

## Risk Factors Comparison 2024-08-29 to 2023-08-29 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Risks Related to our Business and Operations • **We have a large fixed- cost base that will affect our profitability when our sales decrease.** • We may not be able to execute our manufacturing strategy successfully, which could cause the profitability of our products to suffer. • **We may not be able to accurately forecast demand for our products, which could impact our ability to manage our inventory and have a material adverse effect on our business and results of operations.** • Our financial results may be adversely affected by our third- party suppliers' increased costs or inability to adjust for our required production levels due to changing demand or global supply chain disruptions. • For some of the components used in production, we depend on a small group of suppliers and the loss of any of these suppliers could affect our ability to obtain components timely or at competitive prices, which would decrease our results of operations, financial condition, and cash flows. • Termination or interruption of informal supply arrangements could have a material adverse effect on our business or results of operations. • Climatic events, including hurricanes, tornadoes, or other disruptions, may adversely impact our operations and financial condition, disrupt the business of our suppliers, and may not be adequately covered by insurance. • Our ability to meet our **manufacturing workforce**' s needs is crucial to our results of operations and future sales and profitability. • We are dependent on attracting and retaining key management employees and the transition to our new Chief Executive Officer will be critical to our success. • We have grown our business through acquisitions; however we may not be successful in completing future acquisitions or integrating future acquisitions in a way that fully realizes their expected benefits to our business. • Our growth **strategy** may require us to secure significant additional capital, the amount of which will depend upon the size, timing, and structure of future acquisitions or vertical integrations and our working capital and general corporate needs. • If we are unable to continue to enhance existing products and develop and market new or enhanced products that respond to customer needs and preferences, we may experience a decrease in demand for our products and our business could suffer. Risks Related to Our Markets and the Recreational Powerboat Industry • Weak general economic conditions, particularly in the United States, can negatively impact our industry, demand for our products, and our business and results of operations. • Our continued success **is** dependent on the positive perception of our brands, which, if impaired, could adversely affect our sales. • Our sales may be adversely impacted by the sale of boats previously held in inventory by our former dealer, Tommy' s Boats. • Our sales may be adversely impacted by increased consumer preference for used boats, electric boats, alternative fuel- powered boats, or the supply of new boats by competitors in excess of demand. • An increase in energy and fuel costs may adversely affect our business, financial condition and results of operations. iii • Retail demand for our boats is seasonal and unfavorable weather conditions just before and during spring and summer can have a negative effect on our revenues. • Our industry is characterized by intense competition, which affects our sales and profits. • We compete with a variety of other activities for consumers' scarce leisure time. • Changes in currency exchange rates can adversely affect our results. • Inflation and rising interest rates could adversely affect our financial results. Risks Related to our Dealers • We depend on our network of independent dealers, face increasing competition for dealers and have little control over their activities. • Our success depends, in part, upon the financial health of our dealers and their continued access to financing. • We may be required to repurchase inventory of certain dealers. Risks Related to Litigation and our Regulatory, Accounting and Tax Environment • The nature of our business exposes us to risks associated with litigation, investigation and regulatory proceedings and a significant adverse determination with respect to any material claim against us could adversely affect our operating results or financial condition. • An impairment in the carrying value of goodwill, trade names, and other long- lived assets could negatively affect our consolidated results of operations and net worth. • Significant product repair and / or replacement costs due to product warranty claims or product recalls could have a material adverse impact on our results of operations. • We must comply with environmental laws and regulations as a boat manufacturer that could increase the costs of our products and reduce consumer demand. • In addition to environmental regulations, we must also comply with product safety, workforce and other laws and regulations that may increase our costs and could result in harm to our reputation if we fail to comply with such regulations. Risks Related to our Capital Structure • The only material asset of Malibu Boats, Inc. is our interest in the LLC, and therefore Malibu Boats, Inc. is dependent upon distributions from the LLC for any cash obligations of Malibu Boats, Inc. • The credit agreement governing our revolving credit facility contains restrictive covenants which may limit our operating flexibility and may impair our ability to access sufficient capital to operate our business. • Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. • We will be required to pay the pre- IPO owners (or any permitted assignee) for certain tax benefits pursuant to our tax receivable agreement with them, and the amounts we may pay could be significant. • In certain cases, payments under the tax receivable agreement to the pre- IPO owners (or any permitted assignees) of LLC Units may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement. PART I. Item 1. Business Unless otherwise expressly indicated or the context otherwise requires, in this Annual Report on Form 10- K: • We use the terms " Malibu Boats, " the " Company, " " we, " " us, " " our " or similar references to refer (1) prior to the consummation of our initial public offering, or " IPO" on February 5, 2014, to Malibu Boats Holdings, LLC, or the LLC, and its consolidated subsidiaries and (2) after our IPO, to Malibu Boats, Inc. and its consolidated subsidiaries; • We use the term " Boats, LLC" to refer to the LLC' s subsidiary Malibu Boats, LLC;

• We refer to the owners of membership interests in the LLC immediately prior to the consummation of the IPO, collectively, as our “ pre- IPO owners ”; • We refer to owners of membership interests in the LLC (the “ LLC Units ”), collectively, as our “ LLC members ”; • References to “ fiscal year ” refer to the fiscal year of Malibu Boats, which ends on June 30 of each year; • We refer to our Malibu branded boats as “ Malibu ”, our Axis Wake Research branded boats as “ Axis ”, our Pursuit branded boats as “ Pursuit ”, our Maverick, Cobia, Pathfinder and Hewes branded boats as “ Maverick Boat Group ”, and our Cobalt branded boats as “ Cobalt ”; • We use the term “ recreational powerboat industry ” to refer to our industry group, which includes performance sport boats, sterndrive and outboard boats; • We use the term “ performance sport boat category ” to refer to the industry category, consisting primarily of fiberglass boats equipped with inboard propulsion and ranging from 19 feet to 26 feet in length, which we believe most closely corresponds to (1) the inboard ski / wakeboard category, as defined and tracked by the National Marine Manufacturers Association, or NMMA, and (2) the inboard ski boat category, as defined and tracked by Statistical Surveys, Inc., or SSI; • We use the terms “ sterndrive ” and “ outboard ” to refer to the industry category, consisting primarily of sterndrive and outboard boats ranging from 20 feet to 40 feet, which most closely corresponds to the sterndrive and outboard categories, as defined and tracked by NMMA, and the sterndrive and outboard propulsion categories, as defined and tracked by SSI; in some instances, we provide market information based on specific boat lengths or boat types within the sterndrive or outboard categories to reflect our performance in those specific markets in which we offer products; and • References to certain market and industry data presented in this Form 10- K are determined as follows: (1) U. S. boat sales and unit volume for the overall powerboat industry and any powerboat category during any calendar year are based on retail boat market data from the NMMA and (2) U. S. market share and unit volume for the overall powerboat industry and any powerboat category during any fiscal year ended June 30 or any calendar year ended December 31 are based on comparable same- state retail boat registration data from SSI, for which data was available for all 50 states as of the date of this Form 10- K. This Annual Report on Form 10- K includes our trademarks, such as “ Monsoon, ” “ Surf Gate, ” “ Wakesetter, ” “ Surf Band, ” and “ Swim Step, ” which are protected under applicable intellectual property laws and are the property of Malibu Boats, Inc. This Form 10- K also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Form 10- K may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names. Our Company We are a leading designer, manufacturer and marketer of a diverse range of recreational powerboats, including performance sport boats, sterndrive and outboard boats under eight brands — Malibu, Axis, Pursuit, Maverick, Cobia, Pathfinder, Hewes and Cobalt. As of June 30, 2024, we had the # 1 market share position in the United States in the performance sport boat category through our Malibu and Axis brands and the # 1 market share position in the United States in the 24’ — 29’ segment of the sterndrive category through our Cobalt brand, and we are among the leading market share positions in the fiberglass outboard fishing boat market with our Pursuit and Maverick Boat Group brands. Our product portfolio of premium brands are used for a broad range of recreational boating activities including, among others, water sports such as water skiing, wakeboarding and wake surfing, as well as general recreational boating and fishing. Our passion for consistent innovation, which has led to propriety technology such as Surf Gate, has allowed us to expand the market for our products by introducing consumers to new and exciting recreational activities. We design products that appeal to an expanding range of recreational boaters and water sports enthusiasts whose passion for boating and water sports is a key aspect of their lifestyle and provide consumers with a better customer- inspired experience. With performance, quality, value and multi- purpose features, our product portfolio has us well positioned to broaden our addressable market and achieve our goal of increasing our market share in the recreational boating industry. Our flagship Malibu boats are designed for consumers seeking a premium performance sport boat experience and offer our latest innovations in performance, comfort and convenience. Our Axis boats appeal to consumers who desire a more affordable performance sport boat product but still demand high performance, functional simplicity and the option to upgrade key features. Our Pursuit boats expand our product offerings into the saltwater outboard fishing market and include center console, dual console and offshore models. Our Maverick Boat Group family of boats, including Maverick, Cobia, Pathfinder and Hewes, are highly complementary to Pursuit and its saltwater outboard offerings with a focus in length segments under 30 feet. Our Cobalt boats consist of mid to large- sized luxury cruisers and bowriders that we believe offer the ultimate experience in comfort, performance and quality. Our boats are constructed of fiberglass, available in a range of sizes, hull designs and propulsion systems (i. e., inboard, sterndrive and outboard). We employ experienced product development and engineering teams that enable us to offer a range of models across each of our brands while consistently introducing innovative features in our product offerings. Our engineering teams closely collaborate with our manufacturing personnel in order to improve product quality and process efficiencies. The results of this collaboration are reflected in our receipt of numerous industry awards. We sell our boats through a dealer network that we believe is among the strongest in the recreational powerboat industry. As of June 30, 2024, our distribution channel consisted of over 400 dealer locations globally. Our dealer base is an important part of our consumers’ experience, our marketing efforts and our brands. We devote significant time and resources to find, develop and improve the performance of our dealers and believe our dealer network gives us a distinct competitive advantage. Market and Competitive Position The recreational powerboat industry, including the performance sport boat, sterndrive and outboard categories, is highly competitive for consumers and dealers. Competition affects our ability to succeed in the markets we currently serve and new markets that we may enter in the future. We compete with several large manufacturers that may have greater financial, marketing and other resources than we do. We compete with large manufacturers who are represented by

dealers in the markets in which we now operate and into which we plan to expand. We also compete with a wide variety of small, independent manufacturers. Competition in our industry is based primarily on brand name, price and product performance. During calendar year 2023, retail sales of new recreational powerboats in the United States totaled \$ 15. 8 billion. Of the recreational powerboat categories defined and tracked by the NMMA, we serve three of the top four categories consisting of outboard, sterndrive and performance sport boat representing an addressable market of nearly \$ 12. 9 billion in retail sales through our Malibu, Axis, Pursuit, Maverick Boat Group brands and Cobalt brands. The following table illustrates the size of our addressable market in units and retail sales for calendar year 2023:

Recreational Powerboat Category	Unit Sales	Retail Sales (Dollars in millions)
Outboard	147, 564	\$ 10, 427
Performance sport boat	9, 900	\$ 827
Sterndrive	6, 100	\$ 1, 608
Jet boat	11, 600	\$ 734
Cruisers	1, 500	\$ 2, 207
Total addressable market	176, 664	\$ 15, 803

We maintain a leading market share position in a number of recreational boating categories with our various brands. According to SSI, as of June 30, 2024, we held the number one market share position in the United States for performance sport boats with our Malibu and Axis brands, the number one market share position in the United States for the 24' — 29' segment of the sterndrive boat category through our Cobalt brand, and we are among the leading market share positions in the outboard fiberglass fishing market that our Pursuit and Maverick Boat Group brands serve, in each case based on unit volume. We have grown our U. S. market share in the performance sports boat category from 24. 5 % in 2010 to 30. 5 % in 2023 and we have expanded our market share in the 24' - 29' segment of the sterndrive boat category from 14. 2 % in 2010 to 40. 8 % in 2023. Our Pursuit brand has gained share within its market since our acquisition of Pursuit and we are positioned to gain a broader share of the overall outboard fiberglass fishing market with our Maverick Boat Group brands. Our Products and Brands We design, manufacture and sell recreational powerboats, including performance sport boats, sterndrive and outboard boats across eight brands: Malibu, Axis, Pursuit, Maverick, Cobia, Pathfinder, Hewes, and Cobalt. We believe that we deliver superior performance for general recreational purposes with a significant focus on water sports, including wakeboarding, water skiing and wake surfing as well as general recreational boating and fishing. In addition, we also offer various accessories and aftermarket parts.

The following table provides an overview of our product offerings by brand as of June 30, 2024:

Reportable Segment	Brand	Number of Models	Lengths	Retail Price Range (In thousands)	Description
Malibu	Malibu	1220'- 26'	\$ 80- \$ 300	Malibu targets consumers seeking a premium boating experience with our latest innovations in performance, comfort and convenience. Across our three product lines, we offer a variety of products to customers from our Response Series tailored for high- performance water ski to highly customizable options in our Wakesetter series to our ultra premium models in the M Series.	
Axis	Axis	720'- 25'	\$ 80- \$ 175	Axis was formed to target a younger demographic by providing a more affordably priced, high quality, entry- level boat with high performance, functional simplicity and the option to upgrade key features such as Surf Gate. Saltwater Fishing	
Pursuit	Pursuit	1625'- 46'	\$ 130- \$ 1, 400	Pursuit is a premium brand of saltwater outboard fishing boats available in three product lines including our sports center consoles, dual consoles and our offshore series to provide customers with options for ideal fishing as well as casual cruising and luxury entertainment.	
Cobia	Cobia	1121'- 34'	\$ 60- \$ 500	Cobia models consist of center console and dual console vessels that are designed to promote ease of boating and fishing for all levels of anglers and boaters.	
Pathfinder	Pathfinder	822'- 27'	\$ 60- \$ 250	Pathfinder provides the most versatile inshore fishing boat. The product of bay boats provides for dedicated anglers to fish and do so with comfort, safety and proven technology.	
Maverick and Hewes	Maverick and Hewes	616'- 21'	\$ 45- \$ 125	Maverick and Hewes have been designed to tailor to shallow inshore flats anglers. These boats, with vacuum infused (VARIS) construction and enhanced performance, provide a legacy of dependability, unmatched ride, and exceptional craftsmanship.	
Cobalt	Cobalt	1622'- 35'	\$ 75- \$ 625	Cobalt is a premium luxury sterndrive and outboard boat manufacturer available in five product lines. Our products tailor sterndrive from entry level to premium with options to expand some models with the patented Surf Gate, as well as our outboard series for increased saltwater use.	

Innovative Features In addition to the standard features included on all of our boats, we offer consumers a full selection of innovative optional features designed to enhance performance, functionality and the overall boating experience. We believe our innovative features drive our high average selling prices. Among our most successful and most innovative has been Surf Gate. Introduced in July 2012 and initially patented in September 2013, Surf Gate is available as an optional feature on all Malibu, Axis and certain Cobalt models. Surf Gate has revolutionized the increasingly popular sport of wake surfing. Prior to Surf Gate, boaters needed to empty ballast tanks on one side of the boat and shift passengers around to lean the boat to create a larger, more pronounced surf- quality wake. By employing precisely engineered and electronically controlled panels, Surf Gate alleviates this time- consuming and cumbersome process, allowing boaters to easily surf behind an evenly weighted boat without the need to wait for ballast changes. We have also developed our patented Surf Band technology that allows the rider to remotely control the surf wave, shape, size and side. Some of our other notable innovations include Power Wedge III, G5 and the power actuated G10 Tower, Electronic Dashboard Controls, Flip Down Swim Step, Tower Mister, Splash and Stow and Cobalt' s TruWave Technology. Pursuit also has introduced the industry first Electric Sliding Entertainment Center and sliding second row center console seating. Maverick Boat Group has introduced first of its kind " Hybrid" and " Open" Bay Boat designs in recent years. We won the Boating Industry Magazine' s " Top Product" award for the Pursuit S 358 Sport in 2022. Malibu Trailers took the coveted NMMA Innovation Award at the Miami International Boat Show in 2022. The Malibu Wakesetter 23 LSV has won Wakeworld " Readers Choice " Wakeboard and Wakesurf Boat of the Year four years running in 2023, 2022, 2021 and 2020. We also offer an array of less technological, but nonetheless value- added boat features such as gelcoat upgrades, upholstery upgrades, engine drivetrain enhancements (such as silent exhaust tips, propeller upgrades and closed cooling engine configuration), sound system upgrades, bimini tops, boat covers and trailers which further increase productivity the level of customization afforded to consumers. Our Dealer Network We rely on independent dealers to sell

our products. We establish performance criteria that our dealers must meet as part of their dealer agreements to ensure our dealer network remains the strongest in the industry. As a member of our network, the top ten dealers represented 41.1 %, 39.9 % and 38.7 % of our net sales for each segment are not the same across all segments fiscal year 2023, 2022 and 2021, respectively. Sales to our dealers under common control of OneWater Marine, Inc. represented approximately 23.7 %, 17.2 % and 16.8 % of consolidated net sales in fiscal years 2024, 2023 and 2022, respectively, including approximately 9.2 %, 38.8 % and 19.5 % of consolidated sales in fiscal year 2024 for Malibu, Saltwater Fishing and Cobalt, respectively. Sales to our former dealers under common control of Tommy's Boats represented approximately 2.4 %, 10.7 % and 9.4 % of our consolidated net sales in the fiscal years ended June 30, 2024, 2023 and 2022, respectively, including approximately 6.7 %, 0.0 % and 0.0 % of consolidated net sales in the fiscal years ended June 30, 2024, 2023 and 2022, respectively. The loss of a significant number of these dealers could have a material adverse effect on our financial condition and results of operations. We have while reducing the risk that a change in costs-cost or production from any engine supplier for such brands could adversely affect our business. Our trailers are produced in a continuous flow manufacturing process involving cutting and bending of the main frame from raw top grade carbon steel, painting using our state-of-the-art system and installation of components. Our tower-related manufacturing in California uses multiple computer-controlled machines to cut all of the aluminum parts required for tower assembly. We are the only performance sport boat company that manufactures towers in-house. In fiscal year 2022, we acquired a facility to begin manufacturing our own wiring harnesses. In fiscal year 2024, we relocated manufacturing of our own wiring harnesses to our Roane County, Tennessee facility. As a result of this acquisition, we reduced the risk of production delays due to delays in receipt of wiring harnesses from third-party suppliers. Vertical integration of key components of our boats also gives us the ability to increase incremental margin per boat sold by reducing our cost base and improving the efficiency of our manufacturing process. Additionally, it allows us to have greater control over design, consumer customization options, construction quality, and our supply chain. We continually review our manufacturing process to identify opportunities for additional vertical integration investments across our portfolio of premium brands. We procure other components, such as electronic controls, from third-party vendors and install them on the boat. Suppliers We purchase a wide variety of raw materials from our supplier base, including resins, fiberglass, hydrocarbon feedstocks and steel, as well as product parts and components, such as engines and electronic controls, through a purchase order process. The most significant component used in manufacturing our boats, based on cost, are engines. Through our vertical integration initiative to marinize our own engines, we entered into an engine supply agreement with General Motors LLC ("General Motors") in November 2016 for the supply of engine blocks to use in our Malibu and Axis brand boats which began in our model year 2019 and continued through model year 2023. In April 2023, we signed a new supply agreement with General Motors that will continue through model year 2026. We adopted this strategy to more directly control product path (design, innovation, calibration and integration) of our largest dollar procured part, to differentiate our product from our competitors, and to increase flexibility our ability to respond to ongoing changes in the marketplace. Pursuant to our engine supply agreement with General Motors, General Motors will deliver engines to us as we submit purchase orders. No minimum amount of engines is required to be ordered by us. The engine supply agreement will expire at the end of production of model year 2026, unless terminated earlier by either party as permitted under the terms of the agreement, including by General Motors due to market conditions with at least eighteen (18) months' advanced written notice. We have a marketing agreement with Yamaha Motor Corporation, U. S. A., or Yamaha, that requires us to equip a significant percentage of our Pursuit, Cobalt and Maverick Boat Group branded boats that are pre-rigged for outboard motors with Yamaha outboard motors in exchange for certain incentives. The agreement expires on June 30, 2027. We also obtain engines and sterndrive assemblies from Volvo for our Cobalt branded boats. We experienced supply chain disruptions during fiscal year 2022 that we believe were driven by numerous factors, including labor shortages, ongoing domestic logistical constraints, and rising prices for our suppliers, in part due to inflationary pressures that continued into fiscal year 2023 and fiscal year 2024. We believe that the systemic supply chain disruptions that we have experienced over the past several years have been largely rectified. Insurance and Product Warranties We carry various insurance policies, including policies to cover general products liability, workers' compensation, director and officer liability, and other casualty and property risks, to protect against certain risks of loss consistent with the exposures associated with the nature and scope of our operations. Our policies are generally based on our safety record as well as market trends in the insurance industry and are subject to certain deductibles, limits and policy terms and conditions. Our Malibu and Axis brand boats have a limited warranty for a period up to five years. Our Cobalt brand boats have (1) a structural warranty of up to ten years which covers the hull, deck joints, bulkheads, floor, transom, stringers, and motor mount, and (2) a five year bow-to-stern warranty on all components manufactured or purchased (excluding hull and deck structural components), including canvas and upholstery. Gelcoat is covered up to three years for Cobalt and one year for Malibu and Axis. Pursuit brand boats have a (1) limited warranty for a period of up to five years on structural components such as the hull, deck and defects in the gelcoat surface of the hull bottom, and (2) a bow-to-stern warranty of two years (excluding hull and deck structural components). Maverick, Pathfinder and Hewes brand boats have (1) a limited warranty for a period of up to five years on structural components such as the hull, deck and defects in the gelcoat surface of the hull bottom and (2) a bow-to-stern warranty of one year (excluding hull and deck structural components). Cobia brand boats have (1) a limited warranty for a period of up to ten years on structural components such as the hull, deck and defects in the gelcoat surface of the hull bottom and (2) a bow-to-stern warranty of three years (excluding hull and deck structural components). For each boat brand, there are certain materials, components or parts of the boat that are not covered by our warranty and certain components or parts that are separately warranted by the manufacturer or supplier (such as the engine). Our Malibu Monsoon engines that we manufacture for Malibu and

Axis models have a limited warranty of up to five years or five- hundred hours. Strategic Acquisitions One of our growth strategies is to drive growth in our business through targeted acquisitions that add value while considering our existing brands and product portfolio. We acquired Maverick Boat Group in December 2020, Pursuit in October 2018 and Cobalt in July 2017. The primary objectives of our acquisitions are to expand our presence in new or adjacent categories, to expand into other product lines that may benefit from our operating strengths, and to increase the size of our addressable market. When we identify potential acquisitions, we attempt to target companies with a leading market share, strong cash flows, and an experienced management team and workforce that provide a fit with our existing operations. After completing an acquisition, we focus on integrating the company with our existing business to provide additional value to the combined entity through cost savings and revenue synergies, such as the optimization of manufacturing operations, improved processes around product development, enhancement of our existing dealer distribution network, accelerated innovation, administrative cost savings, shared procurement, vertical integration and cross- selling opportunities. Intellectual Property We rely on a combination of patent, trademark and copyright protection, trade secret laws, confidentiality procedures and contractual provisions to protect our rights in our brand, products and proprietary technology. This is an important part of our business and we intend to continue protecting our intellectual property. By law, our patent rights have limited lives and expire periodically. Our boat patent rights relate to boat design, features and components that we feel are important to our competitive position in our business. Some of our well- known patents include our Surf Gate system and Swim Step for our Malibu and Cobalt segments and Power Wedge for our Malibu segment. Our trademarks, many of which are registered in the U. S. and various countries around the world, generally may endure in perpetuity on a country- by- country basis, provided that we comply with all statutory maintenance requirements, including continued use of each trademark in each such country. Some of our well- known trademarks include: (i) for our Malibu segment, Malibu, Axis, Monsoon, Power Wedge, Surf Band, Surf Gate, and Wakesetter; (ii) for our Saltwater Fishing Segment, Pursuit, Cobia, Maverick, and Redfisher; and (iii) for our Cobalt segment, Cobalt and Splash & Stow. Seasonality Our dealers experience seasonality in their business. Retail demand for boats is seasonal, with a significant majority of sales occurring during peak boating season, which coincides with our first and fourth fiscal quarters. In order to minimize the impact of this seasonality on our business, we manage our manufacturing processes and structure dealer incentives to tie our annual volume rebates and discounts program to consistent ordering patterns, encouraging dealers to purchase our products throughout the year. In this regard, we may offer free flooring incentives to dealers from the beginning of our model year through April 30 of each year. Further, in the event that a dealer does not consistently order units throughout the year, such dealer’ s rebate is materially reduced. We may offer off- season retail promotions to our dealers in seasonally slow months, during and ahead of boat shows, to encourage retail demand. Safety and Regulatory Matters Our operations and products are subject to extensive environmental and health and safety regulation under various federal, commonwealth, state, and local statutes, ordinances, rules and regulations in the United States and Australia where we manufacture our boats, and in other foreign jurisdictions where we sell our products. We believe that we are in material compliance with those requirements. However, we cannot be certain that costs and expenses required for us to comply with such requirements in the future, including for any new or modified regulatory requirements, or to address newly discovered environmental conditions, will not have a material adverse effect on our business, financial condition, operating results, or cash flow. The regulatory programs to which we are subject include the following: Hazardous Materials and Waste Certain materials used in our manufacturing, including the resins used in production of our boats, are toxic, flammable, corrosive, or reactive and are classified as hazardous materials by the national, state and local governments in those jurisdictions where we manufacture our products. The handling, storage, release, treatment, and recycling or disposal of these substances and wastes from our operations are regulated in the United States by the United States Environmental Protection Agency (“ EPA ”), and state and local environmental agencies. In the United States, handling, storage, release, treatment, and recycling or disposal of hazardous materials is regulated under Subtitle C of the Resource Conservation and Recovery Act (“ RCRA ”). The EPA works with state regulatory agencies to implement a compliance monitoring program with the goal of evaluating compliance with companies’ RCRA obligation. Our manufacturing facilities can be subject to on- site compliance evaluation inspections (CEIs) or targeted enforcement actions. The handling, storage, release, treatment and recycling or disposal of these substances and wastes from our operations are regulated in Australia by the Australian Department of Climate Change, Energy, the Environment and Water, the New South Wales Environmental Protection Authority and other state and local authorities. Failure by us to properly handle, store, release, treat, recycle or dispose of our hazardous materials and wastes could result in liability for us, including fines, penalties, or obligations to investigate and remediate any contamination originating from our operations or facilities. We are not aware of any material contamination at our current or former facilities for which we could be liable under environmental laws or regulations, and we currently are not undertaking any remediation or investigation activities in connection with any contamination. Future spills or accidents or the discovery of currently unknown conditions or non- compliance could, however, give rise to investigation and remediation obligations or related liabilities. Air Quality In the United States, the federal Clean Air Act (“ CAA ”) and corresponding state and local laws and rules regulate emissions of air pollutants. Because our manufacturing operations involve molding and coating of fiberglass materials, which involves the emission of certain volatile organic compounds, hazardous air pollutants, and particulate matter, we are required to maintain and comply with a CAA operating permit requirements under Title V of the CAA (“ Part 70 Permits ”) for our Tennessee, Kansas and Florida facilities and local air permits for our California facilities. Our air permits generally require us to monitor our emissions and periodically certify that our emissions are within specified limits. To date implement this strategy, we have not had material difficulty complying with those limits. The EPA and the

California Air Resources Board ("CARB") have, under the CAA, adopted regulations stipulating that many marine propulsion engines and watercraft meet certain air emission standards. Some of these standards require fitting a catalytic converter to the engine. These regulations also require, among other things, that engine manufacturers provide a warranty that their engines meet EPA and CARB emission standards. The engines used in our products are subject to these regulations. CARB has adopted an evaporative emissions regulation that applies to all spark-ignition marine watercraft with permanently installed fuel tanks sold in California (the Spark-Ignition Marine Watercraft Program). This regulation requires subject boat manufacturers to use specific CARB-certified components for the fuel systems in their boats, or to certify the boat meets a related performance standard. While we believe that our boats meet all applicable emission standards, the USEPA and CARB emissions regulations have increased the cost to manufacture our products. OSHA In the United States, the Occupational Safety and Health Administration ("OSHA") standards address workplace safety generally, and limit the amount of emissions to which an employee may be exposed without the need for respiratory protection or upgraded plant ventilation. Our facilities are regularly inspected by OSHA and by state and local inspection agencies and departments. Our California facilities are also subject to California indoor air quality regulations, overseen by California's Division of Occupational Safety and Health. We believe that our facilities comply in all material aspects with these regulations. Although capital expenditures related to compliance with environmental and safety laws are expected to increase, we do not currently anticipate any material expenditure will be required to continue to comply with existing OSHA environmental or safety regulations in connection with our existing manufacturing facilities. At our New South Wales, Australia ("NSW") facility, employee health and safety is regulated by SafeWork NSW, which also has requirements that limit the amount of certain emissions to which an employee may be exposed without the need for respiratory protection or upgraded plant ventilation. In addition, SafeWork NSW provides licensing and registration for potentially dangerous work, investigates workplace incidents, and enforces work health and safety laws in NSW. Our NSW facilities can be routinely inspected by SafeWork NSW. We believe that our facilities comply in all material aspects with these requirements. Boat Design and Manufacturing Standards In the United States, the U. S. Coast Guard promulgates regulations related to the minimum construction and safety requirements for recreational boats. In addition, boats manufactured for sale in the European Community must be successful in certified to meet the requirements of the applicable laws and standards, including Directive 2013 / 53 / EU on recreational craft and personal watercraft. These certifications specify standards for the design and construction of powerboats. We believe that all of our continuous improvement efforts boats meet these standards. In addition, safety of recreational boats in the United States is subject to federal regulation under the Boat Safety Act of 1971, which requires boat depend on the involvement of management, production employees and suppliers. Any inability to achieve our objectives under our manufacturing-manufacturers to recall strategy could adversely impact the profitability of our products and for replacement of parts our or components that have demonstrated defects affecting safety ability to deliver desirable products to our consumers. We have instituted recalls for defective component parts produced by certain of our third-party suppliers, including recalls on third party supplied steering columns during fiscal year 2023 and fuel pumps during fiscal year 2019. None of our recalls have had a material adverse impact on us. Human Capital Management Employee Profile As of June 30, 2024, we had approximately 2,250 employees worldwide. None of our team members large-- are fixed-cost base-party to a collective bargaining agreement. We believe in working diligently to establish ourselves as an employer of choice. Talent Retention and Development We recognize employees are the heart of our organization and support them by offering a range of competitive pay, recognition and benefit programs. We provide market-competitive pay and benefits to encourage performance that creates sustainable and long-term employment. Additionally, we have numerous initiatives to support employee development, including annual performance evaluations and supervisor training programs, along with training programs for new employees (and those who are internally promoted) to learn new skills in boat production, such as gel coat application and fiberglass repair. We believe in internal promotion where possible and are committed to developing our current team members to become the next generation of leaders throughout the organization. Approximately 89 % of our production leaders are internal promotions. We provide tuition assistance programs and take advantage of leadership development where possible. We partner with several colleges and universities to hire students from across the country in our Engineering Internship Program and many come to work for us after attaining their degree. Employee Well-Being Safety is a core value of our organization and we are committed to fostering a culture where safety is a number one priority. The success of our business depends, in part, upon the prevention of accidents, the reduction and / or prevention of occupational injuries and illnesses, and compliance with established safety and health policies and requirements. Dependent upon job tasks, some personnel will be required to have OSHA training and / or documentation to satisfy job requirements. Workplace safety is a fundamental organization-wide value, and we are committed to running an efficient program. We remain focused on building a safer workplace for our employees and will continue to work toward an injury-free workplace through the implementation of training and other safety initiatives. Culture and Values Our mission statement is a formal summary of our core purpose and focus and clearly communicates who we are. Our mission is to create the ultimate on-the-water lifestyle. Our core values are the guiding principles that dictate how we make decisions and interact with each other daily. We are committed to our core values of Safety, Integrity, People, Quality, Innovation, Customer Focus, and Continuous Improvement. We design products that appeal to an expanding range of recreational boaters, fisherman and water sports enthusiasts whose passion for boating is a key component of their active lifestyle. With our many awards and honors, we cultivate a culture of excellence and premier boat building. We conducted our first annual engagement survey of all employees in 2023 and again in 2024 as an opportunity to gather feedback from employees on their experience and overall satisfaction to identify areas for organizational improvement. Outside of formal surveys, we

encourage employees to continuously share any comments, questions or concerns with our leadership team, which are addressed as needed by our executive team. Diversity and Inclusion We are committed to maintaining an employee-first culture. We are dedicated to protecting the well-being of our employees and creating a culture that promotes inclusivity, acceptance, equality and diversity. Our employees bring a blend of diverse backgrounds, and we promote an inclusive workforce and the opportunity for career growth for all employees. We seek to hire the best-qualified individuals and do not discriminate on the basis of race, creed, color, religion, national origin, citizenship status, age, disability, marital status, sexual orientation, gender, gender identity and similar classification. We continually evaluate our internal processes and programs to further build on our diverse, equitable and inclusive culture. We value our team and are committed to treating all employees with dignity and respect. Community Involvement We continually strive to make an impact on our local communities and serve them with gratitude. Each year, we partner with community organizations where our facilities are located and support local schools. In Tennessee, we have partnered with Toys for Tots, Angel Tree and local food banks to help families within the community during the holiday season. Our corporate sponsorship with the local Kiwanis Club has allowed us to give back to children with disabilities while also helping students prepare for the upcoming school year. We partner with the local Family Resources center each year to assist local students with cold-weather clothing fund and participate in additional local school initiatives to promote manufacturing trade jobs. In Kansas, we support our community through recreational leagues as well as donations to local foundations, events and school fundraisers, among other initiatives. In Florida, we give back to our local communities through the Treasure Coast Food Bank, Pet Food Drive for the Humane Society, Ready to Work Boot Camp, Everglades Foundation, Recreational Fishing Alliance and Coastal Conservation Association. Additionally, we are proud participants in and sponsors of the annual Making Strides Against Breast Cancer walk. We are proud of our partnerships with these outstanding organizations, and of the funds raised by our employees for children and families in the communities within which we operate. Organizational Structure Malibu Boats, Inc. was incorporated as a Delaware corporation on November 1, 2013 in anticipation of our IPO to serve as a holding company that owns only an interest in Malibu Boats Holdings, LLC. Immediately after the completion of our IPO and the recapitalization we completed in connection with our IPO, Malibu Boats, Inc. held approximately 49.3% of the economic interest in the LLC, which has since increased to approximately 98.4% of the economic interest in the LLC as of June 30, 2024. The certificate of incorporation of Malibu Boats, Inc. authorizes two classes of common stock, Class A Common Stock and Class B Common Stock. Holders of our Class A Common Stock and our Class B Common Stock have voting power over Malibu Boats, Inc., the sole managing member of the LLC, at a level that is consistent with their overall equity ownership of our business. In connection with our IPO and the recapitalization we completed in connection with our IPO, Malibu Boats, Inc. issued to each pre-IPO owner, for nominal consideration, one share of Class B Common Stock of Malibu Boats, Inc., each of which provides its owner with no economic rights but entitles the holder to one vote on matters presented to stockholders of Malibu Boats, Inc. for each LLC Unit held by such holder. Pursuant to our certificate of incorporation and bylaws, each share of Class A Common Stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of Class A Common Stock are entitled to vote. Each holder of Class B Common Stock is entitled to the number of votes equal to the total number of LLC units held by such holder multiplied by the exchange rate specified in the exchange agreement with respect to each matter presented to our stockholders on which the holders of Class B Common Stock are entitled to vote. Accordingly, the holders of LLC Units collectively have a number of votes that is equal to the aggregate number of LLC Units that they hold. As the LLC members sell LLC Units to us or subsequently exchange LLC Units for shares of Class A Common Stock of Malibu Boats, Inc. pursuant to the exchange agreement described below, the voting power afforded to them by their shares of Class B Common Stock is automatically and correspondingly reduced. Subject to any rights that may be applicable to any then outstanding preferred stock, our Class A and Class B Common Stock vote as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise provided in our certificate of incorporation or bylaws or required by applicable law. In addition, subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our Class A Common Stock are entitled to share equally, identically and ratably in any dividends or distributions (including in the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs) that our board of directors may determine to issue from time to time, while holders of our Class B Common Stock do not have any right to receive dividends or other distributions. As noted above, Malibu Boats, Inc. is a holding company with a controlling equity interest in the LLC. Malibu Boats, Inc., as sole managing member of the LLC, operates and controls all of the business and affairs and consolidates the financial results of the LLC. The limited liability company agreement of the LLC provides that it may be amended, supplemented, waived or modified by the written consent of Malibu Boats, Inc., as managing member of the LLC, in its sole discretion without the approval of any other holder of LLC Units, except that no amendment may materially and adversely affect the rights of a holder of LLC Units, other than on a pro rata basis with other holders of LLC Units, without the consent of such holder (unless more than one holder is so affected, then the consent of a majority of such affected holders is required). Pursuant to the limited liability company agreement of the LLC, Malibu Boats, Inc. has the right to determine when distributions (other than tax distributions) will be made to the members of the LLC and the amount of any such distributions. If Malibu Boats, Inc. authorizes a distribution, such distribution will be made to the members of the LLC (including Malibu Boats, Inc.) pro rata in accordance with the percentages of their respective LLC Units. The diagram below depicts our profitability-current organizational structure, as of June 30, 2024: Our organizational structure allows the LLC members to retain their equity ownership in the LLC, an entity that is classified as a partnership for U. S. federal income tax purposes, in the form of LLC Units. Holders of Class A Common Stock, by contrast, hold their equity ownership in

Malibu Boats, Inc., a Delaware corporation that is a domestic corporation for U. S. federal income tax purposes, in the form of shares of Class A Common Stock. The holders of LLC Units, including Malibu Boats, Inc., will incur U. S. federal, state and local income taxes on their proportionate share of any taxable income of the LLC. Net profits and net losses of the LLC will generally be allocated to the LLC's members (including Malibu Boats, Inc.) pro rata in accordance with the percentages of their respective limited liability company interests. The limited liability company agreement provides for cash distributions to the holders of LLC Units if Malibu Boats, Inc. determines that the taxable income of the LLC will give rise to taxable income for its members. In accordance with the limited liability company agreement, we intend to cause the LLC to make cash distributions to the holders of LLC Units for purposes of funding their tax obligations in respect of the income of the LLC that is allocated to them. Generally, these tax distributions will be computed based on our estimate of the taxable income of the LLC allocable to such holder of LLC Units multiplied by an assumed tax rate equal to the highest effective marginal combined U. S. federal, state and local income tax rate prescribed for an individual ~~our~~ or corporate resident in Los Angeles, California (taking into account the nondeductibility of certain expenses and the character of our income). For purposes of determining the taxable income of the LLC, such determination will be made by generally disregarding any adjustment to the taxable income of any member of the LLC that arises under the tax basis adjustment rules of the Internal Revenue Code of 1986, as amended, or the Code and is attributable to the acquisition by such member of an interest in the LLC in a ~~sales~~ sale or exchange transaction. Exchanges and Other Transactions with Holders of LLC Units In connection with our IPO and the recapitalization we completed in connection with our IPO, we entered into an exchange agreement with the pre-IPO owners of the LLC under which (subject to the terms of the exchange agreement) each pre-IPO owner (or its permitted transferee) has the right to exchange its LLC Units for shares of our Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications, or, at our option, except in the event of a change in control, for a cash payment equal to the market value of the Class A Common Stock. The exchange agreement provides, however, that such exchanges must be for a minimum of the lesser of 1,000 LLC Units, all of the LLC Units held by the holder, or such amount as we determine to be acceptable. The exchange agreement also provides that an LLC member will not have the right to exchange LLC Units if Malibu Boats, Inc. determines that such exchange would be prohibited by law or regulation or would violate other agreements with Malibu Boats, Inc. to which the LLC member may be subject or any of our written policies related to unlawful or insider trading. The exchange agreement also provides that Malibu Boats, Inc. may impose additional restrictions on exchanges that it determines to be necessary or advisable so that the LLC is not treated as a "publicly traded partnership" for U. S. federal income tax purposes. In addition, pursuant to the limited liability company agreement of the LLC, Malibu Boats, Inc., as managing member of the LLC, has the right to require all members of the LLC to exchange their LLC Units for Class A Common Stock in accordance with the terms of the exchange agreement, subject to the consent of the holders of a majority of outstanding LLC Units other than those held by Malibu Boats, Inc. As a result of exchanges of LLC Units into Class A Common Stock and purchases by Malibu Boats, Inc. of LLC Units from holders of LLC Units, Malibu Boats, Inc. will become entitled to a proportionate share of the existing tax basis of the assets of the LLC at the time of such exchanges or purchases. In addition, such exchanges and purchases of LLC Units are expected to result in increases in the tax basis of the assets of the LLC that otherwise would not have been available. These increases in tax basis may reduce the amount of tax that Malibu Boats, Inc. would otherwise be required to pay in the future. These increases in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets. We have entered into a tax receivable agreement with the pre-IPO owners (or their permitted assignees) that provides for the payment by Malibu Boats, Inc. to the pre-IPO owners (or their permitted assignees) of 85% of the amount of the benefits, if any, that Malibu Boats, Inc. is deemed to realize as a result of (1) increases in tax basis and (2) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. These payment obligations are obligations of Malibu Boats, Inc. and not of the LLC. Available Information Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act are available on our web site at [www.malibuboats.com](http://www.malibuboats.com), free of charge, as soon as reasonably practicable after the electronic filing of these reports with, or furnishing of these reports to, the Securities and Exchange Commission, or the SEC. In addition, the SEC maintains a web site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us. Item 1A. Risk Factors The following describes the risks and uncertainties that could cause our actual results to differ materially from those presented in our forward-looking statements. The risks and uncertainties described below are not the only ones we face but do represent those risks and uncertainties that we believe are material to us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business. The fixed cost levels of operating a recreational powerboat manufacturer can put pressure on profit margins when sales and production decline. Our profitability depends, in part, on our ability to spread fixed costs over a sufficiently large number of products sold and shipped, and if we make a decision to reduce our rate of production or otherwise experience lower revenues, gross or net margins could will be negatively affected. For instance, our consolidated net sales decreased by 40.3% for fiscal year 2024 compared to fiscal year 2023 while our expenses only decreased by 34.2% during the same period. As a result, our gross margin decreased from 25.3% for fiscal year 2023 to 17.7% for fiscal year 2024 and our net income decreased from \$ 107.9 million for fiscal year 2023 to a \$ 56.4 million net loss for fiscal year 2024. Consequently, decreased demand or the need to reduce production can lower our ability to absorb fixed costs and materially impact our financial condition or

results of operations. Our manufacturing strategy is designed to produce high quality products, while reducing costs and increasing flexibility to respond to ongoing changes in the marketplace. To implement this strategy, we must be successful in our continuous improvement efforts, which depend on the involvement of management, production employees and suppliers. Any inability to achieve our objectives under our manufacturing strategy could adversely impact the profitability of our products and our ability to deliver desirable products to our consumers. In addition, we have made strategic capital investments in capacity expansion activities to successfully capture growth opportunities and enhance product offerings, including plant expansions. For example, we recently purchased a production facility in Roane County, Tennessee and moved production of certain models of our Cobalt boats from Kansas to Tennessee. Moving production to a different plant and expanding capacity at an existing facility involves risks, including difficulties initiating production within the cost and timeframe estimated, supplying product to customers when expected, integrating new products, and attracting sufficient skilled labor to handle additional production demands. If we fail to meet these objectives, it could adversely affect our ability to meet customer demand for products and increase the cost of production versus projections, both of which could result in a significant adverse impact on our operating and financial results. Additionally, plant expansion can result in manufacturing inefficiencies, additional expenses, including higher wages or severance costs, and cost inefficiencies, which could negatively impact financial results. We forecast demand for our products to manage our production of boats. In forecasting demand and setting production levels, we consider dealer inventory levels and anticipated consumer demand. In addition to the seasonal nature of our business, demand for our products can fluctuate due to the impacts of macroeconomic conditions on dealers and consumers, such as increased interest rates and inflation. Our forecasting also considers possible production delays that could result from supply chain disruptions, adverse weather events and labor shortages, among other factors. Consequently, forecasting future demand for our products can be challenging due to the many uncertainties that could impact expected dealer and consumer demand or create unanticipated production delays. If we are not able to forecast accurately and must change production levels quickly, our business may be adversely affected by impacted. For instance, if we need to increase production of boats because we underestimated demand or our third-party suffered unanticipated production delays, our suppliers<sup>2</sup> may not be able to deliver sufficient quantities of parts and components to match our increased costs or inability to meet required production levels due and we may not be able to changing recruit or maintain sufficient skilled labor to meet our increased production needs. As a result, our dealers may experience inventory shortages while we work to replenish inventory levels, resulting in missed sales and / or lost revenues. Alternatively, if we overestimate demand and or our global supply chain disruptions dealers reduce their inventories in response to weakness in retail demand, we could be required to reduce our production, resulting in lower rates of absorption of fixed costs in our manufacturing and therefore lower margins. Additionally, if we overestimate demand, our dealers will incur additional costs as a result of increased promotional activities to sell their inventory. We rely on a global supply chain of third parties to supply raw materials used in our manufacturing process, including resins, fiberglass, and vinyl, as well as parts and components. The prices for these raw materials, parts, and components fluctuate depending on market conditions and, in some instances, commodity prices or trade policies, including tariffs. Substantial increases in the prices of raw materials, parts, and components would increase our operating costs, and could reduce our profitability if we are unable to recoup the increased costs through higher product prices or improved operating efficiencies. For instance, during fiscal year 2024, we experienced rising prices for our suppliers, in part due to inflationary pressures and rising interest rates. Our profitability in recent years has been, and in the future may be, affected by significant fluctuations in the prices of the raw materials and commodities that we use in our products and in the cost of freight and shipping of source materials, commodities, and other component parts necessary to assemble our products. Our ability to maintain production is dependent upon our suppliers delivering sufficient amounts of components, raw materials and parts on time to manufacture our products and meet our production schedules. Supply chain disruptions could occur for any number of factors, including facility closures due to labor disruptions, weather events, natural disasters, cyber intrusions, the occurrence of a contagious disease or illness, such as COVID-19, contractual or other disputes, unfavorable economic or industry conditions, political instability, global conflicts, delivery delays, performance problems, or financial difficulties of suppliers. These events could disrupt our suppliers' operations and lead to uncertainty in our supply chain or cause supply disruptions for us, which could, in turn, disrupt our operations. For example, we have experienced supply chain disruptions from beginning in fiscal year 2020 through first half of fiscal 2023, related to numerous factors, including the COVID-19 pandemic, severe weather events, labor shortages, ongoing domestic logistical constraints, and West Coast port challenges and rising. Also, decisions by our suppliers to decrease production of their components or parts, production delays of such suppliers, work stoppages by the employees of such suppliers, or prices— price increases could also have a material adverse effect on our ability to produce our products and ultimately, on our results of operations, financial condition, and cash flows. For example, in fiscal year 2020 we experienced interruption to our engine supply as a result of the United Auto Workers' strike against General Motors. During the UAW strike, General Motors suspended delivery of engine blocks to us and we incurred \$ 2. 6 million in costs by entering into purchase agreements with two suppliers for additional engines our suppliers, in part due to inflationary pressures supplement our inventory of engine blocks for Malibu and Axis boats. In some instances, we purchase components, raw materials and parts that are ultimately derived from a single source or geographic area or a limited number of suppliers and we may therefore be at an increased risk for supply disruptions. It may be difficult to find a replacement supplier for a limited or sole source raw material, part, or component without significant delay or on commercially reasonable terms, and as a result, an exclusive supplier of a key component could potentially exert significant bargaining power over price, quality, warranty claims, or other terms. Some components used in our manufacturing processes, including engines, boat windshields, certain electrical components and gel coats are available from a sole supplier or a limited number of suppliers. We currently purchase engines from General Motors

LLC, or General Motors, that we then prepare for marine use for certain Malibu, Axis and Cobalt boats, and we. **Our agreement with General Motors will continue through model year 2026. We** purchase outboard engines from Yamaha Motor Corporation, U. S. A., or Yamaha, for a significant percentage of our Cobalt, Pursuit and Maverick Boats Group branded boats that are pre-rigged for outboard motors. **Our agreement with Yamaha is scheduled to expire on June 30, 2027.** We had also purchase inboard engines from Volvo. We have agreements with Yamaha for the supply of outboard motors that expired ~~on June 30, 2023~~ **expires** on June 30, 2027. We are in discussions with Yamaha to extend those agreements and Yamaha has continued to supply outboard motors to us since those agreements expired. If we are required to replace either General Motors or, Yamaha or Volvo as an engine supplier for any reason, it could cause a decrease in boats available for sale or an increase in our cost of sales, either of which could adversely affect our business, financial condition and results of operations. In fiscal year 2020 we experienced interruption to our engine supply as a result of the United Auto Workers' strike against General Motors. During the UAW strike, General Motors suspended delivery of engine blocks to us and we incurred \$2.6 million in costs by entering into purchase agreements with two suppliers for additional engines to supplement our inventory of engine blocks for Malibu and Axis boats. Termination or interruption of informal supply arrangements could have a material adverse effect on our business or results of operations. Historically, we have not entered into long-term agreements with suppliers of our raw materials and components other than for our engines and, outboard **motors and inboard** motors. Instead, we have informal supply arrangements with many of our suppliers of components, raw materials and parts. In the event of a termination of the supply arrangement, there can be no assurance that alternate supply arrangements will be made on satisfactory terms. If we need to enter into supply arrangements on unsatisfactory terms, or if there are any delays to our supply arrangements, it could adversely affect our business and operating results. **Our ability to meet Climatic events in the areas where we operate have caused, and future climatic events may cause, disruptions and in some cases delays** our or suspensions in manufacturing workforce's needs is crucial to our results of operations and future sales and profitability that may adversely impact our business. We rely on the **continuous operation of our facilities in Tennessee, Florida, Kansas, California, and Australia.** Any natural or environmental disaster to our facilities due to fire, flood, hurricanes, earthquake, or other severe climatic events could adversely affect our business, financial condition and results of operations. For example, we have plants located in regions of the United States, such as Florida and Kansas, that have been and may be exposed to extreme weather, such as tropical storms, hurricanes, and tornadoes. An increased frequency and / or severity of storms, hurricanes, or tornadoes could impair our ability to operate by severely damaging our facilities and restricting our ability to deliver products to our customers. The occurrence of any disruption at any of our facilities, even for a short period of time, may have an adverse effect on our productivity and profitability, during and after the period of the disruption, including by causing delays in receiving supplies from our vendors and creating logistical challenges for delivery of our product to our dealers and customers. These disruptions may also cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental damage. Although we maintain property, casualty and business interruption insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential natural disasters or other disruptions to our facilities. We rely on the existence of **an a sufficient** available hourly workforce to manufacture our boats. We **may not** cannot assure you that we will be able to attract and retain qualified employees to meet current or future manufacturing needs at a reasonable cost, or at all. For instance, even when there are high unemployment rates in the regions where we have manufacturing facilities, we have had difficulty retaining skilled employees and could experience such difficulties in the future. Although none of our employees are currently covered by collective bargaining agreements, we cannot **there can be no** assure **assurance** you that our employees will not elect to be represented by labor unions in the future. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. Significant increases in manufacturing workforce costs could materially adversely affect our business, financial condition or results of operations. The nature of our business exposes us to workers' compensation claims and other workplace liabilities. Certain materials that we use require our employees to handle potentially hazardous or toxic substances. While our employees who handle these and other potentially hazardous or toxic materials receive specialized training and wear protective clothing, there is still a risk that they, or others, may be exposed to these substances. Exposure to these substances could result in significant injury to our employees and damage to our property or the property of others, including natural resource damage. Our personnel are also at risk for other workplace-related injuries. We have in the past been, and may in the future be, subject to fines, penalties, and other liabilities in connection with any such injury or damage. While we have implemented safety precautions at our facilities to mitigate contagious diseases, such as a pandemic, we may also be subject to possible lawsuits or regulatory actions or suffer from reputational risk if we experience spread in our workplace. We may be unable to maintain insurance for these potential liabilities on acceptable terms or such insurance may not provide adequate protection against potential liabilities. **We have grown Our success depends in significant part upon the continued service of our senior management and our continuing ability to attract, assimilate, and retain highly qualified and skilled managerial, product development, manufacturing, marketing and other personnel. The loss of services of any members of our senior management or key personnel or the inability to hire or retain qualified personnel in the future could adversely affect our business through acquisitions; however we, financial condition, and results of operations. Management transition may not also create uncertainty among employees, suppliers and customers or impact public or market perception, any of which could negatively impact our ability to operate effectively or execute on our strategies and result in an adverse impact on our business. In particular, our future success will depend, in part, on the effectiveness of the transition to our new Chief Executive Officer, Mr. Menneto, who will be successful critical in completing future acquisitions executing on and achieving or our integrating vision, strategic direction, future culture and products** acquisitions in a way that fully realizes their expected benefits to our business. A key part of our growth strategy, as shown by our acquisition of Maverick Boat Group in 2020, Pursuit in 2018, and Cobalt in 2017 and our Australian licensee in

2014, has been to acquire other companies that expand our consumer base, enter new product categories or obtain other competitive advantages. We expect to continue to acquire companies as an element of our growth strategy; however, we may not be able to identify future acquisition candidates or strategic partners as part of our growth strategy that are suitable to our business, or we may not be able to obtain financing on satisfactory terms to complete such acquisitions. Acquisitions include a number of risks, including our ability to project and evaluate market demand, realize potential synergies and cost savings, and make accurate accounting estimates, as well as diversion of management attention. Uncertainties exist in assessing the value, risks, profitability, and liabilities associated with certain companies or assets, negotiating acceptable terms, obtaining financing on acceptable terms, and receiving any necessary regulatory approvals. As we continue to grow, in part, through acquisitions, our success depends on our ability to anticipate and effectively manage these risks. Our failure to successfully do so could have a material adverse effect on our financial condition and results of operations. **For example, we determined that our estimated fair value for the Maverick Boat Group reporting unit was less than its carrying value as of March 31, 2024 and we recognized an impairment charge of \$ 88.4 million for the three months ended March 31, 2024 related to our Maverick Boat Group reporting unit.** Further, our inability to successfully integrate future acquisitions within the intended time frames or at all could impede us from realizing all of the benefits of those acquisitions and could severely weaken our business operations. The integration process with any acquisition may disrupt our business and, if implemented ineffectively, may preclude realization of the full benefits expected by us and could harm our results of operations. In addition, the overall integration of the combining companies may result in unanticipated problems, expenses, liabilities and competitive responses and may cause our stock price to decline. Even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings or growth opportunities that we expect. Our growth strategy ~~may require us to secure significant additional capital, the amount of which will depend upon the size, timing, and structure of future acquisitions or vertical integrations and our working capital and general corporate needs.~~ Our growth strategy includes the possible acquisition of other businesses, ~~such as our acquisitions of Cobalt, Pursuit and Maverick Boat Group,~~ and the potential integration of new product lines or related products to our boats, such as our initiatives to integrate the production of engines and trailers for our Malibu and Axis models, our Monsoon engines into some of our Cobalt models and our new Tooling Design Center. These actions may require us to secure significant additional capital through the borrowing of money or the issuance of equity. Any borrowings made to finance future strategic initiatives could make us more vulnerable to a downturn in our operating results, a downturn in economic conditions, or increases in interest rates on borrowings that are subject to interest rate fluctuations. If our cash flow from operations is insufficient to meet our debt service requirements, we could then 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 acceptable to us. The failure to obtain sufficient financing on favorable terms and conditions could have a material adverse effect on our growth prospects. Further, we could choose to finance acquisitions or other strategic initiatives, in whole or in part through the issuance of our Class A Common Stock or securities convertible into or exercisable for our Class A Common Stock. If we do so, existing stockholders will experience dilution in the voting power of their Class A Common Stock and earnings per share could be negatively impacted. The extent to which we will be able and willing to use our Class A Common Stock for acquisitions and other strategic initiatives will depend on the market value of our Class A Common Stock and the willingness of potential third parties to accept our Class A Common Stock as full or partial consideration. Our inability to use our Class A Common Stock as consideration, to generate cash from operations, or to obtain additional funding through debt or equity financings in order to pursue our strategic initiatives could materially limit our growth. **Market acceptance** of our products depends on our technological innovation and our ability to implement technology in our boats. Our failure to introduce new technologies and product offerings that our ~~markets~~ **customers** desire could adversely affect our business, financial condition and results of operations. Also, we believe ~~that~~ **that** we have been able to achieve higher margins in part as a result of the introduction of new features or enhancements to our existing boat models. If we fail to introduce new features or those we introduce fail to gain market acceptance, our margins may suffer. In addition, some of our direct competitors and indirect competitors may have significantly more resources to develop and patent new technologies. ~~Our~~ **It is possible that our** ~~competitors will have developed~~ **developed** and ~~patent patented similar~~ **equivalent or superior** technologies and other products that compete with ours. We cannot be certain that our products or technologies have not infringed or will not infringe on the proprietary rights of others, including our competitors. They may assert these patents against us and we may be required to license these patents on unfavorable terms or cease using the technology covered by these patents, either of which would harm our competitive position and may materially adversely **affect our business**. Our reliance upon patents, trademark laws and contractual provisions to protect our proprietary rights may not be sufficient to protect our intellectual property from others who may sell similar products and may lead to costly litigation. We have in the past, and may be in the future, party to lawsuits and other intellectual property rights claims that are expensive and time-consuming. We hold patents and trademarks relating to various aspects of our products and believe that proprietary technical know-how is important to our business. Proprietary rights relating to our products are protected from unauthorized use by third parties only to the extent that they are covered by valid and enforceable patents or trademarks or are maintained in confidence as trade secrets. We cannot be certain that we will be issued any patents from any pending or future patent applications owned by or licensed to us or that the claims allowed under any issued patents will be sufficiently broad to protect our technology. In the absence of enforceable patent or trademark protection, we may be vulnerable to competitors who attempt to copy our products, gain access to our trade secrets and know-how or diminish our brand through unauthorized use of our trademarks, all of which could adversely affect our business. Accordingly, we may need to engage in future litigation to enforce intellectual property rights, to protect trade secrets or to determine the validity and scope of proprietary rights of others. We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and

other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. We cannot assure you that these agreements will provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, we could be materially adversely affected. In addition, others may initiate litigation or other proceedings to challenge the validity of our patents, or allege that we infringe their patents, or they may use their resources to design comparable products that do not infringe our patents. We may incur substantial costs if our competitors initiate litigation to challenge the validity of our patents, or allege that we infringe their patents, or if we initiate any proceedings to protect our proprietary rights. If the outcome of any litigation challenging our patents is unfavorable to us, our business, financial condition and results of operations could be adversely affected. We **and the third parties with whom we work** are subject to stringent and evolving U. S. and foreign laws, regulations, rules, **and rules**, contractual obligations, **industry standards**, policies and other obligations related to data privacy and security. Our **(or the third parties with whom we work)** actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; **loss of customers or sales** and other adverse business consequences. In the ordinary course of business, we **collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process)** personal data and other sensitive information, **including proprietary and confidential business data, trade secrets, intellectual property, and sensitive third- party data (collectively, sensitive information)**. Our data processing activities subject us to numerous data privacy and security obligations, **such as** which arise out of various laws, regulations, guidance, industry standards, **representations made in external and internal** privacy and security policies, **marketing materials and other statements**, contractual requirements, and other obligations relating to data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws **that are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty**, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). **In the past few years, numerous U. S. states — including California, Virginia, Colorado, Connecticut, and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance.** For example, the California Consumer Privacy Act of 2018, **as amended by the California Privacy Rights Act of 2020 (collectively, “CCPA”)**, applies to personal **information data** of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for **administrative** fines of up to \$ 7, 500 per **intentional** violation and allows private litigants affected by certain data breaches to recover significant statutory damages. **Other states have also passed comprehensive privacy laws, and similar** Similar laws are being considered in several other **jurisdictions states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future**. Outside the United States, an increasing number of laws, regulations, and industry standards **may** govern data privacy and security. For example, **under the** European Union’s General Data Protection Regulation (“EU GDPR”), **the United Kingdom’s GDPR (“UK GDPR”) (collectively, “GDPR”), and Australia’s Privacy Act impose strict requirements for processing personal data. For example, under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17. 5 million pounds sterling under the UK GDPR or, in each case, 4 % of annual global revenue, whichever is greater.** **In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA standard contractual clauses, the UK’s International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally- compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently**

cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. For example, some of our data processing practices may be challenged under wiretapping laws, if we obtain consumer information from third parties through various methods, including chatbot and session replay providers, or via third-party marketing pixels. These practices may be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands. In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and, we are, or may become subject to such obligations in the future. For example, we are / may be subject to the Payment Card Industry Data Security Standard ("PCI DSS"). The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with PCI-DSS can result in penalties ranging from \$ 5, 000 to \$ 100, 000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties ~~on~~ with whom we rely work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans or restrictions on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations. If our business operations could be negatively impacted by an outage or breach of our information technology systems or those of third parties with whom we work or our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operational operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences. In the ordinary course of our business, we and the third parties with whom we work, process sensitive information. Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems (or, and those of the third parties upon which with whom we rely work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), our sensitive data sophisticated nation states, or a cybersecurity event. We manage our business operations through a variety of information technology (IT) and nation-state-supported actors operational technology systems ("IT-Systems"). Some actors now engage We depend on these systems for commercial transactions, customer interactions, manufacturing, branding, employee tracking, processing sensitive data and other applications. New system implementations are expected to continue to engage in cyber-attacks, across the enterprise also pose risks including without limitation those nation-state actors for geopolitical reasons and in connection-conjunction with military conflicts future or past business transactions, to our IT systems, including risks of outages or disruptions, which could affect our suppliers, commercial operations, and customers-defense activities. During times We continue to upgrade, streamline, and integrate these systems but, like those of war and other companies major conflicts, we our systems and data, and those of the third parties with whom we work rely on, and our customers, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our products. We and the third parties with whom we work are susceptible-subject to outages due to natural disasters-a variety of evolving threats, power loss-including but not limited to social-engineering attacks (including through deep fakes, computer which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses, and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, security breaches-software bugs, server malfunctions, software or hardware failures or software vulnerabilities, disruptions-loss of data or other information technology assets, adware, telecommunications failures, attacks enhanced or facilitated by AI, and other similar events-threats. In particular, severe ransomware attacks are becoming increasingly prevalent-particularly

for companies like ours that are engaged in critical infrastructure or manufacturing – and can lead to significant interruptions in our operations (including without limitation, ability to provide our products manufacturing, marketing and financial operations), loss of sensitive information data, revenue and income loss, reputational harm and loss of customers, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. We exchange information. It may be difficult and / or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect many trading partners across all aspects of our commercial operations through our IT systems. A breakdown, outage investigate, mitigate malicious intrusion, breach contain, and remediate a security incident random attack, or other disruption of communications could result in erroneous outages, data losses, and disruptions of or our fraudulent business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as disclosure of confidential or our other systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. We rely on third parties to operate critical business systems to process sensitive information, loss in a variety of contexts reputation and confidence, including, without limitation, commercial transactions, customer interactions, manufacturing, branding, employee tracking, and other functions. We also rely on third parties to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not also result in legal claims or proceedings, penalties, and remediation costs. We have adequate information security measures in place. If the third parties with whom we work experience cyber a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply- chain attacks have increased in frequency and severity and but to our knowledge, we cannot guarantee that third parties' infrastructure in our supply chain or that of the third parties with whom we work have not been compromised experienced any material disruptions or breaches of our information technology systems or connected products. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and / or software, but including that of third parties with whom we work). We may not be able to, however, detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities including on could be exploited but may not be detected until after a timely basis security incident has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures and patches designed to address any such identified vulnerabilities. Vulnerabilities could be exploited Threats of system related events and result in a security incident. Any breaches are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of the previously identified or similar sources, including traditional computer "hackers," threat threats actors, "hacktivists," organized criminal could cause a security incident or other interruption threat-- that actors could result in unauthorized, personnel unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties with whom we work. A security incident or other interruption could disrupt our ability ( and that of third parties with whom we work) to provide our products. Additionally, if we experience a security incident impacting the electronic components embedded into our products, such as through theft-- the or misuse), sophisticated nation navigation states, and nation-state-supported actors. If our or operating systems, this could prevent or cause customers to stop using our products, deter new customers from using our products, adversely affect the reputation of our business, or cause us to experience other similar harms. We may expend significant resources or modify our business activities to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures are breached or industry- standard or reasonable security measures to protect or our fail, unauthorized persons information technology systems and sensitive information. Applicable data privacy and security obligations may require us be able to obtain access to or acquire personal or other confidential data, or we may need voluntarily choose, to temporarily suspend production or operations in order to restore notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security. Depending on incidents, or to take the other nature of actions, such as providing credit monitoring and identity the theft information compromised protection services. Such disclosures and related actions can be costly, and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences. If we (or a third party with whom we work) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences also have obligations to notify consumers and / or employees about the incident, and we may need to provide some form of remedy, such as government enforcement actions ( a subscription to a credit monitoring service, for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and the other individuals affected by the similar harms. Security incident incidents. This could and attendant consequences may prevent or cause customers to stop using our products, deter new customers from using our products,

and negatively impact affect our relationships with customers or our ability trading partners, lead to grow potential claims against us, and operate damage our image and reputation. Moreover, the amount and scope of insurance we maintain against losses resulting from any such events or security breaches may not be sufficient to cover our losses or otherwise adequately compensate us for any disruptions to our businesses that may result, and the occurrence of any such events or security breaches could have a material adverse effect on our business and results of operations. Our Additionally, our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure have started the design and implementation of a new enterprise resource planning (ERP) system and if we are not able to successfully develop and manage that implementation, it could adversely affect our business or our insurance coverage results of operations. We have begun the process of designing and implementing a new ERP system. This project will require significant capital and human resources, the re-engineering of many processes of our business, and the attention of our management and other personnel who would otherwise be focused on other aspects of our business. The implementation may be more expensive and take longer to fully implement than we originally plan, resulting in increased capital investment, higher fees and expenses of third parties, delayed deployment scheduling, and more on-going maintenance expense once implemented, and, as such, it will be difficult adequate for or sufficient to protect us from to estimate the ultimate costs and schedules. If for or any reason portions to mitigate liabilities arising out of the implementation are not successful our privacy and security practices, we could that such coverage will continue to be required to expense rather available on commercially reasonable terms or at all, or than that capitalize related amounts such coverage will pay future claims. Our operations and sales in international markets require significant management attention, expose us to difficulties presented by international economic, political, legal and business factors, and may not be successful or produce desired levels of sales and profitability. We currently sell our products throughout the world and we manufacture boats internationally in Australia. Several factors, including weakened international economic conditions and the strength of the U. S. dollar, could adversely affect our international operation and growth. Expansion in our existing international operations markets and entry into new international markets require significant management attention. Some of the countries in which we market and our distributors sell our products are, to some degree, subject to political, economic or social instability. Our international operations expose us and our representatives, agents and distributors to risks inherent in operating in foreign jurisdictions. Doing business on a worldwide basis also requires us to comply with the laws and regulations of various foreign jurisdictions. These laws and regulations place restrictions on our operations, trade practices, partners and investment decisions. In particular, our operations are subject to U. S. and foreign anti-corruption and trade control laws and regulations, such as the FCPA, export controls and economic sanctions programs, including those administered by the U. S. Treasury Department's Office of Foreign Assets Control, or the OFAC. As a result of doing business in foreign countries and with foreign partners, we are exposed to a heightened risk of violating anti-corruption and trade control laws and sanctions regulations. Actual Catastrophic events, including natural or environmental disasters potential public health emergencies, epidemics, or pandemics, such as the COVID-19 pandemic, or other disruptions at our facilities could adversely affect our business, financial condition and results of operations. We rely on the continuous operation of our facilities in Tennessee, Florida, Kansas, California, Alabama, and Australia. Any natural or environmental disaster, pandemic or other serious disruption to our facilities due to fire, flood, earthquake, acts of terrorism, civil insurrection or social unrest or any other unforeseen circumstances could adversely affect our business, financial condition and results of operations. For example, as a result of the COVID-19 pandemic, we experienced a temporary shutdown of our facilities, which negatively impacted our net sales and production levels and created supply chain disruptions, which led to lower inventory levels at our dealers for a period of time. If there is a disruption in our business it could result in a reduction of production and cause delays in our ability to meet consumer demand or receive supplies from our vendors. We cannot assure you that we will not have to suspend our operations again, whether voluntarily or as a material result of federal, state or local mandates, and such closures could extend for a longer term than the prior shutdown of our facilities relating to COVID-19. Changes in climate could also adversely affect our operations by limiting or increasing the costs associated with equipment or fuel supplies. In addition, adverse weather conditions, such as increased frequency and/or severity of storms, or floods could impair our ability to operate by damaging our facilities and equipment or restricting product delivery to customers. The occurrence of any disruption at our facilities, even for a short period of time, may have an adverse effect on our business productivity and profitability, results during and after the period of the disruption operations, or financial condition. These The impact of actual or potential public health emergencies, epidemics, or pandemics on us, our suppliers, dealers, and consumers, and the general economy could be wide-ranging and significant, depending on the nature of the issue, governmental actions taken in response, and the public reaction. The impact of such events could include employee illness, quarantines, cancellation of events and travel, business and school shutdowns, reduction in economic activity, widespread unemployment, and supply chain interruptions, which collectively could cause significant disruptions may also cause personal injury and loss of life, severe damage to global economies or destruction of property and equipment and environmental damage. Although we maintain property, casualty and business interruption insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential natural disasters or other disruptions to our facilities. Increases in income tax rates or changes in income tax laws or enforcement could have a material adverse impact on our financial markets results. Changes in domestic and international tax legislation could expose us to additional tax liability and could impact the amount of our tax receivable agreement liability. For example, in August 2022, the U. S. Congress passed the Inflation Reduction Act of 2022. The key tax provisions applicable to us include a 1% excise tax on stock repurchases effective January 1, 2023. We currently do not expect these changes to have a material impact on our financial position; however, we will continue to evaluate the impact as further information becomes available. Although we monitor changes in tax laws and work to mitigate the impact of proposed changes, such changes may negatively impact our financial results. Expected changes in current

tax law beyond fiscal 2023 could impact our financial results in a material way. In addition, any these events could result in future significant volatility in demand, positively or negatively, for our products. Demand volatility may be caused by, among other things: the temporary inability of consumers to purchase our products due to illness, quarantine, or other travel restrictions; dealership closures due to illness or government restrictions; a reduction in boating activity as a result of governmental actions or self-quarantine measures; shifts in demand away from discretionary products; and reduced options for marketing and promotion of products. If such events occur over a prolonged period, they could increase in individual income tax rates would negatively affect our costs potential consumers' discretionary income and could decrease the demand **difficulty of operating our business, including accurately planning and forecasting** for our **operations** products. We depend on key personnel and we **inventory levels, which** may not be able to retain them or to attract, assimilate, and retain highly qualified employees in the future. Our future success will depend in significant part upon the continued service of our senior management and our continuing ability to attract, assimilate, and retain highly qualified and skilled managerial, product development, manufacturing, and marketing and other personnel. The loss of services of any members of our senior management or key personnel or the inability to hire or retain qualified personnel in the future could adversely affect **impact** our business, financial condition, and results of operations. For instance, we are currently conducting a search process to identify and appoint a new permanent Chief Financial Officer. If we are unable to attract and retain a qualified candidate to become our Chief Financial Officer, it could have an adverse impact on our business, including impacting our ability to meet financial and operation goals and implementing our strategic plans. **Risks Related to Our Markets and the Recreational Powerboat Industry**

Weak general economic conditions, particularly in the United States, can negatively impact our industry, demand for our products, and our business and results of operations. Demand for new recreational powerboats can be negatively influenced by weak economic conditions, low consumer confidence and high unemployment, especially in the United States, and by increased market volatility worldwide. In times of economic uncertainty and contraction, consumers tend to have less discretionary income and defer or avoid expenditures for discretionary items, such as boats. Sales of our products are highly sensitive to personal discretionary spending levels, and our success depends on general economic conditions and overall consumer confidence and personal income levels, especially in the United States and in the specific regional markets where we sell our products. Any deterioration in general economic conditions that diminishes consumer confidence or discretionary income is likely to reduce our sales and adversely affect our business, financial condition and results of operations. In addition, fiscal and monetary policy could have a material adverse impact on worldwide economic conditions, the financial markets, and availability of credit and, consequently, may negatively affect our industry, businesses, and overall financial condition. Consumers often finance purchases of our boats, and as interest rates rise, **as they have over the last few years,** the cost of financing the purchase also increases. If credit conditions worsen, and adversely affect the ability of consumers to finance potential purchases at acceptable terms and interest rates, it could result in a decrease in sales or delay improvement in sales of our products. **If we are unable to continue..... impaired, could adversely affect our sales.** We believe that our brands are significant contributors to the success of our business and that maintaining and enhancing our brands are important to expanding our consumer and dealer base. The value of our brands is based in large part on perceptions and opinions, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of our company. It may be difficult to control negative publicity, regardless of whether it is accurate. Negative incidents, such as quality and safety concerns, product recalls, severe incidents or injuries related to our products or actions, or statements or actions of our employees or dealers or the athletes associated with our products, could lead to tangible adverse effects on our business, including lost sales or employee retention and recruiting difficulties. Also, public concerns about the environmental impact of our products, **or our environmental, social and governance practices generally,** could result in diminished public perception of our brands. **Government, media, or activist pressure to limit emissions could also negatively impact consumers' perceptions of our boats. Any decline in the public acceptance of our boats could negatively impact their sales or lead to changes in laws, rules and regulations that prevent access to certain locations or restrict use or manner of use in certain areas or during certain times, which could also negatively impact sales.** If the popularity of the sports and activities for which we design, manufacture and sell our boats were to decrease as a result of these risks or any negative publicity, sales of our products could decrease, which could have an adverse effect on our net revenue, profitability and operating results. **Our** **During fiscal year 2024, Tommy' s Boats filed for bankruptcy protection and is in the process of liquidating its inventory. As of August 29, 2024, we believe fewer than 280 of our new model year 2023 and 2024 boats were in the inventory of Tommy' s Boats, of which we repurchased 19 units totaling \$ 2. 5 million that were subject to our repurchase agreement with M & T Bank. With respect to boats not subject to the repurchase agreement, the bankruptcy trustee has retained Gordon Brothers to sell the remaining inventory as part of liquidation** sales may be adversely impacted that are ongoing. We have been in discussions with the trustee regarding the inventory being liquidated. **If the boats previously held by Tommy' s increased consumer preference for used boats** **Boats are sold at prices significantly below market value or the in a manner that creates excess supply of new boats by competitors in excess a short period of demand time, it could have an adverse impact on our brands and create a downward pressure on our selling prices.** In the past, **and during this recent economic cycle**, we have observed a shift in consumer demand toward purchasing more used boats during economic downturns, primarily because prices for used boats are typically lower than retail prices for new boats. If consumer demand shifts toward purchasing more used boats, it could have the effect of reducing demand among retail purchasers for our new boats. Also, while we have taken steps designed to balance production volumes for our boats with demand, our competitors could choose to reduce the price of their products, which could have the effect of reducing demand for our new boats. **In addition, a shift from traditional fuel- powered boats to electric boats, alternative fuel- powered boats, or other technologies could reduce demand for our boats.** Reduced demand for new boats could lead to reduced sales by us, which could adversely affect our business, results of operations or financial condition. An increase in **Prices for crude oil, natural gas and other energy supplies have been increasing** and **have been subject to**

high volatility, including as a result of geopolitical factors or otherwise. Further, the global clean energy movement may also reduce the availability of fossil fuel fuels, which may in turn cause increases to energy costs may adversely affect our business, financial condition and results of operations. Higher energy costs result in increases in operating expenses at our manufacturing facility facilities and in the expense of shipping products to our dealers. In addition, increases in energy costs may adversely affect the pricing and availability of petroleum based raw materials, such as resins and foams, that are used in our products. Higher fuel prices may also have an adverse effect on demand for our boats, as they increase the operating cost costs of associated with boat ownership and possibly affect product use. Retail demand for our boats is seasonal and unfavorable weather conditions just before and during spring and summer can have a negative effect on our revenues. Adverse weather conditions in any year in any particular geographic region may adversely affect sales in that region, especially during the peak boating season. Sales of our products are generally stronger just before and during spring and summer, which represent the peak boating months in most of our markets, and favorable weather during these months generally has a positive effect on consumer demand. Conversely, unseasonably cool weather, excessive rainfall, reduced rainfall levels, or drought conditions during these periods may close area boating locations or render boating dangerous or inconvenient, thereby generally reducing consumer demand for our products. Our annual results would be materially and adversely affected if our net sales were to fall below expected seasonal levels during these periods. We may also experience more pronounced seasonal fluctuation in net sales in the future as we continue to expand our businesses. Additionally, to the extent that unfavorable weather conditions are exacerbated by global climate change or otherwise, our sales may be affected to a greater degree than we have previously experienced. There can be no assurance that weather conditions will not have a material effect on the sales of any of our products. Our industry is characterized by intense competition, which affects our sales and profits. The recreational powerboat industry, and in particular the performance sport boat category, is highly competitive for consumers and dealers. Competition affects our ability to succeed in the markets we currently serve, including the saltwater outboard fishing boat market that we recently entered with our acquisitions of Pursuit and Maverick Boat Group, and new markets that we may enter in the future. Competition is based primarily on brand name, price, product selection and product performance. We compete with several large manufacturers that may have greater financial, marketing and other resources than we do and who are represented by dealers in the markets in which we now operate and into which we plan to expand. We also compete with a variety of small, independent manufacturers. We cannot assure you that we will not face greater competition from existing large or small manufacturers or that we will be able to compete successfully with new competitors. Our failure to compete effectively with our current and future competitors would adversely affect our business, financial condition and results of operations. We compete with a variety of other activities for consumers' scarce leisure time. Our boats are used for recreational and sport purposes, and demand for our boats may be adversely affected by competition from other activities that occupy consumers' leisure time and by changes in consumer life style, usage pattern or taste. Similarly, an overall decrease in consumer leisure time may reduce consumers' willingness to purchase and enjoy our products. Changes in currency exchange rates can adversely affect our results. A portion of our sales are denominated in a currency other than the U. S. dollar. Consequently, a strong U. S. dollar may adversely affect reported revenues and, with the recent strengthening of the U. S. dollar, we have experienced a corresponding negative impact on our financial results with respect to our foreign operations. We also maintain a portion of our manufacturing operations in Australia which partially mitigates the impact of a strengthening U. S. dollar in that country. A portion of our selling, general and administrative costs are transacted in Australian dollars as a result. We also sell U. S. manufactured products into certain international markets in U. S. dollars, including the sale of products into Canada, Europe and Latin America. Demand for our products in these markets may also be adversely affected by a strengthening U. S. dollar. We do not currently use hedging or other derivative instruments to mitigate our foreign currency risks. Inflation could adversely affect our financial results. The market prices of certain materials and components used in manufacturing our products, especially resins that are made with hydrocarbon, feedstocks, copper, aluminum and stainless steel, can be volatile. While, historically, inflation Inflation has not recently had a material effect an adverse impact on our business results of operations, significant increases in inflation, particularly those related to wages and increases in the cost of raw materials and transportation, recently have had, and may continue to have, an adverse impact on our business, financial condition, and results of operations. In addition, new boat buyers often finance their purchases. During the past year, inflation-inflation typically results in higher, along with rising interest rates that could, has translate-translated into an increased cost of boat ownership. Should inflation and increased interest rates occur continue or increase, prospective consumers may choose to forego or delay their purchases or buy a less expensive boat in the event credit is not available to finance their boat purchases. Risks Related to our Dealers We depend on our network of independent dealers, face increasing competition for dealers and have little control over their activities. Substantially all of our sales are derived from our network of independent dealers. Maintaining a reliable network of dealers is essential to our success. Our top ten dealers represented 41. 1..... and results of operations. We have agreements with the dealers in our network that typically provide for one- year terms, although some agreements have a longer term terms of up. Our to top three ten dealers represented 40. 4 %, 41. 1 % and 39. 9 % of our net sales for fiscal year 2024, 2023 and 2022, respectively. Sales to our dealers under common control of OneWater Marine, Inc. represented approximately 23. 7 %, 17. 2 % and 16. 8 % of consolidated net sales in fiscal years 2024, 2023 and 2022, respectively. Sales to our former dealers under common control of Tommy' s Boats represented approximately 2. 4 %, 10. 7 % and 9. 4 % of our consolidated net sales in the fiscal years ended June 30, 2024, 2023 and 2022 respectively, including 6. 7 %, 0. 0 % and 0. 5 % of our consolidated sales in fiscal year 2024 for Malibu, Saltwater Fishing and Cobalt, respectively. During fiscal year 2024, we informed Tommy' s Boats that we would not be renewing any of their agreements that had expired as of June 30, 2023 and we terminated the two agreements in Texas that had not expired. Tommy' s subsequently filed for bankruptcy protection and is in the process of liquidating its inventory. We have since entered into dealer agreements with other dealers in 14 of the 15 markets previously served by Tommy' s Boats. The loss of additional significant dealers or a significant number

**of other dealers could have a material adverse effect on our financial condition and results of operations**. The number of dealers supporting our products and the quality of their marketing and servicing efforts are essential to our ability to generate sales. Competition for dealers among recreational powerboat manufacturers continues to increase based on the quality, price, value and availability of the manufacturers' products, the manufacturers' attention to customer service and the marketing support that the manufacturer provides to the dealers. We face competition from other manufacturers in attracting and retaining independent boat dealers. In addition, independent dealers in the recreational powerboat industry have experienced significant consolidation in recent years, which could result in the loss of one or more of our dealers in the future if the surviving entity in any such consolidation purchases similar products from a competitor. A significant deterioration in the number or effectiveness of our dealers could have a material adverse effect on our business, financial condition and results of operations. ~~Our success depends, in part, upon the financial health of our dealers and their continued access to financing.~~ Because we sell nearly all of our products through dealers, the financial health of our dealers is critical to our success. Our business, financial condition and results of operations may be adversely affected if the financial health of the dealers that sell our products suffers. Their financial health may suffer for a variety of reasons, including a downturn in general economic conditions, rising interest rates, higher rents, increased labor costs and taxes, compliance with regulations and personal financial issues. **During fiscal year 2024, we informed one of our former dealers, Tommy's Boats, that we would not be renewing any of their agreements that had expired as of June 30, 2023 and we terminated two agreements in Texas that had not expired. Tommy's subsequently filed for bankruptcy protection and is in the process of liquidating its inventory. As of August 29, 2024, we believe fewer than 280 of our new model year 2023 and 2024 boats remain in the inventory of Tommy's Boats. Pursuant to an order of the bankruptcy court and our repurchase agreement with M & T Bank, we repurchased 19 new model year 2024 from Tommy's Boats. With respect to boats not subject to the repurchase agreement, the bankruptcy trustee has retained Gordon Brothers to sell the remaining inventory as part of liquidation sales that are ongoing. We have been in discussions with the trustee regarding the inventory being liquidated. If the boats previously held by Tommy's Boats are sold at prices significantly** Our dealers also require adequate liquidity to finance their operations, including purchases of our boats. Dealers are subject to numerous risks and uncertainties that could unfavorably affect their liquidity positions, including, among other things, continued access to adequate financing sources on a timely basis on reasonable terms. These sources of financing are vital to our ability to sell products **to our dealers** through our distribution network. Access to floor plan financing generally facilitates our dealers' ability to purchase boats from us, and their financed purchases reduce our working capital requirements. If floor plan financing were not available to our dealers, our sales and our working capital levels would be adversely affected. ~~We as dealers may be required to shift the timing of certain purchases and otherwise reduce the total number of boats that they repurchase--~~ **purchase during any given period. In addition, rising interest rates could also incentivize dealers to reduce their inventory levels in order to reduce their interest exposure, which may further adversely impact the sales of certain dealers our boats and our results of operations.** Many of our dealers have floor plan financing arrangements with third-party finance companies that ~~enable~~ **facilitate** the dealers to ~~purchase~~ **purchasing** our products. In connection with these ~~such floor plan financing~~ agreements, ~~in certain instances we agree may have an obligation to repurchase our products from a the third-party finance company under certain circumstances, and we may not have any control over the timing or amount of any repurchase obligation nor have access to capital on terms acceptable to us to satisfy any repurchase obligation.~~ **Generally, This this** obligation is triggered if a dealer defaults on its debt obligations to a finance company, the finance company repossesses the boat and the boat is returned to us. ~~Our obligation to repurchase a repossessed boat for the unpaid balance of our original invoice price for the boat is subject to reduction or limitation based on the age and condition of the boat at the time of repurchase, and in certain cases by an aggregate cap on repurchase obligations associated with a particular floor plan financing program. If boats are returned to us, it would have an adverse impact on our net sales and could result in downward pressure on pricing of our boats. Since fiscal year 2020, we have repurchased a total of two units from lenders to former dealers and those units were subsequently resold above their cost and at a minimal margin loss. One or more dealers may default on the terms of a credit line in the future.~~ In addition, applicable laws regulating dealer relations may also require us to repurchase our products from our dealers under certain circumstances. **In such circumstances**, ~~and~~ we may not have any control over the timing or amount of any repurchase obligation nor have access to capital on terms acceptable to us to satisfy any repurchase obligation. If we are required to repurchase a significant number of units under any repurchase agreement or under applicable dealer laws, **it could have an adverse impact on** our business, operating results ~~and~~, financial condition and cash flows. Since fiscal year 2020, we have repurchased a total of 36 units from lenders to former dealers and those units were subsequently resold above their cost and at a minimal margin loss. This number includes 19 boats we repurchased pursuant to our repurchase agreement with M & T Bank related to the bankruptcy of our former dealer, Tommy's Boats. Future declines in marine industry demand could cause an increase in repurchase activity or could require us to incur losses in excess of established reserves. In addition, our cash flow and loss experience could be adversely affected. ~~Risks Related~~ **if repurchased inventory is not successfully distributed to other dealers in a timely manner, our** ~~or~~ **or if the recovery rate on the resale of the product declines. The finance companies could require changes in repurchase terms that would result in an increase in our contractual obligations. We currently are facing, and will likely continue to face, legal, administrative and Regulatory-regulatory proceedings, Accounting-claims, Legal-demands and / or investigations relating to dealer or consumer matters, shareholder matters and / or other matters relating to our business. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages or fines, or and- an Tax-Environment injunction stopping us from manufacturing or selling certain products, engaging in certain business practices, or requiring other remedies. We are currently defending against a securities class action lawsuit. The class action complaint alleges violations of the Securities Exchange Act of 1934, as amended, in connection with allegedly false and misleading statements made by us related to our business, operations**

and prospects during the period from November 4, 2022 through April 11, 2024. The complaint alleges, among other things, that we violated Sections 10 (b) and 20 (a) of the Exchange Act and SEC Rule 10b-5 by not disclosing alleged material adverse facts related to our inventory and relationship with one of our former dealers, Tommy's Boats, and accordingly, that any positive statements made during the class period about our business, operations, and prospects were materially misleading and / or lacked a reasonable basis. Prior to the filing of the securities class action lawsuit, one of our former dealers, Tommy's Boats, filed a claim alleging that Malibu Boats, Inc. and Malibu Boats, LLC breached obligations under dealership agreements with Tommy's Boats, quantum meruit, unjust enrichment, promissory estoppel and intentional and negligent misrepresentations relating to the parties' commercial relationship. Tommy's Boats is seeking monetary damages. On July 3, 2024, the trustee appointed in the chapter 11 bankruptcy cases for Tommy's Boats voluntarily dismissed the claims filed by Tommy's Boats without prejudice. In addition, pursuant to an order of the bankruptcy court, we have agreed to cooperate in good faith to mediate with the Chapter 11 trustee. On August 16, 2024, Matthew Borisch, the principal owner of Tommy's Boats, filed a complaint against Malibu Boats, Inc., Malibu Boats, LLC, and Jack Springer in the United States District Court for the Eastern District of Tennessee alleging similar allegations to those of the dismissed complaint against Malibu Boats, Inc. and Malibu Boats, LLC filed by Tommy's Boats. The manufacture and sale of boats also exposes us to product liability risks and a significant adverse determination in any material claim against us could adversely affect our operating results or financial condition. The manufacture and sale of our boats expose us to significant risks associated with product liability, economic loss, and other claims. If our products are found to be defective or used incorrectly by our customers, bodily injury, property damage or other injury, including death, may result and this could give rise to additional product liability or economic loss claims against us and adversely affect our brand image or reputation. For instance During fiscal year 2023, we recently settled certain product liability matters for \$ 100. 0 million after a jury found that our subsidiary, Malibu Boats, LLC, and another entity that was the manufacturer of the boat at issue, Malibu Boats West, Inc., negligently failed to warn of a hazard posed by the boat and that such failure was a proximate cause of the death of a passenger in the boat. Malibu Boats West, Inc. is not, and has never been, a subsidiary of ours but was a separate legal entity whose assets were purchased by Malibu Boats, LLC in 2006. See Note 17 of our audited consolidated financial statements included elsewhere in this Annual Report on Form 10- K for additional information. As noted We are also currently defending a customer class action lawsuit. The class action complaint alleges violations of the Magnusson- Moss Warranty Act, we breach of express and implied warranties, and violation of California's Consumer Legal Remedies Act based on guidance issued to customers of certain older model boats related to riding in the bow area of those boats. We continue to defend against the class action claims. We maintain product and general liability insurance policies, including excess insurance coverage for product liability claims. However, we are not fully insured against all potential claims and we may experience legal claims in excess of our insurance coverage or claims that are not covered by insurance, either of which could adversely affect our business, financial condition and results of operations. Any losses that we may suffer from any such claims, including any unanticipated adverse determination of a material product liability claim or other material claim (particularly an uninsured matter), could materially and adversely affect our financial condition, and the effect that any such liability may have upon the reputation and marketability of our products may have a negative impact on our business and operating results. We have in the past, and may be required in the future, to pay significant significant product repair amounts to settle litigation and / regulatory proceedings and, regardless of the outcome, litigation and regulatory proceedings can be costly, time- consuming and disruptive to our replacement business and operations. Goodwill and indefinite- lived intangible assets, such as our trade names, are recorded at fair value at the time of acquisition and are not amortized, but are reviewed for impairment at least annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill and trade names, we make assumptions regarding future operating performance, business trends, and market and economic conditions. Such analyses further require us to make certain assumptions about sales, operating margins, growth rates, and discount rates. Uncertainties are inherent in evaluating and applying these factors to the assessment of goodwill and trade name recoverability. We could be required to evaluate the recoverability of goodwill or trade names prior to the annual assessment if we experience business disruptions, unexpected significant declines in operating results, a divestiture of a significant component of our business, or declines in market capitalization. We recognized an impairment charge of \$ 88. 4 million for the three months ended March 31, 2024 related to our Maverick Boat Group reporting unit. We determined certain indicators of potential impairment existed with respect to our Maverick Boat Group reporting unit during the three months ended March 31, 2024, warranting an interim impairment assessment of goodwill as of March 31, 2024. These indicators included a decline in the fiscal year 2024 and fiscal year 2025 forecasts, in the outlook for sales and operating performance relative to our business plan and a deterioration in general macroeconomic conditions, including rising interest rates and inflationary pressures on labor and supply costs due to product. As a result of these macroeconomic factors, specifically a decline in the fiscal year 2024 and fiscal year 2025 forecast, we performed a goodwill impairment analysis as of March 31, 2024 and based on such analysis, we determined an impairment charge was appropriate. We continually evaluate whether events or circumstances have occurred that indicate the remaining estimated useful lives of our definite- lived intangible assets and other long- lived assets may warranty- warrant claims revision or product recalls whether the remaining balance of such assets may not be recoverable. We use an estimate of the related undiscounted cash flow over the remaining life of the asset in measuring whether the asset is recoverable. As of June 30, 2024, the balance of total goodwill and indefinite- lived intangible assets was \$ 130. 4 million, which represents approximately 17. 6 % of total assets. If the future operating performance of either the Company or individual operating segments is not sufficient, we could be required to record have a material adverse impact on non - cash impairment charges. Impairment charges could substantially affect our results of operations reported earnings in the periods such

**charges are recorded. In addition, impairment charges could indicate a reduction in business value which could limit our ability to obtain adequate financing in the future.** We provide limited warranties for our boats. Although we employ quality control procedures, sometimes a product is distributed that needs repair or replacement. Our standard warranties require us, through our dealer network, to repair or replace defective products during such warranty periods. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of that product if the defect or alleged defect relates to safety. For example, in fiscal year 2019 we announced a recall on fuel pumps supplied to us by a third-party vendor and used in certain Malibu and Axis boats. While this recall did not have a material impact on our business, the repair and replacement costs we could incur in connection with a recall could materially and adversely affect our business and could cause consumers to question the safety or reliability of our products. Changes to U. S. trade policy, tariffs, and import / export regulations may have a material adverse effect on our business, financial condition, and results of operations. Changes in laws and policies governing foreign trade could adversely affect our business and trigger retaliatory actions by affected countries. There is significant uncertainty with respect to future trade regulations, including the imposition by the U. S. of tariffs and penalties on products manufactured outside the U. S., and **with respect to** existing international trade agreements, ~~as shown by Brexit in Europe.~~ The institution of global trade tariffs, trade sanctions, new or onerous trade restrictions, embargoes and other stringent government controls have the potential to adversely impact the U. S. economy, our industry, our suppliers, and global demand for our products and, as a result, could have a material adverse effect on our business, financial condition, and results of operations. ~~We must comply with environmental laws and regulations as a boat manufacturer that could increase the costs of our products and reduce consumer demand.~~ As with boat construction in general, our manufacturing processes involve the use, handling, storage and contracting for recycling or disposal of hazardous substances and wastes. The failure to manage or dispose of such hazardous substances and wastes properly could expose us to material liability or fines, including liability for personal injury or property damage due to exposure to hazardous substances, damages to natural resources, or for the investigation and remediation of environmental conditions. Under certain environmental laws, we may be liable for remediation of contamination at sites where our hazardous wastes have been disposed of at our current or former facilities, regardless of whether such facilities are owned or leased or whether we caused the condition of contamination. We have not been notified of and are otherwise currently not aware of any contamination at our current or former facilities, or at any other location, for which we could have any material liability under environmental laws or regulations, and we currently are not undertaking any remediation or investigation activities in connection with any contamination. Also, the components in our boats may become subject to more stringent environmental regulations. For example, boat engines and other emission producing components may become subject to more stringent emissions standards, which could increase the cost of our engines, components and products, which, in turn, may reduce consumer demand for our products. Our customers use our boats for recreational water and fishing activities. Environmental regulations, permitting and zoning requirements and other commercial policies and practices that limit access to water, including availability of slip locations and / or the ability to transfer boats among different waterways, access to fisheries, or the ability to fish in some areas could negatively affect demand for our boats. Future licensing requirements, including any licenses imposed on recreational boating, may also deter potential customers, thereby reducing our sales. Furthermore, regulations allowing the sale of fuel containing higher levels of ethanol for automobiles, which is not appropriate or intended for use in marine engines, may nonetheless result in increased warranty, service costs, customer dissatisfaction with products, and other claims against us if boaters mistakenly use this fuel in marine engines, causing damage to and the degradation of components in their marine engines. ~~In addition to environmental regulations, we must also comply with product safety, workforce and other laws and regulations that may increase our costs and could result in harm to our reputation if we fail to comply with such regulations.~~ We are subject to federal, state, local, and foreign laws and regulations, including product safety, workforce, and other regulations. For instance, we are subject to laws governing our relationships with employees, including, but not limited to, employment obligations such as employee wage, hour, and benefits issues. The Occupational Safety and Health Administration (OSHA) also imposes standards of conduct for and regulates workplace safety, including physical safety and limits on the amount of emissions to which an employee may be exposed without the need for respiratory protection or upgraded plant ventilation. Our facilities are also regularly inspected by OSHA and by state and local inspection agencies and departments. **Further, in October 2023, California passed climate disclosure laws that, among other requirements, will require public and private companies that do business in California with total annual revenues exceeding certain thresholds to make disclosures including GHG emission data and climate-related financial risks. The implementing regulations for the law have not yet been drafted and the requirements are currently set to begin taking effect in 2026, with additional requirements phasing in through 2030. While we are still assessing the impact of these requirements, additional reporting obligations could cause us to incur increased costs.** Any of these laws, rules, or regulations may cause us to incur significant expenses to achieve or maintain compliance, require us to modify our products, or modify our approach to our workforce, adversely affecting the price of or demand for some of our products, and ultimately affect the way we conduct our operations. Failure to comply with any of these laws, rules, or regulations could result in harm to our reputation and / or could lead to fines and other penalties, including restrictions on the importation of our products into, and the sale of our products in, one or more jurisdictions until compliance is achieved. In addition, legal requirements are constantly evolving, and changes in laws, regulations or policies, or changes in interpretations of the foregoing, could result in compliance shortfalls, require additional product development investment, increase consumer pricing, and increase our costs or create liabilities where none exists today. ~~Risks Related to our Capital Structure~~ ~~The only material asset of Malibu Boats, Inc. is our interest in the LLC, and therefore Malibu Boats, Inc. is dependent upon distributions from the LLC for any cash obligations of Malibu Boats, Inc.~~ Malibu Boats, Inc. is a holding company and has no material assets other than its ownership of LLC Units in the LLC. Malibu Boats, Inc. has no independent means of generating revenue. We intend to cause the LLC to make distributions to its unit holders in an amount sufficient to cover all applicable taxes at assumed tax rates and payments under the tax receivable

agreement. To the extent that Malibu Boats, Inc. need funds, and the LLC is restricted from making such distributions under applicable law or regulation or under the terms of its financing arrangements, or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition. For example, our credit agreement generally prohibits the LLC, Malibu Boats, LLC, Malibu Australian Acquisition Corp., Cobalt Boats, LLC, PB Holdco, LLC, MBG Holdco, Inc. and Maverick Boat Group, Inc. from paying dividends or making distributions to Malibu Boats, Inc. However, our credit agreement permits (i) distributions to members of the LLC, including Malibu Boats, Inc., based on the member's allocated taxable income, (ii) distributions to fund payments that are required under the our tax receivable agreement, (iii) purchases of stock or stock options of the LLC from former officers, directors or employees of loan parties under the credit agreement or payments pursuant to stock option and other benefit plans up to \$ 5. 0 million in any fiscal year, and (iv) repurchases of the outstanding stock and LLC units of Malibu Boats, Inc.. In addition, the LLC may make dividends and distributions, subject to compliance with other financial covenants. ~~The credit agreement governing our revolving credit facility contains restrictive covenants which may limit our operating flexibility and may impair our ability to access sufficient capital to operate our business.~~ We rely on our revolving credit facility to provide us with adequate liquidity to operate our business. The credit agreement governing our revolving credit facility contains restrictive covenants regarding indebtedness, liens, fundamental changes, investments, share repurchases, dividends and distributions, disposition of assets, transactions with affiliates, negative pledges, hedging transactions, certain prepayments of indebtedness, accounting changes and governmental regulation. The credit agreement also requires compliance with financial covenants consisting of a minimum ratio of EBITDA to interest expense and a maximum ratio of total debt to EBITDA. We have the option to request that lenders increase the amount available under the revolving credit facility by, or obtain incremental term loans of, up to \$ 200. 0 million, subject to the terms of the credit agreement and only if existing or new lenders choose to provide additional term or revolving commitments. Any incremental revolving commitments or term loan facility established under the credit agreement will also be subject to these same covenants and restrictions. These covenants may affect our ability to operate and finance our business as we deem appropriate. Violation of these covenants could constitute an event of default under the credit agreement governing our revolving credit facility. If there were an event of default under the credit agreement, our lenders could reduce or terminate our access to amounts under our credit facilities or declare all of the indebtedness outstanding under our revolving credit facility immediately due and payable. We may not have sufficient funds available, or we may not have access to sufficient capital from other sources, to continue funding our operations or to repay any accelerated debt. Even if we could obtain additional financing, the terms of the financing may not be favorable to us. In addition, substantially all of our assets are subject to liens securing our revolving credit facility. If amounts outstanding under the revolving credit facility were accelerated, our lenders could foreclose on these liens and we could lose substantially all of our assets. Any event of default under the credit agreement governing our revolving credit facility could have a material adverse effect on our business, financial condition and results of operations. ~~Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.~~ Borrowings under our revolving credit facility are at variable rates of interest and expose us to interest rate risk. During the past year, interest rates have been increasing, which results in increased debt service obligations under our revolving credit facility even if our amount borrowed remains the same. Borrowings under our revolving credit facility bear interest at a variable rate equal to either, at our option, (i) the highest of the prime rate, the Federal Funds Rate plus 0. 5 %, or one- month Term SOFR plus 1 % (the " Base Rate ") or (ii) SOFR, in each case plus an applicable margin ranging from 1. 25 % to 2. 00 % with respect to SOFR borrowings and 0. 25 % to 1. 00 % with respect to Base Rate borrowings. The applicable margin will be based upon the consolidated leverage ratio of the LLC and its subsidiaries. As of August 24-26, 2023-2024, we had \$ 65-28. 0 million outstanding under our revolving credit facility. If the rate used to calculate interest on our outstanding floating rate debt under our revolving credit facility Credit Agreement were to increase by 1. 0 %, we would expect to incur additional interest expense on such indebtedness as of August 24-26, 2023-2024 of approximately \$ 0. 7-3 million on an annualized basis. ~~We will be required to pay the pre- IPO owners (or any permitted assignee) for certain tax benefits pursuant to our tax receivable agreement with them, and the amounts we may pay could be significant.~~ We entered into a tax receivable agreement with the pre- IPO owners (or their permitted assignees) that provides for the payment by us to the pre- IPO owners (or any permitted assignee) of 85 % of the tax benefits, if any, that we are deemed to realize as a result of (1) the increases in tax basis resulting from our purchases or exchanges of LLC Units and (2) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. These payment obligations are the obligations of Malibu Boats, Inc. and not of the LLC. For purposes of the agreement, the benefit deemed realized by Malibu Boats, Inc. will be computed by comparing its actual income tax liability (calculated with certain assumptions) to the amount of such taxes that it would have been required to pay had there been no increase to the tax basis of the assets of the LLC as a result of the purchases or exchanges, and had we not entered into the tax receivable agreement. Estimating the amount of payments that may be made under the tax receivable agreement is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The actual increase in tax basis, as well as the amount and timing of any payments under the agreement, will vary depending upon a number of factors, including: • the timing of purchases or exchanges- for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of the LLC at the time of each purchase or exchange; • the price of shares of our Class A Common Stock at the time of the purchase or exchange- the increase in any tax deductions, as well as the tax basis increase in other assets, of the LLC is directly related to the price of shares of our Class A Common Stock at the time of the purchase or exchange; • the extent to which such purchases or exchanges are taxable- if an exchange or purchase is not taxable for any reason, increased deductions will not be available; and • the amount and timing of our income- Malibu Boats, Inc. will be required to pay 85 % of the deemed benefits as and when deemed realized. If we do not have taxable income, we generally will not be required (absent a change of control or other circumstances requiring an early termination payment) to make payments under the tax receivable agreement for that taxable year because no benefit will have

been realized. However, any tax benefits that do not result in realized benefits in a given tax year will likely generate tax attributes that may be utilized to generate benefits in previous or future tax years. The utilization of such tax attributes will result in payments under the tax receivable agreement. We expect that the payments that Malibu Boats, Inc. may make under the tax receivable agreement may be substantial. Assuming no material changes in the relevant tax law, and that we earn sufficient taxable income to realize all tax benefits that are subject to the agreement, we expect that future payments under the tax receivable agreement relating to the purchases by Malibu Boats, Inc. of LLC Units will be approximately \$ 43-40.5-6 million over the next sixteen (16) years. Future payments to pre- IPO owners (or their permitted assignees) in respect of subsequent exchanges or purchases would be in addition to these amounts and are expected to be substantial. The foregoing numbers are estimates and the actual payments could differ materially. It is possible that future transactions or events, such as changes in tax legislation, could increase or decrease the actual tax benefits realized and the corresponding tax receivable agreement payments. Further, there may be a material negative effect on our liquidity if distributions to Malibu Boats, Inc. by the LLC are not sufficient to permit Malibu Boats, Inc. to make payments under the tax receivable agreement after it has paid taxes. For example, Malibu Boats, Inc. may have an obligation to make tax receivable agreement payments for a certain amount while receiving distributions from the LLC in a lesser amount, which would negatively affect our liquidity. The payments under the tax receivable agreement are not conditioned upon the pre- IPO owners' (or any permitted assignees') continued ownership of us. Malibu Boats, Inc. is required to make a good faith effort to ensure that it has sufficient cash available to make any required payments under the tax receivable agreement. The limited liability company agreement of the LLC requires the LLC to make "tax distributions" which, in the ordinary course, will be sufficient to pay the actual tax liability of Malibu Boats, Inc. and to fund required payments under the tax receivable agreement. If for any reason the LLC is not able to make a tax distribution in an amount that is sufficient to make any required payment under the tax receivable agreement or we otherwise lack sufficient funds, interest would accrue on any unpaid amounts at LIBOR, plus 500 basis points until they are paid. **Although Recent actions taken by the Chief Executive of the U. K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, was discontinued U. S. LIBOR after June 30, 2023 - Our, our** tax receivable agreement does not provide for an alternative reference rate to LIBOR. Therefore, pursuant to the Adjustable Interest Rate (LIBOR) Act (the "LIBOR Act"), 12 U. S. C. § § 5801-5807, and the regulations promulgated to carry out the LIBOR Act, 12 C. F. R. Part 253, on July 1, 2023 we believe LIBOR with respect to the tax receivables agreement was automatically replaced by operation of law with the SOFR plus a spread adjustment. We do not currently anticipate failing to pay any amounts owed under our ~~tax receivable agreement. In certain cases, payments under the tax receivable agreement to the pre- IPO owners (or any permitted assignees) of LLC Units may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement.~~ The tax receivable agreement provides that, in the event that we exercise our right to early termination of the tax receivable agreement, or in the event of a change in control or a material breach by us of our obligations under the tax receivable agreement, the tax receivable agreement will terminate, and Malibu Boats, Inc. will be required to make a lump- sum payment equal to the present value of all forecasted future payments that would have otherwise been made under the tax receivable agreement, which lump- sum payment would be based on certain assumptions, including those relating to our future taxable income. The change in control payment and termination payments to the pre- IPO owners (or any permitted assignees) could be substantial and could exceed the actual tax benefits that Malibu Boats, Inc. receives as a result of acquiring the LLC Units because the amounts of such payments would be calculated assuming that we would have been able to use the potential tax benefits each year for the remainder of the amortization periods applicable to the basis increases, and that tax rates applicable to us would be the same as they were in the year of the termination. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity. There can be no assurance that we will be able to finance our obligations under the tax receivable agreement. Payments under the tax receivable agreement will be based on the tax reporting positions that we determine. Although we are not aware of any issue that would cause the Internal Revenue Service, or the IRS, to challenge a tax basis increase, Malibu Boats, Inc. will not be reimbursed for any payments previously made under the tax receivable agreement. As a result, in certain circumstances, payments could be made under the tax receivable agreement in excess of the benefits that Malibu Boats, Inc. actually realizes in respect of (1) the increases in tax basis resulting from our purchases or exchanges of LLC Units and (2) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. Risks Related to our Common Stock

**Inefficient or ineffective allocation of capital could adversely affect our operating results and / or stockholder value. We strive to allocate capital in a manner that enhances stockholder value, lowers our cost of capital, or demonstrates our commitment to return excess capital to stockholders, while maintaining our ability to invest in strategic growth opportunities. In October 2023, our Board of Directors authorized a stock repurchase program to allow for the repurchase of up to \$ 100. 0 million of our Class A Common Stock and the LLC' s LLC Units for the period from November 8, 2023 to November 8, 2024. As of June 30, 2024, \$ 82. 7 million remained available under the stock repurchase program. We have also announced that we intend to return capital of at least \$ 10. 0 million per quarter from May 2024 through May 2025 through either the repurchase of common stock or dividend payments. We intend to purchase shares under the repurchase authorization from time to time on the open market at the discretion of management, subject to strategic considerations, market conditions, and other factors. Repurchases under our share repurchase program will reduce the market liquidity for our stock, potentially affecting its trading volatility and price. Future share repurchases will also diminish our cash reserves, which may impact our ability to pursue attractive strategic opportunities. Therefore, if we do not properly allocate our capital or implement a successful cash management strategy, including with respect to returning value to our stockholders through this share repurchase authorization, we may fail to produce optimal financial results and experience a reduction in stockholder value.** Our stock price may be volatile and stockholders may be unable to sell shares at or above the price at which they purchased them. Our closing stock

price ranged from \$ ~~46-31~~ . ~~96-79~~ per share to \$ ~~70-60~~ . ~~49-31~~ per share during fiscal year ~~2023-2024~~ . The market price of our Class A Common Stock could be subject to wide fluctuations in response to the risk factors listed in this section and others beyond our control. Further, stock markets may experience extreme price and volume fluctuations that can affect the market prices of equity securities. These fluctuations can be unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, could harm the market price of our Class A Common Stock. Future sales of our Class A Common Stock in the public market could cause our share price to fall; furthermore, you may be diluted by future issuances of Class A Common Stock in connection with our incentive plans, acquisitions or otherwise. Sales of a substantial number of shares of our Class A Common Stock in the public market, in particular sales by our directors, officers or other affiliates, or the perception that these sales might occur, could depress the market price of our Class A Common Stock and could impair our ability to raise capital through the sale of additional equity securities. Furthermore, any Class A Common Stock that we issue in connection with our Long- Term Incentive Plan or other equity incentive plans that we may adopt in the future, our acquisitions or otherwise would dilute the percentage ownership of holders of our Class A Common Stock. Our governing documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock. Our certificate of incorporation and bylaws contain certain provisions that could delay or prevent a change in control. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include, without limitation: • a classified board structure; • a requirement that stockholders must provide advance notice to propose nominations or have other business considered at a meeting of stockholders; • supermajority stockholder approval to amend our bylaws or certain provisions in our certificate of incorporation; and • authorization of blank check preferred stock. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15 % or more of our outstanding Class A Common Stock, from engaging in certain business combinations without the approval of substantially all of our stockholders for a certain period of time. These and other provisions in our certificate of incorporation, bylaws and under Delaware law could discourage potential takeover attempts, reduce the price that investors might be willing to pay for shares of our Class A Common Stock in the future and result in the market price being lower than it would be without these provisions.