our ability to conduct operations in our existing international markets and to capitalize on growth in new international markets is subject to risks associated with our doing business internationally, including the following: • issues related to managing international operations; • potentially adverse tax developments; • greater difficulty enforcing intellectual property rights and weaker laws protecting intellectual property rights; • currency exchange issues; • import and export controls; • social, political, and economic instability in the countries in which we operate; • local laws and regulations, including those governing labor, product safety, and environmental protection; • changes to international treaties and regulations; • changes in tariffs, import duties, or import or export restrictions; • limitations on our ability to efficiently repatriate cash from our foreign operations; • restrictive actions by foreign governments; • complications in complying with the laws and policies of the United States affecting the importation of goods, including tariffs, duties, quotas, and taxes; • required compliance with U. S. laws that impact our operations in foreign jurisdictions that do not impact local operating companies; and • complications in complying with trade and foreign tax laws. As we source finished products, ~~product~~ components, and raw materials in Asia, a significant disruption of the political or financial systems in countries in that region could put these operations at risk, which could ultimately adversely affect our profitability or operating results. Political and economic conditions abroad may result in a reduction of or inhibition of our growth in our sales in numerous foreign countries and our purchase of certain finished products and ~~product~~ components from **suppliers in** certain countries in Asia and Europe, including China and, to a lesser extent, Taiwan and Myanmar. Our efforts to comply with the Foreign Corrupt Practices Act, or other applicable anti- corruption laws and regulations, may limit our international business activities, necessitate the implementation of certain processes and compliance programs, and subject us to enforcement actions or penalties for noncompliance. Both the United States and foreign governments have increased their oversight and enforcement activities in this area in recent years, and we expect applicable agencies to continue to increase such activities in the future ~~. The federal government has recently put into place tariffs and other trade restrictions and signaled that it may additionally alter trade agreements and terms between the United States and China, the European Union, Canada, and Mexico, among others, including limiting trade and / or imposing tariffs on imports from such countries. In addition, China, the European Union, Canada, and Mexico, among others, have either threatened or put into place retaliatory tariffs of their own~~ . We are currently subject to tariffs on a significant number of our products. Increases in protectionist trade legislation in either the United States or foreign countries, such as a change in the current tariff structures, export or import compliance laws, or other trade policies, could reduce our ability to sell our products in foreign markets, the ability of foreign customers to purchase our products, and our ability to import products, components, and raw materials from foreign suppliers. The United States has imposed and threatened to impose further tariffs on a variety of products and materials imported from various foreign countries. Tariff policies of the United States may result in retaliatory actions by affected countries, potentially resulting in trade wars and increased costs for goods imported into the United States. Any tariffs that result in increased costs or unavailability of imported products or components that we obtain for resale from foreign suppliers or raw materials used in the production of our products could require us to increase the prices of the products we sell or result in lower gross margins on such products if we are unable to increase the price of such products to our customers. Furthermore, increased pricing on these products could lead to lower consumer demand. These tariffs have the potential to significantly increase the cost of our products. In such a case, we may not be able to shift manufacturing and supply agreements to non- impacted countries, including the United States, to reduce the effects of the tariffs. As a result, we may suffer margin erosion or be required to raise our prices, which may result in the loss of customers, negatively impact our operating results, or otherwise harm our business. In addition, the imposition of tariffs on products that we export to international markets could make such products more expensive compared to those of our competitors if we pass related additional costs on to our customers, which may also result in the loss of customers, negatively impact our operating results, or otherwise harm our business. We rely extensively on our information systems to manage our business, data, communications, supply chain, ordering, pricing, billing, inventory replenishment, accounting functions, and other processes. Our systems are subject to damage or interruption from various sources, including power outages, computer and telecommunications failures, computer viruses, cyber security breaches, vandalism, severe weather conditions, catastrophic events, terrorism, and human error, and our disaster recovery planning cannot account for all eventualities. Our current, and any future, disaster recovery measures cannot address all potential contingencies. If our systems are damaged, fail to function properly, or otherwise become compromised or unavailable, we may incur substantial costs to repair or replace them, and we may experience loss of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business, operating results, and financial condition. Our information technology systems require periodic modifications, upgrades, and replacements that subject us to costs and risks, including potential disruption to our internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel or outside firms to implement and operate existing or new systems, and other risks and costs of delays or difficulties in transitioning to new or modified systems or of integrating new or modified systems into our current systems. In addition, challenges implementing new or modified technology systems may cause disruptions in our business operations and have an adverse effect on our business operations if not anticipated and appropriately mitigated ~~. In conjunction with the Transition Services Agreement that we entered into with our former parent company as part of the Separation, we will continue to utilize the fully integrated ERP system, SAP, that we have been using for several years and which is administered by our former parent company. Any significant change to SAP could result in a major disruption to our business, and any disruption could have a negative effect on our business, operating results, and financial condition. We are planning to transition to a new enterprise resource planning (" ERP ") system, which is currently scheduled to be fully implemented during fiscal 2023. If the implementation of the ERP system does not proceed as expected, it could impede our ability to source products, order materials, generate management reports, and invoice customers. Any of these types of disruptions could result in a major disruption to our business, and any disruption could have a negative effect on our business, operating results, and financial condition. In addition, implementing a new ERP system may require significant resources and refinement to fully realize the expected benefits of the system~~ . There have been an increasing number of cyber security incidents affecting companies around the world, which have caused operational failures or compromised sensitive or confidential corporate data. Although we do not believe our systems are at a greater risk of cyber security incidents than other similar organizations, such cyber security incidents may result in the loss or compromise of customer, financial, or operational data; loss of assets; disruption of billing, collections, or normal operating activities; disruption of electronic monitoring and control of operational systems; and delays in financial reporting and other management functions. In addition, acquisitions of smaller, closely held companies could increase our risk as they often lack the systems, policies, procedures, and controls of larger companies. Possible impacts associated with cyber security incidents (which generally are increasing in sophistication as well as frequency) may include, among others, remediation costs related to lost, stolen, or compromised data; repairs to data processing systems; increased cyber security protection costs; reputational damage; lawsuits seeking damages; regulatory actions; and adverse effects on our compliance with applicable privacy and other laws and regulations. Such occurrences could have an adverse effect on our business, operating results, and financial condition. Our operations involve the storage and transmission of proprietary information related to customers, consumers, vendors, and employees, such as credit card and bank account numbers, and security breaches could expose us to a risk of loss of this information, government enforcement action and litigation, and possible liability. Our payment services may be susceptible to credit card and other payment fraud schemes, including unauthorized use of credit cards, debit cards, bank account information, identity theft, and merchant fraud. If our security measures are breached as a result of third- party action, employee error, malfeasance, or otherwise, and as a result, someone obtains unauthorized access to data of our customers, consumers, vendors, or employees, our reputation may be damaged, our business may suffer, and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our security occurs, the public perception of the effectiveness of our security measures could be harmed and we could lose customers and consumers, which could adversely affect our business. Any breach of our data security or that of our service providers could result in an unauthorized release or transfer of customer, consumer, vendor, user, or employee information; cause the loss of valuable business data; or cause a disruption in our business. These events could give rise to unwanted media attention; damage our reputation; damage our customer, consumer, employee, vendor, or user relationships; and result in lost sales, fines, or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach, which could harm our operating results. If we or our independent service providers or business partners experience a breach of systems compromising our customers' sensitive data, our brand could be harmed, sales of our products could decrease, and we could be exposed to losses, litigation, or regulatory proceedings. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement, or payment companies about the incident and may need to provide some form of remedy, such as refunds, for the individuals affected by the incident. As a 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 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 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 sold by us and more restrictive laws and regulations may be adopted in the future. Any repurchase or recall of our products could be costly and damage our reputation. If we were required to remove, or we voluntarily remove, our products from the market, our reputation could be tarnished and we might have large quantities of finished products that we could not sell. 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. In addition to the risk of substantial monetary judgments, fines, or penalties that may result from any governmental investigations, product liability claims, or regulatory actions, such events could result in negative publicity that could harm our reputation in the marketplace, adversely impact the value of our brands, and result in an increase in the cost of producing our products. Similar to product liability claims, we face exposure to class action lawsuits related to the performance, safety, or advertising of our products. Such class action lawsuits could result in substantial monetary judgments, injunctions related to the sale of products, and potentially tarnish our reputation. Although we maintain product liability insurance in amounts that we believe are reasonable, that insurance is, in limited cases, subject to large self- insured retentions for which we are responsible, and we may not be able to maintain such insurance on acceptable terms, if at all, in the future **and** ~~or that~~ product liability claims **may** ~~will not~~ exceed the amount of insurance coverage. As a result, product recalls or product liability claims could have a material adverse effect on our business, operating results, and financial condition. In addition, we face potential other types of litigation arising out of alleged defects in our products or otherwise, such as class action lawsuits. We do not maintain insurance against many types of claims involving alleged defects in our products that do not involve personal injury or property damage. We spend substantial resources ensuring compliance with governmental and other applicable standards. ~~Our product liability insurance program is an occurrence- based program based on our current and historical claims experience and the availability and cost of insurance. Under our former parent company, we had substantial, self- insurance for product liability risk. We are now covered under a fully- insured program for product liability risks. We cannot assure you, however, that our future product liability experience will be consistent with our past experience or that claims and awards will not substantially impact the costs of our insurance programs in the future.~~ Some of our products are used in applications and situations that involve risk of personal injury and death. Our products expose us to potential product liability, warranty liability, personal injury claims, and litigation relating to the use or misuse of our products, including allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product or activities associated with the product, negligence, and strict liability. If successful, such claims could have a material adverse effect on our business **, operating results, and financial condition** . In addition, defects in our products could reduce demand for our products and result in a decrease in sales and market acceptance and damage to our reputation. Components used in our products may contain undetected defects that are subsequently discovered at any point in the life of the product. In addition, we obtain many of our finished products and ~~product~~ components from third- party suppliers and may not be able to detect defects in such products or components until after they are sold. Defects in our products may result in a loss of sales, recall expenses, delay in market acceptance, damage to our reputation, and increased warranty costs, which could have a material adverse effect on our business, operating results, and financial condition. We are subject to numerous federal, state, and local laws that regulate or otherwise relate to the protection of the environment. In our efforts to satisfy our environmental, health, and safety responsibilities and to comply with all applicable laws and regulations, we maintain policies relating to the environmental, health, and safety standards for our operations and conduct programs to monitor compliance with various environmental regulations. However, in the normal course of our operations, we may become subject to governmental proceedings and orders pertaining to waste disposal, air emissions, and water discharges into the environment. We believe, based on the information available to us, that we are in substantial compliance with applicable environmental regulations. We could have contamination on the properties we lease and our operations could cause contamination in the future. As a result, we could incur costs to clean up contamination. Furthermore, we could be subject to future environmental, health, and safety compliance requirements or of the cost of resolution of future regulatory proceedings and claims. Additional or changing environmental health and safety regulation may become burdensome in the future, and any such development could have an adverse effect on us. **We currently license** ~~The market price of our common stock has fluctuated, and may continue to fluctuate, significantly as a result of a number of factors, including the following: • fluctuations in our quarterly or annual earnings results or those~~ -- **the Smith & Wesson** ~~of other companies in our industry; • failures of our operating results to meet the estimates of securities analysts or the expectations of our stockholders; • changes by securities analysts in their estimates of our future earnings; • changes in market valuations or earnings of other companies in our industry; • introductions of new products by us or our competitors; • announcements by us or our customers~~ , ~~suppliers~~ **M & P** , **T** or competitors; • factors relating to...... our common stock solely by 66 2 / **C** ~~3 % of the voting power of such holders; • the filling of vacancies resulting from the death~~ , ~~resignation, disqualification, removal, or other cause of directors elected by the holders of our common stock and newly created directorships created from an~~ **and Performance** ~~increase in the number of such directors solely by our Board of Directors; • the amendment of our Amended and Restated Bylaws by our Board of Directors; • the amendment of our Amended and Restated Bylaws by our stockholders solely by a vote of 66 2 / 3 % of the voting power thereof; • the calling of special meetings of our holders of common stock solely by the Chairperson of our Board of Directors, our President, or our Board of Directors; • the taking of action by the holders of our common stock solely at a duly called annual or special meeting of such holders; • the amendment of the provisions of our Amended and Restated Certificate of Incorporation providing for (i) the directors elected by the holders of our common stock to be classified (and therefore for the removal of such directors solely for cause), (ii) the removal of directors elected by the holders of our common stock solely by 66 2 / 3 % of the voting power of such holders, (iii) the filling of vacancies with respect to directors elected by the holders of our common stock and newly created directorships created from an increase in the number of such directors solely by our Board of Directors, (iv) the amendment of our Amended and Restated Bylaws by 66 2 / 3 % of the voting power of our stockholders, (v) the calling of special meetings solely by the Chairperson of our Board of Directors, our President, or our Board of Directors, and (vi) the prohibition on the ability of holders of our common stock to act by written consent in lieu of a meeting, in each case, by a vote of 66 2 / 3 % of the voting power of our stockholders; • advance notice and other requirements for nominations of candidates for election to our Board of Directors by the holders of our common stock or for proposing matters that can be acted on at annual meetings of the holders of our common stock; and • limit our ability to enter~~ **Center trademarks** into business combinations with interested stockholders,...... There are risks associated with our separation from our former parent company. **If** ~~A number of aspects of our current relationship with our former parent company have changed as a result of our Separation from our former parent company. For example, if~~ the Trademark License Agreement with our former parent company is not renewed after its initial five- year term as a result of our failure to meet the performance metric or following the tenth year as a result of our failure to agree with our former parent company about a continuation, we will not be able to use certain **of** our former parent company trademarks in connection with our business, including on our products or promotional materials. ~~competitors;• announcements by us or our customers,suppliers,~~ or competitors;• factors relating to our suppliers,customers,or competitors;• consumer spending patterns;• changes in laws or regulations that adversely or are perceived to adversely affect our industry or us;• general economic,social,political,industry,and stock market conditions;• future significant sales of our common stock by our stockholders or the perception in the market of such sales;• government policies and recommendations,including tariffs;• future issuances of our common stock by us;• the size of the public float of our common stock;and • the other factors described in these " Risk Factors " and elsewhere in this information statement.These and other factors may cause the market price and demand for our common stock to fluctuate substantially,which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock.In addition,in the past,when the market price of a stock has been volatile,holders of that stock have instituted securities class action litigation against the company that issued the stock.If any of our stockholders brought such a lawsuit against us,we could incur substantial costs defending the lawsuit.Such a lawsuit could also divert the time and attention of our management from our business.The trading market for our common stock may also be influenced by the research and reports that industry or securities analysts publish about us or our business.If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly,we could lose visibility in the financial markets,which in turn could cause our stock price or trading volume to decline.Moreover,if one or more of the analysts who cover us downgrade our stock,or if our operating results do not meet their expectations,our stock price could decline.Several provisions of our Amended and Restated Certificate of Incorporation, ~~Second~~ Amended and Restated Bylaws,and Delaware law may discourage,delay,or prevent a merger or acquisition of our company that our stockholders may consider favorable.These include provisions that provide for the following:• the ability of our Board of Directors to create and issue,without stockholder approval,one or more series of preferred stock having such powers,preferences,and rights,if any,and such qualifications,limitations,and restrictions,if any,as established our Board of Directors;• the ability of our Board of Directors to issue a large number of shares of our common stock that are authorized by our Amended and Restated Certificate of Incorporation,but that are not yet issued;• the **directors elected by the holders of our common stock to be classified;• the** removal of directors elected by holders of our common stock solely for cause;• the removal of any director elected by holders of our common stock solely by 66 2 ~~/ 3~~ We ~~license Smith & Wesson~~ **believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board of Directors and by providing our Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However** , ~~M & P~~ **these provisions apply even if a takeover offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board of Directors determines is not in our stockholders' best interests. These and other provisions of our Amended and Restated Certificate of Incorporation** , ~~T~~ **Second** ~~more time to assess any acquisition proposal.These provisions are not intended to make us immune from takeovers.However,these provisions apply even if a takeover offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board of Directors determines is not in our stockholders' best interests.These and other provisions of our Amended and Restated Certificate of Incorporation,~~ Amended and Restated

Bylaws,and Delaware law may,however,discourage,delay,or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of us,including unsolicited takeover attempts,even though the transaction may offer our stockholders the opportunity to sell their shares of our common stock at a price above the prevailing market price.Pursuant to our **Second** Amended and Restated Bylaws,unless we consent in writing to the selection of an alternative forum,the Court of Chancery of the state of Delaware will be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf;(b) any action asserting a claim of breach of a fiduciary duty owed by any of our directors,officers,or employees or our stockholders;(c) any civil action to interpret,apply,or enforce any provision of the General Corporation Law of the state of Delaware,or the DGCL;(d) any civil action to interpret,apply,enforce,or determine the validity of the provisions of our Amended and Restated Certificate of Incorporation or **Second** Amended and Restated Bylaws;or (e) any action asserting a claim governed by the internal affairs doctrine.However,if the Court of Chancery of the state of Delaware lacks jurisdiction over such action,our **Second** Amended and Restated Bylaws,provide that the sole and exclusive forum for such action will be another state or federal court located within the state of Delaware,in all cases,subject to such court having personal jurisdiction over the indispensable parties named as defendants.Our Amended and Restated Bylaws also provide that any person purchasing or otherwise acquiring any interest in our stock will be deemed to have notice of and consented to the foregoing Delaware exclusive forum provisions.Our **Second** Amended and Restated Bylaws provide that the foregoing Delaware exclusive forum provisions do not apply to any action asserting claims under the Exchange Act or the Securities Act.The Delaware exclusive forum provisions will require our stockholders to bring certain types of actions or proceedings relating to Delaware law in the Court of Chancery of the state of Delaware or another state or federal court in the state of Delaware and therefore may prevent our stockholders from bringing such actions or proceedings in another court that a stockholder may view as more convenient,cost- effective,or advantageous to the stockholder or the claims made in such action or proceeding,and may discourage the actions or proceedings covered by the Delaware exclusive forum provisions.In the future,your percentage ownership in our company may be diluted because of equity issuances for acquisitions,strategic investments,capital market transactions,or otherwise,including equity compensation awards that we grant to our directors,officers and employees under our employee benefits plans.These **issuances could be significant.These** awards would have a dilutive effect on our earnings per share,which could adversely affect the market price of our common stock. **Persons receiving shares of our common stock in connection with acquisitions may be more likely to sell their common stock,which may influence the price of our common stock.In addition,the potential issuance of additional shares in connection with anticipated acquisitions could lessen demand for our common stock and result in a lower price than might otherwise be obtained.** In addition,our Amended and Restated Certificate of Incorporation authorizes our Board of Directors to create and issue,without the approval of our stockholders,one or more series of preferred stock having such powers,preferences,and rights,if any,and such qualifications,limitations,and restrictions,if any,as established by our Board of Directors.The terms of one or more series of preferred stock that is so created and issued by our Board of Directors may dilute the voting power or reduce the value of our common stock.For example,our Board of Directors could create and issue one or more series of preferred stock having the right to elect one or more of our directors (in all events or on the happening of specified events) and ~~/ or the~~ / ~~C~~ **or the right to veto specified transactions. Similarly** , ~~and Performance Center~~ **the repurchase or redemption rights or dividend** , **distribution, or liquidation rights of a series of preferred stock created and issued by our Board of Directors could affect the residual value of the common stock. Shares of our common stock are common equity interests in us and, as such, will rank junior to** all of ~~which are owned by~~ our ~~former~~ **future indebtedness and other liabilities. Additionally, holders of our common stock may become subject to the prior dividend and liquidation rights of holders of any series of preferred stock that our Board of Directors may designate and issue without any action on the** ~~parent~~ -- **part of the holders of our common stock. Furthermore, our right to participate in a distribution of assets upon any of our subsidiaries' liquidation or reorganization is subject to the prior claims of that subsidiary' s creditors. Risks Related to Us as a Public** ~~company~~ **Company** ~~.~~ We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we currently intend to take advantage of exemptions from various reporting requirements applicable to other public companies but not to " emerging growth companies, " including, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of Sarbanes- Oxley, reduced disclosure obligations regarding executive compensation in our registration statements, periodic reports, and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will cease to be an emerging growth company upon the earliest to occur of the following: (i) the last day of the fiscal year following the fifth anniversary of the Distribution; (ii) the last day of the fiscal year with at least $ 1. 07 billion in annual revenue; (iii) the last day of the fiscal year in which we are deemed to be a large accelerated filer, which means that we have been public for at least 12 months, have filed at least one annual report, and the market value of our common stock that is held by non- affiliates exceeds $ 700 million as of the last day of our then- most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $ 1 billion of non- convertible debt during the prior three- year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on exemptions from certain disclosure requirements. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and the price of our common stock may be more volatile. In addition, as our business grows, we may cease to satisfy the conditions of an " emerging growth company. " Under the JOBS Act, " emerging growth companies " can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not " emerging growth companies. " ~~We are currently evaluating and monitoring developments with respect to these rules, and we may not be able to take advantage of all of the benefits from the JOBS Act.~~ 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 costlier. 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. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our operating results on a timely and accurate basis could be impaired. If we do not implement such requirements in a timely manner or with adequate compliance, we might be subject to sanctions or investigation by regulatory authorities, such as the SEC and Nasdaq. Any such action could harm our reputation and the confidence of investors and customers in us and could materially adversely affect our business and cause our share price to fall. After we are no longer an " emerging growth company, " we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of Sarbanes- Oxley ~~. Our former parent company historically performed many important corporate functions for us, including internal audit, finance, accounting, tax, human resources, information technology, litigation management, real estate, environmental, and public affairs. Following the Separation, our former parent company has continued to provide information technology services to us on a transitional basis pursuant to a Transition Services Agreement. Our former parent company may not successfully perform all of these functions during the transition period, and we may have to expend significant efforts or costs materially in excess of those estimated under the Transition Services Agreement. Any interruption in these services could have a material adverse effect on our business, operating results, and financial condition. In addition, at the end of this transition period, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf. The costs associated with performing or outsourcing these functions may exceed the amounts reflected in our historical financial statements that were incurred as a business segment of our former parent company. We have incurred costs immediately following the Separation to establish the necessary infrastructure. A significant increase in the cost of performing or outsourcing these functions could materially and adversely affect our business, operating results, and financial condition~~. In accordance with Section 404 of Sarbanes- Oxley, our management will eventually be required to conduct an annual assessment of the effectiveness of our internal control over financial reporting and include a report on these internal controls in the annual reports we will file with the SEC on Form 10- K. Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls while we remain an emerging growth company. When applicable, this process will require significant documentation of policies, procedures, and systems; review of that documentation by our internal auditing and accounting staff and our outside independent registered public accounting firm; and testing of our internal controls over financial reporting by our internal auditing and accounting staff and our outside independent registered public accounting firm. This process will involve considerable time and attention, may strain our internal resources, and will increase our operating costs. We may experience higher than anticipated operating expenses and outside auditor fees during the implementation of these changes and thereafter. If management or our independent registered public accounting firm determines that our internal control over financial reporting is not effective, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be negatively affected, and we could become subject to investigations by Nasdaq, the SEC, or other regulatory authorities, which could require additional financial and management resources. In addition, if our controls are not effective, our ability to accurately and timely report our financial position could be impaired, which could result in late filings of our annual and quarterly reports under the Exchange Act, restatements of our financial statements, a decline in our stock price, suspension or delisting of our common stock from Nasdaq, and a material adverse effect on our business, operating results, and financial condition. ~~While we were a wholly owned subsidiary of our former parent, our former parent identified a material weakness in its internal control over financial reporting in fiscal 2020 related to the income tax treatment associated with goodwill impairment. Control activities were not designed or maintained over the preparation and review of the goodwill impairment analysis, including our former parent' s accounting for the related income tax treatment and review of third- party experts' work product. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the material weakness, our former parent concluded that its internal control over financial reporting and related disclosure controls and procedures were not effective based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission. The material weakness did not result in any identified misstatements to our former parent' s financial statements, and there were no changes to previously issued financial results. Our former parent completed their remediation plan designed to address this material weakness and has announced that the material weakness identified as of April 30, 2020 has been eliminated as of April 30, 2021. However, our former parent cannot guarantee that it will not have a material weakness in the future. If additional material weaknesses in its internal control are discovered or occur in the future, its financial statements may contain material misstatements and it could be required to restate its financial statements. We cannot guarantee that we will not have a material weakness in our own internal controls in the future. If we experience any material weakness in our internal controls in the future, our financial statements may contain material misstatements and we could be required to restate our financial statements. Pursuant to the Separation and Distribution Agreement and other agreements with our former parent company, our former parent company has agreed to indemnify us for certain liabilities and we have agreed to indemnify our former parent company for certain liabilities. Payments that we may be required to provide under indemnities to our former parent company are not subject to any cap, may be~~

~~significant, and could negatively affect our business, particularly under indemnities relating to our actions that could affect the tax- free nature of the Separation. Third parties could also seek to hold us responsible for the liabilities that our former parent company has agreed to retain and, under certain circumstances, we may be subject to continuing contingent liabilities of our former parent company following the Separation that arise relating to the operations of the outdoor products and accessories business during the time that it was a business segment of our former parent company prior to the Separation, such as certain tax liabilities that relate to periods during which taxes of the outdoor products and accessories business were reported as a part of our former parent company; liabilities retained by our former parent company that relate to contracts or other obligations entered into jointly by the outdoor products and accessories business and our former parent company' s firearm business; post- employment liabilities, including unfunded liabilities, that apply to our former parent company, including the outdoor products and accessories business; environmental liabilities related to sites at which both our former parent company and the outdoor products and accessories business operated; and liabilities arising from third- party claims in respect of contracts in which both our former parent company and the outdoor products and accessories business supply goods or provide services. Our former parent company has agreed to indemnify us for such contingent liabilities. While we have no reason to expect that our former parent company will not be able to support its indemnification obligations to us, our former parent company may not be able to fully satisfy its indemnification obligations or that such indemnity obligations will be sufficient to cover our liabilities for matters which our former parent company has agreed to retain, including such contingent liabilities. Moreover, even if we ultimately succeed in recovering from our former parent company any amounts for which we are indemnified, we may be temporarily required to bear these losses ourselves. Each of these risks could have a material adverse effect on our business, operating results, and financial condition. In connection with the Separation, we entered into agreements with our former parent company to address various matters associated with the Separation, including insurance coverage. The Separation and Distribution Agreement provides that following the Separation, we will no longer have insurance coverage under our former parent company insurance policies in connection with events occurring before, as of, or after the Separation, other than coverage for (i) events occurring prior to the Separation and covered by occurrence- based policies of our former parent company as in effect as of the Separation and (ii) events or acts occurring prior to the Separation and covered by claims- made policies of our former parent company for which a claim was received prior to the Separation. However, after the Separation, our former parent company' s insurers may deny or attempt to deny coverage to us for losses associated with occurrences or claims made prior to the Separation. Accordingly, we may be required to temporarily or permanently bear the costs of such lost coverage. Although we have insurance policies in place that cover certain, but not all, hazards that could arise from our operations, and we may not be able to maintain such coverage or that such coverage will be adequate to protect us from costs incurred with certain events. The occurrence of an event that is not insured or not fully insured could have a material adverse effect on our business, operating results, and financial condition. It is intended that the transactions related to the Separation will qualify as a tax- free transaction under Section 368 (a) (1) (D) and Section 355 of the Code. The Internal Revenue Service, or the IRS, could determine that the transactions related to the Separation should be treated as a taxable transaction for U. S. federal income tax purposes. Even if the transactions related to the Separation otherwise qualify under Section 368 (a) (1) (D) and Section 355 of the Code, the distribution related to the Separation could result in a material U. S. federal income tax liability to our former parent company (but not to holders of our former parent company common stock) under Section 355 (e) of the Code if one or more persons acquire, directly or indirectly, a 50 % or greater interest (measured by either vote or value) in the stock of our former parent company or in the stock of our company (or any successor corporation) as part of a plan or series of related transactions that includes the distribution related to the Separation. If the transactions related to the Separation fail to qualify for tax- free treatment for any reason, our former parent company and / or holders of our former parent company common stock could be subject to substantial U. S. taxes as a result of the transactions related to the Separation and we could incur significant liabilities under applicable law or as a result of the Tax Matters Agreement. If the transactions related to the Separation are not so treated or are taxable to our former parent company due to a breach by us (or any of our subsidiaries) of any covenant or representation made by us in the Tax Matters Agreement, we will generally be required to indemnify our former parent company for all tax- related losses suffered by our former parent company. In addition, we will not control the resolution of any tax contest relating to taxes suffered by our former parent company in connection with the Separation and we may not control the resolution of tax contests relating to any other taxes for which we may ultimately have an indemnity obligation under the Tax Matters Agreement. In the event that our former parent company suffers tax- related losses in connection with the Separation that must be indemnified by us under the Tax Matters Agreement, the indemnification liability could have a material adverse effect on our business, operating results, and financial condition. The Tax Matters Agreement generally will prohibit us from taking certain actions that could cause the Transfer and the Distribution to fail to qualify as tax- free transactions, including the following: • during the two- year period following the Distribution Date (or otherwise pursuant to a " plan " within the meaning of Section 355 (e) of the Code), we may not cause or permit certain business combinations or transactions to occur; • during the two- year period following the Distribution Date, we may not discontinue the active conduct of our business (within the meaning of Section 355 (b) (2) of the Code); • during the two- year period following the Distribution Date, we may not liquidate or merge, consolidate, or amalgamate with any other person; • during the two- year period following the Distribution Date, we may not sell or otherwise dispose of more than 30 % of our consolidated gross assets or more than 30 % of the gross assets of the outdoor products and accessories business; • during the two- year period following the Distribution Date, we may not purchase any of our common stock, other than pursuant to certain open- market repurchases of less than 20 % of our common stock (in the aggregate); • during the two- year period following the Distribution Date, we may not amend our certificate of incorporation (or other organizational documents) or take any other action affecting the voting rights of our common stock; and • more generally, we may not take any action that could reasonably be expected to cause the Transfer and the Distribution to fail to qualify as tax- free transactions for U. S. federal income tax purposes. If we take any of the actions above and such actions result in tax- related~~

~~losses to our former parent company, we generally will be required to indemnify our former parent company for such tax-related losses under the Tax Matters Agreement. Due to these restrictions and indemnification obligations under the Tax Matters Agreement, we may be limited in our ability to pursue strategic transactions, equity or convertible debt financings, or other transactions that may otherwise be in our best interests. In addition, our potential indemnity obligation to our former parent company might discourage, delay, or prevent a change of control that our stockholders may consider favorable. 47~~